

Planning and Evaluation Committee

Thursday, May 14, 2020

Agenda

- 1. Call to Order/Roll Call**
- 2. Approval of the minutes of March 13, 2020**
- 3. Committee orientation**
 - A. P & E Committee Charges – see attached**
 - B. Subcommittees**
 - Facilities Expansion
 - Capital Projects Evaluation
 - Fitness Facilities – Roger Myers Chair
 - Aquatics Facilities – Kris Bean Chair
 - C. What are GVR capital projects – see handout**
- 4. Facilities Maintenance Report – David Jund**
 - A. East Center Pool update/discussion**
- 5. New Business**
 - A. 2021 Capital Projects Plan – see handout**
 - B. Club/member Requests**
 - Meeting Room(s) – Replace Fiesta Room - Staff
 - Gathering Space – Carol Lambert
 - Lapidary
 - Glass Arts
 - Wood Shop
 - Fitness Center – Roger Myers
 - Artisan Shop
 - Ceramics
 - Metal Workers
 - C. Multi-year strategic plan**

PLANNING AND EVALUATION COMMITTEE

a. Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

b. Responsibilities:

1. To review and discuss on an annual basis, the capital evaluation requirements, and any documents required for club and miscellaneous capital funding requests submitted to the P&E Committee.
2. To be knowledgeable of the Strategic Plan, Long-term Capital Plan, and Center Assessment Survey to ensure that all capital-funding recommendations comply with these plans.
3. To identify issues and trends that could contribute to the update of aforementioned plans.

What are GVR Capital Projects?

It is often asked, "What are GVR Capital projects and how does the Reserve apply to them?" First, there are three Reserves: Emergency, Initiatives, and the Maintenance, Repair and Replacement Reserve. In this article I will be addressing the Maintenance, Repair and Replacement Reserve (MRR) and how this Reserve applies or does not apply to Capital Projects.

Capital Projects (source: GVR CPM Section V, sub-section A4)

- a) Those projects whose costs exceeds \$5000.
- b) Capital Replacement: A replacement is defined as anything that has to be replaced including major refurbishments such as the floor, the walls, the roof, the doors, etc., down to the fixture replacement.
- c) Capital Addition: An addition is anything that is added on to the square footage and/or adds to the value of the property.

What are the types of Capital Projects?

MRR Reserve Capital Projects

MRR Reserve Capital Projects are based solely on the Browning Reserve Group's (BRG) Reserve Study. The original BRG Reserve Study was accepted by the Board of Directors on June 16, 2016. The Reserve Study is updated yearly. Based on staff's input, GVR received a BRG Reserve Study update on September 17, 2017 and, most recently, on August 17, 2018

The BRG Reserve Study is a 30 year reserve funding plan. The study identifies components (Assets) and attaches useful life spans to each component. Based on useful life, costs for component replacement is forecasted throughout the 30 year term.

BRG identifies two types of components within the study:

- Included – major components estimated at greater than \$5000
- Excluded – components estimated at \$5000 and below

All BRG Reserve Study Included Components are funded by the MRR Reserve Maintenance, Repair & Replacement Reserve Fund (previously the Capital Reserve Fund)

BRG Reserve Study Component have a remaining useful life of less than 30 years. Also, no BRG Reserve Study Component can be categorized as a Capital Addition.

Each BRG Reserve Component (both Included and Excluded) meets these four criteria:

1. GVR must have a duty to maintain, repair and replace it
2. Limited useful life
3. Predictable remaining useful life

4. Exceeds a minimum dollar threshold

Though these BRG Reserve Study Components do fall into GVR's Capital Project definition for Capital Replacement, not all Capital Replacements are captured within the BRG Reserve Study.

Example: a full swimming pool replacement is definitely a Capital Replacement, but the replacement of an entire pool would not be captured in the BRG Reserve Study. This is due to the fact that it does not have a predictable remaining useful life. However, components of the pool are captured within the BRG Reserve Study i.e. plaster, deck coatings, lift chairs and deck repairs, as these components have predictable and limited useful lifespans. A full replacement of a swimming pool would therefore have to be built into a non-MRR Reserve Capital Project.

Non-MRR Reserve Capital Projects

Non-MRR Reserve Capital Projects are projects that are brought forward by staff, Member Requests, and Club Requests.

Projects brought forward by staff are often times identified through center assessments and/or inspections. During Center Assessments/Inspections, staff identifies both Operating and Capital projects. Previous year assessments and the BRG Reserve Study are referenced during Center Assessments to aid in predictable and useful life of Operating and Capital assets.

Member Requests come to staff's attention by various methods including in-the-field suggestions. Cost estimates to complete an individual member request is sought. If determined that the project meets the definitions of a Capital Project and if the request does not fall into the realm of a BRG Reserve Component, they are built into the list of projects that staff collects to submit for Non-MRR Reserve Capital Projects funding.

Club Requests are an annual process in which applications for funding to address club needs (both dedicated and club-use spaces) are submitting by club presidents to the GVR Club Liaisons on staff. Those applications are brought to the Planning and Evaluation Committee for consideration and for possible approval to fund. P&E-approved-for-funding requests are tallied by the committee. Approval to fund and execute the Club Requests is dependent upon the CFO's recommendation for funds dedicated for non-MRR Reserve Capital Projects within a fiscal year's Consolidated Budget.

The fact that not all Capital Replacements and Capital Additions are captured in the BRG Reserve Study and are not funded by the MRR Reserve, Non-MRR Reserve Capital projects are then a separate line item on a Fiscal Year's Consolidated Budget. The ability to execute these Capital Projects are therefore impacted by the budget building process and by funds available to be allocated towards non-MRR Reserve Capital Projects.

The Board of Directors has final approval for funding for all Non-MRR Reserve Capital Projects by approving a Fiscal Year's Consolidated Budget.

GVR Capital Project Plan for 2021

Project Description	2018 Expenses Incurred	Estimated 2019 expenses (Initiatives)	Estimated 2020 expenses (Initiatives)	Estimated 2021 expenses (Initiatives)	Estimated 2022 expenses (Initiatives)	COMMENTS	P&E Rank	Survey Appr Rating
Social Gathering Places							1912	76%
1 - Implement 6 months test of WC 'coffee shop'			\$10,000.00			Find a vendor, furniture		
Facilities Expansion for Clubs & Membership Needs							1754	72%
Expansion design costs								
1 - New meeting rooms				\$ 150,000.00		Identify needs, Anza room split		
2 - lapidary consolidation	\$6,000.00					Decide on location		
3 - EC tennis courts area						Identify possible uses, trade-offs		
4 - DH Shuffleboard area	\$5,000.00					Identify best use		
5 - Clay Studio Expansion			\$80,000.00			Complete expansion into Fiesta room		
6 - Woodshop expansion						Begin analysis of expansion options		
Fitness Expansion Shuffleboard area			\$50,000.00	\$ 350,000.00		User forums, needs, space requirements		
Future pool needs				\$ 7,500.00		Analyze possible aquatics improvements, make recommendations		
TOTALS	\$11,000.00	\$0.00	\$140,000.00	\$ 507,500.00	\$0.00			