



## **AGENDA**

### **Planning & Evaluation Committee**

**Monday, October 9, 2023**

**1:00pm – 4:00pm Arizona MST**

**West Center-Rm 2 / Zoom**

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives."

**Committee:** Kathi Bachelor (Chair), Beth Dingman, Christine Gallegos, Ed Knop, Robert Quast, Lanny Smith, Kathy Zollinger, Marge Garneau (ex officio), Scott Somers (CEO), David Jund (Facilities Director/Liaison)

### **Agenda Topic**

1. **Call to Order / Roll Call - Establish Quorum**
2. **Chair Comments**
3. **Capital Improvement Project Development**
  - a. 1:00 Summary of Board-approved projects underway, along with contractual agreements with contractors, if any
  - b. 1:15 Brainstorming exercise for potential projects over a five-year period
  - c. 2:00 Prioritize the list of projects by utilizing the dot method
  - d. 2:10 Apply the Capital Improvement Policy and Process to the 5-10 highest priority projects
  - e. 2:40 Staff to provide rough cost estimates for each of the 5-10 projects
  - f. 3:00 Place highest priority projects sooner on the five-year plan than later
  - g. 3:15 Staff to calculate the cash flow over a five-year period to determine cash flow feasibility; Committee members reprioritizing if necessary to ensure adequate cash flow
  - h. 3:30 Develop a five-year capital improvement plan recommendation to the Board for consideration and to the FAC to develop funding recommendations for Board consideration
4. **Member Comments**
5. **Adjournment**

**Next Meeting:** Thursday, November 9, 2023, 1:30-3:00pm, WC-Rm 2/Zoom

# GVR Capital Improvement Project Policy and Process

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## Definition

Capital improvement project: Any equipment or other fixed asset costing \$5,000 or more and with a useful life of greater than one year.

## Policy

Staff develops the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

**Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS** - Each year, GVR will earmark \$100,000 in the Non-Reserve Capital Budget solely for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
  - i. unplanned and unbudgeted?
  - ii. under an estimated cost of \$50,000?
  - iii. anticipated to begin in current year?
  - iv. not included in the MRR study?
  - v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

## **Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS**

- Each year, GVR staff will develop a Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years. These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
  - vi. unplanned and unbudgeted?
  - vii. anticipated to begin in a future year?
  - viii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

## **Assessment Phase**

Staff completes the Capital Improvement Project Assessment for all completed and timely applications.

**Score <7** The proposal will not be considered at this time. Notify source party.

**Score =>7** Follow Type I or Type II steps below for all other proposals.

### **The following apply only to Type I Capital Improvement Projects:**

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

### **The following apply only to Type II Capital Improvement Projects:**

1. Upon annual staff reassessment and recommendation of projects and plans, Staff presents the Five-Year Capital Improvement Plan (CIP) to

the Planning and Evaluation Committee (P&E). The P&E Committee recommends the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.

2. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC recommends the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors during the annual budget approval process.
3. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget as part of the annual budget approval process.

## **Project Planning**

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.
6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

## Capital Improvement Project Assessment

Project Name: \_\_\_\_\_ Proposed by: \_\_\_\_\_  
 Proposed Inception Year: \_\_\_\_\_ Proposed Completion Year: \_\_\_\_\_

Criteria/Assessment	Rating		Details
If this is a request for new or expanded club space, has the Club taken steps to maximize utilization?	Yes No		If No, stop assessment. Club should take appropriate steps and reapply in the future.
Does the request conform to the CPM?	Yes No		If No, stop assessment and re-categorize request (ex. Club responsibility)
Does this request support GVR's mission and vision and align with the 5-year strategic plan?	Yes No		If No, project will not be considered at this time without extenuating circumstances.
Are there health & safety impact/benefits tied to this project/request?	Yes No		If Yes, stop assessment and reallocate request (ex. Operations) for alternative resolution
Would the project improve member accessibility?	Yes No		If Yes, stop assessment and reallocation request for alternative resolution
What are the 3-5 year participation trends related to the recreation amenity affected by this proposal?	Unknown Decreasing No change Increasing N/A	0 0 2 4	Consider in-house attendance data or research of national/regional trends.
Does this project improve GVR's marketability and/or competitive advantage?	No Moderately Yes	0 1 2	Consider: growing trends, what is offered elsewhere, etc.
Estimated additional annual maintenance costs (E.g., Long-term costs? Annual replacements? Additional staff required?)	Decrease or 0 1-5% increase 5-10% increase 10-15% increase	4 3 2 1	If proposal would add or remove services that exceed 5% of operating budget, a vote of the membership is required.
Rate the interest level of this improvement to the general membership	Limited Moderate Broad	1 2 3	Examples: <i>Limited:</i> Enhances a smaller club with modest anticipated growth trends <i>Moderate:</i> An emerging sport <i>Broad:</i> A pool or fitness center
Would this request have an adverse effect on another group or GVR members?	Yes No	0 1	
	<b>Total Score</b>		

# Capital Improvement Project Assessment

Scoring Range	
Will not be considered at this time	<7
Will be considered this round	= or >7

Aggregate Score

**Notes:**

**Additional Considerations:**

- ☐ **Club’s history of Capital Funding Requests reviewed and included?**  
Review data sheet of previous requests and awards, include in report