

PLANNING AND FISCAL AFFAIRS COMMITTEE MEETING

Wednesday, January 27, 2010

10:00 a.m.

Las Campanas Ironwood Room

GVR's Mission Statement: "To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."

IN ATTENDANCE: Marge Garneau (Chair), Mike Banks (Vice-Chair), Fred Balet, Gunnar Bonthron, Jack Ernest, Jack Leary, Stan Riddle

ABSENT: Cathy Rathjen, Keith Skytta, Marcia Vavich, Altie Metcalf

OTHER DIRECTORS: Ann Gillingham

STAFF: Anndrea Blackshear (Executive Director), Jim Cassidy (Finance Director), John Adderley (Building Services Manager), Ginny Bilbrey (Executive Assistant), Kim Steinhilb (IT Administrator), Allison Brown (Recreation Manager)

VISITORS: 2

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- ***Call to Order*** – Committee Chair Marge Garneau called the meeting to order at 10:00 a.m.
 - ***Upcoming meetings*** - Garneau stated that the committee had scheduled a meeting in mid-February but the Tennis Subcommittee has met and turned the project over to John Adderley to send out the Requests for Proposals (RFP's) and to get prices for the project. Therefore, instead of having two more meetings, she is cancelling the February 17th meeting and scheduling the meeting of the committee on Monday, March 8th at 10:00 a.m. It will be held in the MSC Annex.
 - ***Meeting Minutes*** - The December 9, 2009 committee minutes were approved as distributed.
 - ***Acceptance of Resignation of two Committee Members*** – Garneau advised that Marcia Vavich has resigned from the committee due to health issues and Cathy Rathjen resigned due to unavailability to attend the meetings. At this late date, Garneau will not replace these committee members.
 - ***Update on Las Campanas Tennis Courts*** – Building Services Manager John Adderley reported that GVR is continuing to work with Western Technologies to drill and core the tennis courts. He should have a final report from Western Technologies within 30 days. Until the final report is received, no major repairs will be done on the tennis courts.

Executive Director Anndrea Blackshear informed that Western Technologies did not find any cracks in the structural walls of the Racquetball Courts at Las Campanas.

- ***Update on West Center Tennis Courts*** – Adderley reported that he received a letter back from the tennis court contractor and indicated that the cracks are an on-going problem due to the wet and cooler temperatures. The company did return to sand and fill the cracks one more time. He stated that the company will return in late February to look and take care of the courts if needed prior to the upcoming Senior Games at no additional cost to GVR.
- ***Update on the Desert Hills Tennis Courts*** – Adderley reported that the RFP's were distributed to the vendors on January 11th. He received five (5) Letters of Intent to bid and received that same number from those that chose not to bid. The bids are due back to GVR by February 24th. All bids will be reviewed and once the top three are chosen, he will provide the committee members with copies via PDF files to review prior to the March 8th committee meeting. Blackshear advised that the Tennis Court Subcommittee will need to schedule a meeting to review the costs prior to the presentation to PFAC on March 8th.
- ***Needs Assessment Survey*** – Recreation Manager Allison Brown advised that three (3) proposals were received and reviewed. The top two were received from ETC located in Kansas and National Research Center located in Colorado. Interviews were held on January 20th and all three came in within the \$50,000 allocated to fund the project. Brown indicated that National Research Center understood recreation needs somewhat better than ETC and that is why that firm was selected. Both firms can meet the deadline requirements. The contract is being reviewed by GVR's attorney at this time. Whichever firm is awarded the contract will be very involved with staff. It was suggested that the survey have approximately 30 questions in a 5 – 7 page document. Garneau stated that the survey's scope of distribution will be primarily within GVR's boundaries. She informed the committee members that if they have questions for the survey to e-mail them directly to Brown.
- ***Energy Update*** – John Adderley reported that in this year's energy profile, his is asking for a 3% reduction in electric usage and believes that should be attainable. The 3% equals to approximately \$22,000 savings but he strongly believes that GVR can exceed that amount. Adderley signed a contract with Deca Lighting to upgrade all of the lighting at Canoa Hills. The overall costs were \$25,000 with Tucson Electric Power (TEP) picking up \$20,000 of the installed costs and GVR left with the \$5,000. GVR should see a payback in less than six months. Adderley reported that he is also looking at replacing the swimming pool pumps. New pumps on the market operate at a 97% efficiency rate compared to GVR's current pumps which operate at an 83% efficiency rate. He indicated that we could see a one-year payback of approximately \$1,000 for each motor installed. Since three pumps are located at each site that could yield a \$39,000 a year reduction in electrical usage costs after the replacement of all 39 site pumps. He will report back to the committee in late March or April. Adderley stated that his staff will concentrate on only energy efficient items with less than three-year paybacks.

- **Water Conservation** – Adderley stated that he is also working with one of our new employees to reuse pool water to use on watering plants, etc. at the other centers. He indicated that West Center would be the first pool that they would try to reuse the water once the pool was being drained. In the future along with projects, water conservation will become part of the package as well. The salt water pools are much harder to reuse their water but it can be done.
- **Risk Management Subcommittee** – Subcommittee Chair Jack Ernest advised that he held his first committee meeting on January 26th to establish the guidelines. The subcommittee will assume a new direction in that its primary goal will be to develop a mitigation recovery plan as the primary focus and to further identify perceived potential risks. Items discussed at the meeting included the format of a disaster recover plan, identify the potential threats to GVR and how to respond to a major area disaster, identify the agencies needed for assistance, interface with First Responders, and identifying communications during prolonged power outages while keeping GVR’s Member Services Center functioning during these emergencies.

Ernest reported that it is hard to find members to serve on the committee. He has already lost one member and will continue trying to find additional members. Garneau informed that the Risk Management Subcommittee will continue forward with the new PFAC committee once the new Board year begins in April.

- **Fitness Room Usage** – Blackshear reported that usage of the fitness rooms is GVR’s second highest activity and the numbers continue to increase. IT Manager Kim Steinhilb and a committee of staff are reviewing GVR’s reservation system and the use of the pools and fitness rooms, especially in the evening hours. He reported that in the winter time, some pools are only being used by one member during the hours of 4:00 – 7:00 p.m. The pool remains open and uncovered during that time but to conserve energy and save money, that pool could potentially be closed earlier than it currently is closed. The committee is also looking at the impact it will have on the members. Research indicates that the use of fitness rooms after 5:00 p.m. is minimal. He indicated that several of the centers do not have any reservations for rooms in the evenings or some may have very few which could potentially be moved to another facility in order to be economically feasible. This could result in saving not only energy but in the cost to have staff working at that site. Steinhilb will make a presentation in March on this issue.

Blackshear reported that a total of 177,379 members used the fitness rooms during 2009. The breakdown of the stats is as follows:

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|--------------------------|--|
| 1) Las Campanas – 62,677 | 4) Canoa Ranch – 35,486 |
| 2) Canoa Hills – 50,041 | 5) Santa Rita Springs – 29,346 |
| 3) East Center – 47,814 | 6) Desert Hills – 16,847 (9 months only) |

Square footage for the centers is listed below:

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|-------------------------|-------------------------------|
| 1) Canoa Ranch – 2,581 | 4) East Center – 1,776 |
| 2) Las Campanas – 2,372 | 5) Santa Rita Springs – 1,353 |
| 3) Canoa Hills – 1,980 | 6) Desert Hills – 1,026 |

She indicated that the average member use per square foot, Canoa Ranch falls in last place but as more people use the facility and the equipment, this number will increase. Plus the fact that the facility has been open only one year.

- ***SRS Monterey Room Usage*** – Chair Garneau stated that members from the SRS fitness room came to the Planning & Evaluation Committee a year ago and asked for additional space. They requested that the current Monterey Room become part of the existing fitness room. However, after staff researched the use of the Monterey Room and reported that over 700 members used the room during the year, the attendance reports for the SRS fitness room had not increased and the usage of the fitness room remained fifth out of six, the committee declined their request. The members were requesting an area to stretch before and after their workouts so the committee did ask staff to find a solution for this request. Staff worked with the fitness room members and provided them with the use of the Monterey Room and the Santa Cruz Room to stretch when the rooms were not in use. Signs were posted on the rooms so that members would know when the rooms would be available. Since Garneau promised the group that the issue would be reviewed in a year, she is following through with her agreement. Blackshear reported that 92 reservation contracts, or approximately 700 members, used the Monterey Room during 2009. She informed that last year when the group approached the P & E Committee, several issues would have to be dealt with before a request could be considered. However, in June, the air conditioning was modified for all of the rooms in the Santa Cruz Building at SRS and the walls separating the Monterey Room and the fitness rooms are non-load bearing so they would be easy to remove. The electricity and the heating could be modified if the request was honored. The only major expense would be replacing the carpet which could run about \$2,000. So, if the request was approved now, it would be easier to accommodate than it would have been last year. But, there has not been any dramatic change in the number of users for the fitness room and it still remains fifth out of six in attendance. Building Services Manager John Adderley reported that the SRS fitness room is slated to receive some new fitness equipment in 2010 and a new layout of the equipment may change in the process. SRS head fitness room monitor Wayne Ferreira stated that he would like to see the expansion into the Monterey Room since the fitness room gets very busy during the busy season and early morning time periods. Staff advised that postings of the busy use periods continue to be posted so members can be informed when the centers may be busy and they will have to wait for use of a piece of fitness equipment. Garneau stated that she is not recommending a change to the Monterey Room since over 700 members are using it for other purposes. She wanted the SRS members to know that the issue had been revisited. At this time there will be no addition to the SRS fitness room.

- ***Construction Projects*** – Adderley reported that he has identified 43 primary projects for 2010. These are not general maintenance type projects but projects out of the ordinary such as the Canoa Hills fire main back flow will be installed, fire alarm monitoring will be addressed at all of the centers that have fire alarms, HVAC's will be replaced, and the service entrance inspections will be completed at Canoa Hills, SRS, and Las Campanas. These costs will be included in future Reserve Studies and each center's service entrance will be inspected every five years. Adderley advised the Desert Hills service entrance will need to be addressed probably next year so he is putting together a proposal now for future consideration. He informed that he has all of the projects established on a timeline

for the entire year so that proper planning and costs can be contained. The West Center outside restrooms are now open and were completed in-house by staff. Blackshear stated that GVR now has employees who are specialized in the areas of HVAC's, plumbing, welding, electricity, landscaping/construction, and internal building automation controls.

- ***Member Services Center (MSC) Update*** – Adderley reported that not a lot has been completed at this time due to his busy schedule. He did hire a part-time employee who has been helping with pools but will begin working on MSC probably in April.
- ***5-Year Financial Plan Subcommittee*** – Committee member Jack Leary reported that he and Vice Chair Mike Banks worked on editing the document which will be an ongoing project. He stated that the document will be used as a guideline and will be beneficial in projecting each year's expenses and revenue. GVR Finance Director Jim Cassidy stated that with the revised Reserve Study, the projected expenses are more accurate. He briefly reviewed Table 2 – the Financial Plan without Dues Increase. The table shows the 2009 and 2010 actual budget numbers which will work in conjunction with the figures from the Reserve Study. He reviewed a few of the accounts with the committee members to show them how the table will be used as a guideline. Any large repairs or items will be identified separately. The document will allow projects to be identified first and then money will be placed in reserves or it will be taken out if it is not needed. Director Stan Riddle has concerns that the Operating Reserve Account does not increase each year. He believes there should be at least one month's operating expenses in the account in case of an emergency. Cassidy reiterated that this is a starting place for GVR and there is a possibility that over a couple of years, \$100,000 could go into Reserves. Garneau reminded everyone that the 2010 budget was approved with no dues increase. The areas printed in red will need to be addressed each year as changes occur. At this time, **Jack Ernest made a motion to accept the document as presented by the subcommittee. The vote was approved unanimously 5 – 0.** She thanked both Cassidy and Leary for their work on the project.
- ***Capital Improvement Plan*** – Blackshear reported that she is still working on the plan and is almost finished with it. However, she still needs three items before it can be completed which include: 1) Strategic Action Plan update from staff; 2) Needs Assessment Survey for future trends; and, 3) find the money for a professional planner for budget projections and estimated costs. She will bring the projects back to the next meeting to make sure that everyone is in agreement with them. The information will be provided to the committee for review prior to the next meeting. She stated that the Capital Improvement Plan is a major step for GVR in that it provides staff with the opportunity to plan and develop projects. Blackshear informed that one of the projects will include the development of Phase II at Canoa Ranch. The previous projection indicated that there would not be any funds available to complete that phase so this will be an issue that will need to be addressed. Combined with the Financial Plan, the Capital Improvement Plan will be a valuable tool to staff to be more realistic on costs and projects being completed.
- ***GVR's 2009 Audit*** – Garneau informed that the audit will be finished soon and any excess cash from 2009 will be reported at the next meeting. The committee will make recommendations to the Board on how the funds should be spent.

- ***New Issue*** – Chair Garneau also advised the committee that Director Dave Thomas made a request at yesterday’s Board of Directors’ meeting to put back in the 2010 budget the funds to pay for employee’s dues waiver of \$403. The request did not pass at the Board meeting. A staff committee is looking into this issue and will present a recommendation for the committee at the next meeting in March.

- ***Member Comments*** – None

- ***Next Meeting***
The next meeting will be held on **Monday, March 8, 2010 at 10:00 a.m. in the MSC Annex.**

The meeting adjourned at 11:22 a.m.

Approved by: _____ Date: _____
Marge Garneau, Chair