

PBV Board of Directors Meeting—11/04/2021
Treasurer's Report A

Project System Review and Summer Reserves Study

- Kevin has just reviewed many recent accomplishments and work that we still need to do. Late last year, we had ~30 different projects that the board felt needed study and attention. To manage this, we began to list and document each of them—just to keep track and to be clear about what each project was to accomplish. Early this year we had 39 projects on the list, and as a board we all voted, in our March and April meetings, to select the most urgent ones, which became our focus for 2021. Safety and preparing for re-painting the complex next year were key drivers. As you will see, we now have 50 on the list.
- Hand out the two sheets: Please take a quick look at the two sheets. The first page is a list of 50 projects—listed by project number—which is assigned in sequential order when a project goes on the list. Projects that are ACTIVE have been approved by the board, and those listed as PRIORITY will get researched and considered for approval in the coming months. The second list, are the same projects sorted by a year for which each project is tentatively scheduled. Honestly, we cannot predict what year any of these long-range projects will become a high priority, but we do know that somewhere in future, we will need to deal with every repair or replacement on the list.
- As Treasurer, I have the responsibility to figure out how we pay the bills for all this good work. Last year, we spent every dime in our recreation reserve. We started this year, with \$49.6K in our building reserve and our assessments would add another \$8K. The cost of the projects that we wanted to do in 2021 exceed this amount—so we authorized what we could pay for here in 2021, and schedules other projects for 2022. As Kevin and I talked about this, we decided we needed to another look all our reserves to see what it would take to deal with both near term priorities and also prepare us for the eventuality that some of the longer term infrastructure projects would need to be dealt with as well.
- The key findings from this study are not surprising:
 - The paving and painting funds are on track and well funded.
 - The roofing fund is underfunded due the rapidly rising cost of a new roof. A new roof is probably going to cost us ~\$700,000, and raising this money will be a major cost driver until we re-roof—currently schedules in 2027.
 - The Recreation and Building funds are distinctly different from the other three funds. The Roofing, paving and painting funds primarily cover a large scale event once every 10 to 20+ years. The recreation and building funds cover over 50 different assets—with costs that vary from a few thousand to over \$100K, and lifetimes vary from 5 to 50 years. The first step was better defined as to what they covered, what it might cost to repair or replace the assets, and how they each should be funded. What I found:
 - The cost to replace or repair the assets covered by the building fund exceeds \$600,000. While many assets have very long lifetimes, to be stable, this fund needs about \$23K per year.
 - The cost to repair or replace the assets covered by recreation fund total just over \$200,000. And to be stable, this fund needs about \$15,000 to be stable.
 - From a project point of view, the key value of this is that can now have a strategy to deal with our aging infrastructure. This is how the project list grew to 50 projects.
 - With this understanding in place, we can now look at the September financial results