

FY 2008 PLANNING COMMITTEE EVALUATION CRITERIA

For FY 08 capital planning the operations centers submitted their requests to the planning committee in priority order. The planning committee evaluated the requests and put them basically into four categories, based on input from the operations centers. The categories were "must do", "should do", "would like to do", and "should not do". The planning committee then rated these items to establish priorities that determined the order that the items were presented in the planning committee's recommendations that were made to the board and the general manager.

The planning committee in doing the 2008 capital requests ranked each items on a one to ten scale based on the following 10 criteria:

1. Replacement Item due or overdue
 - Rate higher if this is a needed replacement item
 - Rate lower if this is not yet due
 - Rate 0 if this is not a replacement item
2. Safety Guideline / Code Requirement
 - Rate higher if this is required for safety or code conformance
 - Rate lower if it simply improves safety somewhat
 - Rate 0 if this is not a safety or code related (doesn't apply)
3. Adverse impact if deferred
 - Rate higher if this negatively effects our facilities or property, e.g.
 - Not performing maintenance will cause further damage
 - Rate lower if it has little or no effect on our facilities
4. Community impact
 - Rate higher if this negatively effects our members, e.g.
 - Slows gate traffic
 - Lessens usefulness of amenity
 - Rate lower if it has little or no effect
5. Maintains Infrastructure
 - Rate higher if item enhances Infrastructure
 - Rate lower if item does not contribute to Infrastructure
6. Revenue vs. Expense
 - Rate higher if this generates a profit
 - Rate lower if this requires a subsidy
7. Payback under 5 Yrs
 - Rate higher if the payback is shorter than 5 years
 - Rate lower for longer paybacks
 - Rate 0 for no payback (doesn't apply)
8. Plus for Home Buyers
 - Rate higher if the item would encourage property sales
 - Rate lower if the item would have a negative effect on property sales
9. Impact on Assessment
 - Rate higher if this has no impact (does not raise) assessments
 - Rate lower if this has a greater impact on raising assessments
10. Cost vs. Benefit
 - Rate higher if item generates a lot of benefit at little cost
 - Rate lower if the cost is great and the benefit is small

Using this approach each item received a score of ten to one hundred. The planning committee then used these scores to prioritize the items that were then presented to the board and the general manager.

LAKE OF THE WOODS ASSOCIATION

PROJECT/PROGRAM CAPITAL EXPENDITURE REQUEST FORM

Due Date: 2 March 2007 **Date Submitted:** _____

Person/Agency Submitting Request _____

New Capital _____ **Replacement Capital** _____

Item or Project ID Nr & Title _____

Capital Requested **FY 08** _____ **FY 09** _____ **FY 10** _____

FY 11 _____ **FY 12** _____ **Out Yrs** _____

Warranties _____

Maintenance Agreement **Yes** _____ **No** _____ **Attach Agreement**

Maintenance Agreement Annual Cost _____

Change in Capital **Previous FY 08** _____ **New FY 08** _____

(>10%) **FY 09** _____ **FY 09** _____

FY 10 _____ **FY 10** _____

FY 11 _____ **FY 11** _____

ATTACHMENTS

Narrative containing: o LISTING of all cost center items in the Reserve Study and the Comprehensive Five Year Capital Plan, Appendix G of the Master Plan. Identify by line item number and nomenclature from the November 2004 Reserve Study and/or the Five Year Capital Plan.

o NEED/DEMAND JUSTIFICATION including studies, surveys or Master Plan references or description of how project fulfills Master Plan.

o BONA FIDE ALTERNATIVES evaluated that would fulfill need

o COMPARISON OF ALTERNATIVES to explain recommendation

o POTENTIAL IMPACT within LOW or surrounding community

o COSTS/BENEFITS including recurring costs for maintenance and contribution to reserve and any associated new personnel costs

SUBMISSION: Submit original and one copy to the General Manager and a third copy to the Planning Committee by 2 March 2007. Submissions will be reviewed for compliance with the attached instructions. The Planning Committee hearing schedule is enclosed.

SIGNATURES OF REVIEWING PARTIES

Operations Center Manager _____ **Date:** _____

Committee Chair _____ **Date:** _____

Planning Committee Chair _____ **Date:** _____

General Manager _____ **Date:** _____

SUBMISSION INSTRUCTIONS

Responsibility. Operations Center Managers are responsible for submitting all capital expenditure requests for their operations centers. The submission should reflect a coordinated effort of the Operations Center Manager and the respective committees. The Manager and the Committee Chair or a representative are expected to attend and take part in the Planning Committee (PC) hearings on the request.

Content. The submission will reflect a thorough review of all capital funding items in the November 2004 Reserve Study, the Comprehensive Five Year Capital Plan, and each activity's appendix to the Master Plan. Each item will be identified by its line item number in the Reserve Study and/or the Capital Plan for FY's 2008-2011. Current cost estimates based on query or catalog are required. Items contained in the Reserve Study or Capital Plan that are being requested at an earlier date require updated cost information and a rationale supporting the requested change in acquisition timing. Items requested previously but not approved or only recommended as a placeholder may be resubmitted with justification. All new capital requests require full justification. Cost estimates will include cost projections for maintenance, contribution to reserve and any additional staff.

No Change Memo. Items in the Reserve Study and Capital Plan for which no change is contemplated in procurement date or cost need not be justified again. However, they will be confirmed as a planned capital expense in a separate document and the Manager will be prepared to describe the item at the PC hearing. This listing is required even if the operations center is not requesting any new or changed replacement capital because the Planning Committee's report to the Board will list all projected capital expenditures for the next five years. This document may also recommend deferral or deletion of a previously projected capital expense.

Submission Cover. The Project/Program Capital Expenditure Request Form is a cover for each new capital request or replacement capital item in which the projected cost has increased ten percent or more. Items costing less than \$3,500 or \$10,000 over a three year period need not be submitted for PC evaluation. Submissions are required for all capital items sought in FY 2013, the new fifth year of the Five Year Capital Plan.

Justification. Accompanying the Request Form will be a description of the item to be acquired and a justification of the need. Justification requires a basis of facts and/or analytical research. Studies, surveys, demographic data are suitable sources of research. Alternatives means of satisfying a requirement or need should be explored. The alternatives investigated should be described and the rationale for the alternative recommended should be given.

Priority Order. The PC will submit its recommendations in a priority order, both within an operations center and between operation centers. Therefore, each operations center should clearly indicate its own priorities. Funds for capital expenditures are limited. An effective presentation in writing and at the PC hearing will assist in establishing priorities. The PC report of its recommendations for approval and priorities will be submitted to the Board along with each activity's Expenditure Request Forms.

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