

CHARTER - MPHOA RESERVES COMMITTEE

Revised May 10, 2016

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A. Purpose

The Reserves Committee [Committee] serves as an advisory committee to the MPHOA Board of Directors and is responsible for assuring that the fixed assets (structures, systems, equipment, trails and facilities) of MPHOA are properly maintained, replaced and rehabilitated, consistent with the architectural integrity and character of the building and landscape, in order to meet the needs of the MPHOA.

B. Composition, Report to the Board of Directors

The Committee shall have not less than three adult resident members (property owners only), including one Board of Directors Liaison. Additionally the MPHOA Executive Director and Management Staff will serve as ex-officio members. All members will have voting privileges. The committee reports to the Board of Directors.

C. Responsibilities & Tasking

1. Reserve Study:

- Develop and update annually the Master Reserve Study.
- Annually, as certain specific components of the Master Reserves Study (facilities, buildings, or other physical plant improvements) become fundable or otherwise move up on the list of priorities, review and propose to the Board the reserve projects to be scheduled for the coming year. Typically the items up for replacement in the coming three years are reviewed.
- As part of the annual budget process provide the Board with an estimate of mandatory reserves projects for the coming budget year.
- Assure that the approved reserve projects are implemented consistent with the resources made available.

2. Construction:

- Review and make appropriate recommendations for all construction design options and final building plans.
- Analyze design options for cost effectiveness and detail economic justifications.
- Complete feasibility studies as appropriate and conduct research as necessary.
- Determine if project is handled in-house or by (sub-)contractor. Assist in selecting (general/ sub) contractors when project is outsourced. Review contracts.
- Make sure the targeted project schedule is observed.

3. Safety:

- Ensure the safety of (sub) contractors, staff, members and their guests during the construction.
- Make recommendations regarding closure of the facility or parts thereof during construction.
- Ensure compliance with current standard construction codes.

4. Maintenance:

- Develop and update annually a regular and continuing scheduled maintenance program.
- Review large maintenance projects to determine if these need to be performed in-house or by contractors.

5. Improvements:

- On an ongoing basis solicit and collect suggestions for improvements to the building and equipment to enhance its attractiveness, convenience, efficiency, operations and environmental impact.

6. Finance & risk management:

- Work within the reserves projects budget as approved by the MPHOA board.
- Ensure proper insurance coverage during the construction.

D. Goals

1. Develop and update Mandatory Reserve Plan
2. Properly maintain, replace and rehabilitate the building and fixed assets of MPHOA.
3. Identify improvements needed to the building and fixed assets beyond the mandatory reserve projects.

E. Policy (Board level Document) – N/A

F. Standard Operating Standards & Processes

Funding:

- Mandatory reserves projects are funded with mandatory reserves fund.
- New capital projects are funded with new capital fund and added to the mandatory reserve study to be scheduled for replacement in the future funded with mandatory reserves fund.
- Maintenance projects are funded with operations fund (annual budget).

Walk Through:

Periodic walk through of the facilities are scheduled to assess the state of the assets and specifically review in detail all items due for replacement. Department manager and/or (sub-) contractors are scheduled to join for the walk through as needed. The walkthrough forms the basis for the proposed list of reserve items for the following year:

1. Determine if replacement is needed for scheduled reserve items.
2. Add Reserve items, which are not scheduled but are in need of replacement.
3. Review wish list of new capital projects as suggested by members and staff.

Reserve Committee Work Sheet:

The Committee will develop a preliminary work sheet for all the Reserve Items proposed for the next budget year and include the following information:

- Project Manager (staff only)
- Support team if applicable
- Time of implementation
- Proposal/Bid estimates and variance from Reserve Study Allowance
- Priority level

Reserve Committee Priority Levels:

- A. Life safety / risk management = 'have to'
- B. Impact on current operations = 'need to'
- C. Maintenance / failure review = 'smart to'
- D. Design / Esthetics = 'wish to'

G. Committee Meetings

Committee meetings are scheduled as necessary. Meetings are held at the Mt. Park clubhouse. Meeting packets are sent as a PDF documents no later than the Friday before each meeting. It is essential that committee members prepare for the committee's discussions and deliberations by reviewing all materials sent prior to the meeting.

H. Committee Budget

The committee does not have an annual budget. The proposed reserve projects need Board approval and release of funds. A contingency budget is in place to allow seed money for projects which require research, design and consulting fees to request a proposal from a contractor.

I. Reports & Articles

Reserves Committee Report:

Reserves Committee Meetings notes are recorded of the scheduled full committee meetings. Members will provide updates of individually scheduled meetings with vendors during these committee meetings.

Reserves Committee Progress Worksheet

The committee prepares an annual worksheet and submits monthly updates for review of the Board.

Reserves Committee Budget Report:

The Committee submits a report to the Board of Directors with recommendations for the reserves projects of the coming year. This report is submitted during budget time.

Annual Reserves Committee Report:

The committee submits an end of the year report of reserves projects completed for publication in the Mt. Park HOA annual meeting packet to the members.

APPENDIX: Examples of Reports