

P&G/Finance Committee Due Dilligence?

August 3, 2009 by Bob Frank

Many members have been asking “why are so many facilities projects so poorly planned and designed and the contracts so poorly managed so they wind up wasting so much of our money?”

While there are a variety of causes for such mismanagement, it all comes down to the **failure of the due diligence and oversight of the standing committees and the board**. In every one of the major facility and equipment projects in 2008 and 2009 where large sums of our money was wasted, there was also a failure to dig into the project details ahead of time, and failures to demand precise answers to common sense questions BEFORE contracts were awarded.

This problem has been common place in both the Property & Grounds Committee and the Finance Committee and how they interact with the board and RMI. When anyone dares to challenge the judgments of how RMI and those committees are spending our money, the member become a target for hateful attacks and threaten legal actions. But, such acrimony is avoidable. The **past situation can be avoided**—where there is the common desire to work together to do better for the whole community.

For example, remember the following failed or over-priced facility projects in the past year?

(1) Independence Center **premature** hot water tank **failures** and replacements, patio area **sun shade** structure **failures**, and the **gold-plated lift** to carry handicapped members to the mezzanine work area in Freedom Hall, etc.?

(2) Anthem Center wasted funds on excessive Lutron **lighting** pricing, overpriced **hardscape** project, unnecessary full shower area **tile** replacements instead of limited repair, unnecessary restaurant facility and equipment **refurbishments**/replacements before negotiating a new lease,

gold-plated solar heating system approval **before** finding out if the roof can stand the excessive weight, complete front entrance **paver** replacement project instead of limited repairs, etc.?

It has been said that the time to deal with such **wasteful** facility projects is during the early stages of the planning cycle. While some members DID ask **hard** questions during the approval process last year, they were summarily **dismissed** and personally attacked for asking basic questions.

But, this is a new year, and **we can do better**. If you agree, then **Tuesday, August 4 @ 10 AM in the Anthem Center** would be a good time to start. That is when the Property & Grounds Committee meets. Here is the agenda from the SCA web site:

“UNFINISHED BUSINESS

a. Freedom Hall theater communication devices

NEW BUSINESS

- a. AC hot water tank
- b. Architectural services for tennis court shade structure
- c. Bocce court shade structure
- d. AC fire control room phone switch
- e. Replacement vehicle for Security Patrol”

Notes and some **candidate questions** to be answered:

1. Why do members not deserve the courtesy to be given at least a **paragraph** about what the agenda topic is about? No one can guess what the agenda item is about, or what it might cost. Is that not disrespectful?
2. **Solar Heating Project:** NOT on the agenda is a detailed report on the results of an engineering study to discover IF the Anthem Center roof can **STAND** the excessive weight of the already approved solar heating system! Why not? Who is responsible for oversight of RMI on this quarter-million-dollar project (not including the unknown tens of thousands of dollars likely needed to shore up the roof!)
3. What is the story on the Anthem Center hot water **tank**? Is there yet another surprise failure coming in this area? What other hot water tank repairs and replacements (at what costs) have there been in Anthem

Center in the past? Are we **maintaining** our installed equipment and avoiding early replacement costs? etc...

4. What “tennis court shade structure” has been anticipated? What has the tennis club **requested**, and where is the **public justification** for all SCA members to review and comment?

5. Who says **more shade** is urgently needed at the Bocce courts? Where is the study to justify additional expenditures that members have had a chance to review and comment **BEFORE** a project is recommended for approval by the committees and the board?

6. Why would a fire control room not already have an emergency phone capability within a reasonable distance?

7. What kind of vehicle will be proposed this year for the Security Patrol? Last time the board and finance committee pushed through the purchase of a high-cost, 6-cylinder SUV. Will there be a report available on the **cost-effectiveness** of the various types of SP vehicle operations? Has the SP membership and leadership been polled and allowed to propose a lower-cost option this time?

Of course, there will be complaints by the committee volunteers when (a) hard questions are asked and they were not provided the advanced info by RMI, or (b) they do not have the time or expertise to provide answers to such types of questions before they vote to spend the money. If so, that situation would come back to the Board President who has never directed/required RMI to provide adequate and timely support to the committees.

Meanwhile, if committees can not do what is required, then we have to truly understand the problems, and move to fix them. We simply can not continue to tolerate more of the same failures involving hundreds of thousands of our hard-earned dollars.