



AGENDA

Fiscal Affairs Committee

Tuesday, September 24, 2024

1:30 pm – 3:00pm MST

West Center Room 2 / Zoom

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives."

Committee: Carol Crothers (Chair), Dale Howard, Nellie Johnson, Bob Quast, Pat Reynolds, Steve Reynolds, Lanny Smith, Priscilla Spurgeon, Marge Garneau (ex-officio), Scott Somers (CEO), David Webster (CFO/Liaison)

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. **Approve Meeting Minutes:** September 17, 2024
3. **Chair Comments**
4. **Staff Reports**
 - a. GVR 2025 Budget Second Draft
5. **Business**
 - a. Review and recommend 2025 Capital Budget
6. **Member Comments**
7. **Adjournment**

Next Meeting: Tuesday, October 15, 2024, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee Tuesday, September 17, 2024 1:30pm – 3:00pm MST West Center Room 2 / Zoom

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreational, social activities, and leisure education to enhance the quality of our members' lives.

Committee: Carol Crothers, Treasurer and Chair, Dale Howard, Nellie Johnson, Bob Quast, Pat Reynolds, Steve Reynolds, Lanny Smith, Priscilla Spurgeon,

Attendees: Scott Somers (CEO), David Webster (CFO/Liaison), Howey Murray (Controller)

1. **Call to order/Roll Call – Quorum established**

2. **Approve Meeting Minutes:** August 20,2024
Howard Moved/Reynolds (Steve) seconded to approve August 20,2024 meeting minutes.
Passed: Unanimous

3. **Chair Comments:**
 - **Nellie Johnson is acting as interim FAC chair during Carol Crothers absence.**
 - **Wants to focus on operating budget**
 - **Goal to have a recommendation(s) for the board by the end of meeting**

4. **Staff Reports:**
 - **August MCF revenue under budget, appears September will also be under budget**
 - **GVR has a strong cash position**
 - **If there is no surplus or if there is a deficit for 2024 GVR cash position remains strong**
 - **GVR Recreation divisions is over budget on revenue**

5. Business

a. Approve August financial report

Smith Moved/Howard seconded to approve August Financial report

Passed: Unanimous

b. Review and Recommend 2025 Budget

Johnson Moved/Reynolds (Pat) seconded to increases all fees at the same rate (3%) and then round up to the next factor of 5. Use the additional revenue to offset decreases in assumed housing sales.

Passed: Unanimous

6. Motion to adjourn

Passed: Unanimous

Next Meeting: Tuesday September 24th, 2024, 1:30 p.m. to 3:00 p.m. WC #2

DRAFT

Next Meeting



BUDGET MESSAGE

Fiscal Year 2025

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the GVR Fiscal Year 2025 (FY2025) Budget. Included in this Total Budget are GVR's Operating Budget, Capital Improvement Budget and the Five-Year Capital Improvement Plan for Fiscal Years 2025-2029.

We believe this budget meets GVR's Strategic Plan, Mission, and Vision by providing excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives, while cultivating and maintaining a sound financial base that generates good value for our members. The department directors work diligently to manage the services within budget constraints and provide a wide array of vital services to our members. This budget provides for a high level of services, planned maintenance, and necessary improvements to GVR's infrastructure, while staying within the constraints of limited resources.

With a focus on providing excellent member service, GVR continues to look for opportunities to update processes, implement efficiencies, seek alternative sources of revenue, and improve service delivery and the quality of life to and for our members.

THE BUDGET PROCESS

GVR operates on a fiscal year, running from January 1 to December 31. The budget process begins in August with guidelines issued to department directors by the Chief Executive Officer (CEO). Departmental requests are prepared and submitted in August. The CEO and Chief Financial Officer (CFO) meet with each department director to discuss their requests. Changes and revisions to the requests and revenue projections are incorporated into the Budget which is submitted to the Board of Directors in October for consideration.

The CEO and CFO hold meetings with the Planning and Evaluation Committee, Fiscal Affairs Committee and Board of Directors in September and October to assist with budget preparation. In accordance with GVR's Corporate Policy Manual (CPM), the budget must be available to the Board for approval no later than November 15.

The basis of budgeting conforms to generally accepted accounting principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2024 projected income and expenses are included for comparison purposes (p. 35) and are GVR's best estimates at this time. Included with the 2025 Budget is a 3-year revenue and expenditure projection for the years 2026 through 2028 (pages 39-40).

The 2025 Budget that is presented includes the following services:

GVR Administrative Services: Information Technology, Sound and Lighting, Finance, Membership, Board of Directors, Nominations and Elections, Administration, Human Resources, Communications.

GVR Field Services: Center Customer Service and Custodial.

GVR Facilities Services: Maintenance, Aquatics, Landscaping.

GVR Recreation: Events and Entertainment, Movies, Trips and Tours, Clubs, Classes, Fitness, Drop-In Opportunities

INTRODUCTION

GVR has seen its Members' strongly reengaging since the pandemic. Despite a decline in the real estate market, resulting in significant decreases in revenue, GVR has been able to maintain a strong financial management position and therefore anticipates coming within budget for 2024. GVR remains financially sound, and with continued prudent fiscal management, we are confident GVR is in a position to proactively, effectively, and responsibly plan and prepare for the future, and will continue providing the services and facilities its members expect and depend upon, and at a good value. During the past 5 years, GVR has been able to complete approximately 5.8 million Dollars'-worth of projects including Maintenance Repair and Replacement planned projects, Non-Reserve Capital projects, and Initiatives projects. These projects include the Del Sol Clubhouse renovation, East Center pool replacement, Ceramics Club expansion, Santa Rita Springs Computer Club move and renovation, Santa Rita Springs Glass Artists Club expansion, Canoa Ranch pool deck replacement, West Center auditorium floor replacement, Desert Hill stage removal and floor replacement, and the Desert Hills Fitness Center expansion.

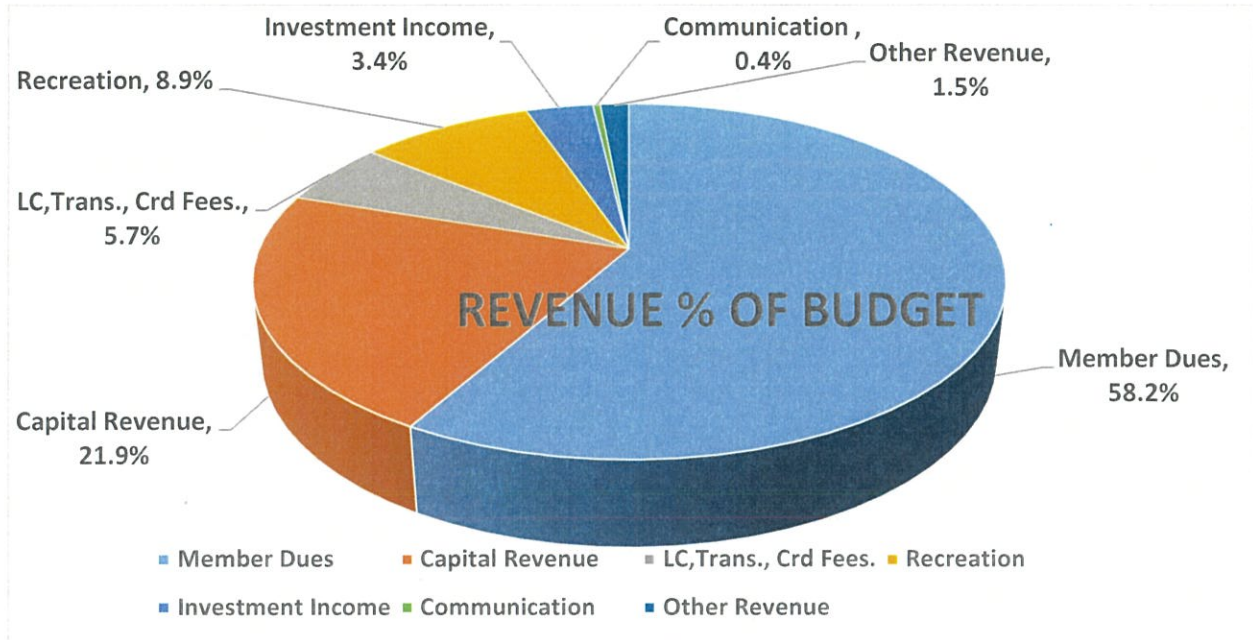
FY 2025 OPERATING BUDGET

REVENUE

In consideration of the economic climate and the uncertainty of the real estate market, we believe GVR's anticipated revenue assumptions for FY 2025 are appropriate. When viewed in light of the relatively solid revenue performance over recent years, this approach is illustrated below:

Total Revenue

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Recom- mended
Member Dues	6,748,910	6,943,727	6,947,340	7,051,390	7,132,750	7,138,742	7,350,040
Member Fees	611,398	700,464	785,602	740,844	705,541	705,790	729,376
Capital Revenue	2,533,963	3,147,953	3,099,400	2,753,060	3,039,780	2,573,200	2,724,900
Recreation Revenue	378,574	212,685	401,553	514,095	485,403	760,186	1,123,718
Investment Income	288,038	291,923	372,078	456,354	425,458	489,340	435,000
Communi - cation	163,952	64,159	43,105	47,478	47,094	48,919	48,919
Other Income	141,487	111,081	112,273	107,304	136,072	153,700	200,600
Total Revenue	10,866,321	11,471,993	11,761,351	11,671,065	11,972,097	11,869,877	12,612,553

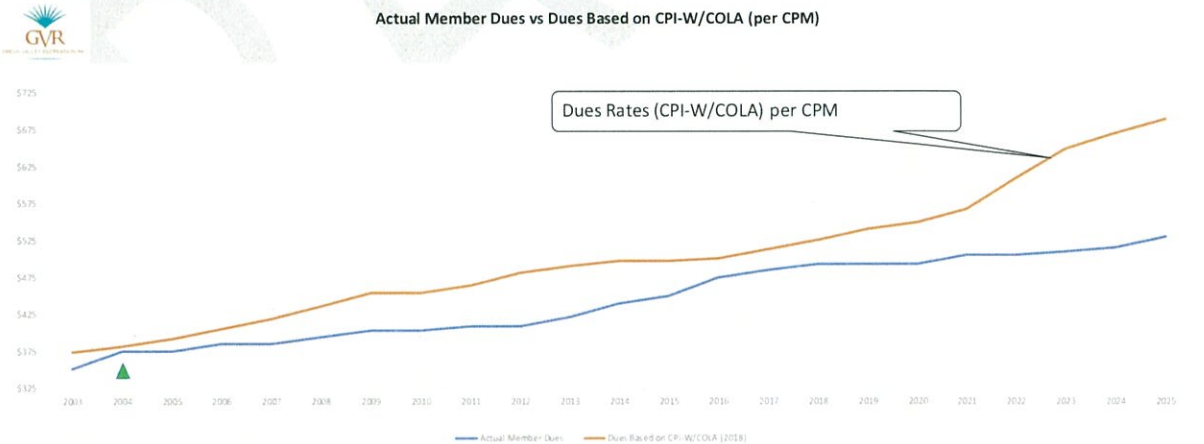


FY 2025 REVENUE BUDGET HIGHLIGHTS

1. A summary of the proposed fee rate changes are as follows:
 - A. Member Dues, 2024 rate of \$515 increases \$15 to \$530 for 2025 (3.0%).
 - B. Initial Fee, 2024 rate of \$3,000 has been increased to \$3,100 for 2025 (3.4%).
 - C. Membership Change Fee (MCF) 2024 rate of \$3,000 has been increased to \$3,100 for 2025 (3.4%).
 - D. Tenant Fees:
 - 1 – 7 Days rate increase from \$30 to \$35
 - 2 Weeks rate increase from \$40 to \$45
 - 1 Month rate increase from \$45 to \$50
 - 2 Months rate increase from \$90 to \$95
 - 3 Months rate increase from \$30 to \$35
 - 4 – 12 Months rate increase from \$165 to \$170
- Late Fees are increased from \$20 to \$25

2. The changes in fee rates to member dues are reflected in the Dues and Fees Income Section in the Membership Revenue component of the Revenue Section. The rates are identified in the Fees Schedule found on page 36. The calculation of revenue is as follows:

A. Total Member Dues is based on dues for 13,868 properties at the rate of \$530 / per member household. GVR currently has 13,862 properties and the 2025 Budget conservatively adds only 10 new properties. This dues rate reflects the \$15 increase in the annual dues rate effective January 1, 2025. The following graph illustrates how GVR has been able to keep dues rates less than the rates guided by the CPM. The CPM states “In establishing annual dues, the Fiscal Affairs Committee (FAC) and the Board shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase / decrease through September of the current year and 50% of the Social Security percentage increases / decrease for the current year.” CPM 1.1.2



GVR	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual Member Dues	\$351	\$375	\$375	\$385	\$385	\$394	\$403	\$403	\$409	\$409	\$421	\$440	\$450	\$475	\$485	\$493	\$493	\$493	\$505	\$505	\$510	\$515	\$530
Dues Based on CPI-W/COLA (2018)	\$374	\$382	\$392	\$406	\$419	\$436	\$454	\$454	\$464	\$481	\$491	\$497	\$497	\$501	\$513	\$526	\$540	\$549	\$568	\$609	\$649	\$670	\$690

The formula starting point guided by the CPM is 2.92% (50% of 2.63% plus 50% of 3.20%). This 2.92% applied to the current \$515 dues rate equals \$530. As depicted in the graph, GVR dues remains significantly lower than if dues rates had kept up with the rates of increase over past decades.

B. New Member Capital Fees:

- The Membership Change Fee (MCF) rate reflects an \$100 increase to a rate of rate of \$3,100.

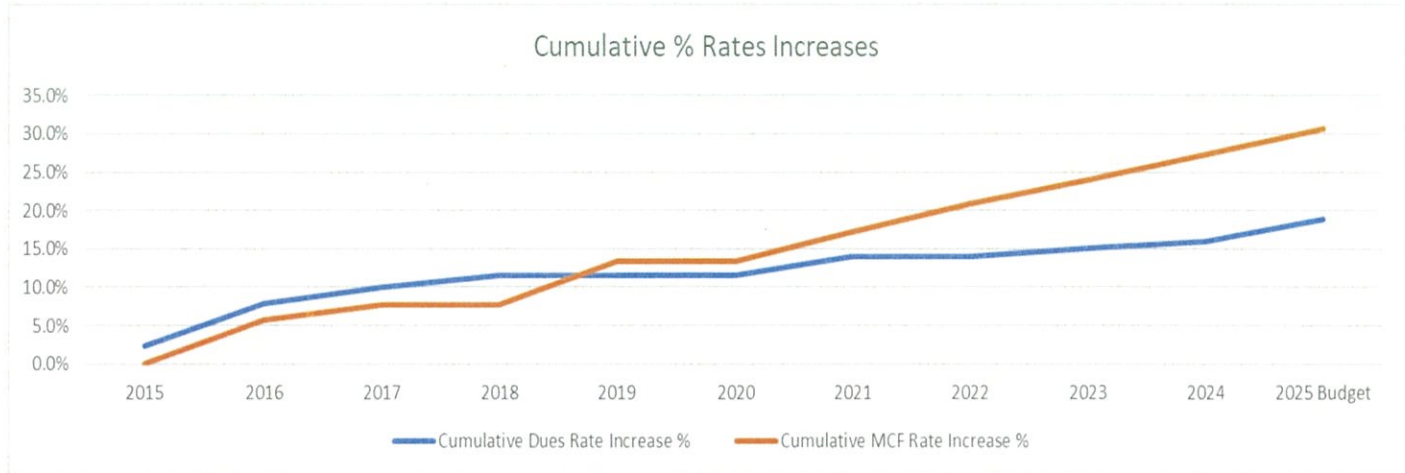
The 2025 MCF budget assumption is based on an estimated 861 total property transactions with no change in current policy. Staff is projecting 844 home sales in 2024. While the real estate market in our area had remained resilient during the pandemic, it has trended downward over the last two years. The following is a summary of home sales for the past 7 years:

Home Sales									
2018	2019	2020	2021	2022	2023	2024	2024	2025	
Actual	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Budget	
1,204	1,126	1,109	1,267	1,095	1,005	993	844	861	

- The preceding 10-year average for home sales is 1,082 homes. For 2025 budget purposes, Staff, upon the recommendation of the Fiscal Affairs Committee, reduced this number by 17% due to the decline in housing sales. Additionally, there is an additional 5% reduction due to the recent implementation of House Bill 2119 that eliminates the Membership Change Fee for certain related party transactions. The following graph illustrates the long-term trend for Membership Change Fees and includes the 861 homes budgeted for 2025.



- C. There is a \$100 rate change for Initial Fees. This rate is proposed to increase to \$3,100 and the budget is based on a conservative 20 anticipated net property transactions in 2025. There are 18 projected transactions for 2024.
 - D. Guest Card fees and Annual Guest Pass fees reflect the proposed changes. We believe the number of guest and tenant card transactions are conservative.
3. There is a rate change proposed for Transfer Fees from \$450 to \$465.
- A. The 2025 budget includes a projected 951 properties at the proposed rate of \$465 per transfer for a grand total of \$442,215.
4. The Recreation Revenue is on a significant upswing. For 2024, this income is projected to be \$760,186 which is 57% more than budgeted. It is assumed to increase to \$1,123,718 in 2025 which is an additional 48% increase. The 2025 Budget assumes Members will be participating in programs at a level higher than in the pre COVID years of 2018 or 2019. The Program Revenue budget in 2025 is offset by Recreation expense contracts that generally equals 70% of the Recreation Revenue.
5. The determination to increase the Membership Change fee or Initial Fees and to increase dues is based on a balanced approach to revenue distribution. The following graph depicts the fact that MCF rate increases have historically outpaced the increases to dues.



GVR Dues and Member Change Fees Historical Increases

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 Budget</u>
Dues Rate	\$ 450	\$ 475	\$ 485	\$ 493	\$ 493	\$ 493	\$ 505	\$ 505	\$ 510	\$ 515	\$ 530
Membership Change	\$ 2,296	\$ 2,425	\$ 2,474	\$ 2,474	\$ 2,616	\$ 2,616	\$ 2,716	\$ 2,816	\$ 2,900	\$ 3,000	\$ 3,100
Dues Rate Increase %	2.3%	5.6%	2.1%	1.6%	0.0%	0.0%	2.4%	0.0%	1.0%	1.0%	2.9%
MCF Rate Increase %	0.0%	5.6%	2.0%	0.0%	5.7%	0.0%	3.8%	3.7%	3.0%	3.4%	3.3%
Dues Revenue	6,037,806	6,402,286	6,627,415	6,690,385	6,712,673	6,748,910	6,942,771	6,947,340	7,051,930	7,132,750	7,340,500
MCF Revenue	1,790,880	2,007,135	2,439,129	2,345,508	2,423,079	2,533,963	3,147,953	3,099,400	2,753,060	3,039,780	2,724,900
Cumulative Dues Rate	2.3%	7.8%	9.9%	11.6%	11.6%	11.6%	14.0%	14.0%	15.0%	16.0%	18.9%
Cumulative MCF Rate	0.0%	5.6%	7.6%	7.6%	13.4%	13.4%	17.2%	20.9%	23.9%	27.3%	30.6%

The total anticipated Revenue for 2025 is \$12,612,553, which is an increase of \$640,456 (5.4%) from the 2024 Budget (\$640,45 / \$11,972,097).

EXPENSES

Total Expenses

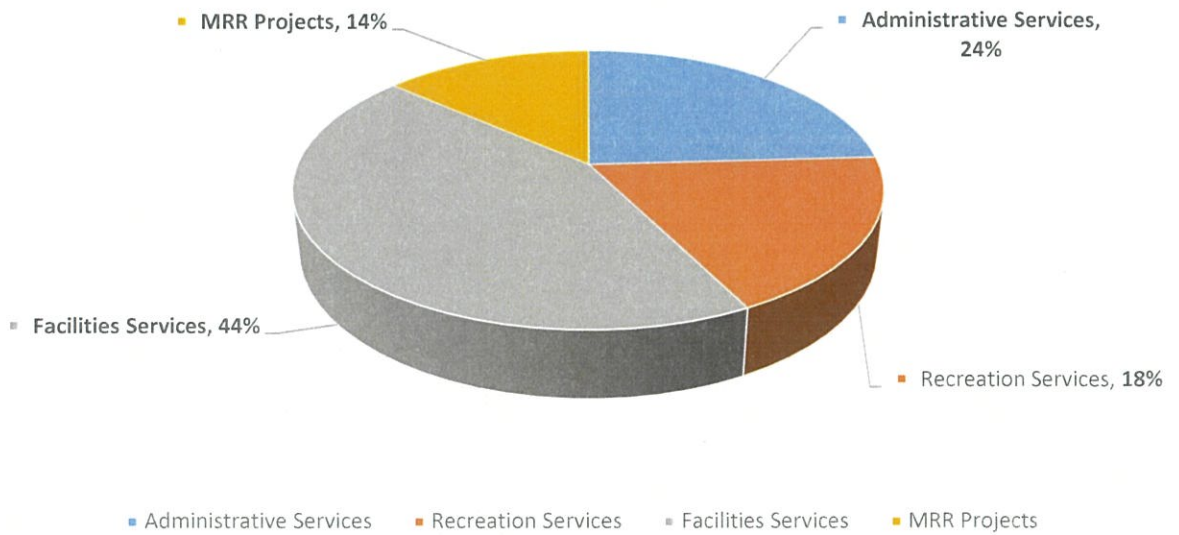
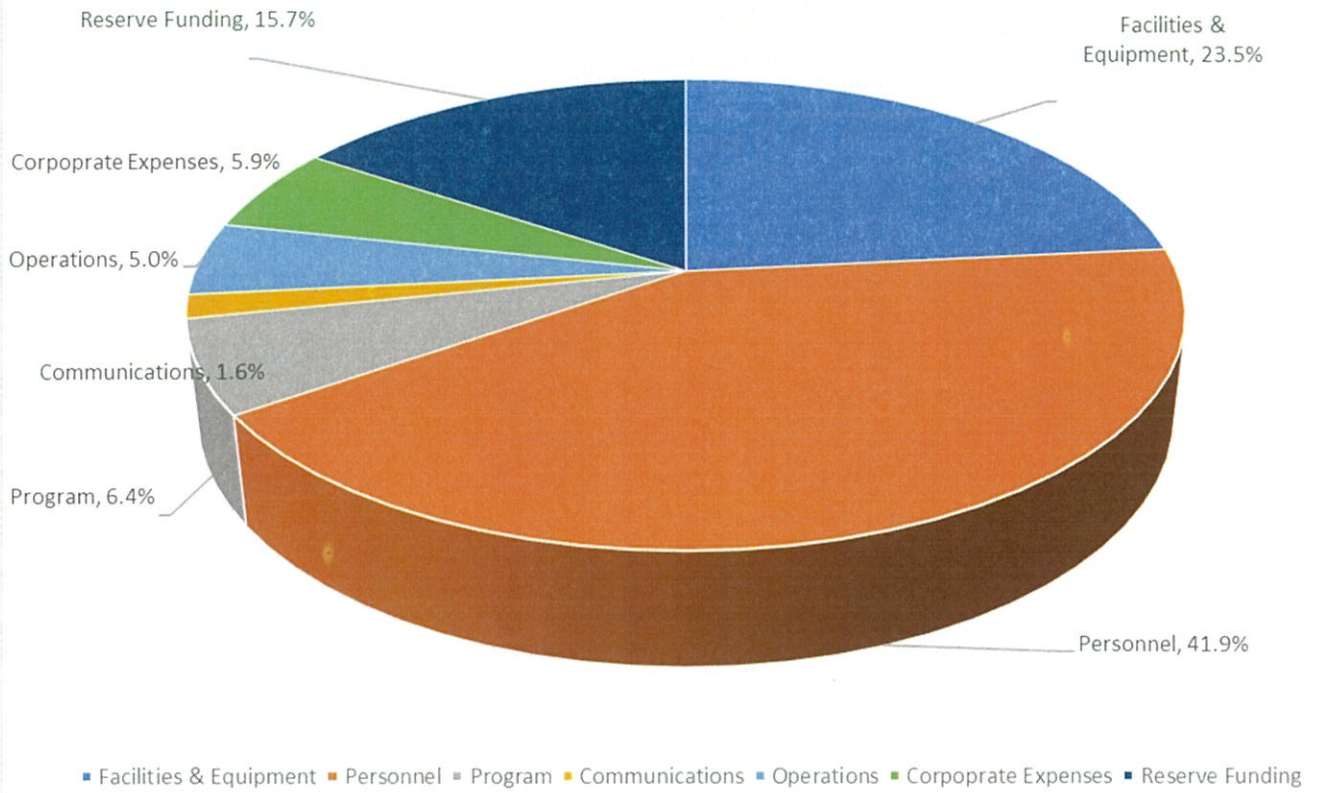
Expense Classification	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Budget
Facilities	3,582,774	3,343,227	3,689,031	3,530,797	3,297,545	3,252,856
Personnel	5,376,214	5,143,126	5,015,239	5,335,903	5,462,283	5,813,526
Programs	327,080	463,890	472,846	447,071	666,249	885,896
Communications	178,432	209,141	214,478	212,126	213,655	224,900
Operations	475,835	592,522	705,331	709,064	649,339	692,800
Corporate	716,659	759,851	913,377	799,055	746,130	815,976
Total Expenses	10,656,995	10,511,758	11,010,302	11,034,016	11,035,200	11,685,954

The total anticipated Expenses for 2025 are \$11,685,954 which is an increase of \$651,938 (5.9%) from the 2024 Budget (\$651,938 / \$11,034,016).

The FY 2025 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to capital reserve funds.

The graphs on the following page illustrate GVR's expenditures by categories and Service Sectors.

2025 Budgeted Expenditures



Personnel Summary

The personnel costs include a 2.5% aggregate increase in wage rates, offset with a total decrease of 5.4 full time equivalents of staff. The Personnel budget for 2025 reflects a \$477,624 (9.0%) increase and includes wage increases in accordance with the compensation plan. These personnel costs include taxes, health and dental insurance, workers compensation insurance and other personnel related expenditures.

1. The total budgeted Personnel cost increases equal \$477,624 (9.0%) in the Total Wages Taxes & Benefits line item compared to 2024 budgeted costs. GVR anticipates a 5% increase in benefits cost rates for 2025. The 2025 Budget includes a total of 90.8 Full Time Equivalent staff. The total change from 2024 budgeted costs are as follows:
 - A. 15.0% - Net increased wages due to additional field services staff and 2.5% aggregate increases.
 - B. 14.4% - Payroll Taxes increase.
 - C. -18.1% - Benefits decrease due to fewer staff participating and favorable renewal rates. Benefits includes 5% mid-year increase (Medical, Dental, Life, Disability, 401k, Workers Comp)

An important component of understanding the increases in wages for 2025 is the shift of custodial services from non-staff contractual outsourcing expenses to internal staff wages in 2025. GVR outsourced \$81,041 of custodial and aquatic services in 2024. If you factor the \$81,041 of actual contractual expenses in 2024, the net increase in wages is 13.0% rather than 15.0%. The reason for this shift is GVR's belief that, in the long run, it is more economical and provides higher quality to perform these duties in house.

Rooted in the CPM (Section 2. Subsection 4.2.2.A.2,5), The GVR Board of Directors adopted a Compensation Philosophy in 2023. This philosophy is underpinned by a commitment to attracting and retaining talent while remaining firmly aligned with its

strategic objectives and community service mission. The organization's compensation philosophy ensures competitive, equitable pay and a focus on performance.

In alignment with this philosophy, the administration worked with a compensation consultant (LHRC) who found that GVR pays below market across all positions and has discrepancies in pay among employees performing similar roles. In consultation with LHRC, the administration developed a multi-year, phased compensation strategy, as a one-year fix was unsustainable. GVR's strategy in the long term is to meet the labor market, adapt to its shifts, and incorporate performance-based considerations. Consequently, GVR ensures its compensation plan is refreshed annually to align with the local market.

Please also note that per the CPM Section 2. Subsection 4.2.2 Human Resources, the CEO directs the Human Resources of the organization. Specifically, the CEO shall: “Develop compensation packages that are competitive within Pima County and Southern Arizona” and “Maintain a climate that attracts, retains, and motivates top quality people – both paid and staff volunteers.” GVR is still committed to bringing staff compensation up to a market level.

In 2023, the budget included \$120,000 for the first phase of pay plan implementation. This phase increased the GVR minimum wage by 25 cents to 40 cents above the state minimum wage. It also addressed a portion of the gaps in pay equity (similar pay for similar work), with minor longevity and merit increases issued. To work within the 2023 personnel budget constraints, ceilings were placed on all factors, positions, and pay. GVR's current entry rate for our line employees was \$14.25, 40 cents above Arizona's state minimum wage. The state minimum increased to \$14.35 on January 1, 2024, with further increments anticipated annually.

LHRC guided phase two of the compensation plan implementation. The 2024 personnel budget was designed to continue this work to meet the market by keeping the competitive margin over state minimum wage, moving closer toward market rates, and

stabilizing our compensation position to retain and compete for talent. As a result, it reduced gaps where GVR lagged in the market. Full implementation of the pay plan would have cost \$414,000 in 2024. However, using a phased approach, phase two implementation was budgeted at \$220,000; the 2024 personnel budget included this as an aggregate 5.5% increase leaving \$194,000 to be included with the 2025 salary increases. Our 2024 pay entry rate was \$15.05, making our positions more competitive than some other organizations in the market who stayed at \$14.35 local minimum wage.

Due to the budget constraints for 2025, the full final phase of the compensation plan is not being implemented in 2025. Rather, an aggregate 2.5% wage rate increase is being budgeted for 2025. GVR remains committed to providing competitive and equitable pay and will continue with the market analysis for all of its employees and plans to implement the final phase in 2026.

Given the constraints of the housing market in 2024, and looking toward 2025 property trends conservatively, our 2025 budget proposal pushes the endpoint out for the market study for a year to the 2026 budget cycle. 2025 includes "phase 2.5" of the three phase pay plan. This plan does not fully meet market for GVR positions, but incrementally moves our personnel toward market rates by continuing to adjust the ceilings on pay factors. It should be noted that by pushing off full realization of our GVR Compensation philosophy, we run the risk of lagging market further in future years. We do not anticipate continuing to pay so far above local minimum wage moving forward as that increases to \$15 per the Tucson Minimum wage Act.

A summary of historical Full Time Equivalents is as follows:

GVR											
FTEs											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Budget
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Information Technology	3	3	3	3	4	4	4	4	4	5	5
Administration	11	11	11	11	12	13	12	14	11	9	8
Membership Services									9	7	6
Administrative Services	14	14	14	14	16	17	16	18	24	21	19
Field Services											36.2
Recreation Services	22	23	23	23	23	23	23	23	34.4	28.2	8.6
Maintenance	13	13	13	13	14	13	13	13	12	15	15
Aquatics	6	6	6	6	6	6	7	5	5	6	6
Landscaping	5	5	5	5	6	6	6	7	8	6	6
Custodial	30	31	31	31	31	30	30	31	10	20	
Facility Services	54	55	55	55	57	55	56	56	35	47	27.0
Total GVR	90	92	92	92	96	95	95	97	93.4	96.2	90.8

2. The Facilities & Equipment budget for 2025 reflects a \$87,036 (2.5%) increase from the 2023 budget and a \$195,521 increase (5.5%) from the 2023 projections.

A. To best analyze the Facility Operating Expenses, the MRR funded expenses must be adjusted out of the total:

	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget
Major Projects	\$ 543,722	\$ 252,621	\$ 312,689	\$ 489,202	\$362,831
Facility Maint.	\$ 217,211	\$ 235,823	\$ 287,111	\$ 405,377	\$257,235
Total Expenses	\$ 760,933	\$ 488,444	\$ 599,800	\$894,579	\$620,066
MRR Funded	\$(188,744)	\$(61,951)	(\$77,944)	(\$371,138)	(\$191,685)

Net Facility Expenses	\$ 572,189	\$ 426,493	\$ 521,856	\$523,441	\$428,381
% Incr. (Dec.)		-25%	+22%	+0.3%	-18%

This category fluctuates significantly dependent on the types of projects that are incurred in a given year. The 2025 budget includes the custodial services being performed in house and is adjusted for MRR activities. We therefore believe the budgeted amounts for Facilities Expenses are reasonable.

3. Corporate Expenses:

- A. The Corporate Expenses budget reflects an increase of \$16,921 (2.2%) when compared to budgeted costs for 2024.
- B. Conference and Training reflects a \$8,396 (24.6%) decrease from budgeted 2024 expenses. GVR remains committed to staff professional training.
- C. Commercial Insurance includes a \$62,373 (17.6%) increase due to additional facilities and rising insurance costs.
- D. GVR is not budgeting any additional allowance for doubtful accounts. The current allowance is about \$150,000 which is a \$5,000 decrease during the 2024 fiscal year.

4. Program Expenses for the 2025 budget are \$438,825 (98.2%) more than the budgeted in 2024. This significant increase is offset with a \$638,315 increase in Recreation Revenue.

5. The Operations Expenses include a decrease of \$16,264 (2.3%) from budgeted 2024.

- A. GVR is experiencing significant inflationary increases in janitorial and pool related supplies.
- B. Investment Expenses account for \$74,000 of the Operations Expenses. These expenses are paid directly from the Reserve Accounts.

6. Capital Budget

The Capital Budget is summarized and included on page 37

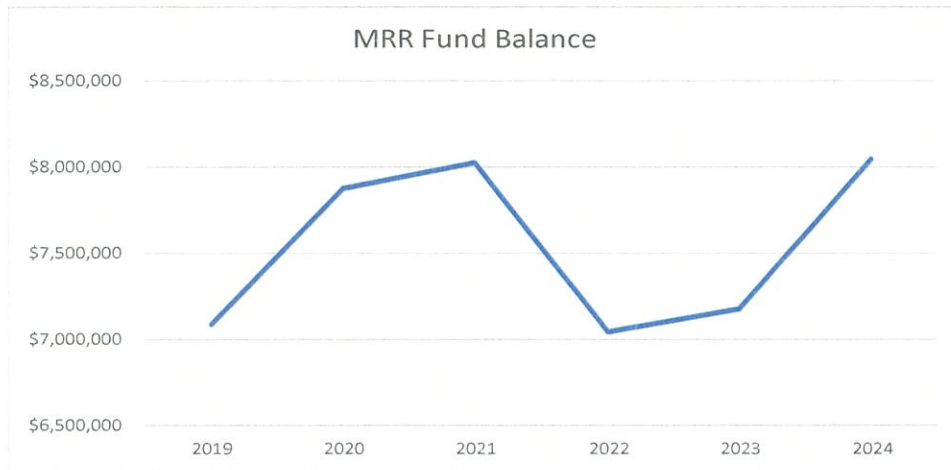
Maintenance Repair & Replacement

A major component of the 2025 Budget is the funding and execution of the Maintenance Repair and Replacement Reserve (MRR). This Reserve account is funded annually in January with the amount determined by the Reserve Study. The MRR Reserve Study is primarily a budgetary tool that not only establishes the annual contribution, but also identifies components such as HVAC equipment, painting, flooring, pool maintenance, and parking lot maintenance. These components are scheduled in the study and it provides a 30-year financial plan for maintaining and replacing components. Browning and Company, the independent consulting company that conducted the study states in the transmittal letter “Based on the 30-year cash flow projection, GVR’s reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.”

The MRR Fund is a Reserve Fund that is invested in a separate investment account. This account has a unique Investment Policy Statement (IPS) approved by the Board and allows GVR to achieve the best return on investment while minimizing the investment risk over the long period of the reserve study. The fund balance trend is as follows:

MRR Fund Balance

	2019	2020	2021	2022	2023	2024
MRR Fund Balance	\$ 7,085,389	\$ 7,874,717	\$ 8,025,718	\$ 7,043,208	\$ 7,175,602	\$ 8,044,393



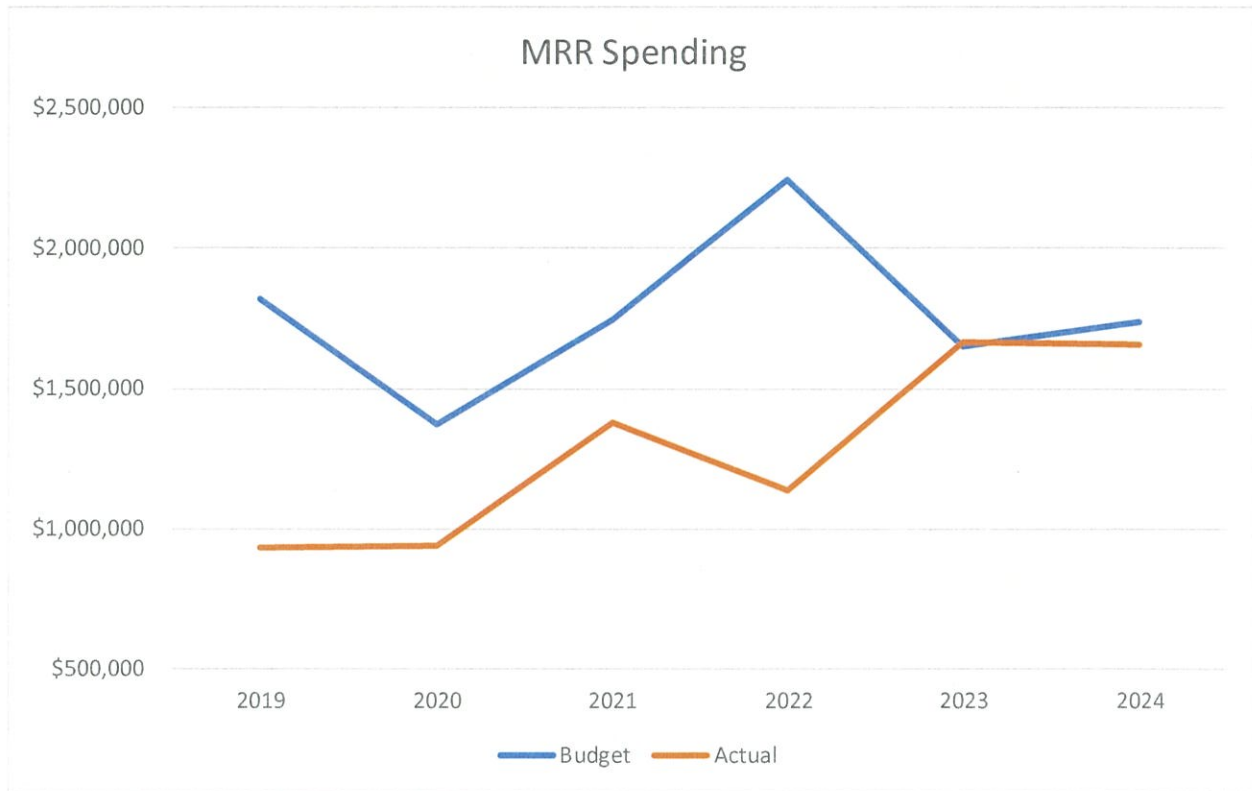
It is important to note that the budgeted MRR contribution funding costs \$95.53 per household and constitutes 18.1% of the annual dues rate (\$95.53 / \$530.00).

The fund contribution amount for January 2025 is \$1,300,102 which is 10.3% of the 2025 total budget. GVR has plans to spend \$2,340,240 on MRR components in 2025.

The following information illustrates the spending trend on MRR components:

GVR
MRR Budget versus actual spending

	2019	2020	2021	2022	2023	2024
Budget	\$ 1,817,094	\$ 1,374,903	\$ 1,746,938	\$ 2,241,047	\$ 1,652,638	\$ 1,740,411
Actual	\$ 929,174	\$ 941,845	\$ 1,377,108	\$ 1,136,788	\$ 1,665,433	\$ 1,656,002

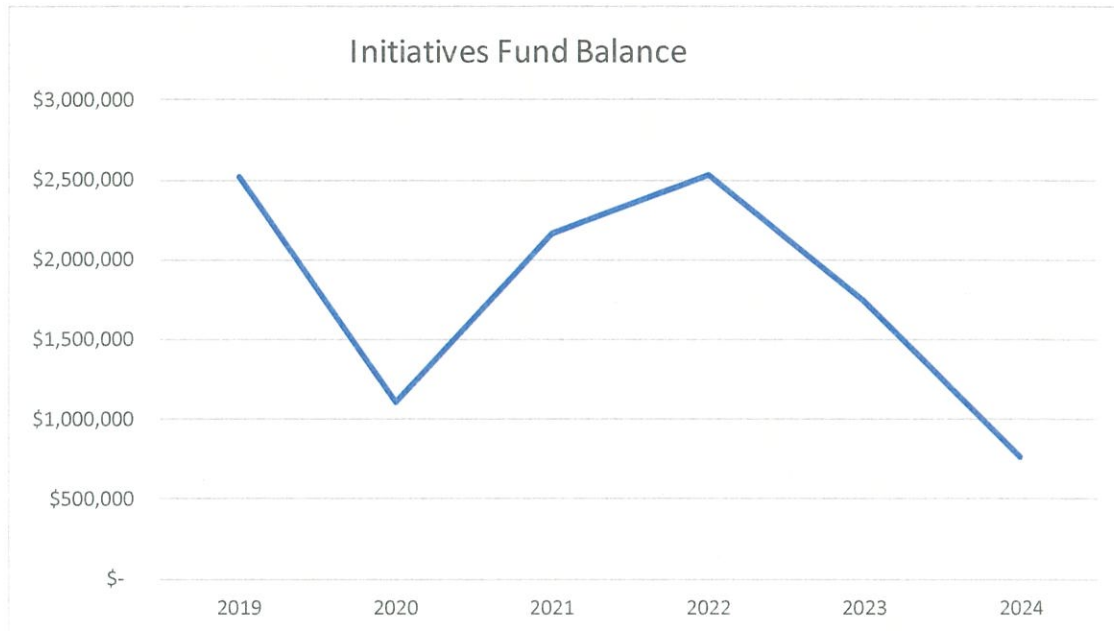


GVR is committed to maintaining the assets of its facilities. This is reflected in the growth of actual expenditures out of the MRR Fund.

Initiatives Reserve Fund

The Initiatives Reserve Fund is funded as prescribed by the Corporate Policy Manual (CPM) Section 5.3.5 where 20% of the Membership Change Fee and 25% of the Initial Fees assessed on each GVR member property sold is transferred to the Initiatives Reserve Fund on a monthly basis. The following chart illustrates the balance of this fund over the past 5 years:

Initiatives	2019	2020	2021	2022	2023	2024
Fund	\$ 2,516,801	\$ 1,114,873	\$ 2,166,737	\$ 2,531,557	\$ 1,750,056	\$ 763,968



GVR has invested over \$5.8 million in Initiatives projects since 2019 that include the GVR Pickleball Center, Del Sol Clubhouse, Glass Arts, and the Desert Hills expansion.

7. The Capital Budgets are as follows:

- A. Maintenance, Repair, and Replacement (MRR) Capital Budget is \$2,340,240 and is detailed on pages 21 and 22. The prior 2024 MRR Capital budget was \$1,740,411.
- B. The Non-Reserve Capital projects amount for the FY2025 Budget equals a total of \$22,841 in Capital projects that are funded with operational funds. The prior year 2024 NRC Budget was \$227,000. This budget does not include the \$100,000 allocated for non-budgeted, unplanned items, per the Capital Improvement Policy and Process.
- C. The Initiatives Capital Projects budgeted for 2025 on pages 37-38 include the following Projects, ranked in order of priority by the Planning & Evaluation Committee:

P & E Ranking	Description	2024 Carryover	2025 Budget
	DH Ceramics Kiln Room	\$90,000	
	WC Lobby Improvements	\$150,000	
	DH Locker Room	\$299,335	
1	EC Lapidary Gas Manifold		\$43,000
1	WC Club Expansion		\$900,000
2	LC Third Tennis Court		
2	SRAL Lower-Level Expansion		
3	CR Pickleball Courts		
3	SRS Social Patio		
4	SRS Fitness Center Expansion		
TOTAL	INITIATIVES CAPITAL BUDGET	\$539,335	\$943,000

Currently, based on revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. This is illustrated in the Five-Year Capital Improvement Plan that is reported on page 38.

8. Maintenance Repair & Replacement Reserve (MRR) funding is budgeted at \$1,300,102 as presented by the Browning Reserve Group, and is \$79,807 more than 2023.
 - A. The 2025 Reserve Study report has calculated the MRR Reserve funding level to be 60.5%. The prior year funding level was 63.0%.
 - B. The MRR Funding increased \$5.87 to approximately \$95.53 per member property.
 - C. The funding of the MRR-B Replacement of Pools and Spas is budgeted at \$320,358 and is \$20,958 (7.0%) more than the prior year.

Total Expenditures Budgeted for 2024 are \$11,685,954 and are a \$651,939 (5.9%) increase from the 2024 Budget.

The 2025 Draft Budget is based on a Net Zero Surplus Approach. Adjustments to the Net Consolidated Accrual Basis Surplus are as follows:

Total Budgeted Income	\$12,612,553
Total Budgeted Expenses	<u>(\$11,685,954)</u>
Gross Surplus	\$ 926,599
Less Non-Reserve Capital Projects	(\$ 22,489)
Less Income from Reserves	(\$ 278,400)
Initiatives Reserve Funding	(\$ 547,770)
MRR-B Pools & Spas Reserve Funding	(\$ 320,358)
MRR Reserve Funding	(\$ 1,300,102)
MRR Operating Expenses paid by MRR Fund	\$ 200,000
Depreciation	\$ 1,268,520
Management expenses of Reserve Funds	<u>\$ 74,000</u>
Net Surplus (Deficit)	\$ 0

The amounts to determine the Zero Balance budget are also listed at the bottom of page 34.

GVR Facilities Services

GVR's Facilities Services Department is responsible for maintaining and improving GVR's physical infrastructure, ensuring that all recreational, social, and leisure facilities are safe, well-maintained, and fully operational. The department oversees the planning and execution of maintenance, repair, and capital improvement projects to enhance the quality of services for members.

SIGNIFICANT ACCOMPLISHMENTS

- Insourcing tasks that make sense, for example:
 - Taking over management from Cintas for eye wash and first aid stations resulting in saving over \$25,000 annually
 - Changing hardware supply vendors from Grainger to Home Depot (and others) saving \$10,000 annually
 - Some MRR projects and operations maintenance projects are being done in house by GVRs skilled maintenance staff reducing contract labor expenses
 - Examples: painting, HVAC, welding, electrical, roof coating.

BUDGET HIGHLIGHTS

- Custodial Services are to be performed in house in 2025
additional highlights in the 3rd draft

PERSONNEL

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Maintenance	13	12	15	15
Landscaping	7	8	6	6
Aquatics	5	5	6	6

Total Personnel	25	25	27	27
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SUMMARY OF EXPENDITURES (Facilities Services)

Type	FY 2022	FY 2023	FY 2024	FY 2025
Salaries & Wages	\$1,032,629	\$1,016,388	\$1,212,042	\$1,287,790
Taxes	77,213	75,736	86,182	103,023
Benefits	302,540	283,614	333,598	214,222
Other Operating Costs	3,478,971	3,842,612	3,493,485	3,483,993
Total Expenditures	\$4,891,353	\$5,217,935	\$5,125,308	\$5,089,028

EXPLANATION / SUMMARY HIGHLIGHTS

OTHER OPERATING COSTS

Permits & Inspections (5061) \$10,643

Pool and kitchen permits as required by the Pima County Health Department

Contracts (5125) \$155,000

Maintenance contracts with external vendors that include fire, first aid, pest control, alarms, elevator, document shredding and custodial support

Repair & Maintenance (5155) \$193,000

Supplies and services for facilities repair and maintenance including electrical, painting, plumbing, and other pool maintenance costs.

Utilities (5195-5210) \$1,081,000

Water (\$99,000), electricity (\$400,000), natural gas (\$540,000), and waste

management (\$42,000)

Vehicles (5001-5002)	\$100,000
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GVR's fleet consists of 23 vehicles including trucks and trailers.
Gasoline (\$55,000), and repairs and maintenance (\$45,000)

Operating Supplies (5166)	\$347,000
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Pool supplies and chemicals (\$230,000), maintenance supplies such as filters, lights, electrical supplies, and sprinkler supplies (\$75,000) and landscaping supplies (\$42,000)

Signage (5062)	\$10,000
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Signs for Santa Rita Springs, the Del Sol clubhouse, and other centers

Depreciation	\$1,268,520
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GAAP required for the expense of fixed tangible assets that are declining in value

GVR Administrative Services

GVR's administrative Services department encompasses a range of critical functions, including member services, human resources, finance, administration, governance, communications and risk management. This department ensures efficient operations, supports organizational governance, and provides essential services that enhance member experience and internal operations.

SIGNIFICANT ACCOMPLISHMENTS

- Consolidated the Audio/Visual services with Information Technology (IT)
- Developed company-wide and departmental training programs for managers and staff members
- Evaluate contracts and relationships with existing, vendors to maximize outcomes while minimizing costs
 - Example: lowered annual payroll software expenses (\$30,000) while adding comprehensive training programs
- Provides outreach to the Green Valley community. For example, our Membership team is an invited guests for Green Valley and Sahuarita Association Realtor meetings educating local real estate agents about GVR.
- Optimized printing process by engaging local vendors, improving quality and faster turnaround while reducing costs by 20%

PERSONNEL – Administrative Services

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Information Technology	4	4	5	5
Administration (Finance, HR, Communications, Admin)	14	11	9	8
Membership	0	9	7	6
Total Personnel	18	24	21	19

SUMMARY OF EXPENDITURES (Administrative Services)

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Salaries & Wages	\$1,123,947	\$1,234,350	\$1,285,524	\$1,461,787
Taxes	\$82,241	\$91,242	\$100,419	\$114,894
Benefits	\$277,772	\$289,536	\$303,933	\$288,138
Other Operating Costs	\$1,268,385	\$1,412,762	\$1,295,703	\$1,297,929
Total Expenditures	\$2,752,345	\$3,027,890	\$2,985,579	\$3,162,748

EXPLANATION / SUMMARY HIGHLIGHTS

OTHER OPERATING COSTS - Administrative

IT- Repair & Maint. Card access (5153)	\$20,000
Card readers - beepers on doorways	
IT-Lines and Service (5102)	\$82,000
Telecom and internet	
IT- Software Maintenance (5127)	\$127,041
Software subscriptions, TEI, Microsoft	
IT- Network Maintenance and Repair (5154)	\$10,000
Computer hardware repair and maintenance	
Finance – Professional Services (5063)	\$28,000
Annual audit and tax return	
Board of Directors (5069)	\$50,000
Governance	
Nomination and Elections- Professional Services (5063)	\$6,500
“Vote Now”	
HR- Payroll Processing Fees (5059)	\$41,200
Payroll services Paycom	

HR- Procurement (5026) \$5,000

Drug testing and background checks

Communications- Printing (5140) \$72,000

Recreation catalogs, clubs catalogs, monthly newsletter, governance docs

Communications-Events and GVR promotion (5050) \$16,000

Primarily KVGY, social media ads, and magazine listing

Communications - Dues \$ Subscriptions (5065) \$8,700

Mailchimp, online publications

Administration - Real Estate Taxes (5066) \$40,000

Assuming exemptions not approved

Administration- Property Taxes (5067) \$13,000

Taxes on personal property

Administration- Commercial Insurance (5020) \$417,185

5% midyear increase expected

Administration – Investment Expense (9030) \$75,000

Fees related to reserve accounts and JPM long- and short-term operating accounts

Administration – Postage (5135) \$15,169

Includes dues mailing

Administration – Credit Card Fees (5058) \$74,000

Fees charged to GVR for accepting payment by credit card

GVR Field Services

Field Services is a new division that combines custodial, Recreation Services Attendant (RSA) and Customer Service Attendant (CSA) staff members into one group. This new approach separates Recreation and Field Services into two separate divisions and also removes custodial from Facilities Services. Facilities Services will focus on maintenance, Recreation focuses on supporting clubs and scheduling successful programs and events, and Field Services is responsible of all other needs at GVR

facilities. Field Services members will generally be cross trained and able to perform various roles maximizing efficiency and quality. Also, in 2025, Field Services team members will generally be assigned to GVR centers – a change from the “zones” approach of 2024. This will result in greater accountability and “pride of ownership” ensuring GVR facilities are kept up to the high standard that members expect.

SIGNIFICANT ACCOMPLISHMENTS

FORTHCOMING WITH 3rd DRAFT

BUDGET HIGHLIGHTS

- All field personnel costs are grouped to this division.

PERSONNEL – Field Services

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Field Services	0	0	0	30.9
Custodial	31	10	20	5.3
Total Personnel	31	10	20	36.2

SUMMARY OF EXPENDITURES

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Salaries & Wages	\$846,983	\$200,001	\$131,198	\$1,431,260
Taxes	\$66,810	\$16,107	\$10,727	\$114,501
Benefits	\$170,860	\$19,421	\$36,066	\$210,532
Other Operating Costs	\$112,480	\$175,296	\$341,402	\$164,130
Total Expenditures	\$1,197,133	\$410,825	\$519,393	\$1,920,423

EXPLANATION / SUMMARY HIGHLIGHTS

OTHER OPERATING COSTS

Operating Supplies (5166)	\$115,000
Custodial supplies, tools, and equipment	
Conferences and Training (5029)	\$4,550
Supervisor training, International Sanitary Supply Association (ISSA) Conference	
Maintenance Contracts (5125)	\$10,000
Window Cleaning	
Equipment- New (5181)	\$4,000
Floor cleaning machines	

Recreation Services

Recreation Services is responsible for supporting clubs and delivering all GVR programs and events, including: concerts, dinner and a dance, leisure education, personal training, tours, movies, and other free events. Between 2020 and 2023, two significant factors had a big impact on GVR's recreation program: the pandemic, and the substantial turn over in homes/memberships. With the influx of new members, staff found that old approaches were no longer popular, In 2024, new approaches in response to member polls and post-event surveys were successful. This success is showcased by a projected 48% increase in revenue compared to 2023 (actual) and the 2025 revenue goal is a 120% increase from 2023 (actual).

SIGNIFICANT ACCOMPLISHMENTS

- We anticipate continued growth, quantitatively and financially, in the areas of Leisure Education and Personal Training.
- We may have as many as 100 entertainment events, of all sizes
- Free events we'll be offering every two to three weeks.

- We will continue to grow our 'Tours' program with multiple day trips; new offerings will include the NASCAR race in Phoenix.

BUDGET HIGHLIGHTS

- Item 1 **FORTHCOMING WITH 3rd DRAFT**

PERSONNEL – Recreation

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Recreation	23	34.4	28.2	8.6
Total Personnel	23	34.4	28.2	8.6

SUMMARY OF EXPENDITURES (Recreation)

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Salaries & Wages	\$920,763	\$1,386,893	\$1,419,049	\$472,450
Taxes	\$70,303	\$105,600	\$126,304	\$37,796
Benefits	\$171,516	\$296,350	\$290,858	\$77,132
Other Operating Costs	\$525,035	\$581,988	\$567,613	\$915,427
Total Expenditures	\$1,687,617	\$2,370,831	\$2,403,824	\$1,502,805

EXPLANATION / SUMMARY HIGHLIGHTS

OTHER OPERATING COSTS

Recreation Contracts (5040) \$697,686

Expenses directly related to Recreation Revenue: Concerts (\$217,800)

“Personal Trainers” (\$67,500) Class Instructors (\$273,000) Tours (\$139,386)

Food and Catering (5070) \$79,290

Event food and catering, concerts, paint and sip

Rentals (5080) \$5,400

16 paid movies and 2 free outdoor movies

Event Supplies (5045) \$25,200

Supplies for free events (\$6,000) Supplies for concerts, dinners and dance such as table cloths, décor, set ups (\$19,200)

Repair and Maintenance- Equipment (5152) \$37,000

Monthly maintenance contracts for fitness equipment

Three Year Forecast

A summary forecast for the three-year period 2026 through 2028 can be found on pages 39-40. This report is for planning purposes only. The fee rates for this period are projections and GVR is not requiring approval of these forecasts.

Fund Based Statements:

Fund based statements are provided as follows:	<u>Page</u>
• GVR Consolidated Statement	41
• GVR Operating Activities	42
• GVR Initiatives Fund	43
• GVR Maintenance Repair & Replace Fund	44
• GVR MRR – B Pools and Spas Fund	45
• GVR Emergency Fund	46


Capital Projects

The Capital Improvement Project Assessments are included on pages 47 - 78

CLOSING

GVR provides important services to a unique population of approximately 22,344 Members in Green Valley Arizona. Our lean ratio of 1 staff position to every 246 Members demonstrates how we strive to make every dollar count. GVR continues to focus on providing excellent customer service and improving service delivery while minimizing costs. The past year has been challenging to balance and prioritize the needs of our organization with the limited amount of resources available. In developing the FY 2025 Budget, we have made every attempt to find savings while keeping our 2022-26 Five-Year Strategic Plan as our guide. As we enter the next fiscal year, we will again need to closely monitor revenues and expenditures to ensure that revenues are coming in as budgeted and make any necessary expenditure adjustments throughout the year. We are confident that GVR's staff will continue to meet this challenge. The budget process is a team effort and reflects many hours of hard work on the part of staff, Planning and Evaluation Committee members, Fiscal Affairs Committee members, and the GVR Board of Directors. We extend special thanks for the hard work of staff and the GVR management team, particularly David Webster, CFO, in developing the FY 2025 Budget. In summary, this 2025 Budget accomplishes the Bylaws requirement that GVR "shall be guided by the actual expense of operating the recreational facilities of The Corporation, including a reasonable reserve for Capital Replacements with the objective of operating the facilities on a self-sustaining basis". This budget is a solid foundation to keep GVR fiscally strong and responsive to its Members.

Scott Somers, CEO

 2025 Budget		2025
		Budget
Full Time Equivalents		91
Head Count		104
Revenue	Member Dues	7,350,040
	LC, Trans., Crd Fees.	729,376
	Capital Revenue	2,724,900
	Membership Revenue	10,804,316
	Programs	643,718
	Instructional	480,000
	Recreational Revenue	1,123,718
	Investment Income	435,000
	Advertising Income	-
	Cell Tower Lease Inc.	48,919
	Comm. Revenue	48,919
	Other Income	173,100
	Facility Rent/Leases	27,500
	Café Sales Income	-
Contributed Income	-	
Other Revenue	200,600	
Total Operating Revenue		12,612,553
Expenses	Major Proj.-Rep. & Maint.	206,143
	Facility Maintenance	396,230
	Fees & Assessments	2,000
	Utilities	1,081,000
	Depreciation	1,268,520
	Furniture & Equipment	198,963
	Vehicle Expenses	100,000
	Facilities & Equipment	3,252,856
	Wages	4,653,287
	Payroll Taxes	370,215
	Benefits	790,024
	Personnel	5,813,526
	Food & Catering	92,310
	Recreation Contracts	712,086
	Bank & Credit Card Fees	81,500
	Program	885,896
	Communications	109,900
	Printing	97,000
	Advertising	18,000
	Communications	224,900
	Supplies	547,100
	Postage	19,500
	Dues & Subscriptions	14,900
	Travel	9,700
	Other Operating Expense	101,600
	Operations	692,800
	Information Technology	137,041
	Professional Fees	170,500
	Commercial Insurance	417,185
	Taxes	53,000
	Conferences & Training	25,750
Employee Recognition	12,500	
Marketing Expenses	-	
Corporate Expenses	815,976	
Total Operating Expenses		11,685,954
Net	Gross surplus(Rev-Exp)/ Net Cash Flow	926,599
	Unrea. Gain/Loss on Invest.	-
	Accrual Basis Net from Operations	926,599
Adj. to Cash Basis	Subtract:	-
	Non-Reserve Capital Projecs	(22,489)
	Income From Reserve Funds	(278,400)
	Reserved Funding/Initiatives	(547,770)
	MRR B (Pools & Spas)	(320,358)
	Del Sol Clubhouse	-
	Reserve Funding/MRR A	(1,300,102)
	Cash Basis Change in Net Assets Net of f	(1,542,520)
	Add Back:	-
	MRR Operating Expenses.	200,000
	Depreciation	1,268,520
Expenses from Reserve Funds	74,000	
Cash Basis Net Surplus (Deficit)	-	

DRAFT

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GVR Budget Worksheet GVR Summary

2025 Budget	2022	2023	2024	2024 revised projection	2025	2025 Budget v. 2024 Projected		2025 Budget v 2024 Budgeted	
	1..12	1..12	1..12		1..12				
	Actual	Actual	Budget		Budget				
Full Time Equivalents	83	95	99	96	91				
Head Count	103	113	117	109	104				
Member Dues	6,947,340	7,051,930	7,132,750	7,138,742	7,350,040	211,298	3.0%	217,290	3.0%
LC, Trans., Crd Fees.	785,602	740,844	705,541	705,790	729,376	23,586	3.3%	23,835	3.4%
Capital Revenue	3,099,400	2,753,060	3,039,780	2,573,200	2,724,900	151,700	5.9%	(314,880)	-10.4%
Membership Revenue	10,832,342	10,545,834	10,878,071	10,417,732	10,804,316	386,584	3.7%	(73,755)	-0.7%
Programs	90,824	108,503	92,403	300,186	643,718	343,532	114.4%	551,315	596.6%
Instructional	310,729	405,592	393,000	460,000	480,000	20,000	4.3%	87,000	22.1%
Recreational Revenue	401,553	514,095	485,403	760,186	1,123,718	363,532	47.8%	638,315	131.5%
Investment Income	372,078	456,354	425,458	489,340	435,000	(54,340)	-11.1%	9,542	2.2%
Advertising Income	-	-	-	-	-				
Cell Tower Lease Inc.	43,105	47,478	47,094	48,919	48,919	0	0.0%	1,825	3.9%
Comm. Revenue	43,105	47,478	47,094	48,919	48,919	0	0.0%	1,825	3.9%
Other Income	91,111	86,482	91,072	128,700	173,100	44,400	34.5%	82,028	90.1%
Facility Rent/Leases	21,163	20,822	20,000	25,000	27,500	2,500	10.0%	7,500	37.5%
Café Sales Income	-	-	25,000	-	-				
Contributed Income	-	-	-	-	-				
Other Revenue	112,273	107,304	136,072	153,700	200,600	46,900	30.5%	64,528	47.4%
Total Operating Revenue	11,761,351	11,671,065	11,972,098	11,869,877	12,612,553	742,676	6.3%	640,455	5.3%
Major Proj.-Rep. & Maint.	252,621	426,871	489,202	362,831	206,143	(156,688)	-43.2%	(283,059)	-57.9%
Facility Maintenance	235,823	408,591	405,252	257,235	396,230	138,995	54.0%	(9,022)	-2.2%
Fees & Assessments	15,423	14,905	5,000	2,000	2,000	-	0.0%	(3,000)	-60.0%
Utilities	951,134	1,081,395	989,399	1,096,814	1,081,000	(15,814)	-1.4%	91,601	9.3%
Depreciation	1,595,311	1,362,706	1,275,000	1,254,412	1,268,520	14,108	1.1%	(6,480)	-0.5%
Furniture & Equipment	204,662	298,233	268,944	214,585	198,963	(15,622)	-7.3%	(69,981)	-26.0%
Vehicle Expenses	88,254	96,330	98,000	109,669	100,000	(9,669)	-8.8%	2,000	2.0%
Facilities & Equipment	3,343,227	3,689,031	3,530,797	3,297,545	3,252,856	(44,689)	-1.4%	(277,941)	-7.9%
Wages	3,924,322	3,837,632	4,047,813	4,380,816	4,653,287	272,471	6.2%	605,474	15.0%
Payroll Taxes	296,565	288,685	323,634	350,465	370,215	19,750	5.6%	46,581	14.4%
Benefits	922,239	888,922	964,455	731,001	790,024	59,023	8.1%	(174,431)	-18.1%
Personnel	5,143,126	5,015,239	5,335,902	5,462,283	5,813,526	351,243	6.4%	477,624	9.0%
Food & Catering	26,193	30,936	21,386	41,249	92,310	51,061	123.8%	70,924	331.6%
Recreation Contracts	375,954	368,360	348,685	548,500	712,086	163,586	29.8%	363,401	104.2%
Bank & Credit Card Fees	61,743	73,550	77,000	76,500	81,500	5,000	6.5%	4,500	5.8%
Program	463,890	472,846	447,071	666,249	885,896	219,647	33.0%	438,825	98.2%
Communications	107,705	104,443	96,023	105,793	109,900	4,107	3.9%	13,877	14.5%
Printing	82,151	81,655	103,183	89,159	97,000	7,841	8.8%	(6,183)	-6.0%
Advertising	19,285	28,380	12,920	18,703	18,000	(703)	-3.8%	5,080	39.3%
Communications	209,141	214,478	212,126	213,655	224,900	11,245	5.3%	12,774	6.0%
Supplies	418,998	547,041	557,458	505,574	547,100	41,527	8.2%	(10,358)	-1.9%
Postage	18,212	17,587	17,921	21,825	19,500	(2,325)	-10.7%	1,579	8.8%
Dues & Subscriptions	15,623	13,564	17,091	14,153	14,900	747	5.3%	(2,191)	-12.8%
Travel	9,163	2,340	10,945	3,858	9,700	5,842	151.4%	(1,245)	-11.4%
Other Operating Expense	130,526	124,799	105,649	103,929	101,600	(2,329)	-2.2%	(4,049)	-3.8%
Operations	592,522	705,331	709,064	649,339	692,800	43,462	6.7%	(16,264)	-2.3%
Information Technology	88,338	161,641	136,781	144,978	137,041	(7,937)	-5.5%	260	0.2%
Professional Fees	239,207	304,543	213,816	148,670	170,500	21,830	14.7%	(43,316)	-20.3%
Commercial Insurance	338,380	340,565	354,812	376,495	417,185	40,690	10.8%	62,373	17.6%
Taxes	53,308	77,862	33,000	54,623	53,000	(1,623)	-3.0%	20,000	60.6%
Conferences & Training	26,507	14,894	34,146	7,322	25,750	18,428	251.7%	(8,396)	-24.6%
Employee Recognition	14,111	13,872	21,500	14,042	12,500	(1,542)	-11.0%	(9,000)	-41.9%
Marketing Expenses	-	-	5,000	-	-				
Corporate Expenses	759,851	913,377	799,055	746,130	815,976	69,846	9.4%	16,921	2.1%
Total Operating Expenses	10,511,758	11,010,302	11,034,015	11,035,200	11,685,954				
Gross surplus(Rev-Exp)/ Net Cash Flow	1,249,594	660,763	938,083	834,677	926,599				
Unrea. Gain/Loss on Invest.									
Accrual Basis Net from Operations	1,249,594	660,763	938,083	834,677	926,599				
Subtract:									
Non-Reserve Capital Projcs	(196,930)	(47,980)	(227,000)	(3,314)	(22,489)				
Income From Reserve Funds	(295,153)	(296,663)	(259,068)	(281,110)	(278,400)				
Reserved Funding/Initiatives	(623,580)	(559,835)	(610,956)	(516,655)	(547,770)				
MRR B (Pools & Spas)	(270,472)	(299,400)	(299,400)	(299,400)	(320,358)				
Del Sol Clubhouse			(50,000)	(50,000)	-				
Reserve Funding/MRR A	(1,132,047)	(1,169,946)	(1,220,295)	(1,220,295)	(1,300,102)				
Cash Basis Change in Net Assets Net of f	(1,268,588)	(1,713,061)	(1,728,636)	(1,536,097)	(1,542,520)				
Add Back:									
MRR Operating Expenses.	61,951	283,441	371,136	191,685	200,000				
Depreciation	1,551,939	1,362,706	1,275,000	1,254,412	1,268,520				
Expenses from Reserve Funds	83,297	79,187	82,500	75,000	74,000				
Cash Basis Net Surplus (Deficit)	428,599	12,273	-	(15,000)	-				

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Fee Schedule BUDGET	2024			2025		
	Fee	# Transact.	Budgeted Revenue	Fee	# Transact.	Revenue
	4000 - Annual Dues per Household Life Care, Transfer, Tenant & Addl Card Fees	\$ 515	13,850	\$ 7,132,750	\$ 530	13,868
4004 - Annual Life Care Member Dues	\$ 515	48	\$ 24,720	\$ 530	48	\$ 25,440
4005 - Transfer Fee (Resale)	\$ 450	957	\$ 430,650	\$ 465	951	\$ 442,215
4007 - Guest Card Fees	\$ 75	1,400	\$ 105,000	\$ 80	1,400	\$ 112,000
	\$ 10	400	\$ 4,000			
			\$ 109,000			
1-7 Days	\$ 30	60	\$ 1,800	\$ 35	60	\$ 2,100
2 Weeks	\$ 40	72	\$ 2,880	\$ 45	72	\$ 3,240
1 Month	\$ 55	282	\$ 15,510	\$ 60	282	\$ 16,920
2 Months	\$ 90	220	\$ 19,800	\$ 95	220	\$ 20,900
3 Months	\$ 130	258	\$ 33,540	\$ 135	258	\$ 34,830
4-12 Months	\$ 165	385	\$ 63,525	\$ 170	385	\$ 65,431
4009 - Tenant Fees		1,277	\$ 137,055		1,277	\$ 143,421
4103 - Additional Card Fees	\$ 100	60	\$ 6,000	\$ 105	60	\$ 6,300
4206 - Membership Change Fee	\$ 3,000	844	\$ 2,532,900	\$ 3,100	861	\$ 2,669,100
4204 - Initial Fee (https://www.bls.gov/)	\$ 3,000	20	\$ 60,000	\$ 3,100	18	\$ 55,800
Capital Revenue			\$ 2,592,900			\$ 2,724,900
Late Fees	\$ 20	3,200	\$ 64,000	\$ 25	3,200	\$ 80,000

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GVR
Budget
FY 2025

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INITIATIVES CAPITAL IMPROVEMENT PLAN:

East Center Lapidary Gas Manifold	\$ 43,000
West Center Club Expansion	\$ 900,000
Canoa Ranch Pickleball courts funded 100% by club.	\$ -
	<hr/>
TOTAL BUDGETED INITIATIVES CAPITAL PROJECTS	\$ 943,000
NON RESERVE CAPITAL PROJECTS	\$ 22,489
DESERT HILLS POOL REPLACEMENT MRR-B	\$ 1,651,539
MRR CAPITAL PROJECTS 2025 (per Reserve Study)	<u>\$ 2,340,240</u>
GRAND TOTAL CAPITAL BUDGETS 2025	\$ 4,957,268
2025 OPERATING BUDGET	<u>\$ 11,685,954</u>
GRAND TOTAL BUDGETS - 2025	<u><u>\$ 16,643,222</u></u>

GVR
8/31/2024
Cash Funding Projections

All Amounts Are Projections

	2025	2026	2027	2028	2029
Initiatives					
Beginning Balance	\$ 883,544	\$ 5,507	\$ 616,299	\$ 17,290	\$ 186,541
Funding From Operations Revenue	\$ 547,770	\$ 603,855	\$ 637,440	\$ 682,338	\$ 682,338
Additional GVR Funding (Surplus)	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
Transfer to Operations					
Net Investment Earnings	\$ 67,528	\$ 17,937	\$ 54,552	\$ 20,914	\$ 30,788
Projects:					
Del Sol Clubhouse Parking Lot	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
Del Sol Club House					
DH Ceramics Kiln Room Code	\$ (90,000)				
WC Lobby improvements	\$ (150,000)				
Metal Shop Home					
DH Locker room	\$ (299,335)				
Desert Hills stage removal					
Priority					
1 LC Fitness Expand to Cypress				\$ (75,000)	
1 EC Lapidary Gas Manifold	\$ (43,000)				
1 WC Club Expansion	\$ (900,000)	\$ -	\$ (1,000,000)		
2 LC Third Tennis Court			\$ (380,000)		
2 SRAL Lower Level Expansion				\$ (385,000)	
3 DH Steam Room	\$ -				
3 CR Pickleball Courts	\$ -				
3 SRS Social Patio				\$ (126,000)	
4 SRS Fitness Center Expansion				\$ (37,000)	
Total for the Year	\$ (1,482,335)	\$ -	\$ (1,380,000)	\$ (623,000)	\$ -
Ending Balance	\$ 5,507	\$ 616,299	\$ 17,290	\$ 186,541	\$ 988,668
Maintenance Repair & Replacement					
Beginning Balance	\$ 7,773,801	\$ 7,429,925	\$ 7,483,197	\$ 7,270,245	\$ 7,745,409
Annual Funding (per Reserve Study)	\$ 1,300,102	\$ 1,356,006	\$ 1,414,314	\$ 1,475,130	\$ 1,538,561
Additional Funding					
Net Investment Earnings (actual IPS rate)	\$ 696,263	\$ 655,387	\$ 356,962	\$ 572,295	\$ 581,732
Projects:					
Per Reserve Study	\$ (2,340,240)	\$ (1,958,122)	\$ (1,984,228)	\$ (1,572,260)	\$ (2,031,701)
Ending Balance	\$ 7,429,925	\$ 7,483,197	\$ 7,270,245	\$ 7,745,409	\$ 7,834,001
MRR Part B - Pools and Spas					
Beginning Balance	\$ 1,244,169	\$ 4,267	\$ 359,084	\$ 752,332	\$ 1,168,522
Funding	\$ 320,358	\$ 335,022	\$ 351,774	\$ 351,774	\$ 351,774
Additional Funding					
Net Investment Earnings	\$ 91,279	\$ 19,795	\$ 41,474	\$ 64,417	\$ 88,699
East Center Pool					
DH Pool (or other pool)	\$ (1,651,539)				
Ending Balance	\$ 4,267	\$ 359,084	\$ 752,332	\$ 1,168,522	\$ 1,608,995
Subtotal Capital Projects Reserves	\$ 7,439,699	\$ 8,458,579	\$ 8,039,866	\$ 9,100,473	\$ 10,431,663
Emergency					
Beginning Balance	\$ 628,069	\$ 659,069	\$ 692,069	\$ 727,069	\$ 763,069
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative					
Net Investment Earnings	\$ 31,000	\$ 33,000	\$ 35,000	\$ 36,000	\$ 38,000
Projects:					
Ending Balance	\$ 659,069	\$ 692,069	\$ 727,069	\$ 763,069	\$ 801,069
Total Board Designated Funds	\$ 8,098,768	\$ 9,150,648	\$ 8,766,935	\$ 9,863,542	\$ 11,232,732

\$50K included in original estimate of \$445K
100% club funded

GVR Budget Worksheet GVR Summary

2025 Budget & 3 YEAR FORECAST	2025	2026	2027	2028	2026	2027	2028
	1..12	Projected	Projected	Projected	Projected % Increase		
	Budget	Forecast	Forecast	Forecast	% Increase		
Full Time Equivalents	91	88	88	88			
Head Count	104	107	107	107	2.00%	2.25%	2.25%
Member Dues	7,350,040	7,501,140	7,652,700	7,735,035	5.1%	2.0%	1.1%
LC,Trans., Crd Fees.	729,376	736,043	761,805	792,277	2.5%	3.5%	4.0%
Capital Revenue	2,724,900	3,005,100	3,171,200	3,399,500	15.7%	5.5%	7.2%
Membership Revenue	10,804,316	11,242,283	11,585,705	11,926,812			
Programs	643,718	675,904	723,217	788,307	5.0%	7.0%	9.0%
Instructional	480,000	629,227	660,688	706,937	3.0%	5.0%	7.0%
Recreational Revenue	1,123,718	1,305,131	1,383,906	1,495,243			
Investment Income	435,000	443,700	452,574	461,625	2.0%	2.0%	2.0%
Advertising Income	-	-	-	-			
Cell Tower Lease Inc.	48,919	48,458	48,458	48,458	0.0%	0.0%	0.0%
Comm. Revenue	48,919	48,458	48,458	48,458			
Other Income	173,100	83,878	85,975	88,554	2.0%	2.5%	3.0%
Facility Rent/Leases	27,500	28,768	29,631	30,520	3.0%	3.0%	3.0%
Café Sales Income	-	8,500	8,670	8,843	2.0%	2.0%	2.0%
Contributed Income	-	-	-	-	0.0%	0.0%	0.0%
Other Revenue	200,600	121,145	124,275	127,917			
Total Operating Revenue	12,612,553	13,160,717	13,594,918	14,060,055	4.3%	7.8%	11.5%
Major Proj.-Rep. & Maint.	206,143	210,266	214,997	219,834	2.0%	2.3%	2.3%
Facility Maintenance	396,230	404,155	413,248	422,546	2.0%	2.3%	2.3%
Fees & Assessments	2,000	2,040	2,086	2,133	2.0%	2.3%	2.3%
Utilities	1,081,000	1,102,620	1,127,429	1,152,796	2.0%	2.3%	2.3%
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771	2.0%	2.3%	2.3%
Furniture & Equipment	198,963	202,942	207,508	212,177	2.0%	2.3%	2.3%
Vehicle Expenses	100,000	104,000	108,160	112,486	4.0%	4.0%	4.0%
Facilities & Equipment	3,252,856	3,319,913	3,396,431	3,474,744			
Wages	4,653,287	4,839,419	4,984,602	5,109,217	4.0%	3.0%	2.5%
Payroll Taxes	370,215	385,024	396,574	406,489	4.0%	3.0%	2.5%
Benefits	790,024	829,525	862,706	897,214	5.0%	4.0%	4.0%
Personnel	5,813,526	6,053,967	6,243,882	6,412,919			
Food & Catering	92,310	94,156	96,275	98,441	2.0%	2.3%	2.3%
Recreation Contracts	712,086	740,569	777,598	816,478	4.0%	5.0%	5.0%
Bank & Credit Card Fees	81,500	83,130	85,000	86,913	2.0%	2.3%	2.3%
Program	885,896	917,856	958,873	1,001,832			
Communications	109,900	112,098	114,620	117,199	2.0%	2.3%	2.3%
Printing	97,000	98,940	101,166	103,442	2.0%	2.3%	2.3%
Advertising	18,000	18,360	18,773	19,195	2.0%	2.3%	2.3%
Communications	224,900	229,398	234,559	239,837			
Supplies	547,100	558,042	570,598	583,436	2.0%	2.3%	2.3%
Postage	19,500	19,890	20,338	20,795	2.0%	2.3%	2.3%
Dues & Subscriptions	14,900	15,198	15,540	15,890	2.0%	2.3%	2.3%
Travel	9,700	9,894	10,117	10,344	2.0%	2.3%	2.3%
Other Operating Expense	101,600	103,632	105,964	108,348	2.0%	2.3%	2.3%
Operations	692,800	706,656	722,556	738,813			
Information Technology	137,041	139,782	142,927	146,143	2.0%	2.3%	2.3%
Professional Fees	170,500	173,910	177,823	181,824	2.0%	2.3%	2.3%
Commercial Insurance	417,185	438,045	451,186	464,721	5.0%	3.0%	3.0%
Taxes	53,000	54,060	55,276	56,520	2.0%	2.3%	2.3%
Conferences & Training	25,750	26,265	26,856	27,460	2.0%	2.3%	2.3%
Employee Recognition	12,500	12,750	13,037	13,330	2.0%	2.3%	2.3%
Marketing Expenses	-	-	-	-	2.0%	2.3%	2.3%
Corporate Expenses	815,976	844,811	867,105	889,999			
Total Operating Expenses	11,685,954	12,072,601	12,423,406	12,758,143			
Gross surplus(Rev-Exp)/ Net Cash Flow	926,599	1,088,116	1,171,512	1,301,912			
Unrea. Gain/Loss on Invest.	-	-	-	-			
Accrual Basis Net from Operations	926,599	1,088,116	1,171,512	1,301,912			
Subtract:							
Non-Reserve Capital Projcs	(22,489)	(67,118)	(59,235)	(81,025)			
Income From Reserve Funds	(278,400)	(310,590)	(316,802)	(323,138)			
Reserved Funding/Initiatives	(547,770)	(604,025)	(637,411)	(683,300)			
MRR B (Pools & Spas)	(320,358)	(302,394)	(305,418)	(308,472)			
Del Sol Clubhouse	-	-	-	-			
Reserve Funding/MRR A	(1,300,102)	(1,385,129)	(1,475,716)	(1,572,228)			
Cash Basis Change in Net Assets Net of F	(1,542,520)	(1,581,140)	(1,623,070)	(1,666,250)			
Add Back:							
MRR Operating Expenses.	200,000	210,000	220,500	231,525			
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771			
Expenses from Reserve Funds	74,000	77,250	79,568	81,955			
Cash Basis Net Surplus (Deficit)	-	-	-	-			

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Fee Schedule 3 YEAR FORECAST	2024			2025			2026			2027			2028		
	Fee	# Transact.	Budgeted Revenue	Fee	# Transact.	Revenue	Fee	# Transact.	Revenue	Fee	# Transact.	Revenue	Fee	# Transact.	Revenue
	4000 - Annual Dues per Household Life Care, Transfer, Tenant & Addl Card Fees	\$ 515	13,850	\$ 7,132,750	\$ 530	13,868	\$ 7,350,040	\$ 540	13,891	\$ 7,501,140	\$ 550	13,914	\$ 7,652,700	\$ 555	13,937
4004 - Annual Life Care Member Dues	\$ 515	48	\$ 24,720	\$ 530	48	\$ 25,440	\$ 540	48	\$ 25,920	\$ 550	48	\$ 26,400	\$ 555	48	\$ 26,640
4005 - Transfer Fee (Resale)	\$ 450	957	\$ 430,650	\$ 465	951	\$ 442,215	\$ 465	1,026	\$ 477,090	\$ 465	1,061	\$ 493,365	\$ 465	1,121	\$ 521,265
	\$ 75	1,400	\$ 105,000	\$ 80	1,400	\$ 112,000	\$ 80	1,400	\$ 112,000	\$ 80	1,400	\$ 112,000	\$ 80	1,400	\$ 112,000
4007 - Guest Card Fees	\$ 10	400	\$ 4,000	\$ 15	400	\$ 6,000									
			\$ 109,000												
1-7 Days	\$ 30	60	\$ 1,800	\$ 35	60	\$ 2,100	\$ 35	60	\$ 2,100	\$ 35	60	\$ 2,100	\$ 35	60	\$ 2,100
2 Weeks	\$ 40	72	\$ 2,880	\$ 45	72	\$ 3,240	\$ 45	72	\$ 3,240	\$ 45	72	\$ 3,240	\$ 45	72	\$ 3,240
1 Month	\$ 55	282	\$ 15,510	\$ 60	282	\$ 16,920	\$ 60	282	\$ 16,920	\$ 60	282	\$ 16,920	\$ 60	282	\$ 16,920
2 Months	\$ 90	220	\$ 19,800	\$ 95	220	\$ 20,900	\$ 95	220	\$ 20,900	\$ 95	220	\$ 20,900	\$ 95	220	\$ 20,900
3 Months	\$ 130	258	\$ 33,540	\$ 135	258	\$ 34,830	\$ 135	258	\$ 34,830	\$ 135	258	\$ 34,830	\$ 135	258	\$ 34,830
4-12 Months	\$ 165	385	\$ 63,525	\$ 170	385	\$ 65,431	\$ 170	385	\$ 65,450	\$ 170	385	\$ 65,450	\$ 170	385	\$ 65,450
4009 - Tenant Fees		1,277	\$ 137,055		1,277	\$ 143,421		1,277	\$ 143,440		1,277	\$ 143,440		1,277	\$ 143,440
4103 - Additional Card Fees	\$ 100	60	\$ 6,000	\$ 105	60	\$ 6,300	\$ 105	60	\$ 6,300	\$ 105	60	\$ 6,300	\$ 105	60	\$ 6,300
4206 - Membership Change Fee	\$ 3,000	844	\$ 2,532,900	\$ 3,100	861	\$ 2,669,100	\$ 3,150	936	\$ 2,948,400	\$ 3,200	971	\$ 3,107,200	\$ 3,250	1,031	\$ 3,350,750
4204 - Initial Fee (https://www.bls.gov/)	\$ 3,000	20	\$ 60,000	\$ 3,100	18	\$ 55,800	\$ 3,150	18	\$ 56,700	\$ 3,200	20	\$ 64,000	\$ 3,250	15	\$ 48,750
Capital Revenue			\$ 2,592,900			\$ 2,724,900			\$ 3,005,100			\$ 3,171,200			\$ 3,399,500
Late Fees	\$ 20	3,200	\$ 64,000	\$ 25	3,200	\$ 80,000	\$ 25	3,200	\$ 80,000	\$ 25	3,200	\$ 80,000	\$ 25	3,200	\$ 80,000


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GVR Summary - Consolidated

GVR Consolidated		2022	2023	2024	2024 revised projection	2025	Change in Budget	
		1..12	1..12	1..12		1..12	FY 24 to FY 25	
		Actual	Actual	Budget		Budget	Amount	Percentage
Revenue	Full Time Equivalents	0	0	99	0	0		
	Head Count	103	113	117	109	104		
	Member Dues	6,947,340	7,051,930	7,132,750	7,138,742	7,350,040	\$ 217,290	3.0%
	LC,Trans., Crd Fees.	785,602	740,844	705,541	705,790	729,376	\$ 23,835	3.4%
	Capital Revenue	3,099,400	2,753,060	3,039,780	2,573,200	2,724,900	\$ (314,880)	-10.4%
	Membership Revenue	10,832,342	10,545,834	10,878,071	10,417,732	10,804,316	\$ (73,755)	-0.7%
	Programs	90,824	108,503	92,403	300,186	643,718	\$ 551,315	596.6%
	Instructional	310,729	405,592	393,000	460,000	480,000	\$ 87,000	22.1%
	Recreational Revenue	401,553	514,095	485,403	760,186	1,123,718	\$ 638,315	131.5%
	Investment Income	372,078	456,354	425,458	489,340	435,000	\$ 9,542	2.2%
	Advertising Income	-	-	-	-	-		
	Cell Tower Lease Inc.	43,105	47,478	47,094	48,919	48,919	\$ 1,825	3.9%
	Comm. Revenue	43,105	47,478	47,094	48,919	48,919	\$ 1,825	3.9%
	Other Income	91,111	86,482	91,072	128,700	173,100	\$ 82,028	90.1%
	Facility Rent/Leases	21,163	20,822	20,000	25,000	27,500	\$ 7,500	37.5%
	Café Sales Income	-	-	25,000	-	-	\$ (25,000)	-100.0%
	Contributed Income	-	-	-	-	-	\$ -	
	Other Revenue	112,273	107,304	136,072	153,700	200,600	\$ 64,528	47.4%
	Total Operating Revenue	11,761,351	11,671,065	11,972,098	11,869,877	12,612,553	\$ 640,455	5.3%
	Expenses	Major Proj.-Rep. & Maint.	252,621	426,871	489,202	362,831	206,143	\$ (283,059)
Facility Maintenance		235,823	408,591	405,252	257,235	396,230	\$ (9,022)	-2.2%
Fees & Assessments		15,423	14,905	5,000	2,000	2,000	\$ (3,000)	-60.0%
Utilities		951,134	1,081,395	989,399	1,096,814	1,081,000	\$ 91,601	9.3%
Depreciation		1,595,311	1,362,706	1,275,000	1,254,412	1,268,520	\$ (6,480)	-0.5%
Furniture & Equipment		204,662	298,233	268,944	214,585	198,963	\$ (69,981)	-26.0%
Vehicle Expenses		88,254	96,330	98,000	109,669	100,000	\$ 2,000	2.0%
Facilities & Equipment		3,343,227	3,689,031	3,530,797	3,297,545	3,252,856	\$ (277,941)	-7.9%
Wages		3,924,322	3,837,632	4,047,813	4,380,816	4,653,287	\$ 605,474	15.0%
Payroll Taxes		296,565	288,685	323,634	350,465	370,215	\$ 46,581	14.4%
Benefits		922,239	888,922	964,455	731,001	790,024	\$ (174,431)	-18.1%
Personnel		5,143,126	5,015,239	5,335,902	5,462,283	5,813,526	\$ 477,624	9.0%
Food & Catering		26,193	30,936	21,386	41,249	92,310	\$ 70,924	331.6%
Recreation Contracts		375,954	368,360	348,685	548,500	712,086	\$ 363,401	104.2%
Bank & Credit Card Fees		61,743	73,550	77,000	76,500	81,500	\$ 4,500	5.8%
Program		463,890	472,846	447,071	666,249	885,896	\$ 438,825	98.2%
Communications		107,705	104,443	96,023	105,793	109,900	\$ 13,877	14.5%
Printing		82,151	81,655	103,183	89,159	97,000	\$ (6,183)	-6.0%
Advertising		19,285	28,380	12,920	18,703	18,000	\$ 5,080	39.3%
Communications		209,141	214,478	212,126	213,655	224,900	\$ 12,774	6.0%
Supplies		418,998	547,041	557,458	505,574	547,100	\$ (10,358)	-1.9%
Postage		18,212	17,587	17,921	21,825	19,500	\$ 1,579	8.8%
Dues & Subscriptions		15,623	13,564	17,091	14,153	14,900	\$ (2,191)	-12.8%
Travel		9,163	2,340	10,945	3,858	9,700	\$ (1,245)	-11.4%
Other Operating Expense		130,526	124,799	105,649	103,929	101,600	\$ (4,049)	-3.8%
Operations		592,522	705,331	709,064	649,339	692,800	\$ (16,264)	-2.3%
Information Technology		88,338	161,641	136,781	144,978	137,041	\$ 260	0.2%
Professional Fees		239,207	304,543	213,816	148,670	170,500	\$ (43,316)	-20.3%
Commercial Insurance		338,380	340,565	354,812	376,495	417,185	\$ 62,373	17.6%
Taxes		53,308	77,862	33,000	54,623	53,000	\$ 20,000	60.6%
Conferences & Training	26,507	14,894	34,146	7,322	25,750	\$ (8,396)	-24.6%	
Employee Recognition	14,111	13,872	21,500	14,042	12,500	\$ (9,000)	-41.9%	
Marketing Expenses	-	-	5,000	-	-	\$ (5,000)	-100.0%	
Corporate Expenses	759,851	913,377	799,055	746,130	815,976	\$ 16,921	2.1%	
Total Operating Expenses	10,511,758	11,010,302	11,034,015	11,035,200	11,685,954	\$ 651,939	5.9%	
Net	Gross surplus(Rev-Exp)/ Net Cash Fl	1,249,594	660,763	938,083	834,677	926,599	\$ (11,484)	-1.2%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	1,249,594	660,763	938,083	834,677	926,599	\$ (11,484)	-1.2%
	Capital Outlay - Non Reserve Capital	192,930	43,980	277,000	53,314	22,841		
	Transfer to Initiatives Fund	623,580	559,835	610,956	516,655	554,208		
	Transfer of Prior Surplus to Initiatives	12,559	428,596					
	Transfer to MRR A Fund	1,132,047	1,179,941	1,220,295	1,220,295	1,300,102		
	Transfer to MRR B Pool Fund	270,472	289,405	299,400	299,400	320,358		
	Excess Revenues over Total Expenditures, Transfers & Non Reserve Capital	3,481,182	3,162,520	3,345,734	2,924,341	3,124,108		

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 Operating Fund		2022	2023	2024	2024 revised projection	2025	Change in Budget	
		1..12	1..12	1..12		1..12	FY 24 to FY 25	
		Actual	Actual	Budget		Budget	Amount	Percentage
Full Time Equivalents Head Count								
Revenue	Member Dues	6,947,340	7,051,930	7,132,750	7,138,742	7,350,040	\$ 217,290	3.0%
	LC,Trans., Crd Fees.	785,602	740,844	705,541	705,790	729,376	\$ 23,835	3.4%
	Capital Revenue	3,099,400	2,753,060	3,039,780	2,573,200	2,724,900	\$ (314,880)	-10.4%
	Membership Revenue	10,832,342	10,545,834	10,878,071	10,417,732	10,804,316	\$ (73,755)	-0.7%
	Programs	90,824	108,503	92,403	300,186	643,718	\$ 551,315	596.6%
	Instructional	310,729	405,592	393,000	460,000	480,000	\$ 87,000	22.1%
	Recreational Revenue	401,553	514,095	485,403	760,186	1,123,718	\$ 638,315	131.5%
	Investment Income	67,537	159,691	117,001	134,568	119,625	\$ 2,624	2.2%
	Advertising Income	-	-	-	-	-		
	Cell Tower Lease Inc.	43,105	47,478	47,094	48,919	48,919	\$ 1,825	3.9%
	Comm. Revenue	43,105	47,478	47,094	48,919	48,919	\$ 1,825	3.9%
	Other Income	91,111	86,482	91,072	128,700	173,100	\$ 82,028	90.1%
	Facility Rent/Leases	21,163	20,822	20,000	25,000	27,500	\$ 7,500	37.5%
	Café Sales Income	-	-	25,000	-	-	\$ (25,000)	-100.0%
	Contributed Income	-	-	-	-	-	\$ -	
Other Revenue	112,273	107,304	136,072	153,700	200,600	\$ 64,528	47.4%	
Total Operating Revenue	11,456,810	11,374,402	11,663,641	11,515,105	12,297,178	\$ 633,537	5.4%	
Expenses	Major Proj.-Rep. & Maint.	233,645	349,848	489,202	362,831	206,143	\$ (283,059)	-57.9%
	Facility Maintenance	235,823	397,335	405,252	257,235	396,230	\$ (9,022)	-2.2%
	Fees & Assessments	15,423	14,905	5,000	2,000	2,000	\$ (3,000)	-60.0%
	Utilities	951,134	1,081,395	989,399	1,096,814	1,081,000	\$ 91,601	9.3%
	Depreciation	1,595,311	1,362,706	1,275,000	1,254,412	1,268,520	\$ (6,480)	-0.5%
	Furniture & Equipment	197,048	210,599	268,944	214,585	198,963	\$ (69,981)	-26.0%
	Vehicle Expenses	88,254	96,330	98,000	109,669	100,000	\$ 2,000	2.0%
	Facilities & Equipment	3,316,637	3,513,118	3,530,797	3,297,545	3,252,856	\$ (277,941)	-7.9%
	Wages	3,924,322	3,837,632	4,047,813	4,380,816	4,653,287	\$ 605,474	15.0%
	Payroll Taxes	296,565	288,685	323,634	350,465	370,215	\$ 46,581	14.4%
	Benefits	922,239	888,922	964,455	731,001	790,024	\$ (174,431)	-18.1%
	Personnel	5,143,126	5,015,239	5,335,902	5,462,283	5,813,526	\$ 477,624	9.0%
	Food & Catering	26,193	30,936	21,386	41,249	92,310	\$ 70,924	331.6%
	Recreation Contracts	375,954	368,360	348,685	548,500	712,086	\$ 363,401	104.2%
	Bank & Credit Card Fees	61,743	73,550	77,000	76,500	81,500	\$ 4,500	5.8%
	Program	463,890	472,846	447,071	666,249	885,896	\$ 438,825	98.2%
	Communications	107,705	104,443	96,023	105,793	109,900	\$ 13,877	14.5%
	Printing	82,151	81,655	103,183	89,159	97,000	\$ (6,183)	-6.0%
	Advertising	19,285	28,380	12,920	18,703	18,000	\$ 5,080	39.3%
	Communications	209,141	214,478	212,126	213,655	224,900	\$ 12,774	6.0%
	Supplies	391,150	527,959	557,458	505,574	547,100	\$ (10,358)	-1.9%
	Postage	18,212	17,587	17,921	21,825	19,500	\$ 1,579	8.8%
	Dues & Subscriptions	15,623	13,564	17,091	14,153	14,900	\$ (2,191)	-12.8%
	Travel	9,163	2,340	10,945	3,858	9,700	\$ (1,245)	-11.4%
	Investment Fees Expense	44,087	45,614	23,149	28,929	27,600	\$ 4,451	19.2%
	Operations	478,235	607,064	626,564	574,339	618,800	\$ (7,764)	-1.2%
	Information Technology	80,826	157,210	136,781	144,978	137,041	\$ 260	0.2%
	Professional Fees	239,207	304,543	213,816	148,670	170,500	\$ (43,316)	-20.3%
	Commercial Insurance	338,380	340,565	354,812	376,495	417,185	\$ 62,373	17.6%
	Taxes	53,308	77,862	33,000	54,623	53,000	\$ 20,000	60.6%
	Conferences & Training	26,507	14,894	34,146	7,322	25,750	\$ (8,396)	-24.6%
	Employee Recognition	14,111	13,872	21,500	14,042	12,500	\$ (9,000)	-41.9%
	Marketing Expenses	-	-	5,000	-	-	\$ (5,000)	-100.0%
	Corporate Expenses	752,339	908,946	799,055	746,130	815,976	\$ 16,921	2.1%
	Total Operating Expenses	10,363,369	10,731,691	10,951,515	10,960,200	11,611,954	\$ 660,439	6.0%
Net	Gross surplus(Rev-Exp)/ Net Cash Fl	1,093,442	642,711	712,126	554,905	685,224	\$ (26,902)	-3.8%
	Unrea. Gain/Loss on Invest.							
Accrual Basis Net from Operations	1,093,442	642,711	712,126	554,905	685,224	\$ (26,902)	-3.8%	
Capital Outlay - Non Reserve Capital	192,930	43,980	227,000	3,314	22,489			
Transfer to Initiatives Fund	623,580	559,835	610,956	516,655	547,770			
Transfer of Prior Surplus to Initiatives	12,559	428,596	-	-	-			
Transfer to MRR A Fund	1,132,047	1,179,941	1,220,295	1,220,295	1,300,102			
Transfer to MRR B Pool Fund	270,472	289,405	299,400	299,400	320,358			
Excess Revenues over Total Expenditures, Transfers & Non Reserve Capital	3,325,030	3,144,468	3,069,777	2,594,569	2,875,943			

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GVR Initiatives

GVR GREEN VALLEY RECREATION, INC.	Initiatives	2022	2023	2024	2024 revised projection	2025	Change in Budget	
		1..12	1..12	1..12		1..12	FY 24 to FY 25	
		Actual	Actual	Budget		Budget	Amount	Percentage
Full Time Equivalents Head Count								
Revenue	Member Dues						\$ -	
	LC,Trans., Crd Fees.						\$ -	
	Capital Revenue						\$ -	
	Membership Revenue	-	-	-	-	-	\$ -	
	Programs						\$ -	
	Instructional						\$ -	
	Recreational Revenue	-	-	-	-	-	\$ -	
	Investment Income	66,431	54,406	62,117	71,444	63,510	\$ 1,393	2.2%
	Advertising Income						\$ -	
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
Contributed Income						\$ -		
Other Revenue	-	-	-	-	-	\$ -		
Total Operating Revenue	66,431	54,406	62,117	71,444	63,510	\$ 1,393	2.2%	
Expenses	Major Proj.-Rep. & Maint.						\$ -	
	Facility Maintenance						\$ -	
	Fees & Assessments						\$ -	
	Utilities						\$ -	
	Depreciation						\$ -	
	Furniture & Equipment						\$ -	
	Vehicle Expenses						\$ -	
	Facilities & Equipment	-	-	-	-	-	\$ -	
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies						\$ -	
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	16,468	16,324	16,665	15,150	14,948	\$ (1,717)	-10.3%
	Operations	16,468	16,324	16,665	15,150	14,948	\$ (1,717)	-10.3%
	Information Technology						\$ -	
	Professional Fees						\$ -	
Commercial Insurance						\$ -		
Taxes						\$ -		
Conferences & Training						\$ -		
Employee Recognition						\$ -		
Marketing Expenses						\$ -		
Corporate Expenses	-	-	-	-	-	\$ -		
Total Operating Expenses	16,468	16,324	16,665	15,150	14,948	\$ (1,717)		
Net	Gross surplus(Rev-Exp)/ Net Cash Fl	49,963	38,082	45,452	56,294	48,562	\$ 3,110	6.8%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	49,963	38,082	45,452	56,294	48,562	\$ 3,110	6.8%

Beginning Balance Initiatives Fund	2,166,737	2,531,557	1,750,056	1,750,056	602,670
Capital Purchases	(530,924)	(1,898,235)	(1,865,000)	(1,720,335)	(943,000)
Revenue over Expenditures	49,963	38,082	45,452	56,294	48,562
Transfer to Initiatives Fund for Capital Tran:	623,580	559,835	610,956	516,655	554,208
Transfer of Prior Surplus into Initiatives	12,559	428,596			
Transfer of Emergency Funds to Initiatives	467,156				
Unrealized Gain (Loss) on Investment	(257,514)	90,221	-	-	-
Ending Balance Initiatives Fund	<u>2,531,557</u>	<u>1,750,056</u>	<u>541,464</u>	<u>602,670</u>	<u>262,440</u>

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	2022	2023	2024	2024 revised projection	2025	Change in Budget		
	1..12	1..12	1..12		1..12	FY 24 to FY 25		
	Actual	Actual	Budget		Budget	Amount	Percentage	
Maintenance Repair & Replace								
Full Time Equivalents Head Count								
Revenue	Member Dues					\$ -		
	LC,Trans., Crd Fees.					\$ -		
	Capital Revenue					\$ -		
	Membership Revenue	-	-	-	-	\$ -		
	Programs					\$ -		
	Instructional					\$ -		
	Recreational Revenue	-	-	-	-	\$ -		
	Investment Income	206,177	211,483	214,005	246,138	218,805	\$ 4,800	2.2%
	Advertising Income						\$ -	
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
	Contributed Income						\$ -	
Other Revenue	-	-	-	-	-	\$ -		
Total Operating Revenue	206,177	211,483	214,005	246,138	218,805	\$ 4,800	2.2%	
Expenses	Major Proj.-Rep. & Maint.	18,976	77,023			\$ -		
	Facility Maintenance		11,256			\$ -		
	Fees & Assessments					\$ -		
	Utilities					\$ -		
	Depreciation					\$ -		
	Furniture & Equipment	7,614	87,634			\$ -		
	Vehicle Expenses					\$ -		
	Facilities & Equipment	26,590	175,913	-	-	-	\$ -	
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies	27,848	19,082				\$ -	
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	55,542	54,380	57,090	51,900	51,208	\$ (5,882)	-10.3%
	Operations	83,390	73,462	57,090	51,900	51,208	\$ (5,882)	-10.3%
	Information Technology	7,512	4,431				\$ -	
	Professional Fees						\$ -	
Commercial Insurance						\$ -		
Taxes						\$ -		
Conferences & Training						\$ -		
Employee Recognition						\$ -		
Marketing Expenses						\$ -		
Corporate Expenses	7,512	4,431	-	-	-	\$ -		
Total Operating Expenses	117,492	253,806	57,090	51,900	51,208	\$ (5,882)		
Net	Gross surplus(Rev-Exp)/ Net Cash F	88,685	(42,323)	156,915	194,238	167,597	\$ 10,682	6.8%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	88,685	(42,323)	156,915	194,238	167,597	\$ 10,682	6.8%

Beginning Balance MRR-A Fund	8,025,718	7,043,208	7,175,602	7,175,602	6,849,424
Capital Purchases	(1,089,453)	(1,466,751)	(1,740,711)	(1,740,711)	(2,240,340)
Revenue over Expenditures	88,685	(42,323)	156,915	194,238	167,597
MRR Funding Transfer from Operating	1,132,047	1,179,941	1,220,295	1,220,295	1,300,102
Unrealized Gain (Loss) on Investment	(1,113,789)	461,527	-	-	-
Ending Balance MRR-A Fund	<u>7,043,208</u>	<u>7,175,602</u>	<u>6,812,101</u>	<u>6,849,424</u>	<u>6,076,783</u>

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MRR B Pools

		2022	2023	2024	2025	Change in Budget	
		1..12	1..12	1..12	1..12	FY 24 to FY 25	
		Actual	Actual	Budget	Budget	Amount	Percentage
Full Time Equivalents Head Count							
Revenue	Member Dues					\$ -	
	LC, Trans., Crd Fees.					\$ -	
	Capital Revenue					\$ -	
	Membership Revenue	-	-	-	-	\$ -	
	Programs					\$ -	
	Instructional					\$ -	
	Recreational Revenue	-	-	-	-	\$ -	
	Investment Income	20,236	19,478	20,422	23,488	20,880	\$ 458 2.2%
	Advertising Income						\$ -
	Cell Tower Lease Inc.						\$ -
	Comm. Revenue	-	-	-	-	-	\$ -
	Other Income						\$ -
	Facility Rent/Leases						\$ -
	Café Sales Income						\$ -
Contributed Income						\$ -	
Other Revenue	-	-	-	-	-	\$ -	
Total Operating Revenue	20,236	19,478	20,422	23,488	20,880	\$ 458 2.2%	
Expenses	Major Proj.-Rep. & Maint.					\$ -	
	Facility Maintenance					\$ -	
	Fees & Assessments					\$ -	
	Utilities					\$ -	
	Depreciation					\$ -	
	Furniture & Equipment					\$ -	
	Vehicle Expenses					\$ -	
	Facilities & Equipment	-	-	-	-	-	\$ -
	Wages						\$ -
	Payroll Taxes						\$ -
	Benefits						\$ -
	Personnel	-	-	-	-	-	\$ -
	Food & Catering						\$ -
	Recreation Contracts						\$ -
	Bank & Credit Card Fees						\$ -
	Program	-	-	-	-	-	\$ -
	Communications						\$ -
	Printing						\$ -
	Advertising						\$ -
	Communications	-	-	-	-	-	\$ -
	Supplies						\$ -
	Postage						\$ -
	Dues & Subscriptions						\$ -
	Travel						\$ -
	Investment Fees Expense	9,774	5,269	5,528	5,025	4,958	\$ (570) -10.3%
	Operations	9,774	5,269	5,528	5,025	4,958	\$ (570) -10.3%
Information Technology						\$ -	
Professional Fees						\$ -	
Commercial Insurance						\$ -	
Taxes						\$ -	
Conferences & Training						\$ -	
Employee Recognition						\$ -	
Marketing Expenses						\$ -	
Corporate Expenses	-	-	-	-	-	\$ -	
Total Operating Expenses	9,774	5,269	5,528	5,025	4,958	\$ (570)	
Net	Gross surplus(Rev-Exp)/ Net Cash F	10,462	14,209	14,895	18,463	15,922	\$ 1,028 6.9%
	Unrea. Gain/Loss on Invest.						
	Accrual Basis Net from Operations	10,462	14,209	14,895	18,463	15,922	\$ 1,028 6.9%

Beginning Balance MRR-B Pool Fund	1,083,705	576,963	814,765	814,765	1,247,737
Capital Purchases	(787,676)	(108,039)			(1,559,017)
Revenue over Expenditures	10,462	14,209	14,895	18,463	15,922
Transfer to MRR B Pool Fund	270,472	289,405	299,400	299,400	320,358
Unrealized Gain (Loss) on Investment	(18,172)	42,227	115,109	115,109	-
Ending Balance MRR-B Pool Fund	576,963	814,765	1,244,169	1,247,737	25,000

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Emergency Fund

		2022	2023	2024	2025	Change in Budget	
		1..12	1..12	1..12	2024 revised projection	1..12	FY 24 to FY 25
		Actual	Actual	Budget		Budget	Amount Percentage
Full Time Equivalents Head Count							
Revenue	Member Dues						\$ -
	LC,Trans., Crd Fees.						\$ -
	Capital Revenue						\$ -
	Membership Revenue	-	-	-	-	-	\$ -
	Programs						\$ -
	Instructional						\$ -
	Recreational Revenue	-	-	-	-	-	\$ -
	Investment Income	11,697	11,296	11,913	13,702	12,180	\$ 267 2.2%
	Advertising Income						\$ -
	Cell Tower Lease Inc.						\$ -
	Comm. Revenue	-	-	-	-	-	\$ -
	Other Income						\$ -
	Facility Rent/Leases						\$ -
	Café Sales Income						\$ -
Contributed Income						\$ -	
Other Revenue	-	-	-	-	-	\$ -	
Total Operating Revenue	11,697	11,296	11,913	13,702	12,180	\$ 267 2.2%	
Expenses	Major Proj.-Rep. & Maint.						\$ -
	Facility Maintenance						\$ -
	Fees & Assessments						\$ -
	Utilities						\$ -
	Depreciation						\$ -
	Furniture & Equipment						\$ -
	Vehicle Expenses						\$ -
	Facilities & Equipment	-	-	-	-	-	\$ -
	Wages						\$ -
	Payroll Taxes						\$ -
	Benefits						\$ -
	Personnel	-	-	-	-	-	\$ -
	Food & Catering						\$ -
	Recreation Contracts						\$ -
	Bank & Credit Card Fees						\$ -
	Program	-	-	-	-	-	\$ -
	Communications						\$ -
	Printing						\$ -
	Advertising						\$ -
	Communications	-	-	-	-	-	\$ -
	Supplies						\$ -
	Postage						\$ -
	Dues & Subscriptions						\$ -
	Travel						\$ -
Investment Fees Expense	4,655	3,212	3,218	2,925	2,886	\$ (332) -10.3%	
Operations	4,655	3,212	3,218	2,925	2,886	\$ (332) -10.3%	
Information Technology						\$ -	
Professional Fees						\$ -	
Commercial Insurance						\$ -	
Taxes						\$ -	
Conferences & Training						\$ -	
Employee Recognition						\$ -	
Marketing Expenses						\$ -	
Corporate Expenses	-	-	-	-	-	\$ -	
Total Operating Expenses	4,655	3,212	3,218	2,925	2,886	\$ (332)	
Net	Gross surplus(Rev-Exp)/ Net Cash F	7,042	8,084	8,696	10,777	9,294	\$ 599 6.9%
	Accrual Basis Net from Operations	7,042	8,084	8,696	10,777	9,294	\$ 599 6.9%
Beginning Balance Emergency Fund		1,170,653	490,701	560,194	560,194	570,971	
Transfer to Initiatives Fund		(467,156)					
Revenue over Expenditures		7,042	8,084	8,696	10,777	9,294	
Unrealized Gain (Loss) on Investment		(219,838)	61,409	-	-	-	
Ending Balance Emergency Fund		<u>490,701</u>	<u>560,194</u>	<u>568,890</u>	<u>570,971</u>	<u>580,265</u>	

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Capital Improvement Project Assessment

Project Name: A Third Tennis Court at Las Campanas **Proposed by:** GVR Tennis Club
Proposed Inception Year: 2025

Assessment Questionnaire

- 1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No**
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)
- 2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization?**
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

The club manages reservations for all GVR tennis courts with rules in place to prevent individuals from dominating court time. However, this request is less about the need for more courts and more about the need for an array of three courts to accommodate USTA and InterClub matches. Currently, all such matches are scheduled at West Center which is in heavy demand in the winter season, especially in the morning when USTA and InterClub matches tend to be planned. With the addition of Pop Tennis to the tennis club's offerings, demand for more annual USTA and InterClub matches is anticipated.

- 3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option?** None have been identified
- 4. Please explain how the project advances the goals of Green Valley Recreation:** Advances the core mission to provide excellent facilities and services for members.

5. What are the 3-5 year participation trends related to this capital project request?

Tennis club membership has been stable over the past several years, with a ten-year average annual membership of 474. It is the seventh most popular club of GVR's current 59, and the second most popular sports club. In the winter of 23/24, the club began offering Pop Tennis, a gentler alternative that expands play options to those who cannot or can no longer manage the physical demands of traditional tennis.

- 6. Please explain how this capital project supports the interest level of the general membership:** See above. Tennis is also a popular spectator sport.

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members?

No

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$378,926

9. What are the anticipated annual operational costs associated with this capital improvement? \$8,925

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$26,530

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: A Natural Gas Manifold for EC Lapidary **Proposed by:** Lapidary Club
Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? None have been identified

4. Please explain how the project advances the goals of Green Valley Recreation:
Creates a safer environment for GVR's lapidary and silversmithing club members

5. What are the 3-5 year participation trends related to this capital project request?

Club membership:

2024	300	2021	135
2023	225	2020	366
2022	167		

6. Please explain how this capital project supports the interest level of the general membership: Improves the safety of members and the building—likely to be of broad interest.

7. Would this request have an adverse effect on another group of GVR members?
No

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$43,000

Capital Improvement Project Assessment

9. What are the anticipated annual operational costs associated with this capital improvement? \$1,000

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$3,010

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: Four New Courts at CR Pickleball

Proposed by: Pickleball Club

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No, but the club plans to pay for court construction
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? Yes
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization: The club manages reservations for all GVR pickleball courts with rules in place to prevent individuals from dominating court time. The club reports the courts are "packed" during cool morning hours, and at East Center, in the late afternoons and evenings. The club is sufficiently convinced of the need for additional courts that they have agreed to pay for them through their own fundraising efforts.

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? Since the club plans to raise the funds for construction it is unlikely a more cost-effective alternative exists for GVR.

4. Please explain how the project advances the goals of Green Valley Recreation:
Advances the core mission to provide excellent facilities and services to members.

5. What are the 3-5 year participation trends related to this capital project request?

Pickleball club membership:

2024: 983

2023: 949

2022: 975

2021: 963

2020: 820

6. Please explain how this capital project supports the interest level of the general membership: The pickleball club has been GVR's largest club for the past four years. Pickleball is often listed among the high-demand amenities when Green Valley is listed in a national magazine as one of the great places to retire in the Southwest.

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members?

No.

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$281,450 (See notes)

9. What are the anticipated annual operational costs associated with this capital improvement? \$17,600

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$19,705

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Staff note: Increased traffic at the pickleball courts could overflow the existing shade structure and overtax the restrooms in the main building. Adding a restroom and doubling the cantilevered shade structures increases the total cost of the project to \$750,500 and the annual operating and maintenance costs to \$25,200. This work could occur in a second phase at a later date.

Capital Improvement Project Assessment

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: A New Art Studio (Option 1) **Proposed by:** Santa Rita Art League
Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? Yes
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization: The club's nine special interest groups rotate use of the main room with each discipline limited to defined times. The club has regularly purged its resource library and has taken full advantage of a storage space offered by GVR in 2023, increasing the number of available work stations by "a few."

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? See Option 2, expansion of the existing studio. Option 2 improves natural light conditions, but does will not "maximize" natural light. Option 2 provides more square footage, but the lower ceilings and some existing structural limitations will remain.

4. Please explain how the project advances the goals of Green Valley Recreation: Strategic Plan goal 1.2.1: Create function-designated rooms with proper lighting, A/V, seating, furnishings, flooring, ventilation, etc. to complement and support specific activities. A purpose-built studio would include flexible spaces to accommodate multiple disciplines at one time, enhanced ventilation for safer use of alcohol and oil based media, and abundant natural light.

5. What are the 3-5 year participation trends related to this capital project request?

Club membership:

2024: 236

2023: 179

2022: 186

2021: 232

2020: 207

6. Please explain how this capital project supports the interest level of the general membership: SRAL organizes a number of exhibitions in GVR lobbies, of interest to the members who visit those centers. The art league points out that art is accessible to those of all ages and abilities. An improved and expanded studio would accommodate classes and clinics that currently conflict with the schedule for the club's special interest groups.

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members?

No.

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$2.2 million (See notes)

9. What are the anticipated annual operational costs associated with this capital improvement? \$41,400

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$154,000

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Staff note: Per GVR Bylaws, the general membership would need to approve this project through a majority vote due to the estimated construction cost.

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: An Expanded Art Studio (Option 2) **Proposed by:** SRAL & Staff

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? Yes
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization: The club's nine special interest groups rotate use of the main room with each discipline limited to defined times. The club has regularly purged its resource library and has taken full advantage of a storage space offered by GVR in 2023, increasing the number of available work stations by "a few."

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? This is the more cost-effective option over a newly-constructed studio on the second floor of the Fiesta Building.

4. Please explain how the project advances the goals of Green Valley Recreation: Strategic Plan goal 1.2.2: Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors.

The current studio can be enhanced substantially in terms of both space and access to natural light. While it is not the ideal solution a purpose-built studio might provide, expanding the current studio will substantially increase space (4,427 SF vs. a new 3,000 SF studio).

5. What are the 3-5 year participation trends related to this capital project request?

Club membership:

2024: 236

2023: 179

2022: 186

2021: 232

2020: 207

6. Please explain how this capital project supports the interest level of the general membership: SRAL organizes a number of exhibitions in GVR lobbies, of interest to the members who visit those centers. The art league points out that art is accessible to those of all ages and abilities. An improved and expanded studio would accommodate classes and clinics that currently conflict with the schedule for the club's special interest groups.

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group of GVR members?
No.

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$384,230 (See notes)

9. What are the anticipated annual operational costs associated with this capital improvement? \$11,100

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$26,880

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Staff note: This estimate cost does not include enhanced ventilation and solar tubes which would be discussed during the design phase.

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: Social Patio at SRS

Proposed by: Staff

Proposed Inception Year: As determined by Board

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? N/A
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? None have been identified

4. Please explain how the project advances the goals of Green Valley Recreation:
Strategic Plan Goal 1.4.2: Design peripheral grounds to provide outdoor recreation opportunities: park-like settings, walking trails, outdoor games, and activities
Strategic Plan Goal 1.2.2 Assess and equip spaces properly for specific activities

Converting the currently unused lawn space to an equipped patio would provide Santa Rita Springs users with an outdoor social gathering space. It would also be of use to the art clubs nearby for activities best done with maximum ventilation, and for plein air drawing and painting. The patio project could be the first in several phases of development including natural landscapes to attract pollinators with stations for artists and photographers, and locations for outdoor display of clay and glass art pieces.

5. What are the 3-5 year participation trends related to this capital project request?

In 2024, the clubs at SRS reported a total of 2,218 members. The Amigas Club (489 members) routinely meets at SRS for socials, as does the surrounding HOA. The pool and fitness center at SRS saw 45,005 documented visits in the past year.

6. Please explain how this capital project supports the interest level of the general membership: The patio would be available to the general members, for both drop-in and reserved use. The only other outdoor social gathering space of meaningful size is at Canoa Hills.

7. Would this request have an adverse effect on another group of GVR members?
No.

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$126,000

Capital Improvement Project Assessment

9. What are the anticipated annual operational costs associated with this capital improvement? \$8,820

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$2,590

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Club's history of Capital Funding Requests reviewed and included? No
 (Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: Expand LC fitness center to the south (Option 1) **Proposed by:** Staff
Proposed Inception Year: As determined by the Board

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? N/A
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? See Option 2, expanding into the Cypress room and nearby storage rooms saves \$384k.

4. Please explain how the project advances the goals of Green Valley Recreation:
Advances the core mission to provide excellent facilities and services to members.

5. What are the 3-5 year participation trends related to this capital project request?

Fitness attendance data from July to July
2024: 212,657
2023: 172,321
2022: 161,550

6. Please explain how this capital project supports the interest level of the general membership: Fitness centers are GVR's most popular recreation amenities. In the past twelve months, 5.5 centers (CH was closed for six months) surpassed attendance at the 12.5 pools by 516 documented visits.

7. Would this request have an adverse effect on another group of GVR members?
No

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

Capital Improvement Project Assessment

8. What is the estimated cost of this project? \$500,500

9. What are the anticipated annual operational costs associated with this capital improvement? \$44,000 (see notes)

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$35,035 (see notes)

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

This option will result in additional heating and cooling needs, increasing the annual operating and MRR contribution cost over Option 2 where no additional HVAC infrastructure is needed.

The initial cost of equipment for the expanded area is estimated to cost \$16.5k

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: Expand LC fitness center into Cypress (option 2) **Proposed by:** staff
Proposed Inception Year: As determined by the Board

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? N/A
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? This is the more cost-effective measure compared to Option 1, expanding to the south with new construction.

4. Please explain how the project advances the goals of Green Valley Recreation:
Advances the core mission to provide excellent facilities and services to members.

5. What are the 3-5 year participation trends related to this capital project request?

Fitness attendance data from July to July
2024: 212,657
2023: 172,321
2022: 161,550

6. Please explain how this capital project supports the interest level of the general membership: Fitness centers are GVR's most popular recreation amenities. In the past twelve months, 5.5 centers (CH was closed for six months) surpassed attendance at the 12.5 pools by 516 documented visits.

7. Would this request have an adverse effect on another group of GVR members?
Members accustomed to taking classes or joining other activities in the Cypress Room would be relocated to Desert Hills and Santa Rita Springs.

(If Yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted) The benefit is the substantial savings in initial and ongoing costs.

Capital Improvement Project Assessment

8. What is the estimated cost of this project? \$116,445

9. What are the anticipated annual operational costs associated with this capital improvement? \$21,300

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$ 8,155

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Option 1, expanding to the south via new construction, would increase the fitness center by 1200 SF. This option provides 1500 SF

The initial cost of equipment for the expanded area is estimated at \$16.5k

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: Expand SRS fitness Center

Proposed by: Staff

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? N/A
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? None have been identified

4. Please explain how the project advances the goals of Green Valley Recreation:
Addresses the core mission to provide excellent facilities and services

5. What are the 3-5 year participation trends related to this capital project request?

See assessment for LC fitness expansion

6. Please explain how this capital project supports the interest level of the general membership:. See assessment for LC fitness expansion

7. Would this request have an adverse effect on another group of GVR members?
No.

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$36,876

9. What are the anticipated annual operational costs associated with this capital improvement? \$2,175

Capital Improvement Project Assessment

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$2,590

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Club's history of Capital Funding Requests reviewed and included? No
 (Review data sheet of previous requests and awards)

Capital Improvement Project Assessment

Project Name: West Center Clubs Expansions

Proposed by: Three Clubs

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM?
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? Not known. When this request was made, clubs were not asked this question.
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization: None known.

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option?

See Staff Report from July, 2024

4. Please explain how the project advances the goals of Green Valley Recreation:
See Staff Report from July, 2024

5. What are the 3-5 year participation trends related to this capital project request?

6. Please explain how this capital project supports the interest level of the general membership:. Not known

7. Would this request have an adverse effect on another group of GVR members?
No

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$1.6 million

9. What are the anticipated annual operational costs associated with this capital improvement? Unknown until designed

Capital Improvement Project Assessment

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? Unknown until designed

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

See Staff Report from July, 2024

Club's history of Capital Funding Requests reviewed and included? No

(Review data sheet of previous requests and awards)



Green Valley Recreation, Inc.
Board of Directors Work Session
TOPIC: West Center Clubs Expansion

Prepared By: Natalie Whitman, COO

Meeting Date: June 19, 2024

Presented By: Natalie Whitman, COO

Consent Agenda: n/a

Originating Committee / Department: Operations

Action Requested: Provide staff with direction in pursuing the expansion of three club spaces at West Center: Lapidary, Woodworking, and Artisans.

Strategic Plan Goal #1: Provide excellent facilities for members to participate in a variety of active and social opportunities

Background Justification:

1. Consolidating GVR's three lapidary shops has been considered by staff, Boards, and P&E committees for more than 20 years. The Lapidary Club reported 300 members at the end of 2023 and they currently occupy a total of 3,606 S.F. in three locations. The expected benefits of consolidation include:
 - Reduced need for monitors, potentially expanding the club's operating hours.
 - Reduced redundancy of some equipment, including specialized ventilation systems GVR maintains at all three locations.
 - Opportunity to address previously reported noise and safety concerns at the Desert Hills lapidary shop
 - Availability of space for the expansion of other clubs or for new uses by the general membership
2. The Artisans' Shop reported 54 members at the end of 2023 and currently occupies 525 S.F. The expected benefits of expansion include:
 - Ability to accommodate a larger club membership
 - Increased wall space for wall art, which is currently very limited
 - Increased maximum number of items per club member that can be displayed
 - Improved access for shoppers using mobility aids
3. The Woodworkers reported 468 members at the end of 2023. They currently occupy 6,649 S.F. and have requested a 2,200 S.F. expansion. Expected benefits include:

- Classroom/training space—new member orientations currently occur only in the evenings when the shop is less busy
- Improved materials storage
- More workstations

The Board of Directors allocated \$100,000 in the 2024 budget to develop options for an expansion project at West Center. Staff have worked with Seaver Frank Architects to identify expansion options (see attached). All plans entail moving the billiards amenities at West Center to the lower floor of Del Sol Clubhouse.

“Plan A” provides a total of 5,426 S.F. of additional space by shifting the exterior south wall of the building to the northern limit of the county easement.

Pros

- Comes the closest to meeting or exceeding the clubs’ requested expansions
- Additional 331 S.F. for Artisans’ Shop
- Additional 2,633 S.F. for Lapidary, sufficient to consolidate 2-3 shops
- Additional 2,521 S.F. for Woodworkers

Cons

- Lapidary and Woodworkers would face an extended closure.
- Complete loss of landscaping on the south side of the building
- The sanding patio for Woodworkers would need to be relocated
- This is the most expensive of the three options. Construction alone is expected to cost between \$1,356,500 and \$1,627,800. No soft costs (design, permits, utility connection fees, fixtures, landscaping) are included in that very rough estimate.

“Plan B” provides a total of 4,059 S.F. of additional space by covering the open courtyard between the existing shops.

Pros

- 331 additional S.F. for Artisans’ Shop
- 2,928 additional S.F. for Lapidary, sufficient to consolidate all three shops
- 800 additional S.F. for Woodworkers
- Reduced loss of landscaping on the south side of the building
- Closures could be limited with alternate entrances to shops established first

- The expected construction cost is between \$1,014,750 and \$1,217,700. Again, no soft costs included.

Cons

- Just 800 S.F. for Woodworkers, in the form of a portable building

“Plan C” includes no additional building area. Instead, billiards tables would move to Del Sol Clubhouse and The Artisans’ Shop and Lapidary would expand into that space, dividing the approximately 1000 S.F. Woodworkers would expand by 800 S.F. via a portable placed on the south side of the building.

Pros

- Least disruptive to the architectural design of the building
- Closures would be limited
- Affordable. Construction estimates (without soft costs included) would range between \$450,000 and \$540,000

Cons

- None of the benefits of Lapidary shops consolidation would be gained. The modest expansion would not accommodate any consolidation of shops.

Fiscal Impact: As described above. *It is important to note that until a floorplan is developed to include internal walls, mechanical, electrical, and plumbing needs, an accurate cost estimate cannot be developed. Bids for the project will ultimately determine the cost of the project. The 2024 updated Capital Improvement Plan anticipates expenditures of \$900,000 being expended in 2025 and \$1,000,000 being expended in 2026 for this project.*

Board Options:

1. Include a West Center Clubs Expansion item on the June 26 Board Meeting agenda for further consideration.
2. Include an alternate related item on the June 26 Board Meeting agenda
3. Table discussion of this project

Staff Recommendation: 1

Recommended Motion: n/a

Attachments:

Slides 1-17

Capital Improvement Project Assessment

Project Name: Desert Hills Locker Room Remodel **Proposed by:** Staff

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? N/A
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? N/A
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization:

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? The project has already been modified to eliminate a proposed steam room.

4. Please explain how the project advances the goals of Green Valley Recreation:
Advances the core mission to provide excellent facilities and services

5. What are the 3-5 year participation trends related to this capital project request?
Fitness centers and pools are GVR's most popular amenities. Fitness classes are among GVR's most popular course offerings. Locker rooms are primarily used by members who enjoy these facilities and services.

6. Please explain how this capital project supports the interest level of the general membership:.

7. Would this request have an adverse effect on another group of GVR members?
No

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

8. What is the estimated cost of this project? \$445,000

9. What are the anticipated annual operational costs associated with this capital improvement? \$10,200

Capital Improvement Project Assessment

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$15,672

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

Club's history of Capital Funding Requests reviewed and included? No
 (Review data sheet of previous requests and awards)



Green Valley Recreation, Inc.
Board of Directors Meeting

TOPIC: Desert Hills Locker Room Expansion

Prepared By: Natalie Whitman, COO

Meeting Date: 4.24.24

Presented By: Natalie Whitman, COO

Consent Agenda: N/A

Originating Committee / Department: Recreation & Facilities

Action Requested: Approve Desert Hills locker room expansion concept drawings and direct staff to move forward with developing construction documents, obtain permits, and go out for bids.

Strategic Plan Goals 1 & 2:

1. Provide excellent facilities for members to participate in a variety of active and social opportunities
2. Provide quality services and programs that effectively meet the recreational, social, and leisure education needs of our membership, allocating resources to support those programs

Initiatives 1.2.1, 1.2.2, 2.1.1

Background Justification:

The locker rooms at Desert Hills are due for rehabilitation. The locker rooms are smaller than those of other major centers. They have a similar number of showers but few restroom fixtures and the dressing areas accommodate just three or four friendly people at a time. The lockers are narrow.

With the former weight room vacated, there is an opportunity to expand the locker rooms into that space.

In March, 2024, our busiest month of the season, approximately 8,600 people used the lower-level sports amenities. This is an approximate number derived from gate access totals minus the access counts for lapidary, ceramics, and poker. Since a number of service technicians visited the site to address HVAC issues and prep for roofing work, that count reflects an additional reduction of 200 access swipes.

By comparison, 6,245 people used entrances associated with sports facilities at Las Campanas and 6,188 people used entrances associated with the pool and fitness center at Canoa Hills.

In March, 2024, an informal survey of the membership resulted in a tepid response to the proposal to expand the locker rooms and a cool response to the steam room possibility. 26% of respondents were frequent users of the facility. *See poll results, attached.*

At the 4/10/24 work session, a Director asked about the feasibility of expanding the men’s locker room around the existing sauna. Our architect reports it would not be possible to expand the size of the room. Fixtures could be added within the existing area, but the changing area would be significantly reduced.

At that same work session, a majority of the Board expressed support for eliminating a proposed steam room and expanding the proposed dry sauna to ensure it is at least as large as the current sauna. The current sauna is approximately 114 SF and seats 8-9 people. Creating a sauna of that size is readily accomplished by merging the proposed steam room and sauna and shifting the planned entrance wall to the east. *See the attached floor plan.*

Fiscal Impact:

The 2024 budget includes \$445,000 of initiatives funding for this project. Because the MRR allocates \$145,665 for a simple renovation, only \$299,335 is needed from the initiatives fund.

Of that \$299,335, ~\$90k will be used to complete required ventilation system upgrades. The current system is underperforming and out of code compliance.

	Fund	Fund	Total ESTIMATE
Option 1: Described expansion with required ventilation upgrade	MRR \$145,665	Initiatives \$299,335	\$445,000
Option 2: Renovate within the existing footprint, with the required ventilation upgrade	MRR \$145,665	Initiatives \$90,000	\$235,665

Several MRR and CIP projects are in the planning or scheduling phases at Desert Hills. These include ceramics studio/kiln room enhancements, renovation of the lobby restrooms, the potential removal of the stage, and new flooring throughout all common areas including the balcony decking. Project

management staff suggest going out for bid on a base bid contract--a sort of "a la carte" contract. Interested contractors would bid on the base scope (in this case, the locker room renovation) and then provide bids on the other jobs as additional line items. GVR could accept the bids on any of the additional jobs on a case-by-case basis. The goal of this approach would be to get as many of these jobs as feasible under the purview of a single general contractor for the sake of efficiency.

Board Options:

1. Approve moving forward with the revised plans as indicated in the attached annotated floorplan, via a base bid contract with additional alternative scopes.
2. Approve a rehab within the current footprint with required ventilation upgrades.
3. Provide alternate directions for staff.

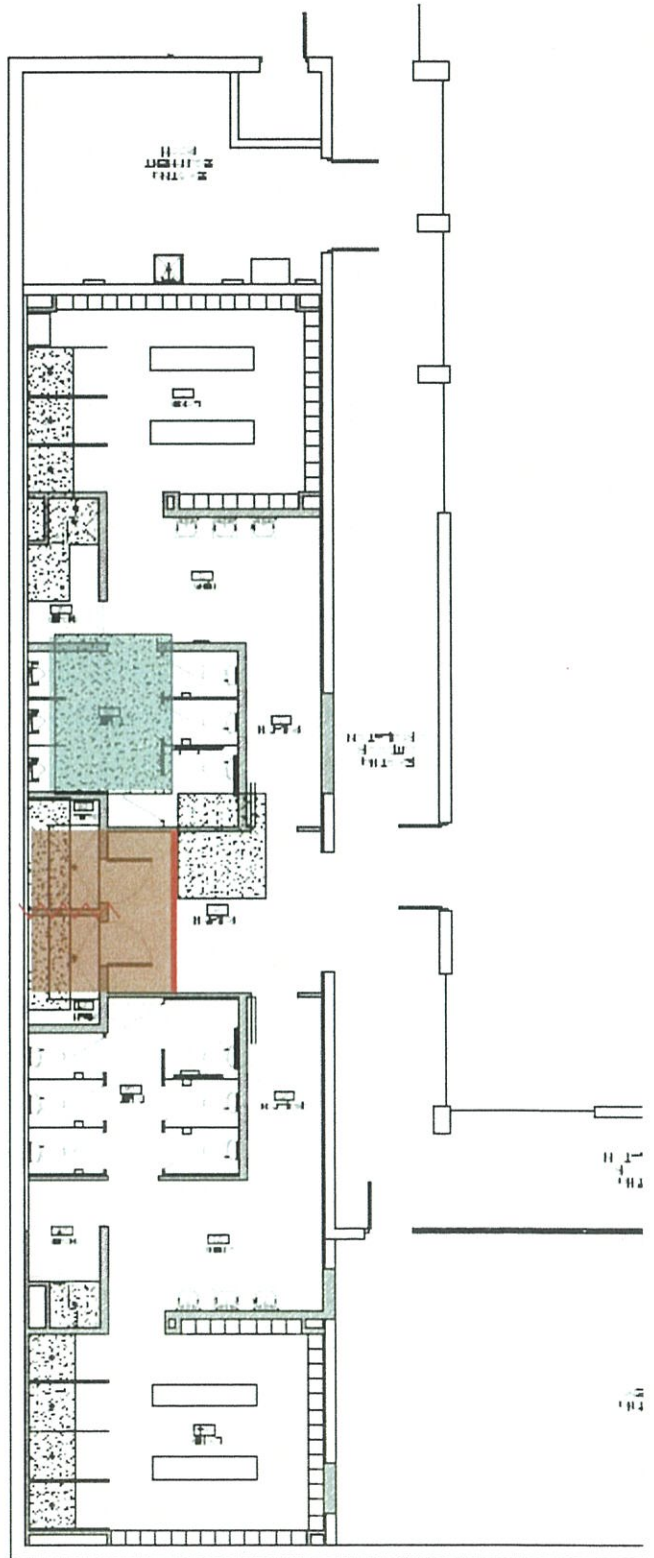
Staff Recommendation:

Option 1

Recommended Motion: Move to approve the Desert Hills locker room expansion as indicated and direct staff to move forward with developing construction documents, obtain permits, and go out for bids.

Attachments:

1. Floor plan on next page
2. Poll results



Current Sauna:



New proposed sauna:



Capital Improvement Project Assessment

Project Name: Ceramics Kiln Room Enhancement **Proposed by:** Ceramics Club

Proposed Inception Year: 2025

Assessment Questionnaire

1. If this is a club request, is the request a club responsibility per Part 6, Section 3 of the CPM? No
(If yes, stop assessment. Club should take appropriate steps to comply with the CPM requirements)

2. If this is a request for new or expanded club space, has the club taken steps to maximize space utilization? Not known. When this request was made, clubs were not asked this question.
(If No, please stop assessment. Club should take appropriate steps to first attempt to maximize space utilization and then reapply if necessary)

Please explain any steps taken to improve efficiency and space utilization: None known.

3. Have more cost-effective alternatives been considered? What are they and why are they not the preferred option? See notes below on cost-control concerns.

4. Please explain how the project advances the goals of Green Valley Recreation:

Strategic Plan goal 1.2.2: Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors.

5. What are the 3-5 year participation trends related to this capital project request?

Club membership:

2024 201
2023 206
2022 142
2021 98
2020 150

6. Please explain how this capital project supports the interest level of the general membership:. Not known

7. Would this request have an adverse effect on another group of GVR members?
No

(If yes, please provide rationale as to the greater benefit this project will provide given that another group or the general membership may be displaced or impacted)

Capital Improvement Project Assessment

8. What is the estimated cost of this project? \$90,000

9. What are the anticipated annual operational costs associated with this capital improvement? \$2,000

10. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$6,300

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	Clearly Yes	Total
Legal mandate										
Removes or reduces a hazard										
Advances organizational goals										
Improves efficiency										
Addresses participation trends										
Supports interest of general membership										
Does NOT create an adverse effect on another group or GVR members										
TOTAL										

Notes/Additional Considerations:

The second floor kiln room project has been complicated in a variety of ways since it was first introduced. Originally, the request was to expand the fire-resistant (brick) flooring and re-design the electrical service to the room so the existing four kilns could be spaced apart per manufacturer recommendations. Since the initial architect's assessment occurred, improved ventilation was added as a concern (and since resolved) as was a request for a fifth kiln. The combined weight of a fifth kiln and the additional flooring requires shoring-up of the trusses under the floor, in the ceiling of the men's locker room below. The locker rooms were scheduled to be renovated this summer of 2024, but delays in the design phase will push that project to 2025. New concerns about the longevity of the DH pool provide yet another plot twist: To avoid multiple service disruptions and control costs, it seems that all three projects (kiln room, locker rooms, and pool) should be completed at the same time.

Club's history of Capital Funding Requests reviewed and included? No
(Review data sheet of previous requests and awards)

Pat Reynolds

Is the Browning Reserve Study available and if not, do you know when can we expect to receive that report? **We do not have the final MRR Study and expect to receive it by September 23rd.**

I understand that the Browning Study doesn't cover pool replacements, and that you and others are preparing the analysis internally. Do you have a copy of that analysis? It was helpful to see the age of the pools in one of the Board emails. I also noticed that we are projecting a major replacement in 2026 for \$1.8 million. I wasn't sure if there is any additional information regarding the MRR-B fund that displays the funding needed to support this MRR-B fund over the five years. **The internally prepared schedule of pool life analysis is included at the end of this Q&A. These are rough calculations and are not a professionally prepared MRR study for pools.**

I also could not find the revenue from credit card usage, which should offset most bank fees. **The credit card income is included in the Other Income line item on page 35 (\$70,000 of \$184,600 total). The credit card expenses are \$74,000 and are included in the Bank and Credit Card Fees total of \$81,500 on page 35.**

I also believe other non-dues fees should be raised to cut the dues increase. It was just announced that the social security cola is likely to be lower than initially projected, maybe just over 2 percent with most offset by increases in part B and D insurance costs. **The starting point for dues increase according to the CPM formula is currently 2.93%, page 6. We plan to discuss the justification for dues increases, while maintaining other fees, such as the MCF, at current levels.**

The home sales projected make sense to me since interest rates are projected to fall at least twice by the end of 2024, with home rates already trending downward.

I thought David said at the last meeting that he believes the real estate tax will be abated but only prospectively. **That is correct, we conservatively budgeted \$53,000 in taxes in the 2025 budget on page 35.**

I also thought that the steam room was nixed so was surprised to still see it. **P & E gave the steam room a priority level of 3. Page 38 However, we do not plan to present or discuss capital items until the meeting on 9/24.**

Nellie Johnson

I. General questions

1. Housing Projections: Overall

- a. Cy 2024 Year End: I need more information to understand better how you intend to achieve the forecasted sales of 884, considering the August results. **See the following table**

	<u>Jan-Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Housing Budgeted	700	63	74	72	82	991
Housing Actual / Projected	600	56	74	72	82	884

- b. 10 Year Average Forecasting Model: Can you provide the data used for this methodology so we can see the numbers for Cy2025 and the three-year forecast? The data for the preceding 10 years is on page 7. See prior answer for I.1.a.

I have concerns that this methodology overstates housing sales, as it includes significant new housing development sales in the earlier 2015-2020 and doesn't include the impact of the declining baby boomer bubble. Last year, we used a 4 year average. The current FAC has indicated a preference for using a 10 year average.

- c. From a prior FAC meeting, I understood that the law change impacting sales was estimated at a loss of \$200,000 annually or about 66 houses. Is that included in the forecast? it states 5%, which I believe is a lower number. The following illustrates our calculation: $991 \times 5\% = 50$ homes. 50 homes equals \$150,000 ($50 \times \$3,000$). This is our current best estimate of revenue loss due to HB2119

II. Cy 2024 Year-End Results

- a. Operating Investment Income—At the Board meeting, it was reported that an additional \$60K investment income was reestimated in operating reserves, thus resulting in a balanced budget for Cy 2024. Where is that reflected on the year-end forecast?

The remaining investment income is included in the projected Investment Income of \$489,340 on page 35.

- d. Credit Card Revenue—We changed the policy effective this year. Where would the projected revenue show for that item?). The revenue for credit cards is \$75,000 are included in Other Income of \$157,100 on page 35 The credit card expenses are \$74,000 and are included in the Bank and Credit Card Fees total of \$81,500 on page 35.

III. Cy 2025 Operating Budget

- a. a. Housing Revenues model - issue noted above

3.

- a. b. Fee Revenues: What is the rationale for not increasing the other fees at least 3%, similar to member dues; This increase be used to offset any lower estimate for housing sales. Most fees have experienced escalation over the past 5 years. For example, Annual Guest passes have increased 25% (\$60 to \$75) over the past 6 years. Daily passes increased 30% (\$7 to \$10) Another 3% is a possibility. The evidence is clear that GVR has

become overly reliant on the MCF fee since 80% of this unstable revenue source funds the Operations Fund.

a.

- a. c. Recreational Revenues- We need an explanation of the methodology for increased revenues/expenses. Is that consistent with experience from Cy 2024? Is that "break-even" for these programs? The model GVR has includes a 30% markup for instructional activities. GVR does not apply overhead therefore there is no breakeven point. The program is experiencing significant increases already and the projections are as follows:

Actual 2023 \$514,095

Projected 2024 \$760,186

Budget 2025 \$1,123,718 page 35

There is a detailed list of budgeted items for 2025 that has been developed for 2025

- a. d. Expenses: Utility costs are a significant part of the budget. It would be good to see a breakdown of these costs and more information on what is being done to control them. I believe you have undertaken an energy audit in the past several months.

Usage is the primary variable in utility costs which is primarily impacted by the weather. Cold winters result in high natural gas usage and hot summers result in high electric usage. In 2024 natural gas rates were lower than 2023 however the colder than normal winter increased GVR usage by more than the decrease in rates. GVR experienced a hotter than normal summer in 2024 resulting in high electric usage, along with marginally increased rates. Water rates were increased 10% mid 2024. The breakdown of utilities is on page 24

In the spring of 2024 GVR started covering EC and West Center Spas in the evening. Even though insufficient data exists to determine if usage is lower, GVR plans to cover spas in the evening at all centers in 2025(no reduction in costs is budgeted for 2025.)

GVR would like to embark on an energy audit in 2025. With the leadership changes in Facilities in 2025, we have been unable to begin this.

III. Capital Budget Questions: Reminder that capital items won't be discussed until the meeting on September 24th.

a. The Maintenance Repair and Replacements narrative on page 17 only address Part A. There is no explanation for Part B – Pools and Spas. As this is not part of the Browning Study, it would be helpful to see the staff report on this item. There is no staff report. The calculations are included at the end of this report.

b. Cash Funding Projections (page 38) looks like it hasn't been updated for new proposals/change in the fund balances. Initiative fund balance is a question. Also, I would have concerns continuing the

\$100K carryover surplus as we haven't achieved at in several years. The amounts on page 38 are all projections. Eliminating the projected surplus can be considered.

c. Club Contributions:

1. What is each club contributing to its project? a. The Pickleball is contributing 100%; requesting designation as approved so it can raise 100% of funding. Do we need MOA that project is approved in capital plan? There is no narrative explanation of this type of request. The Canoa Ranch Pickleball Capital Improvement Project Assessment is included starting on page 51 additional documentation may be necessary.

d. Non-Reserve Capital Projects of \$22,841- What are these projects: Wasn't it a higher dollar amount in past years? What is status of ADA planning. All Non-Reserve Capital projects are on hold. The \$22,841 is the balance that is available for all possible NRC Projects, which includes ADA projects. Typically, we budget around \$200,000 for these projects.

IV. Emergency Reserve Balance

a. Page 38 Emergency Reserve Fund shows a beginning balance of \$562,514 for 2025, but the August Financial Cash Requirements Report (page 6 of that report) shows an August actual ending balance of \$631,561 and a projected December ending balance of \$648,572, which becomes the 2025 beginning balance. It's all cash so why the discrepancy? Page 46. For the Emergency Fund is different also. This is correct. The projected 12/31/2024 balance for the Emergency fund is \$648,572

V. Technical

a. Member Dues: Dues reported to increase to \$530 on pages 5,6, and 36; but states \$535 on page 9. The dues rate is a misstatement in the table. This is for illustration only and does not affect the 2025 budget.

b. Proposed Fee Schedule summary doesn't doesn't include guest fees/family passes(page 5) page 8 notes no change;

c. Reminder to include del sol new nonmember fee for café .25 cents (may add it later /October);

d. Page 36 doesn't include any revenue for day passes OK Thank you. Any revenue would be marginal so recommend budgeting \$0.00 for 2025.

e. Steam Room for \$50K - didn't the board already deal with this item? P & E identified it as a priority level of 3.

Stephen Reynolds

1) 2025 budgeted revenue for LC, Trans & Crd Card Fees of \$719,526 looks low based on what we were collecting prior to Covid...\$780K in 2022 and \$709K that was budgeted in 2024. Did we adjust upward for the 3% service charge fees we will be collecting on credit card transactions per passage by BOD in August? Yes, we adjusted for the 3% revenue included in Other Revenue. The transfer fee is 62% of these total fees and Transfer Fee is affected by the Housing Market. The credit card fees is included in this \$719,526 budgeted in 2025

2) Did we figure out what is causing the increased electric costs in our utility bills? Are there conservation actions we can implement to help reduce these costs? Also, I recall we were having increased gas bills previously and that's when we decided to install covers over the spas to conserve energy...do we know if this measure has reduced gas costs? I'm curious to know how many covers we installed and if there's more we can cover to help lower the bills this winter?

- Usage is the primary variable in utility costs which is primarily impacted by the weather. Cold winters result in high natural gas usage and hot summers result in high electric usage. In 2024 natural gas rates were lower than 2023 however the colder than normal winter increased GVR usage by more than the decrease in rates. GVR experienced a hotter than normal summer in 2024 resulting in high electric usage, along with marginally increased rates. Water rates were increased 10% mid 2024.

In the spring of 2024 GVR started covering EC and West Center Spas in the evening. Even though insufficient data exists to determine if usage is lower, GVR plans to cover spas in the evening at all centers in 2025(no reduction in costs is budgeted for 2025.)

3) Our Transfer Fee for 2025 budget is based on 991 home sales...should this revenue be based on our 901 budgeted home sales? No, we have additional Transfer Fees than those for housing sales

4) Did we not include the club's \$100K funding for non-capital requests in the 2025 budget? No, we only budgeted \$22,841 for 2025. To clarify, the \$100,000 in the current pilot program isn't dedicated to clubs, but any member or staff member to submit an idea.

5) What makes up the 2025 budgeted \$22K for non-capital items? Are we continuing to place on hold the old list of non-capital projects from 2024? The \$22K NRC is for ADA projects.

6) Recommend we not include the \$100K surplus in the Capital 5-year plan for years 2026-2029. Based on the last 2 years, it's unknown whether we will be operating a surplus. We can adjust to \$0 surplus projection for future years (page 38).

A) Discuss taking a more conservative approach to our 2025 budgeted housing sales based on the last two years' housing decline. I know we are using a longer 10 year average approach, but unless we have hard data that is forecasting an upswing next year, it may be wise to keep the forecast flat considering we are also affected by the new AZ law prohibiting collection of MCF's on the transfer of inherited properties. Staff has incorporated the reduction of revenue due to HB 2119

B) Discuss increasing the MCF by \$100-\$150 in 2025. This fee is a one time fee imposed on home buyers which is a completely different population than the annual dues paying membership. 20% of the fee goes towards initiatives which as we know the capital costs and housing prices have increased significantly over the last few years. I'm recommending we raise this fee next year because it will help us lower the dues increase for the 13,868 members. Example - 901 (budgeted home sales) X \$150 (MCF increase) = \$135,150 (add MCF revenue). \$135,150 divided by 13,868 members = \$10 per member we can reduce our 2025 budgeted dues increase from \$530 to \$520. I know many of our members (could be 50%) have either aged out or do not participate in GVR for other reasons who would much rather see a lower dues increase with a small increase to our MCF. **According to the graph on page 6 MCF Fees have significantly outpaced dues significantly in the past. We are attempting a balanced approach.**

C) Discuss increasing the transfer fee as well to \$475-\$495 which is imposed on the transfer of deed/title which again is primarily a charge incurred by home buyer's. Do we know if this fee was also affected by the new AZ state law? **This fee is not affected by HB 2119**

D) Discuss what the additional cost will be to replace our remaining pools and spas. I know we have maintenance and repair costs in the current Browning Reserve Study that don't account for full replacement costs and I believe it's important we consider our total financial risk in order to understand the pools/spas financial impact to GVR's reserves. Forecasting the financial impact of this replacement cost will, I believe, lead us to further discussions of whether GVR can afford to retain all of its pool facilities when they indeed fail. I agree this discussion will be difficult, but based on the importance to GVR and its financial planning, one that we need to have. **The costs in the enclosed MRR-B schedule are based on the cost of the recent East Center pool replacement adjusted for size and inflation.**

Lanny Smith:

Comment:

Scott, in your closing remarks, you refer to the following: 1) minimize costs, 2) improve service delivery and 3) focus on excellent customer service.

I recommend reversing the order to:

Focus on providing excellent customer service, improve service delivery and minimize any cost increases through prudent fiscal management. Does changing the order make a difference? Yes, because the focus of everything we do is guided by the first two member focused goals and succeeding in meeting those goals, through prudent fiscal management. Semantics but I believe it shifts our conversation from a purely narrow fiscal one to a broader outcome. The theme of our discussions becomes operational excellence. **Staff agrees with this**

Questions:

- 1) Housing sales: What is leading you to believe GVR home sales will rebound in 2025? There appears to be a growing number of listings. The “rebound” in 2025 is a low budget number (see page 7) and GVR is budgeting 18% less than the 10-year average . Although the budget for 2025 is 6.8% higher than projected 2024, we still believe this is conservative.
- 2) Member Fees: 3.0% increase seems reasonable, based on the CPM formula. What is concerning to me is the 10 year graph showing how GVR has lagged in fee increases. I don't want to review the reasons why from the past but should we consider moving a little faster with member fees? This is a year for strong rationale to start catching up.
- 3) Capital fees: Would it be prudent to keep that flat? The budget shows no increase for 2025 and MCF has outpaced the % increase in dues in the past. See graph on page 6 and comments above.
- 4) Recreation Revenue: A 50% increase in revenue seems very aggressive? What indicators are you seeing that are leading you to believe this is a reasonable increase? This is based on a detailed budget for recreational activities and it includes a significant increase. If capital fees and this revenue stream do not materialize, how will GVR offset this loss of budgeted income? If the income is less than budgeted, the expenses will be 70% less as well
- 5) Utilities: Given the experience of the last 2 years, should we be considering an increase as opposed to a decrease? At a minimum, have you considered an inflationary increase? Have the utility companies signalled price increases for 2025? Staff has not seen any indication of an increase from the utilities.
- 6) MR & R: I do not see DH Pool in the MR & R Pool & Spas for 2025? This is subject to additional consultations regarding that pool. I am including the funding analysis that is utilized to calculate annual funding. This calculation is done by GVR staff.
- 7) Wages. If our focus is on customer service and improving service delivery, then we must support these increases, ensuring that our staff enjoy a living wage. Staff agrees

The 3 year forecast looks reasonable and prudent. It will change with the final 2025 outcome.

MRR-B Pool & Spas:

Center	Pool	Gallons (Pool & Spa)	Year Built	Life Expec.	Replac. Year	Useful Life
6	Casa Paloma I	120,880	1973	35	2008	-17
5	West Center	106,950	1976	35	2011	-14
7	Casa Paloma II	66,240	1976	35	2011	-14
10	Continental Vistas	60,100	1979	35	2014	-11
8	Desert Hills	102,000	1981	35	2016	-9
9	Madera Vistas	47,350	1984	35	2019	-6
13	Santa Rita Springs	119,460	1986	35	2021	-4
11	Canoa Hills	136,358	1990	35	2025	0
12	Las Campanas	140,800	1997	35	2032	7
4	Abrego South	66,490	2006	35	2041	16
14	Canoa Ranch	136,358	2008	35	2043	18
3	Abrego North	66,800	2012	35	2047	22
2	East Center	96,240	2022	35	2057	32

GVR pool life expectancy is 50+

MRR-B Pool & Spa Replacement Fund						
Interest	6.00%					
Contributions	297,500			9/16/2024		
Annual Inc. Contr.	7.0%					
Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance
2021	-	1,300,207	-	1,300,207	(216,502)	1,083,705
2022	1,083,705	270,472	187,595	1,541,772	(964,809)	576,963
2023	576,963	289,405	(51,603)	814,765	-	814,765
2024	814,765	299,400	79,415	1,193,580	-	1,193,580
2025	1,193,580	320,358	90,836	1,604,775	(1,601,539)	3,236
2026	3,236	335,022	20,295	358,553	-	358,553
2027	358,553	358,474	43,022	760,048	-	760,048
2028	760,048	383,567	68,617	1,212,232	-	1,212,232
2029	1,212,232	410,416	97,359	1,720,007	-	1,720,007
2030	1,720,007	439,146	129,549	2,288,702	-	2,288,702
2031	2,288,702	469,886	165,515	2,924,103	-	2,924,103
2032	2,924,103	502,778	205,613	3,632,493	(2,325,654)	1,306,839
2033	1,306,839	537,972	110,689	1,955,500	-	1,955,500
2034	1,955,500	575,630	151,868	2,682,998	-	2,682,998
2035	2,682,998	615,924	197,935	3,496,857	-	3,496,857
2036	3,496,857	659,039	249,354	4,405,250	(1,959,655)	2,445,595
2037	2,445,595	705,172	189,046	3,339,813	-	3,339,813
2038	3,339,813	754,534	245,661	4,340,007	-	4,340,007
2039	4,340,007	807,351	308,842	5,456,200	-	5,456,200
2040	5,456,200	863,866	379,204	6,699,269	(2,418,961)	4,280,309
2041	4,280,309	924,336	312,279	5,516,924	-	5,516,924
2042	5,516,924	989,040	390,358	6,896,321	-	6,896,321
2043	6,896,321	1,058,273	477,276	8,431,869	-	8,431,869
2044	8,431,869	1,132,352	573,853	10,138,074	(5,585,339)	4,552,735
2045	4,552,735	1,211,616	345,861	6,110,213	-	6,110,213
2046	6,110,213	1,296,429	444,399	7,851,040	-	7,851,040
2047	7,851,040	1,387,179	554,293	9,792,513	-	9,792,513
2048	9,792,513	1,484,282	676,608	11,953,403	(3,527,479)	8,425,924
2049	8,425,924	1,588,182	600,846	10,614,953	-	10,614,953
2050	10,614,953	1,699,355	738,858	13,053,165	-	13,053,165
2051	13,053,165	1,818,309	892,288	15,763,763	-	15,763,763
2052	15,763,763	1,945,591	1,062,561	18,771,916	(12,107,708)	6,664,208
2053	6,664,208	2,081,782	524,759	9,270,749	-	9,270,749
2054	9,270,749	2,227,507	689,895	12,188,152	-	12,188,152
2055	12,188,152	2,383,433	874,295	15,445,880	-	15,445,880
2056	15,445,880	2,550,273	1,079,769	19,075,922	(18,802,477)	273,445
2057	273,445	2,728,792	180,134	3,182,371	-	3,182,371
2058	3,182,371	2,919,807	366,131	6,468,309	-	6,468,309
2059	6,468,309	3,124,194	575,550	10,168,053	-	10,168,053

I'm hoping we can better understand the club contributions during next week's discussion. I don't see how balances in the Initiative fund will increase significantly over the next several years.

I think club contributions may be worth discussing to help support these projects. When I toured the woodworking club, they mentioned they paid for some filters. So, I'm not clear what each club contributes towards capital, operating, and special equipment, e.g., pickleball balls.

Clubs contribute to capital costs as requested/expected by the Board at the time of the project—no policy is in place and expectations have not been consistent. It should be noted that the Glass Arts Club contributed \$25,000 toward the construction of the Glass Arts studio.

Clubs in dedicated spaces are expected to pay for their own supplies, materials, tools, and equipment, though GVR may (per policy) decide that providing fixtures and equipment benefits the wider membership. GVR is responsible for expenses related to the building and infrastructure. However, we lack clear definitions in this matter. Is a specialized exhaust or debris vacuum system part of the building infrastructure, or a piece of equipment meant for the exclusive use of the club?

Clubs that do not operate in dedicated spaces are expected to provide their own supplies and materials if those supplies and materials are not also available for use by the general membership. Again, clear definitions would be of benefit. For instance, the Pickleball Club hosts tournaments and social events at the PBC a few times per year. No other GVR member or group is permitted to reserve the center for these purposes. Who should provide the shed and the furniture needed for these club events? A few clubs go above and beyond regarding provision of supplies, including Pickleball, which provides balls on all courts for anyone to use. Tennis provides baskets of practice balls at most courts, and they keep a supply of rackets on hand at WC for folks who want to try the game. The racquetball club similarly offers rackets, balls, and goggles for the curious.

No clubs routinely contribute to day-to-day operating costs. This is a subject of concern to operations staff. The distribution of custodial services, for example, is not equitable. Some clubs require extensive daily custodial resources (clay studio, ceramics, and woodshop, for example), and some expect GVR to manage the special needs of their waste materials (clay, ceramics, SRAL, and to a degree, woodshop and lapidary). I am not aware of the circumstances around the Woodworkers Club purchasing filters.

Lastly, as you look at the three-year forecast, can you look at the projection for Investment Income for Cy 2026? It looks like it is more than 2% growth. I'd be more conservative on that estimate. I'd also suggest increasing the member dues to 2.25 to 3 to offset any lost

revenue. I think it supports the case that member dues need to gradually increase and support a greater percentage of operations with less reliance on housing sales.

Updates will be made to the forecast.

One more thing, Scott- can you clarify whether the new developer is part of GVR? I thought I heard you say it was questionable.

The Fairfield development of approximately 330 homes south of the Canoa Ranch Center is within the GVR boundary and the developer thus far has indicated they intend to deed restrict those lots to GVR.

1. Capital Outlay for Non reserve Capital:

a. In Cy 2024, we delayed spending the \$100,000 due to fiscal concerns. These were funds for Clubs, members or staff to recommend projects per the CIP policy. The Cy 2025 budget message reflects a change in the Capital Improvement Policy (CIP) and Process, and these funds were not included in the budget recommendations. When did this change happen, or do I not understand something in the explanation? **In 2024, GVR paused all non-reserve capital projects due to budget restraints. The 2025 proposed budget includes \$22,489 of Non Reserve Capital projects because of the same restraints.**

b. Page 42 of the Budget includes these \$100K funds, while page 41 doesn't. So, the numbers don't reconcile. **Page 42 is incorrect. This is a new sheet that identifies Operating Budget only. The operating budget for non-reserve capital projects for 2025 should be \$22,489.**

2. Initiative Fund Cash Balance:

a. FAC is charged with reviewing project funding; therefore, understanding the available cash balance of this fund is essential. We need to look at the capital transfer fee transfer for each year as the numbers don't reconcile. For example, page 42 states 554,208, and page 38 states \$599K for Cy 2025. **\$547,770 is the correct amount for projecting transfers in 2025 (see page 35). Pages 42 and 38 are being revised. Page 38 is significantly revised.**

b. The fund balance assumes a \$100K surplus available to transfer to this fund each year from Cy 2026 forward. Considering the results of the last two years, this number may be optimistic. **Staff is not recommending a surplus transfer in 2025. We will address 2026 when that budget is prepared, for now we have taken the 2026 \$100K surplus transfer off of the schedule and keeping the assumption of \$100k per year 2027-2029. See page 38.**

c. Club Contributions;

a. I raised a question regarding Club contributions and would like to discuss them at the FAC and Board meetings. What is each Club

contributing to the capital, if anything? **None of the 2025 budget includes club contributions other than the pickleball club.**

d. The Pickleball Club proposes funding its requested 4 courts through club donations at 100%. I understand they are asking for authorization/approval for this project so that donors know GVR agrees with this project. What mechanism is needed to acknowledge this approval if it is to move forward as a project? I suggest, if approved, we note it on the page 37 as an "approved project assuming 100% club financing." **Page 37 will be updated to include this**

e. Metal Shop Project - what is the status of this project as it isn't carried over with any funding noted from Cy 2024? **The current projections include that metal arts shop to be expended in 2024.**

3. Maintenance Repair and Reserve Part A .

a. The amount to be transferred from the operating budget to MMR Part A and B I believe is referenced on page 20 at \$1553,199 but on page 21 and page 22 it add up to \$1,620,358. **The final MRR report received Sunday 9/22 indicates funding of \$1,300,102. When added to the \$320,358 for pools and spas, the total is \$1,620,460 of reserve funding.**

b. The Reserve Study amount noted on page 38 to be spent on projects is \$2,282,330 yet the amount referenced on page 37 and on page 44 is 1,553,195. Is this correct? If so, what projects are we not completing that were part of the Study? **The reserve study was received on Sunday, 9/22 and the numbers have changed. Recently, GVR updated projections for the 2025 MRR components and communicated to Browning Reserve study. The update moved \$700K of projects from 2024 to 2025. No projects are not being completed – just moved to the next year. All pages needs to be revised to indicate \$2,240,340 of MRR purchases in 2025.**

4. Maintenance Repair and Reserve Part B: Pools and Spas

a. While I understand this is not part of the Browning Reserve Study, I think the staff's analysis should be placed in a report format and put on the website so that all can see we have two separate MMR's. and both are

continuing to be funded in the budget. We anticipate including this in the Budget Document under the MRR-B Fund.

6. Three-year Forecast- /Other

a. Investment Income for Cy 2026 is forecasted at a much higher % than stated on the sheet. Is that reasonable? The increase is 20%. It has been lowered to 2%.

b. Canoa _ new Development - not Fairchild. Is the Colorado Development that was part of Canoa within the GVR Boundaries? It is in the boundary but they don't have to become a part of GVR. Have any discussions started with them regarding including GVR in their plans? Yes, and they haven't decided about GVR. Additionally, they haven't decided whether to be age restricted.