



AGENDA

Fiscal Affairs Committee

Tuesday, November 19, 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: Nellie Johnson (FAC Chair), Kathi Bachelor (Assistant Treasurer), Dale Howard, 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:** October 15, 2024
3. **Chair Comments**
4. **Staff Reports**
 - a. October 2024 Financial Report
 - b. GVR Capital Improvement Project Policy (CIP) and Process pilot program
 - c. 2024 Year end projection
 - d. Maintenance Repair & Replacement (MRR) Browning Reserve Study Cash Flow excerpts
5. **Business**
 - a. Review MRR cash flow summary with Browning Reserve Group
 - b. Review and recommend October 2024 financial statements
 - c. Review and recommend GVR Capital Improvement Policies
 - d. Update on Canoa Ranch Development/Colorado
 - e. Bylaws changes for discussion in January
6. **Member Comments**
7. **Adjournment**

Next Meeting: Tuesday, January 21, 2025, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee **Tuesday, October 15th, 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: Nellie Johnson, Treasurer and Chair, Dale Howard, 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:** September 24, 2024
MOTION: Johnson moved/Quast seconded to amend September 24th minutes and show that Carol Crothers was not present. President Marge Garneau announced that Carol Crothers resigned from FAC.
Passed: unanimous
3. **Chair Comments:**
 - Board of Directors had a work session and all FAC budget recommendations were discussed. All FAC budget recommendations were passed at the October 23, 2024, Regular Board Meeting.
 - Favorable media coverage regarding GVR Budget Message.
4. **Staff Reports:**
 - a. September was a positive month for GVR
 - b. Homes sales (MCF fees) were 1 unit under budget, best outcome so far in 2024.
 - c. Appears October MCF fees will be under budget by approximately 20%
 - d. GVR will be under 90 days of operating cash to 74 days at the low.
 - a. GVR has plenty of cash to pay bills
 - b. Management is not concerned
5. **Business**
 - Review and recommend September 2024 financial statements
 - Review and recommend GVR Financial Policies

MOTION: Spurgeon moved/Smith seconded to recommend September financial statements.
Passed: unanimous

MOTION: Johnson moved/Quast seconded to approve the changes FAC made to the draft GVR Financial Policies (except "CIP")
Passed: unanimous

6. **Member Comments: None**

7. **Adjournment**

MOTION: Smith moved/Reynolds seconded to adjourn.
Passed: Unanimous

Next Meeting: Tuesday, November 19, 2024, 1:30 p.m. to 3:00 p.m. WC #2



**Fiscal Affairs
Financial Report
As of October 31, 2024**

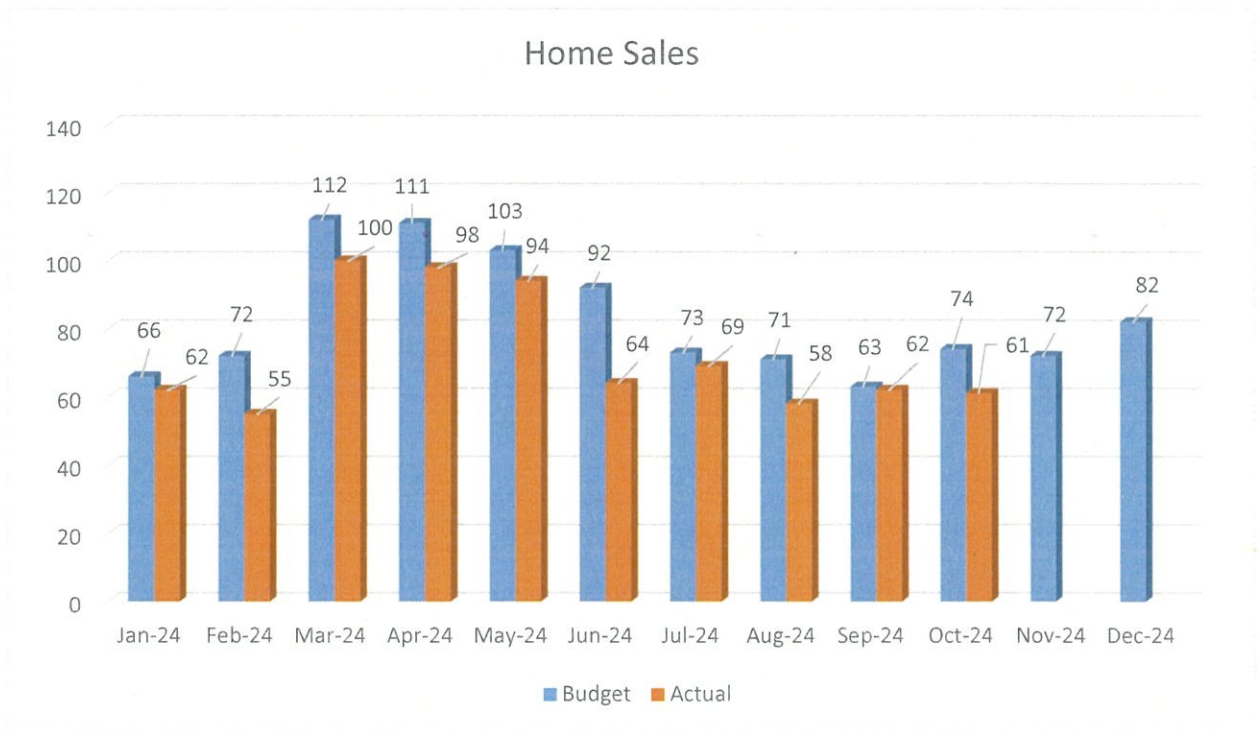
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through October, 2024 and include the financial statements as of October 31, 2024. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the October 31, 2024 total year to date Increase in Net Assets based on GVR's 2024 Financial Statements:

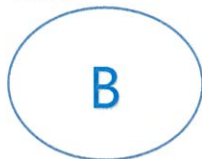
Month	GVR 2024			Homes Sold	Budget Variance	
	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets		Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-24	\$145,243	\$20,176	\$165,419	62	(\$58,362)	\$124,803
Feb-24	(\$77,024)	\$126,995	\$49,971	55	(\$21,136)	(\$211,318)
Mar-24	\$91,330	\$152,470	\$243,800	100	\$73,122	(\$60,989)
Apr-24	\$100,779	(\$270,279)	(\$169,500)	98	(\$59,876)	\$27,788
May-24	\$68,182	\$229,361	\$297,543	94	(\$72,867)	(\$4,294)
Jun-24	(\$81)	\$89,472	\$89,391	64	(\$75,917)	(\$64,657)
Jul-24	(\$12,431)	\$244,324	\$231,893	69	(\$17,506)	\$6,483
Aug-24	\$6,901	\$152,000	\$158,901	58	(\$68,446)	\$2,519
Sep-24	\$77,884	\$83,536	\$161,420	62	\$6,203	\$43,902
Oct-24	\$104,307	(\$147,667)	(\$43,360)	61	\$90,806	(\$2,224)
Nov-24			\$0			
Dec-24	\$0	\$0	\$0	0	\$0	\$0
Total YTD '24	<u>\$505,090</u>	<u>\$680,388</u>	<u>\$1,185,478</u>	<u>723</u>	<u>(\$203,979)</u>	<u>(\$137,987)</u>

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- While the preceding table illustrates the performance for the year 2024 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2024 budget.
- There were 61 Home Resales during the month of October. This number of sales is 13 (18%) less than budgeted for October and 1 less than October of the prior year. Year to date, GVR is 114 (14%) homes under budget. GVR offsets these sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 8 and the current allowance is \$206,485 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through October, 2024.



- The number of homes sold through the first two weeks of November are 26 and we expect another 19 by the end of the month for a total of 45 homes during November. The budget for November is 72 resulting in 27 (38%) homes under budget.
- The October 2024 Statement of Financial Position (page 2) reports the Total Net Assets to be \$33,867,618 which is a \$1,185,477 increase for the year (page 2 and 3) and includes \$680,388 of Unrealized Gains on Investments for October 2024 year to date.
- The October 31 Operational cash on hand is \$707,619 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash



equals \$2,215,593 which is a \$471,460 decrease during the month of October. The cash projections for 2024 are on pages 6 and 7.

- The Net Fixed Assets are \$22,511,984 as of October 31, 2024 (page 2). Total net Capital Purchases for the year to date are \$2,134,529. The summary report of the Capital Projects is included on page 9.
- Total Current Liabilities are \$1,862,169 (page 2). This includes 2 months of Deferred Dues revenue for 2024.
- Designated Net Assets equal \$10,300,694 (detailed on pages 4 – 5) which reflects a net decrease of \$138,597 for the month of October, 2024. The year-to-date net unrealized investment gain on investments are \$680,388 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$9,784,544 which is 2% under budget and 1% more than the prior year. The primary driver of this negative variance is the Capital Revenue being under budget due to the lower than predicted sale of homes year to date, October 2024.
- The Cash Requirements Reports for 2024 are included on pages 6 through 7. GVR's cash collections and Operating Cash balances are reasonable as projected.
- The total expenses for the year are \$9,279,454 which is \$137,987 (1.5%) over budget and 1% more than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year-to-date October 31, 2024:



EXPENSES YTD OCTOBER 2024

<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	2,871,810	44,480	2.0%	Utilities are year to date over budget by 16% (primarily electric).
Program Expenses	511,401	(144,911)	-40%	Recreation Contracts are \$115,256 over budget and are offset with the \$270,551 of Recreational Income over budget
Communi-cations	180,758	7,807	4%	Includes cost for mailings to non-restricted deed residents
Operational Expenses	495,797	81,333	14%	Signage and supplies are under budget for 2024
Corporate Expenses	604,377	67,945	10%	Professional fees are \$45,399 (24%) under budget through october 2024
Personnel & Benefits	<u>4,615,311</u>	<u>(194,642)</u>	-4%	Wages 9% over budget and includes custodial labor. Benefits 16% under budget.
TOTAL EXPENSES	<u>9,279,454</u>	<u>(137,988)</u>	<u>-1.5%</u>	For analysis purposes, this total can be reduced by \$115,256 of Recreational Contracts for which there is income to offset these costs

- Of the \$137,988 of total expenses that are greater than budgeted, \$115,256 is for Recreation contracts that are more than budgeted. This is an acceptable overage because the corresponding Recreational Revenue is \$270,551 greater than budgeted.
- The Cash Flow reports of the 2025 Maintenance Repair and Replacement Reserve Study are included on pages 9 through 12. A representative from Browning Reserve Group will be joining the FAC meeting through Zoom. These reports should be helpful for our discussion.
- The reconciliation of the investment earnings reported on the Investment Portfolio (page 5) and the Statement of Activities (page 3) is included on page 13. The difference is due to cash reporting versus accrual reporting.
- Pages 14 through the end are for discussing the Capital Improvement Program (CIP) Policy.





Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for October 31, 2024. The four statements

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

MRR-B Pools and Spas - Board designated reserve for end of life replacement of Pools and Spas

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: October 31, 2024 and Dec 31, 2023

	October 31, 2024	Dec 31, 2023
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	707,619	2,599,548
Accounts Receivable	293,344	220,589
Prepaid Expenses	314,452	218,015
Maintenance Inventory	-	22,003
Designated Investments (Charles S./SBH)		
Emergency - Fund	625,392 (1)	560,194 (18)
MRR - Fund	7,600,633 (2)	7,175,602 (19)
Initiatives - Fund	887,354 (3)	1,750,056 (20)
Pools & Spas - Fund	1,187,315 (4)	814,765 (21)
Total Designated Investments (CS/SBH)	10,300,694 (5)	10,300,617 (22)
Undesignated Invest. (JP Morgan Long Term)	1,499,540 (6)	1,699,386 (23)
Undesignated Invest. (JP Morgan)	8,434 (7)	1,767,892 (24)
Investments	11,808,669 (8)	13,767,895 (25)
Total Current Assets	13,124,084	16,828,050
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	33,138,565	31,004,036
Sub-Total	51,155,650	49,021,121
Less - Accumulated Depreciation	(28,531,809)	(27,464,438)
Net Fixed Assets	22,623,840 (9)	21,556,682 (26)
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	72,483	72,483
Total Assets	35,820,408	38,457,215
LIABILITIES		
Current Liabilities		
Accounts Payable	227,631	277,655
Deferred Dues Fees & Programs	1,198,942	4,533,756
Accrued Payroll	184,137	156,036
Compensation Liability	-	-
MCF Refund Liability	206,485	211,700
In-Kind Lease Liability -Current	4,666	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	40,307	40,307
Total Current Liabilities	1,862,169	5,673,454
In-Kind Lease Liability - LT	46,667	46,667
Notes Payable	-	11,000
Financing ROU Liability - LT	43,954	43,954
Total Long Term Liabilities	90,621	101,621
TOTAL NET ASSETS	33,867,618 (10)	32,682,140 (27)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	625,392 (11)	560,194 (28)
Maint - Repair - Replacement	7,540,667 (12)	7,175,602 (29)
Initiatives	887,354 (13)	1,750,056 (30)
Pools & Spas	1,187,315 (14)	814,765 (31)
Sub-Total	10,240,729 (15)	10,300,617
Unrestricted Net Assets	22,441,412	22,381,524
Net change Year-to-Date	1,185,477 (16)	-
Unrestricted Net Assets	23,626,889 (17)	22,381,524
TOTAL NET ASSETS	33,867,618	32,682,140



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 10 month period ending October 31, 2024

FY Budget Period: Jan 1, 2024 - Dec 31, 2024

	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON			%	Fiscal Year Budget	Remaining FY Budget
	2023 YTD Actual	2024 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance			
Revenue										
Member Dues	5,880,751	5,949,306	68,555	1%	5,949,306	5,943,958	5,348	0.1%	7,132,750	1,183,444
LC, Trans., Crd Fees.	605,565	561,764	(43,800)	(7%)	561,764	576,584	(14,820)	(3%)	705,637	143,873
Capital Revenue	2,323,944	2,108,759	(215,185)	(9%)	2,108,759	2,565,574	(456,815)	(18%)	3,039,780	931,021
Programs	91,828	244,882	153,054	167%	244,882	73,566	171,316	233%	92,403	(152,479)
Instructional	328,701	416,801	88,100	27%	416,801	317,565	99,236	31%	393,000	(23,801)
Recreational Revenue	420,529	661,683	241,154	57%	661,683	391,131	270,551	69%	485,403	(176,280)
Investment Income	332,269	359,973	27,704	8%	359,973	354,549	5,425	2%	425,458	65,485
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	39,486	40,755	1,269	3%	40,755	39,244	1,511	4%	47,093	6,338
Comm. Revenue	39,486	40,755	1,269	3%	40,755	39,244	1,511	4%	47,093	6,338
Other Income	77,939	78,886	947	1%	78,886	78,038	847	1%	87,072	8,186
Facility Rent	13,069	20,085	7,016	54%	20,085	16,667	3,418	21%	20,000	(85)
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	3,333	3,333	-	0%	3,333	3,333	-	0%	4,000	667
Del Sol Café Revenue	-	-	-	0%	-	19,444	(19,444)	(100%)	25,000	25,000
Other Revenue	94,341	102,304	7,963	8%	102,304	117,483	(15,179)	(13%)	136,072	33,768
Total Revenue	9,696,884	9,784,544	87,660	1%	9,784,544	9,988,523	(203,979)	(2.0%)	11,972,193	2,187,649
Expenses										
Major Proj.-Rep. & Maint.	385,097	390,316	(5,219)	(1%)	390,316	409,102	18,785	5%	489,203	98,886
Facility Maintenance	295,415	226,582	68,833	23%	226,582	340,114	113,532	33%	405,251	178,669
Fees & Assessments	14,785	4,259	10,526	71%	4,259	5,000	741	15%	5,000	741
Utilities	852,121	889,958	(37,837)	(4%)	889,958	770,444	(119,514)	(16%)	1,000,134	110,176
Depreciation	1,112,245	1,067,371	44,875	4%	1,067,371	1,076,650	9,279	1%	1,275,000	207,629
Furniture & Equipment	297,854	215,293	82,562	28%	215,293	233,300	18,007	8%	268,945	53,652
Vehicles	91,456	78,031	13,425	15%	78,031	81,680	3,649	4%	98,000	19,969
Facilities & Equipment	3,048,974	2,871,810	177,164	6%	2,871,810	2,916,290	44,480	2%	3,541,533	669,723
Wages	3,202,886	3,645,783	(442,897)	(14%)	3,645,783	3,356,453	(289,329)	(9%)	4,047,812	402,029
Payroll Taxes	251,965	290,782	(38,817)	(15%)	290,782	255,505	(35,277)	(14%)	323,634	32,852
Benefits	753,687	678,747	74,941	10%	678,747	808,711	129,965	16%	964,545	285,798
Personnel	4,208,538	4,615,311	(406,773)	(10%)	4,615,311	4,420,669	(194,642)	(4%)	5,335,990	720,679
Food & Catering	22,105	45,893	(23,788)	(108%)	45,893	17,622	(28,271)	(160%)	21,386	(24,507)
Recreation Contracts	303,373	392,016	(88,643)	(29%)	392,016	276,760	(115,256)	(42%)	348,685	(43,331)
Bank & Credit Card Fees	69,719	73,492	(3,773)	(5%)	73,492	72,108	(1,385)	(2%)	77,000	3,508
Program	395,197	511,401	(116,204)	(29%)	511,401	366,490	(144,911)	(40%)	447,071	(64,330)
Communications	90,910	90,221	689	1%	90,221	82,032	(8,189)	(10%)	96,023	5,802
Printing	75,872	64,989	10,883	14%	64,989	90,833	25,843	28%	103,183	38,193
Advertising	25,130	25,547	(417)	(2%)	25,547	15,700	(9,847)	(63%)	17,920	(7,627)
Communications	191,913	180,758	11,154	6%	180,758	188,565	7,807	4%	217,126	36,367
Supplies	466,346	395,380	70,966	15%	395,380	463,948	68,568	15%	558,587	163,207
Postage	8,041	9,867	(1,826)	(23%)	9,867	7,486	(2,381)	(32%)	17,922	8,055
Dues & Subscriptions	12,356	11,485	871	7%	11,485	12,781	1,296	10%	17,091	5,606
Travel & Entertainment	2,313	1,219	1,093	47%	1,219	1,600	381	24%	1,600	381
Other Operating Expense	83,910	77,846	6,065	7%	77,846	91,315	13,469	15%	113,884	36,039
Operations	572,966	495,797	77,169	13%	495,797	577,130	81,333	14%	709,084	213,287
Information Technology	110,811	95,902	14,910	13%	95,902	113,896	17,994	16%	136,781	40,879
Professional Fees	278,294	144,254	134,040	48%	144,254	189,653	45,399	24%	213,816	69,562
Commercial Insurance	281,303	297,768	(16,464)	(6%)	297,768	295,676	(2,091)	(1%)	354,812	57,044
Taxes	77,862	43,758	34,104	44%	43,758	21,633	(22,124)	(102%)	33,000	(10,758)
Conferences & Training	14,395	10,476	3,919	27%	10,476	33,544	23,068	69%	34,127	23,651
Employee Recognition	13,719	12,219	1,499	11%	12,219	17,920	5,701	32%	21,500	9,281
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	776,385	604,377	172,008	22%	604,377	672,322	67,945	10%	794,036	189,659
Expenses	9,193,972	9,279,454	(85,482)	(1%)	9,279,454	9,141,467	(137,987)	(1.5%)	11,044,839	1,765,385
Gross Surplus(Rev-Exp)	502,912	505,090	2,178	0%	505,090	847,057	(341,967)	(40%)	927,354	422,264
Net. Gain/Loss on Invest.	37,287	680,388	643,101		680,388	-	680,388		-	(680,388)
Net from Operations	540,199	1,185,477	645,278	119%	1,185,477	847,057	338,421		927,354	(258,123)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: October 31, 2024 and Dec 31, 2023

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
Net change in net assets-GVR	1,185,477 (16)	1,185,477	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,982,505)	-	-	1,227,040	456,065	299,400
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	1,067,371	(1,067,371)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	(44,048)	1,844,136	-	(948,392)	(849,807)	-
Purchases Withdrawals Outstanding	-	839,041	-	-	(322,963)	(516,078)	-
Allocations of Net Change components:							
Investment income	-	(234,060)	-	8,769	177,251	26,005	22,035
Investment Expenses	-	164,677	-	(4,012)	(144,555)	(8,517)	(7,594)
Net Gains (Losses) in Investments	-	(525,464)	-	60,441	376,684	29,630	58,709
Net Change to October 31, 2024	1,185,477 (16)	470,490	776,765	65,198	365,066	(862,702)	372,550
Net Assets at, Dec 31, 2023	32,682,140 (27)	824,841	21,556,682 (26)	560,194 (28)	7,175,602 (29)	1,750,056 (30)	814,765 (31)
Net Assets as at, October 31, 2024	33,867,618 (10)	1,295,331	<u>22,333,447</u> (9)	625,392 (11)	7,540,667 (12)	887,354 (13)	1,187,315 (14)
		23,628,778 (17)		10,240,729 (15)			

Footnotes refer to Statement of Financial Position and Statement of Activities

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Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Curent Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2023 (at Market)	<u>13,767,895</u> ⁽²⁵⁾	<u>3,467,278</u> ⁽²⁴⁾	560,194 ⁽¹⁸⁾	7,175,602 ⁽¹⁹⁾	1,750,056 ⁽²⁰⁾	814,765 ⁽²¹⁾
Changes since Jan 1, 2023:						
Principal Transfers	2,082,240	99,735	-	1,227,040	456,065	299,400
Investment income	369,832	135,772	8,769	177,251	26,005	22,035
Withdrawals	(4,986,974)	(2,349,735)	-	(1,271,355)	(1,365,885)	-
Investment Expenses	(164,677)	-	(4,012)	(144,555)	(8,517)	(7,594)
Net Change for 10 Months	(2,699,580)	(2,114,228)	4,757	(11,618)	(892,331)	313,841
Balance before Market Change at October 31, 2024	11,068,315	1,353,050	564,951	7,163,983	857,725	1,128,606
10 Months Net Change in Investments Gain/(Loss)	680,388	154,924	60,441	376,684	29,630	58,709
Balance at October 31, 2024 (at Market)	\$ 11,748,703 ⁽⁸⁾	1,507,974 ⁽⁶⁾ ⁽⁷⁾	625,391.75 ⁽¹⁾	7,540,667 ⁽²⁾	887,354 ⁽³⁾	1,187,315 ⁽⁴⁾

10,240,729 ⁽¹⁵⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

GVR Cash Requirements Report

FY 2024

ACTUAL / PROJECTED	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected
	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>
Operating Cash at CHASE												
Beginning of Month Balance	2,599,548	687,320	440,036	640,817	832,509	704,891	562,670	528,787	411,298	413,607	707,619	1,015,661
Transfer In	-	-	650,000	500,000	400,000	400,000	400,000	700,000	400,000	800,000	500,000	-
Transfer Out	(3,519,695)	-	-	-	-	-	-	-	-	-	-	(3,000,000)
Cash Receipts	2,651,721	600,340	647,937	468,890	441,316	288,357	313,243	363,088	304,281	308,399	488,338	4,581,070
Cash Disbursements	(1,044,254)	(847,624)	(1,097,156)	(777,198)	(968,934)	(830,577)	(747,127)	(1,180,576)	(701,972)	(814,387)	(680,296)	(780,295)
Net Operating Cash Flow	1,607,467	(247,284)	(449,219)	(308,308)	(527,618)	(542,220)	(433,884)	(817,488)	(397,691)	(505,988)	(191,958)	3,800,775
Ending of Month Balance	687,320	440,036	640,817	832,509	704,891	562,670	528,787	411,298	413,607	707,619	1,015,661	1,816,436
Operating Investment Accounts (A&B)												
Beginning of Month Balance	3,467,278	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,651,278	3,340,384	2,690,549	2,314,519	1,507,974	1,010,487
Transfer In	2,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000
Transfer Out	-	-	(650,000)	(500,000)	(400,000)	(400,000)	(400,000)	(700,000)	(400,000)	(800,000)	(500,000)	-
Earned Income on Investmer	11,847	42,495	63,658	(47,051)	50,953	12,098	89,106	50,165	23,970	(6,546)	2,513	1,684
Ending of Month Balance	5,479,125	5,521,619	4,935,278	4,388,227	4,039,180	3,651,278	3,340,384	2,690,549	2,314,519	1,507,974	1,010,487	4,012,171
MRR Reserve												
Beginning of Month Balance	7,175,602	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	8,074,214	8,044,394	7,935,448	7,771,935	7,600,633	7,595,074
Transfer In MRR Funding	1,220,295	-	-	-	-	-	-	-	-	6,745	-	-
Transfer Out	(68,487)	(134,658)	(93,639)	(29,450)	(280,783)	(18,770)	(162,469)	(202,517)	(233,271)	(88,762)	(20,000)	(20,000)
Net Earned Income on Invest	20,006	80,709	99,777	(131,552)	160,376	74,788	132,649	93,570	69,758	(89,285)	14,441	14,431
Ending of Month Balance	8,347,416	8,293,467	8,299,606	8,138,604	8,018,197	8,074,214	8,044,394	7,935,448	7,771,935	7,600,633	7,595,074	7,589,505
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	814,765	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,156,993	1,171,907	1,184,552	1,199,824	1,187,315	1,189,571
Transfer In MRR B Pool & Spa Funding	299,400	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	(892)	10,591	13,151	(23,413)	28,330	15,061	14,913	12,645	15,272	(12,509)	2,256	2,260
Ending of Month Balance	1,113,273	1,123,864	1,137,015	1,113,602	1,141,932	1,156,993	1,171,907	1,184,552	1,199,824	1,187,315	1,189,571	1,191,831
Initiatives Reserve												
Beginning of Month Balance	1,750,056	1,643,300	1,383,482	1,273,517	1,187,196	755,609	806,294	779,358	771,009	830,651	856,791	932,130
Transfer In	-	-	120,896	55,586	54,003	47,950	36,640	-	46,094	33,770	75,711	65,600
Other Funding	-	-	-	-	-	-	-	-	30,563	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	(626)	4,766	15,800	(11,871)	17,929	5,246	7,696	7,042	6,936	(5,801)	1,628	1,771
Transfer Out	(106,130)	(264,584)	(246,660)	(130,036)	(503,520)	(2,511)	(71,271)	(15,391)	(23,951)	(1,829)	(2,000)	(2,000)
Ending of Month Balance	1,643,300	1,383,482	1,273,517	1,187,196	755,609	806,294	779,358	771,009	830,651	856,791	932,130	997,501
Emergency Reserve												
Beginning of Month Balance	560,194	563,405	582,365	593,810	576,057	595,231	605,865	621,731	631,561	636,879	625,392	629,561
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	3,211	18,960	11,445	(17,753)	19,174	10,633	15,866	9,831	5,318	(11,487)	4,169	4,197
Ending of Month Balance	563,405	582,365	593,810	576,057	595,231	605,865	621,731	631,561	636,879	625,392	629,561	633,758
Total Reserve Accounts												
	11,667,394	11,383,178	11,303,948	11,015,459	10,510,969	10,643,366	10,617,390	10,522,570	10,439,289	10,270,131	10,346,336	10,412,595
Total Operating Cash	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,213,948	3,869,171	3,101,847	2,728,126	2,215,592	2,026,148	5,828,607
Grand Total Cash & Investments	17,833,839	17,344,833	16,880,043	16,236,195	15,255,040	14,857,314	14,486,561	13,624,417	13,167,415	12,485,723	12,372,484	16,241,202

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**GVR Cash Requirements Report
FY 2024**

ACTUAL / PROJECTED

Actual Days Oper. Cash on Hand (net of MCF Allowance)

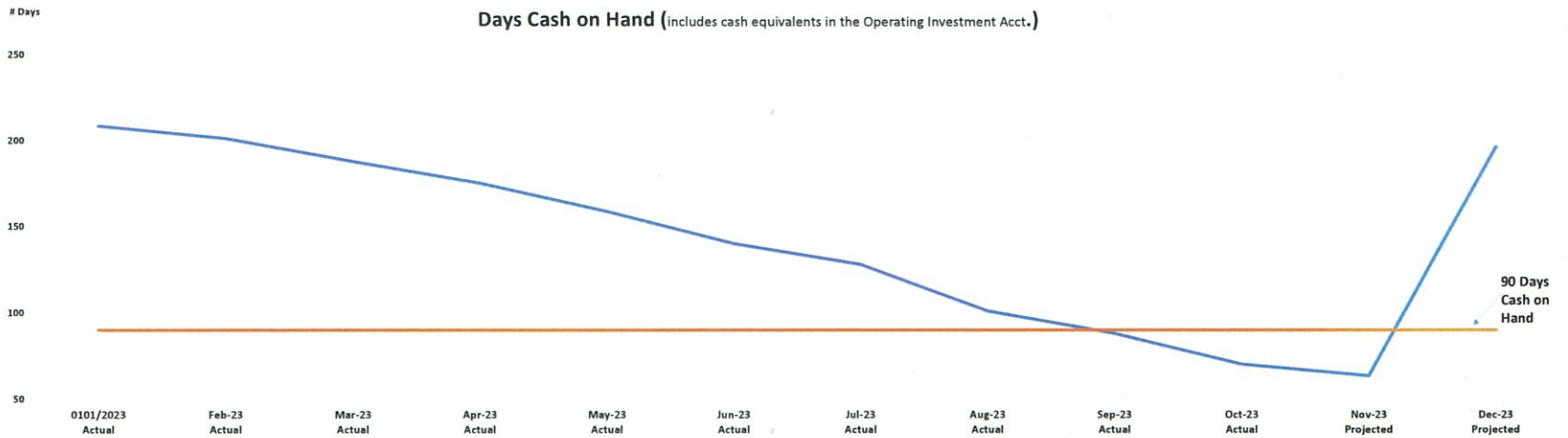
Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Actual Sep-24	Actual Oct-24	Projected Nov-24	Projected Dec-24
208	201	187	175	158	140	128	101	88	70	63	196

January 1, 2024 Beg. Balance:	
Total Reserve Accounts	9,485,852
Total Operating Cash	6,066,826
Grand Total Cash & Investme	15,552,678

Projected Ending Balance 2024	
Total Reserve Accounts	9,220,764
Total Operating Cash	5,828,607
Grand Total Cash & Investments	15,049,371

Operating Cash (CHASE)	6,166,445	5,961,655	5,576,095	5,220,736	4,744,071	4,213,948	3,869,171	3,101,847	2,728,126	2,215,592	2,026,148	5,828,607
Invested Total (SBH & JP MORGAN)	17,146,519	16,904,797	16,239,226	15,403,686	14,550,149	14,294,644	13,957,774	13,213,119	12,753,808	11,778,105	11,356,823	14,424,766

The Cash Requirements Report is for projecting cash balances of the Operating and Designated Cash Accounts only. This report is exclusively for the purpose of determining cash requirements and short term investment planning.





GVR MEMBER PROPERTIES MONTLY REPORT

2024	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	YTD
NEW MEMBERS	2	1	4	1	4	-	1	1	2	5			21
Total Members (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,871	13,871	13,871	13,871
Members Last Year (2023)	13,825	13,829	13,832	13,833	13,834	13,835	13,837	13,841	13,842	13,844	13,847	13,850	13,850
Members Before Last Year (2022)	13,781	13,789	13,792	13,799	13,802	13,805	13,809	13,812	13,813	13,818	13,823	13,823	13,823
Membershi Change Fee	62	55	100	98	94	64	69	58	62	61	-	-	723
Initial Fee	1	-	2	-	3	-	1	1	1	2	-	-	11
Transfer Fee (new build no Initial fee)	1	1	2	1	-	-	-	-	1	3	-	-	9
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	1		2		3		1	1	1	2			11
Transfer Fee (estate planning)	-	-	1	-	-	-	1	1	1	3	-	-	7
Transfer Fee (resale)	62	55	100	98	94	64	69	58	62	61	-	-	723
Transfer Fee Non-Resale	14	4	-	2	2	-	1	2	-	3	-	-	28
Budget Monthly Resales (2024)	66	72	112	111	103	92	73	71	63	74	72	84	993
Monthly Resales (2024)	62	55	100	98	94	64	69	58	62	61	-	-	723
Monthly Delta Actual vs Budget (2024)	↓ (4) ↓	↓ (17) ↓	↓ (12) ↓	↓ (13) ↓	↓ (9) ↓	↓ (28) ↓	↓ (4) ↓	↓ (13) ↓	↓ (1) ↓	↓ (13)			↓ (114)
Monthly Resales Last Year (2023)	75	63	103	118	121	94	83	80	58	75	64	71	1,005
Monthly Resales 2 years prior (2022)	105	88	150	147	126	93	73	56	63	72	67	55	1,095
YTD Budget (2024)	66	138	250	361	464	556	629	700	763	837	909	993	993
YTD Resales (2024)	62	117	217	315	409	473	542	600	662	723	-	-	723
YTD Over/(Under) Budget	↓ (4) ↓	↓ (21) ↓	↓ (33) ↓	↓ (46) ↓	↓ (55) ↓	↓ (83) ↓	↓ (87) ↓	↓ (100) ↓	↓ (101) ↓	↓ (114)			↓ (270)
YTD Over/(Under) Budget	(6%)	(15%)	(13%)	(13%)	(12%)	(15%)	(14%)	(14%)	(13%)	(14%)			(27%)
YTD Resales Last Year (2023)	75	138	241	359	480	574	657	737	795	870	934	1,005	1,005
YTD Resales Before 2 years prior (2022)	105	193	343	490	616	709	782	838	901	973	1,040	1,095	1,095
Total Sales (new and resale) (2024)	64	56	104	99	98	64	70	59	64	66	-	-	744
Total Sales (new and resale) Last Year (2023)	72	65	103	116	118	93	84	76	59	74	67	74	1,001
Total Sales (new and resale) Before 2 years prior (2022)	110	92	158	150	133	96	76	60	66	73	72	60	1,146
MCF Refund	8	6	12	10	20	3	5	3	8	5	-	-	-

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	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	7,175,602	7,652,888	6,791,071	6,363,389	5,994,549	6,046,069	5,697,917	6,102,200	6,028,769	6,382,393
Inflated Expenditures @ 2.5%	926,077	2,340,240	1,946,088	1,935,721	1,572,260	2,031,701	1,346,116	1,896,918	1,545,292	1,843,048
Reserve Contribution	1,220,295	1,300,102	1,356,006	1,414,314	1,475,130	1,538,561	1,604,719	1,673,722	1,745,692	1,820,757
<i>Household/yr @ 13,610</i>	89.66	95.53	99.63	103.92	108.39	113.05	117.91	122.98	128.27	133.78
<i>Percentage Increase</i>		6.5%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	183,068	178,320	162,401	152,567	148,650	144,987	145,680	149,765	153,224	159,281
Ending Balance	7,652,888	6,791,071	6,363,389	5,994,549	6,046,069	5,697,917	6,102,200	6,028,769	6,382,393	6,519,384

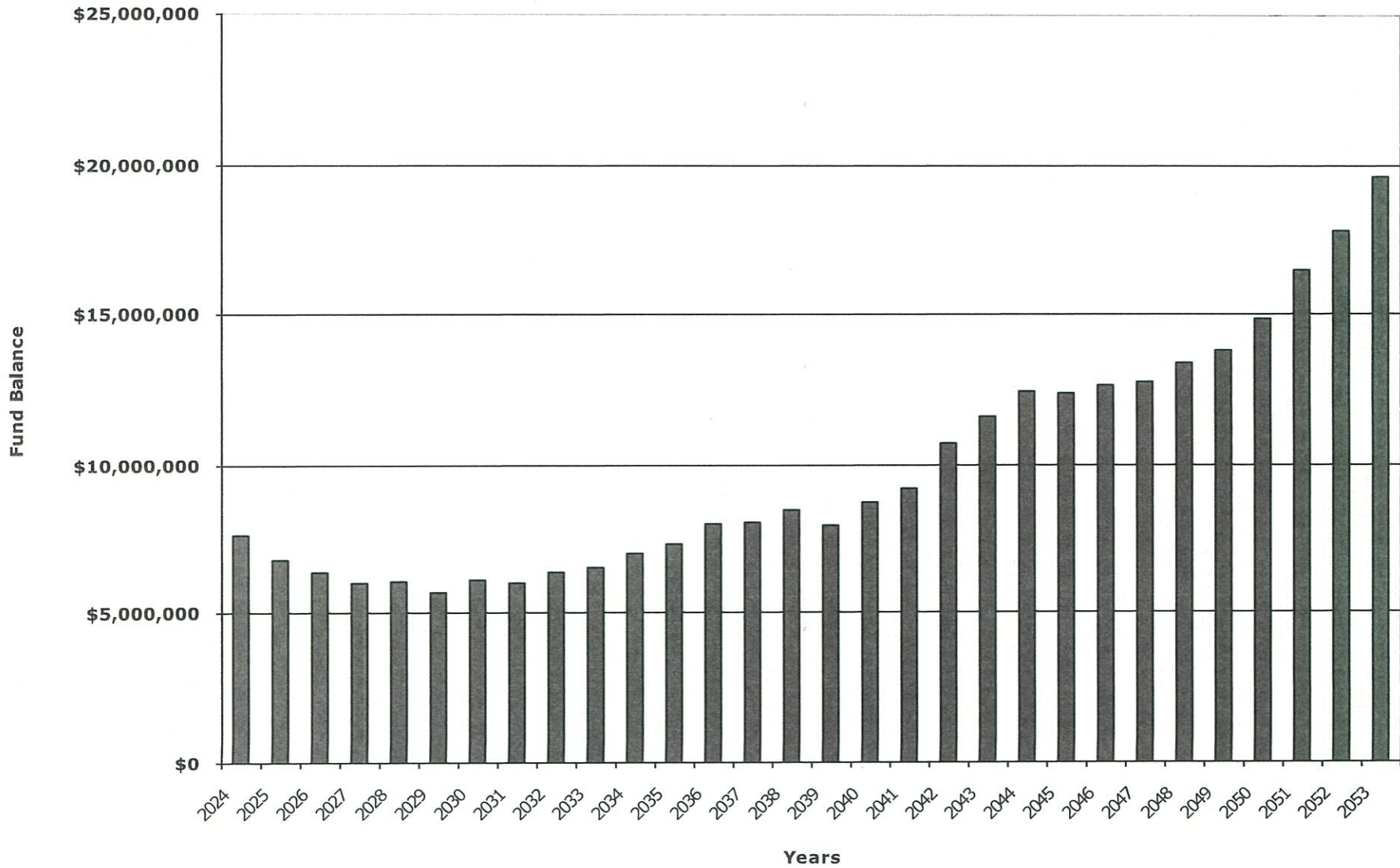
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	6,519,384	7,027,767	7,296,932	8,009,506	8,066,724	8,448,051	7,946,617	8,745,405	9,219,940	10,711,997
Inflated Expenditures @ 2.5%	1,557,915	1,888,392	1,542,273	2,295,966	2,069,924	3,047,839	1,852,080	2,297,179	1,413,583	2,140,404
Reserve Contribution	1,899,050	1,980,709	2,065,879	2,154,712	2,247,365	2,344,002	2,444,794	2,549,920	2,659,567	2,773,928
<i>Household/yr @ 13,610</i>	139.53	145.53	151.79	158.32	165.13	172.23	179.63	187.36	195.41	203.82
<i>Percentage Increase</i>	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	167,249	176,848	188,968	198,472	203,886	202,403	206,074	221,794	246,073	275,719
Ending Balance	7,027,767	7,296,932	8,009,506	8,066,724	8,448,051	7,946,617	8,745,405	9,219,940	10,711,997	11,621,240

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	11,621,240	12,460,681	12,411,135	12,638,094	12,767,095	13,405,701	13,804,156	14,871,775	16,479,526	17,757,054
Inflated Expenditures @ 2.5%	2,351,074	3,374,220	3,229,663	3,467,352	3,108,380	3,508,560	3,011,053	2,664,110	3,197,001	2,818,093
Reserve Contribution	2,893,207	3,017,615	3,147,372	3,282,709	3,423,865	3,571,091	3,724,648	3,884,808	4,051,855	4,226,085
<i>Household/yr @ 13,610</i>	212.58	221.72	231.25	241.20	251.57	262.39	273.67	285.44	297.71	310.51
<i>Percentage Increase</i>	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	297,308	307,059	309,250	313,644	323,121	335,924	354,024	387,053	422,674	461,526
Ending Balance	12,460,681	12,411,135	12,638,094	12,767,095	13,405,701	13,804,156	14,871,775	16,479,526	17,757,054	19,626,572

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances

2024 Update- Includes DSC- 3

Prepared for the 2025 Fiscal Year



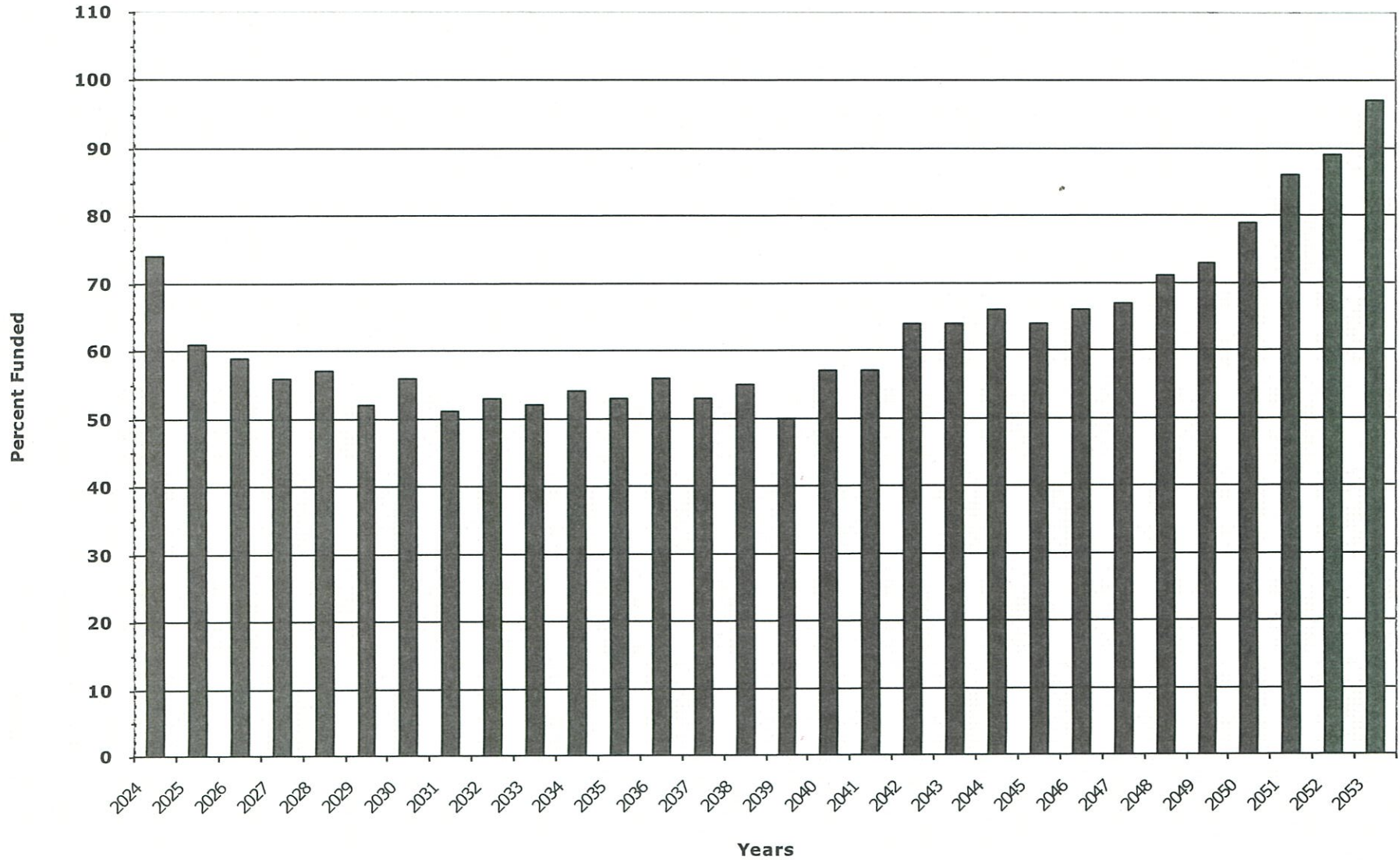
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30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

2024 Update- Includes DSC- 3

Prepared for the 2025 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2024	7,175,602	10,375,166	73.8%	926,077	1,220,295	0	183,068	7,652,888
2025	7,652,888	11,218,100	60.5%	2,340,240	1,300,102	0	178,320	6,791,071
2026	6,791,071	10,706,218	59.4%	1,946,088	1,356,006	0	162,401	6,363,389
2027	6,363,389	10,633,080	56.4%	1,935,721	1,414,314	0	152,567	5,994,549
2028	5,994,549	10,614,607	57.0%	1,572,260	1,475,130	0	148,650	6,046,069
2029	6,046,069	11,010,726	51.7%	2,031,701	1,538,561	0	144,987	5,697,917
2030	5,697,917	10,989,400	55.5%	1,346,116	1,604,719	0	145,680	6,102,200
2031	6,102,200	11,715,269	51.5%	1,896,918	1,673,722	0	149,765	6,028,769
2032	6,028,769	11,940,485	53.5%	1,545,292	1,745,692	0	153,224	6,382,393
2033	6,382,393	12,578,665	51.8%	1,843,048	1,820,757	0	159,281	6,519,384
2034	6,519,384	12,975,690	54.2%	1,557,915	1,899,050	0	167,249	7,027,767
2035	7,027,767	13,724,193	53.2%	1,888,392	1,980,709	0	176,848	7,296,932
2036	7,296,932	14,203,194	56.4%	1,542,273	2,065,879	0	188,968	8,009,506
2037	8,009,506	15,100,730	53.4%	2,295,966	2,154,712	0	198,472	8,066,724
2038	8,066,724	15,301,251	55.2%	2,069,924	2,247,365	0	203,886	8,448,051
2039	8,448,051	15,792,887	50.3%	3,047,839	2,344,002	0	202,403	7,946,617
2040	7,946,617	15,350,221	57.0%	1,852,080	2,444,794	0	206,074	8,745,405
2041	8,745,405	16,179,305	57.0%	2,297,179	2,549,920	0	221,794	9,219,940
2042	9,219,940	16,631,482	64.4%	1,413,583	2,659,567	0	246,073	10,711,997
2043	10,711,997	18,060,706	64.3%	2,140,404	2,773,928	0	275,719	11,621,240
2044	11,621,240	18,842,229	66.1%	2,351,074	2,893,207	0	297,308	12,460,681
2045	12,460,681	19,490,452	63.7%	3,374,220	3,017,615	0	307,059	12,411,135
2046	12,411,135	19,170,831	65.9%	3,229,663	3,147,372	0	309,250	12,638,094
2047	12,638,094	19,057,683	67.0%	3,467,352	3,282,709	0	313,644	12,767,095
2048	12,767,095	18,766,025	71.4%	3,108,380	3,423,865	0	323,121	13,405,701
2049	13,405,701	18,904,669	73.0%	3,508,560	3,571,091	0	335,924	13,804,156
2050	13,804,156	18,707,985	79.5%	3,011,053	3,724,648	0	354,024	14,871,775
2051	14,871,775	19,089,503	86.3%	2,664,110	3,884,808	0	387,053	16,479,526
2052	16,479,526	19,911,178	89.2%	3,197,001	4,051,855	0	422,674	17,757,054
2053	17,757,054	20,284,062	96.8%	2,818,093	4,226,085	0	461,526	19,626,572



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Investment Portfolio (page 5)

Change in Market Values
Investment Income Calculation
Cash Method

10/31/2024

Beginning Balance 1/1/2024	Ending Balance 10/31/2024	Beginning year Accrual Adjustment	End of Period Accrual Adjustment	YTD Investment Income <u>Cash</u> <u>Method</u>
\$0	\$369,832	none	none	\$369,832

Summary Statement of Activities (page 3)

Investment Income Calculation
Accrual Method

10/31/2024

Beginning Balance 1/1/2024	Ending Balance 10/31/2024	Beginning year Accrual Adjustment	End of Period Accrual Adjustment	YTD Investment Income <u>Accrual</u> <u>Method</u>
\$0	\$369,832	-\$59,621	\$49,762	\$359,973



Fiscal Affairs Committee Meeting

Capital Improvement Program Policy

Prepared By: Scott Somers, CEO

Meeting Date: November 19, 2024

Presented By: David Webster, CFO

Originating Department: Administration and Finance
Action Requested: Review and discuss the draft Capital Improvement Program Policy for inclusion into the CPM; consider recommendation to the Board of Directors.
Strategic Plan Goal #4: Cultivate and maintain a sound financial base that generates good value for our members
Background Information: On September 27, 2023, the Board of Directors approved a Capital Improvement Project Policy and Process pilot program (please see attached staff report and exhibits). Based on feedback from Board members and staff who have applied and utilized the pilot program to develop the 2024 and 2025 Capital Improvement Plan (CIP) and budgets, staff have made recommendations that fine tune and improve the pilot program that was approved in 2023. These recommended amendments attempt to incorporate a Board-approved goal for the CEO in 2024 and were applied when developing the 2025 CIP and Capital Budget as follows: <i>(Capital) Include usage, trade-offs, and justification as part of the annual budget and capital planning process to provide the Board of Directors (BOD) with the necessary information to make capital planning decisions.</i>
Fiscal Impact: No direct fiscal impact.
Fiscal Affairs Committee Options: <ol style="list-style-type: none">1) Review and discuss the recommended Capital Improvement Program Policy; consider recommendation to the Board of Directors for inclusion in the Corporate Policy Manual (CPM).2) Delay discussion to a future meeting.
Staff Recommendation: Option #1
Attachments: <ol style="list-style-type: none">1) September 27, 2023, staff report and attachments2) Redlined GVR Capital Improvement Project Policy and Process pilot program3) Recommended clean Capital Improvement Program Policy4) Pilot Capital Improvement Project Assessment tool5) Recommended updated Capital Improvement Project Assessment tool



Green Valley Recreation, Inc.
Board of Directors Work Session
Capital Projects Policy and Process

Prepared By: Scott Somers, CEO

Meeting Date: September 27, 2023

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Administration

Action Requested:

Consider approval of the recommended Capital Improvement Project Policy and Process as a one-year pilot program.

Strategic Plan Goal:

GOAL 5: Provide sound, effective governance and leadership for the corporation

Background Justification:

At the May 17, 2023, June 21, 2023, and September 13, 2023 Work Sessions, the Board discussed draft versions of the Capital Improvement Project Policy and Process. Before this discussion, there was no policy that describes the roles and responsibilities of staff, committees, and the Board in completing Capital Improvement Projects. This has led to confusion, assumptions, unnecessary expense, and most important to members, project delays.

GVR is currently lacking policy describing the Board's responsibilities to advance projects initiated by previous Boards. Projects have been abandoned mid-stream or been subject to significant changes when a new Board is seated. This has contributed to low member confidence in the Board's ability to make important decisions in a timely manner, advance the best interests of the general membership, and work collaboratively in a professional and productive manner (see 2022 Member Survey).

The attached recommended policy and process and has been updated based on Board feedback during the September 13, 2023, Work Session, and identifies the general scope of work each participating entity can anticipate, and establishes a process flow on which members, staff, and the Board can rely.

Once the Board is ready to adopt this policy, staff recommends the motion to adopt include creating this policy as a pilot program for one year, in which all capital projects will be assessed based on the policy, to allow for modifications and amendments to the policy prior to inclusion in the Corporate Policy Manual (CPM).

Fiscal Impact:

N/A

Board Options:

- 1) Consider approval of the Capital Improvement Project Policy and Process as written.
- 2) Amend and then approve of the Capital Improvement Project Policy and Process.
- 3) Provide Alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve of the Capital Improvement Project Policy and Process as written, and to implement such a policy as a one-year pilot program, after which time, the Board will consider inclusion in the Corporate Policy Manual (CPM).

Attachments:

- 1) Recommended Capital Improvement Project Policy and Process
- 2) Capital Improvement Project Assessment
- 3) May 17, June 21, and September 13, 2023, Board Work Session Minutes

GVR Capital Improvement Project Policy and Process

Definition

Capital improvement project: Any equipment or other fixed asset costing \$5,000 or more and with a useful life of greater than one year.

Policy

Staff develops the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS - Each year, GVR will earmark \$100,000 in the Non-Reserve Capital Budget solely for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. under an estimated cost of \$50,000?
 - iii. anticipated to begin in current year?
 - iv. not included in the MRR study?
 - v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS - Each year, GVR staff will develop a Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years. These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? If yes, then proceed to #2.
2. Is the proposed project:
 - vi. unplanned and unbudgeted?
 - vii. anticipated to begin in a future year?
 - viii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment for all completed and timely applications.

Score <7 The proposal will not be considered at this time. Notify source party.

Score =>7 Follow Type I or Type II steps below for all other proposals.

The following apply only to Type I Capital Improvement Projects:

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

1. Upon annual staff reassessment and recommendation of projects and plans, Staff presents the Five-Year Capital Improvement Plan (CIP) to

the Planning and Evaluation Committee (P&E). The P&E Committee recommends the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.

2. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC recommends the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors during the annual budget approval process.
3. Staff presents the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Improvement Budget as part of the annual budget approval process.

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.
6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

Project Name: _____ Proposed by: _____
 Proposed Inception Year: _____ Proposed Completion Year: _____

Criteria/Assessment	Rating		Details
If this is a request for new or expanded club space, has the Club taken steps to maximize utilization?	Yes No		If No, stop assessment. Club should take appropriate steps and reapply in the future.
Does the request conform to the CPM?	Yes No		If No, stop assessment and re-categorize request (ex. Club responsibility)
Does this request support GVR's mission and vision and align with the 5-year strategic plan?	Yes No		If No, project will not be considered at this time without extenuating circumstances.
Are there health & safety impact/benefits tied to this project/request?	Yes No		If Yes, stop assessment and reallocate request (ex. Operations) for alternative resolution
Would the project improve member accessibility?	Yes No		If Yes, stop assessment and reallocation request for alternative resolution
What are the 3-5 year participation trends related to the recreation amenity affected by this proposal?	Unknown Decreasing No change Increasing N/A	0 0 2 4	Consider in-house attendance data or research of national/regional trends.
Does this project improve GVR's marketability and/or competitive advantage?	No Moderately Yes	0 1 2	Consider: growing trends, what is offered elsewhere, etc.
Estimated additional annual maintenance costs (E.g., Long-term costs? Annual replacements? Additional staff required?)	Decrease or 0 1-5% increase 5-10% increase 10-15% increase	4 3 2 1	If proposal would add or remove services that exceed 5% of operating budget, a vote of the membership is required.
Rate the interest level of this improvement to the general membership	Limited Moderate Broad	1 2 3	Examples: <i>Limited:</i> Enhances a smaller club with modest anticipated growth trends <i>Moderate:</i> An emerging sport <i>Broad:</i> A pool or fitness center
Would this request have an adverse effect on another group or GVR members?	Yes No	0 1	
	Total Score		

Scoring Range	
Will not be considered at this time	<7
Will be considered this round	= or >7

Aggregate Score

Notes:

Additional Considerations:

- Club's history of Capital Funding Requests reviewed and included?**
Review data sheet of previous requests and awards, include in report



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, May 17, 2023, 10am

WC Room 2 / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), *Barbara Blake (Assistant Secretary), Kathi Bachelor, Ted Boyett, Beth Dingman, Bev Lawless, Scott Somers (non-voting)

Directors Absent: Laurel Dean, Nancy Austin, Steve Gilbert

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 7

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 10:01am by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Boyett moved, Director Dingman seconded to approve the amended Agenda to include discussion on the Photography Club request for Tenant Improvement.

Passed: unanimous

3. Del Sol Clubhouse

CEO Somers reviewed the plans for the Del Sol Clubhouse and the parking lot. Highlights include:

- Del Sol Clubhouse has two levels. The upper level has the main entrance, ADA accessible bathrooms, bar area, kitchen area, staircase in the middle to connect upper and lower floors, recreation area includes three pool tables, foosball table, darts, and room with poker tables, and outdoor patio space. The lower level will include at least 5 billiard tables and at least one snooker table, due to expansion possibilities. This level will be a great billiard hall. Bathrooms on the lower level will have access from inside the space and from outside for the walkers on the County path.
- The budget for the Del Sol Clubhouse is \$1.2 million.
- Pima County will be asked to assist with the cost of the bathrooms on the lower level due to the use of the County walking path.

*Barbara Blake arrived at 10:11am

Highlights from Board/Staff discussion:

- Discussion on how many parking places is needed per the occupancy of Del Sol Clubhouse. Have architect review the spaces needed in their reports.
- Install access for GVR members to use member card for the outside bathroom when bathrooms are locked to the public in the evenings.

- Del Sol Clubhouse will be on the Board Regular Meeting on May 24, 2023, for an approval to move forward with construction documents and for architectural report on number of parking spaces needed per occupancy of the Clubhouse.

4. Lapidary/Woodshop Expansion

CEO Somers reviewed Lapidary and Woodshop Clubs expansions. Highlights include:

- Primary goal is to consolidate the three Lapidary locations including East Center and Desert Hills to the West Center, building out to the easement on the west side of the building and south side for the Woodshop.
- Staff will meet with Lapidary and Woodshop to fine tune their needs and present to the Board for next steps. The project is still in the planning and discussion stages and is not ready for architectural/construction documents.
- A survey conducted by the Lapidary Club showed the members were optimistic about expanding the West Center space and not to build an Art Center at West Center. There is strong interest from the Club members as a whole to consolidate Desert Hills to West Center.
- For 2023 there is a \$50,000 budget for Lapidary and a \$30,000 budget for Woodshop for studies and conceptual drawings from the Initiatives Fund.

Highlights from Board/Staff discussion include:

- This is early in the planning stages and will not come before the Board at the next regular meeting in May.
- The Board is comfortable with staff working on discussions with both clubs and reviewing possibilities.
- Preliminary work was completed with the architects and the clubs providing a high-level drawing pushing out the west and south walls. Cost estimates will be provided as the process moves forward.

5. Ceramics Expansion

CEO Somers reviewed the Ceramics Expansion including these highlights:

- The budget is \$150,000 this year for the Ceramics expansion.
- The Ceramics expansion will be considered after the decision for Lapidary is finalized. If Lapidary is consolidated at the West Center it will open up space for the expansion of Ceramics into that space.
- Two options: 1) Build out Ceramics into the sidewalk which will give Ceramics a total of 3,488 square feet of space. 2) Utilize the Lapidary space at Desert Hills which will make the Ceramics space a total of 3600 square feet and is the most cost-effective expansion.
- The existing kiln room needs to be built to code.
- There is a possibility for the Ceramics Club to utilize the fitness room for temporary storage for their molds. This will be the time for the Club to sort through the molds and figure out how to store efficiently.

Highlights from Board/Staff discussion:

- Keep kilns where they currently are so not to cause a disruption to the club. Staff will discuss with the architects how to move this forward. If the kiln room is done first, it will lock the decision for Ceramics into option 2.
- Wheelchairs and walkers can use the room currently – it is just difficult.
- This will not go forward to the Board at this time.
- The Board is leaning to Option 2 and this helps give staff direction.

6. Capital Projects Policy and Process

CEO Somers reviewed the work on the Capital Projects Policy and Process and held a lengthy discussion with the Board.

Staff will rewrite the Capital Projects Policy and Process using items from the discussion and bring before the Board in a June Work Session.

7. Photography Club

President Garneau asked the Board to review the Photography Club request. This will come before the Board at the May 24, 2023, Regular Meeting for approval.

Adjournment: The Work Session was adjourned at 12:44pm.



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, June 21, 2023, 2pm

WC Room 2 / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Laurel Dean (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Scott Somers (non-voting)

Absent: Ted Boyett

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 12

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:00pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Austin moved, Director Blake seconded to approve the Agenda.

Passed: unanimous

3. Capital Improvement Projects Process

CEO Somers reviewed the Capital Improvement Projects Process. Highlights of the review and discussion include:

- Capital Improvement definition is all equipment and other fixed assets costing \$5,000 or more with a useful life of greater than one year.
- Type I: The Board will budget, each year, \$100,000 in the Non-Reserve Capital Budget for the current year unplanned/unbudgeted capital projects.
- Type I: Round 1 funding would begin in January 1 with allocations in April. If money is left over from the first round, the second round will begin in June for another set of requests. Staff will provide initial review using a determined process.
- There was consensus from the Board at the last Work Session in May to allow Type 1 to be for all members and not specifically for clubs, though club requests can be submitted.
- Type II: Future and Long-term Capital Projects. This includes major capital projects and comes from a different pool of money based on the five-year Capital Improvement Plan (CIP).
- Assessment Phase: This is a suggested plan, but can be improved on. Assessment is for both Type I and Type II. The Board approves the budget every year and assessments can be repeated for Type II projects to make sure it is still relevant and needed.

- Type I Assessment does not need to go to the P&E Committee if it is under \$50,000. Staff will assess the request and inform the Board on what projects were approved and will move forward.
- Board consensus during the meeting is to remove #2 of the Assessment Phase and remove "Proposals under \$50K estimated cost:" in #1.
- Type II: 5-Year Capital Plan is recommended by the P&E Committee to the Board for consideration during the Annual Budget approval process. The change in the document is to have each one of the projects go through the assessment or reassessment process annually by staff before the P&E reviews the projects. Then P&E would recommend to the Board the projects.
- Change the title at the top of page 5 from Board Approves the Budget to the Board Approves the 5-Year Capital Plan.
- Staff was asked to make the changes discussed during the meeting and send out to the Board for review. The Capital Projects Policy will be scheduled for a Board meeting to be determined.

4. Membership Change Fee

President Garneau withdrew the Membership Change Fee from the Agenda.

Adjournment:

MOTION: Director Hillyer moved, Director Austin seconded to adjourn the meeting at 3:49pm.

Passed: unanimous



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, September 13, 2023, 2pm

WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary) (left meeting at 3:23pm), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 8 including support staff

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:02pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Crothers moved, Director Blake seconded to approve the Agenda as presented.

Passed: unanimous

3. Board Affairs Committee (BAC) Proposed Bylaws Change

Director Crothers, Chair of BAC, gave an overview of the BAC proposed top five Bylaws with the main goal to make the Bylaws more understandable and to align with Arizona Nonprofit Law. The first of the top five is Proposed Action #1 - Article VI Powers, Duties, and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness:

PROPOSED: Article VI Powers, Duties and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness to read: The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (~~10~~12%) of the annual budget latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds this figure ten twelve percent (~~10~~12%) of the annual budget ~~latest audited approved annual net revenue~~, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirement of this section.

CURRENT Bylaws states: The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

The Directors' discussed Article VI, Section 2 bringing forth these issues:

- Dollar amount of current cost of projections is higher due to inflation
- Include or not to include the CPI or COLA
- Include or not include investments in the calculation
- Increase from ten percent to 12 percent is a 20 percent increase in Board authority
- Change from annual budget(s) to latest audited approved annual net revenue
- Change the ten percent to either 12, 13 or 15 percent
- Include the calculated number as a line item in the audit for members to find easily

The CFO was asked to present to the Board at the upcoming Regular Meeting two numbers for the proposed Bylaw change: 1) approved annual net revenue, and 2) annual revenue of all income sources.

Discussion was held on Proposed Action #4 – Article II Membership Property and Members, Section 6 Voting Rights adding F:

PROPOSED ADD F: A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period.

CURRENT Bylaws: No F

The Directors' discussed Article II, Section 6.F bringing forth these issues:

- Can this Bylaw be enforced?
- If two people are on the title then both can run for the Board

Discussion was held on Proposed Action #3 – Article IV Board of Directors, Section 1 Number of Directors:

PROPOSED: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of ~~twelve (12)~~ nine (9) voting members who shall be elected from the members of The Corporation ~~residing within the jurisdiction of GVR~~ who have voting rights as defined in Article II Section 6.

CURRENT: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

The Directors' discussed Article IV, Section 1 bringing forth these issues:

- Needs to be stated a level of residency within GVR jurisdiction
- State in the Bylaws a member must reside in Green Valley
- The Attorney's opinion on current Bylaws is the voting member must reside in GVR jurisdiction not an elected Board Director

4. Capital Improvement Policy Process

CEO Somers reviewed the Capital Improvement Policy Process. The Directors added these comments:

- Addressed whether the process will help alleviate one Board overturning a previous Board decision on a project. Staff stated this process helps to minimize turn overs by future Boards on current projects.
- The Capital Improvement Policy will begin as a pilot program.
- Include "Improvement" in the "Five-Year Capital Improvement Plan" (CIP). Some places "Improvement" has been left out.
- Suggested changes in the Assessment Form: 1) marketability and/or competitive advantage numbering from 0,3,6 to 0,1,3, 2) change for the interest level of improvement to the general membership change from 1,2,3 to 1,3,6. This change is to address the membership needs first. 3) Change in the long-term costs section from 4,3,2,1 to 4,2,0,0, and 4) the last question about adverse effect on another group or GVR members could be 2 or 3 instead of 1.

5. Committee Action Plans

- Planning and Evaluation Committee (P&E) asked to have the first bullet in the Timeline for Established Priorities be removed: "GVR Capital Improvement Project Policy and Process: Present to the Board at the September meeting." The second bullet needs to have "Improvement" added: "Five-Year Capital Improvement Plan (CIP)."

6. Adjournment

MOTION: Director Sutherland moved, Director Bachelor seconded to adjourn the meeting at 4:11pm.

Passed: unanimous

~~GVR~~ Capital Improvement ~~Project Policy~~ ~~Program~~ and ~~Process~~

Definition

~~D. Capital~~ improvement project: Any equipment or other fixed asset costing \$5,000 or more and with a useful life of greater than one year. ~~Budget~~

1. The Capital Budget is the annual appropriations for capital projects and acquisitions, which are approved by the Board of Directors. A Capital Improvement Program (CIP) is a forecast of major capital projects over a selected period of time. If a capital project remains a high priority, it is eventually placed in the Capital Budget for funding approval by the Board. The first year of the Capital Improvement Program becomes the basis for the Capital Budget. Both shall be prepared and adopted as part of the annual budget process. Board approval of the Capital Improvement Program (CIP) indicates not only the Board's acceptance of the CIP, but also its recognition that the document represents the general direction that the organization plans to take in meeting future capital needs.

2. Preliminary planning and design for a capital project, excluding Maintenance, Repair, and Replacement Reserve Fund (MRR-A only) projects, since they are addressed separately, typically occurs before the project is approved; the cost for this work is usually charged to the appropriate fund, but may be charged to the Operations Fund. If the project is approved, the preliminary planning and design costs for it may be charged to the project, with the project budget reimbursing the fund to which the work was originally charged. If a project is not approved, the cost of the preliminary planning and design for it are absorbed by the fund originally charged.

~~±~~3. Policy and Process

The Board of Directors, advisory committees, and staff consider any master plans, needs assessments, feasibility studies, the strategic plan, member surveys, etc. when assessing and prioritizing projects.

1. Staff develops the recommended Five-Year Capital

Improvement Plan (CIP) and the Capital-Improvement Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS - Each year, when the budget allows, GVR will earmark \$100,000 an identified amount in the Non-Reserve Capital Budget solely for the purpose of funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.

2. Is the proposed project:

- i. unplanned and unbudgeted?
- ii. under an estimated cost of \$50,000?
- iii. anticipated to begin in current year?
- iv. not included in the MRR Reserve study?
- v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS - Each year, GVR staff will develop a recommended Five-Year Capital Improvement Plan (CIP) and Capital-Improvement Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years.

These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? [See Part 5, Section 1, Subsection 5.1.1.](#) If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. anticipated to begin in a future year?
 - iii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment ([include in Appendix or approved by the Board annually?](#)) for all completed and timely applications.

~~Score <7 The proposal will not be considered at this time. Notify source party.~~

~~Score =>7 Follow Type I or Type II steps below for all other proposals.~~

The following apply only to Type I Capital Improvement Projects:

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

1. Upon annual staff ~~reassessment~~[assessment](#) and recommendation of projects and plans, Staff

- presents the recommended Five-Year Capital Improvement Plan (CIP) to the Planning and Evaluation Committee (P&E). The P&E Committee recommendsdevelops a recommendation of the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.
2. Staff presents the recommended Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC recommendsdevelops funding recommendations of the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Board of Directors during the annual budget approval process.
 3. Staff presents the P & E and FAC recommendations to the Board of Directors, and notes any discrepancies with staff recommendations, of the Five-Year Capital Improvement Plan (CIP) and the Capital Improvement-Budget-to-the-Board-of Directors. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Improvement-Budget as part of the annual budget approval process.

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents any concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.

6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

4. **Prioritizing**

1. Project prioritization is based on the following:
Experience based judgment – based on the judgement of professional staff, governing board members, committee members, members, etc.
2. Broad categories of need
 - a. High: projects that are essential and impending
 - b. Medium: essential but do not need to be funded immediately
 - c. Low: create benefit but not enough to merit inclusion.

D. Capital Improvement Program and Capital Budget

1. The Capital Budget is the annual appropriations for capital projects and acquisitions, which are approved by the Board of Directors. A Capital Improvement Program (CIP) is a forecast of major capital projects over a selected period of time. If a capital project remains a high priority, it is eventually placed in the Capital Budget for funding approval by the Board. The first year of the Capital Improvement Program becomes the basis for the Capital Budget. Both shall be prepared and adopted as part of the annual budget process. Board approval of the Capital Improvement Program (CIP) indicates not only the Board's acceptance of the CIP, but also its recognition that the document represents the general direction that the organization plans to take in meeting future capital needs.

2. Preliminary planning and design for a capital project, excluding Maintenance, Repair, and Replacement Reserve Fund (MRR-A only) projects, since they are addressed separately, typically occurs before the project is approved; the cost for this work is usually charged to the appropriate fund, but may be charged to the Operations Fund. If the project is approved, the preliminary planning and design costs for it may be charged to the project, with the project budget reimbursing the fund to which the work was originally charged. If a project is not approved, the cost of the preliminary planning and design for it are absorbed by the fund originally charged.

3. **Policy and Process**
The Board of Directors, advisory committees, and staff consider any master plans, needs assessments, feasibility studies, the strategic plan, member surveys, etc. when assessing and prioritizing projects.

1. Staff develops the recommended Five-Year Capital Improvement Plan (CIP) and the Capital Budget (the first year of the CIP, including estimated costs). However, any member in good standing may submit a proposal for a capital improvement project. There are two paths to fund capital improvement projects:

Type I: CURRENT YEAR UNPLANNED/UNBUDGETED CAPITAL IMPROVEMENT PROJECTS - Each year, when the budget allows, GVR will earmark an identified amount in the Non-Reserve Capital Budget for the purpose of

funding unplanned and unbudgeted non-reserve capital improvement projects. Funding and inception of these projects begin in the current year. These projects tend to be smaller in scope and do not generally require much planning or lead time. Proposal rounds for these funds open twice each year, given funds remain available for Round 2.

Round 1: January 1, with funding allocated and scheduled April 1

Round 2: June 1, with funding allocated and scheduled September 1

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. under an estimated cost of \$50,000?
 - iii. anticipated to begin in current year?
 - iv. not included in the MRR Reserve study?
 - v. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type I capital improvement project. Proceed to Assessment Phase.

Type II: FUTURE AND LONG-TERM CAPITAL IMPROVEMENT PROJECTS

- Each year, GVR staff will develop a recommended Five-Year Capital Improvement Plan (CIP) and Capital Budget accordingly for such capital improvement projects from capital reserve funds and capital non-reserve funds. Funding and inception of these projects begin in subsequent years. These projects tend to be larger in scope and require significant planning.

Staff provides an initial review by following the listed process:

1. Does the proposed project meet the definition of a capital improvement project? See Part 5, Section 1, Subsection 5.1.1. If yes, then proceed to #2.
2. Is the proposed project:
 - i. unplanned and unbudgeted?
 - ii. anticipated to begin in a future year?

- iii. not a club responsibility per the CPM and Club Agreement?

If all questions can be answered in the affirmative, the proposal may qualify as a Type II capital improvement project. Proceed to Assessment Phase.

Assessment Phase

Staff completes the Capital Improvement Project Assessment (include in Appendix or approved by the Board annually?) for all completed and timely applications.

The following apply only to Type I Capital Improvement Projects:

1. Staff evaluates proposals and notifies the Board of Directors of the approved project proposals. Project(s) moves forward with no further review or approval required.
2. If funding is left over after round one, members will be invited to apply again for round two (opening June 1 each year) and all steps will be repeated.

The following apply only to Type II Capital Improvement Projects:

1. Upon annual staff assessment and recommendation of projects and plans, Staff presents the recommended Five-Year Capital Improvement Plan (CIP) to the Planning and Evaluation Committee (P&E). The P&E Committee develops a recommendation of the Five-Year Capital Improvement Plan (CIP) to the Board of Directors for consideration during the annual budget approval process.
2. Staff presents the recommended Five-Year Capital Improvement Plan (CIP) and the Capital Improvement Budget to the Fiscal Affairs Committee (FAC). The FAC develops funding recommendations of the Five-Year Capital Improvement Plan (CIP) and the Capital Budget to

the Board of Directors during the annual budget approval process.

3. Staff presents the P & E and FAC recommendations to the Board of Directors, and notes any discrepancies with staff recommendations, of the Five-Year Capital Improvement Plan (CIP) and the Capital Budget. The Board of Directors considers approval of the Five-Year Capital Improvement Plan (CIP) and Capital Budget as part of the annual budget approval process.

Project Planning

1. Begins in January of the project inception year.
2. Staff conducts member/user groups outreach, if necessary.
3. If necessary, staff works with an architect to develop high-level concept drawings and cost estimates.
4. Staff presents any concept drawings and associated cost estimates to the Board of Directors for approval.
5. If rejected, staff repeats steps 3 and 4 until a concept is approved by the Board of Directors, or until the Board of Directors provides alternative direction.
6. Once and if approved, Staff pursues construction documents and permits and goes out for bid per policy.
7. Staff reviews bids or proposals and brings a recommendation to the Board of Directors for consideration.
8. Board of Directors awards a contract.

4. Prioritizing

1. Project prioritization is based on the following:

Experience based judgment – based on the judgement of professional staff, governing board members, committee members, members, etc.

2. Broad categories of need
 - a. High: projects that are essential and impending
 - b. Medium: essential but do not need to be funded immediately
 - c. Low: create benefit but not enough to merit inclusion.

Capital Improvement Project Assessment

Project Name: _____ Proposed by: _____
 Proposed Inception Year: _____ Proposed Completion Year: _____

Criteria/Assessment	Rating		Details
If this is a request for new or expanded club space, has the Club taken steps to maximize utilization?	Yes No		If No, stop assessment. Club should take appropriate steps and reapply in the future.
Does the request conform to the CPM?	Yes No		If No, stop assessment and re-categorize request (ex. Club responsibility)
Does this request support GVR's mission and vision and align with the 5-year strategic plan?	Yes No		If No, project will not be considered at this time without extenuating circumstances.
Are there health & safety impact/benefits tied to this project/request?	Yes No		If Yes, stop assessment and reallocate request (ex. Operations) for alternative resolution
Would the project improve member accessibility?	Yes No		If Yes, stop assessment and reallocation request for alternative resolution
What are the 3-5 year participation trends related to the recreation amenity affected by this proposal?	Unknown Decreasing No change Increasing N/A	0 0 2 4	Consider in-house attendance data or research of national/regional trends.
Does this project improve GVR's marketability and/or competitive advantage?	No Moderately Yes	0 1 2	Consider: growing trends, what is offered elsewhere, etc.
Estimated additional annual maintenance costs (E.g., Long-term costs? Annual replacements? Additional staff required?)	Decrease or 0 1-5% increase 5-10% increase 10-15% increase	4 3 2 1	If proposal would add or remove services that exceed 5% of operating budget, a vote of the membership is required.
Rate the interest level of this improvement to the general membership	Limited Moderate Broad	1 2 3	Examples: <i>Limited:</i> Enhances a smaller club with modest anticipated growth trends <i>Moderate:</i> An emerging sport <i>Broad:</i> A pool or fitness center
Would this request have an adverse effect on another group or GVR members?	Yes No	0 1	
	Total Score		

Capital Improvement Project Assessment

Scoring Range	
Will not be considered at this time	<7
Will be considered this round	= or >7

Aggregate Score

Notes:

Additional Considerations:

- Club's history of Capital Funding Requests reviewed and included?**
Review data sheet of previous requests and awards, include in report

Capital Improvement Project Assessment

Project Name: _____ Proposed by: _____
Proposed Inception Year: _____

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? _____
(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?

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

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:

Capital Improvement Project Assessment

7. Would this request have an adverse effect on another group or GVR members? _____
(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 are the anticipated annual operational costs associated with this capital improvement? \$ _____

9. What are the anticipated required annual maintenance and replacement contributions to the Reserve Study associated with this capital improvement? \$ _____

Criteria	Weight (1-5)	Clearly No	0	1	2	3	4	5	6	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:

Capital Improvement Project Assessment

Additional Considerations:

- Club's history of Capital Funding Requests reviewed and included?**
Review data sheet of previous requests and awards, include in report
