



MINUTES

Fiscal Affairs Committee

Tuesday, September 16, 2025

1:30pm – 3:00pm MST

West Center Room 2 / Zoom

Committee: Nellie Johnson (Chair), Dale Howard, Bob Quast, Pat Reynolds, Steve Reynolds, Priscilla Spurgeon, Barry Stock, Eric Sullwold, Betsy Walton, Kathi Bachelor (ex-officio), Scott Somers (CEO), David Webster (CFO/Liaison)

Board Attendees: Candy English, Jodie Walker

Visitors: 1

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. **Approve or Amend Agenda**
MOTION: Walton moved / Quast seconded to approve the Agenda.
Passed: unanimous
3. **Approve Meeting Minutes:** August 19, 2025
MOTION: Sullwold moved / Walton seconded to approve August 19, 2025, Meeting Minutes as presented.
Passed: unanimous
4. **Chair Comments**
 - Thanked the CEO, CFO, staff, and department heads for updating the forecast for 2025, projecting out the 2026, emphasis on the Capital Plan, and the three-year forecast.
 - This meeting will look at operating budget and worked to get through it, but if necessary will carry over any discussions to next week's meeting. Next week will focus on finalizing the operating budget and the capital budget to be able to recommend to the Board for a Work Session and Regular Meeting in October.
5. **Business**
 - A. Approve July 2025 Revised Statement of Changes in Net Assets
MOTION: S. Reynolds moved / Sullwold seconded to approve the July 2025 Revised Statement of Changes in Net Assets.
Passed: unanimous

B. Review August 2025 Financial Statements

CFO David Webster reviewed the August 2025 Financial Statements with these highlights:

- YTD revenue under budget by 1.8% or \$156,334
- YTD expenses under budget by 2.6% or \$205,352
- August unrealized gains on investments \$204,530, YTD gains \$531,715
- August MCF fees over budget 73 actual compared to 61 budgeted
- YTD utilities are 9% under budget or \$645,333 actual vs a budget of \$707,580
- YTD GVR personnel under budget by 2% or \$95,755
- YTD Recreation revenue under budget by \$197,214
- YTD Recreation Program expenses are under budget by \$166,398

MOTION: Sullwold moved / Quast seconded to accept the August 2025 Financial Statements
Passed: unanimous

C. Review Draft 2026 Fee Schedule and Operating Budget

CEO Scott Somers and CFO David Webster reviewed the 2026 Fee Schedule and Operating Budget with these highlights:

- The budget being presented is conservative with a more efficient organization, and is sensitive to member dues, and labor costs.
- Challenges are inflation and a decrease in housing sales.
- The budget being presented by staff is a starting point and is a conversation with FAC to be able to make recommendations to the Board.
- 2026 Operating Budget Expenses equal about \$11.8 million, 0.8 percent increase over 2025.
- 2026 Total Capital Budget equals \$5.2 million, 8.7 percent decrease from 2025, and includes replacement of Abrego South Pool
- Grand total 2026 budget is about \$16.7 million, 2.3 percent decrease from 2025.
- Proposed Dues increase \$10 from \$530 to \$540 Annually.
- Proposed Membership Change Fee and Initial Fee are increased by \$100, from \$3100 to \$3200.
- Proposed Transfer Rate Fees increase of \$5 from \$465 to \$470.
- Proposed all Tenant Fees are increased by \$5.
- Proposed Daily Guest cards reduced from \$15 to \$10.
- Proposing a \$5 card issuance and card replacement fee of \$5 to encourage members to keep these cards.
- Proposed Guest Card pass raise from \$80 to \$85.
- Wages and labor largest expense. Proposed 2.5% increase in the aggregate for all employees. Reduction of FTEs result in wages decreasing by \$136,698 – 2.9 percent decrease from 2025.
- Employee benefits includes a 5 percent mid-year rate increase.
- Commercial Insurance rates have gone up by 5 percent.
- Budget is based on anticipated expenses. Total operations expenses are 0.8 percent increase from 2025.
- Revenue budget is \$10.8 million and increasing to \$11.1 million.
- Total Operating expenses have a slight increase from \$11.7 million to

- just under \$11.8 million.
- Revenue Enhancement Items included in budget: discussion on discontinuing Member Change Fee refund; included in the budget - increasing Transfer Fees to \$470, \$5 increase on all Tenant Fee cards, additional card holder fee (providing another membership to someone in the home) were paying \$105, first year increase this to \$140 and increasing in subsequent years making it more equitable to the rest of dues fees; \$10 increase in dues.
- The Board needs to approve the budget by November 15 – policy.

Motions following FAC discussion on the proposed 2026 Budget:

**MOTION: Walton moved / Quast seconded to recommend Board approval for a budget adjustment to implement the Board approved wage compensation recommendation fully in 2026 to increase to \$150,100, an increase of wages by 6.1 percent.
Passed: 8 yes / 1 no (P. Reynolds)**

**MOTION: Walton moved / Sullwold seconded to recommend Board approval on increasing the MRR-B to 7 percent which amounts to \$7,761 more with a total of \$342,783 to build the fund.
Passed: 8 yes / 1 abstain (P. Reynolds)**

**MOTION: Sullwold moved / Walton seconded to recommend Board approval to fund the Non Reserve Capital by \$20,000 for enhancements on ADA throughout the facilities.
Passed: 6 yes / 3 no (Howard, S. Reynolds, Stock)**

Suggested topics for next week's meeting: 1) Staff run the numbers with adjustments on the Tenant Fees for 4-12 months; 2) Add the Operating Budget discussion; 3) Staff build in the assumptions for the MOTIONS from this meeting into the budget; 4) Consider Membership Change Fee refund removal; and 5) Member Dues.

- D. Discuss Voluntary Deed Restriction Financing Options for Members – Move to next meeting of September 23**
- E. Discuss GVR Marketing Costs – Move to next week meeting of September 23**
- F. Discuss CPM Change for Initiatives Funding – Move to next week meeting of September 23**

6. **Member Comments:** 0 comments

7. **Adjournment**

No objections to adjourn. Meeting adjourned at 3:54 MST

Next Meeting: Tuesday, September 23, 2025, 1:30-3:00pm, WC-Rm 2/Zoom