



Green Valley Recreation, Inc.  
**Board of Directors Work Session**  
**Draft Budget for 2026 Plan B**

**Prepared By:** David Webster, CFO

**Meeting Date:** October 8, 2025

**Presented By:** David Webster, CFO

**Consent Agenda:** No

**Originating Committee / Department:**

Finance Department

**Action Requested:**

Review and discuss an option for the 2026 Draft Budget – Plan B

**Strategic Plan:**

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

**Background Justification:**

For consideration, should the Board, through a straw-poll, oppose the elimination of Member Change Fee (MCF) refunds, other than those required by law, staff has developed a 2026 Budget alternative that is referred to as Plan B. A draft of the Plan B 2026 Budget is provided below and includes the following recommendations:

- No elimination of the MCF refunds, resulting in an approximately \$150,000 revenue reduction in 2026 and \$300,000+ reduction in forecasted years 2027 through 2029.
- Assuming that the MCF refunds are not eliminated, the Initiatives funding is estimated to be reduced by approximately \$30,000 in 2026 and \$60,000+ in forecasted years 2027 through 2029.
- Dues rate increase from the current rate of \$530 to a proposed rate of \$545 (2.8%)
- If the Abrego South pool is eliminated, approximately \$20,000 saving in utilities is included for 2026 and approximately \$40,000 of utilities savings in forecasted years 2027 through 2029.

**Plan B 2026 Draft Budget**

| 2026 Budget                      | Original Budget presented by Staff | Revised Budget Updated by FAC | Staff Revisions to FAC Updates | Staff Revisions to FAC Updates Plan B | 2027                                             | 2028        | 2029        |
|----------------------------------|------------------------------------|-------------------------------|--------------------------------|---------------------------------------|--------------------------------------------------|-------------|-------------|
|                                  |                                    |                               |                                |                                       | Revised Forecast with FAC Recommendations PLAN B |             |             |
| Full Time E Equivalents          | 88                                 | 88                            | 88                             | 88                                    | 88                                               | 88          | 88          |
| Head Count                       | 104                                | 104                           | 104                            | 104                                   | 104                                              | 104         | 104         |
| Member Dues                      | 7,499,520                          | 7,568,960                     | 7,471,744                      | 7,568,960                             | 7,963,554                                        | 8,275,260   | 8,573,488   |
| LC, Trans., Crd Fees             | 781,800                            | 800,700                       | 800,700                        | 800,700                               | 813,085                                          | 818,705     | 823,905     |
| Capital Revenue                  | 2,860,800                          | 3,011,200                     | 3,011,200                      | 2,860,800                             | 2,923,800                                        | 3,046,400   | 3,171,000   |
| Membership Revenue               | 11,142,120                         | 11,380,860                    | 11,283,644                     | 11,230,460                            | 11,700,439                                       | 12,140,365  | 12,568,393  |
| Programs                         | 571,456                            | 571,456                       | 571,456                        | 571,456                               | 600,029                                          | 642,031     | 699,814     |
| Instructional                    | 498,000                            | 498,000                       | 498,000                        | 498,000                               | 512,940                                          | 538,587     | 576,288     |
| Recreational Revenue             | 1,069,456                          | 1,069,456                     | 1,069,456                      | 1,069,456                             | 1,112,969                                        | 1,180,618   | 1,276,102   |
| Investment Income                | 435,000                            | 435,000                       | 435,000                        | 435,000                               | 443,700                                          | 452,574     | 461,625     |
| Cell Tower Lease Inc.            | 48,919                             | 48,919                        | 48,919                         | 48,919                                | 48,919                                           | 48,919      | 48,919      |
| Comm. Revenue                    | 48,919                             | 48,919                        | 48,919                         | 48,919                                | 48,919                                           | 48,919      | 48,919      |
| Other Income                     | 121,350                            | 121,350                       | 121,350                        | 121,350                               | 123,777                                          | 126,871     | 130,678     |
| Facility Rent/Leases             | 18,620                             | 18,620                        | 18,620                         | 18,620                                | 19,179                                           | 19,754      | 20,347      |
| Contributed Income               | -                                  | -                             | -                              | -                                     | -                                                | -           | -           |
| Other Revenue                    | 139,970                            | 139,970                       | 139,970                        | 139,970                               | 142,956                                          | 146,625     | 151,024     |
| Total Operating Revenue          | 12,835,465                         | 13,074,205                    | 12,976,989                     | 12,923,805                            | 13,448,982                                       | 13,969,101  | 14,506,063  |
| Major Proj.-Rep. & Maint.        | 238,970                            | 238,970                       | 238,970                        | 238,970                               | 243,749                                          | 249,234     | 254,842     |
| Facility Maintenance             | 421,600                            | 421,600                       | 421,600                        | 421,600                               | 430,032                                          | 439,708     | 449,601     |
| Fees & Assessments               | 1,000                              | 1,000                         | 1,000                          | 1,000                                 | 1,020                                            | 1,043       | 1,066       |
| Utilities                        | 1,106,400                          | 1,106,400                     | 1,106,400                      | 1,086,400                             | 1,088,528                                        | 1,113,920   | 1,139,883   |
| Depreciation                     | 1,268,520                          | 1,268,520                     | 1,268,520                      | 1,268,520                             | 1,293,890                                        | 1,323,003   | 1,352,771   |
| Furniture & Equipment            | 229,874                            | 229,874                       | 229,874                        | 229,874                               | 234,471                                          | 239,747     | 245,141     |
| Vehicle Expenses                 | 80,000                             | 80,000                        | 80,000                         | 80,000                                | 81,600                                           | 83,436      | 85,313      |
| Facilities & Equipment           | 3,346,364                          | 3,346,364                     | 3,346,364                      | 3,326,364                             | 3,373,291                                        | 3,450,090   | 3,528,617   |
| Wages                            | 4,516,589                          | 4,666,689                     | 4,584,295                      | 4,584,295                             | 4,767,667                                        | 4,958,373   | 5,156,708   |
| Payroll Taxes                    | 350,519                            | 362,002                       | 355,699                        | 355,699                               | 369,927                                          | 384,724     | 400,113     |
| Benefits                         | 897,672                            | 897,672                       | 897,672                        | 897,672                               | 942,555                                          | 980,257     | 1,019,468   |
| Personnel                        | 5,764,780                          | 5,926,363                     | 5,837,666                      | 5,837,666                             | 6,080,149                                        | 6,323,355   | 6,576,289   |
| Food & Catering                  | 78,698                             | 78,698                        | 78,698                         | 78,698                                | 80,272                                           | 82,078      | 83,925      |
| Recreation Contracts             | 651,787                            | 651,787                       | 651,787                        | 651,787                               | 677,858                                          | 711,751     | 747,339     |
| Bank & Credit Card Fees          | 67,895                             | 67,895                        | 67,895                         | 67,895                                | 69,253                                           | 70,811      | 72,405      |
| Program                          | 798,380                            | 798,380                       | 798,380                        | 798,380                               | 827,384                                          | 864,641     | 903,668     |
| Communications                   | 107,569                            | 107,569                       | 107,569                        | 107,569                               | 109,720                                          | 112,189     | 114,713     |
| Printing                         | 129,500                            | 129,500                       | 129,500                        | 129,500                               | 132,090                                          | 135,062     | 138,101     |
| Advertising                      | 11,000                             | 11,000                        | 11,000                         | 11,000                                | 11,220                                           | 11,472      | 11,731      |
| Communications                   | 248,069                            | 248,069                       | 248,069                        | 248,069                               | 253,030                                          | 258,724     | 264,545     |
| Supplies                         | 570,906                            | 570,906                       | 570,906                        | 570,906                               | 582,324                                          | 595,426     | 608,824     |
| Postage                          | 21,125                             | 21,125                        | 21,125                         | 21,125                                | 21,548                                           | 22,032      | 22,528      |
| Dues & Subscriptions             | 13,687                             | 13,687                        | 13,687                         | 13,687                                | 13,961                                           | 14,275      | 14,596      |
| Travel                           | 8,622                              | 8,622                         | 8,622                          | 8,622                                 | 8,794                                            | 8,992       | 9,195       |
| Other Operating Expense          | 101,450                            | 101,450                       | 101,450                        | 101,450                               | 103,479                                          | 105,807     | 108,188     |
| Operations                       | 715,790                            | 715,790                       | 715,790                        | 715,790                               | 730,106                                          | 746,533     | 763,330     |
| Information Technology           | 142,777                            | 142,777                       | 142,777                        | 142,777                               | 145,633                                          | 148,909     | 152,260     |
| Professional Fees                | 224,350                            | 234,350                       | 234,350                        | 234,350                               | 237,551                                          | 243,023     | 248,561     |
| Commercial Insurance             | 447,064                            | 447,064                       | 447,064                        | 447,064                               | 458,680                                          | 472,441     | 486,614     |
| Taxes                            | 53,532                             | 53,532                        | 53,532                         | 53,532                                | 54,603                                           | 55,831      | 57,087      |
| Conferences & Training           | 24,200                             | 24,200                        | 24,200                         | 24,200                                | 24,684                                           | 25,239      | 25,807      |
| Employee Recognition             | 13,000                             | 13,000                        | 13,000                         | 13,000                                | 13,260                                           | 13,558      | 13,863      |
| Corporate Expenses               | 904,923                            | 914,923                       | 914,923                        | 914,923                               | 934,411                                          | 959,002     | 984,193     |
| Total Operating Expenses         | 11,778,306                         | 11,949,889                    | 11,861,192                     | 11,841,192                            | 12,198,371                                       | 12,602,345  | 13,020,643  |
| Gross surplus(Rev-Exp)/ Net C    | 1,057,159                          | 1,124,316                     | 1,115,797                      | 1,082,613                             | 1,250,612                                        | 1,366,756   | 1,485,421   |
| Accrual Basis Net from Operati   | 1,057,159                          | 1,124,316                     | 1,115,797                      | 1,082,613                             | 1,250,612                                        | 1,366,756   | 1,485,421   |
| Subtract                         |                                    |                               |                                |                                       | (4,000)                                          | (4,000)     | (4,000)     |
| Non-Reserve Capital Projects     | -                                  | (20,000)                      | (20,000)                       | (20,000)                              | (100,000)                                        | (100,000)   | (100,000)   |
| Income From Reserve Funds        | (260,400)                          | (260,400)                     | (260,400)                      | (260,400)                             | (288,405)                                        | (294,173)   | (300,057)   |
| Reserved Funding/Initiatives     | (575,040)                          | (605,120)                     | (605,120)                      | (575,040)                             | (587,684)                                        | (612,326)   | (637,371)   |
| MRR B (Pools & Spas)             | (335,022)                          | (342,783)                     | (342,783)                      | (342,783)                             | (358,474)                                        | (383,567)   | (410,416)   |
| Deduct non cash In Kind Re       | (4,000)                            | (4,000)                       | (4,000)                        | (4,000)                               |                                                  |             |             |
| Reserve Funding/MRR A            | (1,400,102)                        | (1,400,102)                   | (1,400,102)                    | (1,400,102)                           | (1,500,102)                                      | (1,600,102) | (1,700,102) |
| Cash Basis Change in Net Asset   | (1,517,405)                        | (1,508,089)                   | (1,516,608)                    | (1,519,712)                           | (1,588,053)                                      | (1,627,412) | (1,666,525) |
| Add Back:                        |                                    |                               |                                |                                       |                                                  |             |             |
| MRR Operating Expenses           | 172,885                            | 172,885                       | 172,885                        | 172,885                               | 210,000                                          | 220,500     | 231,525     |
| Depreciation                     | 1,268,520                          | 1,268,520                     | 1,268,520                      | 1,268,520                             | 1,293,890                                        | 1,323,003   | 1,352,771   |
| Expenses from Reserve Funds      | 76,000                             | 76,000                        | 76,000                         | 76,000                                | 77,250                                           | 79,568      | 81,955      |
| Cash Basis Net Surplus (Deficit) | -                                  | 9,316                         | 797                            | (2,307)                               | (6,912)                                          | (4,341)     | (275)       |

**Fiscal Impact:**

A summary of the Plan B changes is as follows:

| <u>Description of change</u>                   | <u>2026 Budget</u> |
|------------------------------------------------|--------------------|
| Increased Revenue from Dues                    | \$ 97,216          |
| Decreased Revenue from MCF Refunds             | \$ (150,400)       |
| Reduced Initiatives Funding due to MCF Refunds | \$ 30,080          |
| Utilities Savings for Abrego South             | \$ 20,000          |
| Net Adjustments due to Plan B                  | \$ (3,104)         |

It is helpful to note that the revenue adjustment due to no MCF refund change is assumed to impact the 2026 Budget for one half of a year (\$150,000+) and the forecasted 2027 through 2029 years for the full year (\$300,000+). Therefore, additional dues increases will be required to meet forecasted budget estimates. The forecasted dues rates are as follows:

| <u>Dues Rates Forecasted</u> |                  |                   |
|------------------------------|------------------|-------------------|
| <u>Year</u>                  | <u>Dues Rate</u> | <u>Increase %</u> |
| FY 2027                      | \$ 573           | 5.1%              |
| FY 2028                      | \$ 595           | 3.8%              |
| FY 2029                      | \$ 616           | 3.5%              |

These dues rates are forecasts only at this time and will not require any board approval. The only change to the five year Capital Improvement Plan for 2026 through 2030 is the reduction of annual Initiative fund of \$30,000+ for 2026 and \$60,000+ for each year 2027 through 2030.

**Board Options:**

- 1) Consider Plan B as the preferred 2026 Budget.
- 2) Consider other amendments to the recommended budgets.

**Staff Recommendation:**

Option #1 if the MCF Refunds are not eliminated and there is no replacement of the Abrego South pool.

**Attachments:**

None