



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

**Prepared By:** David Webster, CFO

**Meeting Date:** October 8, 2025

**Presented By:** David Webster, CFO

**Consent Agenda:** No

**Originating Committee / Department:**

Finance Department / Fiscal Affairs Committee

**Action Requested:**

Review and discuss the 2026 Budget, Capital Budget, Capital Improvement Plan, Fees Schedule, and 3-year forecast.

**Strategic Plan:**

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

**Background Justification:**

Section 5.5.2 of the Corporate Policy Manual requires the Board to approve an annual budget no later than November 15<sup>th</sup> of each year. The budget policy is to promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives.

Staff has prepared a Draft Operating and Capital Budget for 2026. These budgets were presented and reviewed by the Fiscal Affairs Committee (FAC) on September 16, 2025 and September 23, 2025.

A summary of the current in process status of the Operating Budget for 2026 is included on table 1. This table illustrates the original staff generated proposal for the 2026 Operating Budget in the first column labeled Original Budget Presented By Staff. The second column of table 1 represents the Fiscal Affairs Committee recommended adjustments to the original draft budget and it is titled Revised Budget Updated By the FAC. The third column includes additional staff recommended changes to the FAC recommendations that came about after the FAC meetings. Please be aware that these changes have not been reviewed by the FAC. A high-level summary of these three versions of the 2026 Proposed Budgets is as follows:

**Original Staff Draft 2026 Operating Budget**

The most inclusive and thorough method of reviewing the Original Staff Draft Budget is to read the attached 2026 Draft Budget document that was provided to FAC for the September 16, 2025, meeting. Please be aware that no FAC recommended changes have been included in this document and each page is labeled DRAFT to avoid confusion. There is significant historical information as well as detailed financial data included in this report. Staff will update this document after the Board has approved the Operating and Capital Budgets for 2026. Other key components of the Original Staff Budget proposal that are worth noting are as follows:

- Members' 2026 dues rate increase from current \$530 to \$540 (1.9%). See table 2

- Membership Change Fee and Initial Fee for 2026 increase from \$3,100 to \$3,200 (3.2%). See table 2
- Due to decreased revenue resulting from lower housing sales, the 2026 personnel costs included a recommended modest \$109,895 or 2.5% aggregate increase in wages, offset with a total decrease of 2.8 full-time equivalents (FTE) for a total of 88 Full Time Employees (FTE) in 2026. The 2.5% recommended increase did not fully account for inflation or merit increases. See table 3
- No allowance for Non-Reserve Capital projects

**FAC Recommended Revised 2026 Operating Budget (September 23, 2025, Minutes attached)**

During the September 16 and 23, 2025 FAC meetings, the FAC recommended adjustment to the Staff recommended 2026 Operating Budget. A summary of these changes is included in the second column of table 1 as follows:

- Members' dues rates increase from the current \$530 to \$545 (2.8%). See table 2
- Modified the Guest Fee structure to be more generic for either family pass or punch card with the Board Affairs Committee (BAC) recommended change; also created a 30-day pass in the Guest Fees structure and rates. See table 2
- Tenant card structure has been modified to break out separate fees for tenants that stay longer than 4 months or more. See table 2
- Fee structure for additional card holder has been increased. See table 2
- Amending the Corporate Policy Manual (CPM) to eliminate Member Change Fee (MCF) refunds other than those required by law, in order to generate additional revenue. This change is proposed to occur mid-year 2026. See table 1 and 2. (For a history on the Member Change Fee, please see the attached)
- Increase staff wage proposal by additional \$150,100 for a total of \$259,995 or 5.9% to fully implement the Board's original three-year compensation plan to ensure wages are at market rates. See table 3
- Increase corresponding payroll taxes by \$11,483. See table 3
- Increase Professional Fees expenses by \$10,000 to allow for improved digital marketing
- Increase the Non-Reserve Capital (NRC) expenditures by \$20,000 for ADA improvements.
- Increase funding to initiatives by approximately \$30,080 in 2026 due to change in MCF refund policy elimination. See table 1
- Increase 2026 funding of MRR-B Pools and Spas fund by \$7,761 to meet the 7% escalation in annual funding goal. See table 1
- FAC recommended two other items that don't have fiscal implications:
  - A. Change CPM language, requiring clubs that request dedicated space or expansion to enter into an MOU (see attached Minutes)
  - B. Investigate a pilot program on financing options for the voluntary deed restricted properties interested in joining GVR (see Minutes)

**Adjustments to the FAC Recommended 2026 Operating Budget**

Since the FAC recommendations were issued, staff has made additional adjustments to staff's original budget recommendations which impact the FAC recommendations. The most significant and most positive change is the result of further review and discussion concerning the compensation pay plan which was developed by an independent consultant. A total 4.0%

aggregate increase rather than a 5.9% increase to wages aligns with the recommended market ranges and provides for inflationary factors and merit increases. The market study indicates GVR is at the lower end of the market since many employees are new to GVR and therefore at the lower end of the pay scale, but are within recommended market ranges. Additional adjustments have been made for high demand/low supply positions. A summary of all of these adjustments are as follows:

- Revision of wage increase of \$177,601 (4.0%) rather than \$259,995 or 5.9%. See table 3
- Revision of corresponding payroll taxes of \$5,180. See table 3
- Membership dues rate revision from current \$530 to \$538 (1.5%) due to lower than anticipated increases in wages. See table 2

**Revised Three Year Forecast**

GVR staff have updated the three years forecast for the years 2027 through 2029. While the Board of Directors are not required to approve this forecast, it is helpful for informational and planning purposes. A high-level summary of this forecast found in table 1 is as follows: Dues rates 3-year Forecast with FAC recommendations and Staff updates:

Year	Forecasted Dues Rate	Forecasted Increase
2027	\$557	3.5%
2028	\$567	1.8%
2029	\$581	2.5%

The 3-year forecast is based on the FAC recommendation to eliminate MCF refunds where the law allows:

Year	Forecasted MCF Rate	Forecasted Increase
2027	\$3,300	3.1%
2028	\$3,400	3.0%
2029	\$3,500	2.9%

**Table 1**

2026 Budget	Original Budget presented by Staff	Revised Budget Updated by FAC	Staff Revisions to FAC Updates	2027	2028	2029
	88 Head Count	88	88	Revised Forecast with FAC Recommendations		
Full Time Equivalents	88	88	88	88	88	88
Head Count	104	104	104	104	104	104
Member Dues	7,499,520	7,568,960	7,471,744	7,741,186	7,885,836	8,086,358
LC, Trans., Crd Fees	781,800	800,700	800,700	813,085	818,705	823,905
Capital Revenue	2,860,800	3,011,200	3,011,200	3,300,000	3,434,000	3,570,000
<b>Membership Revenue</b>	<b>11,142,120</b>	<b>11,380,860</b>	<b>11,283,644</b>	<b>11,854,271</b>	<b>12,138,541</b>	<b>12,480,263</b>
Programs	571,456	571,456	571,456	600,029	642,031	699,814
Instructional	498,000	498,000	498,000	512,940	538,587	576,288
Recreational Revenue	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	443,700	452,574	461,625
Cell Tower Lease Inc.	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
Other Income	121,350	121,350	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	18,620	18,620	19,179	19,754	20,347
Contributed Income	-	-	-	-	-	-
<b>Other Revenue</b>	<b>139,970</b>	<b>139,970</b>	<b>139,970</b>	<b>142,956</b>	<b>146,625</b>	<b>151,024</b>
<b>Total Operating Revenue</b>	<b>12,835,465</b>	<b>13,074,205</b>	<b>12,976,989</b>	<b>13,602,814</b>	<b>13,967,277</b>	<b>14,417,933</b>
Major Proj. Rep. & Maint.	238,970	238,970	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	421,600	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,000	1,000	1,020	1,043	1,066
Utilities	1,106,400	1,106,400	1,106,400	1,128,528	1,153,920	1,179,883
Depreciation	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	234,471	239,747	245,141
Vehicle Expenses	80,000	80,000	80,000	81,600	83,436	85,313
Facilities & Equipment	3,346,364	3,346,364	3,346,364	3,413,291	3,490,090	3,568,617
Wages	4,516,589	4,666,689	4,584,295	4,703,253	4,842,845	4,963,190
Payroll Taxes	350,519	362,002	355,699	364,999	375,836	385,175
Benefits	897,672	897,672	897,672	942,555	980,257	1,019,468
Personnel	5,764,780	5,926,362	5,837,666	6,010,807	6,198,938	6,367,833
Food & Catering	78,698	78,698	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	651,787	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	67,895	67,895	69,253	70,811	72,405
Program	798,380	798,380	798,380	827,384	864,641	903,668
Communications	107,569	107,569	107,569	109,720	112,189	114,713
Printing	129,500	129,500	129,500	132,090	135,062	138,101
Advertising	11,000	11,000	11,000	11,220	11,472	11,731
Communications	248,069	248,069	248,069	253,030	258,724	264,545
Supplies	570,906	570,906	570,906	582,324	595,426	608,824
Postage	21,125	21,125	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,687	13,687	13,961	14,275	14,596
Travel	8,622	8,622	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	101,450	101,450	103,479	105,807	108,188
Operations	715,790	715,790	715,790	730,106	746,533	763,330
Information Technology	142,777	142,777	142,777	145,633	148,909	152,260
Professional Fees	224,350	234,350	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	447,064	447,064	458,680	472,441	486,614
Taxes	53,532	53,532	53,532	54,603	55,831	57,087
Conferences & Training	24,200	24,200	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,000	13,000	13,260	13,558	13,863
Corporate Expenses	904,923	914,923	914,923	934,411	959,002	984,193
<b>Total Operating Expenses</b>	<b>11,778,306</b>	<b>11,949,889</b>	<b>11,861,192</b>	<b>12,169,028</b>	<b>12,517,928</b>	<b>12,852,187</b>
<b>Gross surplus(Rev-Exp) Net Cash Flow</b>	<b>1,057,159</b>	<b>1,124,316</b>	<b>1,115,797</b>	<b>1,433,786</b>	<b>1,449,349</b>	<b>1,565,747</b>
<b>Accrual Basis Net from Operations</b>	<b>1,057,159</b>	<b>1,124,316</b>	<b>1,115,797</b>	<b>1,433,786</b>	<b>1,449,349</b>	<b>1,565,747</b>
Subtract				(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	-	(20,000)	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(260,400)	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(575,040)	(605,120)	(605,120)	(663,300)	(690,200)	(717,500)
MRR B (Pools & Spas)	(335,022)	(342,783)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Revenue	(4,000)	(4,000)	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,400,102)	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
<b>Cash Basis Change in Net Assets Net of</b>	<b>(1,517,405)</b>	<b>(1,508,089)</b>	<b>(1,516,608)</b>	<b>(1,480,495)</b>	<b>(1,622,693)</b>	<b>(1,666,328)</b>
Add Back:						
MRR Operating Expenses	172,885	172,885	172,885	210,000	220,500	231,525
Depreciation	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	77,250	79,568	81,955
<b>Cash Basis Net Surplus (Deficit)</b>	<b>-</b>	<b>9,316</b>	<b>797</b>	<b>100,646</b>	<b>378</b>	<b>(78)</b>

**Table 2**

GVR Fees								
	Actual Rate FY 2025	Original 2026 Budget Presented by Staff			Revised 2026 Fees Updated by FAC		Staff 2026 Fees Revisions to FAC Updates	
			Incr. %		Incr. %		Incr. %	
Dues	\$ 530	\$ 540	1.9%	\$ 545	2.8%	\$ 538	1.5%	
Life Care	\$ 530	\$ 540	1.9%	\$ 545	2.8%	\$ 538	1.5%	
Transfer Fee	\$ 465	\$ 470	1.1%	\$ 470	1.1%	\$ 470	1.1%	
Guest Card Daily Pass	\$ 15	\$ 15	0.0%	\$ 10	-33.3%	\$ 10	-33.3%	
Guest Card Weekly Pass				\$ 30		\$ 30		
Guest Card Annual Pass	\$ 80			\$ 85		\$ 85		
Tenant Fee 1-7 Days	\$ 35	\$ 40	14.3%	\$ 40	14.3%	\$ 40	14.3%	
Tenant Fee 2 Weeks	\$ 45	\$ 50	11.1%	\$ 50	11.1%	\$ 50	11.1%	
Tenant Fee 1 Month	\$ 60	\$ 65	8.3%	\$ 65	8.3%	\$ 65	8.3%	
Tenant Fee 2 Months	\$ 95	\$ 100	5.3%	\$ 100	5.3%	\$ 100	5.3%	
Tenant Fee 3 Months	\$ 135	\$ 140	3.7%	\$ 140	3.7%	\$ 140	3.7%	
Tenant Fees 4-12 Months	\$ 170							
Tenant Fee 4 Month		\$ 180		\$ 180		\$ 180		
Tenant Fee 5 Month		\$ 215		\$ 215		\$ 215		
Tenant Fee 6-12 Months		\$ 250		\$ 250		\$ 250		
Additional Card Fee	\$ 105	\$ 140	33.3%	\$ 140	33.3%	\$ 140	33.3%	
Membership Change Fee	\$ 3,100	\$ 3,200	3.2%	\$ 3,200	3.2%	\$ 3,200	3.2%	
Initial Fee	\$ 3,100	\$ 3,200	3.2%	\$ 3,200	3.2%	\$ 3,200	3.2%	
Late Fee	\$ 25	\$ 25	0.0%	\$ 25	0.0%	\$ 25	0.0%	
Estate Planning Fee	\$ 105	\$ 105	0.0%	\$ 105	0.0%	\$ 105	0.0%	
GVR Card Issuance Fee		\$ 5		\$ 5		\$ 5		
Card Replacement Fee	\$ 20	\$ 5	-75.0%	\$ 5	-75.0%	\$ 5	-75.0%	

**Table 3**

GVR Wages							
	Original 2026 Budget Presented by Staff			Revised 2026 Wages Updated by FAC		Staff 2026 Wages Revisions to FAC Updates	
		Incr. %		Incr. %		Incr. %	
Cost of Living Increase	\$ 109,895	2.5%	\$ 109,895	2.5%	\$ 88,801	2.0%	
Performance and Merit Adjustment Increase	\$ -	0.0%	\$ 150,100	3.4%	\$ 88,800	2.0%	
Total Wage Increase	\$ 109,895	2.5%	\$ 259,995	5.9%	\$ 177,601	4.0%	
Total Taxes Increase	\$ 8,407		\$ 19,890		\$ 13,586		
Tax Increase			\$ 11,483		\$ 5,180		

## **2026 Capital Budget**

The FAC reviewed the Draft Capital Budget for 2026 on September 23, 2025 and recommended the 2026 Capital Budget and Five-Year Capital Improvement Plan as presented in table 4. A summary of the updates to this 5-year plan is as follows:

- The Initiatives funded West Center woodworking facility expansion project was moved up from a three-year period of 2027 through 2029 to an earlier period of 2026 through 2028. The total amount of the project remains an estimated \$1,200,000.
- The Abrego South pool replacement project was removed from the Initiatives and MRR-B Funds.
  - \$750,000 was removed from the Initiatives Fund for the Abrego South locker room building. This change results in a decrease of expenditures of \$250,000 in 2026 and \$500,000 in 2027.
  - \$1,651,539 was removed from the Maintenance Repair and Replacement MRR Part B – Pools and Spas fund in 2026 for the Abrego South pool replacement.
  - \$100,000 was added to the 2026 Initiatives Fund in 2026 for the demolition of the Abrego South pool and locker room building.
- The grand total of component projects planned for the 2026 Maintenance Repair and Replacement Part A Fund was revised from \$2,284,781 to \$2,532,877 for a total increase of \$248,096 of expenditures in 2026 but the transfer from the Operations Funds to the MRR-A fund remains the same at \$1,400,102.

**Table 4**

<b>GVR</b>					
<b>2026 Budget</b>					
<b>Cash Funding Projections</b>					
<b>All Amounts Are Projections</b>					
	<b>PROJECTION</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>Initiatives</b>					
Beginning Balance	\$ 973,772	\$ 416,407	\$ 615,500	\$ 756,934	\$ 1,568,902
Funding From Operations Revenue	\$ 605,120	\$ 663,300	\$ 690,200	\$ 717,500	\$ 745,200
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	\$ 63,039	\$ 46,793	\$ 62,234	\$ 105,468	\$ 155,420
<b>Total Revenue</b>	<b>\$ 668,159</b>	<b>\$ 710,093</b>	<b>\$ 752,434</b>	<b>\$ 822,968</b>	<b>\$ 900,620</b>
<b>Projects:</b>					
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
WC Lobby improvements	\$ (190,000)				
LC Fitness Expand to Cypress	\$ (100,000)				
WC Club Expansion - Lapidary	\$ (634,524)				
WC Club Expansion - Woodworking	\$ (100,000)	\$ (500,000)	\$ (600,000)		
LC Third Tennis Court					\$ (200,000)
SRAL Lower Level Expansion					\$ (400,000)
Abrego South Locker Room Building	\$ -	\$ -			
Abrego Pool Demolition	\$ (100,000)				
PBC Fencing	\$ (50,000)				
Metal Arts Shop Yard					\$ (35,000)
SRS Fitness Center Expansion	\$ (40,000)				
<b>Total Expenditures</b>	<b>\$ (1,225,524)</b>	<b>\$ (511,000)</b>	<b>\$ (611,000)</b>	<b>\$ (11,000)</b>	<b>\$ (646,000)</b>
<b>Ending Balance</b>	<b>\$ 416,407</b>	<b>\$ 615,500</b>	<b>\$ 756,934</b>	<b>\$ 1,568,902</b>	<b>\$ 1,823,522</b>
<b>Maintenance Repair &amp; Replacement</b>					
Beginning Balance	\$ 7,440,839	\$ 7,001,867	\$ 6,455,203	\$ 6,528,504	\$ 6,570,051
Annual Funding (per Reserve Study)	\$ 1,400,102	\$ 1,500,102	\$ 1,600,102	\$ 1,700,102	\$ 1,800,102
Additional Funding					
Net Investment Earnings (actual IPS rate)	\$ 693,803	\$ 685,275	\$ 622,480	\$ 642,297	\$ 607,757
<b>Projects:</b>					
Per Reserve Study <b>REVISED</b>	\$ (2,532,877)	\$ (2,732,040)	\$ (2,149,281)	\$ (2,300,852)	\$ (1,593,077)
<b>Ending Balance</b>	<b>\$ 7,001,867</b>	<b>\$ 6,455,203</b>	<b>\$ 6,528,504</b>	<b>\$ 6,570,051</b>	<b>\$ 7,384,833</b>
<b>MRR Part B - Pools and Spas</b>					
Beginning Balance	\$ 1,584,531	\$ 2,039,759	\$ 2,546,942	\$ 3,110,887	\$ 3,736,809
Funding	\$ 342,783	\$ 366,778	\$ 392,452	\$ 419,924	\$ 449,319
Additional Funding					
Net Investment Earnings	\$ 112,445	\$ 140,405	\$ 171,493	\$ 205,998	\$ 244,231
Abrego South pool	\$ -				
<b>Ending Balance</b>	<b>\$ 2,039,759</b>	<b>\$ 2,546,942</b>	<b>\$ 3,110,887</b>	<b>\$ 3,736,809</b>	<b>\$ 4,430,359</b>
<b>Subtotal Capital Projects Reserves</b>	<b>\$ 9,458,033</b>	<b>\$ 9,617,645</b>	<b>\$ 10,396,326</b>	<b>\$ 11,875,762</b>	<b>\$ 13,638,715</b>
<b>Emergency</b>					
Beginning Balance	\$ 553,270	\$ 597,270	\$ 645,270	\$ 697,270	\$ 753,270
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative					
Net Investment Earnings	\$ 44,000	\$ 48,000	\$ 52,000	\$ 56,000	\$ 60,000
<b>Projects:</b>					
<b>Ending Balance</b>	<b>\$ 597,270</b>	<b>\$ 645,270</b>	<b>\$ 697,270</b>	<b>\$ 753,270</b>	<b>\$ 813,270</b>
<b>Total Board Designated Funds</b>	<b>\$ 10,055,303</b>	<b>\$ 10,262,915</b>	<b>\$ 11,093,596</b>	<b>\$ 12,629,032</b>	<b>\$ 14,451,985</b>

A summary of the consolidated Operating and Capital Budget for 2026 is illustrated on table 5. This schedule provides a summary of the updated totals as the draft budget processed through FAC and staff.

**Table 5**

GVR					
Budget					
FY 2026					
			Original Budget presented by Staff	Revised Budget Updated by FAC	Staff Revisions to FAC Updates
INITIATIVES CAPITAL IMPROVEMENT PLAN:					
	Del Sol Clubhouse Parking Lot Note		\$ 11,000	\$ 11,000	\$ 11,000
	West Center Lobby improvements		\$ 190,000	\$ 190,000	\$ 190,000
	West Center Club Expansion		\$ 634,524	\$ 634,524	\$ 634,524
	Las Campanas Fitness Expansion to Cypress Room		\$ 100,000	\$ 100,000	\$ 100,000
	Abrego South Locker Room Building		\$ 250,000	\$ -	\$ -
	West Center Expansion - Woodworking			\$ 100,000	\$ 100,000
	Abrego South Pool Demolition			\$ 100,000	\$ 100,000
	Pickleball Center Fencing		\$ 40,000	\$ 50,000	\$ 50,000
	Santa Rita Springs Fitness Center Expansion		\$ 40,000	\$ 40,000	\$ 40,000
	TOTAL BUDGETED INITIATIVES CAPITAL BUDGET		\$ 1,265,524	\$ 1,225,524	\$ 1,225,524
	NON RESERVE CAPITAL PROJECTS		\$ -	\$ 20,000	\$ 20,000
	ABREGO SOUTH POOL REPLACEMENT (MRR-B)		\$ 1,651,539	\$ -	\$ -
	MRR CAPITAL PROJECTS 2026 REVISED		\$ 2,284,781	\$ 2,532,877	\$ 2,532,877
	<b>GRAND TOTAL CAPITAL BUDGETS 2026</b>		<b>\$ 5,201,844</b>	<b>\$ 3,778,401</b>	<b>\$ 3,778,401</b>
	2026 OPERATING BUDGET		\$ 11,778,306	\$ 11,947,863	\$ 11,859,166
	<b>GRAND TOTAL BUDGETS, 2026</b>		<b>\$ 16,980,150</b>	<b>\$ 15,726,264</b>	<b>\$ 15,637,567</b>

**Fiscal Impact:**

Once approved, the 2026 Operating and Capital Budgets, Capital Improvement Plan, and Fee Schedule will be implemented on January 1, 2026.

**Board Options:**

- 1) Finalize 2026 Budget recommendations as recommended by the FAC and staff for consideration at the October 22, 2025 Board of Directors regular meeting.
- 2) Consider amendments to the recommended budgets.



**Staff Recommendation:**

Option #1 or #2 (If option 2 is preferred, staff has additional recommendations it will provide during the meeting.)

**Attachments:**

- 1) 2026 Original Staff Recommended Draft Budget provided to FAC
- 2) Draft MRR A Report
- 3) History on the Member Change Fee (MCF)
- 4) FAC Minutes from September 23, 2025