



GVR

GREEN VALLEY
RECREATION

Proposed Budget FY 2026

Green Valley Recreation

2026 Budget Goal

- ▶ The Proposed 2026 Budget meets GVR's mission of providing excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives.
- ▶ The Proposed 2026 Budget meets Goal #4 of the Strategic Plan, to cultivate and maintain a sound financial base that generates good value for our members
- ▶ The 2026 Recommended Operational Budget is based on the actual expenditures that GVR anticipates for 2026, per Bylaws Article 3. Section 2.

2026 Budget Goal continued



Corporate Policy Manual (CPM)

Section 5.5.2

B. Annually, staff will prepare a tentative budget calendar based on a required budget approval of no later than November 15.

C. GVR shall annually adopt a balanced budget where operating revenues are equal to, or exceed, operating expenditures.

Budget Development



- ▶ The Budget process began in August 2025 when the CEO and CFO met with each department director to review and discuss their budget needs and requests
- ▶ Staff presented a draft 5-Yr Capital Plan to the Planning and Evaluation Committee (P&E) on August 14th
- ▶ Staff developed a draft budget that the Fiscal Affairs Committee (FAC) reviewed on September 16th and developed a Recommended Budget on September 23rd
- ▶ Staff provided revisions to the FAC's Recommended Budget based on updated wage information
- ▶ The Revised P&E and FAC Recommended Budget and a "Plan B" Alternative Budget were presented to the Board in work session on October 8th

FAC Revised & Recommended Budget



OPERATIONS:

- ▶ Membership dues rate increase from current \$530 to \$538 (1.5%).
- ▶ Membership Change Fee and Initial Fee increase from \$3,100 to \$3,200 (3.2%).
- ▶ 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 and would generate approximately \$150,000 in new revenue in 2026 and \$300,000 in subsequent years.
- ▶ Aggregate wage increase of \$177,601 (4.0%).
- ▶ Tenant Pass modified to break out separate fees for tenants that stay longer than 4 months or more.
- ▶ Increase Additional Card Holder Pass fee.
- ▶ Increase Professional Fees expenses by \$10,000 to allow for improved digital marketing.

FAC Revised & Recommended Budget



CAPITAL:

- ▶ No funds in the Initiatives Fund to replace the ABS locker and showers building.
- ▶ No funds in the MRR-B Fund (Pools and Spas) to replace the ABS pool and spa.
- ▶ Include \$100,000 in the Initiatives Fund for demolition of the ABS pool and locker room facilities.
- ▶ Begin Woodshop Facility Expansion Project in 2026 as result of eliminating funding for rebuilding ABS locker room facilities.
- ▶ Include \$20,000 in the Non-Reserve Capital Fund (NRC) for ADA improvements.
- ▶ Increase funding to the Initiatives Fund by approximately \$30,080 in 2026 due to change in MCF refund policy elimination.
- ▶ Increase 2026 funding of MRR-B Pools and Spas by \$7,761 for a total of \$342,783 to meet the 7% escalation in annual funding goal.
- ▶ Transfer from the Operations Funds to the Maintenance Repair and Replacement Part A Fund (MRR-A) is \$1,400,102.
- ▶ Capital projects expenditures for (MRR-A) anticipated is \$2,532,877.

FAC Revised & Recommended Budget



Year	Forecasted Dues Rate	Forecasted Increase
2027	\$557	3.4%
2028	\$567	1.8%
2029	\$581	2.5%

FAC Revised & Recommended Budget



2026 Budget	2026 Budget with Staff Revisions to FAC Updates	2027	2028	2029
		Revised Forecast with FAC Recommendations		
Full Time Equivalents	88	88	88	88
Head Count	104	104	104	104
Member Dues	7,471,744	7,741,186	7,885,836	8,086,358
L.C., Trans., Crd Fees	800,700	813,085	818,705	823,905
Capital Revenue	3,011,200	3,300,000	3,434,000	3,570,000
Membership Revenue	11,283,644	11,854,271	12,138,541	12,480,263
Programs	571,456	600,029	642,031	699,814
Instructional	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	443,700	452,574	461,625
Advertising Income	-	-	-	-
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919
Other Income	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	19,179	19,754	20,347
Late Sales Income	-	-	-	-
Contributed Income	-	-	-	-
Other Revenue	139,970	142,956	146,625	151,024
Total Operating Revenue	12,976,989	13,602,814	13,967,277	14,417,933
Major Proj.-Rep. & Maint.	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,020	1,043	1,066
Utilities	1,106,400	1,128,528	1,153,920	1,179,883
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	81,600	83,436	85,313
Facilities & Equipment	3,346,364	3,413,291	3,490,090	3,568,617
Wages	4,584,295	4,703,253	4,842,845	4,963,190
Payroll Taxes	355,699	364,999	375,836	385,175
Benefits	897,672	942,555	980,257	1,019,468
Personnel	5,837,666	6,010,807	6,198,938	6,367,833
Food & Catering	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	69,253	70,811	72,405
Program	798,380	827,384	864,641	903,668
Communications	107,569	109,720	112,189	114,713
Printing	129,500	132,090	135,062	138,101
Advertising	11,000	11,220	11,472	11,731
Communications	248,069	253,030	258,724	264,545
Supplies	570,906	582,324	595,426	608,824
Postage	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,961	14,275	14,596
Travel	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	103,479	105,807	108,188
Operations	715,790	730,106	746,533	763,330
Information Technology	142,777	145,633	148,909	152,260
Professional Fees	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	458,680	472,441	486,614
Taxes	53,532	54,603	55,831	57,087
Conferences & Training	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,260	13,558	13,863
Corporate Expenses	914,923	934,411	959,002	984,193
Total Operating Expenses	11,861,192	12,169,028	12,517,928	12,852,187
Gross surplus(Rev-Exp) / Net Cash Flow	1,115,797	1,433,786	1,449,349	1,565,747
	-	-	-	-
Accrual Basis Net from Operations	1,115,797	1,433,786	1,449,349	1,565,747
Subtract:		(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(605,120)	(663,300)	(690,200)	(717,500)
MRR B (Pools & Spa)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Revenue	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets Net of Re	(1,516,608)	(1,480,495)	(1,622,693)	(1,666,328)
Add Back:				
MRR Operating Expenses	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	797	100,646	378	(78)

“Plan B” Alternative Budget



▶ **OPERATIONS:**

- ▶ Membership dues rate increase from current \$530 to \$545 (2.8%).
- ▶ Membership Change Fee and Initial Fee increase from \$3,100 to \$3,200 (3.2%).
- ▶ No elimination of Member Change Fee (MCF) refunds.
- ▶ Aggregate wage increase of \$177,601 (4.0%).
- ▶ Tenant Pass modified to break out separate fees for tenants that stay longer than 4 months or more.
- ▶ Increase Additional Card Holder Pass fee.
- ▶ Increase Professional Fees expenses by \$10,000 to allow for improved digital marketing.

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- ▶ Begin Woodshop Facility Expansion Project in 2027 as a result of including funding for rebuilding ABS locker room facilities.
- ▶ Include \$20,000 in the Non-Reserve Capital Fund (NRC) for ADA improvements.
- ▶ Increase 2026 funding of MRR-B Pools and Spas by \$7,761 for a total of \$342,783 to meet the 7% escalation in annual funding goal.
- ▶ Transfer from the Operations Funds to the Maintenance Repair and Replacement Part A Fund (MRR-A) is \$1,400,102.
- ▶ Capital projects expenditures for (MRR-A) anticipated is \$2,532,877.

“Plan B” Alternative Budget



Year	Forecasted Dues Rate	Forecasted Increase
2027	\$575	5.5%
2028	\$597	3.8%
2029	\$618	3.5%

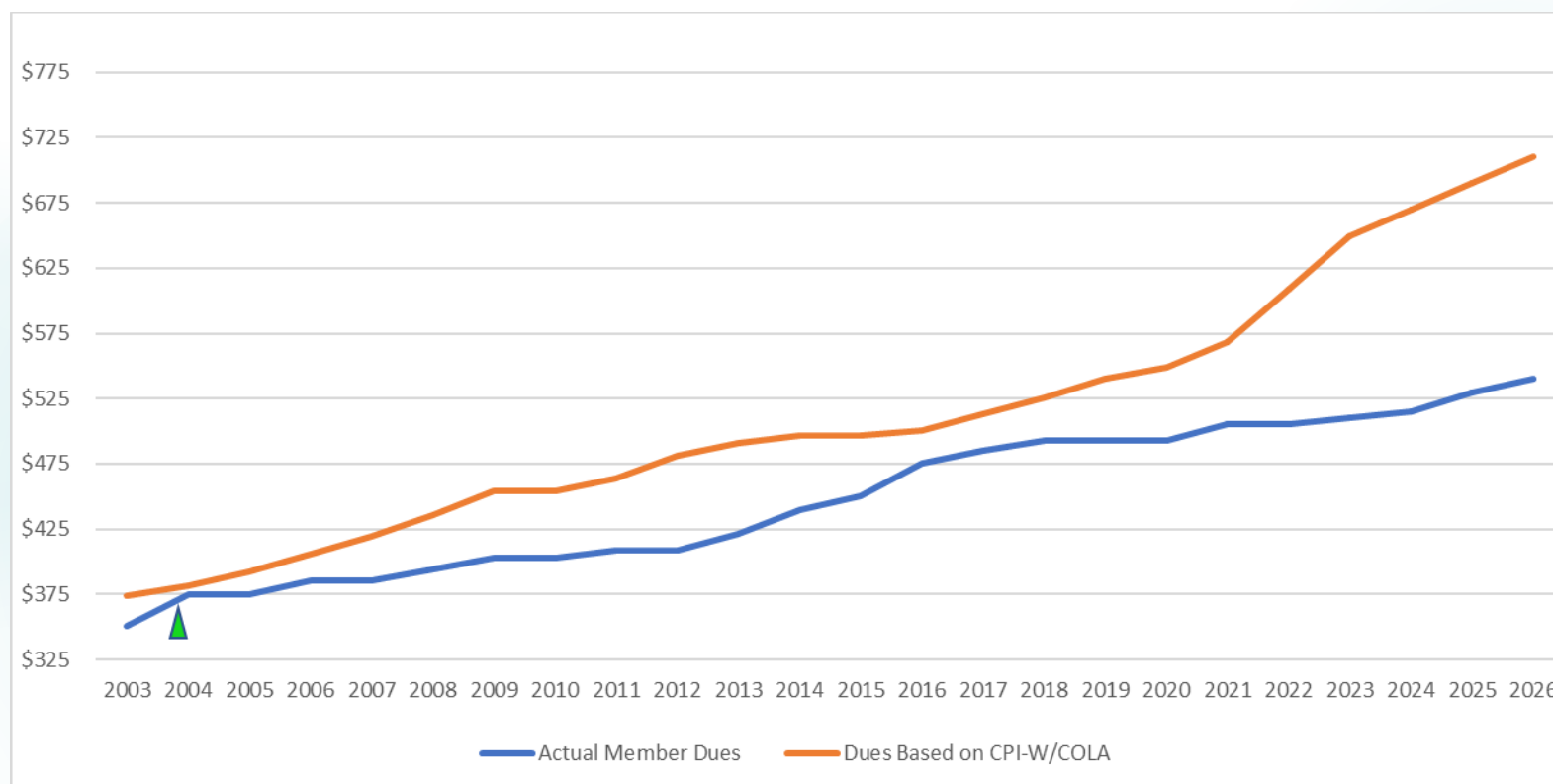
“Plan B” Alternative Budget



2026 Budget	Revised Plan B	2027	2028	2029
Full Time Equivalents	88	88	88	88
Head Count	104	104	104	104
Member Dues	7,568,960	7,991,350	8,303,076	8,601,324
LC, Trans., Crd Fees	800,700	813,085	818,705	823,905
Capital Revenue	2,860,800	2,923,800	3,046,400	3,171,000
Membership Revenue	11,230,460	11,728,235	12,168,181	12,596,229
Programs	571,456	600,029	642,031	699,814
Instructional	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	443,700	452,574	461,625
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919
Other Income	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	19,179	19,754	20,347
Contributed Income	-	-	-	-
Other Revenue	139,970	142,956	146,625	151,024
Total Operating Revenue	12,923,805	13,476,778	13,996,917	14,533,899
Major Proj.-Rep. & Maint.	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,020	1,043	1,066
Utilities	1,084,093	1,133,212	1,161,195	1,191,244
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	81,600	83,436	85,313
Facilities & Equipment	3,324,057	3,417,975	3,497,365	3,579,978
Wages	4,584,295	4,767,667	4,958,373	5,156,708
Payroll Taxes	355,699	369,927	384,724	400,113
Benefits	897,672	942,555	980,257	1,019,468
Personnel	5,837,666	6,080,149	6,323,355	6,576,289
Food & Catering	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	69,253	70,811	72,405
Program	798,380	827,384	864,641	903,668
Communications	107,569	109,720	112,189	114,713
Printing	129,500	132,090	135,062	138,101
Advertising	11,000	11,220	11,472	11,731
Communications	248,069	253,030	258,724	264,545
Supplies	570,906	582,324	595,426	608,824
Postage	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,961	14,275	14,596
Travel	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	103,479	105,807	108,188
Operations	715,790	730,106	746,533	763,330
Information Technology	142,777	145,633	148,909	152,260
Professional Fees	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	458,680	472,441	486,614
Taxes	53,532	30,803	32,031	33,287
Conferences & Training	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,260	13,558	13,863
Corporate Expenses	914,923	910,611	935,202	960,393
Total Operating Expenses	11,838,885	12,219,255	12,625,820	13,048,204
Gross surplus(Rev-Exp)/ Net Cas	1,084,920	1,257,524	1,371,097	1,485,696
Accrual Basis Net from Operati	1,084,920	1,257,524	1,371,097	1,485,696
Subtract:		(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(575,040)	(587,684)	(612,326)	(637,371)
MRR B (Pools & Spas)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Rev	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets	(1,517,405)	(1,581,141)	(1,623,071)	(1,666,250)
Add Back:				
MRR Operating Expenses	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	-	-	-	-

Primary Revenue Sources

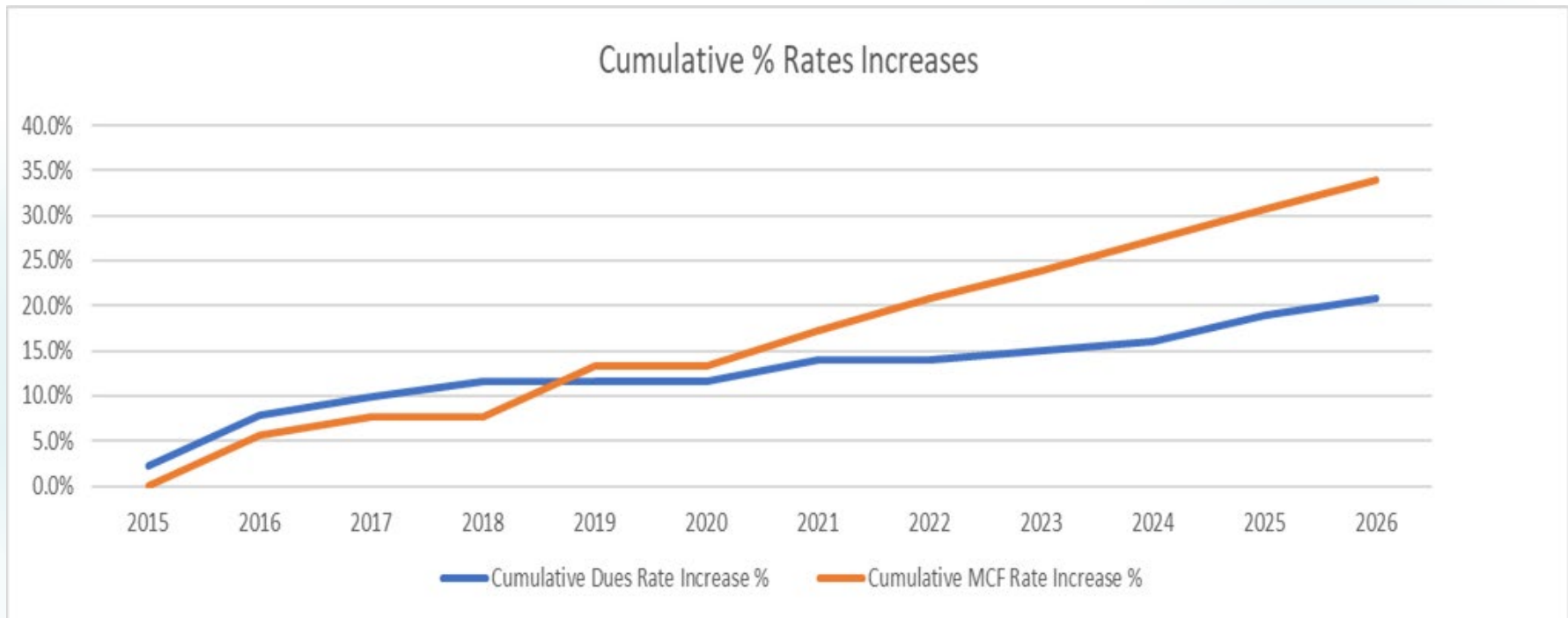
Dues increases have not kept up with cost of living since 2004. Page 8 of the Budget Message



Primary Revenue Sources – Dues and MCF Fees



Starting in 2019, the MCF rate increases have outpaced increases in dues. Page 10 of the Budget Message



Recommended Fees and Dues



GVR Fees					
		BUDGET 2026			
	Actual Rate FY 2025	Staff 2026 Fees Revisions to FAC Updates	Incr. %	PLAN B	
Dues	\$ 530	\$ 538	1.5%	\$ 545	2.8%
Life Care	\$ 530	\$ 538	1.5%	\$ 545	2.8%
Transfer Fee	\$ 465	\$ 470	1.1%	\$ 470	1.1%
Guest Card Daily Pass	\$ 15	\$ 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%
Tenant Fee 2 Weeks	\$ 45	\$ 50	11.1%	\$ 50	11.1%
Tenant Fee 1 Month	\$ 60	\$ 65	8.3%	\$ 65	8.3%
Tenant Fee 2 Months	\$ 95	\$ 100	5.3%	\$ 100	5.3%
Tenant Fee 3 Months	\$ 135	\$ 140	3.7%	\$ 140	3.7%
Tenant Fees 4-12 Months	\$ 170				
Tenant Fee 4 Month		\$ 180		\$ 180	
Tenant Fee 5 Month		\$ 215		\$ 215	
Tenant Fee 6-12 Months		\$ 250		\$ 250	
Additional Card Fee	\$ 105	\$ 140	33.3%	\$ 140	33.3%
Membership Change Fee	\$ 3,100	\$ 3,200	3.2%	\$ 3,200	3.2%
Initial Fee	\$ 3,100	\$ 3,200	3.2%	\$ 3,200	3.2%
Late Fee	\$ 25	\$ 25	0.0%	\$ 25	0.0%
Estate Planning Fee	\$ 105	\$ 105	0.0%	\$ 105	0.0%
GVR Card Issuance Fee		\$ 5		\$ 5	
Card Replacement Fee	\$ 20	\$ 5	-75.0%	\$ 5	-75.0%

5-Year Capital Plan



GVR	Board Revisions - Plan B				
2026 Budget					
Cash Funding Projections					
All Amounts Are Projections					
	2026	2027	PROJECTION 2028	2029	2030
Initiatives					
Beginning Balance	\$ 1,261,772	\$ 346,203	\$ 354,669	\$ 494,502	\$ 569,103
Funding From Operations Revenue	\$ 575,040	\$ 587,684	\$ 612,326	\$ 637,371	\$ 663,503
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	\$ 72,915	\$ 31,782	\$ 38,507	\$ 48,230	\$ 56,559
Total Revenue	\$ 647,955	\$ 619,466	\$ 650,833	\$ 685,601	\$ 720,062
Projects:					
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
WC Lobby improvements carryover from '25 Budget	\$ (190,000)				
LC Fitness Expand to Cypress	\$ (100,000)				
WC Club Expansion - Lapidary carryover from '25 Budget \$1,034,524	\$ (922,524)				
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	\$ (250,000)	\$ (500,000)			
Abrego Pool Demolition	\$ -				
PBC Fencing	\$ (50,000)				
Metal Arts Shop Yard					\$ (35,000)
SRS Fitness Center Expansion	\$ (40,000)				
Total Expenditures	\$ (1,563,524)	\$ (611,000)	\$ (511,000)	\$ (611,000)	\$ (646,000)
Ending Balance	\$ 346,203	\$ 354,669	\$ 494,502	\$ 569,103	\$ 643,165
Maintenance Repair & Replacement					
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
Projects:					
Per Reserve Study REVISED	\$ (2,532,877)	\$ (2,732,040)	\$ (2,149,281)	\$ (2,300,852)	\$ (1,593,077)
Ending Balance	\$ 7,001,867	\$ 6,455,203	\$ 6,528,504	\$ 6,570,051	\$ 7,384,833
MRR Part B - Pools and Spas					
Beginning Balance	\$ 1,584,531	\$ 388,220	\$ 799,047	\$ 1,261,015	\$ 1,779,010
Funding	\$ 342,783	\$ 366,778	\$ 392,452	\$ 419,924	\$ 449,319
Additional Funding					
Net Investment Earnings	\$ 112,445	\$ 44,049	\$ 69,516	\$ 98,071	\$ 130,007
Abrego South pool	\$ (1,651,539)				
Ending Balance	\$ 388,220	\$ 799,047	\$ 1,261,015	\$ 1,779,010	\$ 2,358,336
Subtotal Capital Projects Reserves	\$ 7,736,290	\$ 7,608,919	\$ 8,284,021	\$ 8,918,164	\$ 10,386,334
Emergency					
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
Projects:					
Ending Balance	\$ 597,270	\$ 645,270	\$ 697,270	\$ 753,270	\$ 813,270
Total Board Designated Funds	\$ 8,333,560	\$ 8,254,189	\$ 8,981,291	\$ 9,671,434	\$ 11,199,604

Maintenance, Repair, & Replace Fund (MRR-A)



- ▶ The Reserve Study recommended increases to annual funding due to increased annual expenditures due to:
 - ▶ Increased execution of the plan (more planned repairs and maintenance components are being performed).
 - ▶ Inflationary pressures.
- ▶ The annual budgeted contributions to the MRR-A fund have been increased about \$100,000 for 2026 with additional escalations for future years.

Recommended Total Budget



GVR					
Budget					
FY 2026					
			Original Budget presented by Staff	Revised Budget Updated by FAC	Plan B
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		\$ 922,524	\$ 922,524	\$ 922,524
	Las Campanas Fitness Expansion to Cypress Room		\$ 100,000	\$ 100,000	\$ 100,000
	Abrego South Locker Room Building		\$ 250,000	\$ -	\$ 250,000
	West Center Expansion - Woodworking			\$ 100,000	\$ -
	Abrego South Pool Demolition			\$ 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		\$ 1,553,524	\$ 1,513,524	\$ 1,563,524
NON RESERVE CAPITAL PROJECTS					
			\$ -	\$ 20,000	\$ 20,000
	ABREGO SOUTH POOL REPLACEMENT (MRR-B)		\$ 1,651,539	\$ -	\$ 1,651,539
	MRR CAPITAL PROJECTS 2026 REVISED		\$ 2,284,781	\$ 2,532,877	\$ 2,532,877
	GRAND TOTAL CAPITAL BUDGETS 2026		\$ 5,489,844	\$ 4,066,401	\$ 5,767,940
	2026 OPERATING BUDGET		\$ 11,778,306	\$ 11,861,192	\$ 11,838,885
	GRAND TOTAL BUDGETS, 2026		\$ 17,268,150	\$ 15,927,593	\$ 17,606,825

Board Options



- 1) Adopt the **Fiscal Affairs Committee (FAC) and Staff Revised Recommended** 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented or with amendments.
- 2) Adopt the “**Plan B**” 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented or with amendments.
- 3) Direct staff to conduct additional research and finalized adoption of the Operating and Capital Budgets no later than November 15, 2025 as prescribed by the Corporate Policy Manual (CPM).

Staff Recommendation



- 2) Adopt the “**Plan B**” 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented or with amendments.

Recommended Motion



I move to adopt the “**Plan B**” 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented.

Questions?

Thank You!