



AGENDA

Fiscal Affairs Committee

Tuesday, September 29, 2026

1:30pm – 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: Lanny Smith (Chair), Bob Fillion, Dale Howard, Bob Quast, Pat Reynolds, Priscilla Spurgeon, Barry Stock, Candy English (ex-officio), Scott Somers (CEO), Dave Dixon (CFO/Liaison)

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. **Approve or Amend the Agenda**
3. **Approve Meeting Minutes:** September 22, 2026
4. **Chair Comments**
5. **Business**
 - A. Proposed Reserve/Capital Budget for 2027
6. **Member Comments**
7. **Adjournment**

Next Meeting: Tuesday, October 20, 2026, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee

Tuesday, September 22, 2026

1:30pm – 3:00pm MST

West Center Room 2 / Zoom

Committee: Lanny Smith (Chair), Bob Fillion, Dale Howard, Bob Quast, Pat Reynolds, Priscilla Spurgeon, Barry Stock, Candy English (ex-officio), Scott Somers (CEO), Dave Dixon (CFO/Liaison)

Absent: Pat Reynolds

Board Attendees: Nellie Johnson, Chris McCrummen, Steve Reynolds, Jodie Walker

Visitors: 6

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. Approve or Amend Agenda
MOTION: Quast moved / Fillion seconded to approve the Agenda.
Passed: unanimous
3. **Approve Meeting Minutes:** September 15, 2026
MOTION: Stock moved / Quast seconded to approve September 15, 2026, Meeting Minutes as presented.
Passed: unanimous
4. **Chair Comments**
 - An updated budget had been sent before the meeting and posted on the web.
5. **Business**
 - A. Review 2027 Operating Budget and Fee Schedule
Scott Somers, CEO, reviewed the 2027 Operating Budget and Fee Schedule.
Highlights:
 - Home sales: not expected to improve this coming year.
 - Dues proposed: \$30 increase, from \$545 to \$575.
 - Member Change Fee (MCF) proposed: \$100 increase, from \$3200 to \$3300.

Code of Conduct: GVR encourages members to voice concerns and comments in a professional, business-like, and respectful manner.

- Transfer fee proposed: \$10 increase, from \$470 to \$480.
- Tenant fee proposed: \$5 increase for all Tenant fees.
- Wages proposed: 2.5 percent aggregate wage increase for all employees which includes a 2 percent COLA and merit of up to 1 percent. For a total of a possible 3 percent.
- Employee benefits: 4.5 percent mid-year rate increase; budgeted through the end of May.
- Commercial Insurance proposed: 5 percent rate increase on July 1.
- Operating Revenue Budget proposed: 2027 - \$13,381,072
- Operating Expenses Budget proposed: 2027 - \$12,423,281

MOTION: Stock moved / Quast seconded to recommend approval of the proposed 2027 Operating Budget and Fee Schedule to go to the Board for approval.

Passed: unanimous

6. **Member Comments:** 2 comments

7. **Adjournment”:**

MOTION: Quast moved / Fillion seconded to adjourn the meeting at 3:25pm.

Passed: unanimous

Next Meeting: Tuesday, September 29, 2026, 1:30-3:00pm, WC-Rm 2/Zoom



Green Valley Recreation, Inc.
Fiscal Affairs Committee

Proposed Reserve/Capital Budget for 2027

Prepared By: Scott Somers, CEO

Meeting Date: September 29, 2026

Presented By: Scott Somers, CEO

Consent Agenda: NA

Originating Department:

Administration & Finance Departments

Action Requested:

Review and recommend approval of the Reserve Fund Capital Improvement Plan and Capital Budget as presented or with adjustments.

Strategic Plan:

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

RESERVE FUNDS

Initiatives 5-Year Capital Improvement Plan and Capital Budget

The Fiscal Affairs Committee (FAC) met on August 18, 2026, to hear from GVR clubs on project proposals. Staff had prepared a draft 5-year capital improvement plan for review which showed construction of an expanded wood shop beginning in 2028 and with several smaller more affordable project beginning in 2027. Committee members and attendees expressed interest in prioritizing construction of an expanded woodshop in 2027 over the smaller and more affordable projects. Staff have therefore provided an updated draft 5-year capital improvement plan based on this feedback, as Attachment 1.

Per the Corporate Policy Manual (CPM), Section 3, Subsection 5.3.5, the Initiatives Reserve Fund shall be used to support new initiatives that contribute to meeting GVR ends. Funds come from twenty percent (20%) of the Membership Change Fee (MCF) assessed on each GVR Member property sold; and twenty five percent (25%) of the Initial Fee assessed on each GVR member property sold. The MCF fee applies upon transfer of title of a GVR membership property. The Initial Fee applies upon the sale of a deed-restricted GVR property from a developer to a third party or upon an owner electing to voluntarily deed restrict property for GVR membership.

Maintenance, Repair & Replacement Reserve Fund (MRR-A)

The recommended reserve contribution for 2027 is approximately \$1,508,102 and is transferred from the Operations Fund at the beginning of each year. Anticipated project costs from the 2027 reserve study are \$2,774,653. See Attachment 2.

Per the CPM, Section 3, Subsection 5.3.3, this fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study. Annually, GVR shall transfer the full year's Annual Reserve Contribution as

determined by the Annual Reserve Study for the current fiscal year from operations to this reserve.

Maintenance, Repair & Replacement of Pools and Spas (MRR-B)

The MRR-B Fund is a relatively new fund and therefore doesn't have as high of a fund balance as MRR-A Fund. Per the CPM, the fund shall be used to fund the replacement of pools and spas.

The 2025 Fiscal Affairs Committee (FAC) suggested taking a different assessment approach to pools and spas going forward than was presented in 2025. Staff concurred and have therefore developed a newly revised pools and spas analysis based on cost per square foot (Attachments 3 and 4 respectively), rather than cost per gallon, the methodology used when developing the 2026 MRR-B plan and cash flow analysis. In addition to using cost per square foot, this analysis assumes and corrects the following:

- Year Built dates have been corrected and verified.
- Pool dimensions have been corrected and verified.
- Life expectancy of a pool is assumed to be 50 years except if a pool has been replastered within the last 12 years, in which case, 12 years was added to the life expectancy of a pool from the date of replaster. This currently applies to CP1, DH, and WC.
- Analysis assumes a 3% inflation escalation beginning with a cost per square foot of \$550 in 2027.
- Cash flow assumes a 7% additional contribution through 2033 and then decreases to 3% in 2034.
- Cash flow assumes first payment for ABS to occur in 2027.

At first glance, the cash flow for MRR-B is concerning. However, recall the analysis is based on certain assumptions such as a life expectancy of 50 years for a pool, which, in many cases, may be extended with proper maintenance and upkeep, including replastering of the vessel. For example, CP2, CP1, and CV will all need to be replaced on or before 2029 and MV by 2033 based on these assumptions. Yet, staff have no reason to believe these mentioned pools will fail anytime soon. This doesn't mean they won't and that GVR shouldn't plan for a worst-case scenario, but it appears unlikely at this time that any of them will fail within the next five years.

The Board has or will hopefully have several options at its disposal for increasing funding to MRR-B if and when necessary to support and maintain existing GVR pools.

1. Should a cell tower lease buy-out for the WC and DH cell towers occur, staff has recommended the \$1,000,000 proceeds be deposited into the MRR-B Fund. This could occur in 2026, but has not been included in this analysis.
2. Dependent upon the projects planned and approved in the Initiatives 5-Year Capital Improvement Plan, beginning in 2031, the Board could redirect a portion of annual contributions from the Initiatives Fund to the MRR-B Fund.
3. The 7% contribution rate from the Operations Fund could be extended past 2033, which is scheduled to decrease 3%.
4. Any annual surplus could be deposited into the MRR-B Fund.
5. Use of a portion or all of the Emergency Fund.

Emergency Fund

The Emergency Fund was created to help pay for major, unanticipated repairs to, renovations of, or replacement of a GVR facility or infrastructure caused by a major event or events, defined as costing \$25,000 or more.

In the past, the Board has transferred the amounts greater than \$500,000 to the Initiatives Fund to help pay for initiative-type projects.

This budget proposal recommends maintaining all emergency funds in the Emergency Fund (Attachment 5) since the investment policy of the Emergency Fund has a higher anticipated rate of return than either the Initiatives Fund or MRR-B Fund.

Fiscal Impact:

The Proposed 2027 Capital Budget is \$4,399,453 which consists of Initiatives (\$721,000), MRR-A (\$2,774,653), MRR-B (\$883,800), and Non-Reserve Capital (\$20,000).

Board Options:

- 1) Recommend approval of the Reserve Fund Capital Improvement Plan and Capital Budget as presented.
- 2) Recommend approval of the Reserve Fund Capital Improvement Plan and Capital Budget with changes.
- 3) Ask staff to conduct additional research within an appropriate timeline to ensure the 2027 Budget is approved prior to November 15, 2026.

Staff Recommendation:

Option #1

Recommended Motion:

I move to recommend approval of the Reserve Fund Capital Improvement Plan and Capital Budget as presented.

Attachments:

- 1) Attachment #1, Initiatives 5-year Capital Improvement Plan
- 2) Attachment #2, MRR-A
- 3) Attachment #3, MRR-B, pools & spas
- 4) Attachment #4, MMR-B cash flow
- 5) Attachment #5, Emergency Fund
- 6) Attachment #6, Consolidated 5-Year Capital Improvement Plan and Budget

Attachment 1

**Capital Improvement Plan (CIP)
Cash Funding Projections**

	2026	2027	2028	2029	2030	2031
Initiatives						
Beginning Balance	\$ 1,339,862	\$ 484,488	\$ 334,897	\$ 179,767	\$ 553,458	\$ 528,239
Funding From Operations Revenue	\$ 526,728	\$ 552,420	\$ 571,200	\$ 588,000	\$ 604,800	\$ 604,800
Additional Funding (Surplus)						
Transfer from Emergency						
Net Investment Earnings	\$ 38,688	\$ 13,989	\$ 9,670	\$ 5,191	\$ 15,981	\$ 15,253
Club Contributions	\$ 40,424	\$ 5,000				
Total Revenue	\$ 605,840	\$ 571,409	\$ 580,870	\$ 593,191	\$ 620,781	\$ 620,053
Expenditures						
Current Projects:						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	
Woodshop Expansion		\$ (475,000)	\$ (725,000)			
LC Third Tennis Court					\$ (200,000)	
SRAL Lower Level Expansion					\$ (400,000)	
Abrego South Locker Room Building	\$ (50,000)	\$ (175,000)				
Metal Arts Shop & Yard	\$ (3,568)				\$ (35,000)	
Proposed Projects:						
EC Tennis Court (\$150,000)		\$ (60,000)				
DH Steam Room				\$ (60,000)		
Infrared Sauna				\$ (11,000)		
Room Divider for SRAL						
Sidewalk at SRS				\$ (14,500)		
DSC lift for Billiards						
Shade structures				\$ (123,000)		
Café walk-up window						
Total Expenditures	\$ (1,461,214)	\$ (721,000)	\$ (736,000)	\$ (219,500)	\$ (646,000)	\$ -
Ending Balance	\$ 484,488	\$ 334,897	\$ 179,767	\$ 553,458	\$ 528,239	\$ 1,148,291

Attachment 2

Maintenance Repair and Replacement (MRR - A) Fund Budgeted Expenditures for 2027	Total Amount	Percent of Total MRR - A Budget
Roofing	\$650,000	23.43%
Sports Courts	\$429,276	15.47%
Pool Equipment and Decks	\$374,247	13.49%
Kitchen, Restroom & Locker Room Rehab	\$366,534	13.21%
Vehicles	\$135,962	4.90%
Painting Exterior	\$127,187	4.58%
Structural Repairs	\$105,302	3.80%
Furnishings	\$94,548	3.41%
Recreation	\$92,296	3.33%
Flooring	\$91,814	3.31%
Outdoor Equipment	\$61,161	2.20%
Mechanical Equipment	\$47,362	1.71%
Office Equipment	\$46,161	1.66%
Safety	\$36,772	1.33%
Painting Interior	\$36,236	1.31%
Appliances	\$35,253	1.27%
Water System	\$19,542	0.70%
Audio / Visual	\$10,000	0.36%
Maintenance Equipment	\$10,000	0.36%
Fencing	\$5,000	0.18%
Total 2027 MRR - A Budget	\$2,774,653	100%

Attachment 3

MRR-B Pools and Spas
Life Expectancies and Cost Replacement

Inflation 3.00%
Life Expect. 50

Pool	Sq Ft	\$/Sq Ft	2026 Cost Est	Year Built	Life Expec.	Replac. Year	Plan Year to Rebuild	Number Years to Rebuild
Abrego North	2,196	\$ 550	\$ 1,207,800	2016	50	2066	2066	40
Abrego South	2,100	\$ 550	\$ 1,155,000	2027	50	2077	2077	51
Canoa Hills	4,510	\$ 550	\$ 2,480,500	1990	50	2040	2040	14
Canoa Ranch	2,982	\$ 550	\$ 1,640,100	2007	50	2057	2057	31
Casa Paloma I	2,240	\$ 550	\$ 1,232,000	1975	50	2025	2028	2
Casa Paloma II	1,800	\$ 550	\$ 990,000	1977	50	2027	2027	1
Continental Vistas	1,800	\$ 550	\$ 990,000	1979	50	2029	2029	3
Desert Hills	3,510	\$ 550	\$ 1,930,500	1981	50	2031	2040	14
East Center	2,250	\$ 550	\$ 1,237,500	2023	50	2073	2073	47
Las Campanas	4,100	\$ 550	\$ 2,255,000	1997	50	2047	2047	21
Madera Vistas	1,500	\$ 550	\$ 825,000	1983	50	2033	2033	7
Santa Rita Springs	2,850	\$ 550	\$ 1,567,500	1996	50	2046	2046	20
West Center	3,750	\$ 550	\$ 2,062,500	1980	50	2030	2038	12

Attachment 4

MRR-B Pool & Spa Cash Flow**Interest** 6.00%**Annual Inc. Contr. 1** 7.0% through '33**Annual Inc. Contr. 1** 3.0% beginning in '34

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2026	1,697,677	342,783	122,428	2,162,888	-	2,162,888	
2027	2,162,888	366,778	151,780	2,681,445	(2,258,300)	423,145	ABS & CP2
2028	423,145	392,452	48,936	864,533	(1,307,029)	(442,495)	CP1
2029	(442,495)	419,924	-	(22,571)	(1,081,800)	(1,104,371)	CV
2030	(1,104,371)	449,319	-	(655,053)	-	(655,053)	
2031	(655,053)	480,771	-	(174,282)	-	(174,282)	
2032	(174,282)	514,425	20,409	360,552	-	360,552	
2033	360,552	550,435	54,659	965,646	(1,014,646)	(49,000)	MV
2034	(49,000)	566,948	31,077	549,024	-	549,024	
2035	549,024	583,956	67,979	1,200,959	-	1,200,959	
2036	1,200,959	601,475	108,146	1,910,580	-	1,910,580	
2037	1,910,580	619,519	151,806	2,681,905	-	2,681,905	
2038	2,681,905	638,105	199,201	3,519,210	(2,940,632)	578,578	WC
2039	578,578	657,248	74,150	1,309,975	-	1,309,975	
2040	1,309,975	676,965	119,216	2,106,157	(6,672,033)	(4,565,877)	DH & CH
2041	(4,565,877)	697,274	-	(3,868,603)	-	(3,868,603)	
2042	(3,868,603)	718,192	-	(3,150,410)	-	(3,150,410)	
2043	(3,150,410)	739,738	-	(2,410,672)	-	(2,410,672)	
2044	(2,410,672)	761,930	-	(1,648,742)	-	(1,648,742)	
2045	(1,648,742)	784,788	-	(863,954)	-	(863,954)	
2046	(863,954)	808,332	-	(55,622)	(2,831,079)	(2,886,702)	SRS
2047	(2,886,702)	832,582	-	(2,054,120)	(4,194,964)	(6,249,084)	LC
2048	(6,249,084)	857,559	-	(5,391,525)	-	(5,391,525)	
2049	(5,391,525)	883,286	-	(4,508,239)	-	(4,508,239)	
2050	(4,508,239)	909,785	-	(3,598,454)	-	(3,598,454)	
2051	(3,598,454)	937,078	-	(2,661,376)	-	(2,661,376)	
2052	(2,661,376)	965,190	-	(1,696,186)	-	(1,696,186)	
2053	(1,696,186)	994,146	-	(702,040)	-	(702,040)	
2054	(702,040)	1,023,970	19,316	341,246	-	341,246	
2055	341,246	1,054,690	83,756	1,479,692	-	1,479,692	
2056	1,479,692	1,086,330	153,961	2,719,984	-	2,719,984	
2057	2,719,984	1,118,920	230,334	4,069,238	(4,100,382)	(31,144)	CR
2058	(31,144)	1,152,488	67,281	1,188,625	-	1,188,625	
2059	1,188,625	1,187,062	142,541	2,518,229	-	2,518,229	
2060	2,518,229	1,222,674	224,454	3,965,357	-	3,965,357	
2061	3,965,357	1,259,355	313,483	5,538,194	-	5,538,194	
2062	5,538,194	1,297,135	410,120	7,245,449	-	7,245,449	
2063	7,245,449	1,336,049	514,890	9,096,388	-	9,096,388	
2064	9,096,388	1,376,131	628,351	11,100,870	-	11,100,870	
2065	11,100,870	1,417,415	751,097	13,269,382	-	13,269,382	
2066	13,269,382	1,459,937	883,759	15,613,078	(3,939,889)	11,673,189	ABN
2067	11,673,189	1,503,735	790,615	13,967,539	-	13,967,539	
2068	13,967,539	1,548,847	930,983	16,447,370	-	16,447,370	
2069	16,447,370	1,595,313	1,082,561	19,125,243	-	19,125,243	
2070	19,125,243	1,643,172	1,246,105	22,014,520	-	22,014,520	
2071	22,014,520	1,692,467	1,422,419	25,129,407	-	25,129,407	
2072	25,129,407	1,743,241	1,612,359	28,485,007	-	28,485,007	
2073	28,485,007	1,795,538	1,816,833	32,097,378	(4,964,720)	27,132,658	EC
2074	27,132,658	1,849,405	1,738,924	30,720,986	-	30,720,986	
2075	30,720,986	1,904,887	1,957,552	34,583,426	-	34,583,426	
2076	34,583,426	1,962,033	2,192,728	38,738,186	-	38,738,186	
2077	38,738,186	2,020,894	2,445,545	43,204,626	(5,215,314)	37,989,312	ABS

Attachment 5

	2026	2027	2028	2029	2030	2031
Emergency Fund						
Beginning Balance	\$ 573,244	\$ 641,272	\$ 667,564	\$ 694,934	\$ 723,426	\$ 753,087
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative						
Net Investment Earnings	\$ 68,028	\$ 26,292	\$ 27,370	\$ 28,492	\$ 29,660	\$ 30,877
Projects:						
Ending Balance	\$ 641,272	\$ 667,564	\$ 694,934	\$ 723,426	\$ 753,087	\$ 783,964

Attachment 6

**Capital Improvement Plan (CIP)
Cash Funding Projections**

	2026	2027	2028	2029	2030	2031
Initiatives						
Beginning Balance	\$ 1,339,862	\$ 484,488	\$ 334,897	\$ 179,767	\$ 553,458	\$ 528,239
Funding From Operations Revenue	\$ 526,728	\$ 552,420	\$ 571,200	\$ 588,000	\$ 604,800	\$ 604,800
Additional Funding (Surplus)						
Transfer from Emergency						
Net Investment Earnings	\$ 38,688	\$ 13,989	\$ 9,670	\$ 5,191	\$ 15,981	\$ 15,253
Club Contributions	\$ 40,424	\$ 5,000				
Total Revenue	\$ 605,840	\$ 571,409	\$ 580,870	\$ 593,191	\$ 620,781	\$ 620,053
Expenditures						
Current Projects:						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	
Woodshop Expansion		\$ (475,000)	\$ (725,000)			
LC Third Tennis Court					\$ (200,000)	
SRAL Lower Level Expansion					\$ (400,000)	
Abrego South Locker Room Building	\$ (50,000)	\$ (175,000)				
Metal Arts Shop & Yard	\$ (3,568)				\$ (35,000)	
Proposed Projects:						
EC Tennis Court (\$150,000)		\$ (60,000)				
DH Steam Room				\$ (60,000)		
Infrared Sauna				\$ (11,000)		
Room Divider for SRAL						
Sidewalk at SRS				\$ (14,500)		
DSC lift for Billiards						
Shade structures				\$ (123,000)		
Café walk-up window						
Total Expenditures	\$ (1,461,214)	\$ (721,000)	\$ (736,000)	\$ (219,500)	\$ (646,000)	\$ -
Ending Balance	\$ 484,488	\$ 334,897	\$ 179,767	\$ 553,458	\$ 528,239	\$ 1,148,291
Maintenance Repair & Replacement						
Beginning Balance	\$ 7,385,186	\$ 7,522,214	\$ 6,739,667	\$ 6,691,540	\$ 6,498,781	\$ 6,747,175
Annual Funding (per Reserve Study)	\$ 1,400,102	\$ 1,508,102	\$ 1,616,102	\$ 1,724,102	\$ 1,832,102	\$ 1,940,102
Additional Funding						
Net Investment Earnings	\$ 451,093	\$ 484,004	\$ 428,384	\$ 441,744	\$ 423,877	\$ 447,148
Projects:						
Per Reserve Study (Third Draft 2026 for 2028+)	\$ (1,714,167)	\$ (2,774,653)	\$ (2,092,613)	\$ (2,358,605)	\$ (2,007,585)	\$ (2,218,780)
Ending Balance	\$ 7,522,214	\$ 6,739,667	\$ 6,691,540	\$ 6,498,781	\$ 6,747,175	\$ 6,915,645
MRR Part B - Pools and Spas						
Beginning Balance	\$ 1,697,677	\$ 1,846,712	\$ 1,420,443	\$ 1,887,224	\$ 2,401,741	\$ 2,967,953
Funding	\$ 342,783	\$ 366,778	\$ 392,452	\$ 419,924	\$ 449,319	\$ 480,771
Additional Funding						
Net Investment Earnings	\$ 161,052	\$ 90,753	\$ 74,329	\$ 94,593	\$ 116,893	\$ 141,398
Abrego South Pool	\$ (354,800)	\$ (883,800)				
Ending Balance	\$ 1,846,712	\$ 1,420,443	\$ 1,887,224	\$ 2,401,741	\$ 2,967,953	\$ 3,590,122
Subtotal Capital Projects Reserves	\$ 9,853,414	\$ 8,495,007	\$ 8,758,531	\$ 9,453,979	\$ 10,243,367	\$ 11,654,059
Emergency						
Beginning Balance	\$ 573,244	\$ 641,272	\$ 667,564	\$ 694,934	\$ 723,426	\$ 753,087
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative						
Net Investment Earnings	\$ 68,028	\$ 26,292	\$ 27,370	\$ 28,492	\$ 29,660	\$ 30,877
Projects:						
Ending Balance	\$ 641,272	\$ 667,564	\$ 694,934	\$ 723,426	\$ 753,087	\$ 783,964
Total Board Designated Funds	\$ 10,494,686	\$ 9,162,571	\$ 9,453,465	\$ 10,177,406	\$ 10,996,454	\$ 12,438,022