



## AGENDA

### BOARD OF DIRECTORS REGULAR MEETING

Wednesday, November 15, 2023 - 2pm

West Center Auditorium / Zoom

\*Code of Conduct

**Directors:** Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Beth Dingman, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

### **AGENDA TOPIC**

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Amend/Adopt Agenda**
- 3. President’s Report**
- 4. CEO Report**
- 5. Member Comments** – regarding Consent Agenda and/or Non-Agenda Items – Speakers are asked to provide their name and GVR member number. Please limit comments to two (2) minutes.
- 6. Committee Reports**
  - A. Audit
  - B. Board Affairs
  - C. Fiscal Affairs
  - D. Investments
  - E. Nominations & Elections
  - F. Planning & Evaluation
- 7. Consent Agenda** – Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
  - A. Minutes:
    - 1) BOD Regular Meeting Minutes: October 25, 2023
- 8. Action Items**
  - A. Approve Annual Budget and All Fees (Webster)
    - 1) Operating Budget with Recommended Fee Schedule
    - 2) Capital Plan and Capital Budget
  - B. Award of Contract for Del Sol Clubhouse and Approve Additional Funds Outside the Contract (Jund)
- 9. Member Comments** - Please limit comments to two (2) minutes.
- 10. Adjournment**



## MINUTES

### BOARD OF DIRECTORS MEETING

Wednesday, October 25, 2023 - 2pm

West Center Auditorium / Zoom

**Directors:** Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

**Director Absent:** Barbara Blake, Beth Dingman

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Kris Zubicki (Member Services Director)

**Visitors:** 11

### AGENDA TOPIC

#### 1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2pm MST. Secretary Hillyer called the roll; quorum established.

#### 2. Amend/Adopt Agenda

**MOTION:** Director Sutherland moved, Director Magliola seconded to adopt the Agenda.

**Passed:** unanimous

#### 3. President Report

- Public Censure of Director Lawless' behavior which violated the GVR Board of Directors' Code of Conduct as set forth in the Corporate Policy Manual (CPM).

#### 4. CEO Report

- Santa Rita Springs Glass Arts space: major construction phase is completed; anticipating a December opening date.
- Del Sol Clubhouse and parking lot: Clubhouse project is in the preconstruction phase; civil and engineering drawings, and architectural drawings have been submitted to Pima County for permit. The project has been sent to six general contractors, and posted publicly with bids due November 1, 2023. The Board will be asked to award a contract at the November 15 meeting. Construction could begin in early December.
- Canoa Hills Center: contractor estimates the end of November for completion of the locker rooms; other remodel work will continue through the end of the year; hoping for an opening in December; pool decks have been resurfaced and pool deck furniture has been received; and tennis courts scheduled to be resurfaced in November.
- West Center expansion for Lapidary, Woodworking, and Artisans: concept drawings will be finished in November, along with estimated costs.

- Club Funding Requests for 2023: upgrade of the vacuum system for the Woodshop construction documents has been approved by Pima County, building permit was issued, and a mechanical contractor is scheduled to begin work the end of October.

**5. Member Comments: 2**

**6. Presentations:**

A. Quarterly Financial Report

CFO David Webster presented the 3<sup>rd</sup> Quarter Financial Report with these highlights:

- Revenue received through the 3<sup>rd</sup> Quarter was \$8,712,281 which is 5.3 percent under what was budgeted for this period. Capital Revenue is primarily the money received when homes are sold which is 18.6 percent under budget.
- Expense side of GVR is under budget by four percent.
- Projection for the year is to end with a \$163,000 surplus. Due to home sales still being low the surplus might be cut in half to roughly \$80,000.
- Due to projects at GVR, there has been a decline in Designated Investments. This money is being spent on the projects, as designed, and is not a loss.
- Investment performance is performing in the positive but not quite to the benchmark.

B. Form 990

Ralph Gigliotti, R&A CPAs, introduced David Samer, Tax Manager, to review Form 990:

- Form 990 is audited by the IRS at a rate less than one percent. Form 990 is not an audit trigger.
- Focus on the Form 990 is in regards to Self-Dealing (any transaction that results in an excess benefit), Unrelated Business Income (a business unrelated to the exempt purpose), and Statement of Revenue by Function (exempt function income and exempt investment income).

**7. Committee Reports** - All reports received and placed on file.

- A. Audit
- B. Board Affairs
- C. Fiscal Affairs
- D. Investments
- E. Nominations & Elections
- F. Planning & Evaluation

**8. Consent Agenda**

**MOTION: Director Carden moved, Director Bachelor seconded to approve the Consent Agenda.**

**Director Sutherland stated there is a minor correction to the October 18, 2023, Minutes: under Agenda Topic 3, third bullet point the number needs to read \$14,657,789 not 780.**

**Passed: unanimous**

A. Minutes:

- BOD Regular Meeting Minutes: September 27, 2023
- BOD Work Session Minutes: October 18, 2023

B. Financial Statements:

- September Financials

**9. Action Items**

A. Set Record Date

**MOTION: Director Garneau moved, Director Bachelor seconded to approve the Record Date of January 30, 2024.**

**Passed: unanimous**

B. Investment Committee Change to Initiatives Benchmark

**MOTION: Director Gilbert moved, Director Lawless seconded to approve change to Initiatives Account as follows: ML 91-Day T-Bill 70 percent, Bloomberg Intermediate 20 percent, Average Term 1.0 year.**

**Passed: unanimous**

**10. Member Comments – 0**

**11. Adjournment**

**MOTION: Director Hillyer moved, Director Sutherland seconded to adjourn the meeting at 2:43pm.**

**Passed: unanimous**

DRAFT



Green Valley Recreation, Inc.  
**Board of Directors Meeting**  
**Operating Budget with Fee Schedule**

**Prepared By:** David Webster, CFO

**Meeting Date:** November 15, 2023

**Presented By:** David Webster, CFO

**Consent Agenda:** No

**Originating Committee / Department:**

Fiscal Affairs Committee

**Action Requested:**

Approve the Proposed 2024 Operations Budget and 2024 Fee Schedule.

**Strategic Plan Goal:**

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

**Background Justification:**

GVR Staff developed and presented the 2024 Budget Proposal to the Fiscal Affairs Committee (FAC) at an open meeting on October 17. After that meeting, the Budget was revised for FAC recommendations as follows:

Description	2024 Budget	Amount
Increase the Tenant Fee rates (see Fee Schedule)	Increase Revenue	\$3,850
Increase the annual Guest card rate from \$70 to \$75	Increased Revenue	\$7,000
Revise Del Sol Personnel to start April 1, 2024 rather than January 1, 2024	Decreased Expenses	\$33,800
Add minimal Revenue estimate for Del Sol Clubhouse Café	Increase Revenue	\$25,000
Add Marketing Expense Line Item for potential Opt In Members	Increased Expenses	(\$5,000)
Use the CPM CPI guide for establishing future year forecasted dues rates.	No effect on 2024 Budget	\$0
Revise the amount used for annual future surpluses from \$250,000 per year to \$100,000 per year	No effect on 2024 Budget	\$0
Reduce MCF Revenue to projected 993 home sales in 2024	Decrease Revenue	(\$64,650)
<b>Total of Adjustments</b>	<b>Surplus</b>	<b>\$0</b>

The fee rates that were recommended by the FAC are as follows:

	<u>2024 Rate</u>	<u>FAC Recommendation</u>
Annual Dues per Household	\$ 515	Increase from \$510 to \$515
Annual Life Care Member Dues	\$ 515	Increase from \$510 to \$515
Transfer Fee (Resale)	\$ 450	
Guest Card Fees	\$ 75	Increase from \$70 to \$75
Daily Guest Card	\$ 10	
Tenant Fees:		
1-7 Days	\$ 30	Increase from \$25 to \$30
2 Weeks	\$ 40	Increase from \$35 to \$40
1 Month	\$ 55	Increase from \$50 to \$55
2 Months	\$ 90	Increase from \$85 to \$90
3 Months	\$ 130	Increase from \$125 to \$130
4-12 Months	\$ 165	Increase from \$155 to \$165
Additional Card Fees	\$ 100	
Membership Change Fee	\$ 3,000	Increase from \$2,900 to \$3,000
Initial Fee	\$ 3,000	Increase from \$2,900 to \$3,000
Late Fees	\$ 20	

The 2024 Budget was recommended for Board approval:

**MOTION: Johnson moved/ seconded for vote to approve budget as amended.**

**Passed: unanimous**

The revised 2<sup>nd</sup> Draft that included FAC recommended changes was presented to the Board of Directors at the Budget Work Session on October 18, 2023.

The Board is being asked to consider approving the enclosed Proposed 2024 operating Budget as recommended by FAC. This approval will meet the CPM guideline for the board to approve and execute the budget no later than November 15<sup>th</sup>. (CPM Section 1. 1.1.2.6.B, page 64)

**Fiscal Impact:**

The proposed Operating Budget includes revenue due to the preceding rate changes and Operating expenses that are guided by the actual expenses of operating the recreational facilities of GVR (Bylaws Article III Section 1, page 3)

**Board Options:**

The Board may:

1. Approve the proposed FAC Recommended 2024 Operational Budget with corresponding Fee Schedule.
2. Recommend an alternative 2024 Operating Budget and Fee Schedule.
3. Reject the proposal and provide instructions for developing an alternative Budget and Fee Schedule.

**Staff Recommendation:**

Option 1

**Recommended Motion:**

Move to approve the proposed FAC recommended 2024 Operational Budget with corresponding Fee Schedule.

**Attachments:**

- 1) 2024 Budget Message including: 2024 Proposed Summary Operating Budget - FAC Recommended, 2024 Fees Schedule - FAC Recommended, 2024 Budgeted Wages Memorandum



**BUDGET MESSAGE**  
**Proposed Budget Fiscal 2024**  
**November 15, 2023**

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the GVR Fiscal Year 2024 (FY2024) Proposed Budget. Included in this Total Budget are GVR’s Operating Budget, Capital Improvement Budget and the Five-Year Capital Improvement Plan for Fiscal Years 2024-2028.

We believe this budget meets GVR’s Strategic Plan, Mission and Vision by providing excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members’ lives, while cultivating and maintaining a sound financial base that generates good value for our members. The department directors work diligently to manage the services within budget constraints and provide a wide array of vital services to our members. This budget provides for a high level of services, planned maintenance, and necessary improvements to GVR’s infrastructure, while staying within the constraints of limited resources.

With a focus on providing excellent member service, GVR continues to look for opportunities to update processes, implement efficiencies, seek alternative sources of revenue, and improve service delivery and the quality of life to and for our members.



## THE BUDGET PROCESS

GVR operates on a fiscal year, running from January 1 to December 31. The budget process begins in August with guidelines issued to department directors by the Chief Executive Officer (CEO). Departmental requests are prepared and submitted in August. The CEO and Chief Financial Officer (CFO) meet with each department director to discuss their requests. Changes and revisions to the requests and revenue projections are incorporated into the Proposed Budget which is submitted to the Board of Directors in October for consideration.

The CEO and CFO hold meetings with the Planning and Evaluation Committee, Fiscal Affairs Committee and Board of Directors in September and October to assist with budget preparation. In accordance with GVR's Corporate Policy Manual (CPM), the budget must be available to the Board for approval no later than November 15.

The basis of budgeting conforms to generally accepted accounting principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2023 projected income and expenses are included for comparison purposes and are GVR's best estimates at this time. Included with the 2024 Proposed Budget is a 3-year projection for the years 2025 through 2027 that is for analytical purposes only.

The 2024 Proposed Budget that is presented includes the following services:

**GVR Administrative Services:** Information Technology, Finance, Membership, Board of Directors, Nominations and Elections, Administration, Human Resources, Communications.

**GVR Recreation Services:** Recreation, Concerts, Special Events, Movies, Tours, Classes, Volunteers, Sound and Lighting.

**GVR Facilities Services:** Maintenance, Aquatics, Landscaping, Custodial.

**INTRODUCTION**

GVR has been seeing its Members’ reengaging since the effects of the pandemic are diminishing. GVR was able to keep many of its facilities open and provide limited services for its members despite the difficult pandemic climate of the prior three years. GVR remains financially sound, and with continued prudent fiscal management, we are confident GVR is in a position to proactively, effectively, and responsibly plan and prepare for the future, and will continue providing the services and facilities its members expect and depend upon, and at a good value. During the past 3 years, GVR has been able to complete approximately 3.7 Million Dollars’-worth of projects including Maintenance Repair and Replacement planned projects, Non-Reserve Capital projects, and Initiatives projects. The Proposed Five-Year Capital Improvement Plan (CIP) includes additional important recommended projects such as the West Center Lapidary, Woodworking, and Artisans expansion and the Desert Hills Locker room and Sauna projects.

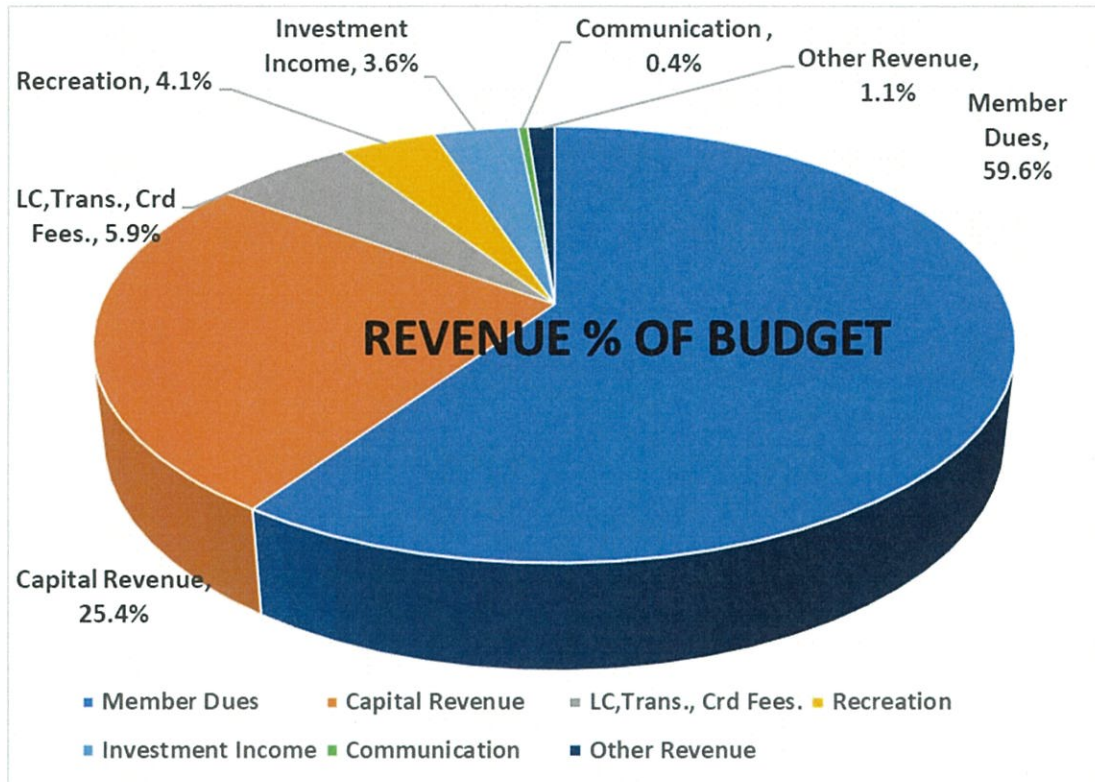
**THE PROPOSED OPERATING BUDGET FY 2024 BUDGET**

**REVENUE**

In consideration of the economic climate and the lingering effects and uncertainty of the COVID pandemic and the real estate market, we believe GVR’s anticipated revenue assumptions for FY2024 are appropriate. When viewed in light of the relatively solid revenue performance over recent years, this approach is illustrated below:

### GVR Revenue

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget
Member Dues	6,748,910	6,943,727	6,947,340	7,055,850	7,057,350	7,132,750
Member Fees	611,398	700,464	785,602	757,041	692,970	705,541
Capital Revenue	2,533,963	3,147,953	3,099,400	3,328,040	2,963,696	3,039,780
Recreation Revenue	378,574	212,685	401,553	559,307	432,351	485,403
Investment Income	288,038	291,923	372,078	286,884	531,822	425,458
Communication	163,952	64,159	43,105	34,195	47,094	47,094
Other Income	141,487	111,081	112,273	89,979	112,115	136,072
<b>Total Revenue</b>	<b>10,866,321</b>	<b>11,471,993</b>	<b>11,761,351</b>	<b>12,111,296</b>	<b>11,837,398</b>	<b>11,972,097</b>



The CEO, CFO, and GVR staff worked with the Fiscal Affairs Committee (FAC) at balancing the FY 2024 Budget. We believe the fees calculated and revenue on page 19 are reasonable and sustainable.

**FY 2024 REVENUE BUDGET HIGHLIGHTS**

1. A summary of the PROPOSED fee rate changes are as follows:
  - A. Member Dues, 2023 rate of \$510 increased \$5 to \$515 for 2024 (1.0%).
  - B. Initial Fee, 2023 rate of \$2,900 increased \$100 to \$3,000 for 2024 (3.4%).
  - C. Membership Change Fee (MCF) 2023 rate of \$2,900 increased \$100 to \$3,000 for 2024 (3.4%).
  - D. Tenant Fees:
    - 1 – 7 Days rate of \$25 increased to \$30
    - 2 Weeks rate of \$35 increased to \$40
    - 1 Month rate of \$50 increased to \$55
    - 2 Months rate of \$85 increased to \$90

- 3 Months                      rate of \$125 increased to \$130
- 4 – 12 Months              rate of \$155 increased to \$165

2. The proposed changes in fee rates to member dues are reflected in the Dues and Fees Income Section in the Membership Revenue Section of the Revenue Section. The rates are identified in the Fees Schedule found on page 25. The calculation of revenue is as follows:

A. Member Dues is based on dues for 13,850 properties at the rate of \$515 / per member household. GVR currently has 13,840 properties and the proposed 2024 Budget conservatively adds only 10 new properties. This dues rate reflects the PROPOSED \$5 increase in the annual dues rate effective January 1, 2024.

B. New Member Capital Fees:

- The proposed Membership Change Fee (MCF) is an increase from the current rate of \$2,900 to \$3,000.

The 2024 MCF assumption is based on an estimated 993 total property transactions with no change in current policy. Staff is projecting 1,027 home sales in 2023. While the real estate market in our area had remained resilient during the pandemic, it has trended downward recently. Staff assumes 34 fewer property sales than projected 2023 in the 2024 Budget. The following is a summary of home sales for the past 5 years:

Home Sales						
2018	2019	2020	2021	2022	2023	2024
Actual	Actual	Actual	Actual	Actual	Proj.	Budget
1,204	1,126	1,109	1,267	1,095	1,027	993

- The preceding 4-year average for home sales is 1,125 homes. Staff reduced this number by 12% to determine the 993-home budget for 2024.

- C. There is a rate change proposed for Initial Fees to increase the Initial Fee rate by \$100 matching the MCF. This rate will be increased from \$2,900 to \$3,000 and the budget is based on a conservative 20 anticipated net property transactions in 2024.
  - D. Guest Card fees increase \$5 for the Annual Guest Pass from \$70 to \$75. Tenant Fees are increased by \$5 with the exception of 4 to 12 months guest fees are increased by \$10. We believe the number of guest and tenant card transactions are somewhat conservative.
3. There is no rate changes proposed in Transfer Fees.
- A. The budget includes a projected 993 properties at the current rate of \$450 per transfer for a grand total of \$446,850.
4. Recreational Revenue is assumed to increase \$53,052 more than projected in 2023 and \$73,904 less than was originally budgeted in 2023. While the 2024 Budget does not assume GVR Members will begin 2024 participating in programs at the level experienced in the pre COVID years of 2018 or 2019, we do expect to see increased participation throughout the year and based the 2024 Budget on higher utilization by members in 2024. The Program Revenue budget in 2024 is offset by Recreation expense contracts that equal 70% of the Recreation Revenue.

**The total anticipated Revenue for 2024 is \$11,972,097, which is a decrease of \$139,199 (1.2%) from the 2023 Budget.**

## **EXPENSES**

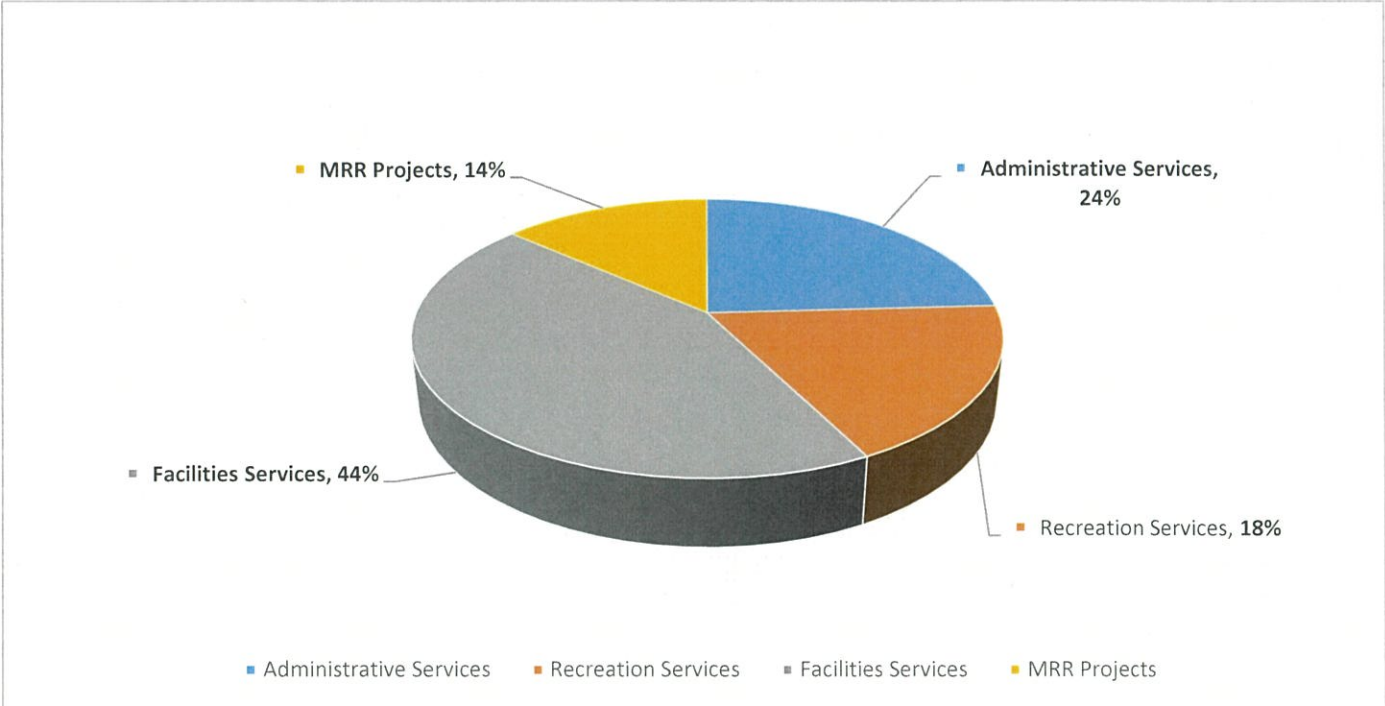
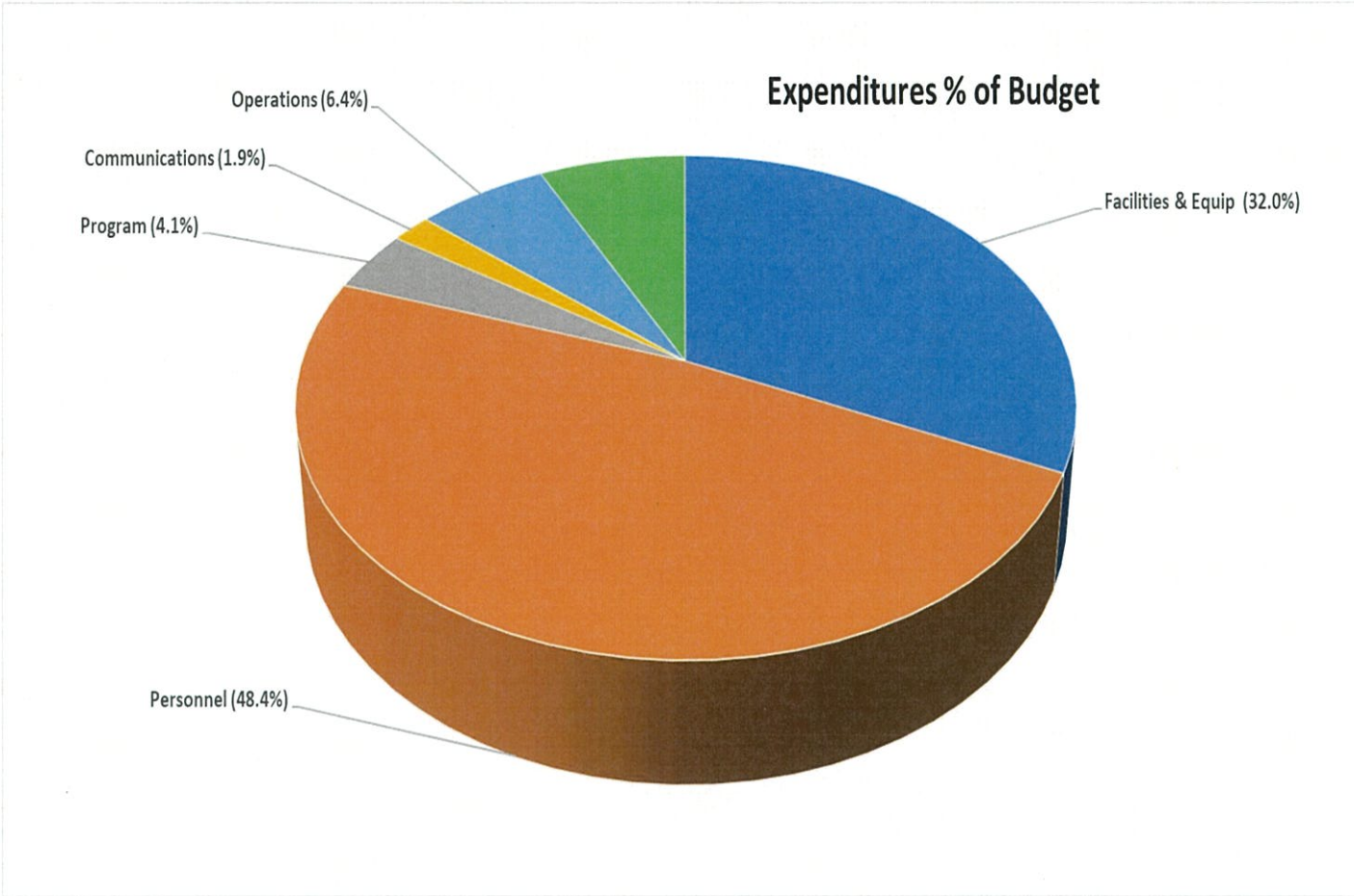
### **GVR Expenses**

Expense Classification	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected	FY 2023 Budget	FY 2024 Budget
Facilities	3,339,819	3,582,774	3,424,757	3,335,276	3,443,761	3,530,797
Personnel	5,060,293	5,376,214	5,143,126	5,077,952	5,723,890	5,335,903
Programs	450,120	327,080	463,890	414,616	517,295	447,071
Communications	177,731	178,432	209,141	238,850	234,905	212,126
Operations	544,771	475,835	592,522	694,915	601,031	709,064
Corporate	693,242	716,659	759,851	929,168	675,904	799,055
Total Expenses	10,265,976	10,656,995	10,593,287	10,690,777	11,196,785	11,034,016

**The total anticipated Expenses for 2024 is \$11,034,016 which is a decrease of \$162,769 (1.5%) from the 2023 Budget.**

The FY 2024 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to Board-designated reserves.

The graphs on the following page 9 illustrate GVR's expenditures by categories and Service Sectors.





The personnel costs include a 5.5% aggregate increases in wage rates, offset with a total decrease of 9 full time equivalents of staff. The Personnel budget for 2024 reflects a \$387,987 (7.3%) decrease and includes wage increases in accordance with the compensation plan. Much of this savings is due to custodial outsourcing and the custodial contract expenses are included in the Facility Maintenance line item. Overall, the total operating expenses are budgeted to decline marginally in 2024 yet members will be able to fully utilize all the facilities and programs during 2024.

1. The total budgeted Personnel cost decreases equal \$387,987 (7.3%) in the Total Wages Taxes & Benefits line item compared to 2023 budgeted costs. GVR does anticipate a 10% increase in benefits cost rates for 2024. The 2024 Budget includes a total of 87 Full Time Equivalent staff. The total change from 2023 budgeted costs are as follows:
  - A. 7.1% - Net decreased wages due to fewer staff.
  - B. 7.3% - Payroll Taxes decrease.
  - C. 7.8% - Benefits decrease due to fewer staff includes 10% mid-year increase (Medical, Dental, Life, Disability, 401k, Workers Comp)

### **GVR Personnel Summary**

Rooted in the CPM (Section 2. Subsection 4.2.2.A.2,5), THE GVR Board of Directors adopted a Compensation Philosophy in 2023. This philosophy is underpinned by a commitment to attracting and retaining talent while remaining firmly aligned with its strategic objectives and community service mission. The organization's compensation philosophy ensures competitive, equitable pay and a focus on performance.

In alignment with this philosophy, the administration worked with a compensation consultant (LHRC) who found that GVR pays below market across all positions and has discrepancies in pay among employees performing similar roles. The administration

worked with LHRC to develop a multi-year, phased compensation strategy, as a one-year fix was unsustainable. GVR's strategy in the long term is to meet the labor market, adapt to its shifts, and incorporate performance-based considerations. Consequently, GVR ensures its compensation plan is refreshed annually to align with the local market.

Please also note that per the CPM Section 2. Subsection 4.2.2 Human Resources, the CEO directs the Human Resources of the organization. Specifically, the CEO shall: “Develop compensation packages that are competitive within Pima County and Southern Arizona” and “Maintain a climate that attracts, retains, and motivates top quality people – both paid and staff volunteers.”

In 2023, the budget included \$120,000 for the first phase of pay plan implementation. This phase increased the GVR minimum wage by 25 cents to 40 cents above the state minimum wage. It also addressed a portion of the gaps in pay equity (similar pay for similar work), with minor longevity and merit increases issued. To work within the 2023 personnel budget constraints, ceilings were placed on all factors, positions, and pay. GVR's current entry rate for our line employees is \$14.25, 40 cents above Arizona's state minimum wage. The state minimum is set to increase to \$14.35 on January 1, 2024, with further increments anticipated annually.

LHRC has guided phase two of the compensation plan implementation. The 2024 personnel budget has been designed to continue this work to meet the market by keeping the competitive margin over state minimum wage, moving closer toward market rates, and stabilizing our compensation position to retain and compete for talent. As a result, it reduces gaps where GVR lags in the market. Full implementation of the pay plan would cost \$414,000 in 2024. However, using a phased approach, phase two implementation is budgeted at \$220,000; the 2024 personnel budget includes this as an aggregate 5.5% increase.

Employee turnover has been attributed to pay rates, particularly among line employees. In 2023, the administration reduced FTE from 97 to 93.4. For the 2024 budget cycle, the

administration has worked to develop a staffing model that intends to maintain service levels with an additional reduction of FTE to 87, which includes the potential for 3 FTEs dedicated to the Del Sol Clubhouse. This adjustment will help to mitigate further inflation of costs to implement future phases of the compensation strategy.

A summary of GVR historical Full Time Equivalents is as follows:

GVR											
Budgeted FTEs (Full Time Equivalents)											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FT	FTE	FTE
Information Technology	3	3	3	3	3	4	4	4	4	4	4
Administration	11	11	11	11	11	12	13	12	14	11	10
Membership Services										9	7
Administrative Services	14	14	14	14	14	16	17	16	18	24	21
Recreation Services	22	22	23	23	23	23	23	23	23	34.4	34
Maintenance	13	13	13	13	13	14	13	13	13	12	15
Aquatics	6	6	6	6	6	6	6	7	5	5	6
Landscaping	5	5	5	5	5	6	6	6	7	8	6
Custodial	27	30	31	31	31	31	30	30	31	10	2
Facility Services	51	54	55	55	55	57	55	56	56	35	29
<b>Total GVR</b>	<b>87</b>	<b>90</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>96</b>	<b>95</b>	<b>95</b>	<b>97</b>	<b>93.4</b>	<b>84</b>
FTE = Full Time Equivalent										Del Sol Clubhouse	3
										Grand Total	87

2. The Facilities & Equipment budget for 2024 reflects a \$87,036 (2.5%) increase from the 2023 budget and a \$195,521 increase (5.5%) from the 2023 projections.

A. To best analyze the Facility Operating Expenses, the MRR funded expenses must be adjusted out of the total:

	2021 Actual	2022 Actual	2023 Projected	2024 Budget

Major Projects	\$ 543,722	\$ 252,621	\$ 312,689	\$ 489,202
Facility Maint.	\$ 217,211	\$ 235,823	\$ 287,111	\$ 405,377
Total Expenses	\$ 760,933	\$ 488,444	\$ 599,800	\$894,579
MRR Funded	\$(188,744)	\$( 61,951)	(\$77,944)	(\$371,138)
Net Facility Expenses	\$ 572,189	\$ 426,493	\$ 521,856	\$523,441
% Incr. (Dec.)		-25%	+22%	+0.3%

This category fluctuates significantly dependent on the types of projects that are incurred in a given year. The 2024 increase is significant due to the outsourcing of custodial services and significant increase in MRR activities. We therefore believe the budgeted amounts for Facilities Expenses are reasonable.

3. Corporate Expenses:

- A. The Corporate Expenses budget reflects an increase of \$123,151 when compared to budgeted costs for 2023 and is described below:
- B. Conference and Training reflects a \$5,368 (15.7%) decrease from budgeted 2023 expenses. GVR remains committed to staff professional training.
- C. Commercial Insurance includes a \$33,210 mid-year increase due to additional facilities and rising insurance costs.
- D. GVR is not budgeting any additional allowance for bad debt. The current allowance is about \$155,000 which is an \$9,000 decrease during the 2023 fiscal year.

4. Program Expenses for the 2024 budget are \$70,244 (15.7%) less than the budgeted 2023 costs . This is offset with a \$73,904 decrease in Recreation Revenue.

5. The Operations Expenses includes a decrease of \$108,033 (15.2%) from budgeted 2023.

- A. GVR is experiencing significant inflationary increases in janitorial and pool related supplies.
  - B. Investment Expenses account for \$82,500 of the Operations Expenses. These expenses are paid directly from the Reserve Accounts.
6. Capital Budget - page 20
- A. Maintenance, Repair, and Replacement (MRR) Capital Budget is \$1,369,273 and is detailed on pages 22 and 23. The prior 2023 MRR Capital budget was \$1,367,399.
  - B. A list of Non-Reserve Capital (NRC) activities listed on page 22 are included in the FY2024 Budget for a total of \$227,000 in Capital Improvement Projects. The prior year 2023 NRC Budget was \$308,000. This budget includes the \$100,000 allocated for non-budgeted, unplanned items, per the Capital Improvement Policy and Process.
  - C. The Initiatives Capital Projects on page 21 includes the following Projects, ranked in order of priority by the P&E Committee:
 

1. Del Sol Clubhouse	\$ 153,000
2. West Center Lapidary, Woodworking, and Artisan expansion	\$1,000,000
3. Desert Hills kiln room	\$ 90,000
4. Canoa Hills gym conversion	\$ 180,000
4. West Center lobby improvements	\$ 150,000
5. Security cameras	\$ 125,000
6. West Center lazy river	
7. Metal Shop Club home	
8. Las Campanas fitness expansion	
8. East Center outdoor pavilion	
9. Desert Hills yoga studio	
9. Desert Hills locker and steam room	\$ 445,000
9. Santa Rita Spring fitness expansion	
Total Initiatives Projects for 2024	<u>\$2,143,000</u>

Currently, based on revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. This is illustrated in the Five-Year Capital Improvement Plan that is reported on page 21. While the P & E Committee didn't rank the Desert Hills Locker/Steam/Sauna Remodel as a high priority, staff still recommends moving forward with this project in 2024. Quantitatively, comparing the following September statistics:

**September 2019 (to get a pre-pandemic baseline)**

DH: 1,056

CH: 2,308

Combined: 3,364

All centers combined: 14,455

**September 2022**

DH: 943

CH: 1,815

Combined: 2,758

All centers combined: 11,047

**September 2023**

DH: 5,109

CH: Closed

Combined: 5,109

All centers combined: 14,526

In September 2023, 35% of all GVR gym users used the Desert Hills Fitness Center.

7. Maintenance Repair & Replacement Reserve (MRR) funding is budgeted at \$1,220,295 as presented by the Browning Reserve Group, and is \$40,354 more than 2022.
  - A. The 2022 Reserve Study report has calculated the MRR Reserve funding level to be 74.0%. The prior year funding level was 73.0%.

B. The MRR Funding increased \$5.55 to approximately \$88.73 per member property.

C. The MRR-B Replacement of Pools and Spas are budgeted at \$299,400 .

**Total Expenditures Budgeted for 2024 are \$11,034,016 and are a \$162,769 (1.5%) decrease from the 2023 Budget.**

The 2024 Draft Budget is based on a Net Zero Surplus Approach. Adjustments to the Net Consolidated Accrual Basis Surplus are as follows:

Total Budgeted Income	\$12,012,141
Total Budgeted Expenses	<u>(\$11,161,351)</u>
Gross Surplus	\$ 850,790
Less Non-Reserve Capital Projects	(\$ 227,000)
Less Income from Reserves	(\$ 259,068)
Initiatives Reserve Funding	(\$ 622,200)
Del Sol Clubhouse Funding	(\$ 50,000)
MRR-B Pools & Spas Reserve Funding	(\$ 299,400)
MRR Reserve Funding	(\$ 1,220,295)
MRR Operating Expenses paid by MRR Fund	\$ 371,138
Depreciation	\$ 1,373,535
Management expenses of Reserve Funds	<u>\$ 82,500</u>
Net Surplus (Deficit)	\$ 0

The amounts to determine the Zero Balance budget are listed at the bottom of page 19.

Please note that this is the 2<sup>nd</sup> draft of the Proposed 2024 Budget. Significant changes from the first draft were as follows:

Category	Amount Increase (Decrease)	Description
Facilities & Equipment	(159,925)	Expenses reduction relating to MRR study
Personnel Expenses	(117,722)	Adjustment to tie out to Comp and Class Study
Program Expenses	(7,600)	Food & Catering and Recreation contracts
Communications Expenses	(1,703)	Phone expenses reductions
Operational Expenses	1,418	Minor increase to supplies expenses
Corporate Expenses	(17,207)	Professional fees reduction
Non-Reserve Projects	100,000	Added capital budget
MRR Operating Expenses	(85,899)	Expenses reduction relating to MRR study
Reserve Funds Exp add back	288,638	Expenses reduction relating to MRR study
Total of Adjustments	0	\$0 Surplus

**CLOSING**

GVR provides important services to a unique population of approximately 23,776 Members in Green Valley Arizona. Our lean ratio of 1 staff position to every 273 Members demonstrates how we strive to make every dollar count. GVR continues to look for opportunities to minimize costs and improve service delivery, while at the same time focusing on providing excellent customer service. The past year has been challenging to balance and prioritize the needs our community with the limited amount of resources available. In developing the FY 2024 Proposed Budget, we have made every attempt to find savings while keeping our 2024-28 Five-Year Strategic Plan as our



guide. As we enter the next fiscal year, we will again need to closely monitor revenues and expenditures to ensure that revenues are coming in as budgeted and make any necessary expenditure adjustments throughout the year. We are confident that GVR's staff will continue to meet this challenge. The budget process is a team effort and reflects many hours of hard work on the part of staff, Planning and Evaluation Committee members, Fiscal Affairs Committee members, and the GVR Board of Directors. We extend special thanks for the hard work of staff and the GVR management team, particularly David Webster, CFO, in developing the FY 2024 Proposed Budget. In summary, this 2024 Proposed Budget accomplishes the Bylaws requirement that GVR "shall be guided by the actual expense of operating the recreational facilities of The Corporation, including a reasonable reserve for Capital Replacements with the objective of operating the facilities on a self-sustaining basis". This budget is a solid foundation to keep GVR fiscally strong and responsive to its Members.

Scott Somers, CEO

# SUPPLEMENTAL BUDGET INFORMATION

## Fiscal 2024

### November 6, 2023

The following discussion provides additional information regarding the 2024 proposed budget:

The increase in the funding for the Maintenance Repair and Replacement Fund is equivalent to \$2.96 per Household. This is an increase of 3.5% from the prior year. With a \$5.00 increase in dues, GVR is increasing the Dues Revenue by only 1.0%. The remaining funds to cover the increases costs of funding MRR is derived from the Membership Change Fee and Transfer fee increase of \$100 per transaction which equates to a 3.5% increase. Additionally, there are savings in the 2024 Expenses relating to efficiencies such as a total reduction of \$397,987 or 7.3% in total Personnel expenses.

The Budget on page 19 includes the revised three year forecast for review. Historically, GVR has needed to produce a \$700,000 to \$950,000 GAAP Operating Surplus to cover all operating expenses and funding of reserves for a year. The 2025 to 2027 forecast estimates Operating Surpluses of \$729,000 to \$423,000 per year. The determination of the final GVR surpluses for years 2025 through 2027 is dependent on the funding of Reserves, Non-Reserve Capital purchases and other factors.

The number of households estimated for the voluntary deed restriction marketing plan in 2024 are 2,725. If the marketing effort results in only a 1% rate of successful conversions of the voluntary deed restrictions, GVR will receive \$81,000 additional revenue. The 2024 budget does not include any of these conversion receipts but does include \$5,000 of marketing expenses in 2024.

The Budgeted Personnel costs in 2024 include a 5.5% aggregate wage increase for Staff. This increase totaling \$220,000 is netted against over \$608,000 of wage reductions (custodial outsourcing). An analysis of this 5.5% increase is as follows:

Percentage Increase	Personnel Costs
5.5%	\$220,000
5.0%	\$200,000
4.5%	\$180,000
4.0%	\$160,000

*18-B*

GVR Budget Worksheet BOD GVR Summary Ver 1.0

2024 Total Budget FAC Recommended		2022	2023	2023	2024	2024 Bud.		2024 Bud.	
		1..12 Actuals	1..12 Projection	1..12 Budget	Budget Budget	vs 2023 Proj.	vs 2023 Bud.		
	Full Time Equivalents	83	95	99	87				
	Head Count	103	113	117	106				
Revenue	Member Dues	6,947,340	7,057,350	7,055,850	7,132,750	75,400	1.1%	76,900	1.1%
	LC,Trans., Crd Fees.	785,602	692,970	757,041	705,541	12,571	1.8%	(51,500)	(7.3%)
	Capital Revenue	3,099,400	2,963,696	3,328,040	3,039,780	76,084	2.5%	(288,260)	(9.5%)
	Membership Revenue	10,832,342	10,714,016	11,140,931	10,878,071	164,055	1.5%	(262,860)	(2.4%)
	Programs	90,824	97,339	225,310	92,403	(4,937)	(5.3%)	(132,907)	(143.8%)
	Instructional	310,729	335,012	333,997	393,000	57,988	14.8%	59,003	15.0%
	Recreational Revenue	401,553	432,351	559,307	485,403	53,052	12.3%	(73,904)	(13.2%)
	Investment Income	372,078	531,822	286,884	425,458	138,574	48.3%	138,574	48.3%
	Advertising Income	-	-	-	-				
	Cell Tower Lease Inc.	43,105	47,094	34,195	47,094	0	0.0%	12,898	27.4%
	Comm. Revenue	43,105	47,094	34,195	47,094	0	0.0%	12,898	37.7%
	Other Income	91,111	96,698	83,979	91,072	(5,626)	(6.2%)	7,093	7.8%
	Facility Rent/Leases	21,163	15,417	6,000	20,000	4,583	22.9%	14,000	70.0%
	Café Sales Income	-	-	-	25,000	25,000	100.0%	25,000	100.0%
Contributed Income	-	-	-	-	0	0.0%	0	0.0%	
Other Revenue	112,273	112,115	89,979	136,072	23,957	21.4%	46,093	51.2%	
<b>Total Operating Revenue</b>		<b>11,761,351</b>	<b>11,837,398</b>	<b>12,111,296</b>	<b>11,972,097</b>	<b>134,699</b>	<b>1.1%</b>	<b>(139,199)</b>	<b>(1.1%)</b>
Expenses	Major Proj.-Rep. & Maint.	252,621	312,689	478,280	489,202	(176,514)	(36.1%)	(10,923)	(2.2%)
	Facility Maintenance	235,823	287,111	228,478	405,252	(118,141)	(29.2%)	(176,774)	(43.6%)
	Fees & Assessments	15,423	14,239	30,725	5,000	9,239	184.8%	25,725	514.5%
	Utilities	951,134	965,258	927,331	989,399	(24,141)	(2.4%)	(62,068)	(6.3%)
	Depreciation	1,595,311	1,373,535	1,409,492	1,275,000	98,535	7.7%	134,492	10.5%
	Furniture & Equipment	286,191	285,555	268,444	268,944	16,611	6.2%	(500)	(0.2%)
	Vehicle Expenses	88,254	96,890	101,012	98,000	(1,110)	(1.1%)	3,012	3.1%
	Facilities & Equipment	3,424,757	3,335,276	3,443,761	3,530,797	(195,521)	(5.5%)	(87,036)	(2.5%)
	Wages	3,924,322	3,876,610	4,336,945	4,047,813	(171,203)	(4.2%)	289,132	7.1%
	Payroll Taxes	296,565	301,426	347,276	323,634	(22,208)	(6.9%)	23,643	7.3%
	Benefits	922,239	899,916	1,039,668	964,455	(64,540)	(6.7%)	75,213	7.8%
	Personnel	5,143,126	5,077,952	5,723,890	5,335,902	(257,950)	(4.8%)	387,988	7.3%
	Food & Catering	26,193	18,471	32,211	21,386	(2,915)	(13.6%)	10,825	50.6%
	Recreation Contracts	375,954	319,042	413,188	348,685	(29,643)	(8.5%)	64,503	18.5%
	Bank & Credit Card Fees	61,743	77,103	71,896	77,000	103	0.1%	(5,104)	(6.6%)
	Program	463,890	414,616	517,295	447,071	(32,454)	(7.3%)	70,224	15.7%
	Communications	107,705	98,936	107,974	96,023	2,913	3.0%	11,951	12.4%
	Printing	82,151	111,204	104,407	103,183	8,022	7.8%	1,224	1.2%
	Advertising	19,285	28,710	22,524	12,920	15,790	122.2%	9,604	74.3%
	Communications	209,141	238,850	234,905	212,126	26,725	12.6%	22,779	10.7%
	Supplies	418,998	551,105	424,090	557,458	(6,353)	(1.1%)	(133,368)	(23.9%)
	Postage	18,212	19,200	20,909	17,921	1,279	7.1%	2,988	16.7%
	Dues & Subscriptions	15,623	17,009	16,710	17,091	(82)	(0.5%)	(381)	(2.2%)
	Travel	9,163	9,157	24,258	10,945	(1,788)	(16.3%)	13,313	121.6%
	Other Operating Expense	130,526	98,443	115,064	105,649	(7,206)	(6.8%)	9,415	8.9%
	Operations	592,522	694,915	601,031	709,064	(14,149)	(2.0%)	(108,033)	(15.2%)
	Information Technology	88,338	125,800	115,638	136,781	(10,981)	(8.0%)	(21,143)	(15.5%)
Professional Fees	239,207	395,397	148,393	213,816	181,582	84.9%	(65,423)	(30.6%)	
Commercial Insurance	338,380	335,138	321,601	354,812	(19,674)	(5.5%)	(33,210)	(9.4%)	
Taxes	53,308	22,282	30,026	33,000	(10,718)	(32.5%)	(2,974)	(9.0%)	
Conferences & Training	26,507	26,267	39,515	34,146	(7,879)	(23.1%)	5,368	15.7%	
Employee Recognition	14,111	24,284	20,731	21,500	2,784	12.9%	(769)	(3.6%)	
Marketing Expenses	-	-	-	5,000	(5,000)	(100.0%)	(5,000)	(100.0%)	
Corporate Expenses	759,851	929,168	675,904	799,055	130,113	16.3%	(123,151)	(15.4%)	
<b>Total Operating Expenses</b>		<b>10,593,287</b>	<b>10,690,777</b>	<b>11,196,785</b>	<b>11,034,015</b>	<b>(343,237)</b>	<b>(3.1%)</b>	<b>162,771</b>	<b>1.5%</b>
Net	Gross surplus(Rev-Exp)/ Net Cash F	1,168,064	1,146,621	914,511	938,082				
	Unrea. Gain/Loss on Invest.	-	-	-	-				
	Accrual Basis Net from Operations	1,168,064	1,146,621	914,511	938,082				
Adj. to Cash Basis	Subtract:								
	Non-Reserve Capital Projecs		(145,515)	(308,000)	(227,000)				
	Income From Reserve Funds		(327,836)	(247,772)	(259,068)				
	Reserved Funding/Initiatives		(605,060)	(670,625)	(610,956)				
	MRR B (Pools & Spas)		(289,405)	(289,405)	(299,400)				
	Del Sol Clubhouse				(50,000)				
	Reserved Funding/MRR		(1,179,941)	(1,179,941)	(1,220,295)				
	Cash Basis Change in Net Assets Net of Reserves		(1,401,136)	(1,781,232)	(1,728,637)				
	Add Back:								
	MRR Operating Expenses.		113,402	285,239	371,138				
Depreciation		1,373,535	1,409,492	1,275,000					
Expenses from Reserve Funds		77,944	86,501	82,500					
Cash Basis Net Surplus (Deficit)		163,745	-	1					

Fee Schedule	2024			
		#		
	Fee	Transact.	Revenue	
4000 - Annual Dues per Household	\$ 515	13,850	\$ 7,132,750	
Life Care, Transfer, Tenant & Addl Card Fees				
4004 - Annual Life Care Member Dues	\$ 515	48	\$ 24,720	
4005 - Transfer Fee (Resale)	\$ 450	993	\$ 446,967	
	\$ 75	1,400	\$ 105,000	
4007 - Guest Card Fees	\$ 10	400	\$ 4,000	
			\$ 109,000	
1-7 Days	\$ 30	60	\$ 1,800	
2 Weeks	\$ 40	72	\$ 2,880	
1 Month	\$ 55	282	\$ 15,510	
2 Months	\$ 90	220	\$ 19,800	
3 Months	\$ 130	258	\$ 33,540	
4-12 Months	\$ 165	385	\$ 63,525	
4009 - Tenant Fees		1,277	\$ 137,055	
4103 - Additional Card Fees	\$ 100	60	\$ 6,000	
4206 - Membership Change Fee	\$ 3,000	993	\$ 2,979,780	
4204 - Initial Fee ( <a href="https://www.bls.gov/">https://www.bls.gov/</a> )	\$ 3,000	20	\$ 60,000	
Capital Revenue			\$ 3,039,780	
Late Fees	\$ 20	1,900	\$ 38,000	



Green Valley Recreation, Inc.  
**Board of Directors Meeting**  
**2024 Capital Budget and**  
**Five-Year Capital Improvement Plan**

**Prepared By:** David Webster, CFO

**Meeting Date:** November 15, 2023

**Presented By:** David Webster, CFO

**Consent Agenda:** No

**Originating Committee / Department:**

Fiscal Affairs Committee

**Action Requested:**

Approve the Proposed 2024 Capital Budget and Five-Year Capital Improvement Plan.

**Strategic Plan Goal:**

Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities

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

**Background Justification:**

GVR Staff facilitated a capital improvement project brainstorming and priority setting exercise with the Planning and Evaluation Committee (P&E) on October 9, 2023. The P&E provided the following recommended list of capital project priorities and motion to the GVR Board of Directors for consideration:

**MOTION: Gallegos moved / Bachelor seconded to amend the previous motion of September 26, 2023, and substitute the following motion, which is: The Committee prioritized various projects into a list of 1 through 13.**

1. Finish Del Sol Clubhouse
2. West Center Expansion – Lapidary, Woodshop, Artisans’
3. Ceramics Kiln Room Upgrades
5. West Center Improvements – Member Services Center & Membership (tied vote)
5. Canoa Hills Gymnasium (Tied vote)
6. Additional Security Cameras
7. Lazy River
8. Permanent Metal Workers space
9. Las Campanas Fitness Center Expansion (Tied vote)
10. Outdoor Pavilion at East Center (Tied vote)
11. Desert Hills Yoga Studio
13. Desert Hills Locker Room Expansion (Tied vote)
13. Santa Rita Springs Fitness Expansion (Tied vote)

**Staff is to, based on the priorities, populate the 5-year Capital Plan recommendation to the Board for Consideration.**

**Passed: unanimous**

The 2024 P&E recommended Capital Improvement Plan was then presented to the Fiscal Affairs Committee (FAC) at their meeting on October 17<sup>th</sup>. The FAC developed the following recommendation to the GVR Board of Directors concerning the Capital Budget (the first year of the Five-Year Capital Improvement Plan.

**MOTION: Johnson moved/ seconded for vote to approve the 2024 budget as amended.**

**Passed: unanimous**

The revised 2<sup>nd</sup> Draft that included FAC recommended changes was presented to the Board of Directors at the Budget Work Session on October 18, 2023.

The Board is being asked to consider approving the enclosed Proposed Five-Year Capital Improvement Plan and the 2024 Capital Budget as recommended by P&E and the FAC. Approval of the 2024 Capital Budget will meet the CPM guideline for the board to approve and execute the budget no later than November 15. (CPM Section 1. 1.1.2.6.B, page 64)

**Fiscal Impact:**

The proposed Capital Budget includes the following:

• FY 2024 Initiatives Capital Improvement Plan	\$2,143,000
• FY 2024 Non-Reserve Capital Projects	\$227,000
• FY 2024 Maintenance Repair & Replacement Capital Budget	<u>\$1,369,273</u>
Total Capital Budget for 2024	\$3,739,273

**Board Options:**

The Board may:

1. Approve the proposed FAC Recommended 2024 Capital Budget and Five-Year Capital Improvement Plan
2. Recommend an alternative 2024 Capital Budget and Five-Year Capital Improvement Plan
3. Reject the proposals and provide instructions for developing an alternative Capital Budget and Five-Year Capital Improvement Plan

**Staff Recommendation:**

Option 1

**Recommended Motion:**

Move to approve the 2024 Capital Budget and Five-Year Capital Improvement Plan as presented.

**Attachments:**

- 1) 2024 Budget Message including: 2024 Proposed Capital Budget and 2024 Five-year Capital Improvement Plan



## **BUDGET MESSAGE**

### **Proposed Budget Fiscal 2024**

### **November 15, 2023**

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the GVR Fiscal Year 2024 (FY2024) Proposed Budget. Included in this Total Budget are GVR's Operating Budget, Capital Improvement Budget and the Five-Year Capital Improvement Plan for Fiscal Years 2024-2028.

We believe this budget meets GVR's Strategic Plan, Mission and Vision by providing excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives, while cultivating and maintaining a sound financial base that generates good value for our members. The department directors work diligently to manage the services within budget constraints and provide a wide array of vital services to our members. This budget provides for a high level of services, planned maintenance, and necessary improvements to GVR's infrastructure, while staying within the constraints of limited resources.

With a focus on providing excellent member service, GVR continues to look for opportunities to update processes, implement efficiencies, seek alternative sources of revenue, and improve service delivery and the quality of life to and for our members.

## THE BUDGET PROCESS

GVR operates on a fiscal year, running from January 1 to December 31. The budget process begins in August with guidelines issued to department directors by the Chief Executive Officer (CEO). Departmental requests are prepared and submitted in August. The CEO and Chief Financial Officer (CFO) meet with each department director to discuss their requests. Changes and revisions to the requests and revenue projections are incorporated into the Proposed Budget which is submitted to the Board of Directors in October for consideration.

The CEO and CFO hold meetings with the Planning and Evaluation Committee, Fiscal Affairs Committee and Board of Directors in September and October to assist with budget preparation. In accordance with GVR's Corporate Policy Manual (CPM), the budget must be available to the Board for approval no later than November 15.

The basis of budgeting conforms to generally accepted accounting principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2023 projected income and expenses are included for comparison purposes and are GVR's best estimates at this time. Included with the 2024 Proposed Budget is a 3-year projection for the years 2025 through 2027 that is for analytical purposes only.

The 2024 Proposed Budget that is presented includes the following services:

**GVR Administrative Services:** Information Technology, Finance, Membership, Board of Directors, Nominations and Elections, Administration, Human Resources, Communications.

**GVR Recreation Services:** Recreation, Concerts, Special Events, Movies, Tours, Classes, Volunteers, Sound and Lighting.

**GVR Facilities Services:** Maintenance, Aquatics, Landscaping, Custodial.



**INTRODUCTION**

GVR has been seeing its Members’ reengaging since the effects of the pandemic are diminishing. GVR was able to keep many of its facilities open and provide limited services for its members despite the difficult pandemic climate of the prior three years. GVR remains financially sound, and with continued prudent fiscal management, we are confident GVR is in a position to proactively, effectively, and responsibly plan and prepare for the future, and will continue providing the services and facilities its members expect and depend upon, and at a good value. During the past 3 years, GVR has been able to complete approximately 3.7 Million Dollars’-worth of projects including Maintenance Repair and Replacement planned projects, Non-Reserve Capital projects, and Initiatives projects. The Proposed Five-Year Capital Improvement Plan (CIP) includes additional important recommended projects such as the West Center Lapidary, Woodworking, and Artisans expansion and the Desert Hills Locker room and Sauna projects.

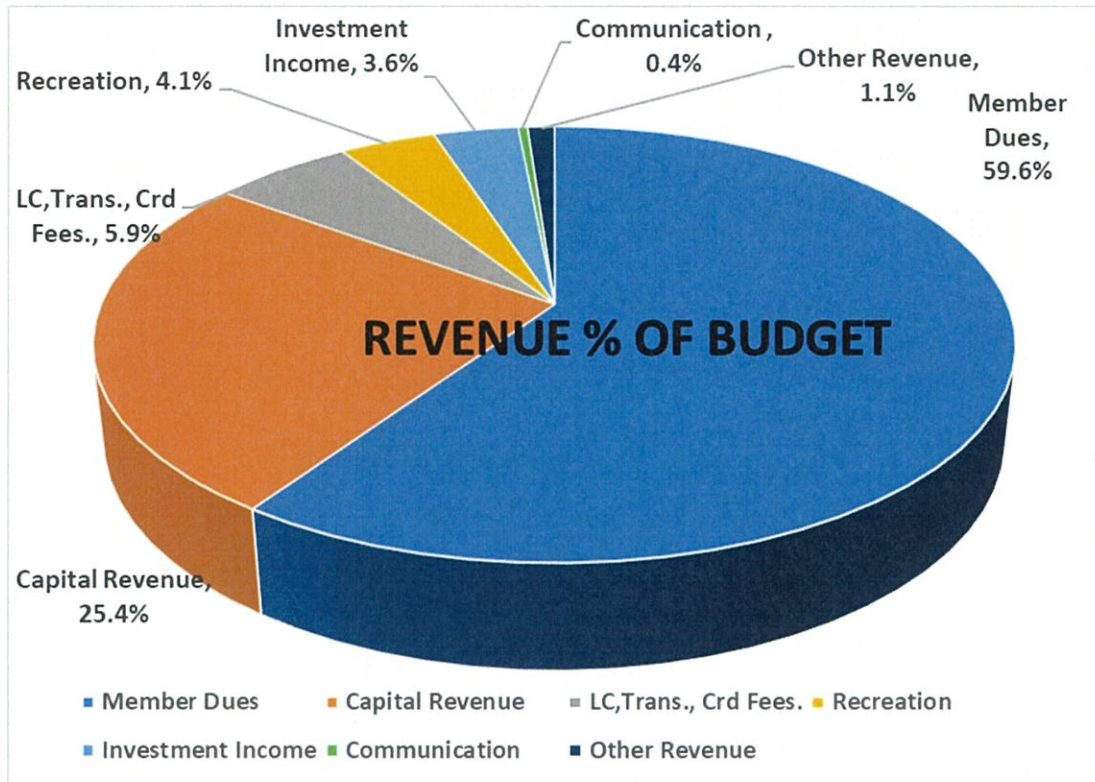
**THE PROPOSED OPERATING BUDGET FY 2024 BUDGET**

**REVENUE**

In consideration of the economic climate and the lingering effects and uncertainty of the COVID pandemic and the real estate market, we believe GVR’s anticipated revenue assumptions for FY2024 are appropriate. When viewed in light of the relatively solid revenue performance over recent years, this approach is illustrated below:

### GVR Revenue

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget
Member Dues	6,748,910	6,943,727	6,947,340	7,055,850	7,057,350	7,132,750
Member Fees	611,398	700,464	785,602	757,041	692,970	705,541
Capital Revenue	2,533,963	3,147,953	3,099,400	3,328,040	2,963,696	3,039,780
Recreation Revenue	378,574	212,685	401,553	559,307	432,351	485,403
Investment Income	288,038	291,923	372,078	286,884	531,822	425,458
Communication	163,952	64,159	43,105	34,195	47,094	47,094
Other Income	141,487	111,081	112,273	89,979	112,115	136,072
<b>Total Revenue</b>	<b>10,866,321</b>	<b>11,471,993</b>	<b>11,761,351</b>	<b>12,111,296</b>	<b>11,837,398</b>	<b>11,972,097</b>



The CEO, CFO, and GVR staff worked with the Fiscal Affairs Committee (FAC) at balancing the FY 2024 Budget. We believe the fees calculated and revenue on page 19 are reasonable and sustainable.

**FY 2024 REVENUE BUDGET HIGHLIGHTS**

1. A summary of the PROPOSED fee rate changes are as follows:
  - A. Member Dues, 2023 rate of \$510 increased \$5 to \$515 for 2024 (1.0%).
  - B. Initial Fee, 2023 rate of \$2,900 increased \$100 to \$3,000 for 2024 (3.4%).
  - C. Membership Change Fee (MCF) 2023 rate of \$2,900 increased \$100 to \$3,000 for 2024 (3.4%).
  - D. Tenant Fees:
    - o 1 – 7 Days rate of \$25 increased to \$30
    - o 2 Weeks rate of \$35 increased to \$40
    - o 1 Month rate of \$50 increased to \$55
    - o 2 Months rate of \$85 increased to \$90

- 3 Months                      rate of \$125 increased to \$130
- 4 – 12 Months              rate of \$155 increased to \$165

2. The proposed changes in fee rates to member dues are reflected in the Dues and Fees Income Section in the Membership Revenue Section of the Revenue Section. The rates are identified in the Fees Schedule found on page 25. The calculation of revenue is as follows:

A. Member Dues is based on dues for 13,850 properties at the rate of \$515 / per member household. GVR currently has 13,840 properties and the proposed 2024 Budget conservatively adds only 10 new properties. This dues rate reflects the PROPOSED \$5 increase in the annual dues rate effective January 1, 2024.

B. New Member Capital Fees:

- The proposed Membership Change Fee (MCF) is an increase from the current rate of \$2,900 to \$3,000.

The 2024 MCF assumption is based on an estimated 993 total property transactions with no change in current policy. Staff is projecting 1,027 home sales in 2023. While the real estate market in our area had remained resilient during the pandemic, it has trended downward recently. Staff assumes 34 fewer property sales than projected 2023 in the 2024 Budget. The following is a summary of home sales for the past 5 years:

Home Sales						
2018	2019	2020	2021	2022	2023	2024
Actual	Actual	Actual	Actual	Actual	Proj.	Budget
1,204	1,126	1,109	1,267	1,095	1,027	993

- The preceding 4-year average for home sales is 1,125 homes. Staff reduced this number by 12% to determine the 993-home budget for 2024.

- C. There is a rate change proposed for Initial Fees to increase the Initial Fee rate by \$100 matching the MCF. This rate will be increased from \$2,900 to \$3,000 and the budget is based on a conservative 20 anticipated net property transactions in 2024.
  - D. Guest Card fees increase \$5 for the Annual Guest Pass from \$70 to \$75. Tenant Fees are increased by \$5 with the exception of 4 to 12 months guest fees are increased by \$10. We believe the number of guest and tenant card transactions are somewhat conservative.
3. There is no rate changes proposed in Transfer Fees.
- A. The budget includes a projected 993 properties at the current rate of \$450 per transfer for a grand total of \$446,850.
4. Recreational Revenue is assumed to increase \$53,052 more than projected in 2023 and \$73,904 less than was originally budgeted in 2023. While the 2024 Budget does not assume GVR Members will begin 2024 participating in programs at the level experienced in the pre COVID years of 2018 or 2019, we do expect to see increased participation throughout the year and based the 2024 Budget on higher utilization by members in 2024. The Program Revenue budget in 2024 is offset by Recreation expense contracts that equal 70% of the Recreation Revenue.

**The total anticipated Revenue for 2024 is \$11,972,097, which is a decrease of \$139,199 (1.2%) from the 2023 Budget.**

## **EXPENSES**

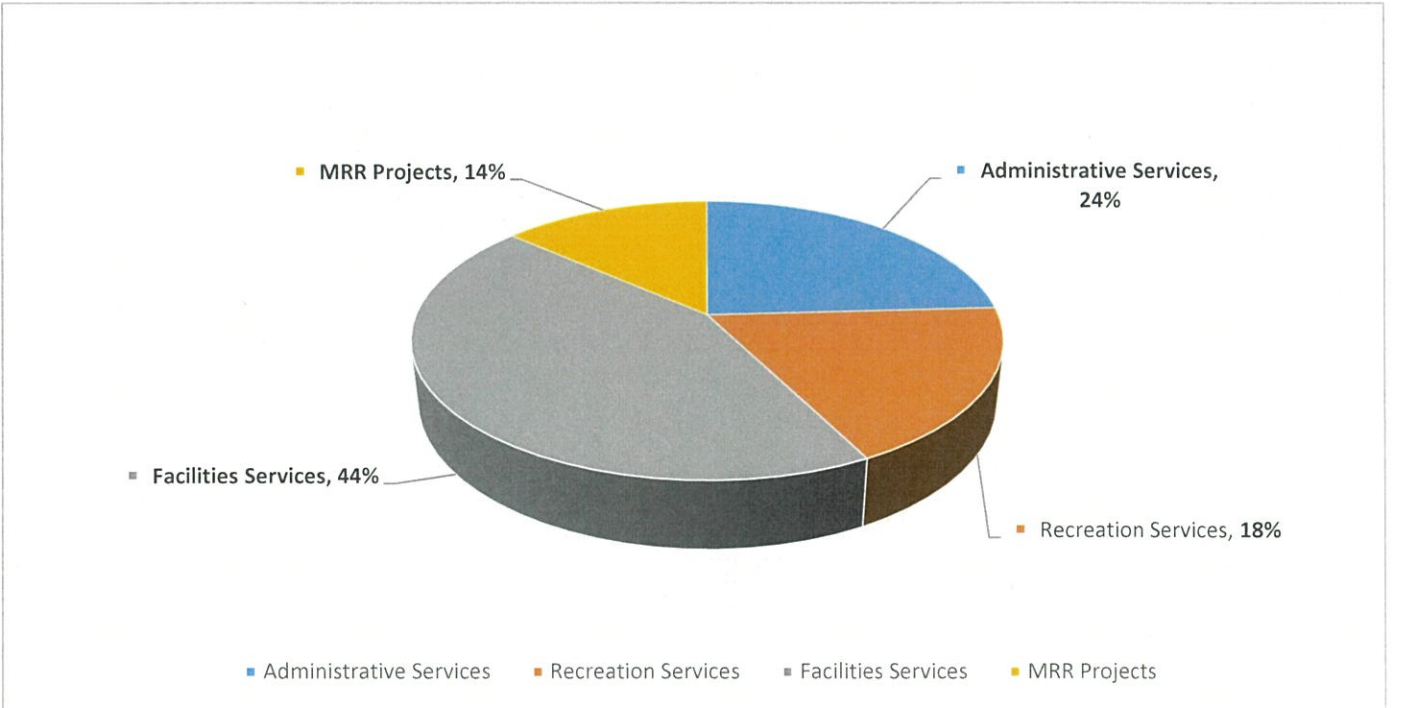
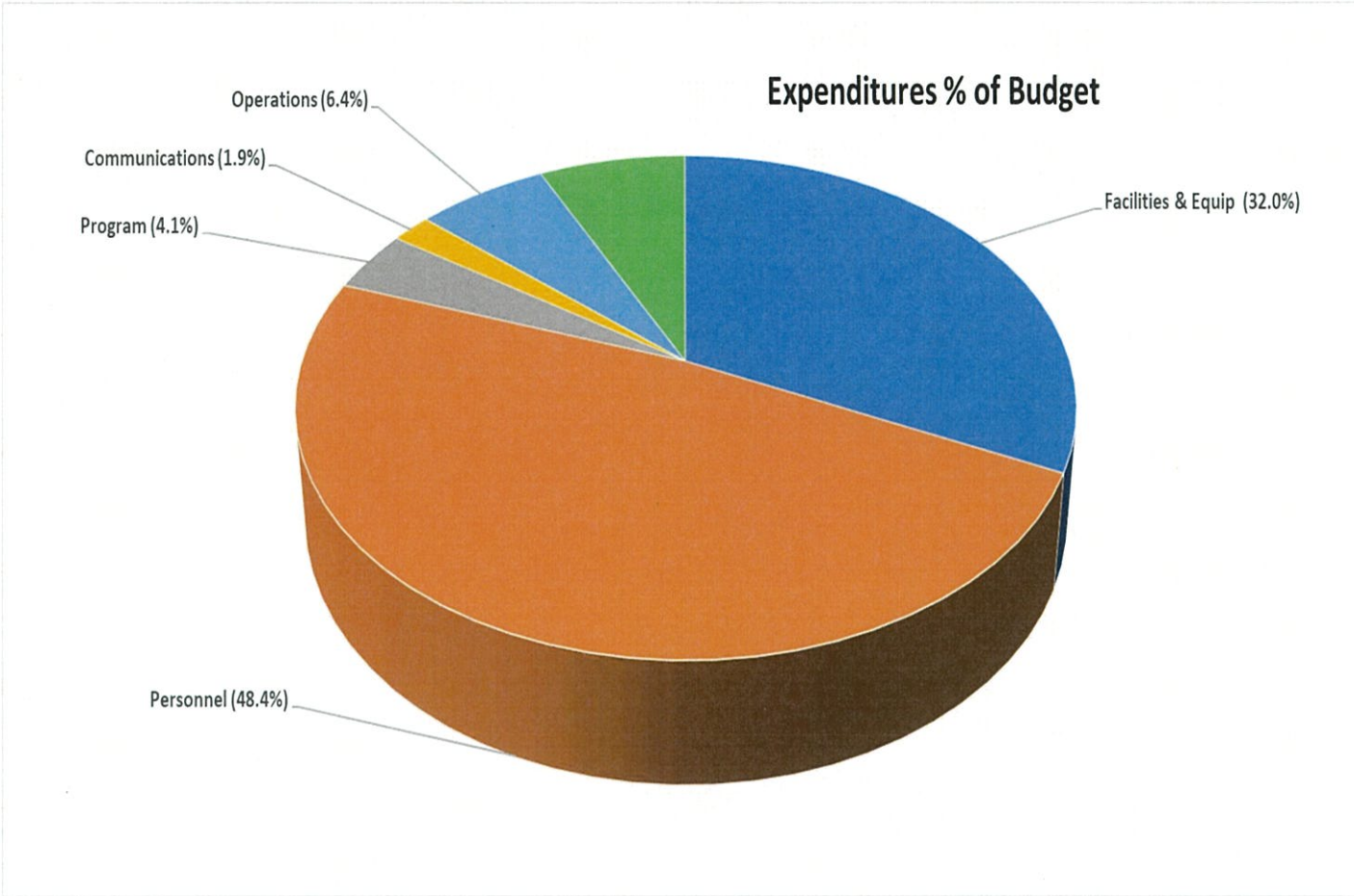
### **GVR Expenses**

Expense Classification	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected	FY 2023 Budget	FY 2024 Budget
Facilities	3,339,819	3,582,774	3,424,757	3,335,276	3,443,761	3,530,797
Personnel	5,060,293	5,376,214	5,143,126	5,077,952	5,723,890	5,335,903
Programs	450,120	327,080	463,890	414,616	517,295	447,071
Communications	177,731	178,432	209,141	238,850	234,905	212,126
Operations	544,771	475,835	592,522	694,915	601,031	709,064
Corporate	693,242	716,659	759,851	929,168	675,904	799,055
Total Expenses	10,265,976	10,656,995	10,593,287	10,690,777	11,196,785	11,034,016

**The total anticipated Expenses for 2024 is \$11,034,016 which is a decrease of \$162,769 (1.5%) from the 2023 Budget.**

The FY 2024 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to Board-designated reserves.

The graphs on the following page 9 illustrate GVR's expenditures by categories and Service Sectors.



The personnel costs include a 5.5% aggregate increases in wage rates, offset with a total decrease of 9 full time equivalents of staff. The Personnel budget for 2024 reflects a \$387,987 (7.3%) decrease and includes wage increases in accordance with the compensation plan. Much of this savings is due to custodial outsourcing and the custodial contract expenses are included in the Facility Maintenance line item. Overall, the total operating expenses are budgeted to decline marginally in 2024 yet members will be able to fully utilize all the facilities and programs during 2024.

1. The total budgeted Personnel cost decreases equal \$387,987 (7.3%) in the Total Wages Taxes & Benefits line item compared to 2023 budgeted costs. GVR does anticipate a 10% increase in benefits cost rates for 2024. The 2024 Budget includes a total of 87 Full Time Equivalent staff. The total change from 2023 budgeted costs are as follows:
  - A. 7.1% - Net decreased wages due to fewer staff.
  - B. 7.3% - Payroll Taxes decrease.
  - C. 7.8% - Benefits decrease due to fewer staff includes 10% mid-year increase (Medical, Dental, Life, Disability, 401k, Workers Comp)

### **GVR Personnel Summary**

Rooted in the CPM (Section 2. Subsection 4.2.2.A.2,5), THE GVR Board of Directors adopted a Compensation Philosophy in 2023. This philosophy is underpinned by a commitment to attracting and retaining talent while remaining firmly aligned with its strategic objectives and community service mission. The organization's compensation philosophy ensures competitive, equitable pay and a focus on performance.

In alignment with this philosophy, the administration worked with a compensation consultant (LHRC) who found that GVR pays below market across all positions and has discrepancies in pay among employees performing similar roles. The administration



worked with LHRC to develop a multi-year, phased compensation strategy, as a one-year fix was unsustainable. GVR's strategy in the long term is to meet the labor market, adapt to its shifts, and incorporate performance-based considerations. Consequently, GVR ensures its compensation plan is refreshed annually to align with the local market.

Please also note that per the CPM Section 2. Subsection 4.2.2 Human Resources, the CEO directs the Human Resources of the organization. Specifically, the CEO shall: “Develop compensation packages that are competitive within Pima County and Southern Arizona” and “Maintain a climate that attracts, retains, and motivates top quality people – both paid and staff volunteers.”

In 2023, the budget included \$120,000 for the first phase of pay plan implementation. This phase increased the GVR minimum wage by 25 cents to 40 cents above the state minimum wage. It also addressed a portion of the gaps in pay equity (similar pay for similar work), with minor longevity and merit increases issued. To work within the 2023 personnel budget constraints, ceilings were placed on all factors, positions, and pay. GVR's current entry rate for our line employees is \$14.25, 40 cents above Arizona's state minimum wage. The state minimum is set to increase to \$14.35 on January 1, 2024, with further increments anticipated annually.

LHRC has guided phase two of the compensation plan implementation. The 2024 personnel budget has been designed to continue this work to meet the market by keeping the competitive margin over state minimum wage, moving closer toward market rates, and stabilizing our compensation position to retain and compete for talent. As a result, it reduces gaps where GVR lags in the market. Full implementation of the pay plan would cost \$414,000 in 2024. However, using a phased approach, phase two implementation is budgeted at \$220,000; the 2024 personnel budget includes this as an aggregate 5.5% increase.

Employee turnover has been attributed to pay rates, particularly among line employees. In 2023, the administration reduced FTE from 97 to 93.4. For the 2024 budget cycle, the

administration has worked to develop a staffing model that intends to maintain service levels with an additional reduction of FTE to 87, which includes the potential for 3 FTEs dedicated to the Del Sol Clubhouse. This adjustment will help to mitigate further inflation of costs to implement future phases of the compensation strategy.

A summary of GVR historical Full Time Equivalents is as follows:

GVR											
Budgeted FTEs (Full Time Equivalents)											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FT	FTE	FTE
Information Technology	3	3	3	3	3	4	4	4	4	4	4
Administration	11	11	11	11	11	12	13	12	14	11	10
Membership Services										9	7
Administrative Services	14	14	14	14	14	16	17	16	18	24	21
Recreation Services	22	22	23	23	23	23	23	23	23	34.4	34
Maintenance	13	13	13	13	13	14	13	13	13	12	15
Aquatics	6	6	6	6	6	6	6	7	5	5	6
Landscaping	5	5	5	5	5	6	6	6	7	8	6
Custodial	27	30	31	31	31	31	30	30	31	10	2
Facility Services	51	54	55	55	55	57	55	56	56	35	29
<b>Total GVR</b>	<b>87</b>	<b>90</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>96</b>	<b>95</b>	<b>95</b>	<b>97</b>	<b>93.4</b>	<b>84</b>
FTE = Full Time Equivalent										Del Sol Clubhouse	3
										Grand Total	87

2. The Facilities & Equipment budget for 2024 reflects a \$87,036 (2.5%) increase from the 2023 budget and a \$195,521 increase (5.5%) from the 2023 projections.

A. To best analyze the Facility Operating Expenses, the MRR funded expenses must be adjusted out of the total:

	2021 Actual	2022 Actual	2023 Projected	2024 Budget

Major Projects	\$ 543,722	\$ 252,621	\$ 312,689	\$ 489,202
Facility Maint.	\$ 217,211	\$ 235,823	\$ 287,111	\$ 405,377
Total Expenses	\$ 760,933	\$ 488,444	\$ 599,800	\$894,579
MRR Funded	\$(188,744)	\$( 61,951)	(\$77,944)	(\$371,138)
Net Facility Expenses	\$ 572,189	\$ 426,493	\$ 521,856	\$523,441
% Incr. (Dec.)		-25%	+22%	+0.3%

This category fluctuates significantly dependent on the types of projects that are incurred in a given year. The 2024 increase is significant due to the outsourcing of custodial services and significant increase in MRR activities. We therefore believe the budgeted amounts for Facilities Expenses are reasonable.

3. Corporate Expenses:

- A. The Corporate Expenses budget reflects an increase of \$123,151 when compared to budgeted costs for 2023 and is described below:
- B. Conference and Training reflects a \$5,368 (15.7%) decrease from budgeted 2023 expenses. GVR remains committed to staff professional training.
- C. Commercial Insurance includes a \$33,210 mid-year increase due to additional facilities and rising insurance costs.
- D. GVR is not budgeting any additional allowance for bad debt. The current allowance is about \$155,000 which is an \$9,000 decrease during the 2023 fiscal year.

4. Program Expenses for the 2024 budget are \$70,244 (15.7%) less than the budgeted 2023 costs . This is offset with a \$73,904 decrease in Recreation Revenue.

5. The Operations Expenses includes a decrease of \$108,033 (15.2%) from budgeted 2023.

- A. GVR is experiencing significant inflationary increases in janitorial and pool related supplies.
  - B. Investment Expenses account for \$82,500 of the Operations Expenses. These expenses are paid directly from the Reserve Accounts.
6. Capital Budget - page 20
- A. Maintenance, Repair, and Replacement (MRR) Capital Budget is \$1,369,273 and is detailed on pages 22 and 23. The prior 2023 MRR Capital budget was \$1,367,399.
  - B. A list of Non-Reserve Capital (NRC) activities listed on page 22 are included in the FY2024 Budget for a total of \$227,000 in Capital Improvement Projects. The prior year 2023 NRC Budget was \$308,000. This budget includes the \$100,000 allocated for non-budgeted, unplanned items, per the Capital Improvement Policy and Process.
  - C. The Initiatives Capital Projects on page 21 includes the following Projects, ranked in order of priority by the P&E Committee:
 

1. Del Sol Clubhouse	\$ 153,000
2. West Center Lapidary, Woodworking, and Artisan expansion	\$1,000,000
3. Desert Hills kiln room	\$ 90,000
4. Canoa Hills gym conversion	\$ 180,000
4. West Center lobby improvements	\$ 150,000
5. Security cameras	\$ 125,000
6. West Center lazy river	
7. Metal Shop Club home	
8. Las Campanas fitness expansion	
8. East Center outdoor pavilion	
9. Desert Hills yoga studio	
9. Desert Hills locker and steam room	\$ 445,000
9. Santa Rita Spring fitness expansion	
Total Initiatives Projects for 2024	<u>\$2,143,000</u>

Currently, based on revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. This is illustrated in the Five-Year Capital Improvement Plan that is reported on page 21. While the P & E Committee didn't rank the Desert Hills Locker/Steam/Sauna Remodel as a high priority, staff still recommends moving forward with this project in 2024. Quantitatively, comparing the following September statistics:

**September 2019 (to get a pre-pandemic baseline)**

DH: 1,056

CH: 2,308

Combined: 3,364

All centers combined: 14,455

**September 2022**

DH: 943

CH: 1,815

Combined: 2,758

All centers combined: 11,047

**September 2023**

DH: 5,109

CH: Closed

Combined: 5,109

All centers combined: 14,526

In September 2023, 35% of all GVR gym users used the Desert Hills Fitness Center.

7. Maintenance Repair & Replacement Reserve (MRR) funding is budgeted at \$1,220,295 as presented by the Browning Reserve Group, and is \$40,354 more than 2022.
  - A. The 2022 Reserve Study report has calculated the MRR Reserve funding level to be 74.0%. The prior year funding level was 73.0%.

B. The MRR Funding increased \$5.55 to approximately \$88.73 per member property.

C. The MRR-B Replacement of Pools and Spas are budgeted at \$299,400 .

**Total Expenditures Budgeted for 2024 are \$11,034,016 and are a \$162,769 (1.5%) decrease from the 2023 Budget.**

The 2024 Draft Budget is based on a Net Zero Surplus Approach. Adjustments to the Net Consolidated Accrual Basis Surplus are as follows:

Total Budgeted Income	\$12,012,141
Total Budgeted Expenses	<u>(\$11,161,351)</u>
Gross Surplus	\$ 850,790
Less Non-Reserve Capital Projects	(\$ 227,000)
Less Income from Reserves	(\$ 259,068)
Initiatives Reserve Funding	(\$ 622,200)
Del Sol Clubhouse Funding	(\$ 50,000)
MRR-B Pools & Spas Reserve Funding	(\$ 299,400)
MRR Reserve Funding	(\$ 1,220,295)
MRR Operating Expenses paid by MRR Fund	\$ 371,138
Depreciation	\$ 1,373,535
Management expenses of Reserve Funds	<u>\$ 82,500</u>
Net Surplus (Deficit)	\$ 0

The amounts to determine the Zero Balance budget are listed at the bottom of page 19.

Please note that this is the 2<sup>nd</sup> draft of the Proposed 2024 Budget. Significant changes from the first draft were as follows:

Category	Amount Increase (Decrease)	Description
Facilities & Equipment	(159,925)	Expenses reduction relating to MRR study
Personnel Expenses	(117,722)	Adjustment to tie out to Comp and Class Study
Program Expenses	(7,600)	Food & Catering and Recreation contracts
Communications Expenses	(1,703)	Phone expenses reductions
Operational Expenses	1,418	Minor increase to supplies expenses
Corporate Expenses	(17,207)	Professional fees reduction
Non-Reserve Projects	100,000	Added capital budget
MRR Operating Expenses	(85,899)	Expenses reduction relating to MRR study
Reserve Funds Exp add back	288,638	Expenses reduction relating to MRR study
Total of Adjustments	0	\$0 Surplus

**CLOSING**

GVR provides important services to a unique population of approximately 23,776 Members in Green Valley Arizona. Our lean ratio of 1 staff position to every 273 Members demonstrates how we strive to make every dollar count. GVR continues to look for opportunities to minimize costs and improve service delivery, while at the same time focusing on providing excellent customer service. The past year has been challenging to balance and prioritize the needs our community with the limited amount of resources available. In developing the FY 2024 Proposed Budget, we have made every attempt to find savings while keeping our 2024-28 Five-Year Strategic Plan as our

guide. As we enter the next fiscal year, we will again need to closely monitor revenues and expenditures to ensure that revenues are coming in as budgeted and make any necessary expenditure adjustments throughout the year. We are confident that GVR's staff will continue to meet this challenge. The budget process is a team effort and reflects many hours of hard work on the part of staff, Planning and Evaluation Committee members, Fiscal Affairs Committee members, and the GVR Board of Directors. We extend special thanks for the hard work of staff and the GVR management team, particularly David Webster, CFO, in developing the FY 2024 Proposed Budget. In summary, this 2024 Proposed Budget accomplishes the Bylaws requirement that GVR "shall be guided by the actual expense of operating the recreational facilities of The Corporation, including a reasonable reserve for Capital Replacements with the objective of operating the facilities on a self-sustaining basis". This budget is a solid foundation to keep GVR fiscally strong and responsive to its Members.

Scott Somers, CEO



# SUPPLEMENTAL BUDGET INFORMATION

## Fiscal 2024

### November 6, 2023

The following discussion provides additional information regarding the 2024 proposed budget:

The increase in the funding for the Maintenance Repair and Replacement Fund is equivalent to \$2.96 per Household. This is an increase of 3.5% from the prior year. With a \$5.00 increase in dues, GVR is increasing the Dues Revenue by only 1.0%. The remaining funds to cover the increases costs of funding MRR is derived from the Membership Change Fee and Transfer fee increase of \$100 per transaction which equates to a 3.5% increase. Additionally, there are savings in the 2024 Expenses relating to efficiencies such as a total reduction of \$397,987 or 7.3% in total Personnel expenses.

The Budget on page 19 includes the revised three year forecast for review. Historically, GVR has needed to produce a \$700,000 to \$950,000 GAAP Operating Surplus to cover all operating expenses and funding of reserves for a year. The 2025 to 2027 forecast estimates Operating Surpluses of \$729,000 to \$423,000 per year. The determination of the final GVR surpluses for years 2025 through 2027 is dependent on the funding of Reserves, Non-Reserve Capital purchases and other factors.

The number of households estimated for the voluntary deed restriction marketing plan in 2024 are 2,725. If the marketing effort results in only a 1% rate of successful conversions of the voluntary deed restrictions, GVR will receive \$81,000 additional revenue. The 2024 budget does not include any of these conversion receipts but does include \$5,000 of marketing expenses in 2024.

The Budgeted Personnel costs in 2024 include a 5.5% aggregate wage increase for Staff. This increase totaling \$220,000 is netted against over \$608,000 of wage reductions (custodial outsourcing). An analysis of this 5.5% increase is as follows:

Percentage Increase	Personnel Costs
5.5%	\$220,000
5.0%	\$200,000
4.5%	\$180,000
4.0%	\$160,000

*18-B*

GVR Budget Worksheet BOD GVR Summary Ver 1.0

2024 Total Budget FAC Recommended		2022	2023	2023	2024	2024 Bud.		2024 Bud.	
		1..12 Actuals	1..12 Projection	1..12 Budget	Budget Budget	vs 2023 Proj.	vs 2023 Bud.		
	Full Time Equivalents	83	95	99	87				
	Head Count	103	113	117	106				
Revenue	Member Dues	6,947,340	7,057,350	7,055,850	7,132,750	75,400	1.1%	76,900	1.1%
	LC,Trans., Crd Fees.	785,602	692,970	757,041	705,541	12,571	1.8%	(51,500)	(7.3%)
	Capital Revenue	3,099,400	2,963,696	3,328,040	3,039,780	76,084	2.5%	(288,260)	(9.5%)
	Membership Revenue	10,832,342	10,714,016	11,140,931	10,878,071	164,055	1.5%	(262,860)	(2.4%)
	Programs	90,824	97,339	225,310	92,403	(4,937)	(5.3%)	(132,907)	(143.8%)
	Instructional	310,729	335,012	333,997	393,000	57,988	14.8%	59,003	15.0%
	Recreational Revenue	401,553	432,351	559,307	485,403	53,052	12.3%	(73,904)	(13.2%)
	Investment Income	372,078	531,822	286,884	425,458	138,574	48.3%	138,574	48.3%
	Advertising Income	-	-	-	-				
	Cell Tower Lease Inc.	43,105	47,094	34,195	47,094	0	0.0%	12,898	27.4%
	Comm. Revenue	43,105	47,094	34,195	47,094	0	0.0%	12,898	37.7%
	Other Income	91,111	96,698	83,979	91,072	(5,626)	(6.2%)	7,093	7.8%
	Facility Rent/Leases	21,163	15,417	6,000	20,000	4,583	22.9%	14,000	70.0%
	Café Sales Income	-	-	-	25,000	25,000	100.0%	25,000	100.0%
Contributed Income	-	-	-	-	0	0.0%	0	0.0%	
Other Revenue	112,273	112,115	89,979	136,072	23,957	21.4%	46,093	51.2%	
Total Operating Revenue		11,761,351	11,837,398	12,111,296	11,972,097	134,699	1.1%	(139,199)	(1.1%)
Expenses	Major Proj.-Rep. & Maint.	252,621	312,689	478,280	489,202	(176,514)	(36.1%)	(10,923)	(2.2%)
	Facility Maintenance	235,823	287,111	228,478	405,252	(118,141)	(29.2%)	(176,774)	(43.6%)
	Fees & Assessments	15,423	14,239	30,725	5,000	9,239	184.8%	25,725	514.5%
	Utilities	951,134	965,258	927,331	989,399	(24,141)	(2.4%)	(62,068)	(6.3%)
	Depreciation	1,595,311	1,373,535	1,409,492	1,275,000	98,535	7.7%	134,492	10.5%
	Furniture & Equipment	286,191	285,555	268,444	268,944	16,611	6.2%	(500)	(0.2%)
	Vehicle Expenses	88,254	96,890	101,012	98,000	(1,110)	(1.1%)	3,012	3.1%
	Facilities & Equipment	3,424,757	3,335,276	3,443,761	3,530,797	(195,521)	(5.5%)	(87,036)	(2.5%)
	Wages	3,924,322	3,876,610	4,336,945	4,047,813	(171,203)	(4.2%)	289,132	7.1%
	Payroll Taxes	296,565	301,426	347,276	323,634	(22,208)	(6.9%)	23,643	7.3%
	Benefits	922,239	899,916	1,039,668	964,455	(64,540)	(6.7%)	75,213	7.8%
	Personnel	5,143,126	5,077,952	5,723,890	5,335,902	(257,950)	(4.8%)	387,988	7.3%
	Food & Catering	26,193	18,471	32,211	21,386	(2,915)	(13.6%)	10,825	50.6%
	Recreation Contracts	375,954	319,042	413,188	348,685	(29,643)	(8.5%)	64,503	18.5%
	Bank & Credit Card Fees	61,743	77,103	71,896	77,000	103	0.1%	(5,104)	(6.6%)
	Program	463,890	414,616	517,295	447,071	(32,454)	(7.3%)	70,224	15.7%
	Communications	107,705	98,936	107,974	96,023	2,913	3.0%	11,951	12.4%
	Printing	82,151	111,204	104,407	103,183	8,022	7.8%	1,224	1.2%
	Advertising	19,285	28,710	22,524	12,920	15,790	122.2%	9,604	74.3%
	Communications	209,141	238,850	234,905	212,126	26,725	12.6%	22,779	10.7%
	Supplies	418,998	551,105	424,090	557,458	(6,353)	(1.1%)	(133,368)	(23.9%)
	Postage	18,212	19,200	20,909	17,921	1,279	7.1%	2,988	16.7%
	Dues & Subscriptions	15,623	17,009	16,710	17,091	(82)	(0.5%)	(381)	(2.2%)
	Travel	9,163	9,157	24,258	10,945	(1,788)	(16.3%)	13,313	121.6%
	Other Operating Expense	130,526	98,443	115,064	105,649	(7,206)	(6.8%)	9,415	8.9%
	Operations	592,522	694,915	601,031	709,064	(14,149)	(2.0%)	(108,033)	(15.2%)
	Information Technology	88,338	125,800	115,638	136,781	(10,981)	(8.0%)	(21,143)	(15.5%)
Professional Fees	239,207	395,397	148,393	213,816	181,582	84.9%	(65,423)	(30.6%)	
Commercial Insurance	338,380	335,138	321,601	354,812	(19,674)	(5.5%)	(33,210)	(9.4%)	
Taxes	53,308	22,282	30,026	33,000	(10,718)	(32.5%)	(2,974)	(9.0%)	
Conferences & Training	26,507	26,267	39,515	34,146	(7,879)	(23.1%)	5,368	15.7%	
Employee Recognition	14,111	24,284	20,731	21,500	2,784	12.9%	(769)	(3.6%)	
Marketing Expenses	-	-	-	5,000	(5,000)	(100.0%)	(5,000)	(100.0%)	
Corporate Expenses	759,851	929,168	675,904	799,055	130,113	16.3%	(123,151)	(15.4%)	
Total Operating Expenses		10,593,287	10,690,777	11,196,785	11,034,015	(343,237)	(3.1%)	162,771	1.5%
Net	Gross surplus(Rev-Exp)/ Net Cash F	1,168,064	1,146,621	914,511	938,082				
	Unrea. Gain/Loss on Invest.	-	-	-	-				
	Accrual Basis Net from Operations	1,168,064	1,146,621	914,511	938,082				
Adj. to Cash Basis	Subtract:								
	Non-Reserve Capital Projecs		(145,515)	(308,000)	(227,000)				
	Income From Reserve Funds		(327,836)	(247,772)	(259,068)				
	Reserved Funding/Initiatives		(605,060)	(670,625)	(610,956)				
	MRR B (Pools & Spas)		(289,405)	(289,405)	(299,400)				
	Del Sol Clubhouse				(50,000)				
	Reserved Funding/MRR		(1,179,941)	(1,179,941)	(1,220,295)				
	Cash Basis Change in Net Assets Net of Reserves		(1,401,136)	(1,781,232)	(1,728,637)				
	Add Back:								
	MRR Operating Expenses.		113,402	285,239	371,138				
Depreciation		1,373,535	1,409,492	1,275,000					
Expenses from Reserve Funds		77,944	86,501	82,500					
Cash Basis Net Surplus (Deficit)		163,745	-	1					

GVR  
Capital Budget  
FY 2024

Initiatives Capital Projects	\$ 2,143,000
Non Reserve Capital Projects	\$ 227,000
Maintenance Repair & Replacement Capital Projects	<u>\$ 1,369,273</u>
Grand Total Capital Projects Budgeted for 2024	<u><u>\$ 3,739,273</u></u>

GVR  
10/10/2023  
Cash Funding Projections

	Items Are Projections REVISIONS FROM P & E COMMITTEE				
	2024	2025	2026	2027	2028
<b>Initiatives</b>					
Beginning Balance	\$ 2,035,222	\$ 676,051	\$ 459,034	\$ 1,209,143	\$ 283,867
Funding From Operations Revenue	\$ 626,088	\$ 635,987	\$ 664,930	\$ 646,325	\$ 643,383
Additional GVR Funding (Surplus)	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Transfer to Operations					
Loan Payments					
Net Investment Earnings	\$ 118,741	\$ 57,996	\$ 46,178	\$ 89,399	\$ 35,330
<b>Projects:</b>					
2nd Pmt DH Fitness Equipment					
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
Del Sol Club House (\$1.2M)	\$ <del>(453,000)</del>	\$ 181,177			
WC Lapidary, Wood, Artisan Expansion	\$ (1,000,000)	\$ (1,000,000)			
DH Ceramics Kiln Room Code	\$ (90,000)				
CH Gym conversion	\$ (180,000)				
WC Lobby improvements	\$ (150,000)				
Security Cameras	\$ (125,000)				
WC Lazy River			\$ (50,000)	\$ (1,500,000)	\$ (500,000)
Metal Shop Home					
LC Fitness Expansion				\$ (250,000)	\$ (250,000)
EC Outdoor Pavilion					
DH Yoga Studio	\$ -				
DH Locker room Steam room	\$ (445,000)				
SRS Fitness Expansion					
CH Infra Red Sauna (\$100K NRC	\$ -				
SRS Glass Arts (\$820,813 FY 23)					
SRS Photography Club wall (\$36,000					
<b>Total for the Year</b>	<b>\$ (2,143,000)</b>	<b>\$ (1,000,000)</b>	<b>\$ (50,000)</b>	<b>\$ (1,750,000)</b>	<b>\$ (750,000)</b>
<b>Ending Balance</b>	<b>\$ 676,051</b>	<b>\$ 459,034</b>	<b>\$ 1,209,143</b>	<b>\$ 283,867</b>	<b>\$ 301,580</b>
<b>Maintenance Repair &amp; Replacement</b>					
Beginning Balance	\$ 7,354,990	\$ 6,886,583	\$ 7,384,693	\$ 7,686,240	\$ 8,538,959
Annual Funding (per Reserve Study)	\$ 1,220,295	\$ 1,426,054	\$ 1,540,138	\$ 1,540,138	\$ 1,540,138
Additional Funding					
Net Investment Earnings (actual IPS rate)	\$ 666,777	\$ 600,293	\$ 660,244	\$ 348,432	\$ 562,058
<b>Projects:</b>					
Per Reserve Study	\$ (2,355,479)	\$ (1,528,237)	\$ (1,898,835)	\$ (1,035,850)	\$ (1,035,850)
<b>Ending Balance</b>	<b>\$ 6,886,583</b>	<b>\$ 7,384,693</b>	<b>\$ 7,686,240</b>	<b>\$ 8,538,959</b>	<b>\$ 9,605,305</b>
<b>MRR Part B - Pools and Spas</b>					
Beginning Balance	\$ 726,533	\$ 1,085,789	\$ 1,486,822	\$ 66,632	\$ 442,818
Funding	\$ 299,400	\$ 319,069	\$ 335,022	\$ 351,774	\$ 351,774
Additional Funding					
Net Investment Earnings	\$ 59,856	\$ 81,964	\$ 106,292	\$ 24,411	\$ 46,359
East Center Pool					
Casa Paloma 1 (or other pool)			\$ (1,861,503)		
<b>Ending Balance</b>	<b>\$ 1,085,789</b>	<b>\$ 1,486,822</b>	<b>\$ 66,632</b>	<b>\$ 442,818</b>	<b>\$ 840,950</b>
<b>Subtotal Capital Projects Reserves</b>	<b>\$ 8,648,423</b>	<b>\$ 9,330,548</b>	<b>\$ 8,962,015</b>	<b>\$ 9,265,643</b>	<b>\$ 10,747,835</b>
<b>Emergency</b>					
Beginning Balance	\$ 526,891	\$ 562,514	\$ 590,514	\$ 620,514	\$ 651,514
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative					
Net Investment Earnings	\$ 35,623	\$ 28,000	\$ 30,000	\$ 31,000	\$ 33,000
<b>Projects:</b>					
<b>Ending Balance</b>	<b>\$ 562,514</b>	<b>\$ 590,514</b>	<b>\$ 620,514</b>	<b>\$ 651,514</b>	<b>\$ 684,514</b>
<b>Total Board Designated Funds</b>	<b>\$ 9,210,937</b>	<b>\$ 9,921,063</b>	<b>\$ 9,582,529</b>	<b>\$ 9,917,157</b>	<b>\$ 11,432,349</b>



## 2024 Non-Reserve Capital Projects

**Amount**

2024 Unplanned Unbudgeted Items	\$ 100,000
Shade Structure for Canoa Ranch pool equipment	\$ 16,000
Deck shade structures for CP1 and Abrego South	\$ 26,000
Accessibility Initiatives	\$ 50,000
Pickleball Fencing	\$ 35,000
<b>Total</b>	<b>\$ 227,000</b>



# Green Valley Recreation Inc

## 30 Expense Forecast Update-Worksheet

2023 Update

Prepared for the 2024 Fiscal Year

2.5%

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Level	Major	Sub w/Description	Qty	U-M	\$/U	U/L	R/L	2024	Capital Purchases	Expenses
020-West Social Center (WC)	23000-Mechanical Equipm	352 - HVAC 3 Rooftop Carrier/American Units- 2009	3	ltm	14,309.999	15	1	44,003	44,003	
020-West Social Center (WC)	23000-Mechanical Equipm	204 - HVAC 2 Rooftop Carrier Units- 2006	2	ltm	37,099.996	15	1	76,055	76,055	
030-East Social Center (EC)	23000-Mechanical Equipm	326 - HVAC Rooftop Carrier Unit #3- 2009	1	ltm	21,411.998	15	1	21,947	21,947	
040-Las Campanas (LC)	05000-Roofing	316 - Low Slope: Vinyl 198 Squares- Clubhouse & Racquet	198	Sqrs	752.600	20	1	152,740	152,740	
040-Las Campanas (LC)	23000-Mechanical Equipm	212 - HVAC 11 Rooftop Trane Units- 2008	11	ltm	15,801.419	15	1	178,161	178,161	
050-Desert Hills (DH)	25000-Flooring	440 - Tile 975 sf Clubhouse Walls & Floors	975	SqFt	31.796	20	1	31,776	31,776	
050-Desert Hills (DH)	08000-Rehab	324 - Restrooms 2 Auditorium Lobby Restrooms	2	Rm	17,373.135	20	1	35,615	35,615	
050-Desert Hills (DH)	23000-Mechanical Equipm	332 - HVAC 3 Rooftop Carrier Units- 2009	3	ltm	13,898.507	15	1	42,738	42,738	
050-Desert Hills (DH)	05000-Roofing	324 - Low Slope: Vinyl 137 Squares- Roof Replacement	137	Sqrs	752.600	20	1	105,684	105,684	
050-Desert Hills (DH)	08000-Rehab	218 - Locker Rooms 2 Men's & Women's	2	Rm	71,056.109	28	1	145,665	145,665	
070-Santa Rita Springs (SRS)	24500-Audio / Visual	170 - Projection Screen Anza Room	1	ltm	9,960.597	20	1	10,210	10,210	
070-Santa Rita Springs (SRS)	04000-Structural Repairs	600 - Metal Railings 1,410 lf Deck, Stair & Bridge Railings (5	1410	l.f.	37.418	10	1	27,039	27,039	
070-Santa Rita Springs (SRS)	14000-Recreation	240 - Exercise: Cardio Equipment 16 Fitness Center Cardio	16	ltm	6,910.256	3	1	28,332	28,332	
070-Santa Rita Springs (SRS)	01000-Paving	340 - Asphalt: Overlay w/ Interlayer 22,250 sf South Parkin	22250	SqFt	2.226	25	1	50,767	50,767	
070-Santa Rita Springs (SRS)	05000-Roofing	336 - Low Slope: Vinyl 68 Squares- Building Roof	68	Sqrs	752.600	20	1	52,456	52,456	
070-Santa Rita Springs (SRS)	01000-Paving	336 - Asphalt: Overlay w/ Interlayer 58,386 sf North & East	58386	SqFt	2.226	25	1	133,216	133,216	
070-Santa Rita Springs (SRS)	08000-Rehab	230 - Locker Rooms 2 Men's, Women's & Outdoor Shower	2	Rm	69,492.539	20	1	142,460	142,460	
100-Continental Vistas (CV)	12000-Pool	762 - Equipment: Replacement Pool & Spa Equipment (50%	1	LS	40,404.113	5	1	20,707	20,707	
120-Casa Paloma I (CPI)	05000-Roofing	344 - Low Slope: Vinyl 61 Squares- Pool Building & Shade S	61	Sqrs	752.600	20	1	47,056	47,056	
130-Casa Paloma II (CPII)	12000-Pool	774 - Equipment: Replacement Pool & Spa Equipment (50%	1	LS	44,185.664	5	1	22,645	22,645	
								<b>TOTAL</b>	<b>1,369,273</b>	
010-Administrative Offices	22000-Office Equipment	270 - Network Equipment Routers & Switches	1	LS	6,560.000	1	-	6,724		6,724
010-Administrative Offices	22000-Office Equipment	200 - Computers, Misc. 5 IT Servers (20%)	5	ltm	13,633.000	1	-	13,974		13,974
010-Administrative Offices	22000-Office Equipment	240 - Computers, Misc. Office Computer Work Stations	1	LS	20,245.998	1	1	20,752		20,752
020-West Social Center (WC)	05000-Roofing	934 - Coating 33,900 sf Low Slope Roof Recoating	33,900	SqFt	1.210	5	1	42,044		42,044
030-East Social Center (EC)	01000-Paving	212 - Asphalt: Ongoing Repairs 87,662 sf Parking Lot & N D	87662	SqFt	4.081	5	1	7,334		7,334
040-Las Campanas (LC)	17000-Tennis Court	120 - Reseal 14,000 sf [2] Tennis Courts	14000	SqFt	0.753	4	1	10,800		10,800
040-Las Campanas (LC)	05000-Roofing	942 - Coating 19,800 sf Low Slope Roof Recoating	19800	SqFt	1.145	5	1	23,234		23,234



# Green Valley Recreation Inc

## 30 Expense Forecast Update-Worksheet

2023 Update

Prepared for the 2024 Fiscal Year

2.5%

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Level	Major	Sub w/Description	Qty	U-M	\$/U	U/L	R/L	2024	Capital Purchases	Expenses
050-Desert Hills (DH)	01000-Paving	220 - Asphalt: Ongoing Repairs 104,016 sf Drives & Parking	104016	SqFt	4.081	5	1	10,878		10,878
050-Desert Hills (DH)	25000-Flooring	630 - Vinyl 566 Sq. Yds. Clubhouse Vinyl	566	SqYd	32.436	15	1	18,818		18,818
050-Desert Hills (DH)	01000-Paving	120 - Asphalt: Sealing 104,016 sf Drives & Parking	104016	SqFt	0.265	5	1	28,253		28,253
060-Canoa Hills (CH)	17000-Tennis Court	140 - Reseal 14,000 sf [2] Tennis Courts	14000	SqFt	0.753	4	1	10,800		10,800
060-Canoa Hills (CH)	24000-Furnishings	560 - Miscellaneous Folding Tables & Chairs	1	LS	14,940.890	10	1	15,314		15,314
070-Santa Rita Springs (SRS)	24500-Audio / Visual	160 - Projector 3 Projectors (33%)	3	ltm	1,447.759	4	1	1,484		1,484
070-Santa Rita Springs (SRS)	01000-Paving	228 - Asphalt: Ongoing Repairs 80,636 sf Parking Lots (3%)	80636	SqFt	4.081	5	1	8,433		8,433
070-Santa Rita Springs (SRS)	05000-Roofing	954 - Coating 6,800 sf Low Slope Roof Recoating	6800	SqFt	3.403	5	1	23,716		23,716
080-Canoa Ranch (CR)	24500-Audio / Visual	164 - Projector Amado Room- EIKI	1	ltm	1,447.759	10	1	1,484		1,484
080-Canoa Ranch (CR)	01000-Paving	246 - Asphalt: Ongoing Repairs 64,068 sf Drives & Parking (64068	64068	SqFt	4.081	5	1	6,700		6,700
080-Canoa Ranch (CR)	17500-Basketball / Sport C	220 - Seal & Striping 8,650 sf [4] Pickleball Courts	8650	SqFt	0.848	4	1	7,519		7,519
080-Canoa Ranch (CR)	01000-Paving	254 - Asphalt: Ongoing Repairs 18,768 sf Seal, Crack Fill, St	18768	SqFt	4.081	5	1	7,851		7,851
080-Canoa Ranch (CR)	01000-Paving	132 - Asphalt: Sealing 64,068 sf Drives & Parking	64068	SqFt	0.265	5	1	17,402		17,402
080-Canoa Ranch (CR)	05000-Roofing	958 - Coating 13,300 sf Low Slope Roof Recoating	13300	SqFt	1.749	5	1	23,843		23,843
090-Abrego South (AS)	05000-Roofing	962 - Coating 4,900 sf Low Slope Roof Recoating	4900	SqFt	1.124	5	1	5,643		5,643
090-Abrego South (AS)	02000-Concrete	442 - Pool Deck 5,565 sf Pool/Spa Area Concrete Repair (5'	5565	SqFt	24.910	2	1	7,104		7,104
110-Madera Vista (MV)	13000-Spa	146 - Resurface Spa	1	ltm	5,211.945	8	1	5,342		5,342
120-Casa Paloma I (CPI)	02000-Concrete	460 - Pool Deck 6,128 sf Pool/Spa Area Concrete Repair (8'	6128	SqFt	24.910	2	1	12,943		12,943
120-Casa Paloma I (CPI)	05000-Roofing	970 - Coating 6,100 sf Low Slope Roof Recoating	6100	SqFt	2.650	5	1	16,569		16,569
130-Casa Paloma II (CPII)	05000-Roofing	974 - Coating 5,300 sf Low Slope Roof Recoating	5300	SqFt	1.622	5	1	8,810		8,810
140-Abrego North (AN)	05000-Roofing	978 - Coating 2,100 sf Low Slope Roof Recoating	2100	SqFt	1.261	5	1	2,715		2,715
700-Facility Maintenance Shop (FMS)	05000-Roofing	982 - Coating 1,400 sf Low Slope Roof Recoating	1400	SqFt	3.244	5	1	4,655		4,655
								1,740,411	1,369,273	371,138

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Green Valley Recreation, Inc.  
**Board of Directors Regular Meeting**  
**Del Sol Clubhouse Tenant Improvement**

**Prepared By:** David Jund, Facilities Director    **Meeting Date:** November 15, 2023

**Presented By:** David Jund, Facilities Director    **Consent Agenda:** No

<p><b>Originating Committee / Department:</b> Administration</p>
<p><b>Action Requested:</b> Award construction contract for the tenant improvement of the Del Sol Clubhouse.</p>
<p><b>Strategic Plan Goal:</b> Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities</p>
<p><b>Background Justification:</b>                      The Board of Directors was asked to provide clarity concerning the future of the Del Sol Clubhouse on November 16, 2022. <u>Please see the attached Staff Report and Minutes.</u>                       The following motion passed giving clarity to staff on how to move forward:   <b>MOTION: Director Carden moved, Director Lawless seconded to continue moving forward with a vision of creating a social gathering recreation center. Build out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor). Passed: 9 yes / 2 no (Austin and Crothers)</b>                       Working with Seaver Franks Architects (SFA), a concept design for the Del Sol Clubhouse was developed and reviewed at the May 17, 2023, Board Work Session. <u>Please see the attached Staff Report and Minutes.</u>                       Highlights of the May 17 plan included:                      • Del Sol Clubhouse has two levels. The upper level has the main entrance, ADA accessible bathrooms, bar, kitchen area, staircase in the middle to connect upper and lower floors, recreation area includes three pool tables, foosball table, darts, and room with poker tables, and outdoor patio space. The lower level will include at least 5 billiard tables and at least one snooker table, due to expansion possibilities. This level will be a great billiard hall. Bathrooms on the lower level will have access from inside the space and from outside for the walkers on the County’s waking path.                      • The estimated budget for the Del Sol Clubhouse is \$1.2 million.                      • Pima County will be asked to assist with the cost of the bathrooms on the lower level due to the use of the County walking path</p>



Discussion on the next steps for the Del Sol Clubhouse following the May 17 Work Session was brought to the Board at the May 24, 2023, regular meeting. The Board was asked to give staff direction to work with the architect to develop construction documents and once documents were developed, the architect will apply for permits and staff will go out for bid for construction. After bids are received, staff will come back to the Board with a recommendation to award a contract for Del Sol Clubhouse. Please see the attached Staff Report and Minutes.

The following motion passed at this meeting:

**MOTION: Director Dingman moved, Director Blake seconded to continue moving forward with developing the architectural plans and construction documents for creating a social gathering, recreation center at the Del Sol Clubhouse.**

**Passed: unanimous**

Staff engaged SFA to move forward with developing construction documents for submittal to Pima County for approval and permit.

On September 14, 2023, SFA submitted completed construction documents to Pima County for review and approval.

Invitations to Bid packages were sent out to 6 qualified commercial general contractors and posted on the GVR website on September 27.

GVR held a pre-bid site walk with all interested general contractors on October 4th.

A due date of November 1, 2023, was set for receipt of bid submittals.

Staff received 1 formal bid by the due date and time. Staff estimates that Pima County will issue a permit to construct around November 28, 2023.

**Building Excellence, LLC of Tucson, Arizona submitted a complete bid proposal based on the County approved construction documents with a build out cost of \$1,083,943.**

The Contractor estimates a 109-day project with a projected start date of December 4, 2023, and a completion date of May 6, 2024.

In reviewing the Scope of Work for value engineering possibilities and taking into consideration the list of additional items, there may be a savings of a potential \$31,750.50 if staff were to hire out some of the trades and tasks. By staff contracting work and not asking the awarded general contractor to include and revise their bid price, GVR would save by not increasing the contractor's General Conditions (GC's), Overhead & Profit (OH&P) and taxes. Below is an estimated increase to the contractor's bid for including additional items outside of their original bid and potential savings for staff to hire out the additional items.

GC's (assumes for 2 additional weeks)	\$ 16,000.00
Kitchen buildout and equipment	\$ 85,000.00
Fire Alarm Panel	\$ 45,000.00
MEP (Kitchen)	\$ 15,000.00
Millwork (Kitchen)	\$ 10,000.00
Landscaping	\$ 15,000.00
Exterior Paint	\$ 8,000.00
Taxes	\$ 5,450.00
OH&P	\$ 10,300.50

Total	\$ 209,750.50
Total w/o GC's, Taxes, OH&P	\$ 178,000.00
<b>Cost savings</b>	<b>\$ 31,750.50</b>

Part of the Scope of Work of the project are parking lot upgrades and 2 lower-level restrooms. Both of these items are seen by GVR staff and Pima County as assets directly and positively impacting the users of the adjacent Pima County walking paths. Previous talks were had with Pima County on the subject of cost-sharing assistance in regards to parking lot upgrades and buildout of the lower-level restrooms.

With a bid proposal in hand, staff will seek a breakout cost estimate for these 2 items from the contractor and revisit a funding commitment from the County for funding assistance in building out the full scope of the project particular to parking lot upgrades and the lower-level restrooms.

Pima County requires 80 regular parking spaces for the Del Sol Clubhouse. The parking lot currently provides 107 regular parking spaces between the large and small lots. The County also requires an additional 5 accessible parking spaces.

**Fiscal Impact:**

The Staff Report for the May 24, 2023, Board of Directors meeting had the project cost estimated at \$1,200,000 which was earmarked under the Initiatives Fund on the Long-term Capital Projects Plan (5-year Capital Improvement Plan).

Below are Options for constructing the project:

**Option 1:**

Construction Contract per Construction Drawings:

- Building improvements
  - Game Room – lower level
  - restrooms
  - stairs
- Parking lot improvements
  - trenching & repairs
  - installation of light poles
  - parking lot improvements for lower level due to ADA requirements
  - demo and grading changes (allows for changes to lower parking lot, better access)
  - seal coat of most of parking lot
  - striping

Cost:

- Construction Contract: \$1,203,177

**Option 2:**

Construction Contract per Construction Drawings: (without the costs of full parking lot upgrades)

- Building improvements
  - Game Room – lower level
  - restrooms
  - stairs
- Parking lot improvements
  - trenching & repairs
  - installation of light poles
  - parking lot improvements for lower level due to ADA requirements

Estimated Cost:

- Construction Contract: \$1,101,057

**Option 3:**

Construction Contract per Construction Drawings (all-inclusive with additional parking lot upgrades outside of the Construction Drawings):

- Building improvements
  - Game Room – lower level
  - restrooms
  - stairs
- Parking lot improvements
  - trenching & repairs
  - installation of light poles
  - parking lot improvements for lower level due to ADA Requirements
- demo and grading changes (allows for changes to lower parking lot, better access)
- Additional demo
- Additional landscaping
- seal coat parking lot
- striping
- demo of barricaded road connecting parking lot to W Camino Urbano (HOA does not allow us to use this road, without this would not be refinished and will remain barricaded) (this is where the new landscaping would go)

Estimated Cost:

- Construction Contract: \$1,268,676

**Board Options:**

- 1) Award Building Excellence, LLC the contract to construct the tenant improvement of the Del Sol Clubhouse per Constructing Drawings in an amount not to exceed \$1,203,177 and approve additional items to be separately contracted out and executed by staff in an amount of \$178,000 for a total of \$1,381,177.
- 2) Award Building Excellence, LCC the contract to construct the tenant improvement of the Del Sol Clubhouse per Construction Drawings at an estimated cost of \$1,101,057 and to revise their bid proposal to exclude parking lot upgrades approve additional

items to be separately contracted out and executed by staff in an amount of \$178,000 for a total of \$1,279,057.

- 3) Award Building Excellence, LCC the contract to construct the tenant improvement of the Del Sol Clubhouse per Construction Drawings and to revise their bid proposal to include additional parking and landscaping upgrades outside of the Construction Drawings at an estimated cost of \$1,268,676 and approve additional items to be separately contracted out and executed by staff in an amount of \$178,000 for an estimated amount of \$1,446,676.
- 4) Provide alternate direction to staff.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

*I move to award Building Excellence, LLC the contract to construct the tenant improvement of Del Sol Clubhouse at a cost not to exceed \$1,203,177 and approve staff to seek value engineering opportunities and cost savings by contracting out the any additional items outside of the Scope of Work of the Construction Drawings at a cost not to exceed \$178,000 for a total cost of \$1,381,177.*

**Attachments:**

- 1) Staff Report and Minutes - November 16, 2022
- 2) Staff Report and Minutes - May 17, 2023
- 3) Staff Report and Minutes – May 24, 2023
- 4) Contract with Building Excellence, LLC.



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Discussion and Potential Action on Del Sol Clubhouse Plans**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** November 16, 2022

**Presented By:** Scott Somers, CEO

**Consent Agenda:** No

**Originating Committee / Department:**

Administration

**Action Requested:**

Discuss and develop a clearer vision for the Del Sol Clubhouse and direct staff how to move forward.

**Strategic Plan Goal:**

GOAL 1: Provide excellent facilities for members to participate in a variety of active and social opportunities.

**Background Justification:**

On February 10, 2022, the P&E Committee discussed, the then-called, Canoa Hills Clubhouse, and the motion passed unanimous for the P&E Committee to recommend to the Board of Directors to approve GVR staff to be permitted to make the upper floor of the Canoa Hills Clubhouse a usable drop-in space for members.

The P&E Committee recommendation went to the Board of Directors on February 23, 2022. The staff report for that meeting stated: As part of making the upper level of the Canoa Hills Clubhouse usable for drop-in activities for GVR members, staff will be required to perform interior demolition work, replace flooring, paint the interior, replace HVAC units, refurbish the restrooms, replace plumbing fixtures, upgrade lighting fixtures, install proximity readers for center access and provide internet services.

The Board of Directors minutes of February 23, 2022, stated the Amended Motion as: “Accept P&E Committee’s recommendations to make minimal improvements to the upper level of the Canoa Hills Clubhouse, a usable drop-in space for GVR Members...” This motion passed.

Staff has moved forward on upgrading the upper level of the, now called, Del Sol Clubhouse.

Staff is now asking for the Board to develop and approve a vision for the club house since “usable drop-in space for GVR Members” is vague. Staff have continued with the notion that the entire building should be used as a means of creating a successful social gathering recreation center. As such, staff have looked for ways of activating the building by bring activities and food and beverage options to the clubhouse. For examples, staff have been in active discussions with the Billiards Club and billiards and pool players to move the Desert Hills Billiards space to the lower level of the clubhouse (allowing the Fitness Center expansion to occur), which helps support creating a game center at the clubhouse. Additionally, staff have regularly discussed with committees, the Board, and members the potential to create some kind of food and beverage serve in the upper lever bar area of the club house to encourage members social and leisure gathering.

Members have regularly called for improved social gathering spaces. In 2016, a WSM outreach effort revealed that younger members wanted to see more “nightlife” opportunities at GVR. In 2018, 73% of respondents in a member survey supported development of “social and community gathering spaces.” In 2021, outreach efforts utilized to develop the strategic plan revealed a common concern was the development of social gathering spaces.

The approved Mission of the organization is, *To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of life of or members’ lives.*

The approved Vision of the organization is, *To be a friendly, vibrant community of choice for adults desiring lifelong opportunities for physical, mental, and social engagement.*

Goal 1 of the Strategic Plan is *To provide excellent facilities for members to participate in a variety of active and social opportunities.*

Action Item 1.2.3 calls for researching and developing recommendations for providing food and beverage in certain centers.

Action Item 1.4.1 call for exploring opportunities to establish a coffee shop, etc.

Action Item 1.4.3 calls for identifying underutilized areas that could be used to encourage social gathering.

The Board is asked to discuss how best to activate the clubhouse space in order to meet the requirements and expectations listed in the Strategic Plan and to provide direction to staff on how to move forward.

**Fiscal Impact:**

2022 Capital funding includes \$50,000 and anticipates a minimum of \$150,000 in 2023. The staff estimate to bring the lower level up to code and to building out the space is approximately \$900,000. These needed funds were approved in the 2023 Capital Fund Budget.

**Board Options:**

1. Continue moving forward with a vision of creating a social gathering recreation center:
  - A. By building out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor).
  - B. By building out ONLY the upper level to accommodate at least one pool table and other game-type activities; and be seeking solutions to provide limited food and beverage options (such as vending machines or volunteers).
  
2. Provide alternate direction to staff.

**Staff Recommendation:**

Options #1

**Recommended Motion:**

I motion to direct staff to continue moving forward with a vision of creating a social gathering recreation center at the Del Sol Clubhouse by building out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor).

**Attachments:**

Strategic Plan



## MINUTES

### BOARD OF DIRECTORS MEETING

Wednesday, November 16, 2022 - 2pm

West Center Auditorium / Zoom

**Directors:** Kathi Bachelor (President), Donna Coon (Vice President), \*Bart Hillyer (Secretary), Carol Crothers (Treasurer), Laurel Dean (Assistant Secretary), Jim Carden (Assistant Treasurer), Nancy Austin, Barbara Blake, Ted Boyett, Beth Dingman, Steve Gilbert, Bev Lawless, Scott Somers (non-voting)

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (Communications Director), Kris Zubicki (Recreation Services Director)

**Visitors:** 16 including support staff

### AGENDA TOPIC

#### 1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Bachelor called the meeting to order at 2:10pm MST. Secretary Hillyer called the roll; quorum established.

#### 2. Amend/Adopt Agenda

**MOTION: Director Boyett moved, Director Carden seconded to adopt the Agenda.**

**Passed: unanimous**

#### 3. President Report – No report

#### 4. CEO Report –

- East Center Pool replacement project moving forward and will be finished in the coming week. The opening and ribbon cutting is scheduled for December 15.
- Desert Hills Fitness Center construction permits have been issued by Pima County. Barker Contracting is scheduling the start up for this project. A banner will be hung to highlight the project as it moves forward.
- Kino Room at Santa Rita Springs, home of the Computer Club, is completed. All inspections have passed. The official opening is November 21.
- The Santa Cruz Room at Santa Rita Springs has new flooring and ballet bars installed. This room is open for use.
- The future Arts and Crafts room, Agave Room at Santa Rita Springs, is scheduled to open on November 30.
- Ceramics Club at Desert Hills will get the hand over from the art room on December 1. The architect is developing further expansion to increase the width of the room to the outdoor walkways.



- The future Glass Arts space at Santa Rita Springs has had the preliminary design update completed by WSM Architecture and reviewed by the Glass Arts Club. Final designs are underway and the goal is for the Board to award a contract at the December 14 Regular Meeting.
- The Del Sol Clubhouse architect is finalizing construction documents for the upper-level restrooms to submit to Pima County this week. Staff is coordinating with the contractor to begin construction on this project.
- The Lapidary and Metal Working Clubs have met with the architect many times to identify space needs. The architect information will be provided in December and will go to P&E Committee for recommendations to the Board.

5. **Member Comments** – There were no comments.

## 6. **Presentation**

### A. Quarterly Financial Report

David Webster, CFO, presented the quarterly financial report. All financial reports can be viewed on the GVR website: [www.gvrec.org/gvr-financial-updates/](http://www.gvrec.org/gvr-financial-updates/)

## 7. **Consent Agenda**

**MOTION: Director Blake moved, Director Boyett seconded to approve the Consent Agenda.**

**Passed: unanimous**

### A. Minutes:

- BOD Regular Meeting Minutes: October 26, 2022

### B. Financial Statements:

- October Financial Report

## 8. **New Business**

### A. Safety and Security Measures

Scott Somers, CEO, explained the serious incident that occurred at Las Campanas and measures that were taken immediately:

- Last week a naked man with a knife was in the women’s locker room. The woman who was approached screamed and the man put on his shorts and ran off. No one was injured.
- Immediate solutions were to lock some of the doors and gates at all facilities and use as exit only. This has caused issues for members with disabilities and inconveniences for those who use these doors for entry with the member card. Staff is revisiting this issue and is looking closer at what gates and doors should remain open to members. Staff is working on a balance to secure the facilities while meeting ADA compliance and conveniences.
- Staff is working on having a security consultant provide best measures for security for the facilities. If cameras are used it would not be to invade on member privacy and would only be available for security monitoring.
- There will be a cost consideration for added security to the facilities. This will come before the Board when the cost is known.

**MOTION: Director Dean moved, Director Blake seconded to authorize staff to obtain quotes and draft contracts for Board approval to improve safety measures and protocols at all GVR facilities.**

**Passed: unanimous**

B. CPM Part 3

BAC Chair Donna Coon presented the changes to CPM Part 3 Committees.

**MOTION: Director Coon moved, Director Bachelor seconded that the Board review the recommendations of the Board Affairs Committee and if approved by the Board make changes to these recommendations to the Corporate Policy Manual Part 3 Committees.**

Director Coon removed her Motion from the floor after a long discussion on the proposed changes. It was decided to move this topic to the January work session before bringing it to a vote at a Regular Board Meeting.

C. CPM Part 4

**MOTION: Director Dean moved, Director Blake seconded to approve the Board Affairs Committee recommendations for the changes in CPM Part 4 Chief Executive Officer and approved the recommendations..**

**Passed: 9 yes / 1 no (Lawless) / 1 did not vote (Boyett)**

Director Coon stated the Restated Bylaws were removed from the Board Regular Meeting Agenda in October. The Board Affairs Committee (BAC) passed a motion at the November 8 BAC meeting to rescind the amended motion from the October 11, 2022, BAC meeting and to forward to the Board of Directors the Restated Bylaws and instead to ask staff to work with the attorney to make recommendations on future changes to the existing Bylaws. The Restated Bylaws will not be going to the membership for a vote this year.

D. Discussion and Potential Action on Del Sol Clubhouse Plans

Scott Somers, CEO, asked for the Board to give clarity on Del Sol Clubhouse.

\*Director Hillyer left the meeting.

**MOTION: Director Carden moved, Director Lawless seconded to continue moving forward with a vision of creating a social gathering recreation center. Build out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor).**

**Passed: 9 yes / 2 no (Austin and Crothers)**

Scott Somers clarified from the Las Campanas incident that all the names from the cards that were swiped on the day of the incident were turned over to the detective. There were 102 names turned over.

**9. Committee Reports – Committee Reports were not given.**

A. Audit

Austin

B. Board Affairs

Coon

- C. Fiscal Affairs
- D. Investments
- E. Nominations & Elections
- F. Planning & Evaluation

Crothers  
Lawless  
Dingman  
Hillyer

**10. Member Comments** – No member comments

**11. Adjournment**

**Director Crothers moved, Director Carden seconded to adjourn the meeting at 4:25pm MST.  
Passed: unanimous**



Green Valley Recreation, Inc.  
**Board of Directors Work Session**  
**Del Sol Clubhouse**

**Prepared By:** David Jund, Facilities Director    **Meeting Date:** May 17, 2023

**Presented By:** David Jund, Facilities Director

<p><b>Originating Committee / Department:</b> Administration</p>
<p><b>Action Requested:</b> Review Del Sol Clubhouse high-level design drawings.</p>
<p><b>Strategic Plan Goal:</b> Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities</p>
<p><b>Background Justification:</b> The Board of Directors is asked to review the high-level concept drawings of the Del Sol Clubhouse and parking lot. At the November 16, 2022 regular meeting of the Board of Directors, the following motion was approved:</p> <p><b>MOTION: Director Carden moved, Director Lawless seconded to continue moving forward with a vision of creating a social gathering recreation center. Build out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor). Passed: 9 yes / 2 no (Austin and Crothers)</b></p> <p>Staff has continued on with the remodel of the upper floor restrooms. Seaver Franks Architects (SFA) provided staff with a review set of drawings of the build out and parking lot redesign. After staff reviewed the drawings, SFA was asked to move forward with developing construction documents to be submitted to Pima County for approval and permit.</p> <p>At the April 26, regular meeting of the Board of Directors it was ask of staff to provide high-level drawings done by SFA for review by the Board at their May 24 regular meeting.</p>
<p><b>Fiscal Impact:</b> Project cost is estimated at \$1,200,000 which is earmarked under the Initiatives Fund on the Long-term Capital Projects Plan.</p>
<p><b>Attachments:</b> 1) Del Sol Clubhouse Review Set - SFA</p>



## MINUTES

### BOARD OF DIRECTORS WORK SESSION

Wednesday, May 17, 2023, 10am

WC Room 2 / Zoom

**Directors Present:** Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary), Jim Carden (Treasurer), \*Barbara Blake (Assistant Secretary), Kathi Bachelor, Ted Boyett, Beth Dingman, Bev Lawless, Scott Somers (non-voting)

**Directors Absent:** Laurel Dean, Nancy Austin, Steve Gilbert

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

**Visitors:** 7

### AGENDA TOPIC

#### 1. Call to Order / Roll Call

Work Session Called to Order at 10:01am by President Garneau. Secretary Hillyer called the role.

#### 2. Amend / Approve Agenda

**MOTION: Director Boyett moved, Director Dingman seconded to approve the amended Agenda to include discussion on the Photography Club request for Tenant Improvement.**

**Passed: unanimous**

#### 3. Del Sol Clubhouse

CEO Somers reviewed the plans for the Del Sol Clubhouse and the parking lot. Highlights include:

- Del Sol Clubhouse has two levels. The upper level has the main entrance, ADA accessible bathrooms, bar area, kitchen area, staircase in the middle to connect upper and lower floors, recreation area includes three pool tables, foosball table, darts, and room with poker tables, and outdoor patio space. The lower level will include at least 5 billiard tables and at least one snooker table, due to expansion possibilities. This level will be a great billiard hall. Bathrooms on the lower level will have access from inside the space and from outside for the walkers on the County path.
- The budget for the Del Sol Clubhouse is \$1.2 million.
- Pima County will be asked to assist with the cost of the bathrooms on the lower level due to the use of the County walking path.

\*Barbara Blake arrived at 10:11am

Highlights from Board/Staff discussion:

- Discussion on how many parking places is needed per the occupancy of Del Sol Clubhouse. Have architect review the spaces needed in their reports.
- Install access for GVR members to use member card for the outside bathroom when bathrooms are locked to the public in the evenings.

*GVR encourages the Board and members to voice concerns and comments in a professional, business-like, and respectful manner.*

- Del Sol Clubhouse will be on the Board Regular Meeting on May 24, 2023, for an approval to move forward with construction documents and for architectural report on number of parking spaces needed per occupancy of the Clubhouse.

#### **4. Lapidary/Woodshop Expansion**

CEO Somers reviewed Lapidary and Woodshop Clubs expansions. Highlights include:

- Primary goal is to consolidate the three Lapidary locations including East Center and Desert Hills to the West Center, building out to the easement on the west side of the building and south side for the Woodshop.
- Staff will meet with Lapidary and Woodshop to fine tune their needs and present to the Board for next steps. The project is still in the planning and discussion stages and is not ready for architectural/construction documents.
- A survey conducted by the Lapidary Club showed the members were optimistic about expanding the West Center space and not to build an Art Center at West Center. There is strong interest from the Club members as a whole to consolidate Desert Hills to West Center.
- For 2023 there is a \$50,000 budget for Lapidary and a \$30,000 budget for Woodshop for studies and conceptual drawings from the Initiatives Fund.

Highlights from Board/Staff discussion include:

- This is early in the planning stages and will not come before the Board at the next regular meeting in May.
- The Board is comfortable with staff working on discussions with both clubs and reviewing possibilities.
- Preliminary work was completed with the architects and the clubs providing a high-level drawing pushing out the west and south walls. Cost estimates will be provided as the process moves forward.

#### **5. Ceramics Expansion**

CEO Somers reviewed the Ceramics Expansion including these highlights:

- The budget is \$150,000 this year for the Ceramics expansion.
- The Ceramics expansion will be considered after the decision for Lapidary is finalized. If Lapidary is consolidated at the West Center it will open up space for the expansion of Ceramics into that space.
- Two options: 1) Build out Ceramics into the sidewalk which will give Ceramics a total of 3,488 square feet of space. 2) Utilize the Lapidary space at Desert Hills which will make the Ceramics space a total of 3600 square feet and is the most cost-effective expansion.
- The existing kiln room needs to be built to code.
- There is a possibility for the Ceramics Club to utilize the fitness room for temporary storage for their molds. This will be the time for the Club to sort through the molds and figure out how to store efficiently.

Highlights from Board/Staff discussion:

- Keep kilns where they currently are so not to cause a disruption to the club. Staff will discuss with the architects how to move this forward. If the kiln room is done first, it will lock the decision for Ceramics into option 2.
- Wheelchairs and walkers can use the room currently – it is just difficult.
- This will not go forward to the Board at this time.
- The Board is leaning to Option 2 and this helps give staff direction.

#### **6. Capital Projects Policy and Process**

CEO Somers reviewed the work on the Capital Projects Policy and Process and held a lengthy discussion with the Board.

*GVR encourages the Board and members to voice concerns and comments in a professional, business-like, and respectful manner.*

Staff will rewrite the Capital Projects Policy and Process using items from the discussion and bring before the Board in a June Work Session.

**7. Photography Club**

President Garneau asked the Board to review the Photography Club request. This will come before the Board at the May 24, 2023, Regular Meeting for approval.

**Adjournment:** The Work Session was adjourned at 12:44pm.



Green Valley Recreation, Inc.  
**Board of Directors Work Session**  
**Del Sol Clubhouse**

**Prepared By:** David Jund, Facilities Director    **Meeting Date:** May 24, 2023

**Presented By:** David Jund, Facilities Director

<p><b>Originating Committee / Department:</b> Administration</p>
<p><b>Action Requested:</b> Review Del Sol Clubhouse high-level design drawings.</p>
<p><b>Strategic Plan Goal:</b> Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities</p>
<p><b>Background Justification:</b> The Board of Directors is asked to review the high-level concept drawings of the Del Sol Clubhouse and parking lot. At the November 16, 2022 regular meeting of the Board of Directors, the following motion was approved:</p> <p><b>MOTION: Director Carden moved, Director Lawless seconded to continue moving forward with a vision of creating a social gathering recreation center. Build out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor). Passed: 9 yes / 2 no (Austin and Crothers)</b></p> <p>Staff has continued on with the remodel of the upper floor restrooms. Seaver Franks Architects (SFA) provided staff with a review set of drawings of the build out and parking lot redesign. After staff reviewed the drawings, SFA was asked to move forward with developing construction documents to be submitted to Pima County for approval and permit.</p> <p>At the April 26, regular meeting of the Board of Directors it was ask of staff to provide high-level drawings done by SFA for review by the Board at their May 24 regular meeting.</p>



**Fiscal Impact:**

Project cost is estimated at \$1,200,000 which is earmarked under the Initiatives Fund on the Long-term Capital Projects Plan.

**Board Options:**

1. Direct staff to continue moving forward with the developing construction documents for the Del Sol Club house and parking lot.
2. Provide alternate direction to staff.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

*Move to continue moving forward with developing construction documents for creating a social gathering recreation center at the Del Sol Clubhouse.*

**Attachments:**

- 1) Del Sol Clubhouse Review Set - SFA



## MINUTES

### BOARD OF DIRECTORS MEETING

Wednesday, May 24, 2023, 2pm

West Center Auditorium / Zoom

**Directors:** Marge Garneau (President), Carol Crothers (Vice President), \*Bart Hillyer (Secretary), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Nancy Austin, Kathi Bachelor, Ted Boyett, Beth Dingman, Steve Gilbert, Bev Lawless, Scott Somers (non-voting)

**Director Absent:** Laurel Dean

**Staff Present:** David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

**Visitors:** 21 including support staff

### AGENDA TOPIC

#### 1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Garneau called the meeting to order at 2:03pm MST. Secretary Hillyer called the roll; quorum established.

#### 2. Amend/Adopt Agenda

**MOTION:** Director Austin moved, Director Boyett seconded to adopt the Agenda.

**Passed:** unanimous

#### 3. President Report

- Board Directors please speak into the microphones when speaking so the members can hear what is being said.
- Board Directors will have ten minutes to introduce a topic from the Agenda and each Board Director will have three minutes to speak to the topic on the first round and may speak a second time for no more than three minutes.

#### 4. CEO Report

- Desert Hills Fitness is moving forward. The HVAC is expected in June and an opening and ribbon cutting is set for July.
- Glass Artist Space at Santa Rita Springs is moving forward. The concrete slab is roughed in for the plumbing to be completed, the concrete is being patched, framing is continuing, and plumbing, mechanical, and electrical rough ins are underway. On schedule for an October opening.
- Del Sol Clubhouse construction of the upper-level restrooms are near completion and waiting for partitions which are on back order. The remodel work is underway on the main room (bar/restaurant area).

- West Center Art Center space for Lapidary and Woodshop is moving forward with the architect figuring space and cost estimates. This is scheduled for a Work Session in June.
- Las Campanas pool and spa closed beginning June 5 and reopen on June 24.
- Woodshop request for a vacuum system is moving forward.
- CEO Chat went well with 11 people attending. This allowed for a small group discussion with members.

## 5. Member Comments: 0

## 6. Committee Reports

- Audit – received and placed on file
- Board Affairs – received and placed on file
- Fiscal Affairs – received and placed on file
- Investments – received and placed on file
- Nominations & Elections – received and placed on file
- Planning & Evaluation – received and placed on file

## 7. Consent Agenda

**MOTION: Director Boyett moved, Director Bachelor seconded to approve Consent Agenda.**

**Passed: unanimous**

- Minutes:
  - BOD Regular Meeting Minutes: April 26, 2023
  - BOD Work Session Minutes: May 17, 2023
- Financial Statements:
  - December (2022), January, February, March, April (2023)

## 8. New Business

- Approve Next Steps Del Sol Clubhouse  
 CEO Somers reviewed the Work Session discussion on next steps for Del Sol Clubhouse and asked the Board to give staff direction to work with the architect to develop construction documents. Once documents are developed, the architect will get permits and will go out for bid for construction. After bids are received, staff will come back to the Board with a recommendation to award a contract for Del Sol Clubhouse.

**MOTION: Director Dingman moved, Director Blake seconded to continue moving forward with developing the architectural plans and construction documents for creating a social gathering, recreation center at the Del Sol Clubhouse.**

**Passed: unanimous**

**Motion to Amend: Director Crothers moved, Director Hillyer seconded to amend the motion to include an analysis of parking requirements based on the expected usage to the facility and if far fewer spaces are needed, options on the best use of additional space.**

**Failed: 5 yes (Austin, Blake, Carden, Crothers, Hillyer) / 6 no**

- Approve 2022 Surplus Transfer  
 CFO David Webster presented the surplus transfer dollar amount based on the post audit 2022 fiscal year. The surplus calculation is what was approved in 2021 and in accordance with the CPM to move from Operations Fund to the Initiatives Reserve Fund. Fiscal Affairs Committee recommended approval by the Board.

**MOTION: Director Boyett moved, Director Lawless seconded to approve the 2022 Surplus Transfer from Operations to Initiatives Reserve Fund in the amount of \$428,596.**

**Passed: unanimous**

**C. Survey on Cameras at Facilities**

Director Hillyer presented the background and survey questions found in the Staff Report.

**MOTION: Director Hillyer moved, Director Carden seconded that appropriate GVR staff poll the GVR membership using the following questions via at least two weekly eBlasts in June 2023:**

**Background: In early November 2022, at Las Campanas Recreation Center, a GVR member reported that she was accosted in the shower of the ladies' locker room by a naked young man holding a knife. She screamed, he fled, and he was seen running away from the center, wearing black shorts. This incident was reported immediately to the Pima County Sheriff's Department. Thus far, no suspect has been identified. This was the first such incident in GVR's history, as far as we know.**

**Later in November 2022, at the regular monthly GVR Board Meeting, the board voted to ask GVR staff to get quotes for possible security enhancements at GVR.**

**At GVR's Regular Board Meeting in April 2023, GVR staff presented three bids for camera projects at GVR. One was for 123 cameras for about \$153,000, another was for 103 cameras for about \$136,000, and the third was for 84 cameras for about \$185,000. All three systems are unmonitored—they would maintain recordings of camera images on a 30-day loop.**

**GVR staff recommended accepting the first described bid—123 cameras for about \$153,000. (Of these 123 cameras, one-third—41 cameras—would be in GVR parking lots.) A motion was made and seconded in support of that GVR staff recommendation, which was rejected by the board. Concerns were expressed as to cost, number of cameras, and loss of privacy for GVR members.**

**Several board members expressed interest in getting input from the GVR membership. A motion in support of that idea was made and seconded, and was passed by the board. This survey is the result.**

**With that as background, here is the question:**

**Please choose just ONE of the four options below.**

**Do you believe that GVR should:**

- a. Leave things as they have been so far at GVR, with no surveillance cameras at GVR facilities?**
- b. Add 12 surveillance cameras over the entrances to the 12 ladies' locker rooms at GVR facilities? (These cameras would record images of those entering and leaving the locker rooms, but no activity inside the locker rooms.)**
- c. Add 37 surveillance cameras—12 over the entrances to the 12 ladies' locker rooms, and 25 at the card-reader entrances to GVR Centers?**
- d. Add 123 cameras (about \$153,000), or 103 cameras (about \$136,000), or 84 cameras (about \$185,000), by accepting one of the three bids described above?**

**Thanks for your answers. They will be considered by the board.  
in Staff Report**

**MOTION TO AMEND:** Director Bachelor moved, Director Carden seconded to amend the motion for the staff to reevaluate the current proposed survey and possibly come up with a more informational survey for the members, and bring the survey and background information back to the Board in June for approval.

**Passed: 7 yes / 4 no (Austin, Blake, Crothers, Hillyer)**

**Amended Motion Passed: 7 yes/ 4 no (Austin, Blake, Crothers, Hillyer)**

***Amended Motion: Approve the staff reevaluate the current proposed survey and provide the Board with an informational survey for the members, and bring the survey and background information back to the Board in June for approval.***

**D. Approval of Ad-Hoc Committee Space Use and Reservation**

President Garneau initiated the Ad-Hoc Committee on Space Use and Reservation.

COO Natalie Whitman explained the need for this Ad-Hoc Committee on Space Use stating the reservation policy for space use/reservations is incomplete with many unspoken and handshake agreements which does not provide fair access to all the members. The Ad-Hoc Committee will be comprised of Director Boyett as the Chair, staff liaison is Natalie Whitman, and multiple GVR members. The committee will develop recommendations for the Board to consider.

**Motion: Director Garneau moved, Director Carden seconded to approve the scope of work and timeline to include examination of existing policies, identification of gaps in the policies, collecting information from user group outreach activities, drafting policy recommendations for the Board, and to be fully completed by December 31, 2023.**

**Passed: 10 yes / 1 no (Hillyer)**

**E. Photography Club Tenant Improvement**

Facility Director David Jund presented the Photography Club Tenant Improvement request at Santa Rita Springs.

\*Director Hillyer left the meeting at 4:03pm.

**MOTION: Director Bachelor moved, Director Dingman seconded to approve the Canyon Building and Design proposal to build out the GVR Photography Club Tenant Improvement at a cost not to exceed \$36,000.**

**Passed: unanimous**

**9. Member Comments** - 1 member spoke in support of the Photography Club request for tenant improvement.

**10. Adjournment**

**MOTION: Director Austin moved, Director Carden seconded to adjourn the meeting at 4:06pm.**

**Passed: unanimous**

**BIDDER PROPOSAL FORM**

THE FOLLOWING PAGES ARE TO BE COMPLETED TO CONSTITUTE THE BIDDER'S PROPOSAL

Bidder: Building Excellence, LLC

**BIDDER'S PROPOSAL**

**Project No. 2022-02-CHCH-01**

**Del Sol Clubhouse**

**To Green Valley Recreation:**

In compliance with the Notice Inviting Sealed Bids, the undersigned as Bidder proposes to furnish all materials, equipment and all labor and methods and do all work necessary for the proper construction and completion of the work, in strict and complete accord with the Plans, Specifications, Special Provisions and other Contract requirements at the prices set forth in the following Bid Schedules for the work generally described as follows:

**Project No. 2022-02-CHCH-01****Del Sol Clubhouse**

Bidder declares that he/she has carefully examined the location of the proposed work generally described and is familiar with the Plans, Specifications, Special Provisions and local conditions at the place the work is to be done and understands that all labor, materials and equipment are to be furnished, shall be for the prices bid, and that the undersigned, as Bidder, has checked figures set forth in the Bid Schedule, and understands that neither Green Valley Recreation nor any of its officers or employees will be responsible for any errors or omissions on the part of the undersigned Bidder in submitting its completed Proposal.

Accompanying this Bidder's Proposal is cash, a cashier's check, certified check or Bidder's Bond payable to the Green Valley Recreation in the amount of

10% of the total amount of the bid, see attached \_\_\_\_\_ dollars (\$ \_\_\_\_\_), which is equal to at least ten percent (10%) of the total amount of the bid. The Bidder further agrees that if he/she defaults in executing the required Contract Agreement and/or fails to submit the required Performance Bond, Payment Bond, Insurance Certificate(s), or executed Contract Agreement to Green Valley Recreation specified date, the proceeds of his/her proposal guarantee accompanying his/her Bidder's Proposal, be it cash, check or bond may be forfeited to Green Valley Recreation, subject to the law, and this Bidder's Proposal, acceptance and the Award of the Contract may be considered null and void. If any Surety, upon any bond furnished in connection with this Contract, becomes unacceptable to Green Valley Recreation, or if any Surety fails to furnish reports as to its financial condition from time to time, as may be requested by Green Valley Recreation, the Contractor shall promptly furnish additional security as may be required to protect the interests of Green Valley Recreation and any persons supplying labor or materials in the prosecution of the work contemplated by this Contract.

## **BIDDER PROPOSAL FORM**

The Bidder is required to set forth herein the name and location of the place of business of each subcontractor who will perform work or labor or render service to the General Contractor on the construction of the work or improvement to be performed under the Contract Documents attached, and the portion of the work that will be performed by each subcontractor for each subcontract in excess of five percent (5%) of the total bid. The Bidder agrees to perform all parts of the Contract that have not otherwise been specified herein to be performed by a subcontractor. If Green Valley Recreation has reasonable objection to any proposed subcontractor, it may request Bidder to submit an acceptable substitute. If Bidder declines to make any substitution, then Green Valley Recreation may award the Contract to the next lowest qualified Bidder.

A Contractor shall not substitute subcontractors listed in the original bid except under the following conditions, and only with the written approval of Green Valley Recreation Department Director or designee.

- 1) The subcontractor listed in the bid, when presented a contract based on the general terms, conditions and specifications of the bid fails or refuses to enter into contract with the Bidder.
- 2) The listed subcontractor fails or refuses to perform the subcontract.
- 3) The listed subcontractor fails or refuses to meet the bonding requirements, if any, of the Contractor.
- 4) The listed subcontractor is not appropriately licensed.
- 5) The work performed by the subcontractor is unsatisfactory and/or not in accordance with the Plans and Specifications.

If the Contractor makes a substitution without prior written approval of the Director or designee, Green Valley Recreation may take action against the Contractor to include, but not limited to, contract termination and/or disqualification.

The Bidder shall set forth clearly legible figures for the "Firm, Fixed Total Bid Amount" in the spaces provided at the bottom of each Bid Schedule.

The Bidder understands that any quantities provided by Green Valley Recreation, or elsewhere in the Contract Documents, are approximate and for comparison of bids only, and are subject to reasonable increase or decrease, in the opinion of Green Valley Recreation, and Contractor proposes to perform all quantities of work as either decreased or increased, in accordance with the provisions of the Specifications, at the unit prices it bid.

Green Valley Recreation reserves the right to reject any and all bids or any part thereof, or to accept any bids or any part thereof, to waive any irregularity, informality or technicality in any bid, or to withhold the award to the extent permitted by law. Green Valley Recreation further reserves the right to advertise for new bids if, in the judgment of Green Valley Recreation, it is in the best interests of Green Valley Recreation. The Bidder agrees that he/she may not withdraw his/her bid after accepted by Green Valley Recreation and prior to execution of the Contract by the successful Bidder.

**BIDDER PROPOSAL FORM**

**Subcontractor List**

**Bidder:** Building Excellence, LLC

Subcontractor (Greater than 5% Contract)

Trade

GRG Construction Co.

Sitework, Concrete

B & J Refrigeration, Inc.

HVAC

JBP Electric, Inc.

Electric

Cutter Steel & Contracting

Steel

Catalina Mechanical

Plumbing



## BIDDER PROPOSAL FORM

**Bid Schedule:** Del Sol Clubhouse

**Bidder:** Building Excellence, LLC

01	General Conditions	120,865
	Duration of Project <u>18</u> Weeks	
02	Existing Conditions (Demo)	43,638
03	Concrete	35,250
04	Masonry	33,250
05	Metals	32,700
06	Wood, Plastics, and Composites	6,500
07	Thermal and Moisture Protection	3,624
07.21	Insulation	1,624
08	Openings	32,015
08.10	Doors & Frames	11,290
08.40	Entrances & Storefronts	20,725
09	Finishes	102,972
09.20	Metal Framing & Drywall	27,500
09.30	Tile	8,533
09.51	ACT	1,600
09.60	Flooring	26,822
09.70	Stucco	5,000
09.90	Paint	11,805
10	Specialties	3,115
21	Fire Suppression	16,250
22	Plumbing	48,500
23	Mechanical	65,690
26	Electrical	145,669
27	Communications	N/A
28	Electronic Safety & Security	N/A
31	Earthwork	253,995
	Division Subtotal	944,033
	General Liability, Taxes, OH&P	139,910
	<b>Total</b>	<b>1,083,943</b>

Please Note All Exclusions **from Drawings** Below:

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\$5,000 Allowance included for Special Inspections.

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\$1,000 Allowance included for Miscellaneous Permits.

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Bid is guaranteed for 30 days due to market volatility.

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Sealcoat is bid as industry commercial standard.

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