



# DRAFT 2026 STRATEGIC BUDGET DRIVERS + BUDGET TIMELINE

May 23, 2025





# OUTCOMES FOR TODAY'S DISCUSSION

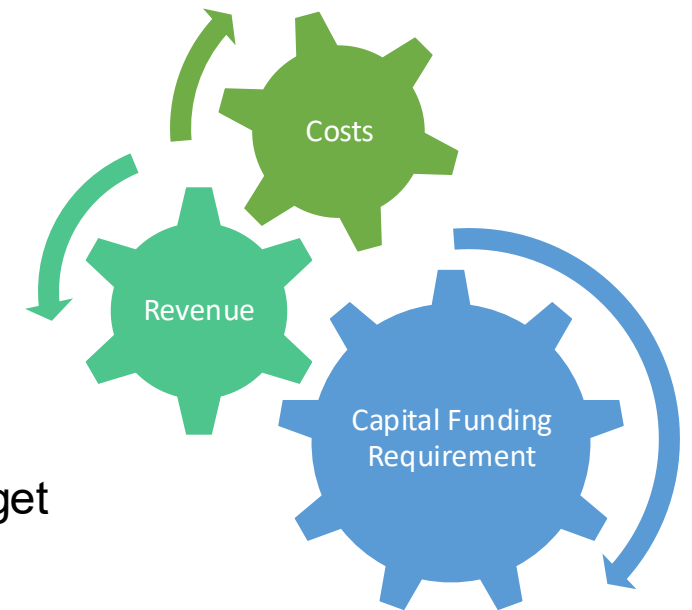
- Develop a common understanding of the staff's draft 2026 Strategic Budget Drivers
- Identify areas of refinement and/or alternatives in conjunction with board feedback and guidance

## FUTURE MEETINGS WILL COVER:

- 7/25/25 Regular BOD Mtg: Board discussion of 10-Year Capital Improvement Plan and 20-Year Capital Plan. Special invite to appropriate committees. Seeking board feedback for project priorities and timeline

# MANAGEMENT 2026 BUDGET PROCESS IMPROVEMENT FOCUS AREAS

- Strengthen budget transparency and member understanding
  - Committee involvement and collaboration
    - Finance, Trails and Open Space, and Long-Range Planning
  - Member education and outreach
- Increase and focus on member benefits
  - Address member feedback on declining member value
  - Create and retain member value
- Planning improvement
  - Initiate strategic budget drivers discussion and guidance in advance of budget development
  - Begin 2026 and long-range capital improvement discussion earlier
- Fresh look at budget with new leadership and strategic organizational shifts
  - Evaluate the Amenity Access Rule change financial impacts
  - Evaluate and refine human resource allocation
  - Strengthen EQ, Golf, F&B financial performance
  - New opportunities for revenue enhancement and cost efficiencies





# ANNUAL STRATEGIC OBJECTIVES

- 2025 Annual Strategic Objectives
  - Amenity Access Improvement
    - Amenity Access Rule Change Implementation Plan and Communication Campaign
  - Member Value + Strengthening Community
    - Member Relations + Engagement
  - Land Management Planning + Stewardship
    - Land Management Plan Update
    - Fire Safety + Forest Health Rules Update
  - Organizational Development
    - Organizational + People Development
    - Good Governance
      - Capital and Financial Policies Update
- 2026 Annual Strategic Objectives
  - Forthcoming draft during the budget planning process



# 2026 DRAFT BASELINE ASSUMPTIONS OPERATING FUND

| TOPIC                             | 5/13 INITIAL ASSUMPTION  | WHY  |
|-----------------------------------|--|--|
| Economic Inflation Factors        | The initial baseline assumption was a minimum 3% increase  | Economic inflation is volatile due to uncertainty; insurance renewal indicators have not settled with national and LA fire impacts<br><br>Utilizing CPI, utility rate increase notices, forecasts from vendors   |
| Financial Performance Improvement | Priority focus continues for food and beverage, equestrian, golf<br><br>Cautious revenue assumptions; revenue growth opportunities and cost efficiencies will result in modest improvement; continue the good work of 2025 efforts | Driving for improved financial and operational performance while maintaining member services<br><br>Cautious revenue budgeting due to weather impacts impacting 3 and 5 yr avg; utilizing improved technology and metrics for estimating costs, labor, and revenue |
| Operational Improvements          | Anticipate member private amenity usage will grow<br><br>Services and programming refinement leading to sustainable pricing and operating results  | Amenity Access Rule Implementation Plan continues<br><br>Equestrian program vision established in the budget<br><br>New era for food and beverage: improved menu, pricing, quality   |
| Downhill Ski Lodge Completed      | Estimated Net Operating Result positive impact \$2M+   | Expected Downhill Ski Lodge opening for 25/26 season and all services available<br><br>Downhill Ski and Day Camps return to regular operations   |

# 2025 DRAFT STRATEGIC BUDGET DRIVERS - DRAFT

| DRIVER                  | DETAIL   | PRIORITY     | ESTIMATED FINANCIAL IMPACT#   | WHY  |
|-------------------------|--|--------------|---|--|
| Member Value & Benefits | All (4) Member ID Cards in Annual Assessment                           | Highest – 1A | (\$1.7M) less in Recreation Fee and Member Daily Access Revenue   | Increasing Member ID Cardholder benefits   |
|                         | Menu of Member Benefit Vouchers with Annual Assessment                 | 1B           | Analysis in progress leading into 2026 budget development   | Control private amenity overcrowding   |
|                         | Member Discount at Public Amenities, including F&B + Retail            | 1C           | Retail discount – in place for 2025; F&B member discount analysis in progress, leading into 2026 budget development | Create member value by offering members the best prices and great member programs and experiences at the amenities |
| Revenue                 | Downhill Ski Operations + Day Camps                                    | Highest – 1A | \$2M increase in Revenue  | Downhill Ski Lodge comes into service Dec '25  |
|                         | Modest revenue growth  | 1B           | 4.75%   \$1.2M increase in Revenue  | Modest fee increases to offset cost pressures due to inflation, growing demand for quality programs                |
| Service Levels          | New era for food and beverage offering menu, pricing, quality, and fun | 1B           | See above Revenue   | Focused on the number of food outlets/venues, labor efficiencies, and revenue opportunities                        |
|                         | Other department operational or programming changes                    | 2B           |   | Operation plan changes and refinement  |

Priority Column Note: Scaling and ranking based on Importance (Number), 1 being the highest and three the lowest to do, and Impact/Benefit (Letter), A being higher urgency and C lower urgency

Table Symbol Notes:

# All \$ and % are **estimates** and not final until the 2026 Budget Draft is presented during the budget process.

# 2026 STRATEGIC BUDGET DRIVERS - DRAFT

| DRIVER                                  | DETAIL  | PRIORITY            | ESTIMATED FINANCIAL IMPACT#   | WHY   |
|---|---|---------------------|---|---|
| Employer Reputation and Competitiveness | Employee health benefits: Employer and Employee % contributions stay the same | 1B                  | Minimum 7% min Net rate increase<br>TDA ER Contribution increase \$120,850                                    | Maintain a competitive position in the Truckee/Reno labor market              |
|   | Merit is budgeted effectively   | 2A                  | Minimum Net impact \$150,000  | Pay for performance through an adequate merit budget                          |
|   | Performance recognition programs are budgeted effectively                     | 3A                  | Minimum Net impact \$60,000   | Program budgeted % strengthened to recognize excellent employee performance   |
| Capital Planning and Funding            | Replacement Reserve Fund minimum 10% increase*                                | 2A combined ranking | RRF Assessment allocation \$1,034; 10%/\$94 increase at a minimum*  | Ensuring sustainable and smooth funding year-to-year for the capital reserves |
|   | Development Fund minimum 4% increase*   |                     | DF Assessment allocation \$938; 4%/\$36 increase at a minimum*  | Capital and Financial Policies Update implementation plan                     |
|   | New Equipment Fund minimum \$50/pp*   |                     | \$50 per property (pp); \$30 increase*  |   |
| Information Technology                  | Cashless Operations Association-wide  | 3A                  | Potential impact to Credit Card Fees (\$50,000) if not passed along, resulting in a decrease in labor expense | Improving services and controls Association-wide                              |

Priority Column Note: Scaling and ranking based on Importance (Number), 1 being the highest and three the lowest to do, and Impact/Benefit (Letter), A being higher urgency and C lower urgency

Table Symbol Notes:

\* These numbers are based on the existing capital and financial policies. The Board will be completing updates to those policies in June.

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# 2026 STRATEGIC BUDGET DRIVERS - DRAFT

## BOARD FEEDBACK

The staff is seeking Board feedback on the draft 2026 Strategic Budget Drivers and prioritization ranking.

*How do the identified drivers align with the Board's thinking?*

*Are there any drivers the Board would like to add, remove, or alter?*

*How do the driver priority rankings align with the Board's thinking?*

*Does the board have any requests for further refinement to the 2026 Strategic Budget Drivers before they are placed on the June 27 Regular Board meeting Consent Calendar?*





# 2026 DRAFT BUDGET TIMELINE - DRAFT

| STAKEHOLDER GROUPS | MAY  | JUNE  | JULY  | AUGUST   | SEPTEMBER  | OCTOBER  | NOVEMBER   |
|--------------------|--|---|---|--|--|--|--|
| <b>Staff</b>       | Leadership team – Strategic Budget Drivers   | Budget kickoff meetings                                   | Budget development activities   | Budget development activities  | Budget refinement  | Budget refinement until adoption + Budget Report   | Budget Report & AA invoices postmarked 11/15               |
| <b>Finance</b>     |  | Working group   | Working group + 7/25 Reg BOD Mtg                                      | Working group + FC+ Session #1 invite                                    | Working group + FC+ Session #2 invite  | Session #3 invite  | Post budget wrap-up wDOFA                                  |
| <b>LRPC</b>        |  |   | 7/10 10-YR & 20-YR Capital Plans Discussion                           | Session #1 invite  | Session #2 invite  | Session #3 invite  | Post budget wrap-up wDOCPF                                 |
| <b>TOS</b>         |  |   | TOS Budget discussions  | Budget discussion if needed<br>Session #1 invite                         | Session #2 invite  | Session #3 invite  | Post budget wrap-up wDOLM                                  |
| <b>Board</b>       | 5/23 Reg BOD Mtg<br><b>Strategic Drivers</b> | Complete Capital and Financial Policies Update Initiative | 7/25 Reg BOD Mtg<br><b>10-YR &amp; 20-YR Capital Plans Discussion</b> | Late Aug (either 8/22 or 8/28)<br><b>Session #1 Draft Op Fund Budget</b> | 9/26 Reg BOD mtg<br><b>Session #2 Draft Cap Funds + Op Fund (Consolidated)</b> | Early Oct Special BOD mtg <b>Session #3 Consolidated + Budget Approval</b><br><br>If needed, Session #4 no later than October 14 | Review updated capital and financial policies (Nov or Dec) |

# THANK YOU