



I am the Treasurer and Chair of Fiscal Affairs and I would like to address the concerns of members to the cost of the 10 year plan. Although nothing, as yet, has been sent to the Fiscal Affairs Committee (FAC), as Chair of this committee I can tell you that we are well aware of the plan and are looking at all of GVR's funds. As was documented at the October board meeting there will be no special assessment to fund any part of the 10 year Plan. I would also like to remind our members that, as stated in our Bylaws, special assessment cannot be applied without a majority vote of the full membership (Article 3 Section 5). GVR will live within its means which is that "if we do not have the money we will not do it".

The main projects on the plan are broken out by individual recreation center. Some of the projects cross over from one center to another. All of these projects will be reviewed by Fiscal Affairs Committee for cost. It is important that we know what each project involves as some things are covered by the Reserve Study and some things are new. These differences will determine which fund the monies come from. For components that are part of the Reserve Study the moneys will come from the Capital Repair, Replacement and Maintenance Fund. For new components these monies will come from the Capital Initiatives Fund. It is also possible that some of the projects mentioned in the plan may also have been noted in the budget of the GVR Facilities department so will be handled during a budget year. These projects are part of GVR's regular maintenance program. Again, if the money is not there the project will be on hold until funds are available. As we show at each Board meeting our Reserve Funds are strong and are invested well. The Capital Repair, Replacement and Maintenance Fund had a balance as of December 31, 2016 of approximately \$5 million and the Capital Initiatives Fund had a balance of approximately \$2 million. I do expect these balances to change after the year-end auditor's adjustments have been made. It must be noted that these

Reserve Funds have minimum balance requirements that the Board must maintain. GVR funds at this time will not pay for everything on the list, however, we are not doing everything on the list immediately. Everything will be reviewed by the Planning and Evaluation Committee and criteria set on when each project will be done. Some may be done this year and others will wait. Just as each home-owner must plan and budget for changes, repairs and updates to keep our homes viable, so GVR will be doing this with the 10 Year Strategic Master Plan. Again, projects must have funds available before they can commence.

There have also been comments about the 2017 budget which I would like to address. The recent annual membership fee increase of 2% was 1.7% CPI and then rounded to eliminate odd cents. The annual membership fee funds a portion of the annual budget and does not fund the 10 Year Strategic Master Plan. There have also been comments that salaries and benefits rose by 19% between the 2016 and 2017 budgets. The difference between the 2016 actual and the 2017 budget is 9% with wages and benefits up by 8.5%. Considering the changes that have been put in place by the Department of Labor and the cost savings found by the Chief Financial Officer (CFO), the increase is a lot less than what was envisioned at the start of the budget development process and I commend the CFO for her diligence in this area.

I hope that this has helped you to understand how the Fiscal Affairs Committee, the Planning and Evaluation Committee, and the rest of the board are working together to make sure that we do the very best we can to preserve, maintain and protect the investment that we all have in our community of GVR.

Vicky Mournian

Treasurer, GVR Board of Directors