

## PRESIDENTS REPORT FOR ANNUAL MEETING ON 29 MARCH 2016

I can report to you that the state of GVR is financially sound and continuing to provide the needed programs and facilities that make GVR a super retirement community. This past year we have accomplished some major goals. Here are some: one, we passed a boundary expansion referendum which has resulted in 8 families to date joining GVR; two, we debated and passed the construction of ABN pool; three, we engaged a contractor (WSM) to do a complete top to bottom assessment of GVR facilities and programs; four, we engaged a firm to complete a reserve study; five, we have engaged the service of a financial firm to provide much needed investment advice; and many more accomplishments. Your board, committees and countless other volunteers together with staff have been very busy.

We also have begun a series of articles in GVR now keeping you up to date with respect to GVRs finances and other important matters of the corporation. These coupled with frequent e-blasts are intended to keep you informed of the goings on in the volunteer leadership roles and the GVR staff. Thank you Kent Blumenthal and your professional staff for helping to guide GVR to be all that it can be.

Unfortunately, some disagree with much of the work of your volunteers and staff. I would like to make some observations. Within the last couple of weeks, two of our members wrote op-ed pieces in the GV News. One piece entitled "In My View; Is Green Valley a Premier Retirement Community" by Steve Ault. Steve again challenges the vision "to make Green Valley a retirement destination of choice": three of GVR's 23,000+ members agreed with Steve in letters to the editor and among other things said, "the majority of GVR members do not want GVR to be progressive" (my words).

A second piece entitled, "GVR isn't broke, but it could be broken" by Richard Ulander (another so-called GVR4us member) once again calls into question GVR's financial stewardship. Our auditor, chair of the financial committee, and CFO will talk to you in a few minutes about the good state of GVR's financial position.

I will address the few would-be GVR pundit issues with respect to future growth in GVR.

Regarding the majority of members comment, the truth is much different. We are encouraged by our recent boundary expansion referendum, which resulted in a majority of GVR members agreeing to expand our boundary. Additionally, WSM architects studying our facilities and programs have conducted many town hall type meetings with members of GVR, where at least 1,000 GVR members have spoken up and provided input about changes and enhancements they want to see at GVR. The comments WSM received overwhelmingly support growing to meet the demands of retirees.

The mission of GVR is written on the back of your GVR member card, "to provide recreational, social and leisure education opportunities that enhance the quality of our members' lives." Taken in concert with the board-endorsed vision statement to "make green valley a destination of choice for active adults and retirees" provides the board and staff with a map to the future. We are unique and have a mission. Our vision reminds us that future retirees may want something different in retirement and surely will want up-to-date facilities and programs. After all, today and tomorrows adults and baby boomers will have different needs and desires as they go into retirement. According to the pew research center,

10,000 Americans will turn 65-years old every day for the next 13 years. We need to recognize that and plan accordingly.

In his editorial, Steve said with respect to boundary expansion, "we were led to believe that boundary expansion would eliminate the need for big dues increases" and "are you happy with the 5.5 percent dues increase?" no one in a GVR leadership position ever promised not to have a dues increase. Just the opposite is true, your board recognized that a slight increase would still be necessary to keep up with inflation and to fund our reserves as needed. We still are awaiting the results of our reserve study to determine if we are on the right track to fund our reserves. By the way, as promised, the money that was brought into our account by the families that came into GVR as a result of the expansion referendum funded our capital replacements reserve account. And, as I said previously, to date we have had eight rooftops come into GVR as we predicted. Given survey data at the time of the 2015 boundary expansion, GVR expects 16 additional new member rooftops from the boundary expansion areas between now and 2018.

Yes, we are planning for the future: 1. After results of the reserve account study and the facility assessment is reported we will engage in developing a 10-year plan that will help chart the course for the future. 2. We will engage in discussions with the members of our community on what changes (if any) to our facilities and programs should be made as we develop the 10-year plan. 3. We are engaging in discussions to recognize the rapid aging of some of our members and what (if any) programs, facilities that they require and adjust accordingly. In sum, we are not looking to the future blindly as we focus on today's and tomorrow's younger retirees but also recognizing that our older members have different needs.

These are just some of the challenges that lie ahead of us if we are to be the "community of choice" that provides active adults and retirees with another a preferred option to other planned adult communities that exist that we find ourselves in competition with. Your board of directors, committees, CEO and staff are working together to ensure that we advance our mission for today and tomorrow.

One last thought. I have asked the board to await development of our communication policy that is being developed before answering opinion pieces in the GV News. Personally, I have asked the board not to conduct corporation business in the newspaper. Opinions are just that, opinions. They are not actionable until they are challenged and discussed in the committee and the board process, and until then they remain only opinions.

I encourage members ~~those~~ who are interested in charting GVR's future join a committee and/or stand for election to a Director's position. We don't get paid a lot (actually nothing) but derive some level of personal satisfaction from our engagement in a GVR leadership position. Your 12 directors and countless other volunteers work very hard to ensure that "Green Valley and GVR continue to be the destination of choice for active adults and retirees".

Joe Gunton