



GVB Board Brief

Community News Brief – June 2025 Edition

RE: GVB Reserve Study Review

Why We Need A Reserve Fund

There are two main ways for a Property Owners Association to pay for major expenses that come up as part of maintaining the Association’s common areas, clubhouse, roadways, and other important assets. These are: 1) special assessments, or 2) a reserve fund built up from annual dues. Both funding methods have pros and cons, so how do you know which is the best option for our community?

Special assessments are a one-time fee collected when an Association lacks enough money to cover an expense. Passing a special assessment in GVB requires a 2/3 approval vote of all members and so it does not ensure that the Association would have the money it needed when it was needed. Special assessments can be useful in emergencies but pose a substantial risk when used for planned repair or replacement projects.

On the other hand, reserve funds are set aside from annual income (member dues), so they are available for planned expenses, such as a roof replacement for the clubhouse or restoration of our roadways and docks. A well-funded reserve account will add value to our community and give members peace of mind that the Association will have the money available to reliably maintain our community assets and amenities when needed.

GVB Reserve Study

The first owner-controlled GVB Board of Directors (BOD) recognized the necessity for a comprehensive assessment of both existing and future expenses for proper reserve fund planning. The findings of the 2019 reserve study prompted the decision to increase dues in 2021 to ensure sufficient funds would be available for the upkeep of GVB's aging assets (e.g., the clubhouse, gates, pool, docks, roadways, etc.). The initial BOD's forward thinking and the efforts of subsequent Boards to put aside money into the reserve fund are the reasons we have enough money available today for the recent resurfacing of our pool and beginning the restoration of our roadways.

It is good practice to renew the reserve study about every 5 years. Consequently, last year's BOD engaged Reserve Advisors, LLC, to update their comprehensive 2019 study. A draft of the updated reserve study report was issued on November 15, 2024. The current Board will be using the soon to be released final version of this report to help determine the reserve fund contributions that will be needed for the ongoing maintenance of GVB's assets.

Before looking at the annual reserve contributions suggested by Reserve Advisor's in the draft study report, members from both this year and last year's Board got together and conducted a detailed review of expenditures proposed for the different asset categories. This review was used to confirm that the asset repair or replacement costs and timing were reasonable and did not include any significant over or underestimations. Even though the Reserve Advisors study spans 30 years from 2025 to 2054 our approach was to focus on estimates over the next 10 years, recognizing that most of our GVB assets are now 20 plus years old. We believe many of our major assets like the roads, fences, gates, and clubhouse will need major repairs or full replacement over the next 10 years.

Our main objective is to identify and allocate funding for expenditures that are necessary and reasonable for the proper maintenance and longevity of GVB's assets, ensuring the future value of our community. No matter the result from this evaluation, the BOD recognizes that this is only a snapshot in time. Therefore, refreshing this reserve study at least every 5 years by future BODs will be important to ensure an equitable funding plan that does not significantly overfund or underfund our required reserves.

Summary of Reserve Study Components

Reserve Advisor's updated reserve study provided a thorough review of all the infrastructure and amenities within the GVB community. The comprehensive evaluation of property site elements was broken down into 4 major areas, with consideration of the age, condition, and need for replacement or repair of specific elements in each area.

The following narrative is a high-level summary of Reserve Advisors key findings.

- **Property Site Elements**

Property site elements evaluated included the following:

- Asphalt Roads, Pavement and Repaving
- Three-Rail Vinyl Fencing
- Gate Entry Systems, Gates, and Gate Operators
- Landscaping and Drainage
- Light Poles and Fixtures
- Signage and Entrance Monuments.

Reserve Advisors generally agreed with the BOD plans to restore or replace all 13 miles of roadways within GVB over the next 10 years, including plans for interim crack filling and seal coating to preserve the roads to the extent possible while saving money in the reserve fund for eventual replacement.

Reserve Advisors considered our fences to be in good to fair condition. The typical life span of vinyl fencing is 20 to 25 years, so all 2.5 miles of our 20-plus-year-old fencing in GVB will need to be replaced in phases over the next 10 years.

Our gates were considered to be in good overall condition with a recommendation to obtain and adhere to a preventative maintenance plan to extend the life of the gates and gate operators. Since the gates are mostly original to the construction of the development and because of advances in technology, Reserve Advisors has included a phased replacement cost as part of the reserve funding needs over the next 10 years.

Landscaping, drainage, and light fixtures were all recognized as part of the original construction of the development and were considered to be in good condition. Reserve Advisors suggest regular maintenance will be needed to extend their useful life. Timing and cost estimates for general maintenance and replacement as needed are included in the reserve expenditure estimates.

- **Clubhouse Elements**

Clubhouse elements evaluated included the following:

- Balconies and Railing
- Light Fixtures
- Exterior Renovations
- Furnishings
- HVAC Equipment
- Interior Renovations
- Roof
- Security System
- Staircase
- Windows and Doors

Reserve Advisors considered the balconies and railings at the clubhouse to be generally in good condition with their useful life estimated at 35 years if properly maintained. The railing finishes are in fair condition with isolated rust and finish deterioration evident. Expenditure timing and cost for periodic maintenance were included in the reserve expenditure estimates.

The exterior of the clubhouse was found to be in good condition with metal trim and stained wood painted in 2023 although there were areas of deterioration evident. Expenditure timing and cost for periodic maintenance and replacement of elements such as windows and doors were included in the reserve expenditure estimates. The clubhouse metal roof was installed in 2004 and has a useful life of up to 30 years. Therefore, Reserve Advisors recommend an annual inspection and repairs as needed to extend the roof life until an estimated 2034 replacement.

Interior elements and furnishings assessed included everything from bookcases and filing cabinets to kitchen appliances and outdoor grill build-ins. With the useful life of the components varying significantly up to 20 years, Reserve Advisors recommended an annual budget amount to allow for phased replacement of the furnishing over the next 20 years.

Our HVAC system includes four individual split units (outside condensing units with interior evaporator coils and gas fired air handling units) manufactured in 2006. These units with a useful life of 15 to 20 years are of the type that use the R-22 refrigerant that is no longer in production and expensive to service. Therefore, Reserve Advisors recommend a semi-annual maintenance plan while closely monitoring the rate of repairs. Expenditure timing and cost allocated to the reserve fund is for the replacement of all 4 units over the next 3 years.

- Pool Elements

Pool elements evaluated included the following:

- Concrete Deck and Coating
- Furniture
- Mechanical Equipment
- Pool Plaster Finish and Tile

The useful life of a concrete pool deck is 60 years, the pool plaster and tile 12 plus years, and the mechanical equipment up to 15 years. Therefore, with our replastering of the pool and the upgrading to a saltwater filtration system this year, no significant expenditures beyond general maintenance were included in the reserve funding estimates over the next 10 years.

- Marina Elements

Marina elements evaluated included the following:

- Bulkhead / Retaining Walls
- Floating Docks and Decking
- Concrete Ramps

The useful life of floating docks is typically estimated to be up to 20 years with good periodic maintenance. Reserve Advisors' evaluation of GVB's 20 plus year old docks and considered them to be in fair to good overall condition. As a conservative estimate, a phased plan for significant repairs or replacement of major dock sections was included in the reserve funding estimates over the next 10 years.

Reserve Funding Plan

The BOD is planning to evaluate the detailed conclusions of the final reserve study report as well as the recommendations provided by Reserve Advisors regarding increasing contributions to our reserve fund. As previously stated, our goal is to adequately fund our reserves to meet the future needs of our community while minimizing any impact on annual assessments. We would rather not have to face an annual dues increase, but at the same time, we do not want to see GVB deteriorate to something less than what we all have come to love and respect.

The results of our evaluation and its impact on annual dues will be communicated to Association members at least 30 days prior to the annual dues invoice mailing.

The GVB Board invites your questions and comments to help us provide for and improve our amazing community.