

Board approves revised Pro Forma Budget and Fee Schedule

Over the past month, the Association department managers, the Finance Committee and Board of Directors have held several meetings to discuss the rescission of the dues increase approved by the Board in March 2011. The management staff has reviewed each of their department's budgets and met with the Director of Finance and General Manager to discuss areas where modifications can be made to decrease operating expenses for the POA's 2011-2012 operating budget.

The CLPOA operating budget had to be decreased by approximately \$900,000 to meet the goal of rescinding the dues increase, while readjusting the member's discount at the Country Club restaurant to 20 percent for members on their food and non-alcohol beverage purchases. This process has required a lot of review from all parties involved, and the POA would like to thank the Finance Committee, Board and staff who have diligently worked on the task-at-hand to meet the directive of the Board.

Several aspects were evaluated and re-evaluated throughout this process. Initially certain strategies were considered when determining where adjustments or cuts would have to be made. The reduction strategies determined were: A) Revenue Strategies, B) Service Delivery Model Changes, C) Expenditure Controls and Shifts and D) Service Reductions. Each strategy was then reviewed and certain criteria were established to determine if the strategy would qualify for consideration or if it would be disqualified for consideration.

Department managers reviewed each line item in their department's budgets and, with discussion from the General Manager, the Director of Finance and Interim Controller, made revisions to each line item that they agreed was an area where they could make a reduction and/or cuts to the budget. Every week during the managers' meeting, the revised strategies were then discussed and reviewed.

The Finance Committee and Board of Directors attended two Budget Workshops to discuss the revisions and options available to make these changes or other suggested ideas in the 2011-2012 CLPOA operating budget. On June 24, 2011, there was an updated proposal presented to the Finance Committee and Board of Directors for review and evaluation during the second Budget Workshop. There was not a vote on this proposal since it was only a Budget Workshop; however, there was a consensus among all who attended that the proposal submitted was an attainable plan.

Some of the areas where there will be revisions to the budget include the reduction in Management Partners corporate management contract in the amount of \$156,000 and EVWMD not increasing the water rates as projected in the original budget, saving \$140,000. Within each of the departments, there were reductions in the budget. These include personnel cost reductions from employees that have left the Association, reductions to costs of supplies and maintenance items, or changes in services and contracts to reduce annual budget costs.

Additionally, the Board approved the addition of two fees to the Fee Schedule that would supplement the cost of the services provided. They are the Quagga Mussel Boat Inspection Fee and the Rush Escrow Processing Fee.

As with any budget cut, the question may come up, "How will this affect me?" In this process, the staff, Finance Committee and Board agreed while the goal was to reduce the monthly and annual cost to the membership, the hope was not to cut services or to have minimal service reductions where possible. One of the activities that has been cut with the

revised budget is this year's Snow Day.

With Board approval of the new revised budget and rescinding the dues increase, the POA will begin providing reimbursements or credits for overpayment of dues. Members who paid the entire Annual Assessment will receive a reimbursement check for \$180 in August. Members who paid their dues monthly will receive a credit of \$15 on their account for each month paid.

The implementation of the revised budget shall occur over the next one to two months and throughout the fiscal year accordingly. There will be further review of the different strategies that were suggested, and as each item is evaluated, the staff and Board will determine the course of action, and if the strategy should be implemented or disqualified. This will be a continued process for the POA over the next year or until all the strategies have been reviewed.

For more information on the revised budget, a detailed list of all the budget revisions and reductions can be found under "Important Notices" on the POA website, www.canyonlakepoa.com. The revised Pro Forma Budget also can be found on Page A-13.