



Canyon Lake Property Owners Association

FY 2011/2012 Budget Reduction Strategies

July 5, 2011 Board Meeting

Process for Budget Reduction

#	Task	Date
1	GM directive to management to develop initial proposals	June 1 - complete
2	Initial management proposals to Management	June 8 – complete
3	GM to work with Finance Committee and Treasurer	Ongoing
4	Financial analysis on management proposals due	June 15 – complete
5	Joint Workshop of the Board and the Finance Committee to discuss budget reduction strategies	June 24 – complete
6	GM and Finance Department to work on implementation plan	Complete
7	Develop an amended Pro Forma Budget	Week of June 27 – complete
8	GM to work with the stakeholders (internal) on Board revisions from workshop	Complete
9	Plan to present to the Board at the July 5 meeting	July 5
10	Implement Budget Reduction Strategies	Starting July 6
11	Provide reimbursements or credits for overpayments	August

Process for 20% Discount at the Country Club

#	Task	Date
1	Implementation 20% reduction immediately	June 8 - complete
2	Project financial impact of increasing discount from 10% to 20% on both food and non-alcoholic beverages for members	June 15 - complete
3	Amend Country Club budget to reflect revenue loss	June 16 - complete
4	Announce the following: Discount does not apply to catering or banquets. Only applies to regular restaurant menu. Discount is at the Country Club only. Club events are separate. Private tournaments do not receive a discount.	July 5

GM Internal Budget Reduction Goals

1. Financial Goal: \$1,000,000
2. Achieve on-going budget reductions for an on-going reduction in the assessment (avoid the use of one-time funds to reduce this year's assessment)

Budget Reduction Strategy Categories

- **Revenue Strategies:**
 - Strategies which will increase revenues
- **Service Delivery Model Changes:**
 - Strategies which change the way in which business is conducted in order to save money
- **Expenditure Controls and Shifts:**
 - Strategies which result in better controlling costs and/or changing the way in which money is allocated to different funds in the City budget
- **Service Reductions:**
 - Strategies that would reduce or eliminate current services to save costs

Qualification and Disqualification Criteria

The criteria used to qualify a possible strategy for consideration are:

1. Implementation this year is possible and will result in a net-positive savings
2. Actions that occurred after development of the budget result in a change in the adopted budget

The criteria used for disqualifying a possible strategy for consideration are:

1. Strategy cannot be effectively implemented within this fiscal year or potential savings will not impact this year's assessment
2. Strategy would not reduce the assessment or if it does would have greater longer run costs or impacts
3. Strategy would have limited impact, and cannot be logically combined with other similar strategy

Budget Reduction Strategies

Accounting - 11

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Various personnel cost reductions		Q-1	(\$42,333)	July 8
2	Increase in printing budget	Increase in printing of Pro Forma Budget	Q-1	\$3,500	July 8
3	Re-assign accounting tasks from contract staff to senior accountant	Mutually exclusive with strategy 4	Q-1	(\$40,000)	July 8
4	Reduce the use of accounting contractors (temp accountant and A/R clerk)	Contract services reduced from 24k to 12k.	Q-1	(\$12,000)	July 8
Subtotal:				(\$90,833)	

Corporate - 12

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Reduction in Management Partners corporate management contract	Reduction of service from Dave Rudat and increase of service from Jovan Grogan	Q-1	(\$156,000)	July 8
2	Various personnel cost and other adjustments.		Q-2	\$447	July 8
3	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$307)	July 8
4	Reduce Committee recognition dinner from 11k to 6k	Reflects reduced spending in last fiscal year	Q-1	(\$5,000)	July 8
Subtotal:				(\$160,859)	

Lake - 13

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Correction of Budget to actual rates.		Q-2	\$2,858	July 8
2	Contract reduction in Lake Patrol hours (2 hour reduction in patrol. Begins at 8:00 am rather than 6:00 am)	Reduction of Allied Barton hours	Q-1	(\$15,700)	July 8
3	Fish Stock reduction	Stock Fish Every other Year	Q-1	(\$10,000)	July 8
4	Docks maintenance reduction	We would need to replace damaged docks this year out of the R&RR	Q-1	(\$11,500)	July 8
5	Repair & Maint Boats reduction	Replace boats in R&RR this year	Q-1	(\$4,500)	July 8
6	Correction of Budget to actual rates.	Adjustment for Lake Lease		\$8,666	July 8
Subtotal:				(\$30,175)	

Human Resources - 15

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Correction of Budget to actual rates.		Q-2	(\$915)	July 8
2	Reduce employee appreciation budget from 10k to 5k.	Reflects reduced spending in last fiscal year	Q-2	(\$5,625)	July 8
3	Reduce HR legal budget from 18k to 9k	Based on new rates for legal counsel	Q-2	(\$9,000)	July 8
Subtotal:				(\$15,540)	

Lodge - 18

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-1	(\$6,440)	July 8
Subtotal:				(\$6,440)	

Senior Center - 19

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-1	(\$245)	July 8
Subtotal:				(\$245)	

Operations - 20

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Various personnel cost reductions		Q-2	(\$30,716)	July 8
2	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$5,673)	July 8
3	Supplies Postage reduction	Reduced to prior years budget	Q-1	(\$180)	July 8
4	Supplies Comp reduction	Reduced to prior years budget	Q-1	(\$1,000)	July 8
5	Supplies Fertilizer reduction	Reduced to prior years budget	Q-1	(\$50)	July 8
6	Supplies General reduction	Reduced to prior years budget	Q-1	(\$300)	July 8
7	Services Printing reduction	Eliminated budget / New Copier budgeted for in 647-20	Q-1	(\$100)	July 8
8	Services Disposal reduction	Reduced to prior years budget	Q-1	(\$2,400)	July 8
9	Services Contract reduction	Valley Crest Common Area Maint. Contract agreed to price freeze	Q-1	(\$12,000)	July 8
10	Repair & Maint Graffiti reduction	Reduced to prior years budget	Q-1	(\$3,000)	July 8
11	Repair Maint Vehicles reduction	Possible if we replace the operations fleet per the R&R Study	Q-1	(\$15,000)	July 8
Subtotal:				(\$70,419)	

Parks and Beaches - 21

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$37,028)	July 8
2	Sand & Soil reduction	No purchase of sand this fiscal year	Q-1	(\$9,000)	July 8
3	Supplies General reduction	Delay in supply purchase	Q-1	(\$3,000)	July 8
4	Repair & Maint Buildings reduction	Reduced to prior years budget	Q-1	(\$1,000)	July 8
5	Repair & Maint Grounds Land reduction	Reduction will result in some delayed repairs	Q-1	(\$5,000)	July 8
6	Repair & Maint General reduction	Reduced to prior years budget	Q-1	(\$500)	July 8
Subtotal:				(\$55,528)	

Common Areas - 22

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$26,512)	July 8
2	Supplies General reduction	Reduced to prior years budget	Q-1	(\$1,200)	July 8
3	Repair & Maint Building reduction	Reduced to prior years budget	Q-1	(\$1,650)	July 8
4	Repair & Maint Equip reduction	Reduced to prior years budget	Q-1	(\$3,000)	July 8
5	Repair & Maint Grounds Land reduction	Reduced to prior years budget	Q-1	(\$3,000)	July 8
6	Repair & Maint General reduction	Reduced to prior years budget	Q-1	(\$500)	July 8
Subtotal:				(\$35,862)	July 8

Gault Field - 23

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$7,839)	July 8
2	Services Electricity reduction	We have realized efficiencies with the new Control Link Lighting System	Q-2	(\$5,000)	July 8
Subtotal:				(\$12,839)	July 8

Tennis Courts - 24

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Equipment less than \$1000 reduction	Reduced to prior years budget	Q-1	(\$1,500)	July 8
2	Repair & Maint Grounds Land reduction	Reduced to prior years budget	Q-1	(\$500)	July 8
Subtotal:				(\$2,000)	

Member Services - 30

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Various personnel cost reductions	Vacant position and potential shared service savings with P&C	Q-2	(\$53,669)	July 8
2	Transfer printing costs of 7K to acct for reprinting Pro Forma	Projected print cost savings due to efficiencies, however, funds will be needed to re-notice the membership of amended budget and new dues rate	Q-1	(\$7,000)	July 8
3	Reduction of Supply budget	Reduced to prior year budget.	Q-1	(\$700)	July 8
4	Reduction of Services contract	Reduced to prior year budget.	Q-1	(\$500)	July 8
5	Reduction of Dues & Subscriptions	Reduced for fewer dues & subscription requirements.	Q-1	(\$150)	July 8
6	Eliminate Member Appreciation Day cut \$400/ Cut Employee relations event	Document shredding service now provided by City/Library	Q-2	(\$1,140)	July 8
Subtotal:				(\$63,159)	

Community Patrol - 40

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$230)	July 8
2	Establish Quagga inspection fee of \$20.00 per inspection.	Establish Quagga Mussel fee of 20. Budgeted 2,500 inspections based on prior year; 5k implementation cost from CFDF	Q-1	(\$36,000)	August 1
Subtotal:				(\$36,230)	

Activities - 50

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Personnel cost reallocation.	Encumbrance in CFDF/Contingency of \$111,043 until legal issues resolved.	Q-2	(\$133,252)	July 8
2	Reductions of event expenditures for Snow Day and Fiesta Day	Elimination of Snow Days (\$4k net cost); reduce car rental for Fiesta Day (\$3k cost).	Q-1	(\$7,000)	July 8
3	Increase Gary Bonner ticket price.	Increase ticket price for Gary Bonner to cover cost (from \$20 to \$25)	Q-1	(\$500)	July 8
4	Adjustment to Misc Income	Increase-Misc. Income-Class Programs	Q-1	(\$6,000)	July 8
5	Reduction of Seminars/Training	Related to personnel cost reductions.	Q-1	(\$600)	July 8
6	Reduction-Dues & Subscriptions	Related to personnel cost reductions.	Q-1	(\$500)	July 8
7	Reduction in Supplies	Related to personnel cost reductions.	Q-1	(\$1,000)	July 8
8	Increase in Class Instructors budget	Additional costs adjustments to Special Events	Q-1	\$9,000	July 8
9	Increase-YMCA Program Cost	Additional costs adjustments to Special Events	Q-1	\$6,200	August 1
10	Decrease Supplies expense	Additional costs adjustments to Special Events	Q-1	(\$1,800)	July 8
11	Decrease in Equip under \$1,000	Additional costs adjustments to Special Events	Q-1	(\$700)	July 8
12	Reduce Telephone	Additional costs adjustments to Special Events	Q-1	(\$780)	July 8
Subtotal:				(\$136,932)	

Equestrian Center - 52

#	Strategy	Notes:	Qualified/Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Various personnel cost reductions		Q-2	(\$620)	July 8
2	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$4,817)	July 8
3	Services Disposal reduction	Working with CR&R I was able to eliminate hauling charges for the Manure	Q-2	(\$6,000)	July 8
Subtotal:				(\$11,437)	

Campground - 53

#	Strategy	Notes:	Qualified/Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$2,996)	July 8
2	Repair & Maint Building reduction	Reduced to prior years budget	Q-1	(\$600)	July 8
Subtotal:				(\$3,596)	

Pool - 54

#	Strategy	Notes:	Qualified/Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Various personnel cost reductions		Q-2	(\$1,848)	July 8
2	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$1,814)	July 8
3	Supplies Chemical reduction	Increase pool budget to cover actual chemical use	Q-1	\$6,500	July 8
Subtotal:				\$2,837	

Golf Course - 60

#	Strategy	Notes:	Qualified/Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementation
1	Supplies Seed reduction	Seed budget for over seeding Fairways	Q-1	(\$15,000)	July 8
2	Repair & Maint Building reduction	Reduced to prior years budget	Q-1	(\$1,500)	July 8
3	Repair & Maint Equip reduction	Reduced to prior years budget	Q-1	(\$1,000)	July 8
4	Electricity reduction	Possible if we replace the operations fleet per the R&R Study	Q-1	(\$5,000)	July 8
5	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$44,719)	July 8
Subtotal:				(\$67,219)	

Lighthouse - 70

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	Est. Completion Date for Implementa tion
1	Various personnel cost reductions		Q-2	(\$5,218)	July 8
Subtotal:				(\$5,218)	

Country Club - 80

#	Strategy	Notes:	Qualified/ Disqualified rational	Actual FY 11/12 Savings	
1	Revise staffing & scheduling plans		Q-2	\$3,217	July 8
2	Cut overtime expenses for personnel	May require hiring additional part-time personnel	Q-1	(\$10,000)	July 8
3	Reduction in water budget due to EVMWD holding water rates.		Q-2	(\$1,380)	July 8
4	Increase in food discount to members to 20%		Q-1	\$25,000	July 8
5	Reduction of supplies in D/R and Kitchen		Q-1	(\$4,800)	July 8
6	Reduction in computer supplies		Q-1	(\$1,300)	July 8
7	Reduction in fees		Q-1	(\$1,300)	July 8
8	Reduction in food supplies		Q-1	(\$10,000)	July 8
9	Cut equipment & supply expenses		Q-1	(\$4,400)	July 8
Subtotal:				(\$4,963)	

Total reductions to FY 2011/12 Budget (\$864,018)

TOTAL WATER SAVINGS FOR THE POA - (sum of water line items within divisions)

\$ 140,000

Salary increases approved by Board equated to 76k; Only 56k were instituted, the remaining 20k were not awarded.

\$ 20,000

Summary of Disqualified Strategies

The following strategies may be viable in future years but requires additional research and analysis.

1	Lake lease contract reduction
2	Pay POA Corporate Building
3	Examine the type and utility of replacement fleet units
4	Renegotiate all contracts
5	In-source patrol and security services
6	Examine volunteer opportunities
7	Examine credit card processing fees
8	Install camera at POA facilities to reduce vandalism and patrol costs
9	Median Turf reduction/replace with additional turf
10	Accounting: Decrease legal expenses as a result of the small claims process
11	Accounting: Do not fill the Sr. Accountant position
12	Accounting: Reduce miscellaneous expense line items in Accounting
13	Accounting: Evaluate IT assumptions in the equipment under a \$1,000 line items in each dept.
14	Corporate: Examine model changes for employee healthcare options
15	Corporate: Review all contract & service line items and assumptions in Corporate
16	Corporate: Reduce contingency allocation in Corporate Dept.
17	Activities: Reduction of Programs
18	Country Club: Price menu items to reflect cost recovery
19	Country Club: Sell surplus equipment
20	Country Club: Review catering workload assumptions
21	Organization-wide: General department consolidations and reorganization

Summary of Parking Lot Strategies

The following strategies require additional research and analysis to determine viability.

#	Strategy
1	Automate guest call-ins
2	Institute IT efficiencies for Compliance Inspectors
3	Provide E-Commerce- payments, reservations, tickets sales, membership and registration paperwork
4	Reduce special event law enforcement expenses
5	In-source common area landscape maintenance
6	Add timers on facility lights
7	Provide small boats rentals
8	Allow non-member rentals at the Campground
9	In-source entertainment services
10	POA or outside vendor contract (i.e. zip-line)
11	Recreation capitalization (little league, basketball, fishing, etc...)
12	Entertainment contracts- change to a pay to play model
13	Examine model changes for employee healthcare options
14	Reduce summer Movie Night expenses by ½ from \$3,600 to \$1,800
15	Implement IRA retirement program instead of 401K
16	Examine Solar use to reduce electricity costs
17	Examine Paperless Office solutions thereby reducing costs
18	Add monthly fees for credit card purchases (non- assessment) (non-restaurant)
19	Reduce operating and legal expenses on architectural compliance and rule violations
20	Marine patrol volunteers
21	Add public service program for high school youth