

Welcome to the 2009 Budget Workshop

Introduction of the Board of Directors and CCMC team:

Board of Directors

Bruce Snyder, President
Ty McCutcheon, Secretary
Russell Sanford, Treasurer
Gary Gourley, Resident

CCMC Team

Bill Overton, Vice President
Nathan Francis, Operations Manager
Tina Torres, Lifestyles Director
Clint Warnick, Club Director
Robert Girouard, Maintenance Manager
Melissa Carsey, Assistant to Derek Tarries
Erin Kuhn, Assistant to Nathan Frances
Shirley Girouard, Receptionist

The CCMC team will review each of the budgets individually, beginning with Daybreak Community Association which now contain the Community Center portion of the budget, Council (Programs which is the Council budget as a stand alone budget), Townhomes 1, Carriage Home Condo and finally North Shore Townhomes.

Please hold your questions until each budget is presented. Many of your questions will be answered through each presentation.

I believe the way my team has put the budgets together will be much easier for every resident to understand how we arrived at each dollar for each line item. We have prepared worksheets that reflect the dollar amounts we are proposing to spend and where we propose to spend those dollars. These worksheets and each entities budget will be converted to a PDF format and will be viewable on the website once the budget is approved by the Board of Directors.

The developer is committed to this Community and will provide funding to cover reasonable shortfalls. In the past that number has been as high as \$750,000 across all of the associations. The developer has communicated to the Community their commitment and will continue to provide financial resources to the HOA.

This is a Community budget and the fees each resident pays enables the type and level of services they want to receive. It is up to this Community to determine the type and level of service they are willing to pay for through their fee structure.

We are seeking your input. Please keep in mind we will not be able to implement all of your suggestions but, all will be noted and discussed with the Board of Directors prior to their budget approval.

Due to the current market conditions throughout the country, my team has done all they can to help with cuts where needed. We have cut our staff to help the cause. The team you see before you has been doing more work, without the addition of new staff even though the Community continues to grow. In other words, we have been doing more work with less staff. Our team currently consists of:

HOA Office, Community Center and Amenities		
1 Community Manager	Full-Time	
1 Operations Manager	Full-Time	
1 Maintenance Manager	Full-Time	
2 Administrative Coordinators	Full-Time	
1 Receptionist	Full-Time	
1 Club Director	Full-Time	
1 Front Desk Supervisor	Full-Time	
1 Front Desk associate	Full-Time	
6 Front Desk associate	Part-Time	
1 Child Care Supervisor	Full-Time	
7 Child Care associate	Part-Time	
6 Fitness Instructors	Part-Time	
5 Splash Pool attendants	Part-Time	Seasonal
6 Lake/Boat attendants	Part-Time	Seasonal
15 Life Guards for Eastlake Pool	Part-Time	Seasonal
5 Swim Instructors	Part-Time	Seasonal

DCA

We are proposing to add the following positions to be more effective:

1 Administrative Coordinator	Full-Time	
1 Assistant Club Director	Full-Time	
1 Pool Manager	Full-Time	Seasonal
1 CPO for pools	Part-Time	Seasonal

Council - Programs

1 Lifestyles Director	Full-Time
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We are proposing to add the following positions to be more effective:

3 Lifestyle team members	Part-Time
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Other communities similar to Daybreak have a similar staffing structure. They have enough team members to service the owners properly. We conducted a Community staff comparison, the results show the team we currently have in place plus: 1 communications associate (full-time), 1 more administrative coordinator (full-time), 1 more full-time and

2 more part-time maintenance/facilities associates, 3 events/lifestyles associates (part-time).

When you compare Daybreak to other communities in the nation, our HOA fee remains on the low side. For like community comparisons with like amenities, we are seeing many that are double the monthly dues. We are not asking for that to happen at Daybreak, we are asking you to consider a reasonable increase to yours current dues to help offset the shortfall for the Community.

Our goal is the same as yours, and that is to keep the dues as low as possible. Due too many factors that are beyond our control, one of which is fuel costs, has contributed to a large shortfall. Most things we do revolve around the fuel factor. One of the biggest line items, in any budget, is landscaping. Landscaping Maintenance and Snow Removal require fuel and oil to run all necessary equipment to perform the tasks to keep Daybreak beautiful. This is one of the areas we are asking you to consider when you brainstorm ideas for reductions. For example, instead of the landscape crews mowing every 7 days, consider having them mow every 10 days.

We also need to keep in mind the status of the delinquencies in Daybreak. Daybreak currently has 1,793 homes closed. Of those we have 220 delinquencies (12.27%). This equates to \$119,205 in unpaid assessments. This amount reflects as a shortfall to the budget. Broken down this equates to an extra \$6.32 per month of assessments per owner that must be absorbed by the owners.

To help us prepare a budget that will work for the Community we would like to know what level of service you want to maintain within the Community?

Take the time to consider how much you are willing to spend to maintain the current level of service? Are you inclined to reduce the service you currently enjoy to a lower level that could affect your property value?

Some of you may agree with suggested decreases in service and some of you may not. When a decision is made in regard to service and/or fees all things must be considered. We have the fiduciary duty to each of you, the community and to ensure the vision of the Founder remain in tact.

Areas of Potential Reductions

Newsletter:

Change the newsletter frequency from every other month to quarterly. This would bring a savings of approximately **\$76,449**.

Newsletter:

Change the paper quality from the current paper thickness to a newspaper quality. This will save the association \$0.10 per copy. We currently print approximately 200 more than the number of closed homes. This would be an annual savings if printed quarterly of **\$800**.

Landscaping:

Change the landscape company that does the maintenance for Founders Village Open Spaces from ValleyCrest to Elite Grounds. Due to warranties that continue with ValleyCrest it is not recommended to not make a change until the warranty period for Eastlake and/or North Shore Villages have expired. This would bring a savings of approximately **\$14,795**.

Landscape Extras:

Reduce each of the nine months by \$1,000 and reduce some of the planned enhancements to the community. This would bring a savings of **\$9,000**.

Security:

Eliminate Security Patrol in the community all together. This would bring a savings of approximately **\$169,659**.

Park Equipment:

Eliminate the proposed park equipment to Hillside Park at Oakmond and Lumina. This would bring a savings of **\$30,000**.

Splash Pool Staff:

Eliminate the staffing at the Splash Pool and be self monitoring. This would bring a savings of **\$13,912**. Keeping in mind the liability risk increases as would insurance.

Eastlake Pool Staffing:

Eliminate the staffing at the Eastlake Pool and be self monitoring. This would bring a savings of **95,154**. Keeping in mind the liability risk increases as would insurance.