

LAKE WILDWOOD ASSOCIATION
GUIDELINES FOR BUDGET DEVELOPMENT FOR FISCAL YEAR 2015-2016

The Association's goal is to achieve realistic operational objectives within a balanced budget wherein overall revenues cover all necessary operating expenses, capital asset additions, and replacement reserve contributions consistent with general economic forecasts.

A. General Budget Guidelines

1. Provide adequate financial resources to meet short-term requirements and Long-term sustainability.
2. Assure that the LWW staff performs all work in a high quality, efficient, productive and safe manner.
3. Provide for adequate Reserves to repair, restore, replace and maintain the Common Property and Common Facilities
4. Invest capital to
 - (1) continue improvements to aging Common Property and Common Facilities,
 - (2) meet evolving Member expectations and
 - (3) enhance productivity and quality of service.
5. Provide employees fair wages and benefits consistent with well established, Market based comparable positions.

B. Financial Guidelines

1. Develop a balanced (Revenues vs. Expenses) Operational Budget that considers the tasks and functions, labor and material, etc., planned for 2015/2016 Fiscal Year including the inclusion of Replacement Reserve items less than \$2,500 due for replacement in 2015/2016.
2. Strive to keep the Annual Assessment year over year increase under \$250 while taking into account known pressures such as the need to review Replacement Reserve Funding.
3. Develop a financial statement format that realigns operational departments to properly identify activities, roles and responsibilities.
4. Apply any Carry-forward amount to the General Operating Fund for the 2015/2016 FY.

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5. Comparable Hospitality Industry and local market salary ranges for comparable job titles, and functions should be used for Salary considerations.
 5. The amounts available for capital investments are 1.5 percent of the budgeted gross expenses of the previous Fiscal year for the Community Investment (CI) Fund and 5 percent of the previous year's budgeted gross expenses for the Special Assessment (SA) Fund.
 6. Utilize YTD 2014/2015 actuals and 2014/2015 year-end revenue and expenses forecast for development and justification of the 2015/2016 year budget.
 7. Utilize updated Reserve Study to determine Replacement Reserve funding.
- C. Departmental Operating Guidelines-General
1. Identify productivities and efficiencies from the new Information Systems and any additional needed capital investments in new equipment and technology to affect additional efficiencies to benefit members and the Board.
 2. Identify savings results from the 3 – 5 year “Let’s Go Paperless” first year initiative and determine specific activities for the 3rd year of the plan along with expected savings.
 3. Continue to develop operating policies and procedures for all departments including the updating of polices and procedures as a result of increasing functional use of the IBS management information system.
 4. Support the assumptions related to each line item with written descriptions, including highlighting challenges and opportunities and present line item assumptions to the Board.
 5. Develop a quarterly “Dashboard Tracking System” reflecting amenity usage, key budget drivers, environmental elements and security activities to supplement the existing monthly Manager’s Report.
- D. Departmental Operating Guidelines-Specific
1. Administration
 - a. Introduce an Employee Healthcare Plan that reflects the new realities imposed by the Affordable Health Care Act.
 - b. Initiate actions to reduce Worker Compensation costs
 - c. Continue to integrate all computer systems to provide seamless and cashless use of all aspects of life within the Association.
 - d. Develop and provide a plan and costs to Market LWW in the large Metropolitan areas in California.

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2. Security

- a. Assure that resources are optimized when patrolling the roads, golf course and lake by targeting days, hours and locations that are the most likely to be in need of security oversight.
- b. Provide costs necessary to provide high quality cameras and recorders to enable identification of vandals in LWW parks and common areas.

3. Golf

- a. Continue to introduce initiatives to increase revenues and improve the golfing experience.
- b. Continue to enhance the quality and playability of the course through employment of labor savings equipment and processes.
- c. Develop materials for use in marketing the Association to prospective new homeowners in the Bay Area and elsewhere whose buying decision will be influenced by the quality of our Golf Course.

4. Operations

- a. Realign Departmental organization to best provide enhanced customer service through proper planning and staffing for Recreation, Pool, Food and Beverage, Marina, community Center and Housekeeping functions.
- b. Update and revise the Plan for the Community Center that optimizes
 - (1) the utilization for activities, meetings, Banquets,
 - (2) scheduling & set-up,
 - (3) maintenance of rooms, kitchen and deck.

5. Public Works

- a. Continue the 5-year plan for road repair while integrating associated road systems such as bridge roadway, drainage (i.e. culverts, swails, etc.) street signs, etc. into the plan to sustain overall systems quality. Prioritize any urgent repairs needed to these systems (i.e. culvert replacements, etc.) in the 2015/2016 budget while leveraging the existing non capital reserve budgets, as appropriate.
- b. Develop a Maintenance Schedule and Cost Guidelines for maintaining common property assets.
- c. Develop a Plan and schedule to perform preventative and previously deferred infrastructure maintenance and include those items deemed necessary to be performed in the 2015/2016 Budget.

6. Lake

- a. Continue to maintain and improve lake quality and explore additional lake quality initiatives (e.g., reducing pollution from yards).
- b. Develop a Zebra/Quagga Mussel initiative to address invasive species.

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7. Parks

- a. Develop a Maintenance Schedule and Cost Guideline for maintaining the Parks
- c. Continue Park improvements initiatives and develop associated budgets for all Parks and other common area assigned to the Parks Department.

8. Environmental Management

- a. Review all Environmental Management practices to assure compliance with the Governing Documents and recommend whatever additional resources are required to overcome any deficiencies.
- b. Focus on the appearance of homes so that we can truly say we are a house-proud community.

E. Reserve Guidelines

1. Update the Reserve List to reflect the latest Board-approved changes in Policies and Procedures based on input from Reserve Specialist Study. Provide a change list of items added or removed from the reserve list.
2. Review in-depth the Reserve Schedule to
 - (1) assure that all items reflect the latest in technology to perform the intended purpose and have a valid Estimated Life Expectancy and
 - (2) look for trade-offs to allow monies to be redeployed to help offset new requirements.
 - (3) Provide a list and cost of items that should be placed in the Reserve Schedule including structural items and refurbishment items currently not in the Reserve Schedule.

F. Capital Investment Guidelines

1. Develop a Staff List of capital investments that will
 - (1) improve the quality and safety of Member Services,
 - (2) increase employee productivity and service capability and
 - (3) meet new regulatory and legal requirements.
2. Request capital investment recommendations from Committees and Clubs and provide the Board with a prioritized Master List of Projects that reflects the Master Plan, Staff Requirements and other pressing needs.

G. Fees and Fines Guidelines

1. Provide a Recommended Fee Schedule for all Fee-based Amenities with a rationale for any changes year-over-year.
2. Provide a Recommended Fines Schedule that will influence the behavior of Members and Guests consistent with the Governing Documents.

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H. Major Capital Investments

1. Begin construction on the New Clubhouse.
2. Develop Plans to bring the various Common Properties and Common Facilities into compliance with the ADA Law and incorporate into the Master Plan.

Board Approved: 11/18/14