

2025 BUDGET

ADMINISTRATION

DIRECTORS SUMMARY

Administration Goals – supporting the SBHOA2 Strategic Plan

GOAL ONE: Strategic Governance and Empowered Management

I believe effective communication with the residents of SBHOA2 is a major responsibility of the admin. This last year we have worked hard at streamlining processes and communicating to the residents what these processes are. Communicating more effectively is always one of our top goals. Enhancing communication and coordination between the Board and residents is one of the Objectives for Goal One in the Strategic Plan. We support the board in these efforts daily through email and updating the website daily. Effectively manage governing documents and rules enforcement, another Objective in Goal One which admin plays an important part by ensuring that documents are saved and posted to the website in a timely manner.

2025 will see us continue with these efforts.

GOAL THREE: Financial Stewardship

Admin is responsible for purchasing many of the supplies for the Administration of SBHOA2. These items are budgeted and reviewed monthly to ensure we are within budget. This will continue into 2025. Postage experienced an increase in July, and this will be taken into consideration as it was for the last half of 2024 projections. We do take advantage of discounts and do price comparisons before purchase.

GOAL SIX: Effective Communications

Produce a communications plan and calendar is the first Objective in Goal Six. The admin team helped implement the Board/Committee Meeting Calendar on the website and will continue to update this daily. Admin will continue to support in 2025.

GOAL EIGHT: Exceptional Member Experience

Solicit member feedback is Objective #1 for Goal Eight. The admin has created a feedback survey which at the time of this writing has not been implemented. The goal is to implement it before 2025.

Develop or enhance affinity groups/clubs is another Objective of Goal Eight. Admin is currently working with Lifestyle to keep our clubs and groups updated on the website. A 2025 goal is to represent more clubs and groups on the website and drive new and current residents to this page through the Monday Message and other messaging.

GOAL NINE: Sustainable Membership

Deliver on our Mission by providing an exceptional member experience and a warm and welcoming HOA environment is the first Objective of Goal Nine. Admin continually works at enhancing the member experience from the front desk to the back office.

Training and keeping all staff abreast of events in the community is a big step in this endeavor. This includes emails communicating road closures to community events and everything in between.

Admin is all about customer service with a laser focus on communication.

Onboarding new residents is the perfect time to start this communication process and emphasize how important it is for new residents to be dialed into their emails, our SBHOA2 website, and the app. Knowledge is power! Through our new onboarding process, we encourage and help new residents sign up for emails and help them get engaged with the website and app by assisting them to sign in and get started. We measure monthly by filling out onboarding sheets and then turning these results into KPI's. The goal is over time our residents will be more informed and know where to find the answers on their own vs calling the office or stopping in every time they need help.

KPIs

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Expenses

Staffing labor is the admin's biggest expense. Our goal is to continuously communicate to residents the information they can find on the website to be more self-sufficient. Long term this helps to cut labor. Many hours of our day are spent answering questions that residents could find the answer to if they knew where to look for it.

Staffing Plan

Dept. Name	Salary	Full Time	Part Time	VHE	Total
Administration	0	5	0	0	5

If adding New Position why? None.

CAPEX/ RESERVE Summary

<u>Title of Project</u>	<u>Cost</u>
NA	

2025 BUDGET

IT

DIRECTORS SUMMARY

SUMMARY

IT Department Goals

- Replace existing network switches at Desert View, Mesquite, and The Preserve sites, consolidating 2 existing switches at each site to a single network switch
- Replace the existing network switch at Mountain View and The Preserve Golf Course Maintenance (GCM) yards
- Replace 19 of 21 existing wireless access points (2 at the Mountain View Bar & Dining Room have already been replaced); total quantity is dispersed amongst all sites

Path to Goal Achievement

- Submit 2025 Reserve Funding Request for \$90,000 to cover entire cost of purchase acquisition, individual device configuration, and project implementation with Leeshanok Network Solutions, our infrastructure managed service provider

Required for Goal Achievement

- Secure funding of the requested \$90,000 to begin purchase acquisition and project planning with coordination from Leeshanok Network Solutions, our infrastructure managed service provider
- Available 3–4-hour window after restaurants close shift for the evening, schedule coordination with Leeshanok team members for swapping out devices (switches and wireless access points)

Controlling Expenses

- Securing reliable quotes from associated vendors and reviewing similar previous quotes, then assuring quotes are not exceeded with unforeseen changes

The IT Department is planning to replace the existing network switches and wireless access points during 2025 and has requested appropriate funding (\$90K) utilizing the 2025 Reserve request process. Some portion of the network infrastructure has already been replaced during 2023 and 2024 using the respective years' Reserve funding. Most of the remaining network technology equipment is no longer supported by Cisco as of June 29, 2024.

Working closely with Leeshanok Network Solutions, our technology partner, we plan to replace 2 switches at Desert View, Mesquite and Preserve with a single consolidated switch at each location saving approximately \$1.5K at each location. Additionally, replacing 19 of the 21 (2 devices have already been replaced in 2024) Wireless Access Points (WAPs) campus-wide will eliminate our exposure to equipment with expired support contracts.

The existing/defined 2025 Reserve budget includes funding for the replacement of some older PC/POS equipment as well as the main Multi-Function Copier/Printer (MFP) in the Administration building. However, the funding identified for the MFP device (\$12K) may not cover the entire replacement cost (\$15.5K) of a new replacement MFP device and may require an increase.

The IT Department is supporting the Saddlebrooke Two HOA Strategic Goals by providing dependable network connectivity throughout the campus. This effort is managed monthly by using KPI (Key Performance Indicators) relating to Server & Network Uptime and by monitoring both Internal (SBHOA2) and External (Leeshanok & Northstar) trouble ticket generation and resolution. The monthly KPI statistics are compiled, measured, and sent in a PowerPoint report to the General Manager.

Staffing Plan

No Changes Anticipated to Existing Staff:

2025 Staffing Plan									
	Dept. Name	Salary	Full Tim	Part Tim	VHE	Total	Add	TOTAL	
81	Administration	1	1	0	0	2		2	

Assumptions Used regarding wage Increases

Assuming 4.5% increase

If adding New Position, why?

Not Applicable

CAPEX/ RESERVE Summary

This is summary, you will have already put in a Request using the Forms. What are you requesting and the cost?

Title of Project

Cost

> Replace Network Gear

\$90K

2025 Reserve Request submitted to replace Cisco Catalyst Network Switches and Cisco Aironet Wireless Access Points campus-wide. The current network equipment is no longer warranty supported by the manufacturer (Cisco).

All new equipment will be Cisco Meraki and will be supported by the manufacturer (Cisco) with support contracts for the next 8-10 years.

2025 BUDGET

MARKETING DIRECTORS SUMMARY

Director's Summary for Marketing 2025

Department Goals for 2025: The Marketing Department's primary objectives for 2025 include enhancing brand visibility, increasing resident engagement and satisfaction and generating new revenue streams. These goals align with SaddleBrooke TWO strategic priorities of effective communication and sustainable community growth.

Achieving Department Goals in 2025:

KPIs (Key Performance Indicators): Key Performance Indicators (KPIs) are essential metrics used to measure the effectiveness of our marketing strategies and initiatives. For 2025, we will focus on tracking KPIs such as resident engagement rates, website traffic, conversion rates from prospective to new residents, and revenue growth from expanded amenities and retail operations. These indicators will provide valuable insights into our marketing performance, enabling us to make data-driven decisions and optimize our efforts for maximum impact.

To accomplish these objectives, we will implement the following strategic initiatives:

1. Effective Communications:

- **Strategic Communications Plan:** Develop and execute a comprehensive communications strategy, incorporating regular video updates and e-newsletters to ensure consistent and clear messaging to residents and staff.
- **Digital Presence Enhancement:** Launch a dedicated landing page on the website that highlights community amenities, offers virtual tours, and includes resident testimonials, thereby enhancing the online visitor experience.
- **Response Protocols:** Implement a standardized response protocol for Board and staff interactions, ensuring timely and efficient communication with residents, with metrics to track response times and resident satisfaction.

In our response protocols, we will track the following response times:

- Initial Response Time: Ensure all resident inquiries receive an initial response within one business day or 24 hours.
- Resolution Time: Establish an estimated resolution time based on the complexity of the issue, communicated to residents promptly.
- Our main communication lines will include a centralized community app, email, and a dedicated phone line. These channels will be monitored to ensure timely and efficient communication, addressing the various preferences of our residents.

2. Sustainable Membership Growth:

- **Targeted Marketing Collaterals:** Create and distribute targeted marketing materials, including informational pamphlets and comprehensive real estate agent kits, to effectively communicate the benefits of living in SaddleBrooke.
- **Concierge Experience for Prospects:** Offer personalized concierge tours for prospective residents, in collaboration with real estate agents, to showcase the community's unique lifestyle and amenities.
 1. Concierge Experience for Prospects: To provide a concierge experience for prospective residents, we will schedule specific time slots for tours in collaboration with real estate agents we've formed partnerships with. By coordinating with our current staff and utilizing shared communication and accessibility to facilitates and amenities we can optimize our availability to ensure seamless and personalized tours without disrupting our daily operations.
- **Realtor Relations and Support:** Strengthen relationships with local realtors by providing updated marketing resources and hosting informational sessions, facilitating better representation of the community.
- **Brand Integrity and National Outreach:** Leverage our continued Reader's Choice Award for Best Retirement Community to maintain brand integrity and trust. Expand outreach efforts to include national publications targeting our ideal demographic, such as retirement, lifestyle, and active living magazines and online platforms, to attract prospective residents who value quality and community.
-

3. Technology Integration:

- **AI and Data Analytics:** Utilize AI platforms and data analytics to refine marketing strategies, ensuring targeted outreach and improved engagement metrics.
- **Digital Advertising Campaigns:** Deploy digital visual advertising campaigns to increase brand awareness and attract potential residents, with tracking to measure campaign effectiveness.
- **Advanced Communication Tools:** Evaluate and implement advanced communication technologies, with add on features of the community app, to enhance engagement and streamline information dissemination.

Collaboration with Troon: We will continue to partner with Troon to optimize budget management and enhance revenue streams, leveraging Troon's expertise in golf and club management to boost SaddleBrooke's offerings and financial performance.

New Revenue Generating Strategies:

- **Real Estate Advertising:** Introducing targeted advertising options on the community website for real estate listings, creating a new revenue stream and increasing visibility for local realtors.
- **Marketing Services:** Offer flyer creation and printing services for internal clubs and groups, generating revenue while supporting resident initiatives.
- **SaddleBrooke-Branded Merchandise:** Expand online sales of branded merchandise, providing a means for residents and visitors to showcase community pride, with minimal overhead costs utilizing drop-shipping.
- **Cross-Departmental Events:** Organize and or promote events like Fashion Show Luncheons featuring golf shop merchandise, Yoga & Wine Tasting sessions, Shotgun Golf packages with prefixed meals, and hosting golfing tournaments with promotional deals at our restaurants. Additional initiatives include Group Sunset/Sunrise Strolls with dining options, fostering community interaction.
- **Golf Shop Retail Revenue:** Collaborate with Troon on targeted marketing strategies to increase retail revenue in the golf shop, focusing on resident-focused showcases, incentives, and expanding merchandise offerings to include items appealing to other large area athletic and leisure clubs/groups.
- **Leveraging Testimonials and Ratings:** Utilize positive testimonials and high ratings of our restaurants to enhance marketing efforts. Analyze and implement various promotional opportunities, targeting both residents and outside customers, to drive revenue and expand our customer base.
- **Subcommittees & Department Meetings:** The expanded amenity offerings, such as cooking classes, virtual fitness, and sports tournaments, have been communicated and would be coordinated with other departments and group/club chairs to ensure feasibility and alignment with our community's interests. This collaboration ensures that all departments are on board and can contribute to the successful implementation and promotion of these new initiatives.

New Revenue with Expanded Amenity Offerings:

- **Culinary Experiences:** Introduce cooking classes and demonstrations, adding value to residents' lifestyle offerings.
- **Virtual Engagements:** Provide virtual fitness classes and golf training sessions at discounted rates, promoting wellness and skill development.
- **Sports and Recreation:** Host pickleball tournaments and provide concessions at new recreational areas like the cornhole zone, enhancing resident engagement.
- **Cultural and Social Activities:** Offer concessions during theater shows and bundle Dinner & Show packages, creating memorable experiences for residents.
- **Partnership Events:** Collaborate with clubs and non-profits for food and beverage events, and increase free and discounted activities, including concerts and vendor-sponsored events that showcase relevant products and services to residents.

Expense Management Strategies:

- **Digital Transformation:** Prioritize digital marketing and communication methods to reduce traditional advertising costs.
- **Efficiency through Technology:** Leverage AI and advanced software to streamline marketing operations and reduce project completion times.
- **In-House Creative Production:** Develop marketing materials internally to cut costs and maintain quality control.
- **Trade Partnerships:** Establish strategic trade partnerships to exchange advertising and outreach opportunities with businesses appealing to our demographic, optimizing promotional efforts and resource allocation.
- **NorthStar Optimization:** Fully utilize NorthStar's features to improve communication and expand online sales capabilities, particularly for SaddleBrooke-branded merchandise.

This strategic plan ensures SaddleBrooke TWO marketing efforts are efficient, data-driven, and aligned with broader organizational goals, fostering community growth and financial sustainability in 2025.

Staffing Plan

2025 Staffing Plan					
Dept. Name	Salary	Full Time	Part Time	VHE	Total
Administration/Marketing	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>

Staffing and Compensation: In 2024, we plan to maintain our team of one salaried employee and one full-time employee.

In 2025, we will implement a 4% annual wage increase to maintain appropriate budget levels. This compensation strategy underscores the Marketing team's critical role in the community's overall successes by driving revenue growth across all departments, enhancing community engagement, and supporting real estate and amenity utilization.

By focusing on these areas, we aim to drive sustainable growth, enhance resident satisfaction, and ensure financial stability for SaddleBrooke in 2025.

2025 BUDGET

ACCOUNTING

DIRECTORS SUMMARY

SUMMARY

Accounting will support all the board strategic plan goals with special attention to goal three which is Financial Stewardship. We will help measure and track KPI's and include them in our monthly reporting.

Accounting will continue to strive to be as accurate as possible with the monthly financial statements. We will do this by implementing a few new tasks such as completing a front-to-back review to ensure statements tie out properly prior to release. We will have our monthly task list signed off on by the GM or COO. Also, we have a goal of completing Bank reconciliation by the 20th of the following month.

Expense Control – the biggest expense after wages in accounting is Audit. The Audit committee will go out for bids for 2024 audit and future audits. The results of this will dictate amount we will need to expense. Until that is known we will use 2024 Audit expense information with a 5% increase.

Another big expense is Insurance. I will be using 2024 plus 5% increase for insurance premium increase for Property and casualty. We will increase Medical BCBS premiums but 7% for 2025. These numbers are just estimated and will become more solid as we get closer to year end.

Staffing Plan

	Dept. Name	Salary	Full Time	Part Time	VHE	Total	Add	2025
81	Accounting	2	2	0	0	4	1	5

Assumptions Used regarding wage Increases

- 4% increase for current staff

If adding New Position why?

Our goal would be to add an Assistant Controller. The purpose of this position is twofold 1) to assist the Controller on monthly close and monthly account analysis tasks 2) to develop the Succession planning I have been asking for over the past year. I would like to be able to train and help the current Controller to eventually be able to take over the Director of Finance (DF) roll and have the Assistant Controller slide into the Controller roll. The addition would free up the Controller and the DF to do the analysis the Finance Committee and BOD are requiring. It will allow for more review and approvals of processes and less monthly tasks. This will help us reach a cleaner Audit.

CAPEX/ RESERVE Summary

Title of Project

Cost

N/A

2025 BUDGET

PATROL

DIRECTORS SUMMARY

SUMMARY

Staffing Goal – Stabilize and maintain adequate staffing level to achieve 24/7/365 coverage, including traffic control shift for better enforcement of traffic laws and all HOA Rules & Regulations. Increase employee morale and job satisfaction; reduce turnover, improve recruiting.

Implementation – Propose to increase starting wage to \$1.00 per hour above minimum and existing employee wages by the same amount. This will provide a competitive edge for us with qualified job seekers and help to retain existing employees.

Background – the past 12 months have seen unusually high employee turnover in the Patrol department (9 new hires to replace exiting employees) and vacancy in the traffic control (Sergeant/1A shift) position. This has resulted in a short staff and difficulty in recruiting and filling open positions due to the minimum wage rate and our proximity to the available labor pool. Also, increasing risk involved in duties like traffic stops has dissuaded potential new hires.

Needed – approval to increase starting wages in 2025 to \$16.00/hour for all new hires (minimum wage is scheduled at \$15.00 effective 1/1/2025) and increase wage rate for all existing staff by \$1.00/hour to avoid wage compression and improve retention. This would result in an estimated 2% increase in payroll over the 2024 budget, and a 6.5% increase over the 2024 reforecast.

Expense Control – after completing the 2024 budget reforecast, we expect to be able to lower other operating expenses in 2025 to offset the payroll increase. The estimated increase in payroll plus burden is \$16,200 (8.7%). Preliminary proposed 2025 operating budget estimates a \$4,700 (1.3%) overall expense increase over the 2024 budget, and a \$35,620 (10.9%) increase over the 2024 reforecast, due to the substantial understaffing in the first 6 months of this year.

KPIs – the return to utilizing the Patrol 1A shift 2 days per week with adequate staffing will focus on traffic enforcement, including speeding and stop signs at the most noteworthy locations in SB2. By making use of the data provided by the electronic speed signs (including 5 proposed new/replacement signs), we expect the number of citations and fines to increase and publicity via various media to help curb speeding and increase safety for all users of our roads. Patrol's KPIs measure several metrics regarding citations including how many were issued in a month, the status of appeals and payment of fines, fine amounts, and who the violators were (residents or not). We will periodically run a Patrol Satisfaction Survey for resident feedback.

Other Goals – increase resident safety and visibility of street signs after dark in our primary traffic corridors by adding solar powered lights on street signs at 34 locations similar to those in HOA1. The cost of these lights is only \$75 each, and we have already purchased 2 units as a demo. Total cost would be \$2,400, installed by Facilities Maintenance staff.

Also, the security alarm system keypads in each building are legacy devices from our prior vendor that are beginning to fail. Replacement keypads of the same model are neither available nor desirable. New keypads from Titan Alarm, our current vendor, which are compatible and maintainable by Titan are \$250 each. There are 18 such devices on property, totaling \$4,500 installed.

Staffing Plan

<u>Dept. Name</u>	<u>Salary</u>	<u>Full Time</u>	<u>3/week</u>	<u>2/week</u>	<u>VHE</u>	<u>Total</u>	<u>Add</u>	<u>2025</u>
Patrol	1	2	4	2	8	17	0	17

Assumptions Used regarding wage Increases

- 2025 Arizona minimum wage increases from \$14.35 to \$15.00/hour.
- Low wage rate is a primary reason for recruiting difficulty as well as turnover and low morale/employee satisfaction (Strategic Plan Goal Four, Commitment To Our Team). Goal 4.1, Treat staff with respect and appreciation: paying above minimum wage for employees that are public-facing, often dealing with highly contentious situations, working around the clock, and occasionally risking personal health and safety in the course of their duties would be a clear signal that the Board, management and residents respect and appreciate Patrol's efforts. Goal 4.4, Ensure wages and benefits are reviewed annually at a minimum to be competitive: very few comparable HOAs in the area provide 24-hour, everyday patrol service and have the same responsibilities as SB2. SB1 is the most similar, with a minimum wage starting rate and we compete directly with them when recruiting new officers. A \$1.00/hour differential could provide us with a substantial recruiting advantage. We also compete with private security firms, which pay at least \$20/hr. Recruiting has been particularly difficult in the last year due in part to our low pay rate and we have had to settle for less-than-ideal candidates in order to cover all basic shifts.
- Many Patrol team members and potential new hires feel that the risks involved in duties like traffic stops and exposure to extreme weather conditions are not worth the low pay rate.
- Community Impact – having the best available patrol officers on our team helps to ensure that we perform our duties in a consistent and professional manner, with customer service and safety at the forefront. Compensating our staff in a manner that shows respect and appreciation and is competitive withing the security industry will help us recruit the best available personnel to the benefit of our residents' safety and peace of mind, at a minimal cost to the HOA.
- Total staff number is determined by how many shifts that each officer is available for coverage of 184 hours/week (3 shifts x 8 hours x 7 days, plus two 1A/traffic 8-hour shifts).

If adding New Position why?

Not applicable

CAPEX/ RESERVE Summary

	<u>Title of Project</u>	<u>Cost</u>
>	Replacement Speed Signs	\$9,600
>	New Electronic Speed Signs	\$3,200

2025 BUDGET

FITNESS

DIRECTORS SUMMARY

SUMMARY

Goals: The Fitness department's goals are to continue increasing revenue while maintaining our expenditure. We strive to do this while providing an exceptional member experience and promoting member engagement.

How: Since we have almost maxed out our classes "in season" for our group fitness classes; we will focus on session based and SGT (small group training) classes to help boost revenue. These types of classes are not included in the Monthly Class Pass, thus if we program accordingly, we should increase revenue. We will also be increasing the price of the Monthly Class Pass from \$85 to \$100.

What will be needed: We will need instructors to teach these "specialty" type of classes/workshops. We will also need the use of our Paloma Room and Rincon Room so we can continue to run the current schedule of Group Exercise classes in the Mariposa Room. There will be little to no need for additional equipment.

Changes to revenue: With the increase in the price of the Monthly Class Pass from \$85 to \$100 we are looking at an increase in revenue of \$6,300 for the year. We have on average 35 people purchasing the Monthly Class Pass. If you multiply that by \$15 and then by 12 months you will arrive at that figure.

We anticipate an increase in revenue for additional specialty classes of approximately \$3,000 for the year.

Controlling expenses: We will also control our expenses by being mindful of the front desk staffing as well as the price of our specialty classes to cover expenses appropriately. Additionally, this year we will be better equipped to anticipate the cost of purchasing our own wipes.

In the fitness department we support Goal Eight in the Strategic Plan by measuring our success at providing exceptional member experience with member feedback, promoting resident participation, continually evaluating the condition of our amenities, as well as prioritizing improvements to our amenities that are most important to our residents.

We use KPIs to measure the resident feedback, measure the value of the service for monthly class pass holders, and to measure the total monthly revenue.

Staffing Plan

2025 Staffing Plan

	Dept. Name	Salary	Full Time	Part Time	VHE	Total
31	Fitness	1	0	2	20	24

We anticipate wages to increase to \$278,682 in 2025.

Assumptions Used regarding wage Increases

- The minimum wage increases to \$15 January 1, 2025. Thus, creating the need to increase wages of other employees that have been here longer to maintain the variance in wages. We anticipate an increase in wages 4% for front desk staff as well as additional classes and increased personal training.
- The front desk positions are the most affected by the wage increases. However, when we increase revenue in personal training or increase class offering we also increase wages of instructors and personal trainers.

If adding New Position why? ***No new positions at this time.***

CAPEX/ RESERVE Summary

<u>Title of Project</u>	<u>Cost</u>
> NuStep	\$9,963.68

2025 BUDGET

F&B

DIRECTORS SUMMARY

SUMMARY

I anticipate F&B revenue to increase 8% in 2025. We will achieve these goals by combining multiple different approaches as stated below to direct us towards our goal (5-8) Improve F&B and Banquets. Develop robust programs and culture guided by the results of the consulting company's report and direction. I will achieve these goals through a combination of strategies.

1. Improve Menu Design:
 - Revise menus to highlight high-margin items and create appealing descriptions. Consider introducing limited-time offers and seasonal specials to attract interest.
2. Enhance Customer Experience:
 - Focus on exceptional service and ambiance. Training staff to be attentive, friendly and knowledgeable about our brand and products we offer.
3. Continue Implementing Promotions and Discounts:
 - Offer special deals such as happy hours, loyalty programs, or discounts for repeat customers building brand loyalty promoting repeat visitors.
4. Boost Online Presence:
 - Collaborate with our in house marketing team to boost social media and our user-friendly website to promote our various restaurants.
 - Engage with customers online and share updates, reviews, and special offers.
5. Optimize Pricing:
 - Reevaluate our pricing strategy to ensure it aligns with our market and competitors. Small adjustments to pricing can sometimes lead to increased sales.
6. Increase Marketing Efforts:
 - Invest in targeted advertising, local promotions, and partnerships to reach new customers.
7. Introduce New Revenue Streams:
 - Opening up more programming at Preserve to increase sales.
 - Collaborating with Theatre department to attract more clientele on show nights.
 - Collaborating with Golf Ops to grow dual events.
 - Collaborating with Fitness to grow dual events that will benefit both departments.
8. Leverage Customer Feedback:
 - Regularly seek and act on feedback that address any issues and make adjustments based on customer preferences.

Implementing these measures will help achieve my projected sales growth into 2025.

Key performance indicators (KPIs) are crucial for measuring and managing restaurant success. F&B measures many different KPIs including average guest check, total sales, guest satisfaction scores, food cost percentage, labor cost percentage, etc...

Using these KPIs helps track performance, identify areas for improvement and make data-driven decisions to enhance the restaurants success.

Staffing Plan

2025 Staffing Plan								
Dept. Name	Salary	Full Time	Part Time	VHE	Total	Add	Total	
12 The Preserve Restaurant	1.3	10	8	0	19.3		19.3	

2025 Staffing Plan								
Dept. Name	Salary	Full Time	Part Time	VHE	Total	Add	Total	
11 MountainView Bar&Grill, Mesquite, & Banquets	5.03	15	23	2	45.03		45.03	
		2	4	5	11		11	

Assumptions Used regarding wage Increases

- 4% increase based on HR recommendation.

If adding New Position why?

No new positions added

CAPEX/ RESERVE Summary

This is summary, you will have already put in a Request using the Forms. What are you requesting and the cost?

<u>Title of Project</u>	<u>Cost</u>
>Floor Coverings, Carpet	131,250
>Furnishings, Dining, Chairs	144,898

2025 BUDGET

THEATER/LIFESTYLE

DIRECTORS SUMMARY

SUMMARY

Department Goals 2025

Maintain #5 and #8 of the strategic goals by using methods that align with SaddleBrooke Two's mission, vision and core values.

- Enhance operational efficiency
 - Efficient scheduling
 - Continue to develop and maintain SOPs
 - Automate administrative duties where possible (use of online feedback, ticket purchasing online with promo codes, pre-sales online)
 - Use KPI's and data analytics to track and monitor progress
- Increase customer satisfaction and participation
 - Regularly solicit feedback from residents to understand their preferences and tailor programs accordingly.
 - Use of more satisfaction surveys (those who participate are entered into drawing for coupons for future shows)
 - Continue and grow incentive programs- Get 5 for 4 and group rates, pre-sale specials
- Drive revenue growth by 8%
 - Labor will increase by 4%
 - Improve marketing efforts outside of community and targeted marketing campaigns (track with promo codes)
 - More use of social media
 - Reach wider demographic with diverse programming
 - Expand partnerships with local businesses to host events
 - Offer VIP experiences (meet and greet the entertainers on select shows), Prime seating
- Partnered Golf Events:
 - Monthly Golf luncheons -Men's Golf, MPWGA, MVLP, Lady Putters
 - Hosted Tournaments- Rotary, American Legion, Folds of Honor, Collegiate, more company outings with F&B included
 - HOA2 Hosted Events- Masters Par 3 Event, Golf & Fitness Fall Fashion Show Luncheon, Glow putting, add more annual events to the master calendar.
- Expand Lifestyle/Theater offerings with new and diverse programming.
 - More interactive offerings (classes, workshops)
 - Guest speaker sessions
 - Utilize local groups for lesser ticket price entertainment
 - Collaborate with Golf and Fitness on events (Floating sound healing at Preserve Pool and Glow Putting Event at Links)
 - Facility rentals to external groups (DVPAC). Film festivals, performance rentals, etc.
- Improve facility utilization to maximize revenue.
 - Increase AV fees to maintain upgraded equipment
 - Non-resident room fee increases
 - Fill the non-peak available times by reaching out to prospective clients/companies for seminars
- Continue to empower and retain employees through cross training and have regular innovation/brainstorm meetings as a team.

- Cross trained employees key for keeping them supplemented with hours and they learn new skills. This also improved labor efficiency. 1 employee can have the skills of 2 positions. (Lifestyle support team member cross trained in banquets to work during the event)
- Regular meetings with team members to share ideas to keep evolving events and streamline logistics. Everyone has a voice in what we do and how we do it.
- Promote a culture of continuous improvement
- Program planning in conjunction with Banquet and F&B to enhance resident experience and benefit multiple departments. Collaborate instead of competing with one another.
 - Concert menu at MVBG on show nights.
 - Present show ticket for % discount on select shows
 - Outside sales for rentals for show and banquet dinner

Staffing

	Dept. Name	Salary	Full Tim	Part Tim	VHE	Total
21	Theater	0.33	1	2	1	4.33
22	Lifestyle	0.33	2	2	1	5.33

Assumptions Used regarding wage Increases

- 4% Wage Increases per HR recommendation.
- Prices will increase for AV equipment, non-resident rentals and setup/labor charges.

If adding New Position why? N/A

CAPEX/ RESERVE Summary

<u>Title of Project</u>	<u>Cost</u>
>Catalina Room Furniture (reserve item 1.042)	\$47,611
>DV Curtains (reserve item 2.03)	\$41,524
>DV Lighting Upgrade (reserve item 2.045)	\$60,100
>Preserve Meeting Room (reserve item 3.045-3.051)	\$60,000

2025 BUDGET

FACILITIES

DIRECTORS SUMMARY

SUMMARY

- **Goals:** Operations and facilities maintenance goals in 2025 are to be accessible to all departments, personnel, and residents. We will strive to fulfill goals three, six, and eight of the SaddleBrooke HOA2 strategic goals. We will endeavor to be efficient, professional, and proactive in the performance of in-house maintenance and custodial tasks. We will collect data to upload into our KPI program which monitors workorders and the facilities where maintenance is being performed.
- **Achieve goals:** We will achieve our departmental goals with a work-order/maintenance application model that is mobile and has instantaneous information available to requesters, administration, and technicians. More in-house training will be performed on a monthly and as needed basis.
- **Needed instruments to achieve goals:** A program will need to be purchased from a work-order company such as UpKeep or MaintainX that provides the instant upload of requests and tracking of work-orders. A structured class model will need to be created to perform in-field training i.e. pool instruction, electrical safety, plumbing basics etc.
- **Cost:** The cost of a maintenance application program could range from \$2K to \$8K per year depending on the number of full users we upload into the program. Instructors could also be an expense depending on the level of training needed.
- **Controlling expenses:** Using the maintenance application and instructional training will allow us to:
 - **Track supplies:** allowing us to maintain accurate accountability of product and where it is being used. = Less over buying.
 - **Man-hours:** Use less man hours locating, producing, tracking, reporting work orders and costs of maintenance. Freeing up the team to complete work quickly. Training will make technicians more proficient and spend less hours performing maintenance. = fewer labor costs
 - **Preventative maintenance:** The maintenance application will alert us for PM on assets and the supplies we need to do the work. Training will make our technicians more proficient. =less equipment failures/less replacement costs
 - **Purchase orders:** This program also incorporates PO numbers enabling us to track large purchase items. = more controlled accountability of spending
 - **Location of maintenance:** uploading locations is paramount to showing the age of facilities, how much is being spent on the facilities, and eventually help us to determine restoration of facilities. = Data for our KPI programs.

The maintenance program will enable us to control expenses on our supplies, man-hours, and facilities and provide the structure Department 56 needs to achieve our goals for 2025 and beyond. Combining the training and the maintenance application will make us better financial stewards, enable effective communication, and allow us to provide exceptional member experiences.

STAFFING PLAN

Dept. Name	Salary	Full Time	Part Time	VHE	Total	Add	TOTAL
Facility Maint.	2	14	3	2	21	1	22

Current staffing, plus one laborer, is sufficient for the upcoming year. Current full-time staffing will receive the annual 4% increase in pay according to their yearly anniversary and performance reviews. Part-time and variable part-time staffing will receive an increase in pay depending on the national cost-of-living increase and performance reviews on their yearly anniversary.

Assumptions Used regarding wage Increases: Payroll will increase in 2025 approximately 4% due to cost-of-living increases, pay raises, new positions or promotions. Currently our payroll is \$688,333. The lower end of the payroll increase would be the current payroll at 4% plus \$35,000 for a new employee, making next year's payroll estimate at \$750,866.

If adding New Position, why? Department 56 is looking to add a full-time labor position at \$15.00 an hour to cover the daily upkeep of our patios, pool areas, and maintenance of the three main complexes. The higher will also assist in much needed upkeep after winds, rain, and monsoons. This position will be the assistant to larger jobs where extra hands are a must.

CAPEX/ RESERVE Summary

<u>Title of Project</u>	<u>Cost</u>
>Administration vehicle	\$20-\$40K
>Storage boxes	\$5,500-\$7,500
>Sunshade at Preserve	\$70K
>Reserve requests	as Present on July 18, 2024

2025 BUDGET

COMMON AREA MAINTENANCE

DIRECTORS SUMMARY

SUMMARY

- 1) Board Goals 2024 The green space and Golf experience
 - i) Continue to build the relationship between the Common Area Maintenance Department and the Common Area Maintenance Committee.
 - ii) Manage the Common Area team to achieve the level 4 and 5 schedules. The CAM Committee has been instrumental in submitting for a noxious weed grant to help fund the Common Area efforts.
- 2) Develop a plan to support the team (providing back house support needed to deliver our Mission Statement)
 - i) We are communicating with facilities and the board what they would like us to get done.
 - ii) The Grounds Supervisor, CAM and I are developing a system to plan for all levels to execute the work to a higher standard.
- 3) Evaluate CAM staffing requirements.
 - i) March 2019 meeting notes report, "In general, Common area maintenance is performed only based on resources available to do it" This led to a severe deficit in progress which we are attempting to overcome. We were in a different place at that time, but even after the policy was approved in 2022, little changed. To provide a recent comparison, in the May budget report, the Troon employee costs were approximately \$260,000 and Cam employee costs were about \$115,000. This discrepancy in employee costs is not supported by the acreage that is covered by each crew. At the same time, levels 5, and 6 of the policy were only maintained if residents chose to apply and pay for a licensed landscaper to do work in these areas.
 - ii) The common area covers 323 acres of the 498 acres of HOA green space. The golf course employs about 38 employees. The common area has 20 employees. This disparity makes it clear that in order to complete the work needed in the common area: to meet the standards/specifications of both the common area policy and resident expectations, more employees are needed.
 - iii) I am requesting 6 employees for 2025, these employees will create two crews. The crews will be for level 3 and level 4 (When I came to Saddlebrooke in October of 2023, I found that we had no crew for level 3. As I drove and looked around at level 3 I found that many of the cactus were very overgrown and there were many pack rat nests found in these areas. This need to be addressed.
 - iv) We will be restarting a level 4 crew. This will help get through the amount of work that we are facing. Level 5 was under performing due to the amount of vegetation that is being processed by combining Level 4 and Level 5 together this has helped us get through the areas much faster. (If I had not combined level 4 and 5 together, we would be farther behind than we are now.

Staffing Plan

Dept. Name	Salary	Full Time	Part Time	VHE	Total	ADD	2025
64 Common Area Maintenance	1	20	1	1	23	6	29

Assumptions Used regarding wage Increases

5% increase based on Market. The majority of the contractors who I have talked to about there needs and the hiring and retention of the employees they had an increase of 4-6%. This how Came to 5%

If adding New Position why?

I propose to hire 6 employees to help with the landscape need for Saddlebrooke HOA2

(usually 1–2 people can easily manage an acre of organic farm given the right tools and technology This is from Quora.com)

Though I believe this is not enough, adding these 6 employees will help us have personnel in all levels of maintenance that we currently only have one or none.

CAPEX/ RESERVE Summary

<u>Title of Project</u>	<u>Cost</u>
>Cap ex Purchase of 4 ¾ trucks	\$88,000- 242,000
>Cap ex Utilities vehicles 3	\$90000
>Cap Ex trailer	\$11,000
>Cap Res. 4.012	Increase in the reserve of 7%

2025 BUDGET

THE PRESERVE GOLF

DIRECTORS SUMMARY

Golf Operations and Golf Course Maintenance for The Preserve (Departments 43 and 44)

SUMMARY

- **Goals:** The Goals for The Preserve Golf Operations and Golf Course Maintenance are to be in line with Goals #3 and #7 of the SaddleBrooke HOA TWO Strategic Plan.
 - **Goal 7:** Continuously improve the delivery of service and product provided to the residents and guests of SaddleBrooke TWO along with growing the game of golf and finding additional ways to use the course for the benefit of all residents.
 - **Goal 3:** We will be financial stewards for SaddleBrooke TWO.
- **Achieve Goals:** We will achieve our departmental goals by taking advantage of the MountainView renovation and the return to all 36 Holes within SaddleBrooke HOA TWO.
- **Needed instruments to achieve goals:** At this time no additional instruments are required beyond the CAPEX/Reserve requests presented July 18, 2024.
- **Revenue changes:** Leaning on the return of MountainView to 18 Holes for all of 2025, we will be returning to the goal of \$1.6M in Annual Passholder Revenue while continuing to be aggressive with outside play and tournaments. The word is out that MountainView and The Preserve are becoming two of the best conditioned courses in the Tucson Metro.
- **Controlling expenses:**
 - **Golf Ops Man-hours:** With the addition of an Assistant Professional at MountainView and The Preserve, our hourly staffing will come down in the Golf Shops. The hours of overlapping staff will be focused on when our residents and guests need us the most. The same goes with outside service staffing. We'll keep a close eye on the overlapping hours between Tee Hosts (starters) and Player Assistants (rangers) and Closers to make sure we are utilizing our resources properly.
 - **GCM man-hours:** The tasks that took longer man-hours should be greatly diminished after the renovation. Now our teams can do daily set up and then focus their time on detail work and setting up The Preserve to be as good as possible with the resources

STAFFING PLAN

Dept. Name	Salary	Full Time	Part Time	VHE	Total
GOLF OPS - THE PRESERVE (43)	3	0	14	0	17

Dept. Name	Salary	Full Time	Part Time	VHE	Total
GOLF MAINTENANCE - TP (44)	3	8	3	0	14

The approved plan is to add the Head Professional (1/2 of salary allocated to The Preserve) and an Assistant Professional this fall. They will carry over to 2025. The current staffing model is sufficient for the upcoming year. Current full-time staffing will receive the annual 4% increase in pay according to their yearly anniversary and performance reviews. Part-time and variable part-time staffing will receive an increase in pay depending on the national cost-of-living increase and performance reviews on their yearly anniversary.

Assumptions Used regarding wage Increases: Payroll will increase in 2025 approximately 4% due to cost-of-living increases, pay raises, new positions or promotions to approximately \$930,000.

If adding New Position, why?

We are on the search for a Director of Agronomy who will lead the Golf Course Maintenance Teams at MountainView and The Preserve. The finances above could vary dependent on the required salary and relocation fees for the new DOA.

Additionally, The Preserve Golf Course Maintenance is looking to add a full-time labor position at \$15.00 to assist the equipment manager on the tasks that don't allow us to take full advantage of the equipment manager. Allowing the equipment manager to work on reels, grinding and other various tasks. This position is included in the finances above.

Ultimately Golf Operations hopes to achieve Goal Three and Goal Seven of the strategic goals: Exceptional Member Experience by well trained staff who intend to grow the game, increase service to members and guests while we maintain the best possible course conditions with the resources provided.

CAPEX/ RESERVE Summary – Presented on July 18, 2024 – Recommended by Finance Committee – July 25, 2024.

	<u>Title of Project</u>	<u>Cost</u>
≥	Carts, Picker and Ball Picker	\$15,000
>	Cart Path Repair	\$55,000
>	Mechanical bunker rake	\$33,991
>	Mechanical bunker rake	\$33,991
>	ESD Wash Rack	\$60,000
>	Toro 550 Brush	\$8,938
>	Toro 710 Brush	\$14,481
>	Toro GM3500D	\$49,120

>Reserve requests Present on July 18, 2024

2025 BUDGET

MOUNTAINVIEW GOLF

DIRECTORS SUMMARY

Golf Operations and Golf Course Maintenance for MountainView (Departments 41 and 42)

SUMMARY

- **Goals:** The Goals for MountainView Golf Operations and Golf Course Maintenance are to be in line with Goals #3 and #7 of the SaddleBrooke HOA TWO Strategic Plan.
 - **Goal 7:** Continuously improve the delivery of service and product provided to the residents and guests of SaddleBrooke TWO along with growing the game of golf and finding additional ways to use the course for the benefit of all residents.
 - **Goal 3:** We will be financial stewards of SaddleBrooke TWO
- **Achieve goals:** We will achieve our departmental goals by taking advantage of the MountainView renovation and the return to all 36 Holes within SaddleBrooke HOA TWO.
- **Needed instruments to achieve goals:** At this time no additional instruments are required beyond the CAPEX/Reserve requests presented July 18, 2024.
- **Revenue changes:** With MountainView returning to a full 18 Holes for all of 2025, we will be returning to the goal of \$1.6M in Annual Passholder Revenue while continuing to be aggressive with outside play and tournaments. The word is out that MountainView and The Preserve are becoming two of the best conditioned courses in the Tucson Metro.
- **Controlling expenses:**
 - **Golf Ops Man-hours:** With the addition of an Assistant Professional at MountainView, our hourly staffing will decrease in the Golf Shop. The hours of overlapping staff will be focused on when our residents and guests need us the most. The same goes with outside service staffing. We'll keep a close eye on the overlapping hours between Tee Hosts (starters) and Player Assistants (rangers) and Closers to make sure we are utilizing our resources properly.
 - **GCM man-hours:** The tasks that took longer man-hours should be greatly diminished after the renovation. Now our teams can do daily set up and then focus their time on detail work and setting up MountainView to be amazing.

STAFFING PLAN

Dept. Name	Salary	Full Time	Part Time	VHE	Total
GOLF- OPS - MOUNTAINVIEW (41)	3	0	12	0	15

Dept. Name	Salary	Full Time	Part Time	VHE	Total
GOLF MAINTENANCE MV (42)	4	9	3	0	16

The approved plan is to add the Head Professional (1/2 of salary allocated to MountainView) and an Assistant Professional this fall. They will carry over to 2025. The current staffing model is sufficient for the upcoming year. Current full-time staffing will receive the annual 4% increase in pay according to their yearly anniversary and performance reviews. Part-time and variable part-time staffing will receive an increase in pay depending on the national cost-of-living increase and performance reviews on their yearly anniversary.

Assumptions Used regarding wage Increases: Payroll will increase in 2025 approximately 4% due to cost-of-living increases, pay raises, new positions or promotions to approximately \$1,039,663

If adding New Position, why?

We are on the search for a Director of Agronomy who will lead the Golf Course Maintenance Teams at MountainView and The Preserve. The finances above could vary dependent on the required salary and relocation fees for the new DOA.

Additionally, MountainView Golf Course Maintenance is looking to add a full-time labor position at \$15.00 to assist the equipment manager on the tasks that don't allow us to take full advantage of the equipment manager. Allowing the equipment manager to work on reels, grinding and other various tasks. This position is included in the finances above.

Ultimately Golf Operations hopes to achieve Goal Three and Goal Seven of the strategic plan. Exceptional Member Experience by well trained staff who intend to grow the game, increase service to members and guests while we maintain the best possible course conditions with the resources provided.

CAPEX/ RESERVE Summary

	<u>Title of Project</u>	<u>Cost</u>
≥	Carts, Picker and Ball Picker	\$15,000
>	Cart Path Repair	\$55,000
>	Mechanical bunker rake	\$33,991
>	ESD Wash Rack	\$60,000
>	Toro 550 Brush	\$8,938
>	Reserve requests	as Present on July 18, 2024

2025 BUDGET

HUMAN RESOURCES

DIRECTORS SUMMARY

SUMMARY

- Obtain my SHRM Certification.
 - I am in the process of taking online learning towards this goal
- Onboard quickly and efficiently.
 - When notified that an offer letter has been sent to an applicant, closely follow that, and as soon as the letter is signed, I start the onboarding process.
- Safety Coordinator
 - Continue to conduct quarterly meetings with the safety committee and send safety topics to all directors/managers.
 - Continue to implement the safety rewards.
 - Safety is important, not only in keeping our staff safe, but also in keeping our EMod's low. An EMod is an experience modification and is an important factor used to adjust our workers' compensation premium.
- I have 3 KPI's
 - Turnover Rate: I am tracking the number of terminated employees in monthly buckets. I am then comparing that to the Arizona average turnover rate.
 - Payroll Over/Under Budget: I keep track of the over/under with no burden to show if we are meeting our payroll goals.
 - Recruiting: I am charting the days it takes to fill our open positions and comparing them to last year's averages.
- Strategic Plan:
 - Goal Four: Commitment To Our Team. There are many ways in which I support this goal. I remind employees to treat everyone with respect and appreciation. I have set up a gift wheel that managers can show appreciation for going above and beyond by spinning the wheel and getting prizes.
 - I work with the other HOA's human resource managers to compare the wages paid to be sure we are in alliance.
 - I am in the process of developing an employee satisfaction survey to find out the thoughts of our team.

Staffing Plan

I do not have a staffing plan. I am the only one in HR

Assumptions Used regarding wage Increases

- 4% pay increase based on directive

If adding New Position why?

NA

CAPEX/ RESERVE Summary

This is summary, you will have already put in a Request using the Forms. What are you requesting and the cost?

Title of Project

Cost

> No projects