

## Professional Property Management Cost Comparison for Total Property Management

This list includes only Administration costs from our budget. Below this list there are a few other items they think they can save us more money. These numbers are taken from a preliminary proposal, and may not reflect all savings, as there could be more after negotiations.

Budget Line Item	Current Administration Costs per year	PPM Costs per year
Management Fee	0	\$149,580
Monthly Management Fee - \$12,465 which is \$9.20 per lot per month		
Auditing Expense	\$10,000	\$5,000
The Company stated they could get us the same auditing services every year at a deep discount.		
Accounting Expense	\$36,000	0
We would not have to pay for an independent accountant, as this is included in the Management Fee.		
Legal Expense	\$4,080	0
The Company stated that although they do not have in-house attorneys, they feel that this cost could be eliminated.		
Merchant Services Expense	\$3,600	0
We would no longer need the credit/debit card machine in the office		
Board Expenses	\$1,650	0
This is to cover printing costs for the Voter Pamphlet and ballots, which is covered in the Management Fee.		
Collection Costs	\$2,500	0
This is covered in the Management Fee.		
Computer Support Services	\$11,075	\$5,538
Company will install their systems onto the on-site computer equipment, and due to reduction of office staff and equipment in the office, a savings of 50% is estimated. We will still need the server on-site for security cameras, etc.		
Contingency/Miscellaneous	\$1,500	0
This is a line item that would be taken out eventually without PPM coming in.		
Dues and Subscriptions	\$5,050	0
This line item pays for the QuickBooks subscription every year for payroll and accounting.		
Telephone/Internet Expense	\$5,900	\$1,200
The Company feels that the amount of phone lines can be reduced to 1 instead of multiple with fax.		
Employee Benefits	\$8,558	\$2,567
This is reflective of reducing office staff from 3 employees down to 1 employee. This would depend on if benefits were opted in or not, so it could save more than noted.		

Office Supplies	\$13,421	0
The Company feels we would not have any office supply need.		
Payroll Expense	\$102,481	\$40,000
This is reflecting the staffing reduction by 70% - from 3 employees to 1.		
Payroll Taxes	\$9,900	\$3,880
This is reflecting the staffing reduction by 70% - from 3 employees to 1.		
Training Expense	\$2,900	0
This line item was to keep office staff trained on QuickBooks and Microsoft Office as needed. Training will be done by the Company, so this line item can be eliminated.		
Mileage Reimbursement	\$1,000	0
This line item was used to cover staff mileage for weekly bank runs and compliance. Will not be needed.		
Lease/Rent Expense	\$7,200	0
This line item covers the copier and postage machines that we currently lease. These would no longer be needed as we own one smaller copier outright and all mailings will be done from the Company's main office.		
Newsletter Expense	\$1,000	0
This would be covered under the Management Fee and the Monthly Base Fee. They will send a newsletter out twice a year.		
<b>Total</b>	\$227,815	\$207,765
<b>Savings</b>	<b>\$20,050</b>	