

Professional Property Management Cost Comparison for VIS Group, Inc.

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	\$101,625
Monthly Management Fee - \$8,468.75 which is \$6.25 per lot per month		
Monthly Base Fee (\$500/mo)	0	\$6,000
Monthly Base Fee includes supplies, administrative and technology costs for all regularly scheduled mailings, as well as costs of database backups, remote backups, shredding services, website access and updates, paper, envelopes, copier, toner, and other office expenses related to typical day to day operations of the community. It covers such expenses related to operations in the main office of the company.		
On-Site Personnel Processing	0	\$30,110
10% markup on all on-site personnel related expenses (mobile phone expense, office phone expense, hiring costs, payroll, taxes, excise taxes, benefits, vacations and sick days off, substitutions, software licenses, and any other employee related expenses) to cover their processing, insurance, and unemployment related expenses.		
Accounting Expense	\$36,000	0
We would not have to pay for an independent accountant, as this is included in the Management Fee.		
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.		
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	\$6,711
With most work being done in the Company's main office, along with staffing reductions will lower the office supplies needed by at least 50%. The savings here could be more.		
Payroll Expense	\$102,481	\$30,744
This is reflecting the staffing reduction by 70% - from 3 employees to 1.		
Payroll Taxes	\$9,900	\$2,970
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.		
Total	\$207,835	\$186,265
Savings	\$21,570	

Additional proposed savings:

Administration Business Insurance Expense	\$13,200	\$9,240
Maintenance Business Insurance Expense	\$15,600	\$14,040
Pool Business Insurance Expense	\$8,520	\$5,964
Water Business Insurance Expense	\$16,800	\$11,760
The company believes they can reduce our insurance by 30% due to elimination of staff related risks by bringing personnel under VIS Group account.		
Total	\$54,120	\$41,004
Savings	\$13,116	
Total Savings – Admin + Insurance	\$34,686	