



COMMUNITY ASSOCIATION

MCCA BUDGET NEWSLETTER

March 2023

MCCA INCLUDES:

- 1595 Single Family Homes
- 622 Condominium Units
- 269 Townhome Units
- 5 Apartment Buildings
- 160 Acres of Common Area
- 27 Entries
- 21 Parks
- 16+ Miles of Trail
- 12 Playgrounds
- 10 Bridges
- 7 Retention ponds
- Nature Preserve, Fish Ladder, Dam
- Office and Maintenance Buildings
- 11 Full-time Employees
- 7 Part-time Employees

INTRODUCTION

Planned in 1973, with Restrictive Covenants first recorded in 1975, the Mill Creek Community Association (MCCA) remains vibrant. The Association's primary purpose is to maintain property values by providing for the maintenance, preservation, and operation of the common properties. To this end, MCCA's Board of Directors and the Association Director have prepared the annual budget for the 2023-2024 fiscal year. The budget estimates the expected revenue and expenses for the next fiscal year, which begins July 1, 2023. The 2023/2024 budget is enclosed. **The online meeting to ratify the budget is Wednesday, April 19th at 5:30 pm. You can access the meeting link through the MCCA calendar on our [website \(www.mcca.info\)](http://www.mcca.info).** MCCA members are encouraged to attend online. Please check your email and our website for further details. If you do not receive MCCA emails, please contact the office (info@mcca.info) to update us with your email address.

The Board and Association Director use information gathered from residents via the annual survey, committee reports, the reserve study, and staff to determine the upcoming year's budget needs. We carefully consider historical trends, requests for maintenance tasks and new projects, and the corresponding need for equipment, staffing, etc. In March, the MCCA Board of Directors approves the proposed budget before mailing it to MCCA residents for their approval. There are no quorum requirements for a budget meeting. The budget will be ratified unless, at the budget meeting, the owners of property to which a majority of the votes in the Association are allocated, reject the budget.

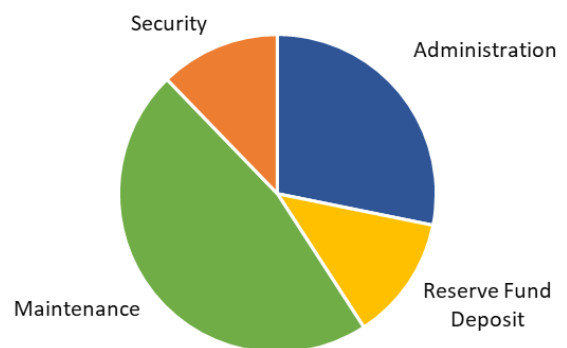
BUDGET OVERVIEW

The proposed 2023/2024 budget is enclosed. For the next fiscal year, the income from assessments is forecast at \$1,821,982, and income from other sources such as escrow fees, interest, etc., is forecast at \$14,000. The expenses are budgeted as follows:

- Administration: \$518,300
- Security: \$228,620
- Maintenance: \$863,100
- Reserve Fund Deposit: \$225,340

This year our budget challenges include rising inflation, a tight labor market, and increased insurance costs. MCCA insures 12 vehicles and three trailers used by our Maintenance and Security teams. This year we saw notable increases in our liability, D&O, and auto insurance. Part of this is explained by industry-wide increases and part is due to two automobile claims we had this year. After enjoying discounted rates for many years, we are working to reduce our fleet insurance costs by providing driver training to employees and installing telematics in our company vehicles. After increasing security patrols from 16 to 20 hours per day last year, the annual survey indicates that 87% of residents who responded are happy with the current 20-hour security schedule. The Board elected to keep security patrol hours steady this year. The Board of Directors continues

2023/2024 Budget Expenses



to focus the majority of the MCCA Budget on maintenance tasks while doing everything possible to stretch your assessment dollars during these difficult economic times.

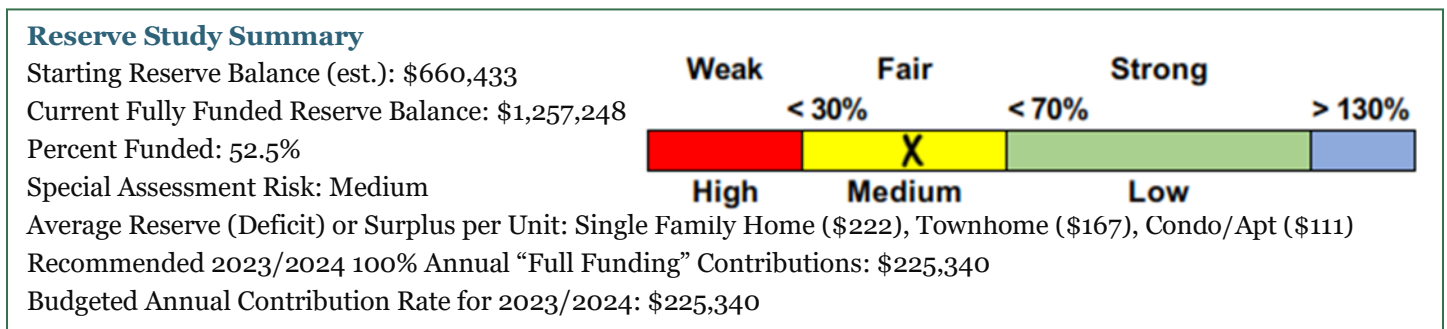
ANNUAL RESERVE STUDY

Per RCW 64.90.550, MCCA has a full reserve study completed every three years, with annual updates for the years in between. MCCA has contracted with Association Reserves to perform this task. The reserve study produced by Association Reserves helps us identify the major repairs and replacements we need, estimate how much they will cost, and predict when they will occur. We use this information to prevent the need for a special assessment.

The reserve study also evaluates our Reserve Fund (percent funded) and recommends a multi-year funding plan. This forecasting helps ensure that MCCA has adequate funds to maintain all our physical assets and that costs are shared equitably by current Association residents and past and future residents. Current and future residents can use the percent funded estimate to determine the likelihood of a special assessment. This year, the reserve study calls for a \$225,340 contribution to the Reserve Fund (a 3% increase over last year), and the proposed budget follows this recommendation.

Next year we will continue to replace broken trails in the Nature Preserve, replace aging mail hutches, replace the failed culvert in Cherry Pond, upgrade some of our aging irrigation systems, work on drainage issues, and replace our oldest lawn tractor. Keeping our infrastructure and equipment maintained and updated ensures that our systems and equipment work when we need them to, so we can provide a continuity of service to our Association.

The summary of our reserve study below shows that MCCA is funded adequately for 2023/2024. To view the full reserve study, log into your PayHOA account, select the *Documents* tab, click on the *MCCA Documents* folder then select the *Reserve Study* folder, and open the *MCCA Reserve Study 2023 Final.pdf* file.



2023/2024 ASSESSMENT

The Board recommends an assessment increase to a level that meets operational costs and continues to adequately fund our Reserves. The proposed 2023/2024 assessment level for single-family homes is \$674, townhomes are \$506, and condominiums and apartments are \$337 per unit per the MCCA Governing Documents.

Assessments are due *paid in full* by July 1, 2023.

HOW TO VOTE

The MCCA Board of Directors encourages all members to VOTE YES TO APPROVE the 2023/2024 Budget. Members are entitled to one vote for each Living Unit they own. If more than one person owns a Living Unit jointly, those owners must cast their vote together, so no more than one vote per Living Unit is cast (Bylaws of MCCA Article V, paragraph 5.1(ii)).

Your ballot and unique PIN are included in the Voting Packet sent to you via USPS mail or email depending on your preference. If you cannot locate your ballot or PIN, please contact Voteegrity at support@voteegrity.net. You can access the voting packet and the link to vote online by clicking the Voting Packet link on the Announcements section of the MCCA website (www.mcca.info). You may also use the paper ballot provided and place it in the lockbox outside the office door.

ELECTRONIC COMMUNICATIONS

If you would like to opt-in to electronic communications, you can do this by logging into PayHOA. The MCCA office can help, just email (info@mcca.info) or call (425-316-3344) and ask for our opt-in instruction sheet.

Mill Creek Community Association 2023-2024 Annual Budget & Assessment Approved Plan

	2022/23 Budget Approved	2022/23 Projected	2023/24 Budget Proposed	1595 Single Family Homes	269 Townhomes	1774 Condos & Apartments
Ordinary Income/Expense						
Income				Proposed Assessment by Unit		
Revenue - Homeowners	1,710,897	1,724,897	1,821,982	674	506	337
Revenue - Other	8,500	22,860	14,000			
Total Income	1,719,397	1,747,757	1,835,982			
Gross Revenue	1,719,397	1,747,757	1,835,982	674	506	337
Expense						
Administration						
Payroll Costs	281,544	266,200	280,800			
Professional Fees & Services	57,000	62,000	63,000			
Communications	21,200	22,300	22,300			
Facilities & Office	14,000	13,100	14,200			
Community Relations & Meetings	12,200	12,220	15,000			
Insurance	63,000	68,000	123,000			
Total Administration	448,944	443,820	518,300	191	143	95
Security						
Payroll Costs	206,062	221,030	216,200			
Cell Phone	700	720	720			
Vehicle Maintenance	6,000	3,000	5,000			
Administration	1,600	1,600	1,200			
Gasoline	5,000	5,500	5,500			
Security	219,362	231,850	228,620	84	63	42
Maintenance						
Payroll Costs	568,378	556,000	591,300			
Grounds Maintenance	197,500	196,000	199,500			
Vehicles & Equipment Costs	51,000	54,000	58,000			
Administration	14,600	12,800	14,300			
Total Maintenance	831,478	818,800	863,100	317	238	158
Reserve Fund Deposit	219,390	219,390	225,340	82	62	41
Total Expense	1,719,174	1,713,860	1,835,360	674	506	337
Net Ordinary Income	222.82	33,896.80	622.00			