



COMMUNITY ASSOCIATION

# MCCA BUDGET NEWSLETTER

March 2024

## 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
- 8 Part-time Employees
- 2 Seasonal 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 common property maintenance, preservation, and operation. To this end, MCCA's Board of Directors and the Association Director have prepared the annual budget for the 2024-2025 fiscal year, which estimates the expected revenue and expenses for the next fiscal year beginning on July 1, 2024. Your copy of the 2024/2025 budget is enclosed. **The online meeting to ratify the budget is on Wednesday, April 24th, at 7 pm. You can access the meeting link through the MCCA calendar on our [website](http://www.mcca.info) ([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 or have questions about the budget meeting, please contact the office (425-316-3344 or [info@mcca.info](mailto:info@mcca.info)).

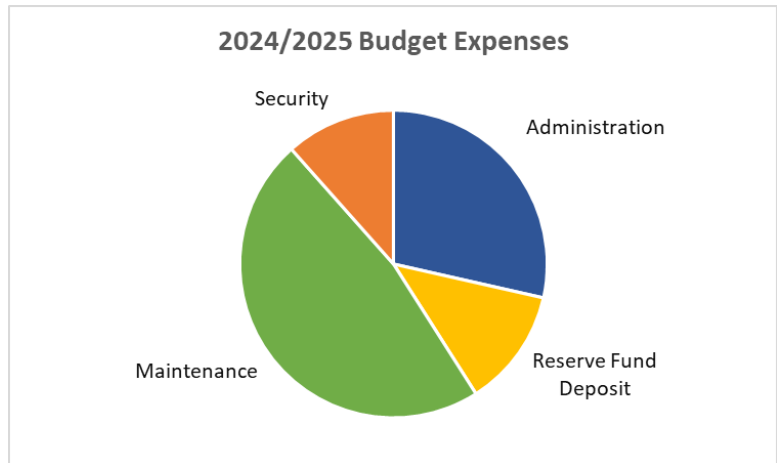
The Board and Association Director use information gathered from residents via the annual survey, committee reports, the reserve study, and staff to determine the upcoming year's budget needs. We carefully consider historical trends, requests for maintenance tasks and new projects, and the corresponding 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 2024/2025 budget is enclosed. For the next fiscal year, the income from assessments is forecasted at \$1,910,830, and income from other sources such as escrow fees, interest, etc., is forecasted at \$29,800. The expenses are budgeted as follows:

- Maintenance: \$924,700
- Administration: \$555,991
- Security: \$242,724
- Reserve Fund Deposit: \$225,340

This year's 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. Insurance costs (included in the Administration portion of the budget) have risen throughout the industry; the 11% increase in our commercial and auto insurance this year is on the smaller side compared to rate increases experienced by other associations. We continue to work on reducing our fleet insurance costs by providing driver training to employees and operating telematics systems in our company vehicles. Healthcare costs also increased by about 20%. The Board of Directors continues to focus most of the MCCA Budget on maintenance tasks while doing everything possible to stretch your assessment dollars. In spite of the cost increases we are facing with the budget, the assessment increase is 6%.



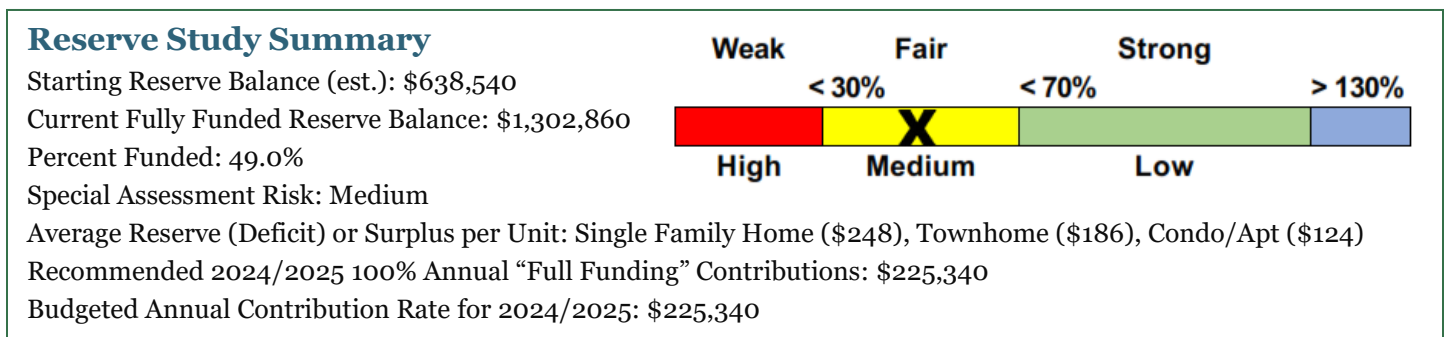
## ANNUAL RESERVE STUDY

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 (same as last year), and the proposed budget follows this recommendation.

Next year, we will continue to replace broken asphalt trails in the Nature Preserve and concrete paths within our neighborhood trail systems. We hope to complete the multi-year project to replace our aging mail hutches. The pipe section leading from the Cherry Retention Pond catch basin to the golf course pond requires replacement. Keeping our infrastructure and equipment maintained and updated ensures that our systems and equipment work when needed 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 2024/2025. To view the full reserve study, log into your PayHOA account, select the *Documents* tab, click on the *MCCA Documents* folder, select the *Reserve Study* folder, and open the *MCCA Reserve Study 2024 Final.pdf* file.



## 2024/2025 ASSESSMENT

The Board recommends an assessment increase to a level that meets operational costs and continues to adequately fund our Reserves. The proposed 2024/2025 assessment level for single-family homes is \$712, townhomes are \$534, and condominiums and apartments are \$356 per unit.

**Assessments are due to be *paid in full* by July 1, 2024.**

## HOW TO VOTE

**The MCCA Board of Directors encourages all members to VOTE YES TO APPROVE the 2024/2025 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](mailto: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](http://www.mcca.info)). You may also use the paper ballot provided and place it in the lockbox outside the office door.

## ELECTRONIC COMMUNICATIONS

Did you receive this packet by mail? If you want to opt-in to electronic communications, you can do this by logging into PayHOA. The MCCA office can help! Email ([info@mcca.info](mailto:info@mcca.info)) or call (425-316-3344) and ask for our opt-in instruction sheet.

## Mill Creek Community Association 2024-2025 Annual Budget & Assessment Approved Plan

	2023/24 Budget		2024/25 Budget	1595 Single	269	1774 Condos
	Approved	2023/24 Projected	Proposed	Family Homes	Townhomes	& Apartments
<b>Ordinary Income/Expense</b>						
				<b>Proposed Assessment by Unit</b>		
<b>Income</b>						
Revenue - Homeowners	1,821,982	1,826,482	1,920,830	712	534	356
Revenue - Other	14,000	32,500	28,800			
<b>Total Income</b>	1,835,982	1,858,982	1,949,630			
<b>Gross Revenue</b>	1,835,982	1,858,982	1,949,630	712	534	356
<b>Expense</b>						
<b>Administration</b>						
Payroll Costs	280,800	281,100	293,491			
Professional Fees & Services	63,000	67,000	68,000			
Communications	22,300	19,600	22,800			
Facilities & Office	14,200	19,950	20,700			
Community Relations & Meetings	15,000	13,400	15,000			
Insurance	123,000	123,000	136,000			
<b>Total Administration</b>	518,300	524,050	555,991	203	152	102
<b>Security</b>						
Payroll Costs	216,200	217,980	229,624			
Cell Phone	720	780	800			
Vehicle Maintenance	5,000	5,000	5,200			
Administration	1,200	1,400	1,400			
Gasoline	5,500	5,500	5,700			
<b>Total Security</b>	228,620	230,660	242,724	89	66	44
<b>Maintenance</b>						
Payroll Costs	591,300	586,500	634,000			
Grounds Maintenance	199,500	209,000	214,500			
Vehicles & Equipment Costs	58,000	56,000	61,000			
Administration	14,300	14,300	15,300			
<b>Total Maintenance</b>	863,100	865,800	924,800	338	253	169
Reserve Fund Deposit	225,340	225,340	225,340	83	62	41
<b>Total Expense</b>	1,835,360	1,845,850	1,948,855	712	534	356
<b>Net Ordinary Income</b>	622.00	13,132.00	775.00			