

# 2024 Budget Meeting Q&A

This summary of the Q&A session is not a word-for-word record; it has been edited for clarity and brevity and to provide a complete response.

## Francisco Hernandez (Cottonwood)

**Q:** How do I know if my online vote was counted?

**A:** After voting, you should receive an email from Voteegrity.net informing you that your vote was successfully received. Please check your spam folder. The MCCA office can also check the logs and let you know if your vote was received.

## Jennifer Schulte (Vine Maple)

**Q:** How has the Board determined the percent increases in salary? The raises have been substantial compared to today's inflation. One year, they were 27%. This year, they are 4.5% for admin, 6.2% for Security, and 7.2% for groundskeeping. There is no justification for determining that.

**A:** Over the last four to five years, labor costs have increased more than average in different sectors. For instance, some employees in maintenance and security are in lower-paid positions. If you look at what has happened in that space, some of those salaries increased quite a bit; and competition for those people has increased quite a bit. For example, several years ago, when we were perhaps paying maintenance people \$18 per hour to start, Amazon offered \$21 per hour, and we had to adjust. The number shown for payroll in the budget is the fully burdened payroll cost. It includes medical and dental insurance as well as all payroll taxes.

We have very good people on our team and work hard to keep them happy to work for us and pay them fairly. We have had to increase our spending in these areas, perhaps more than the average CPI or the average sector salary.

There was a year when the Security payroll increased about 27%. That was in 2022 when MCCA moved from 16 hours to 20 hours per day patrols. In that case, the membership indicated in the 2021 Annual Survey that they supported increased security patrols and the corresponding assessment increase.

**Q:** How is the Reserve Study done? It looks out of whack. The cost for a truck is listed as \$15k, and a new truck costs double that. I am concerned about the reliability of the numbers. Also, MCCA takes more out of Reserves annually than it puts in.

**A:** Great observations and thank you for taking the time to read the Reserve Study. We have such a low cost projected for truck replacements because we purchase used trucks, not new ones. There is a specific year range of Ford Ranger trucks that we like to purchase, and we have been very successful at finding them for the price range listed in the Reserve Study. I have also talked with residents who own well-maintained Ford Ranger trucks and asked them to let me know if they ever wish to sell them. For other components, the reserve specialist has a table that they consult for values, much like in the insurance industry. Other times, we provide invoices showing what we paid

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in the past. Generally, the reserve specialist sets the price for a component based on the historical information we provide or on their tables of values, and we don't change it much.

The Reserve Study looks at all MCCA assets; each component has a different life span and replacement value. Some larger expenses, like trail repairs and retention pond cleanout, have a longer life span. We have had a few larger projects come up lately, but we will also have years with fewer projects when the reserve fund will build up.

The Reserve Study is a best guess, goal, and planning tool. If something breaks before we plan to replace it, we must replace it sooner. If a component still has remaining useful life when the Reserve Study says we need to replace it, we can postpone that replacement and hang on to that component longer. The Reserve Study is a bit of a moving target, but it does help to ensure that we have plans for the eventual replacement of every component.