

MPOA PROPOSED BUDGET for FY25 (May 1, 2024 – April 30, 2025)

[Vicki Smith, Chairman, Budget & Finance Committee; Chris Williams, Treasurer]

The Budget & Finance Committee is a standing committee of the Board with an annual task to develop a single, justifiable fiscal year budget that fully funds all the operating expenses of the MPOA while maintaining sufficient funding to maintain the Association's Reserves.

The committee is chaired by Vicki Smith and includes members Carolyn Adams, Bill Manning, and Jan Starai. The Committee's work is supported by Treasurer Chris Williams and the Professional Management Staff Liaison, General Manager Steven Levin.

The FY25 proposed budget is based on a projected community expenses of **\$4,536,659**. The proposed annual assessment to offset these expenses will **be \$960** per lot as distributed across a total lot base of 3,857 owners. Homeowners will have the option to pay the annual assessment using 12 monthly payments. This results in a **\$82/month** payment (\$80 for the assessment and a \$2 service fee).

There are many factors affecting the FY25 proposed budget. One of the most important is the impact of economic inflation on necessary items that are needed to keep our association running. From gasoline for vehicles and machines, to increases in the cost of utilities and office supplies, inflation is out of our control, but affects us all just the same. Additionally, Virginia has raised the minimum wage over 50 percent in the past two (2) years. This affects all seasonal and part time labor, as well as the general cost of contractors with whom the association would normally hire to perform certain duties. This has a great impact on the cost of labor for the association and must be considered moving forward as well, as Virginia will implement a \$15 minimum wage on January 1, 2026.

It is essential the Membership continues to make sufficient annual contributions to the reserves to fund the necessary repairs and replacement of the association's numerous capital assets. Capital assets include large items or services in our community such as the playgrounds, dam, clubhouse, parks, beaches, and much more. The closer to funding the reserves at 100 percent, the lower the risk of needing an additional special assessment materializes when a major repair or replacement to an existing asset comes due. According to the latest reserve study in 2022, the association was projected to fall under 20 percent funded, and anything below 30 percent is considered a high risk for a special assessment. This necessitated in an increase to the reserve contribution for FY24 to **\$830,000.00, or \$215.19 per lot**, to bring the reserves back over the 30% threshold. The contribution in FY25 will remain the same to keep pace with the recommendations in the Reserve Study to finance the upcoming repairs and replacements to our assets.

The itemized proposed budget that follows provides details of how the projected expenses and the offsetting income sources are supported in FY25. Due to the diligence of the Budget and Finance Committee and the Board of Directors, the budget for FY25 will fully fund all critical and necessary items and provide funding for projects that will ensure our community's place as the greatest neighborhood in Northern Virginia. This is made possible with the continued support of all committees and volunteers, Members and neighbors, and the leadership of the Board President, and support of all Directors.

The Budget & Finance Committee and the Board of Directors encourage everyone to vote **YES** for the FY25 budget.