

Division 17 Projected 2024 Budget & Annual Assessment Increase

Each year, the Sunland Division 17's Governing Board must undertake its primary responsibility of evaluating our HOA's current financial status and developing a budget and funding plan for the expenses required to maintain our community in the near- and long-term future. As the 2024 budget directly impacts every homeowner, the Board has been working diligently to complete an in-depth analysis of income and expenditure over the next few years. This has been especially challenging given the current inflation rate and labor shortages that have significantly increased costs this year and in the near future. Recognizing everyone is paying more for everyday expenses, we have tried very hard to have a realistic budget and to minimize increases as much as possible. Several key factors:

- Painting for 6 buildings planned for 2024 – anticipate cost to ~\$80,000 (6 buildings in 2019 cost \$45.6K)
- Insurance expense – Industry-wide projecting increases to at least 10-15%
- Back-flow Testing and repair – required by WA State – added \$4,000
- Added \$2,000 for weed eradication in greenbelt (Note: this expense could be avoided with adequate volunteers)
- Mulch replacement - \$15,000 – to be scheduled 1st Q 2024
- Increased Reserve contribution to \$110,000. Our 2024 Reserve Study found we are only 25% funded, and at high risk for special assessments if major repairs are required. By gradually increasing the annual contribution we can be ready to replace those roofs estimated to have only 16yrs left in useful life.
 - Included Interest income (\$10,000) to offset some of planned increase in Reserve contribution which reduced assessment by \$72/yr

You will see a \$39 monthly increase in Division 17's Annual Assessment rate beginning in January 2024 bringing the total 2024 Assessment to \$4,190 or \$1,048 quarterly.

To help explain the need for the increase, the Board has attached the following document:

- 1) Proposed 2024 Budget (including increased assessment).
- 2) Reserve Study Executive Summary (the full Reserve Study can be viewed under "Owners Information: Financial and Budget Reports on the Division 17 website at: <https://www.sunlandnorthownersassociation.com/>).

The Division 17 Board members take their duties seriously and truly believe an increase is unavoidable if our community is to maintain its property and value. While our assessments have been modest, they are less than 1% of the current value of our homes. As resident owners in this community, we are well aware of increases hitting our budgets in all areas of our lives. The Board is committed to open communication and will gladly provide the facts and numbers used for this decision and attempt to directly and honestly answer any questions owners may have.

Gerald Hatler, Shirley Legg, Lawrence Charters, Betty Gwaltney, and Warren Husman