

## **MAINTENANCE ASSESSMENT INCREASE**

Effective next fiscal year (beginning 1<sup>st</sup> Quarter Payment that is due April 1, 2010), the assessment will be increased from \$96.00/Qtr. to \$102.00/Qtr. ... an increase of \$2.00 per month. Operational expenses for the association have taken significant “hits” recently. For example, the increase in the State’s Unemployment Insurance rate will have a major impact on wage expenses. Likewise, medical insurance premium increases by both HMSA and Kaiser will further increase employee cost. Since April 2009, MTA has frozen all wages and except for only essential positions, have left vacant positions unfilled. Some previously full-time positions, have been converted to part-time positions to save on wage benefits. Liability insurance premiums will increase in 2010 for the association. As the economic conditions continue to remain unstable, foreclosures, bankruptcies and delinquencies continue to mount which results in decreased revenues from maintenance assessment and increased cost in legal fees related to collections.

The most substantial expense for FY2010-11 will be the increased allocation into the Reserve Fund. Recreation Center VII was finally accepted from the developer in June 2008. The future anticipated expenses for repair and replacement of the Recreation Center VII’s equipment and facilities now has to be allocated into the Reserve Fund each year. Such major repairs and replacements include repainting of the building, re-roofing, pool, wading pool, and pool deck resurfacing, pool filtration equipment replacement, pool heater element replacement, tot lot playground equipment replacement, parking lot resurfacing, and eventually, replacing the entire building. The cost of each item is amortized over the life-expectancy of each equipment and amenity. A Reserve Fund is necessary and a prudent means of ensuring funds are available when such repairs and replacement becomes necessary. If such funds are inadequate or not available, the association would be required to assess homeowners with a “special assessment” which may be quite substantial and not easily affordable to most homeowners.

Meanwhile, the replacement of the aging MTA Administration Office Building, and Recreation Center II building have been deferred since 2006. MTA is still awaiting changes to the Land Use Ordinance promised by the Honolulu City Council which would allow the Administration Office Building to be demolished and replaced. Current LUO rules require that office buildings are not permitted on recreation zoned parcels. MTA received a temporary zoning variance when the building was originally built by the developer.

In addition, MTA continues to receive dedicated parcels of landscaped common areas in Mililani Mauka from the developer. Included is the responsibility of maintaining the additional City & County of Honolulu median strips and planter boxes. The new landscaped parcels and maintenance of City median strips have increased the association's maintenance department's annual operating cost. Water utility consumption has increased as the cost to irrigate such parcels also increased.

Comparatively (see attached "Comparison of Association Fees"), the Mililani Town Association still provides the best amenities and services of all other planned communities in the State of Hawaii. MTA's diligent enforcement of the covenants and adherence to the required design application approval process has ensured that the property values for our homeowners are being maintained. The efforts of the association to preserve, maintain and enhance the common areas continue to make Mililani Town the ideal and best community to raise a family.

NOTE: MTA homeowners currently using the SurePay Program (automatic deduction by their respective banks) will have their deductions automatically adjusted by the association effective the first payment for April 1, 2010. Homeowners interested in activating a Surepay Account can call the MTA Accounting Department at 623-7300 or obtain a SurePay Application Form from the MTA website at [www.mililanitown.org](http://www.mililanitown.org).