



October 25th, 2019

Dear Homeowner:

We are pleased to present our Association's proposed budget for 2020. Homeowners are provided at least twenty-five days to review the budget and submit any questions or comments before the Board ratifies it. Please direct your written communication regarding this subject to our Property Manager, Ms. Sara Rudnik.¹

We expect to approve this budget at the November 21st Board meeting. A homeowners' meeting will be held in connection with that Board meeting for you to ask any questions or offer your comments.¹

The Board's goal in developing the budget was to balance our condominium Association's assessment needs with the operational and capital demands of our building. Accordingly, a 3% assessment fee increase is proposed for next year. Increases over the past 5 years have ranged from 2-3%. This year's is at the higher end due to increases in specific expenses that affect our building.

Note that the Board believes that no special assessment will be required now or in the foreseeable future.

The proposed budget includes \$900,000 in funding to our reserve account, which covers capital projects and any operating overages. Large reserve expenditures in 2020 are expected to be continuation of the concrete façade project and replacement of rooftop make-up air units.

We believe that the expenditures included in this budget will improve our building's value and appearance. By working in concert with our experienced management team, we intend to continually enhance your investment in our building.

Sincerely,

111 E. Chestnut Condominium Board of Directors

Jane Santogrossi, President
Anthony Milazzo, Vice President
Carolann Randall, Treasurer
Kristin Ellertson-Vilt, Secretary
Valerie Alexander, Director
Serap Brush, Director
Samantha Hoffman, Director

¹ Those involved in litigation with the Association should communicate only with outside counsel.

111 EAST CHESTNUT CONDOMINIUM ASSOCIATION
2020 DRAFT BUDGET
Fiscal Year: 2020 (January 1 through December 31)

BUILDING INCOME

Account Description	2019	2019	2020	Variance	
	ANNUAL BUDGET	ESTIMATED ACTUAL		BUDGET	\$
<u>3000</u> Assessment Income	3,705,245	3,705,245	3,816,402	111,157	3.0%
TOTAL ASSESSMENTS	3,705,245	3,705,245	3,816,402	111,157	3.0%
<u>3050</u> Rental Unit	29,850	24,750	0	(29,850)	0%
<u>3480</u> Cable	249,084	255,430	273,012	23,928	10%
<u>3490</u> Internet	102,835	102,750	105,532	2,697	3%
<u>3500</u> Labor Charges	8,400	7,500	8,000	(400)	-5%
<u>3580</u> Bicycle Room Rental	5,000	4,900	5,000	0	0%
<u>3610</u> Lock Out Fees	7,000	4,500	5,000	(2,000)	-29%
<u>3690</u> Pet Fees	3,500	2,400	2,500	(1,000)	-29%
TOTAL UNIT CHARGES	405,669	402,230	399,044	(6,625)	-2%
<u>3700</u> Operating Interest Income	100	120	100	0	0%
<u>3750</u> Hospitality Room Fees	3,500	2,000	2,000	(1,500)	-43%
<u>3830</u> Late Charges	12,000	12,000	12,000	0	0%
<u>3860</u> Violation/Fines Income	200	0	200	0	0%
<u>3910</u> Transfer Fees	7,200	7,200	7,200	0	0%
<u>3930</u> Move In/Move Out	32,000	35,000	35,000	3,000	9%
<u>3950</u> Legal Chargeback	10,000	11,000	10,000	0	0%
<u>3960</u> CAM Recovery	30,000	35,000	35,000	5,000	17%
<u>3970</u> Antenna Rent	36,948	36,948	37,676	728	2%
<u>3980</u> Rubbish Rebate	0	0	0	0	0%
TOTAL OTHER REVENUE	131,948	139,268	139,176	7,228	5%
TOTAL INCOME	4,242,862	4,246,743	4,354,622	111,760	3%

BUILDING EXPENSES

PAYROLL EXPENSES

Account Description	2019	2019	2020	Variance	%
<u>4020</u> Management Staff	204,160	\$186,000	203,835	(325)	0%
<u>4050</u> Engineer	77,543	\$60,500	80,340	2,797	4%
<u>4070</u> Janitors	497,301	498,000	517,662	20,361	4%
<u>4100</u> Doormen's Salaries	360,658	375,000	386,635	25,977	7%
<u>4410</u> FICA Expense	86,643	85,000	90,918	4,275	5%
<u>4420</u> Federal Unemployment Tax	1,134	1,103	1,234	100	9%
<u>4430</u> State Unemployment Tax	2,902	2,400	2,517	(385)	-13%
<u>4500</u> Employee Apartment	9,916	9,950	10,117	201	2%
<u>4600</u> Health Insurance (Non-Union Employees)	20,592	20,500	25,000	4,408	21%
<u>4620</u> Union Benefits- Janitors	167,853	165,000	175,757	7,904	5%
<u>4630</u> Union Benefits- Doormen	94,307	96,000	106,327	12,020	13%
<u>4710</u> Workers' Compensation	42,382	42,654	46,870	4,488	11%
<u>4800</u> Uniform Cleaning	8,000	8,700	8,500	500	6%
<u>4810</u> Uniform Purchases	5,500	5,100	5,500	0	0%
TOTAL PAYROLL	1,578,891	1,555,907	1,661,213	82,322	5%

UTILITIES Account Description	2019	2019	2020	x	
	ANNUAL BUDGET	ESTIMATED ACTUAL		BUDGET	Variance \$
5000 Electricity	159,636	135,000	151,716	(7,920)	-5%
5100 Gas	116,138	92,700	82,869	(33,269)	-29%
5200 Water	156,090	145,000	157,503	1,413	1%
TOTAL UTILITIES	431,864	372,700	392,088	(39,776)	-9%

BUILDING SERVICES

Account Description	2019	2019	2020	Variance	%
6000 Cable/ Internet Contract	351,920	375,000	378,547	26,627	8%
6010 Elevator Maintenance Contract	64,764	60,000	67,878	3,114	5%
6020 Exterminating	11,000	5,300	11,200	200	2%
6040 Scavenger	21,472	27,000	32,980	11,508	54%
6060 Compactor/ Chute	14,500	8,500	9,580	(4,920)	-34%
6200 Pagers / Radio	2,200	1,700	2,550	350	16%
6210 Security System	10,000	11,500	11,000	1,000	10%
6250 Fire Protection	17,000	15,000	16,000	(1,000)	-6%
6300 Metal Maintenance	10,000	8,000	10,000	0	0%
6320 Window Washing	23,100	28,000	30,000	6,900	30%
6360 Landscaping	16,000	15,000	16,000	0	0%
6375 Stone Maintenance	14,500	13,000	14,500	0	0%
6380 Snow Removal	2,000	1,500	2,000	0	0%
6400 Loading Dock Maintenance	7,000	6,000	7,000	0	0%
TOTAL BUILDING SERVICES	565,456	575,500	609,235	43,779	8%

REPAIRS AND MAINTENANCE

Account Description	2019	2019	2020	Variance	%
6520 Equipment Repairs	2,500	2,000	2,000	(500)	-20%
6540 General Building Repairs	47,000	48,000	47,000	0	0%
6570 Cleaning Supplies	17,300	20,000	18,000	700	4%
6580 Maintenance Supplies	49,500	55,000	52,000	2,500	5%
6620 Infrared Testing/ Electrical Repairs	2,500	2,000	2,500	0	0%
6630 Lamps and Bulbs	18,000	10,000	10,000	(8,000)	-44%
6650 Plumbing Repairs	30,000	37,000	38,000	8,000	27%
6680 Elevator Repair/Non-contract	8,000	9,000	8,000	0	0%
6700 Paint/Decorate	10,000	7,500	8,000	(2,000)	-20%
6840 Glass/ Windows	3,500	9,000	3,500	0	0%
6940 Roof Repairs	4,000	2,000	3,500	(500)	-13%
6950 Plumbing/ Sewer Drain Repairs	20,000	15,000	20,000	0	0%
6985 Misc Operating/ Special Projects	15,000	15,000	10,000	(5,000)	-33%
7000 HVAC Contract	12,360	12,500	13,000	640	5%
7010 HVAC Repairs	40,000	27,000	40,000	0	0%
7360 Pool Repair & Maintenance	9,000	7,500	12,500	3,500	39%
7480 Health Club	12,000	10,000	10,200	(1,800)	-15%
7885 Revenue Share	3,688	3,624	3,764	76	2%
TOTAL REPAIRS & MAINT.	300,660	292,124	301,964	1,304	0%

	2019 ANNUAL BUDGET	2019 ESTIMATED ACTUAL	2020 BUDGET	x	
				Variance \$	%

GENERAL & ADMINISTRATIVE

8000	Management Fee	75,828	75,828	77,158	1,330	2%
8070	Temporary Help	3,600	1,000	2,000	(1,600)	-44%
8120	Office Equip Repairs	2,000	1,000	2,000	0	0%
8150	Bank Charges	3,924	3,924	3,924	0	0%
8200	Misc. Administrative Expense	7,500	7,500	7,500	0	0%
8210	Office Equipment	15,500	31,000	27,000	11,500	74%
8220	Office Supplies	5,400	5,100	5,400	0	0%
8230	Copier & Printing Expense	5,500	6,300	6,500	1,000	18%
8240	Postage & Delivery	8,500	8,500	7,500	(1,000)	-12%
8280	Bad Debt	0	0	0	0	
8300	Audit Fees	7,000	22,000	7,000	0	0%
8320	Legal Fees-Association	50,000	75,000	50,000	0	0%
8330	Legal Fees - Units	10,000	10,000	10,000	0	0%
8335	Legal Fees- Related to Brian Connolly Lawsuits	40,000	50,000	40,000	0	0%
8380	Consulting Fees	12,000	6,000	9,000	(3,000)	-25%
8400	Inspection Fees & Permits	12,000	8,000	12,000	0	0%
8420	Telephone	12,500	14,500	15,000	2,500	20%
8500	Activities	4,500	1,000	4,500	0	0%
8570	Membership Fees	1,000	475	1,000	0	0%
8720	Insurance Deductible	10,000	0	10,000	0	0%
8700	Insurance	162,822	168,600	189,405	26,583	16%
	TOTAL GENERAL & ADMINISTRATIVE	449,574	495,727	486,887	37,313	8%
	TOTAL OPERATING EXPENSES	3,326,445	3,291,958	3,451,387	124,942	4%
	NET OPERATING INCOME / (LOSS) BEFORE RESERVES	916,417	954,785	903,235	(13,182)	-1%
8980	Reserve Funding	905,000	905,000	900,000	(5,000)	-1%
	TOTAL EXTRAORDINARY	905,000	905,000	900,000	(5,000)	-1%
	NET INCOME / (LOSS)	11,417	49,785	3,235	(8,182)	-72%

RESERVE FUNDING

Account Description

	2019 ANNUAL BUDGET	2019 ESTIMATED ACTUAL	2020 BUDGET	Variance		
				\$	%	
9000	Funding of Reserves	905,000	905,000	900,000	(5,000)	-1%
9020	Reserve Interest Income	3,000	14,000	14,400	11,400	
	TOTAL RESERVE INCOME	908,000	919,000	914,400	6,400	1%

RESERVE EXPENSES

9150	Bank Fees	\$100	\$50	\$50	(50)	
9255	Concrete Repairs	100,000	175,000	100,000	0	
9265	Fire Safety Upgrades	0	0	25,000	25,000	
9270	Rooftop HVAC	0	0	850,000	850,000	
9300	Façade - Concrete	700,000	500,000	350,000	(350,000)	
9305	Domestic Plumb Riser Replacements	4,000	0	4,000	0	
9335	BBQ Deck & Wall Painting	30,000	30,000	0	(30,000)	
9620	Hospitality Room	0	0	15,000	15,000	
	TOTAL RESERVE EXPENSES	834,000	705,000	1,344,000	510,000	
	RESERVE INCREASE / (DECREASE)	74,000	214,000	(429,600)	(503,600)	-681%