

SPECIAL MEETING OF THE UNIT OWNERS

DISCUSSION OF PROPOSED BUDGET FOR 2021-2022

MONDAY, JANUARY 11, 2021



CHALLENGES

1. **Health pandemic**
2. **Economic recession**
3. **Increase in water usage due to people working from home**
4. **Increase in property, liability, and umbrella insurance**
5. **Decrease in health club memberships and commercial parking**
6. **Cost of materials goes up**
7. **Personnel wages of union staff go up via collective bargaining agreements**



THEORETICAL AND ACTUAL RESULTS



1. A 7% assessment increase would have been needed if we did not make changes
2. Moved into future years: hallway decorating, signage, rooftop lighting, and health club equipment refresh
3. A 3.4% proposed assessment increase is the final result

2021-2022 PROPOSED BUDGET



Proposed 3.4% Increase in Assessments

Proposed Changes:

Valet Parking	Increase \$5 (from \$135 to \$140)
Self-Parking	Increase \$5 (from \$135 to \$140)
Premium Parking	Increase \$5 (from \$150 to \$155)
Guest Parking	Increase \$1 (or \$5 for booklet of 5 stickers)
Tandem Parking	Increase \$5 per vehicle (or \$10 for the one spot, from \$220 to \$230)
Commercial Day Parking	Increase \$5 (from \$180 to \$185)
Hourly Parking	Increases \$2 for each category (1 hour \$12 to \$14, 1-3 hours \$14 to \$16, 3-6 hours \$18 to \$20, 6-8 hours \$22 to \$24, 8-24 hours \$36 to \$38)

Those that use the garage should bear most of the burden

2021-2022 PROPOSED BUDGET



Major Projects over \$50,000:

Pool Walkway Roof and Gutters	\$60,000
Pool Area Roof and Skylight	\$272,600
Northeast Bike Room / Garage Masonry	\$150,000
Garage Concrete / Membrane (phases 5 thru 9)	\$436,800
'06 Pantry Riser Insulation	\$90,000
Riser Projects	\$525,000
North Driveway Resurfacing (our portion cost separate from 5445)	\$51,200
Heat Exchangers	\$100,500
Hallway Return Air Handler	\$78,000
Boiler Refractory	\$54,000

Total is \$1,818,100, which must come from reserves

RESERVE STUDY

- Best practice to do a full study at least every 5 years, with updates in between every 2 to 3 years
- Guides what major projects we fund from our reserves
- A NEW full reserve study approved in 2019
- Reserve Advisors inspected entire building on February 13, 2020
- 114-page full reserve study submitted in May 2020 and accepted by the Board in June 2020
- Owners may request a copy via Management



Park Tower Condominium Association
Chicago, Illinois

Dear Board of Directors of Park Tower Condominium Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Park Tower Condominium Association in Chicago, Illinois and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, February 13, 2020.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Park Tower Condominium Association plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on May 20, 2020 by

Reserve Advisors, LLC

Visual Inspection and Report by: Todd M. Walter, RS¹, PRA²

Review by: Alan M. Ebert, RS, PRA, Director of Quality Assurance



BUDGET INCREASE HISTORY



80/81 – 16%	91/92 – 2%	02/03 – 4%	13/14 – 3.5%
81/82 – 14.1%	92/93 – 4.75%	03/04 – 1%	14/15 – 3.5%
82/83 – 14.6%	93/94 – 5%	04/05 – 2%	15/16 – 3.5%
83/84 – 8.5%	94/95 – 5%	05/06 – 3.75%	16/17 – 3.5%
84/85 – 0%	95/96 – 5%	06/07 – 6.26%	17/18 – 3.5%
85/86 – 3.8%	96/97 – 5%	07/08 – 8%	18/19 – 3.5%
86/87 – 2%	97/98 – 4%	08/09 – 5%	19/20 – 3%
87/88 – 2.5%	98/99 – 2.5%	09/10 – 5.6%	20/21 – 3.5%
88/89 – 0%	99/00 – 3%	10/11 – 3.75%	21/22 – 3.4%
89/90 – 0%	00/01 – 2%	11/12 – 1.3%	
90/91 – 8%	01/02 – 3.5%	12/13 – 3.5%	

Average (all years)	4.46%
Average (last ten years)	3.23%

WHAT OUR ASSESSMENTS COVER



- Bicycle Room (subsidy)
 - Cable, including Showtime
 - Doorman 24/7
 - Dry cleaning drop off / pick up (PressBox by Tide Spin)
 - Go Grocer market (subsidy)
 - Guest parking (subsidy)
 - Habitat onsite management team
 - Health Club (subsidy)
 - Heating and air conditioning
 - High speed internet and broadband
 - Hikers (car parkers) 24/7
 - Insurance (common property and liability)
 - Landscaping and snow removal
 - Laundry room
 - Lobby furnishings and décor
 - Lock out service
 - Maintenance 24/7
 - Otis elevator maintenance
 - Package room
 - Real estate tax appeals (periodic)
 - Reserve fund for scheduled maintenance / repairs / emergencies
 - Rooftop deck and garden
 - Security equipment and personnel
 - Social Committee functions
 - Utilities in common areas
 - Waste removal and recycling
 - Water and sewer
 - Window washing (exterior)
 - Work orders
- (original list from TowerTalk contributors / unit owners Dan Johnston and Catherine Kestler)

Never Had a Special
Assessment!

Let's Keep It That Way

