

# PARK TOWER CONDOMINIUM ASSOCIATION

5415 N. SHERIDAN ROAD, SUITE 107, CHICAGO, ILLINOIS 60640-1966

PHONE: 773.769.3250 - FAX: 773.769.0047 - EMAIL: PARKTOWERCONDO-MGMT@HABITAT.COM - WWW.PTCONDO.COM

December 19, 2022

## NOTICE OF SPECIAL MEETING OF THE UNIT OWNERS TO DISCUSS PROPOSED BUDGET FOR 2023-2024

To be held Monday, January 9, 2023, 7:30 p.m., in the 2<sup>nd</sup> Floor Party Room

Adoption of budget to be considered at Board Meeting to follow Special Meeting (Monday, January 9)

Dear Owner,

Please find enclosed for your review the proposed annual budget for the fiscal year March 1, 2023 to February 29, 2024, as presented by our Management team, and reviewed and edited by the Budget and Finance Commission and the Board of Directors. An initial draft was reviewed line item by line item, on three consecutive Saturdays in November. **Under consideration is a planned increase of 4.5% in assessments.** Similar to the prior two years, this budget has been extremely challenging due to the supply-chain issues, the tight labor market, and a record 40-year high inflation rate.

We made 3.5% increases our target for assessments for many years in order to keep our reserves healthy, and feel we are now being rewarded with only a 4.5% increase this upcoming year, despite the challenges. Reportedly, other buildings nearby have much higher assessment increases from 6% to 13%.

Despite all this, we are able to propose a healthy reserve contribution for 2023-2024, of \$1,978,900. We expect to have approximately \$3,707,818 in our reserves at the conclusion of the 2023-2024 fiscal year, reasonably within the target recommended by Reserve Advisors with their updated July 2022 report.

Our Habitat property supervisor, David Barnhart, reported that he believes our building has done an excellent job of detailed budgeting every year and effectively used our 2022 updated reserve study to plan out many years ahead. There are obviously a lot of repairs and replacements to prepare for in a 49-year-old building. Furthermore, the Board would like to continue the "NEVER A SPECIAL ASSESSMENT" status for our association. This budget keeps us moving in that direction.

Besides assessment income, we've planned to increase some fees and rates for ancillary services, which helped us reduce the inflationary pressure on assessments. A rounded 5% increase is planned for the laundry room washers and dryers, as well as approximately 5% for parking.

TOP LOAD WASHERS	FRONT LOAD WASHERS	30# FRONT LOAD WASHERS
Regular (from \$2.10 to \$2.20)	Regular (from \$2.10 to \$2.20)	Regular (from \$2.90 to \$3.05)
Medium (from \$2.20 to \$2.30)	Medium (from \$2.25 to \$2.35)	Medium (from \$3.05 to \$3.20)
Heavy (from \$2.30 to \$2.40)	Heavy (from \$2.40 to \$2.50)	Heavy (from \$3.20 to \$3.35)
STACK DRYERS		30# TUMBLER DRYERS
45 minutes (from \$1.45 to \$1.55)		25 minutes (from 55¢ to 60¢)
Additional 10 minutes (from 30¢ to 35¢)		Additional 10 minutes (from 30¢ to 35¢)

Valet Parking	Increase \$7.50 (from \$145 to \$152.50)	
Self-Parking	Increase \$7.50 (from \$145 to \$152.50)	
Premium Parking	Increase \$8 (from \$160 to \$168)	
Tandem Parking	Increase \$7.50 per vehicle (or \$15 for the one spot, from \$235 to \$250)	
Motorcycle Parking	Increase \$5 (from \$85 to \$90)	
Commercial Day Parking	Increase \$9 (from \$190 to \$199)	
Guest Parking Passes	Increase \$5 3-day from \$50 to \$55 5-day from \$65 to \$70 7-day from \$80 to \$85 2-week from \$105 to \$110	
Late fee	Increase \$10 (from \$75 to \$85)	
Maintenance service requests	Increase \$5 for the half-hour (from \$50 to \$55)	
Plumbing service requests	Increase \$7.50 for the half-hour (from \$60 to \$67.50)	
Key copies	Increase \$1 (from \$4 to \$5)	
Health Club membership	Increase 5%  <u>Park Tower</u> Single 6-month (from \$215 to \$226) Single 1-year (from \$303 to \$318) Double 6-month (from \$336 to \$353) Double 1-year (from \$546 to \$573) Family 6-month (from \$485 to \$509) Family 1-year (from \$760 to \$798)	Increase 5%  <u>5445 and 5455 N. Sheridan Road</u> Single 6-month (from \$270 to \$284) Single 1-year (from \$380 to \$399) Double 6-month (from \$420 to \$441) Double 1-year (from \$683 to \$717) Family 6-month (from \$606 to \$636) Family 1-year (from \$950 to \$998)
New occupant registration fee	Increase \$100 (from \$550 to \$650)	
Existing resident transfer fee	Increase \$50 (from \$150 to \$200)	
Additional occupant registration fee	Increase \$50 (from \$250 to \$300)	
Credit report fee	Increase \$50 (from \$50 to \$100)	
Move out fee (residents prior to June 1, 2012)	Increase \$50 (from \$200 to \$250)	
Lock-out fee	Increase \$5 (from \$50 to \$55)	
Bike room	No change for lower rack (remains \$60) annual registration fee Decrease \$12 for upper rack (from \$60 to \$48) annual registration fee Monthly option \$10 per month	
Astound (formerly RCN) Bulk Cable/Internet	Increases \$3.75 (from \$57.88 to \$61.63) – note that this increase is beyond the association's control	

Many of the ancillary fees have not changed since 2013 or 2015, and the group reviewing the budget felt now was the appropriate time, to help blunt the impact inflation has had on expenses.

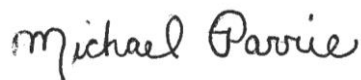
As most Owners are aware, we have worked on our domestic water riser project over several years to replace the original pipes in each tier in order to avoid leaks and flooding. With the most problematic pipes addressed, we are putting a pause to the riser project this upcoming year to instead focus on the

planned update to our hallways. Included within the reserve study, this is an anticipated expense we have built up for in the reserves in order to support our property values. The Home Improvement Commission has been working over the past year to propose three mock designs on the 53<sup>rd</sup>, 54<sup>th</sup>, and 55<sup>th</sup> floors. Owners will offer input by voting on their 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> choice, and the Board will approve the final design to complete the entire building's residential floors. Overall, special projects over \$50,000 in 2023-2024 and their anticipated costs include:

'06 pantry insulation	\$94,500
Passenger elevator cabs	\$91,500
Hallway light fixtures	\$230,000
Hallway carpeting	\$617,400
Hallway painting and decorating	\$415,300
Hallway signage	\$67,000
Residential cooling tower repairs	\$80,700
Domestic hot water storage tank	\$230,800
Elevator door safety operator and fire service	\$82,500
Commercial heat exchanger	\$107,000
Domestic pump VFD & panel	\$90,000

**Please join us at a Special Meeting to discuss the proposed budget on Monday, January 9, 2023, at 7:30 p.m. in the 2<sup>nd</sup> Floor Party Room.** After hearing from fellow owners, the Board will consider the enclosed proposed budget for adoption at the Board meeting to immediately follow. All owners are welcome to attend and participate in the discussion.

Sincerely,



Michael Parrie  
Board President  
Park Tower Condominium Association

# Park Tower Condo Association

REVISED 12/1/22

## 2023/2024 Budget Summary

Code	Category and Account Titles	2024	2023	2023	2023	2024 Budget vs 2023	
		Budget	Forecast	Budget	Variance	Inc (Dec)	%
51100000	<b>Residential assessments</b>	6,088,500	5,826,400	5,826,400	0	262,100	4.50%
	TOTAL CONDOMINIUM ASSESSMENT REVENUE	6,088,500	5,826,400	5,826,400	0	262,100	4.50%
	<b>Other Revenue</b>						
51150000	Cable assessments	513,300	482,021	482,000	21	31,300	6.49%
51200000	Apartment rent	22,300	32,608	45,000	(12,392)	(22,700)	-50.44%
51400000	Commercial base rent	87,900	56,586	83,100	(26,514)	4,800	5.78%
54100000	Interest income-project operations	6,500	8,076	6,500	1,576	0	0.00%
59100000	Laundry income	93,500	88,922	91,200	(2,278)	2,300	2.52%
59220000	Late fees	35,700	37,960	27,000	10,960	8,700	32.22%
59340000	Misc service income	138,100	127,567	119,100	8,467	19,000	15.95%
59740001	H/C resident membership	123,500	109,335	87,600	21,735	35,900	40.98%
59770000	Transfer fees	68,500	65,587	63,500	2,087	5,000	7.87%
59790000	Lock out fees	6,600	7,850	6,000	1,850	600	10.00%
59850000	Bike room fees	11,700	10,900	10,800	100	900	8.33%
59870000	Fines	28,000	72,414	24,400	48,014	3,600	14.75%
59900000	Misc other income	55,000	55,788	51,700	4,088	3,300	6.38%
59910000	Rooftop antenna fees	107,600	112,604	104,600	8,004	3,000	2.87%
59920000	Party room	2,600	2,800	1,800	1,000	800	44.44%
59930002	Security reimbursed	3,000	4,000	2,400	1,600	600	25.00%
	TOTAL NONASSESSMENT REVENUE	1,303,800	1,275,018	1,206,700	68,318	97,100	8.05%
	<b>TOTAL REVENUE</b>	7,392,300	7,101,418	7,033,100	68,318	359,200	5.11%
	<b>Administrative Expenses</b>						
63110000	Office supplies/expenses	5,600	5,071	5,300	229	300	5.66%
63110002	Copier Expenses	9,400	8,614	9,500	886	(100)	-1.05%
63120000	Office/Computer Equipment	7,500	5,529	7,500	1,971	0	0.00%
63200000	Management fee	127,200	127,200	127,200	0	0	0.00%
63400000	Legal	39,400	39,846	21,400	(18,446)	18,000	84.11%
63410000	Legal collections	100	0	100	100	0	0.00%
63500000	Audit expense	5,700	5,700	5,700	0	0	0.00%
63600000	Telephone and answering service	10,300	9,915	10,400	485	(100)	-0.96%
63700000	Bad debts	51,000	34,000	30,000	(4,000)	21,000	70.00%
63800000	Consulting/professional costs	9,600	17,772	9,000	(8,772)	600	6.67%
63880000	Assmnt - Assn owned commercial unit	44,300	42,432	42,300	(132)	2,000	4.73%
63880001	Assmnt - Assn owned mgmt office	6,700	6,396	6,400	4	300	4.68%
63900000	Misc administrative expenses	10,000	10,763	10,000	(763)	0	0.00%
64250000	Postage & delivery service	7,700	7,521	8,500	979	(800)	-9.41%
67100000	Real estate taxes	28,400	22,000	22,000	0	6,400	29.09%
67150002	Education/Training	7,100	7,086	5,600	(1,486)	1,500	26.79%
67190000	Miscellaneous taxes	600	803	600	(203)	0	0.00%
67200000	Property and liability insurance	401,900	338,429	371,900	33,471	30,000	8.07%
	TOTAL ADMINISTRATIVE EXPENSES	772,500	689,077	693,400	4,323	79,100	11.41%
	<b>Payroll Expenses</b>						
63100000	Office salaries	291,800	280,274	278,700	(1,574)	13,100	4.70%
65100000	Janitor and cleaning payroll	880,400	835,682	849,000	13,318	31,400	3.70%
65330000	Doorstaff payroll	198,500	195,783	213,100	17,317	(14,600)	-6.85%
65430000	Healthclub/pool payroll	74,600	66,915	75,500	8,585	(900)	-1.19%
67110000	Fed unemployment tax	1,400	1,200	1,200	0	200	16.67%
67120000	State unemployment tax	4,400	4,800	4,800	0	(400)	-8.33%
67130000	FICA	131,800	109,831	108,400	(1,431)	23,400	21.59%
67220000	Workers compensation	24,600	23,677	30,100	6,423	(5,500)	-18.27%
67260001	Other employee benefits - maint	284,300	256,504	269,900	13,396	14,400	5.34%
67260002	Other Employee Benefits - Admin	46,200	39,386	40,900	1,514	5,300	12.96%
67260004	other employee benefits- doorman	54,400	49,156	52,000	2,844	2,400	4.62%

Code	Category and Account Titles	2024	2023	2023	2023	2024 Budget vs 2023	
		Budget	Forecast	Budget	Variance	Inc (Dec)	%
	TOTAL PAYROLL EXPENSES	1,992,400	1,863,208	1,923,600	60,392	68,800	3.58%
	<b>Utility Expenses</b>						
64500000	Electricity	371,700	300,210	377,700	77,490	(6,000)	-1.59%
64510000	Water & Sewer	403,500	384,230	491,400	107,170	(87,901)	-17.89%
64520000	Gas	614,300	443,958	512,400	68,442	101,900	19.89%
	TOTAL UTILITY EXPENSES	1,389,500	1,128,398	1,381,500	253,102	8,000	0.58%
	<b>Operating Expenses</b>						
62120000	Licenses/fees/permits	7,400	7,400	7,400	0	0	0.00%
63880002	Assmnt - Assn owned engineer's unit	20,700	19,815	19,800	(15)	900	4.55%
64610000	Exterminating	47,000	60,269	46,200	(14,069)	800	1.73%
65140000	Lamps and bulbs	7,400	6,257	7,400	1,143	0	0.00%
65150000	Janitors and cleaning supplies	19,800	17,967	18,900	933	901	4.76%
65600001	Maintenance supplies	9,100	8,326	10,000	1,674	(900)	-9.00%
65650066	Extraordinary Items	5,000	5,038	5,000	(38)	0	0.00%
	TOTAL OPERATING EXPENSES	116,400	125,072	114,700	(10,372)	1,700	1.48%
	<b>Contract Expenses</b>						
64150000	Cable TV expense	513,300	486,164	482,000	(4,164)	31,300	6.49%
65180000	Uniforms	14,400	15,139	14,200	(939)	200	1.41%
65250000	Rubbish removal	40,700	35,004	35,500	496	5,200	14.65%
65300000	Security payroll/contract	165,700	156,643	160,000	3,357	5,700	3.56%
65360000	Landscaping\ground maintenance	49,100	34,546	36,500	1,954	12,600	34.52%
65450000	Elevator contract	115,800	110,676	110,500	(176)	5,300	4.80%
65460000	Heating/cooling R&M/Contract	38,200	37,473	38,000	527	200	0.53%
65660000	Metal maintenance	16,500	20,171	16,500	(3,671)	0	0.00%
65680000	Plant maintenance/rental	6,400	5,391	6,000	609	400	6.67%
65810000	Window washing	27,600	28,970	26,800	(2,170)	800	2.99%
	TOTAL CONTRACTS	987,700	930,176	926,000	(4,176)	61,700	6.66%
	<b>Maintenance &amp; Repair Expenses</b>						
65220000	Plumbing\HVAC supplies	23,500	25,154	23,500	(1,654)	0	0.00%
65300001	Security-move ins/outs	17,900	16,714	18,900	2,186	(1,000)	-5.29%
65310000	Security equipment	9,800	10,240	9,800	(440)	0	0.00%
65380000	Snow removal	5,400	3,700	4,800	1,100	600	12.50%
65490000	HVAC materials	64,800	61,565	72,500	10,935	(7,700)	-10.62%
65650000	Equipment maintenance	12,000	2,976	3,000	24	9,000	300.00%
65690000	Keys and lock service	16,700	15,107	21,800	6,693	(5,100)	-23.39%
65700190	Building repairs	78,500	79,911	78,500	(1,411)	0	0.00%
65820000	Fire safety equipment	30,700	30,254	30,400	146	300	0.99%
65830000	Roof repairs	9,500	6,600	10,000	3,400	(500)	-5.00%
65900002	Filters	5,700	5,800	5,700	(100)	0	0.00%
65910000	Electrical repairs	12,500	12,564	12,500	(64)	0	0.00%
65950000	Plumbing/sewer repairs	27,500	23,784	28,900	5,116	(1,400)	-4.84%
65960000	Floor repairs/cleaning	3,600	3,500	3,600	100	0	0.00%
65990000	Window repairs	4,200	2,793	4,200	1,407	0	0.00%
66830000	Resident reimbursed repairs	70,000	93,975	70,000	(23,975)	0	0.00%
	TOTAL MAINTENANCE & REPAIR EXPENSES	392,300	394,637	398,100	3,463	(5,800)	-1.46%
	<b>Social &amp; Recreational Expenses</b>						
63130000	Social activities/events	16,700	8,557	11,200	2,643	5,500	49.11%
65470002	Health club repairs/maintenance	7,400	7,218	7,400	182	0	0.00%
65470008	Healthclub expenses	9,400	7,218	10,900	3,682	(1,500)	-13.76%
65471111	Pool supplies/expenses	7,400	35,129	22,200	(12,929)	(14,800)	-66.67%
	TOTAL RECREATIONAL	40,900	58,122	51,700	(6,422)	(10,800)	-20.89%
	<b>TOTAL EXPENSES</b>	5,691,700	5,188,690	5,489,000	300,310	202,699	3.69%
	<b>GARAGE OPERATIONS</b>						
	<b>Garage Income</b>						
51110001	Guest parking	32,500	31,450	22,900	8,550	9,600	41.92%
51110002	Valet parking	192,200	186,765	200,100	(13,335)	(7,900)	-3.95%
51110003	Motorcycle parking	5,400	5,745	3,100	2,645	2,300	74.19%

Code	Category and Account Titles	2024	2023	2023	2023	2024 Budget vs 2023	
		Budget	Forecast	Budget	Variance	Inc (Dec)	%
51110004	Tandem parking	99,000	89,760	90,300	(540)	8,700	9.63%
51110005	Reserved parking	76,600	72,640	74,900	(2,260)	1,700	2.27%
51110006	Commercial parking	163,000	181,375	141,400	39,975	21,600	15.28%
51110007	Garage cash sales	8,100	8,130	7,100	1,030	1,000	14.08%
51110008	Garage late fee	3,300	3,230	3,300	(70)	0	0.00%
51110009	Miscellaneous garage income	5,100	6,720	5,100	1,620	0	0.00%
51700000	Garage and parking lot income	371,500	339,910	353,300	(13,390)	18,200	5.15%
	TOTAL GARAGE INCOME	956,700	925,725	901,500	24,225	55,200	6.12%
	<b>Garage Expenses</b>						
63900004	Garage - misc admin expenses/License	9,400	2,903	2,100	(803)	7,300	347.62%
64900002	Garage - misc operating expenses	2,700	2,617	2,800	183	(100)	-3.57%
65180001	Garage uniforms	2,300	1,750	2,100	350	200	9.52%
65390000	Garage/parking expenses	4,000	2,665	4,000	1,335	0	0.00%
65390003	Garage/Parking Tax	44,400	44,328	44,400	72	0	0.00%
65390924	Garage payroll and expenses	367,000	357,561	362,000	4,439	5,000	1.38%
65870001	Garage repairs	16,000	14,975	19,000	4,025	(3,000)	-15.79%
65900003	Garage - maintenance expenses	11,300	10,928	10,800	(128)	500	4.63%
65950001	Plumbing\sewer repairs	3,900	3,439	3,500	61	400	11.43%
67110001	Fed unemployment tax	300	300	300	0	0	0.00%
67120001	State unemployment tax	1,000	900	800	(100)	200	25.00%
67130001	FICA	28,300	26,585	26,700	115	1,600	5.99%
67220002	Garage - workers' compensation insurance	6,400	4,668	6,900	2,232	(500)	-7.25%
67260005	Garage-other employee benefits	180,600	163,861	165,400	1,539	15,200	9.19%
	TOTAL GARAGE EXPENSES	677,600	637,480	650,800	13,320	26,800	4.12%
	<b>TOTAL GARAGE SURPLUS/DEFICIT</b>	279,100	288,245	250,700	37,545	28,400	11.33%
	<b>NET OPERATING INCOME/(LOSS)</b>	1,979,700	2,200,973	1,794,800	406,173	184,901	10.30%
68880000	Replacement reserve	1,979,700	1,794,800	1,794,800	0	184,900	10.30%
	<b>TOTAL RESERVE FUNDING ACTIVITY</b>	1,979,700	1,794,800	1,794,800	0	184,900	10.30%
	<b>NET INCOME/(LOSS)</b>	0	406,173	0	0	0	
	<b>RESERVE PROJECTS</b>						
8101-0000	06 Pantry Insulation	94,500					
TBA	Passenger Elevator Cabs	91,500					
TBA	Freight Elevator Cabs	39,500					
TBA	Mall Elevator Cabs	37,300					
8140-0009	Hallway Light Fixtures	230,000					
8140-0009	Hallway Carpeting	617,400					
8140-0009	Hallway Painting & Decorating	415,300					
8140-0009	Hallway Signage	67,000					
8101-0000	Residential Cooling Tower Repair	80,700					
8165-0000	Domestic Hot Water Storage Tank	230,800					
8175-0000	Security System	39,300					
8450-0000	Garage Electric Panel	25,000					
TBA	Elevator Door Safety Operators	82,500					
8101-0000	Commercial Heat Exchanger	107,000					
8165-0000	Domestic Water Pump Repairs	90,000					
8101-0000	HVAC Improvements	44,000					
	<b>TOTAL RESERVE FUNDED PROJECTS</b>	2,291,800					