

PARK TOWER CONDOMINIUM ASSOCIATION

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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 2nd 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.

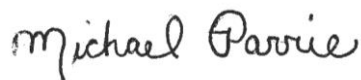
As most Owners are aware, we have worked on our domestic water riser project over several years to replace the original pipes in each tier in order to avoid leaks and flooding. With the most problematic pipes addressed, we are putting a pause to the riser project this upcoming year to instead focus on 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 53rd, 54th, and 55th floors. Owners will offer input by voting on their 1st, 2nd, and 3rd 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 2nd 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