

BUDGET COMMITTEE RECOMMENDATIONS

to

PARKER PLAZA CONDOMINIUM BOARD OF DIRECTORS

August 2nd, 2006

The meeting of the Budget Committee took place on July 19, 2006, in the Plaza Room, at 7:30 pm. Boris Moroz chaired the meeting.

The following committee members were in attendance:

Rosamunde Finkelstein, Robert Fisher, Hortie Galuten, Veyssel Naranjo, Bob Ortiz, Donald Pinkus, Elisa Policar and Irma Rocklin.

Also present was our new condo auditor Connie Catarineau.

Our committee is charged with making recommendations to the Board of Directors for the proposed budget for the fiscal year October 1, 2006 to September 30, 2007. We were encouraged by the interest and contribution of unit owners, who turned out in such large numbers; our job was made easier because of the help of our condominium board, staff and our auditor.

Enclosed is a copy of the budget work sheet used at the meeting. It shows itemized income and expenses from last year's budget, and projected budget for fiscal year 2006/07. Listed below is a synopsis based on budget categories.

Proposed Expenses:	Administrative		1,078,500
	Operating		1,637,420
	Payroll		1,157,500
	Loan Repayment		<u>858,000</u>
	Total Expenses		\$4,731,420
Proposed Income:	Misc. (incl parking)	24,000	
	Late Fees	3,000	
	Application Fees	4,000	
	Rentals	54,000	
	Repairs/Work Orders	4,000	
	Laundry Rooms	<u>16,800</u>	<u>105,800</u>
Net Expenses (<u>Proposed Total Maintenance Fees</u>)			<u>\$4,625,620</u>

The projected budgetary figures are based on actual current operating costs. An item by item examination of the expenses revealed the following major yearly increases:

Insurance (all risk)	\$427,000
Electricity	164,000
Water & Sewer	42,000
Waste Removal	42,000
Cable	12,000

Additionally, our budget must provide funds for repayment of a loan incurred to finance major repairs and renovations during the past few years.

The total yearly sum required is \$858,000 (138,000 for principal repayment, and 720,000 for interest, during the new fiscal year).

For the record, last year's budget allowance for loan repayment was underestimated by approximately \$240,000.

We compared the proposed budget with that of the 2005/06 fiscal year. The increase in maintenance was projected to be \$865,620, or 23%. However, for determination of whether it exceeds 115% of the prior year, we are permitted to exclude expenses such as the repayment of loan. By eliminating the expense of loan repayment, the increase was from \$3,145,000 to \$3,767,620, or 20%.

It was felt that the increase should not exceed the 15% limit. Some items which were questioned and not fully settled were: labor contractors, office expenses, valet and security, as well as some income items. Since our committee is advisory only, and does not set policy, we left these items for further study and determination by the board.

In conclusion, let me, on your behalf, voice a few words of appreciation to the entire budget committee for their input in formulating financial guidelines for the future.

It has been my privilege to act as your chairman.

Respectfully submitted,



Boris Moroz

PARKER PLAZA CONDOMINIUM
2006/2007 BUDGET WORK SHEET

REVENUE	2005/2006 BUDGET		PROJECTED 2006/2007 BUDGET		PROPOSED 2006/2007 BUDGET
	Monthly	Annual	Monthly	Annual	ANNUAL
Maintenance Fees	313,333	3,760,000	385,469	4,625,620	
Miscellaneous Income	7,458	89,500	2,000	24,000	
Late Fees	250	3,000	250	3,000	
Application Fees	333	4,000	333	4,000	
Rentals	4,500	54,000	4,500	54,000	
Repairs/Work Orders	333	4,000	333	4,000	
Laundry Room Income	1,417	17,000	1,400	16,800	
TOTAL REVENUE	327,625	3,931,500	394,285	4,731,420	
EXPENSES					
<u>Administrative</u>					
Legal/Professional	2,167	26,000	2,167	26,000	
Miscellaneous/Admin.	833	10,000	417	5,000	
Accounting	583	7,000	666	8,000	
Insurance-All Risk	45,833	550,000	81,417	977,000	
Insurance-Claims Deductible	208	2,500	208	2,500	
Insurance-Workmen's Comp	6,250	75,000	4,750	57,000	
Licenses, Fees & Permits	167	2,000	250	3,000	
Taxes	83	1,000	0	0	
Total Administrative	56,125	673,500	89,875	1,078,500	
<u>Loan Repayment</u>	<u>51,250</u>	<u>615,000</u>	<u>71,500</u>	<u>858,000</u>	
<u>Operating</u>					
Electricity	28,333	340,000	42,000	504,000	
Telephone	1,333	16,000	500	6,000	
Water & Sewer	22,500	270,000	26,000	312,000	
Gas	14,167	170,000	14,500	174,000	
Waste Removal	2,500	30,000	6,000	72,000	
Compactors	83	1,000	42	500	
Pest Control	500	6,000	500	6,000	
Labor Contractors	9,167	110,000	15,000	180,000	
Landscaping	1,833	22,000	1,200	14,400	
Parts & Supplies	8,000	96,000	5,000	60,000	
Indoor Plants	333	4,000	300	3,600	
Pool Maintenance	1,000	12,000	1,400	16,800	
Uniforms	1,250	15,000	1,000	12,000	
Water Treatment	667	8,000	400	4,800	
Cleaning Supplies	667	8,000	917	11,000	
Elevators	2,917	35,000	2,500	30,000	
Chillers	1,750	21,000	1,683	20,200	
A/C Mechanical Equipment	2,583	31,000	2,617	31,400	
Beepers/Two-way Radio	250	3,000	60	720	
Cable	10,000	120,000	11,000	132,000	
Postage & Delivery	583	7,000	500	6,000	
Office Expenses	1,667	20,000	2,333	28,000	
Christmas Fund Gifts	1,000	12,000	1,000	12,000	
Total Operating	113,083	1,357,000	136,452	1,637,420	
<u>Payroll Taxes & Benefits</u>					
Maintenance	31,667	380,000	21,667	260,000	
Housekeeping	12,917	155,000	14,833	178,000	
Administrative	14,083	169,000	14,167	170,000	
Pool	3,333	40,000	3,417	41,000	
Security	20,417	245,000	21,917	263,000	
Valet	7,083	85,000	9,333	112,000	
Employee Health Insurance	9,583	115,000	3,833	46,000	
Taxes-Fica	5,250	63,000	5,250	63,000	
Taxes-Medicare	1,250	15,000	1,216	14,600	
Taxes-FUTA	333	4,000	192	2,300	
Taxes-SUTA	1,250	15,000	633	7,600	
Total Payroll Taxes & Benef	107,167	1,286,000	96,458	1,157,500	
TOTAL EXPENSE	327,625	3,931,500	394,285	4,731,420	