

**Condominium Association of Parker Plaza Estates, Inc.**  
**2030 South Ocean Drive**  
**Hallandale Beach, FL 33009**  
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August 17, 2012

At the meeting of the Board of Directors, held on August 15, 2012, the Board passed a motion approving the mailing of the enclosed proposed budget for the fiscal year beginning October 1, 2012 and ending September 30, 2013. The proposed 2012-2013 budget will be discussed and voted on at the Board of Directors meeting scheduled for September 19<sup>th</sup>, 2012, at 7:30PM in the Plaza Room. Also enclosed are the President's notes regarding the "Open Discussion of the Banco Popular Loan" taken from the Board of Directors meeting held on August 15, 2012. These notes are being provided in order to inform unit owners of this portion of the meeting. (Complete minutes of the meeting will be available in the office and on the website within the upcoming weeks.)

The attached proposed budget indicates the maintenance fee schedule for each type of unit, with and without reserves. The top set of numbers represents the fees per unit without reserves. **THESE ARE THE NUMBERS THAT ARE PROPOSED FOR THE UPCOMING YEAR.** The numbers at the bottom of the page represent the fees per unit with reserves; however, reserves were waived, or voted down, at the Annual Meeting of the unit owners held on February 16, 2012, and these numbers are **NOT BEING PROPOSED.** Even though we voted against reserves, we are still required to provide you with the maintenance fee schedule (with reserves). We have also included the details of the various budget line items for 2012-2013 as well as the corresponding budget from the previous year.

We hope to see you at the next meeting of the Board of Directors which will be held on September 19<sup>th</sup>, 2012. A copy of the agenda has been included along with the proposed maintenance payment schedule.

Respectfully yours,

Board of Directors  
Condominium Association of Parker Plaza Estates

Enc.

**2012-2013 Proposed Budget**

<b>REVENUE</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
Maintenance Income	4,344,120.00	4,344,308.00
Rollover Acct Money Market	105,000.00	0.00
Legal/ Lien Fees	57,000.00	57,000.00
Special Assessment Recovery	0.00	1,520.00
Storage	37,400.00	37,000.00
Rentals-101/102/103/317/1108	33,060.00	35,000.00
Late Fees	4,968.00	10,000.00
FOBS (Medeco) Keys	13,564.00	5,000.00
Parking - Contractor	17,453.00	13,000.00
Parking - Valet	24,384.00	25,000.00
Parking - Tickets	25,000.00	25,000.00
Parking - Monthly	25,500.00	30,000.00
Repairs/Emergency/Clean up	0.00	14,380.00
NSF Fees Recovered	540.00	500.00
Condo Docs	500.00	700.00
Copies/Fax/Stamps	1,099.00	1,000.00
Application Fees	7,050.00	7,000.00
Elevator Fees	240.00	500.00
Estoppel	5,700.00	7,000.00
Laundry Income	11,600.00	12,500.00
Recovered Bad Debt	0.00	80,000.00
Recovered Income	10,000.00	0.00
Interest Income	3,331.00	3,000.00
Misc. Income-Fines,Plaza Room Rentals	5,200.00	3,800.00
<b>TOTAL COLLECTED REVENUE</b>	<b>4,732,709.00</b>	<b>4,713,208.00</b>
<b>EXPENSES</b>		
<b>ADMINISTRATIVE</b>		
Accounting	22,000.00	38,000.00
Annual Fee - DBPR	2,100.00	2,800.00
Application / Screening - Unit	4,000.00	4,000.00
Bad Debt/ Write Offs	90,000.00	70,000.00
Bank Charges	500.00	2,000.00
Election Expenses	0.00	5,000.00
Employee Gas	1,000.00	800.00
Insurance-All Risk	712,223.00	802,338.65
Insurance-Claims Deductible	2,000.00	2,000.00
Legal-Unit Owner Fees	0.00	60,000.00
Legal-Non Recoverable Fees	0.00	500.00
Legal- Recoverable Attorney Fee	84,000.00	47,000.00
Licenses, Fees & Permits	5,000.00	5,000.00
Maint Fees - Units104/1624	18,000.00	18,000.00
Misc. Office Soft	5,000.00	5,000.00
New Hire Fees	400.00	5,000.00
Maint Fee Unit#317 &1108	0.00	17,000.00
Office Expense Kitchen	2,000.00	2,500.00
Office Expenses Hard Goods	10,000.00	15,188.00
Office Expense - Computers	3,000.00	6,000.00

<b>ADMINISTRATIVE EXPENSES -Continued</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
Postage & Delivery	6,000.00	3,800.00
Taxes (709/1725/Laundry)	5,500.00	2,400.00
Parker Owned Unit Expenses	10,000.00	2,500.00
Walkie-Talkies/Radios	2,000.00	2,000.00
<b>TOTAL ADMINISTRATIVE</b>	<b>984,723.00</b>	<b>1,118,826.65</b>
<b>BUILDING MAINTENANCE</b>		
Cleaning Supplies - Chemicals	2,500.00	2,500.00
Cleaning Supplies - Paper	2,000.00	1,250.00
Compactor Containers	0.00	2,500.00
Compactors	4,000.00	1,500.00
Compactor Repairs	0.00	1,500.00
Electrical Room	5,000.00	2,500.00
Fire Alarm System	400.00	900.00
Gym Maintenance	4,000.00	3,600.00
Pool Expense-Large Equipment	18,000.00	18,000.00
Pool Chemicals	0.00	13,528.00
Pool Towel Expense	0.00	500.00
Pool Repairs	0.00	25,000.00
Pool Equipment Expense	0.00	750.00
Pool Furniture /Umbrellas	0.00	3,500.00
Elevator Repair (begin use 10/09)	17,000.00	17,000.00
Chiller Repair	0.00	20,000.00
Landscaping	0.00	4,000.00
Uniforms	500.00	700.00
Unit Trash Bags	4,000.00	0.00
Parts & Supplies-Misc	52,000.00	50,000.00
Parts & Supplies-FOB	0.00	500.00
Parts & Supplies-Transponders	0.00	500.00
Labor Contract-Electrical	0.00	2,500.00
Labor Contract-Gate & Arm Repairs	0.00	1,500.00
Labor Contract-FOB	0.00	1,500.00
Labor Contract - Misc	100,000.00	66,000.00
Labor Contract - Pool/Contr/Maint	0.00	400.00
Supplies-Plumbing	0.00	500.00
<b>TOTAL BUILDING MAINTENANCE</b>	<b>209,400.00</b>	<b>242,628.00</b>
<b>FIXED CONTRACTS</b>		
Chillers Contract	24,114.00	6,000.00
Elevator Contract	28,800.00	28,800.00
Copier/Rental	4,800.00	6,500.00
Fire Alarm	1,000.00	1,000.00
Housekeeping Contract	132,000.00	132,000.00
Landscaping Contract	16,000.00	15,000.00
Maintenance/Pool Contract	166,000.00	240,000.00
Pest Control	4,500.00	4,500.00
Phone Insurance Toshiba	1,500.00	1,500.00
Security Contract	270,000.00	332,000.00
Valet Contract	146,000.00	146,000.00
Waste Removal Contract	59,628.00	60,000.00
Water Treatment Contract	4,800.00	4,800.00
<b>TOTAL FIXED CONTRACTS</b>	<b>859,142.00</b>	<b>978,100.00</b>

<b>SPECIAL PROJECTS</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
Electric Revision	5,000.00	8,000.00
Fire Sprinkler Project	150,000.00	0.00
Non-Contracted Supervisory Service	30,000.00	5,000.00
Repair Concrete on Building Walls	20,000.00	20,000.00
Chiller Replacement	160,009.00	0.00
Pool Deck Repair	50,000.00	15,689.35
Rear Parking Lot Repair	0.00	20,000.00
Cameras	0.00	10,000.00
Roof Repair	7,500.00	7,500.00
S/A Bad Debt	0.00	1,520.00
<b>TOTAL SPECIAL PROJECTS</b>	<b>422,509.00</b>	<b>87,709.35</b>
<b>UTILITIES</b>		
Cable	173,300.00	175,000.00
Electricity	380,000.00	330,000.00
Gas	50,000.00	40,000.00
Gas Transportation	20,000.00	20,000.00
Telephone	5,200.00	5,200.00
Water & Sewer	390,000.00	390,000.00
<b>TOTAL UTILITIES</b>	<b>1,018,500.00</b>	<b>960,200.00</b>
<b>PAYROLL, TAXES, BENEFITS</b>		
Workmen's Comp	16,000.00	16,000.00
P/R Administration/Office	140,000.00	170,000.00
P/R Housekeeping	21,840.00	22,000.00
P/R Maintenance	40,560.00	105,000.00
P/R Pool	48,000.00	40,000.00
P/R Contractor Inspector	30,680.00	30,000.00
Employee Health	26,715.00	20,000.00
Holiday Gift Fund	9,000.00	8,000.00
Special Events Fund	6,240.00	8,000.00
P/R Tax - Fica	17,000.00	30,000.00
P/R Tax Medicare	1,100.00	2,500.00
P/R Tax Futa	15,000.00	2,000.00
P/R Tax Suta	2,300.00	9,000.00
<b>TOTAL PAYROLL, TAXES, BENEFITS</b>	<b>374,435.00</b>	<b>462,500.00</b>
<b>LOAN PAYMENT BANCO POPULAR (P&amp;I)</b>		
Interest/Principal 11 Million Loan	764,000.00	763,244.00
Loan from PP Recovery Acct	100,000.00	100,000.00
<b>TOTAL PAYMENT</b>	<b>864,000.00</b>	<b>863,244.00</b>
<b>TOTAL EXPENSES</b>	<b>4,732,709.00</b>	<b>4,713,208.00</b>
<b>SUMMARY</b>		
<b>TOTAL ADMINISTRATIVE</b>	<b>984,723.00</b>	<b>1,118,826.65</b>
<b>TOTAL BUILDING MAINTENANCE</b>	<b>209,400.00</b>	<b>242,628.00</b>
<b>TOTAL FIXED CONTRACTS</b>	<b>859,142.00</b>	<b>978,100.00</b>
<b>TOTAL SPECIAL PROJECTS</b>	<b>422,509.00</b>	<b>87,709.35</b>
<b>TOTAL UTILITIES</b>	<b>1,018,500.00</b>	<b>960,200.00</b>
<b>TOTAL PAYROLL, TAXES, BENEFITS</b>	<b>374,435.00</b>	<b>462,500.00</b>
<b>TOTAL LOAN PAYMENT</b>	<b>864,000.00</b>	<b>863,244.00</b>
<b>GRAND TOTAL</b>	<b>4,732,709.00</b>	<b>4,713,208.00</b>

**Condominium Association of Parker Plaza Estates, Inc.**

**Reserve Calculation**

**2012-2013**

Components	Estimated Replacement Cost	Estimated Remaining Life	Reserve as of SEPT 30,2012	Balance To Be Funded	Annual Reserve	Quarterly Reserve
EXTERIOR PAINT	\$ 400,000	0	0	\$ 400,000	400,000	\$ 100,000
						\$ -
ROOF	\$ 450,000	4	0	\$ 450,000	112,500	\$ 28,125
						\$ -
EMERGENCY GENERATOR	\$ 200,000	20	0	\$ 200,000	10,000	\$ 2,500
						\$ -
A/C TOWER	\$ 200,000	5	0	\$ 200,000	40,000	\$ 10,000
						\$ -
A/C CHILLERS	\$ 400,000	4	0	\$ 400,000	100,000	\$ 25,000
						\$ -
COMPACTORS	\$ 150,000	0	0	\$ 150,000	150,000	\$ 37,500
						\$ -
ELEVATORS	\$ 3,600,000	7	0	\$ 3,600,000	514,286	\$ 128,572
						\$ -
CARPETS	\$ 350,000	4	0	\$ 350,000	87,500	\$ 21,875
						\$ -
PAVING	\$ 500,000	0	0	\$ 500,000	500,000	\$ 125,000
						\$ -
<b>TOTALS</b>	<b>\$ 6,250,000</b>		<b>\$ -</b>	<b>\$ 6,250,000</b>	<b>1,914,286</b>	<b>\$ 478,572</b>

**FY 2012-2013**

**FUNDING - RESERVE ONLY - ANNUAL RESERVE REQUIRED \$1,914,286**

UNIT TYPE	% OF OWNERSHIP	NUMBER OF UNITS	TOTAL %	ANNUAL PER UNIT TYPE	PER UNIT TOTAL ANNUAL	PER UNIT QUARTERLY
A	0.0017819	80	14.255%	\$ 272,885	3,411	\$ 853
B	0.0018199	80	14.56%	\$ 278,705	3,484	\$ 871
C	0.0019375	200	38.75%	\$ 741,786	3,709	\$ 928
D	0.0019873	120	23.608%	\$ 451,917	3,766	\$ 941
E	0.0021509	40	8.60%	\$ 164,698	4,117	\$ 1,029
104		1	0.22%	\$ 4,296	4,296	\$ 1,074
<b>TOTAL</b>				<b>\$ 1,914,286</b>	<b>22,783</b>	<b>\$ 5,696</b>

**CONDOMINIUM ASSOCIATION OF PARKER PLAZA ESTATES, INC.**

**MAINTENANCE FEE SCHEDULE (WITHOUT RESERVES)**

**2012- 2013**

UNIT TYPE	% OF OWNERSHIP	NUMBER OF UNITS	TOTAL % ROUNDED	ANNUAL MAINTENANCE FEES	PER UNIT ANNUAL	PER UNIT QUARTER	ANNUAL MAINTENANCE FEES ROUNDED
A	0.17819	80	14.26%	\$ 619,263	\$ 7,741	\$ 1,935	\$ 619,200
B	0.18199	80	14.56%	\$ 632,487	\$ 7,906	\$ 1,977	\$ 632,640
C	0.19375	200	38.75%	\$ 1,683,347	\$ 8,417	\$ 2,104	\$ 1,683,200
D	0.19673	120	23.61%	\$ 1,025,599	\$ 8,547	\$ 2,137	\$ 1,025,760
E	0.21509	40	8.60%	\$ 373,751	\$ 9,344	\$ 2,336	\$ 373,760
104	0.2244	1	0.22%	\$ 9,748	\$ 9,748	\$ 2,437	\$ 9,748
<b>TOTAL</b>							<b>\$ 4,344,308</b>

**MAINTENANCE FEE SCHEDULE (WITH RESERVES)**

**2012 - 2013**

UNIT TYPE	% OF OWNERSHIP	NUMBER OF UNITS	TOTAL %	ANNUAL MAINTENANCE FEES	PER UNIT ANNUAL	PER UNIT QUARTER
A	0.17819	80	14.26%	\$ 890,950	\$ 11,137	\$ 2,784
B	0.18199	80	14.56%	\$ 909,950	\$ 11,374	\$ 2,844
C	0.19375	200	38.75%	\$ 2,421,875	\$ 12,109	\$ 3,027
D	0.19673	120	23.61%	\$ 1,475,475	\$ 12,296	\$ 3,074
E	0.21509	40	8.60%	\$ 537,725	\$ 13,443	\$ 3,361
104	0.2244	1	0.22%	\$ 14,025	\$ 14,025	\$ 3,506
<b>TOTAL</b>			<b>100%</b>	<b>\$6,250,000.00</b>		

**Condominium Association of Parker Plaza Estates, Inc.  
Meeting of the Board of Directors  
Wednesday, September 19, 2012  
7:30p.m. Plaza Room**

**AGENDA**

**President Barry Lustig presiding:**

- Call To Order**
- Roll Call**
- Reading of the Minutes**
- Approval of Minutes**

**Reports**

- ↓ **Treasurer's**
- ↓ **Screening Committee**
- ↓ **Pool**
- ↓ **Landscape**
- ↓ **Social Club**
- ↓ **Advisory Committee**
- ↓ **Grievance**
- ↓ **In Memoriam**

**Old Business**

- **Consideration & Approval of Proposed Budget**

**Building Update**

- ↓ **President's Report**

**Open Discussion**

**ADJOURNMENT**

**PROPOSED MAINTENANCE PAYMENT SCHEDULE (WITHOUT RESERVES)  
PAYMENT DUE OCTOBER 1, 2012, JANUARY 1, 2013, APRIL 1, 2013 AND JULY 1,  
2013.**

<b>UNIT TYPE</b>	<b>UNIT NUMBER</b>	<b>AMOUNT</b>
A	02-11-16-25	\$ 1935.00
B	01-03-15-17	\$ 1977.00
C	04-05-08-09-10-18-19-22-23-24	\$ 2104.00
D	06-07-12-20-21-26	\$ 2137.00
E	14-27	\$ 2336.00

**On March 21, 2012 at the duly called Annual Meeting of the Condominium Association of Parker Plaza Estates, Inc., the majority of unit owners voted against reserves for the fiscal year 2012 – 2013.**

*The following paragraphs are taken from my Board of Directors meeting notes which took place at 7:30PM on August 15, 2012. They are reproduced here at the request of the unit owners in attendance at that meeting so that all unit owners can be made aware of this portion of the meeting.*

## Open Discussion of the Banco Popular Loan

**Everything from this point on regarding the loan is an open discussion, and an open exchange of information and ideas. I have been asked to discuss the Banco Popular loan that we must deal with.**

**The Banco Popular loan runs until 2035. Currently we are paying them \$763,244 a year... of that payment amount, \$220,000 is applied to the principal and \$543,238 is an interest payment only. We are currently paying them an interest rate of 5.375. We believe that in 3 years, in 2015 at the anniversary of the loan, the interest rates will increase, because interest rates are now at historically low rates.**

**On this loan which originally started as an \$ 11,000,000 loan, we have paid off \$ 1,141,445 of principal over the last 7 1/2 years.**

**The way the loan is constructed, every 5th year anniversary of the loan we are allowed to pay off the loan with no prepayment penalty. Of course, we are allowed to pay off the loan at any time, but if we pay it off on a date which is not the 5 year anniversary, we must pay an additional 3.5% interest penalty.**

**It is obvious that Parker Plaza could save \$ 5,630,000 if we paid off the loan on the next 5<sup>th</sup> year anniversary which is in 2015. In order to do that, we would have to pay the Bank \$ 9,062,000 at that time.**

**If we were to pay the loan off in full at that time it would mean that each unit's share of the loan over each of the next 3 years would be \$ 5,800 per year. After 3 years of saving, the loan would be paid in full, our monthly maintenance will drop, and we would begin saving the \$5,630,000 we would have paid in interest to Banco Popular over the years. This \$5,630,000 is real money we will be keeping in our pockets.**

**Having heard all of this, we are interested in your opinions and thoughts. It's a big undertaking. Are we interested in doing this?**

*Respectfully,*

*Barry Lustig  
President*