

BUDGET COMMITTEE REPORT

to

PARKER PLAZA CONDOMINIUM BOARD OF DIRECTORS

August 24, 2009

Two meetings of the Budget Committee took place: August 17th and August 20th, 2009, in the Plaza Room, at 8:00 pm and 7:30 pm, respectively. Boris Moroz chaired the meetings. The following committee members were in attendance: Angella DiGiovanni, Homero Duque, Boris Moroz, Bernice Neft, Bob Ortiz, Dan Pinkus and Anthony Ripepi.

Our committee was charged with making recommendations to the Board of Directors for the proposed budget for fiscal year October 1, 2009 to September 30, 2010.

The first meeting dealt primarily with listing and categorizing all lines on the budget dealing with income and expenses, and assigning numbers to all individual items. Some new categories were added to previous years' budgets to correspond with our bookkeeping procedure.

During the second meeting we produced the budget work sheets showing projected income and expense figures based on the last 10 months and as extrapolated for a full year. These sheets are attached to this report. All categories and items were gone over carefully by the committee, discussed and approved for presentation to the board of directors. Listed below is a synopsis of proposed budget based on its various categories.

Proposed Expenses:

| | |
|---|--------------------|
| Building Maintenance | \$168,000 |
| Administrative | 829,900 |
| Fixed Contracts | 854,964 |
| Labor Costs | 584,792 |
| Utilities | 967,365 |
| Special Projects | 357,000 |
| Insurance Interest | 10,000 |
| Banco Popular Loan Payment (P & I) | 857,631 |
| Loan from Parker Plaza Recovery Acct. (No Int.) | 100,000 |
| Total Expenses | <u>\$4,729,652</u> |

Proposed Income:

| | |
|------------------------|----------|
| Application Fees | \$ 6,000 |
| Condominium Docs | 400 |
| Copies, Faxes & Stamps | 1,000 |
| Elevator Usage Fees | 500 |
| Estoppel Letter Fees | 4,000 |
| Fobs | 1,000 |
| Interest Income | 5,000 |

| | |
|-------------------------------------|-----------|
| Late Fees | 5,000 |
| Laundry Income | 16,800 |
| Legal / Lien Fees | 12,000 |
| Misc. Income, Refunds & Commissions | 20,000 |
| NSF Fees | 500 |
| Parking - Daily | 8,500 |
| Parking - Discount Tickets | 12,000 |
| Parking - Monthly | 8,400 |
| Recovered Fees | 50,000 |
| Remotes | 2,500 |
| Rental Income - 101/102/103/709 | 40,000 |
| Storage | 20,000 |
| Work Orders - Labor | 25,000 |
| Work Orders - Parts | 17,000 |
| <hr/> | |
| Total Income | \$255,600 |

| | |
|---------------------------------|-------------|
| Proposed Expenses | \$4,729,652 |
| Less Proposed Income | 255,600 |
| <hr/> | |
| Total Maintenance Fees Required | \$4,474,052 |

The committee decided to keep the maintenance fees at \$4,474,120 to be identical to last year's.

The proposed budget is straightforward and without frills, and aims to meet our basic needs. Some items need an explanation:

Insurance interest of \$10,000 shown in expenses is because we finance payment of our building insurance premium.

The \$100,000 loan expense will be used to repay a loan from Parker Plaza Recovery Account. The money from this interest free loan to pay for cost of fire alarm and sprinkler systems. This item will recur on a yearly basis until loan is fully paid.

(Note: The loan requires approval by Condominium Board of Directors, and is scheduled to be voted on at a Special Board Meeting on August 24, 2009)

Even though we have waived the inclusion of reserves in our budget, our proposed budget must show reserve calculations and figures of what the maintenance fees would have been had we included the reserves. Both sets of maintenance fee schedules are included in this report.

The time frame for further action, notices and board meetings to finalize the budget are as follows:

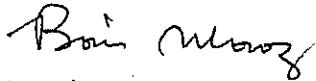
Board approval for mailing notice of board meeting to approve budget - August 24, 2009 (This notice to include copy of proposed budget and reserve schedule).

Mailing of material to unit owners - August 25, 2009.

Board approval of budget and mailing to unit owners - September 24, 2009.

In conclusion let me, on your behalf, thank our office staff, and especially Regina. Our job was made easier by her input and computer savvy. Let me also voice a few words of appreciation to the entire budget committee for their effort in formulating our financial plan for the future. It has been my privilege to act as your chairman

Respectfully submitted,

A handwritten signature in cursive script that reads "Boris Moroz".

Boris Moroz, Chairman

2009 -2010 PROPOSED BUDGET

INCOME

| Acct. Nun | ACCOUNT DESCRIPTION | Amount |
|---------------------|---------------------------------------|-----------------------|
| 3210 | Application Fees | \$6,000.00 |
| 3175 | Condominium Docs | \$400.00 |
| 3190 | Copies, faxes & stamps | \$1,000.00 |
| 3212 | Elevator Usage Fees | \$500.00 |
| 3215 | Estoppel Letter Fees | \$4,000.00 |
| 3137 | Fobs | \$1,000.00 |
| 3712 | Interest Income | \$5,000.00 |
| 3130 | Late Fees | \$5,000.00 |
| 3510 | Laundry Income | \$16,800.00 |
| 3115 | Legal/Lien Fees | \$12,000.00 |
| 3110 | Maintenance Income | \$4,474,120.00 |
| 3715 | Misc. Income, Refunds and Commissions | \$20,000.00 |
| 3170 | NSF Fees | \$500.00 |
| 3145 | Parking Daily | \$8,500.00 |
| 3146 | Parking Discount Tickets | \$12,000.00 |
| 3147 | Parking Monthly | \$8,400.00 |
| 3711 | Recovered Fees | \$50,000.00 |
| 3135 | Remotes | \$2,500.00 |
| 3125 | Rental Income - 101/102/103/709 | \$40,000.00 |
| 3123 | Storage | \$20,000.00 |
| 3150 | Work Orders Labor | \$25,000.00 |
| 3150 | Work Orders Parts | \$17,000.00 |
| TOTAL INCOME | | \$4,729,720.00 |

BUILDING MAINTENANCE

| | | |
|------|-------------------|-------------|
| 4115 | Compactors | \$2,400.00 |
| 4116 | Electrical room | \$2,600.00 |
| 4206 | Elevator Repair | \$25,000.00 |
| 4117 | Fire Alarm System | \$250.00 |
| 4118 | Gym | \$750.00 |
| 4120 | A/C | \$2,000.00 |
| 4122 | Electrical | \$1,500.00 |

| | |
|--------------------------------------|--------------------|
| Gate & Arm Repair | \$1,500.00 |
| Generator | \$1,250.00 |
| Golf Carts | \$2,000.00 |
| Locksmithing | \$1,500.00 |
| 4123 Painting | \$5,000.00 |
| 4124 Plumbing | \$10,000.00 |
| 4126 Welding | \$2,500.00 |
| 4125 Structural | \$5,000.00 |
| 4131 Landscaping | \$7,500.00 |
| 4132 Pool | \$12,500.00 |
| 4130 Total Non-contract Labor | \$83,150.00 |

SUPPLIES

| | |
|---|--------------------|
| 4110 Cleaning Supplies- Chemicals | \$1,000.00 |
| 4111 Cleaning Supplies- Paper | \$1,000.00 |
| 4142 Carpet | \$750.00 |
| 4143 Electrical | \$30,600.00 |
| 4144 Painting | \$7,000.00 |
| 4145 Plumbing | \$6,000.00 |
| 4146 Structural | \$10,000.00 |
| 4140 A/C | \$10,000.00 |
| 4150 Tools & Equipment | \$8,000.00 |
| 4157 Trash Bags | \$1,000.00 |
| 4155 Uniforms - purchase for employees | \$1,500.00 |
| 4134 Pool Equipment | \$8,000.00 |
| 4149 TOTAL SUPPLIES | \$84,850.00 |

TOTAL BUILDING MAINTENANCE

\$168,000.00

ADMINISTRATIVE

| | |
|--|-------------|
| 4005 Accounting Plus Audit | \$22,000.00 |
| 4008 Application / Screening for units | \$7,500.00 |
| 4012 Bank Charges | \$400.00 |
| 4015 Employee Gas | \$250.00 |
| 4024 Interest - charge from vendors for late payments | \$50.00 |

| | | | |
|-------------|--|---------------------|---------------------|
| 4025 | Insurance - All risk | \$680,000.00 | |
| 4026 | Insurance - Claims Deductible | \$2,000.00 | |
| 4029 | Legal - Unit Owners Fees | \$12,000.00 | |
| 4030 | Legal - Non Recoverable Attorney's Fees | \$4,000.00 | |
| 4031 | Legal - Professional Fees | \$40,000.00 | |
| 4032 | Legal Fees Total | | |
| 4033 | Licenses, Fees & Permits | \$6,000.00 | |
| 4034 | Maintenance Fees - 101/102/103/104/709 | \$10,000.00 | |
| 4036 | New Hire Fees | \$750.00 | |
| 4042 | Office Kitchen Expense | \$3,500.00 | |
| 4043 | Computers | \$1,500.00 | |
| 4046 | Postage & Delivery | \$4,500.00 | |
| 4050 | Taxes for Property - 709 & Laundry | \$5,500.00 | |
| 4052 | Unit 709 Expense | \$700.00 | |
| 4056 | Radios | \$1,250.00 | |
| 4042 | Office Expense | \$10,000.00 | |
| 4035 | Misc. Office Expense | \$18,000.00 | |
| | TOTAL ADMINISTRATIVE | | \$829,900.00 |

FIXED CONTRACTS

| | | | |
|-------------|------------------------------|---------------------|---------------------|
| | FIRE ALARM | \$2,400.00 | |
| 4202 | A/C AND CHILLERS | \$42,564.00 | |
| 4041 | COPIER BUY/RENTAL | \$5,200.00 | |
| 4205 | ELEVATOR | \$58,200.00 | |
| 4210 | HOUSEKEEPING | \$132,000.00 | |
| 4131 | LANDSCAPING | \$15,600.00 | |
| 4220 | PEST CONTROL | \$7,200.00 | |
| 4040 | PHONE INSURANCE | \$400.00 | |
| 4420 | PHONE MAINTENANCE | \$1,500.00 | |
| 4225 | SECURITY | \$360,000.00 | |
| 4229 | VALET | \$145,600.00 | |
| 4230 | WASTE REMOVAL | \$81,900.00 | |
| 4231 | WATER TREATMENT | \$4,800.00 | |
| | TOTAL FIXED CONTRACTS | | \$854,964.00 |

PAYROLL, TAXES, BENEFITS

| | | | |
|-------------|-------------------------------------|--|---------------------|
| 5010 | Manager | | \$52,000.00 |
| 5010 | Office Staff | | \$125,000.00 |
| 5014 | A/C | | \$18,200.00 |
| 5031 | Carpentry | | \$31,200.00 |
| 5080 | Contractor Control | | \$29,674.00 |
| 5015 | Electrical | | \$41,600.00 |
| 5025 | Maintenance | | \$62,160.00 |
| 5031 | Plumbing | | \$18,200.00 |
| 5032 | Pool | | \$40,500.00 |
| 5035 | Structural | | \$31,200.00 |
| 6005 | Holiday Gift Fund | | \$6,000.00 |
| 4028 | Workmen's Compensation | | \$24,000.00 |
| 6010 | FICA | | \$28,123.51 |
| | Additional Holiday Personnel | | \$4,000.00 |
| 6000 | Employee Health Insurance | | \$36,000.00 |
| 6030 | FUTA | | \$25,385.64 |
| 6020 | Medicare | | \$6,811.14 |
| 6040 | SUTA | | \$3,757.87 |

TOTAL LABOR COST

\$584,792.16

UTILITIES

| | | | |
|-------------|---------------------------|--------------------|---------------------|
| 4405 | Cable | | \$159,165.00 |
| 4410 | Electric | | \$408,000.00 |
| 4415 | Gas | | \$52,000.00 |
| 4416 | Gas Transportation | | \$18,000.00 |
| 4417 | Total Gas Expense | \$70,000.00 | |
| 4420 | Telephone | | \$5,200.00 |
| 4425 | Water & Sewer | | \$325,000.00 |

TOTAL UTILITIES

\$967,365.00

SPECIAL PROJECTS

| | | |
|-----------------------|--|---------------|
| Paint Building | | \$0.00 |
|-----------------------|--|---------------|