



# PARK TOWER CONDOMINIUM ASSOCIATION

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

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## **SPECIAL UNIT OWNER MEETING AGENDA For Review Of The PTCA 2025/2026 Proposed Operating Budget Monday January 13th, 2025**

### **7:30pm Call to Order**

This is a meeting of the owners. The meeting chair is expected to be the Board President Michael Parrie who will bring the meeting to order, direct discussion and call on participants to speak as necessary. Please be courteous and respectful to those speaking. Wait to be recognized by the meeting chair before speaking.

### **Report Items:**

- I. Electricity Budget Presentation by Prospect Resources.
- II. Presentation of Proposed Budget and Comments from Board.
- III. Unit Owner Questions and Comments Regarding the Proposed Operating Budget for the 2025/2026 Fiscal Year, Distributed by U.S. Mail and Electronically the week of December 9, 2024.
- IV. Any Further Considerations.

### **Adjournment**

After a motion and second from the floor, the Unit Owners may vote to adjourn the Special Meeting of Unit Owners.

*A sample resolution for an owner from the floor follows: "I move to adjourn the January 13th, 2025 Special Meeting of the Park Tower Condo Association Unit Owners for review of the proposed operating budget for the 2025/2026 fiscal year, at \_\_\_PM."*



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December 13, 2024

## NOTICE OF SPECIAL MEETING OF THE UNIT OWNERS TO DISCUSS PROPOSED BUDGET FOR 2025-2026

To be held Monday, January 13, 2025, 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 13)

Dear Owner,

Please find enclosed for your review the proposed annual budget for the fiscal year March 1, 2025 to February 28, 2026, 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.

**We are looking at a 3.8% assessment increase for the upcoming year.**

Type	Average Increase
Studio	\$20.30
One Bedroom	\$28.31
Two Bedroom	\$45.64

Based on the 5-year budget and 10-year projection closely following our Reserve Study, at this time we can expect a 3.95% increase for the following two years, too, through 2027-2028. Besides the costly riser projects, large expenses in those years include the 2<sup>nd</sup> floor deck and pergolas, 2<sup>nd</sup> floor coating under deck, and the domestic hot water tank for the high rise.

Then a 4.1% increase for 2028-2029 and 4% increase 2029-2030 is projected. In those years, pool and mall area windows and doors, fire pumps, the beginning of HVAC riser projects, the 2<sup>nd</sup> floor roof (northwest), walkway and workroom windows and doors, the pool liner, and garage surface repairs are all anticipated.

Of course, this is subject to change based on current conditions at the time, such as natural disasters driving up insurance rates, and inflation. We would love to keep assessments capped at 3.5%, but that would not be reflecting reality. In general, please plan your budget moving forward for these potential increases in future years.

An observation is that the electricity budget has increased by 22.5% as compared to last year's budget. Our consultants with Prospect Resources, explains three main reasons for this. First, a capacity auction

on the grid that ComEd is a part of had resulted in a substantial increase of 833% that is legislated and not alterable by Prospect. The increase is driven by a decreased electricity supply caused by a large number of generator retirements, an increased electricity demand, and implementation of Federal Energy Regulatory Commission approved reforms. Second, utility charges have increased by 13% as compared to last year's budget. Almost the entirety of this increase is due to the ComEd carbon-free adjustment. And third, the cost of electricity has continued trending up compared to previous years.

Something new this year is the loss of rent on the market space, unit 14c, which is presently vacant. A commercial broker is advertising the space and trying to find us a new tenant.

Similar to prior years, the building insurance rates continue to go up. In fact, over half of a million dollars of our budget is attributed to insurance costs. In addition, water and other utilities, property taxes, union payroll (Local 1 and 727), metals, electronics, supplies, and material all drive up the cost. It is suspected that this may seriously pressure the assessment levels over the next several years.

What's more, we subsidize the health club compared to the expense to operate it, and arguably the garage, with lower rates in comparison to other buildings in the area. The health club membership costs went up two years ago, and are proposed to increase for this upcoming year. In addition, the Board observed our parking rates to be lower than other buildings and has attempted to find a more middle-of-the-road balance. Moving forward, parking rates are planned to go up each year, consistent with the assessments, so that the burden of the garage will be more equitable to non-parkers.

As always, the contributions to the reserve follow Reserve Advisors' recommendations for an over 50-year-old building, as closely as possible. Indeed, we need to keep this reserve healthy for upcoming expenses, such as the huge expense of curtain wall sealants in 2030-2031 at a projected cost of \$4.3 Million. We would like to keep our building's status of NEVER HAVING A SPECIAL ASSESSMENT, and therefore the budget you are presented with is proposed to assume we will contribute the appropriate amount to the reserve to do so.

Besides assessments, we are increasing some fees and rates for ancillary services. For this one year only, laundry room washers and dryers will NOT increase. With these changes, total project revenue is budgeted to increase \$306,000 over the current fiscal year.

Bike room	Increase \$15 (from \$60 to \$75) for lower rack Increase \$2 (from \$48 to \$50) for upper rack and wall-hanging Increase \$5 (from \$30 to \$35) for winter rate	
Astound (formerly RCN) Bulk Cable/Internet	Increase \$3.76 (from \$59.15 to \$62.91)	
Health Club Memberships	Increase 5%  <u>Park Tower</u> Single 1-month (from \$43 to \$45) Single 6-month (from \$226 to \$237) Single 1-year (from \$318 to \$334) Double 1-month (from \$64 to \$67) Double 6-month (from \$353 to \$371) Double 1-year (from \$573 to \$602)	Increase 5%  <u>5445 and 5455 N. Sheridan Road</u> Single 1-month (from \$53 to \$55) Single 6-month (from \$284 to \$298) Single 1-year (from \$399 to \$419) Double 1-month (from \$80 to \$82) Double 6-month (from \$441 to \$463) Double 1-year (from \$717 to \$753)

	Family 1-month (from \$90 to \$94) Family 6-month (from \$509 to \$534) Family 1-year (from \$798 to \$838)	Family 1-month (from \$113 to \$116) Family 6-month (from \$636 to \$668) Family 1-year (from \$998 to \$1,048)
Guest Parking	Increase \$1 (from \$10 to \$11) – Book of 5 coupons would increase from \$50 to \$55	
Valet Parking	Increase \$5 (from \$160 to \$165)	
Self-Parking	Increase \$5 (from \$160 to \$165)	
Premium Parking	Increase \$5 (from \$175 to \$180)	
Tandem Parking	Increase \$2.50 per vehicle (or \$5 for the one spot, from \$260 to \$265)	
Commercial Day Parking	Increase \$7 (from \$208 to \$215)	
Hourly Parking	Increase \$1 per bracket (i.e., 1 hr = from \$14 to \$15, 1-3 hrs = from \$16 to \$17, etc.)	

Over the past couple of years, we have experienced an increase in after-hours or weekend moves, despite a current fine of \$400 plus \$100 misuse of the service elevator. This penalty has not been high enough to discourage this bad behavior. The board and ownership approved a new rule of allowing one weekend move per month. It is proposed to be \$1,000 for two moves that include one premium reservation timeslot on a Saturday, 10 am to 2 pm, versus the \$650 for two moves during the day during the weekdays. Fines will be assessed higher than this amount if a move occurs without prior arrangement.

As you are aware, we have worked on the riser project over several years to replace the original pipes in each tier in order to avoid leaks and flooding. With the completion of the hallway redecorating and ASTOUND fiber conversion, we expect to be resuming work on the risers. Overall, reserve projects over \$50,000 in 2025-2026 and their anticipated costs include:

Building Automation System HVAC	\$300,000
Riser Projects	\$678,000
Exterior Fence with Park	\$50,000
Water Valves (phase 2 of 3)	\$60,000
Condenser Pump 4	\$80,000

The proposed annual reserve contribution increases \$133,000 to \$2,112,700. This is very consistent with the recommendation in the Reserve Study and was closely considered as our team worked to determine what our capital repairs and replacements needs are.

**Please join us at a Special Meeting to discuss the proposed budget on Monday, January 13, 2025, 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 As Proposed December 2024

## 2025/2026 Budget Summary

Code	Category and Account Titles	2026	2025	2025	2025	2026 Budget vs 2025	
		Budget	Forecast	Budget	Variance	Inc (Dec)	%
51100000	<b>Residential assessments</b>	6,572,900	6,332,000	6,332,000	0	240,900	3.80%
	TOTAL CONDOMINIUM ASSESSMENT REVENUE	6,572,900	6,332,000	6,332,000	0	240,900	3.80%
	<b>Other Revenue</b>						
51150000	Cable assessments	524,700	493,311	493,300	11	31,400	6.37%
51200000	Apartment rent	24,300	23,465	24,000	(535)	300	1.25%
51400000	Commercial base rent	26,900	46,532	50,100	(3,568)	(23,200)	-46.31%
54100000	Interest income-project operations	43,800	54,267	50,000	4,267	(6,200)	-12.40%
59100000	Laundry income	96,400	96,227	96,400	(173)	0	0.00%
59220000	Late fees	28,600	27,890	30,600	(2,710)	(2,000)	-6.54%
59340000	Misc service income	178,600	188,312	155,900	32,412	22,700	14.56%
59740001	H/C resident membership	156,400	148,591	138,700	9,891	17,700	12.76%
59770000	Transfer fees	64,200	62,848	62,800	48	1,400	2.23%
59790000	Lock out fees	7,200	7,955	7,200	755	0	0.00%
59850000	Bike room fees	16,400	11,198	10,800	398	5,600	51.85%
59870000	Fines	54,000	66,100	42,000	24,100	12,000	28.57%
59900000	Misc other income	40,000	39,386	40,000	(614)	0	0.00%
59910000	Rooftop antenna fees	120,000	114,564	122,900	(8,336)	(2,900)	-2.36%
59920000	Party room	2,600	2,925	2,600	325	0	0.00%
59930002	Security reimbursed	4,300	7,125	3,800	3,325	500	13.16%
	TOTAL NONASSESSMENT REVENUE	1,388,400	1,390,696	1,331,100	59,596	57,300	4.30%
	<b>TOTAL REVENUE</b>	<b>7,961,300</b>	<b>7,722,696</b>	<b>7,663,100</b>	<b>59,596</b>	<b>298,200</b>	<b>3.89%</b>
	<b>Administrative Expenses</b>						
63110000	Office supplies/expenses	5,800	5,686	5,800	114	0	0.00%
63110002	Copier Expenses	7,900	7,308	8,400	1,092	(500)	-5.95%
63120000	Office/Computer Equipment	8,400	8,201	8,400	199	0	0.00%
63200000	Management fee	130,200	127,700	127,700	0	2,500	1.96%
63400000	Legal	23,900	24,270	33,700	9,430	(9,800)	-29.08%
63410000	Legal collections	100	0	100	100	0	0.00%
63500000	Audit expense	6,100	5,800	5,800	0	300	5.17%
63600000	Telephone and answering service	10,100	9,370	9,500	130	600	6.32%
63700000	Bad debts	30,000	0	26,000	26,000	4,000	15.38%
63800000	Consulting/professional costs	23,600	9,600	9,600	0	14,000	145.83%
63880000	Assmnt - Assn owned commercial unit	48,300	46,115	46,100	(15)	2,200	4.77%
63880001	Assmnt - Assn owned mgmt office	7,300	6,684	6,700	16	600	8.96%
63900000	Misc administrative expenses	10,500	10,885	10,500	(385)	0	0.00%
64250000	Postage & delivery service	8,100	8,125	8,100	(25)	0	0.00%
67100000	Real estate taxes	30,300	28,867	30,400	1,533	(100)	-0.33%
67150002	Education/Training	6,700	5,613	8,700	3,087	(2,000)	-22.99%
67190000	Miscellaneous taxes	1,000	1,004	800	(204)	200	25.00%
67200000	Property and liability insurance	563,100	504,200	506,200	2,000	56,900	11.24%
	TOTAL ADMINISTRATIVE EXPENSES	921,400	809,428	852,500	43,072	68,900	8.08%
	<b>Payroll Expenses</b>						
63100000	Office salaries	307,000	298,575	300,500	1,925	6,500	2.16%
65100000	Janitor and cleaning payroll	992,700	981,311	940,900	(40,411)	51,800	5.51%
65330000	Doorstaff payroll	270,400	234,508	209,700	(24,808)	60,700	28.95%
65430000	Healthclub/pool payroll	76,900	76,115	75,500	(615)	1,400	1.85%
67110000	Fed unemployment tax	1,400	1,400	1,400	0	0	0.00%
67120000	State unemployment tax	7,200	7,200	7,200	0	0	0.00%
67130000	FICA	126,000	120,000	150,300	30,300	(24,300)	-16.17%
67220000	Workers compensation	23,800	22,926	21,100	(1,826)	2,700	12.80%
67260001	Other employee benefits - maint	302,900	297,320	301,800	4,480	1,100	0.36%
67260002	Other Employee Benefits - Admin	47,900	49,958	52,200	2,242	(4,300)	-8.24%
67260004	other employee benefits- doorman	79,300	73,661	67,700	(5,961)	11,600	17.13%
	TOTAL PAYROLL EXPENSES	2,235,500	2,162,974	2,128,300	(34,674)	107,200	5.04%
	<b>Utility Expenses</b>						

Code	Category and Account Titles	2026	2025	2025	2025	2026 Budget vs 2025	
		Budget	Forecast	Budget	Variance	Inc (Dec)	%
64500000	Electricity	523,900	427,736	436,400	8,664	87,500	20.05%
64510000	Water & Sewer	397,700	384,268	404,100	19,832	(6,400)	-1.58%
64520000	Gas	585,500	524,397	614,300	89,903	(28,800)	-4.69%
	TOTAL UTILITY EXPENSES	1,507,100	1,336,401	1,454,800	118,399	52,300	3.59%
	<b>Operating Expenses</b>						
62120000	Licenses/fees/permits	7,500	7,500	7,500	0	0	0.00%
63880002	Assmnt - Assn owned engineer's unit	22,600	21,565	21,500	(65)	1,100	5.12%
64610000	Exterminating	50,700	47,875	49,800	1,925	900	1.81%
65140000	Lamps and bulbs	6,600	6,959	8,100	1,141	(1,500)	-18.52%
65150000	Janitors and cleaning supplies	20,000	20,745	19,800	(945)	200	1.01%
65600001	Maintenance supplies	9,400	9,128	9,400	272	0	0.00%
	TOTAL OPERATING EXPENSES	116,800	113,772	116,100	2,328	700	0.60%
	<b>Contract Expenses</b>						
64150000	Cable TV expense	524,700	497,398	493,300	(4,098)	31,400	6.37%
65180000	Uniforms	16,500	9,105	15,100	5,995	1,400	9.27%
65250000	Rubbish removal	42,400	46,722	41,200	(5,522)	1,200	2.91%
65300000	Security payroll/contract	120,900	109,335	175,000	65,665	(54,100)	-30.91%
65360000	Landscaping\ground maintenance	53,500	51,091	52,700	1,609	800	1.52%
65450000	Elevator contract	123,400	119,418	118,900	(518)	4,500	3.78%
65460000	Heating/cooling R&M/Contract	38,700	38,500	38,200	(300)	500	1.31%
65660000	Metal maintenance	17,500	17,332	18,000	668	(500)	-2.78%
65680000	Plant maintenance/rental	6,400	6,400	6,400	0	0	0.00%
65810000	Window washing	31,000	21,700	30,000	8,300	1,000	3.33%
	TOTAL CONTRACTS	975,000	917,001	988,800	71,799	(13,800)	-1.40%
	<b>Maintenance &amp; Repair Expenses</b>						
65220000	Plumbing\HVAC supplies	23,800	28,509	23,800	(4,709)	0	0.00%
65300001	Security-move ins/outs	15,500	16,589	14,900	(1,689)	600	4.03%
65310000	Security equipment	11,500	12,203	11,300	(903)	200	1.77%
65380000	Snow removal	5,000	4,833	5,000	167	0	0.00%
65490000	HVAC materials	66,500	65,306	66,300	994	200	0.30%
65650000	Equipment maintenance	8,500	7,403	7,500	97	1,000	13.33%
65690000	Keys and lock service	14,700	14,498	18,300	3,802	(3,600)	-19.67%
65700190	Building repairs	78,500	80,382	78,500	(1,882)	0	0.00%
65820000	Fire safety equipment	32,400	40,810	30,700	(10,110)	1,700	5.54%
65830000	Roof repairs	9,900	8,855	9,600	745	300	3.13%
65900002	Filters	7,700	6,000	5,800	(200)	1,900	32.76%
65910000	Electrical repairs	10,500	10,364	12,500	2,136	(2,000)	-16.00%
65950000	Plumbing/sewer repairs	27,900	25,718	25,700	(18)	2,200	8.56%
65960000	Floor repairs/cleaning	3,600	3,600	3,600	0	0	0.00%
65990000	Window repairs	4,200	2,500	4,200	1,700	0	0.00%
66830000	Resident reimbursed repairs	82,400	95,373	78,000	(17,373)	4,400	5.64%
	TOTAL MAINTENANCE & REPAIR EXPENSES	402,600	422,943	395,700	(27,243)	6,900	1.74%
	<b>Social &amp; Recreational Expenses</b>						
63130000	Social activities/events	12,400	11,565	10,700	(865)	1,700	15.89%
65470002	Health club repairs/maintenance	10,500	10,896	8,000	(2,896)	2,500	31.25%
65470008	Healthclub expenses	9,400	9,352	9,400	48	0	0.00%
65471111	Pool supplies/expenses	13,600	19,340	8,000	(11,340)	5,600	70.00%
	TOTAL RECREATIONAL	45,900	51,153	36,100	(15,053)	9,800	27.15%
	<b>TOTAL EXPENSES</b>	6,204,300	5,813,672	5,972,300	158,628	232,000	3.88%
	<b>GARAGE OPERATIONS</b>						
	<b>Garage Income</b>						
51110001	Guest parking	38,100	36,215	35,800	415	2,300	6.42%
51110002	Valet parking	247,500	232,312	220,800	11,512	26,700	12.09%
51110003	Motorcycle parking	4,700	4,500	6,500	(2,000)	(1,800)	-27.69%
51110004	Tandem parking	101,800	95,176	99,800	(4,624)	2,000	2.00%
51110005	Reserved parking	79,900	75,600	79,800	(4,200)	100	0.13%
51110006	Commercial parking	185,800	187,824	172,900	14,924	12,900	7.46%
51110007	Garage cash sales	10,000	8,368	10,000	(1,632)	0	0.00%
51110008	Garage late fee	3,300	3,025	3,300	(275)	0	0.00%

