

**Approval of FY 2021 Budget
Resolution Worksheet**

Date: March 18, 2020

Suggested Motion:

“I move to approve the FY 2021 Budget with ____ % increase in Assessments over the level of Assessments in FY 20”

2nd:

Summary:

The FY 2021 draft budget is attached.

Vote:

	In Favor	Opposed	Abstained	Absent
Scott Buchanan				
Dan Courtney				
Susan Cox				
Maria Wildes				
James Konkel				
Nathan Davis				
Kathy Schramek				
Nicholas Soto				
Robin Woods				

Proposed Parkfairfax FY21 Budget

Assessment Income			2020	2021	
	<u>Barkan</u> <u>Codes</u>		<u>Current</u> <u>Budget</u>	<u>Draft</u> <u>budget</u>	
		Percentage Increase	1.44%	0.00%	
	5110.001	4001 Residential Assessments	9053341	9053269	
		Subtotal	9053341	9053269	
Unit Rental Income					
rental		4500 Rental-223-3278 M Custis Dr	19200	0	Sell 3278 MC
oncall		4501 Rental-309-3544 M Custis Dr	7800	6804	
rental		4502 Rental-309-3546 M Custis Dr	17580	17580	
rental		4503 Rental-309-3552 M Custis Dr	17580	17580	
rental		4504 Rental-401-1401 M Custis Dr	18720	18720	
rental		4505 Rental-401-1403 M Custis Dr	18960	18960	
rental PD		4507 Rental-401-1407 M Custis Dr	11700	12000	
rental		4508 Rental-802-3344 Valley Dr	24000	24000	
oncall		4509 Rental-309-3554 M Custis Dr	7800	6804	
oncall		4510 Rental-802-3354 Valley Dr	10800	8160	
oncall		4515 Rental-401-1405 M Custis Dr	12600	9708	
	5110.000	Subtotal	166740	140316	
Other Income					
	5990.310	4610 Cable Revenue	16800	16800	
	5920.000	4615 Late Fees & Interest	18000	20000	based on 2020 trending
	5990.600	4625 Key Fees	8000	8000	
	5990.008	4630 In Unit Service Fees/USP Income	40000	40000	
	5910.000	4635 Laundry Fees	48000	40000	Based on FY20 trending
	5991.010	4645 Newsletter Advertising	40000	28000	newsletter smaller less ads
	5110.180	4650 Facilities Rental Income	5000	5000	
	5990.190	4655 Storage Facility Rental Income	45000	50000	Based on 10% increase
	5990.220	4660 Resale Processing Fees	48000	48000	
	5990.000	4690 Other User Income	8000	8000	
	5410.000	4910 Interest Earned-Reserve Accounts	70000	93000	based on 2020 trending
		Subtotal Other Income	346800	356800	
		total other income and unit rental income	513540	497116	
		Total Income	9566881	9550385	
Administrative					
	2320.000	2185 AU Mortgage Principal	4982		
	6301.000	5010 Activity Charges/Activities Committees	10000	11700	1 movie night & licensing
	6351.020	5020 Computer Repair & Maintenance	35000	38000	based on 2019 trending
	6311.080	5030 Office Equipment Lease	7200	7200	
	6311.000	5035 Office Supplies	15500	15500	
	6311.010	5036 Copying	6800	0	combined with 5070
	6311.130	5040 Office Systems Services	47000	40000	Keytrak Maint & Buildium
	6391.000	5045 Dues & Subscriptions	300	300	
	6390.900	5050 Newsletter Services	38500	32000	reduced smaller issues
	6390.180	5055 Unit Assessments/Assn Fees for AO Units	98127	91743	Remove 3278 MC
	6311.050	5060 Postage	19000	10000	reduced based on trending and annual meeting postage carried in line 6390.009
	6311.010	5070 Printing	4400	11200	added line 5036 coping
	6360.000	5080 Telephone Services	32500	36000	
		5090 Other Administrative Services	33000	30000	
		5095 Website Design & Maintenance	0	0	
		Subtotal Administrative	352309	323643	
Board/Annual Meeting Expenses					
	6390.009	5100 Annual Meeting Expenses	14000	14000	
		Subtotal	14000	14000	

Proposed Parkfairfax FY21 Budget

Payroll Salaries					
	5302	Administrative Salaries	299937	271369	3.00%
	5304	Maintenance Salaries	1077946	1125608	Includes 2 and 3% per CBA
	5306	Manager/Assistant Manager Salaries	338592	323131	2.00%
		Subtotal	1716475	1720108	
Payroll Taxes/Benefits					
	5325	Bonuses	1000	1000	
	5330	Health Life Benefits	465277	459728	based on Man-U increase and 15% contribution
6392.020	5335	Mileage	300	300	
	5340	Payroll Taxes - Management	34977	33379	
	5345	Payroll Taxes - Administrative	30981	28032	
	5350	Payroll Taxes - Maintenance	111352	116275	
	5365	Retirement - Management	12491	12931	
	5370	Retirement - Administrative	6813	7053	
6513.000	5375	Retirement - Maintenance	29494	30533	
	5380	Employee Recruitment	400	400	
	5390	Workers Compensation	74758	82585	w/ new mod 9.4%% increase
6513.000	5395	Education/Training Benefit	8000	8000	
		Subtotal Payroll Taxes/Benefits	775843	780218	2500326
Utilities					
6451.000	6010	Water Service & Sewer	1251995	1289555	3% increase
6452.000	6020	Gas Service	240000	220000	Based on 2019 trending
6450.000	6030	Electric Service	100000	100000	
6525.000	6035	Trash & Recycling Service	352975	352975	
		Subtotal Utilities	1944970	1962530	
Contracted Services and Supplies					
6537.000	6100	Grounds & Landscaping - Contracts	277460	283009	2% per contract
6550.300	6115	In Unit Supplies/USP Parts & Supplies	10000	10000	
6537.010	6120	Tree Maintenance	180000	180000	
6537.040	6130	Landscape Other	120000	120000	
6519.000	6140	Pest Control	95000	83000	based on trending
6518.000	6150	Uniforms	18000	20000	based on trending
6548.000	6160	Snow Removal Services	20000	20000	
6541.043	6170	Exercise Facility Equipment R&M	3000	3000	
6570.000	6190	Vehicles Major Repairs	17000	0	move to 6195
6570.000	6195	Vehicle Gas & Maintenance	30000	47000	combined with 6190
		Subtotal Contracted Services & Supplies	770460	766009	
Repair & Maintenance					
6541.000	6410	Building Repair & Maintenance	100000	100000	
	6415	Electrical/Lighting Repair & Maintenance	0	0	moved to reserves 1.027
6541.810	6420	Equipment Rental/Repair & Maintenance	2500	2500	
	6430	General Repair & Maintenance	0	0	combined to 6410
6541.230	6440	General Maintenance Supplies & Equip	35000	35000	
6515.000	6445	Janitorial and Cleaning Supplies	20000	20000	
6562.000	6450	Painting Services (contracted)	221000	240000	new contract with doors (including est window credits)
6562.100	6452	Painting Supplies	17000	19000	
6541.280	6455	Plumbing Supplies	30000	30000	
	6460	New Railing Installation	0	0	moved to reserves 1.012
6541.001	6470	Tools	3000	3000	
		Subtotal Repair & Maintenance	428500	449500	

Proposed Parkfairfax FY21 Budget

[illegible]

PKFX Codes	Barkan Codes	Item Description	2020 Approved	2021 Proposed	2017 Updated Reserve Study recommended 2021	
1.003	9114.210	Asbestos Abatement, Crawl spaces, Partial (7 year project)	\$140,000.00	\$120,000.00	\$144,986.00	
1.006	9114.210	Building Settlement Allowance - 1 bldg/yr (2013-2024)	\$560,000.00	\$600,000.00	\$569,686.00	
1.009	9114.210	Building Waterproofing Allowance - Years 1-10	\$120,000.00	\$100,000.00	\$150,355.00	
1.011	9901.011	Building Entry Porches/Handrails (Years 1-10)	\$25,000.00	\$25,000.00	\$24,164.00	
1.012	9901.011	Concrete Stoops, Railings, Phased	\$10,000.00	\$10,000.00	\$10,000.00	
1.015	9901.011	Building Stoop Replacement - Years 1-10	\$140,000.00	\$140,000.00	\$144,986.00	
1.016		Crawlspaces Ventilation			\$60,537.00	
1.018	9114.210	Building - Laundry Room Doors Allowance - Years 1-10	\$5,000.00	\$5,000.00	\$19,761.00	
1.021	9114.210	Building Fascia Repairs	\$100,000.00	\$100,000.00		
1.024	9901.016	Building Downspout/Gutter and Pine Guard Replacement	\$125,000.00	\$125,000.00	\$197,893.00	
1.027	9901.010	Site Security Lighting Fixtures /Electrical	\$30,000.00	\$30,000.00	\$30,000.00	
1.030	9114.210	Building Mold Abatement Allowance	\$60,000.00	\$60,000.00	\$64,438.00	
1.033	9901.016	Building Terra Cotta Tile Roofs Years 1-10	\$115,000.00	\$115,000.00	\$136,072.00	
1.039	9901.016	Building Cupola Replacement Allowance (3 per year)		\$15,000.00		
1.042	9901.016	Building Copper Roof Valleys-Years 1-10	\$18,000.00	\$18,000.00		
1.043	9901.016	Building Copper Roof Flashing - Years 1-10	\$15,000.00	\$65,000.00		
1.045	9114.210	Building - Shutter Replacement Allowance - Years 1-10	\$7,500.00	\$7,500.00	\$8,270.00	
1.048	9901.006	Building - Masonry Tuckpointing Allowance - Years 1-10	\$60,000.00	\$60,000.00		
1.051	9901.006	Building "Sand Brick" Repair Allowance - Years 1-10	\$10,000.00	\$10,000.00	\$10,740.00	
1.054	9114.210	Building - Wood Trim Replacement Allowance - Years 1-10	\$130,000.00	\$130,000.00	\$134,246.00	
1.055	9114.210	Building Louver/Vent Gable End Allowance - Years 1-10	\$40,000.00	\$40,000.00		
1.057	9901.024	Electrical Meter Panels Inspection/Repair - Years 1-10				
1.060	9901.008	PEX Domestic Water Piping (Cold and Hot Water Laterals) yr 6	\$345,000.00	\$345,000.00	\$359,779.00	
1.063	9901.008	Domestic Water Piping (Cold Water Laterals) - Years 1-10				
1.066	9901.008	Building Gas Pipe Repair	\$10,000.00	\$20,000.00		Based on JD Relleck
1.069	9901.008	Sewer Line Repairs	\$127,000.00	\$127,000.00	\$107,397.00	
1.070	9901.008	Pipes, Subsurface Utilities, Storm Sewer Lines, Partial	\$125,000.00	\$125,000.00	\$107,397.00	
1.071	9901.008	Building Attic Smoke Alarm Maintenance	\$5,000.00	\$5,000.00		Attic smokes install FY19
1.072	9901.029	Boiler Room Sump Pumps (10 every year)	\$4,260.00	\$4,260.00		
1.075		Water Heaters, Phased				
1.076	9901.040	Building Falling Ceiling Repair Allowance - Years 1-10	\$30,000.00	\$30,000.00		
1.078		Building Condition Assessment				
1.079	9901.008	Fire Hydrants - Replacement	\$3,600.00	\$3,600.00		
1.080		Laundry Room Heaters (Replacement Allowance)				
2.003		Furnishings, Phased				
2.006		HVAC Equipment, Phased				
2.009		Interior Renovation				
2.012	9801.390	Office Equipment, Computers, Phased			\$4,833.00	
2.018	9901.121	Office Equipment, Telephone System				
2.024		Windows and Doors				
3.003		Exercise Equipment, Cardiovascular, Phased			\$15,825.00	equipment replaced in 2019
3.006	9901.005	Exercise Equipment, Strength Training				
3.009		HVAC Equipment				
3.012	9901.004	Interior Renovation (Finishes, Light Fixtures, Plumbing Fixtures)				
3.015		Windows and Doors				
4.006	9901.870	AU Air Conditioners - Years 1-10	\$3,000.00	\$2,500.00	\$12,219.00	96657 split
4.009	9901.870	AU Appliances - Years 1-10	\$3,000.00	\$2,500.00	\$32,219.00	between 4
4.010	9901.940	AU Kitchen Cabinet - On-call Unit (2)	\$5,000.00	\$3,500.00	\$32,219.00	line items
4.012	9901.940	Bathroom Renovations - On-call Units (2)	\$5,000.00	\$3,500.00	\$20,000.00	
5.009	9801.390	Information Technology Equipment, Partial (Computers, Server, Telephone System)				
5.012		Interior Renovation, Maint Office Building				
5.024		MC Building Tuckpointing/Masonry Repairs				
5.020	9901.006	MC Security Camera/System Repairs				
5.039	9801.510	John Deere Gator				
5.040		Snow Blower 1				
5.042		Equipment, Water Jet Machine				
5.048		Vehicle, CC 1500, Chevrolet, 2010				
5.051		Trucks 1 & 13 Chevrolet Express Vans		\$23,980.00		
5.054		Truck #5 Chevrolet C35 Stake				
5.060		Vehicle, Express Van, Chevrolet, 2010				
5.063		Truck #4 Chevrolet G150				
5.069		Truck #10 Chevrolet S10 PU (2000; 17 years old)				
5.072		Truck #8 Toyota Tacoma				
5.075		Vehicle, Tacoma, Toyota, 2010				
6.003	9901.011	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat			\$9,126.00	

6.006	9901.011	Asphalt Pavement, Mill and Overlay, Parking Culs-du-sac	\$30,000.00	\$25,000.00		
6.009	9901.011	Asphalt Pavement, Mill and Overlay, Private Streets and Recreation Parking Areas			\$64,921.00	
6.012	9901.011	Allowance for Pavement Repairs	\$15,000.00	\$15,000.00		
6.015	9901.011	Catch Basins, Inspections and Capital Repairs, Phased			\$19,331.00	
6.021	9901.011	Concrete Sidewalks, Partial	\$50,000.00	\$45,000.00	\$41,187.00	Based on average
6.024		Fences, Chain Link, Maintenance Facility (Includes Gate and Operator)				
6.027		Fences, Chain Link, Perimeter, Phased		\$10,000.00	\$20,137.00	
6.030		Fences, Wood				
6.033	9901.980	Landscape, Partial Replacements	\$130,000.00	\$125,000.00	\$139,616.00	
6.034	9901.980	Mulching - Common Areas	\$82,000.00			
6.036	9901.980	Retaining Walls, Timber				
6.039	9901.991	Wooden Focal Signs (8 Total)				
7.003	9901.019	Concrete Decks, Inspections, Partial Replacements and Repairs				
7.005		Covers				
7.006		Fences, Aluminum, Pools B and C				
7.007		Fence, Chain Link, Pool A				
7.009	9801.520	Furniture, Phased				
7.011		Light Poles and Fixtures				
7.013		Mechanical Equipment, Phased				
7.015		Pool Finishes, Plaster				
7.017		Pool Houses, Exterior Renovations				
7.019		Pool Houses, Interior Renovations				
7.021		Structures and Decks, Total Replacement				
7.065		Tennis Courts, Fences				
7.067		Tennis Courts, Light Poles and Fixtures				
7.069		Tennis Courts, Cushioned Hard Court Surface System Replacement				
7.071		Light Poles and Fixtures, Along Path				
7.073		Pavilion, Capital Repairs				
7.075		Playground Equipment, Phased (Includes Playgrounds throughout Property)				
7.077		Rest Room Building Renovation				
7.081		Tennis and Basketball Courts, Fences				
7.083		Tennis and Basketball Courts, Light Poles and Fixtures				
7.085		Tennis and Basketball Courts, Cushioned Hard Court Surface System Replacement				
8.003		Management - Reserve Study Update	\$18,000.00			
			\$2,701,360.00	\$2,691,340.00	\$2,692,340.00	
					\$1,000.00	difference from study to proposed
			\$2,701,360.00			
			\$2,701,360.00			
		Monthly contribution per fin comm/management recommended		\$224,278.33		
		Monthly contribution per reserve advisor 2017 study for 2020			\$201,216.67	

Parkfairfax Condominium Unit Owners Association
Fiscal Year 2020/2021 Budget Narrative
1 June 2020 thru 31 May 2021
Section 1: INCOME

<u>Account Number</u>	<u>Projected Income</u>	<u>Line Descriptor/Commentary</u>
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Assessment Income

4001 \$9,053,634

Condominium assessment fee income which, along with the other income sources presented in this section is needed to meet the expenses set forth in Section 2: EXPENSES of this budget. This Fiscal Year 2020/2021 (FY21) Budget includes a 1.01% increase in the condominium assessment fee for each individual unit as compared with its FY20 rate. There is a total of 1,684 condominium units at Parkfairfax. The common interest percentages by which the assessment obligation of each condominium unit is determined are taken from the Association's governing documents.

Condominium Assessments from Unit Owner Owned Units

There is a total of 1,667-unit owner owned units. There are, in addition, 17 units owned by the Association (see Page 2), for a total of 1,684 condominium units. The unit owner owned units can be expected to provide income as calculated below:

	Type/Model/ Common Interest %age/ Number of Units <u>Paying Assessments</u>	2019/20 Monthly Assessment <u>Obligation</u>	2020/21 Monthly Assmt Obligation <u>(.0% Incr.)</u>	2020/21 Total Assessment <u>Income</u>
1A Jackson	0.000515 88	388.56	388.56	410,319
1B Jefferson	0.000558 105	421.00	421.00	530,460
1C Monroe	0.000545 168	411.19	411.19	828,959
1D Adams	0.000508 239	383.27	383.27	1,109,218
1E Garfield	0.000528 120	398.36	398.36	573,638
2A Lincoln	0.000609 167	459.48	459.48	920,798
2A1 Lincoln	0.000633 21	477.58	477.58	120,350
2B Madison	0.000630 425	475.32	475.32	2,424,132
2B1 Madison	0.000649 19	489.65	489.65	111,640
2C Washington	0.000630 226	475.32	475.32	1,289,068
2D Cleveland	0.000718 4	541.71	541.71	26,002
3A Van Buren	0.000754 48	568.87	568.87	327,669
3B Harrison	0.000792 48	597.54	597.54	344,183
3C Coolidge	0.000840 5	633.76	633.76	38,026
4A Roosevelt	0.001013 1	764.28	764.28	9,171
	1684			9,053,634

Condominium Assessments for Association Owned Units

There is a total of 18 Association owned units. The Association makes condominium assessment payments on all 18 units. Of these, 5 units constitute the present Management Office/Community Rooms complex (3360 Gunston Road), 2 units constitute the present Exercise Facility (1409 Martha Custis Drive), 5 units are available to rent, and 5 units are occupied by live-on Maintenance Department staff (4) or by a City of Alexandria Police Department police officer (1).

Assessment	2020/2021 Monthly Assessment	2020/21 Total
	<u>Obligation</u>	<u>Income</u>
<u>Units Comprising the Management Office</u>		
Unit No. 73801/ [3356 G.R.*]/1B/Jefferson	421.38	5057.00
Unit No. 73802/ [3358 G.R.]/1A/Jackson	388.91	4667.00
Unit No. 73803/3360 G.R./3B/Harrison	598.08	7177.00
Unit No. 73804/ [3362 G.R.]/3A/Van Buren	569.38	6833.00
Unit No. 73805/ [3366 G.R.]/1B/Jefferson	421.38	5057.00
<u>Subtotal</u> for 5 units		28,791.00
<u>Units Comprising the Exercise Facility</u>		
Unit No. 40105/1409 M.C.* /1A/Jackson	388.91	4667.00
Unit No. 40106/1411 M.C.* /1A/Jackson	388.91	4667.00
<u>Subtotal</u> for 2 units		9334.00
<u>Units which the Association Rents Out</u>		
Unit No. 80201/3344 V.D./2A1/Lincoln	478.01	5736.00
Unit No. 30902/3546 M.C./1D/Adams	383.61	4603.00
Unit No. 30905/3552 M.C./1D/Adams	383.61	4603.00
Unit No. 40101/1401 M.C./1B/Jefferson	421.38	5057.00
Unit No. 40102/1403 M.C./1A/Jackson	388.91	4667.00
Unit No. 22304/3278 M.C./1E/Garfield (sell)		
<u>Subtotal</u> for 6 units		24,666
<u>Units Occupied by Employees/Police Officer</u>		
Unit No. 30906/3554 M.C./1D/Adams	383.61	4603.00
Unit No. 40104/1407 M.C./3B/Harrison	598.08	7177.00
Unit No. 40103/1405 M.C./3A/Van Buren	569.38	6833.00
Unit No. 80206/3354 V.D.* /2A1/Lincoln	478.01	5736.00
Unit No. 30901/3544 M.C./1D/Adams	383.61	4603.00
<u>Subtotal</u> for 5 units		28,952.00

Total All AU
Units 91,743

TOTAL assessment fee income for all 1,684 units \$9,065,404
*G.R. = Gunston Road; M.C. = Martha Custis Drive; V.D. = Valley Drive. A police officer occupies Unit No. 40103/1407 Martha Custis Drive; Parkfairfax employees occupy the other 4 units in the category of “Units Occupied by Employees/Police Officer”.

The anticipation of maintenance and repair expenses for all 18 Association owned units will be found in many expense accounts lines (#6410, #6430, #6450, etc.) and among elements covered by the Replacement Reserve.

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$9,053,627	\$9,053,627	\$9,053,634

Based on the rental for 5 Association owned units and the 5 on-call and PD occupied units. The Association will charge market competitive rates as leases to new tenants are made and may increase rents somewhat more moderately when present leases are renewed. “M.C.” below = Martha Custis Drive & “V.D.” = Valley Drive.

<u>Units which the Association Rents Out</u>		Monthly Rent	Annual Rent
Unit No. 80201/3344 V.D./2A1/Lincoln	rent	2000	24000
Unit No. 30902/3546 M.C./1D/Adams	rent	1465	17580
Unit No. 30905/3552 M.C./1D/Adams	rent	1465	17580
Unit No. 40101/1401 M.C./1B/Jefferson	rent	1560	18720
Unit No. 40102/1403 M.C./1A/Jackson	rent	1580	18960
Unit No. 22304/3278 M.C./1E/Garfield	rent	0	
<u>Subtotal</u> for 6 units			96840
<u>Units Occupied by Employees/Police Officer</u>			
Unit No. 80206/3354 V.D./2A1/Lincoln	on-call	680	8160
Unit No. 40104/1407 M.C./3B/Harrison	PD	1000	12000
Unit No. 40103/1405 M.C./3A/Van Buren	on-call	809	9708
Unit No. 30906/3554 M.C./1D/Adams	on-call	567	6804
Unit No. 30901/3544 M.C./1D/Adams	on-call	567	6804
<u>Subtotal</u> for 5 units			43,476

<u>Other Income</u>		<u>Approved FY20 Budget</u> \$140,048	<u>FY20 Y-E Projection</u> \$110,296	<u>Proposed FY21 Budget</u> \$140,316
5990.310/4610	\$16,800	<u>Cable Revenue</u> Lump payment from Comcast of 168,000 for 10-year access and use agreement. Amortized over 10 years.		
		<u>Approved FY20 Budget</u> \$16,800	<u>FY20 Y-E Projection</u> \$16,800	<u>Proposed FY21 Budget</u> \$16,800
5920.000/4615	\$20,000	<u>Late Charges</u> The Association collects late fees of 5% for monthly condominium assessment fee payments received after the 10th of the month.		
		<u>Approved FY20 Budget</u> \$18,000	<u>FY20 Y-E Projection</u> \$21,415	<u>Proposed FY21 Budget</u> \$20,000
5990.600/4625	\$8,000	<u>Key/Card Income</u> Estimate income from the sale of tennis court keys @ \$5.00, Exercise Facility, Pools & Maintenance Yard Access Cards @ \$15.00, and laundry room keys @ \$5.00. The projection is that unit sales will be the same.		
		<u>Approved FY20 Budget</u> \$8,000	<u>FY20 Y-E Projection</u> \$7,912	<u>Proposed FY21 Budget</u> \$8,000
5990.008/4630	\$40,000	<u>Unit Service Program (USP)</u> Projected FY20 income is based upon actuals		
		<u>Service</u>	<u>FY19 Rates</u>	<u>FY19 Rates</u>
		Minimum charge	\$25.00	\$25.00
		Half-hour (members)	70.00	70.00
		45 minutes	100.00	100.00
		1 hour	120.00	120.00
		Special Trash pick-up	70.00	70.00
		<u>Approved FY20 Budget</u> \$40,000	<u>FY20Y-E Projection</u> \$32,493	<u>Proposed FY21 Budget</u> \$40,000
5910.000/4635	\$40,000	<u>Laundry Commission</u> This is the income projected from the CS Service Works (old		

MacGray) ten-year laundry lease agreement, which commenced in 2013. The projection is based upon usage of the present machines 102 washers and 102 dryers (total: 204 equipment pieces) in the Association's 50 laundry rooms, from which revenue the Association receives a 57% commission. The projection of income in FY21 is lower than the previously budgeted amount on the presumption that more unit owners have installed their own washers and dryers. We are still attempting to add larger over size machines.

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$48,000	\$42,452	\$40,000

5991.010/4645 **\$28,000**

Advertising Income

Income in FY21 from the Association's monthly newsletter, the **Parkfairfax Forum**, is based upon expected income in FY20.
Reduction due to smaller size newsletter with less advertising.

	<u>FY 18</u>	<u>FY19</u>
1/8 Page	\$ 49	\$ 49
¼ Page	97	97
½ Page	190	190
Full Page	270	270

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$40,000	\$28,000	\$28,000

5110.180/4650 **\$5,000**

Facilities Rental Income

Based on rental of the party rooms/meeting rooms owned by the Assoc. (Bldg. 738) @ \$150.00/rental, projecting 33 rentals during FY21 (note that there is also a \$200.00 refundable deposit requirement for each rental).

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$5,000	\$5,017	\$5,000

5990.190/4655 **\$50,000**

Storage Rental

As availability permits, the Association rents storage spaces to unit owners and residents at rates set forth in Policy Resolution Number 12 (PR 12). There are 8 large rental closets, 81 standard rental closets and 86 rental bins and 8 (1/2) bins = 183 rental spaces altogether. FY21 storage space rental income is based on the **proposed 10% increase** in the following fees: ½ bin for 6 months \$216.00; reg. bin for 6 mos. = \$165.00; reg. bin for 12 mos. = \$330.00; standard closet for 6 mos. = \$132.00; standard closet for 12 mos. = \$262.00; large outside closet for 12 mos. =

\$198.

**Approved
FY20 Budget**
\$45,000

**FY20 Y-E
Projection**
\$45,000

**Proposed
FY21 Budget**
\$50,000

5990.220/4660 **\$48,000**

Resale Certificate Fees

This is the income from unit owners (acting as prospective sellers of their condominium units), for the Association's service (Homewise) of providing certificates of resale. The Association must provide such certificates as a matter of state law under the Virginia Condominium Act. A fee to recover the Association's cost is permitted by the Act. The fees are \$245/certificate, condo questionnaires etc. The FY20 Budget figure is based the projection of income in FY20 and anticipates that conveyances of units in FY19 will probably remain at the pace seen in FY21.

**Approved
FY20 Budget**
\$48,000

**FY20 Y-E
Projection**
\$41,472

\$

**Proposed
FY21 Budget**
48,000

5990.000/4690 **\$8,000**

Other Income

This figure is based on income from bike registrations, coin income from the car vacuum at the Maintenance Yard, kayak storage, sale of old vehicles and equipment, etc.

**Approved
FY20 Budget**
\$8,000

**FY20 Y-E
Projection**
\$7,912

**Proposed
FY21 Budget**
\$8,000

5410.000/4695 **\$93,000**

Interest Income

Parkfairfax's interest income comes from 3 sources:

Union Bank **checking account**

Wells Fargo Advisors **money market account**

Wells Fargo Advisors **bond (CDs & Treasury notes)
investments**

Presume that the Association's money market account maintains an average balance of \$250,000. In consultation with the Association's Wells Fargo Securities investment advisor, Kevin O'Connor, use the following for budget purposes:

**Approved
FY20 Budget**
\$70,000

**FY20 Y-E
Projection**
\$77,688

**Proposed
FY21 Budget**
\$93,000

Other Income Subtotals

\$346,800

\$323,918

\$356,800

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
INCOME TOTALS:	\$9,569,881	\$9,547,295	\$9,550,385

Section 2: EXPENSES

**Account
Number** **Projected FY21
Expenses**

Line Descriptor/Commentary

Administrative Expenses

2320.000/2185 **\$0**

AU Mortgage Principal 3278 Martha Custis

Monthly mortgage principal removed **PAID OFF**

TOTAL

\$0

**Approved
FY20 Budget**

**FY20 Y-E
Projection**

**Proposed
FY21 Budget**

\$4,982

\$0

\$0

6301.000/5010 **\$11,700**

Committees and Activities

TLUC Committee

200

Movie Night (1)

2,725

Activities Committee

8,775

TOTAL

\$11,700

**Approved
FY20 Budget**

**FY Y-E
Projection**

**Proposed
FY21 Budget**

\$10,000

\$9,334

\$11,700

6351.020/5020 **\$38,000**

Computer Maintenance & Support

Funding for all computer maintenance and support to include software.

Dataprise IT Support, O365 Cloud Services.

**Approved
FY20 Budget**

**FY20 Y-E
Projection**

**Proposed
FY21 Budget**

\$35,000

\$36,624

\$38,000

6311.080/5030 \$7,200

Office Equipment Lease

Funding is provided for the office equipment listed below:

Copy Machines	\$ 4,300
Answering service contract	2,500
Radio Repairs	<u>400</u>
TOTAL	\$ 7,200

Approved
FY20 Budget

FY20 Y-E
Projection
\$4,617

Proposed
FY21 Budget
\$7,200

6311.000/5035 \$15,500

Office Supplies

Provides for the purchase of office supplies for day-to-day operations; pens/pencils, paper/paper supplies, fax and computer supplies, water cooler, other office supplies.

Approved
FY19 Budget
\$15,500

FY20 Y-E
Projection
\$15,500

Proposed
FY21 Budget
\$15,500

6311.010/5036 0

Copying COMBINED WITH 5070/6311.010

Funding for expenses associated with the operation of the Association's copy machine for Board and committee flyers, notices, etc.

Approved
FY20 Budget
\$6,800

FY20 Y-E
Projection
\$6,800

Proposed
FY21 Budget
\$0

6311.130/
5040 \$40,000

Office Systems Services

M-Files, Buildium, KeyTrak annual maintenance and Dropbox

Approved
FY20 Budget
\$25,000

FY20 Y-E
Projection
\$33,165

Proposed
FY21 Budget
\$40,000

6391.000/5045 \$300

Dues and Subscriptions

Funding for the dues and publications important to managers in their efforts to keep abreast of developments in their fields: Professional Grounds Management Society, Community Association Institute (CAI), Safety Newsletter, etc. CAI Membership for 3 Board members

Approved
FY20 Budget
\$300

FY20 Y-E
Projection
\$175

Proposed
FY21 Budget
\$300

6390.900/5050 \$32,000

Communications/Newsletter

Funding for the monthly production of the Parkfairfax Forum,

the official newsletter of the Parkfairfax Condominium Unit Owners Association. Newsletter production expenses are significantly offset by advertising income (see income account #4055, "Advertising Income"). **Reduced due to smaller size issues.**

		Approved <u>FY20 Budget</u> \$38,500	FY20 Y-E <u>Projection</u> \$33,176	Proposed <u>FY21 Budget</u> \$32,000
6390.180/5055	\$91,743	<u>Assessment Fees for Association Owned Units</u> Funding for the payment of condominium assessment fees on units that the Association owns. See income account #4001 for an itemization of these units and the condominium assessment fees that are due.		
		Approved <u>FY20 Budget</u> \$98,127	FY20 Y-E <u>Projection</u> \$97,537	Proposed <u>FY21 Budget</u> \$91,743
6311.050/5060	\$10,000	<u>Postage</u> Funding for postage, including daily Association business, Annual Meeting mailings, etc.		
		Approved <u>FY20 Budget</u> \$19,000	FY20 Y-E <u>Projection</u> \$14,254	Proposed <u>FY21 Budget</u> \$10,000
6311.010/5070	\$11,200	<u>Printing/Copying COMBINED WITH 5036/6311.010</u> Funding for materials that are commercially printed, such as election material, stationery including letterhead, envelopes, computer forms, etc. Bike decals, Business Cards, Door Hangers, Stationery/envelope, Election materials. Funding for expenses associated with the operation of the Association's copy machine for Board and committee flyers, notices, etc.		
		Approved <u>FY20 Budget</u> \$4,400	FY20 Y-E <u>Projection</u> \$4,400	Proposed <u>FY21 Budget</u> \$11,200
6360.000/5080	\$36,000	<u>Telephone</u> Funding for all Association telephone expenses, including the office telephones at the Management Office and Maintenance Facility, the emergency telephones and Wi-Fi at the swimming pools and Exercise Facility, and the cellular telephone and pager used by the Maintenance Department's on-call personnel.		
		Approved	FY20 Y-E	Proposed

		<u>FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
		\$32,500	\$36,540	\$36,000
5090	\$32,000	<u>Other Administrative Expense</u> Board Secretary, Courier service, Staff function/parties etc. Funding for expenses that do not fall into other expense lines.		
		<u>Approved</u>	<u>FY20 Y-E</u>	<u>Proposed</u>
		<u>FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
		\$33,000	\$25,248	\$32,000
	Admin. Subtotals	<u>\$378,127</u>	<u>\$337,497</u>	<u>\$323,643</u>
5100	\$14,000	<u>Board Expense/Annual Meeting</u> Funding to conduct the Annual Meeting held at Charles Barrett School. Electronic Voting \$ 4,000 Debbie Ribis Computer Service 700 PO Box 250 mailing expenses 6,600 Awards 600 School rental, janitorial fee, tip, food <u>2,050</u> \$14,000		
		<u>Approved</u>	<u>FY20 Y-E</u>	<u>Proposed</u>
		<u>FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
		\$14,000	\$13,400	\$14,000
	<u>Payroll and Related</u>			
5302	\$271,369	<u>Payroll - Administrative</u> 2 FT Service Coordinators 1 FT USP Director 1 FT Maint. Admin Coordinator 1 FT Supply Room Admin/Inventory The proposed FY20 Budget figure = full staffing at the FY20 Budget level + 3% <u>average</u> in annual raises effective 1Jun21.		
		<u>Approved</u>	<u>FY20 Y-E</u>	<u>Proposed</u>
		<u>FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
		\$299,937	\$219,713	\$271,369
5304	\$1,125,608	<u>Payroll - Maintenance</u> For FY21, staffing level 23 FT employees. No seasonal help.		

Add \$30,000 of overtime

General Maintenance Department

7 FT Plumbers
1 USP Mechanic
2 FT Exterior Crew members
2 FT Community Services Crew members
3 FT Painter
2 FT Carpenters

Landscape Department

5 FT Landscape Crew members

The Payroll - Maintenance figure in FY21 includes an across the board 3% increase for lower classifications and 2% for lead classifications beginning 1Jun21 consistent with the Collective Bargaining Agreement (CBA).

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$1,079,946	\$1,163,104	\$1,125,608

5306 \$323,131

Payroll - Management

1 FT General Manager
1 FT Assistant General Manager/Covenants Director
1 FT Director of Operations (Maintenance Department)

The proposed FY21 Budget figure = full staffing at the FY21 Budget level + 2% average in annual raises effective 1Jun20.

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$338,592	\$313,169	\$323,131

5325 \$1,000

Total Payroll Approved FY19 Budget	Total Payroll FY19 Y-E Projection	Total Payroll Proposed FY20 Budget
\$1,716,475	\$1,764,104	\$1,720,108

Bonuses/Awards, Etc.

Employee functions/parties etc. are now budgeted under expense line #5090– Other Admin. Expenses (\$2,000) since the auditors do not recognize this as a payroll related expense and reclassify it during the audit. This covers the bi-annual employee recognition (4 @ 250)

Employee Bonuses	\$ 1,000
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<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$1,000	\$1,000	\$1,000

5330 \$459,728

Group Insurance

Major Medical Group Health Care and Dental. The present CareFirst/Delta Dental policy through Man-U (CBA) year (2017/2020) commenced on June 1st, 2017 and expires on May 31st, 2020. 7 months in FY20) reflects a firm quoted **5.34%** increase and 5 months (Jan-May 21) estimate **15%** over current rates to cover a projected general increase in the cost of health care services to the Association. Total FY21 major medical group health care expenses are projected at:

Management (30%)/Admin (15%) =	123,528
Maintenance (less 15%) =	<u>\$317,202</u>
Subtotal:	\$440,730

Life and Disability Coverage. The Association's policy runs with the Association's fiscal year and the Association's insurance agent recommends a **25%** increase for FY21:

FY21 figure	\$ 18,997
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TOTAL	\$459,728
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5335 \$300

Mileage

Funding travel to classes/training

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$300	\$300	\$300

5340 \$33,379

Payroll Taxes, Etc. - Management

Funding for payroll taxes @ 10.3% of gross payroll.

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$34,977	\$32,350	\$33,379

5345 \$28,032

Payroll Taxes, Etc. - Administration

Funding for payroll taxes @ 10.3% of gross

<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$30,981	\$30,981	\$28,032

5350	\$116,275	<u>Payroll Taxes, Etc. - Maintenance</u> Funding for payroll taxes @ 10.3% of gross pay.						
		<table> <tr> <th><u>Approved</u> <u>FY19 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$111,352</td><td>\$111,352</td><td>\$116,275</td></tr> </table>	<u>Approved</u> <u>FY19 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$111,352	\$111,352	\$116,275
<u>Approved</u> <u>FY19 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$111,352	\$111,352	\$116,275						
5365	\$12,931	<u>Retirement (401(k) Employer Contributions) - Management</u> Calculate the employer match @ 4% of gross pay. Presume employee participation @ 100% as in FY19.						
		<table> <tr> <th><u>Approved</u> <u>FY20 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$12,491</td><td>\$12,491</td><td>\$12,931</td></tr> </table>	<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$12,491	\$12,491	\$12,931
<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$12,491	\$12,491	\$12,931						
5370	\$7053	<u>Retirement (401(k) Employer Contributions) Administrative</u> Calculate the employer match @ 3% of gross pay. Full participation in FY21.						
		<table> <tr> <th><u>Approved</u> <u>FY20 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$6813</td><td>\$6813</td><td>\$7053</td></tr> </table>	<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$6813	\$6813	\$7053
<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$6813	\$6813	\$7053						
6513.000/5375	\$30,533	<u>Retirement (401(k) Employer Contributions) - Maintenance</u> Calculate the employer match @ 3% of gross pay. Presume participation @ 69%, participation in FY21.						
		<table> <tr> <th><u>Approved</u> <u>FY20 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$29,494</td><td>\$29,494</td><td>\$30,533</td></tr> </table>	<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$29,494	\$29,494	\$30,533
<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$29,494	\$29,494	\$30,533						
5380	\$400	<u>Employee Recruitment</u> Cost for online employment ads						
		<table> <tr> <th><u>Approved</u> <u>FY20 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$400</td><td>\$639</td><td>\$400</td></tr> </table>	<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$400	\$639	\$400
<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$400	\$639	\$400						
5390	\$82,585	Current MOD is now 1.73, Broker has suggested a possible _% increase which is reflected in the FY21 proposed budget. (6% added)						
		<table> <tr> <th><u>Approved</u> <u>FY20 Budget</u></th><th><u>FY20 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$74,758</td><td>\$74,758</td><td>\$82,585</td></tr> </table>	<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$74,758	\$74,758	\$82,585
<u>Approved</u> <u>FY20 Budget</u>	<u>FY20 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$74,758	\$74,758	\$82,585						
5395	\$8,000	<u>Education/Training Benefit/Safety Programs</u>						

Asbestos Operations/Respirator Certification, OSHA Training
CAI Property Management Development Courses and some additional
money for landscaping classes, CPR/First Aid training, mold and mildew
remediation, etc.

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$8,000	\$9,370	\$8,000
	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$775,843	\$762,716	\$780,218
Payroll Subtotals	<u>\$2,492,318</u>	<u>\$2,513,421</u>	<u>\$2,496,984</u>

Utility Expenses

6451.000/6010 **\$1,289,555**

Water and Sewer

Funding for potable water and sanitary sewer expenses for all
units. These numbers reflect the new sewer rates put forth by
Alexandria ReNew in FY20 to cover costs for sewer and storm
water separation. Review of water and sewer expenses over the
past 5 years is below.

2014:	998,560
2015:	1,009,751
2016:	1,128,165
2017:	1,280,792
2018:	1,240,121
2019:	1,205,797

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$1,2511,995	\$1,282,894	\$1,289,555

6542.000/6020 **\$220,000**

Natural Gas

The Association provides and pays for the natural gas needed to
heat the water supplied from the Association's common element
water heaters to the hot water spigots in the kitchens and
bathrooms of the individual condominium units, to the kitchen
stoves which use natural gas in the individual condominium
units and gas dryers in the laundry rooms. A review of audited
gas expenses over the past 5 years is presented below.

2013:	302,230
2014:	290,383
2015:	305,573

2016:	291,597
2017:	258,709
2018:	294,811
2019:	224,093

Natural gas bills present charges in 2 components. The first component (the “product” total”) covers both the cost per therm of the natural gas itself (“commodity”) and the transcontinental pipeline charges to get the gas to the Northern Virginia area. The second component (the “local distribution” total) covers local delivery (“utility”) charges.

The Association entered into a new gas services contract with Direct Energy Corporation commencing December 1, 2018 in which Direct Energy will provide “product” at a lower therm cost and Washington Gas Energy Services, a wholly owned subsidiary of Washington Gas Light Company, will provide distribution services. We have the ability each year to revisit if rates go lower and then agree to a new blended contract.

<u>Approved</u>	<u>FY20 Y-E</u>	<u>Proposed</u>
<u>FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
\$240,000	\$224,093	\$220,000

6450.000/6030

\$100,000

Electricity

This expense line covers funding for electric power to the Association’s Management Office and Maintenance Facility, for all exterior lighting, and for electric power to laundry rooms/storage rooms. **Each condominium unit is individually metered for electric power. The owners/tenants/occupants of the individual condominium units are responsible to pay the electric power expenses associated with their respective units; this responsibility includes the tenants/occupants who, under lease agreements, live in units owned by the Association.** A review of audited electricity expenses over the past 5 years is presented below

2013:	91,733
2014:	109,425
2015:	114,917
2016:	101,701
2017:	96,057
2018:	105,579
2019:	102,874

The costs in a Dominion Virginia Power bill are a composite of 2 cost elements: a “basic rate” component and a “field costs”

component.

		<u>Approved FY20 Budget</u> \$100,000	<u>FY20 Y-E Projected</u> \$90,000	<u>Proposed FY21 Budget</u> \$100,000
6525.000/6035	\$352,975	<u>Trash Removal Services</u> Funding for both residential trash removal services from the individual unit front stoops/porches (Capitol Services, Smithfield, VA) and for commercial trash removal and recycling services at the Maintenance Yard (IDS and Waste Management). <u>Residential Trash Removal Service</u> 1,677 units @ \$12.87/month \$259,147		
		<u>Note:</u> There are a total of 1,684 residential units at Parkfairfax minus 7 units (main office and fitness units). IDS and Waste Management <u>Commercial Trash and Recycling Removal Service</u> 4 8-yard containers twice/week @ \$994/month \$ 11,928		
		2 30-yard container av. 10/mo @ \$2,060/month	43,200	
		1 30-yard brush container av. 2/mo @ \$986/month	28,800	
		4-yard recycling weekly @ 825 monthly	9,900	
		<u>Subtotal</u>	<u>93,028</u>	
		<u>Total</u>	<u>\$352,975</u>	
		<u>Approved FY20 Budget</u> \$301,120	<u>FY20 Y-E Projection</u> \$356,302	<u>Proposed FY21 Budget</u> \$352,975
Utility Subtotals		<u>\$1,942,066</u>	<u>\$1,952,102</u>	<u>\$1,962,530</u>

Contracted Services and Supplies

6537.000/6100	\$283,009	<u>Landscaping Contract</u> Funding (\$283,009 2% increase)) for contracted landscape maintenance and care services. The budget figure used here is		
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the contracted fee of Community Landscape Services (Sterling, VA), based on the new 5-year term contract signed in December 2018 and beginning in March of 2019.

		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$277,460	\$278,953	\$283,009
6550.300/6115	\$10,000	<u>USP Parts and Materials</u> All parts and supplies used to support the USP program. A surcharge of 20% is passed along to the customer on most parts and fixtures. Decrease reflects removal of some offerings and less demand for USP.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$10,000	\$8,141	\$10,000
6537.010/6120	\$180,000	<u>Tree Maintenance</u> Costs for outside contractor to prune, trim and remove trees. Increase due to major trimming program to remove dead and declining limbs and trees.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$180,000	\$207,494	\$180,000
6537.040/6130	\$120,000	<u>Landscape - Other</u> Spring/Fall flower rotations at focal areas/pools. Grass seed, fertilizers, Hay, mulch, irrigation repairs, retaining wall installs, erosion control, Replacement trees, bushes, and shrubs, transformer screening and sod.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$120,000	\$81,249	\$120,000
6519.000/6140	\$83,000	<u>Pest Control Extermination Services</u> This expense line provides funding for pest control and eradication services to unit owners and tenants upon request, and for regular services to common areas such as the Management Office, the Maintenance Facility, the Exercise Facility, Association owned units, the laundry rooms, etc. Requirement to treat the entire building when termites are found has increased the total cost as well as additional funds for rodent control. Currently well over budget due to increase rodent activity. Costs decrease in FY21based on current trending.		

		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$100,000	\$85,000	\$83,000
6518.000/6150	\$20,000	<u>Uniforms</u> Safety shoes (23 employees @ \$150/reimbursement) \$ 3450 Uniform Service (Cintas) 13,000 Caps, insulated overalls, rain gear, etc. 3,550		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$15,000	\$24,421	\$20,000
6548.000/6160	\$20,000	<u>Snow Removal Services</u> Funding for the fees of snow clearing contractors when needed to facilitate the Association's snow clearing plan. Overtime labor expenses for Parkfairfax staff, which may be incurred in connection with snow clearing services, are found in expense account #5304.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$20,000	\$20,000	\$20,000
6541.043/6170	\$3,000	<u>Exercise Facility Equipment R&M</u> Funding for the quarterly service contract with Life Fitness and parts.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$3,000	\$3,000	\$3,000
6570.000/6190	\$17,000	<u>Vehicle Maintenance/Repair (COMBINED WITH 6195/6570.000)</u> Provision for repair and maintenance expenses to/for Association owned vehicles.		
		<u>Approved FY20 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>
		\$17,000	\$19,000	\$0
6570.000/6195	\$47,000	<u>Vehicle/Equipment Fuel/Oil</u> Funding for gasoline and diesel fuel used in the Association's vehicles and equipment. Preventative maintenance, oil changes, inspections		

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$30,000	\$30,000	\$47,000
Contract Service Subtotals	\$770,460	\$800,000	\$766,009

Repair & Maintenance

6541.000/6410 **\$100,000** **General Maintenance Repairs combined with 6430 in FY20**
 Funding for maintenance and repairs not readily classified under any other operations budget expense line, and not itemized in the Replacement Reserve, including: Repairs to Association units/buildings, Fire extinguisher testing, Tot lot repairs, HVAC repairs in Association staff/rental units , HVAC repairs, etc. in Association offices, Carpet cleaning in Association owned units

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$100,000	\$91,348	\$100,000

6415 **\$0** **Electrical/Lighting Repairs**
 Funding for lighting and wiring improvements (other funding is found in Reserve line items). **Moved to Reserves 1.027**

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$0	\$0	\$0

6541.810/6420 **\$2,500** **Equipment Rental/Repair and Maintenance**
 Funding for repair and maintenance of tools and equipment owned by the Association. Equipment covered under this expense line is usually gasoline or electric powered, and includes backhoes, tractors, sand/chemical spreaders, concrete mixers, water jets, sewer line snaking equipment, hedge trimmers, chippers, etc. Maintenance and repairs to Association owned vehicles are covered under expense account #6190

	<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
	\$2,500	\$1,851	\$2,500

6430 **\$0** **General Repair and Maintenance**
 This expense line covers a combination of in-house and contracted wood repairs on buildings, including replacement of damaged fascia boards, columns, doorframes, doors, etc. (not included in reserve cycle) A significant amount of outside carpentry work may still be needed for work beyond the wood trim replacement anticipated including

corrections of building settlement problems at doors and windows and other replacement necessities. **Combines with 6410**

		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$0	\$0	\$0
6541.230/6440	\$35,000	<u>Maintenance/Repair Supplies</u> Funding for supplies necessary for the ongoing repair and maintenance of the building exteriors, general common area improvements and for repairs within Association owned units and equipment in FY19), including: Window glass/window/glazing supplies Plumbing supplies, fittings, wire, etc. Gutter maintenance supplies, spikes caulk, etc. Pavement repair supplies, crack, sealant, etc. Concrete/masonry repair supplies, Thorocrete, etc. Lock repair supplies, cylinders, hardware, keys, Sanitary supplies, hand soap, paper towels, tissue, etc. Laundry accessories		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$35,000	\$34,573	\$35,000
6515.000/6445	\$20,000	<u>Janitorial and Cleaning Supplies</u> Cost associated for materials and supplies to maintain Association offices, party room, fitness center, pools and employee areas.		
		<u>Approved FY19 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$20,000	\$22,000	\$20,000
6562.000/6450	\$240,000	<u>Painting Services (Contracted)</u> All 58 Buildings and 9 Laundry Rooms in Ward 5 + one (4) complete white sand brick buildings. New 5-year contract with Palmer Bros. Increase due to inclusion of front and rear doors.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$221,000	\$251,586	\$240,000
6562.000/6452	\$19,000	<u>Painting Supplies</u>		

Paint supplies for staff painters working on the common areas and interior repairs under Association responsibility, street painting, etc.

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$17,000	\$19,742	\$19,000

6541.280/6455 \$30,000

Plumbing Supplies

Supplies associated with internal work, fittings, PEX, copper, pvc lines. Related supplies

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$30,000	\$29,895	\$30,000

6460 \$0

New Railing Installation

This funding for handrail installations and repairs throughout the community has been moved to (1.012) Handrails on Walks in Reserves.

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$0	\$0	\$0

6541.000/6470 \$3,000

Equipment/Tool Purchases

Funding for the purchase of tools and equipment such as

Tools/Equipment (less than \$500)

Drain snakes	Hedge trimmers
Aluminum pipe wrenches	Power drills
Restock tool cabinets	Smoke generator
Loppers and chain saws	4 Leg pipe vise
Sewer snakes and picks	Sawzalls
Shovels and pruning saws	Battery Sawzall
Wood chisels and light Meters	

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$5,000	\$1,851	\$3,000

Subtotal Repair and Maintenance

\$428,500	\$420,000	\$449,500
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6547.000/6510 \$113,400

Pool Contract

This expense line provides funding for pool management services for FY20: (1Mar19-28Feb20). The contract provides for qualified lifeguards, a roving on-site supervisor, and chemicals. The Association provides utilities, maintenance/repair of equipment, and janitorial/sanitary supplies. **The proposed FY21 Budget number has been adjusted to reflect the 2021 Pool Management Contract from High Sierra (not approved) received in November 2019 includes one additional week (Labor Day is later in 2021) and increase in minimum wage.**

		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$104,200	\$102,904	\$113,400
6541.810/5420	\$15,000	<u>Pool Equipment/Supplies</u> Funding for operational repairs is covered under expense account #5360. Major equipment replacement expenses are applied against the Replacement Reserve. Additional funds for full filter replacement Pool B		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$12,000	\$18,711	\$15,000
Pool Expenses Subtotals		<u>\$116,200</u>	<u>\$121,615</u>	<u>\$128,400</u>
<u>Professional Services</u>				
6350.000/6110	\$15,500	<u>Audit Expense</u> Funding for an annual audit of the Association's books and records.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$15,500	\$15,500	\$15,500
6393.050/6620	\$10,000	<u>Engineering Services</u> Funding for services outside of the settlement work reserves 1.006		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$15,000	\$8,750	\$10,000
6340.100/6630	\$15,000	<u>Legal Fees Collections</u> Funding for legal work and other assistance needed on past due		

accounts. Most of these expenses should be recovered through the ultimate payment of arrearages by debtors.

		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$15,000	\$8750	\$15,000
6340.000/6640	\$45,000	<u>Legal Fees-General Counsel</u> Funding for general counsel legal services to the Association under a retainer arrangement with Chadwick, Washington, Moriarty, Elmore & Bunn, P.C. The Projected FY20 figure was higher due to litigation costs from resident issues.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$35,000	\$47,981	\$45,000
6340.800/6645	\$5,000	<u>Legal Fees-Labor</u> Funding for counsel for labor legal services to the Association under a retainer arrangement with ShulmanRodgers. FY21 costs lower due to anticipated completion of CBA negotiations in FY20		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$10,000	\$20,417	\$5,000
6320.000/6650	\$75,833	<u>Management Contract</u> Funding for the professional financial management services of Barkan Management LLC under the signed 3-year agreement. Barkan provides budgeting, financial accounting, financial reporting, and support to the Board of Directors as needed.		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$67,453	\$67,453	\$75,833
6660	\$0	<u>Professional Fees</u>		
		<u>Approved FY20 Budget</u>	<u>FY20 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
		\$0	\$0	\$0
Subtotal Professional Fees		<u>\$201,333</u>	<u>\$186,333</u>	<u>\$166,333</u>
Other Expenses				

6370.000/6710 \$1,500

Bad Debt Expense

Funding primarily for unpaid assessment fees, late fees, etc., which the Association's collections attorney advises, are legally uncollectible, and which are subsequently written off the Association's financial records following Board approval.

Approved
FY20 Budget
\$1,500

FY20 Y-E
Projection
\$875

Proposed
FY21 Budget
\$1,500

6720.000/6720 \$354,784

Insurance - Building, Liability, D&O, Vehicles, Etc.

This expense line funds the Association's package (general liability/ property damage), commercial auto (vehicles), workers compensation, boiler and machinery, fidelity bond, crime, excess crime, umbrella, and directors and officers (D&O) insurance policies. The policy year coincides with the Association's fiscal year (1Jun- 31May).

FY21 premium payments, representing ESTIMATED 3% increase in the aggregate over FY20 payments, Raley, Watts & O'Neill, the Association's insurance agent, as well as other brokers will be remitting new cost proposals by Feb 13th. The replacement limit under the blanket building coverage is \$242,812,400.

Approved
FY20 Budget
\$345,968

FY20 Y-E
Projection
\$345,968

Proposed
FY21 Budget
\$354,784

6719.000/6430 \$3,000

Permits & Licenses

Funding for City of Alexandria for licenses and permit fees (sewer, water and gas lines, etc.) Christmas Tree lighting. Hazardous Use permits (yard).

Approved
FY20 Budget
\$2,000

FY20 Y-E
Projection
\$2,952

Proposed
FY21 Budget
\$3,000

6718.000/6740 \$15,000

Income Taxes

Based on the audit of the Association's books and records annual income tax expenses.

Approved
FY20 Budget
\$15,000

FY20 Y-E
Projection
\$15,725

Proposed
FY21 Budget
\$15,000

6710.000/6750	\$24,020	<u>Property/Real Estate Taxes</u> Funding for property and real estate taxes on the residential units owned and vehicles and equipment by the Association. Unit 3278 MC has been removed (pending sale).
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<u>Approved</u> <u>FY20 Budget</u> \$26,000	<u>FY20 Y-E</u> <u>Projection</u> \$22,523	<u>Proposed</u> <u>FY21 Budget</u> \$24,020
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3590.3806765	0	<u>Owners Equity</u>
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<u>Approved</u> <u>FY20 Budget</u> \$0.00	<u>FY20 Y-E</u> <u>Projection</u> \$0.00	<u>Proposed</u> <u>FY21 Budget</u> \$0
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6820.0006780	\$0	<u>Owned Unit Mortgage Interest</u> Funds to cover monthly/annual interest on mortgage for unit 3278 Martha Custis Mortgage paid off in 2020
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<u>Approved</u> <u>FY20 Budget</u> \$7692	<u>FY20 Y-E</u> <u>Projection</u> \$ 0	<u>Proposed</u> <u>FY21 Budget</u> \$0
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6720.030/1125	\$50,000	<u>Insurance Claims/Insurance Losses</u> Funding for insurance deductibles and for insured losses that are less than the \$50,000 deductible (plumbing malfunctions, roof leaks, gutter over-flows, etc.)
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<u>Approved</u> <u>FY20 Budget</u> \$50,000	<u>FY20 Y-E</u> <u>Projection</u> \$35,945	<u>Proposed</u> <u>FY21 Budget</u> \$50,000
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6730.000/6781	\$100,000	<u>Capital Expenses</u> Funding for new installation and upgrades
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<u>Approved</u> <u>FY19 Budget</u> \$100,000	<u>FY20 Y-E</u> <u>Projection</u> \$0	<u>Proposed</u> <u>FY21 Budget</u> \$100,000
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Other Expenses Subtotal	\$ <u>552,535</u>	\$ <u>464,325</u>	\$ <u>548,304</u>
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6900	<u>Reserves Repair & Replacement</u>
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In 2015 the Association approved a study to determine the amount of

money which the Association should contribute to a single purpose fund, termed a Replacement Reserve (Reserve Fund), to adequately anticipate the eventual repair and replacement expenses of building elements and other commonly owned capital and other assets which have predictable average useful lives. A firm expert in reserve study analyses, Reserve Advisors, conducted the study and wrote a report, referred to as a Replacement Reserve Report. The findings of the report, dated March 5th, 2016 were implemented in the Association's FY17 budget year. A subsequent update was provided on May 11, 2017. The current FY20 and proposed FY21 follow the guidelines set forth in these studies. A draft full report is slated to be completed in Feb of 2020 which will be presented to the Board for the February board meeting. There will be suggestions that can be incorporated into the FY21 budget with the full report slated to go live for the FY22 budget year.

Contributions to the Replacement Reserve. Data in the updated Replacement Reserve Report indicate that the amount of money, which must be contributed to the Replacement Reserve in each 30 successive years beginning with FY16 increase annually by 3%. This can be adjusted up or down per anticipated work by the Board. Each monthly contribution to the Reserve fund is written from the Association's operating account to the reserve account for disbursement. Any remaining funds at year end are then transferred to the money market or to an investment account managed by Parkfairfax's certified investment advisor (Wells Fargo) and the money is invested very conservatively until the money is needed to pay for the repair/replacement work specified in the report.

Expenditures from the Replacement Reserve. The updated Replacement Reserve Report has also projected expenditures from the updated Replacement Reserve over the next 30 years. The individual elements identified and enumerated in the report can be moved forward or backward within the sequence of years covered by the report as the Association's needs may warrant without harming the report's ultimate utility.

The updated Replacement Reserve Report dated May 11th, 2017, projected expenditures in FY21 of \$2,443,842. The actual need for expenditures once items already completed, deferred or added to the FY21 list are likely to be on the order of \$2,692,340

Approved FY20 Budget	FY20 Y-E Projection	Proposed FY21 Budget
\$2,701,360	\$2,701,360	\$2,691,340

TOTAL OPERATING

EXPENSE	\$9,571,081	\$9,499,086	\$9,550,385
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