

FY22 Draft Budget Package

Attached please find the draft proposed budget(s) for FY22 **with additional comments in red.**

The package is made up of 4 parts:

1. FY22 proposed budget(s) showing both managements recommendations/calculations with a 2.63% increase and an alternative budget with a 4.32% increase which follows full reserve funding per the DMA FY21 reserve study.
2. FY22 proposed reserve study recommendations. Again, both management and DMA side by side.
3. FY22 Narrative w/ 2.63% increase
4. FY22 Narrative w/4.32% increase

There are 3 major contracts that will need renewal by 5/31/21.

1. Commercial Liability Insurance: Current policy with GNY through our broker Preferred Insurance will expire on 5/31/21. We have already instructed them to run other lines to compare to the current GNY policy. We will not be asking other brokers to do this as each carrier requires a BOR (broker on record) and only one firm can be assigned this at a time. In the past we have had 2 or 3 brokers attempting to do this. Based on conversations with Jim Pates of Preferred, the assumption currently is no increase from FY21. As such we have not made any changes to the line item. **GNY will hold current numbers steady as such management recommends renewal.**

On a separate note, Preferred Insurance has followed through on their promise to reduce our workers compensation exposure. We are no longer in the assigned pool through Accident Fund and now are carried by Key Risk at a savings of \$21,000 annually. Plus, we now have an assigned risk manager who has just completed our audit and will be meeting with us on the 17th to review their findings and recommendations. **New policy with Key Risk for \$61,585 is reflected in the draft.**

2. Pool Contract: We have received documents from High Sierra (same numbers as last year) and will again reach out to 2 other vendors. However, it should be noted that only American Pool offered a proposal last year. The proposed budget currently carries the High Sierra number. **Due to the unknown regarding Covid, management recommends staying with High Sierra.**
3. IT/Computer/Server tech support: Current contract with Dataprise expires on 5/17/21. Dataprise has expanded and the smaller firm service that they had originally offered is slowly being phased out. As such we will be soliciting new bids from local firms. **Working on this process currently.**

We ask that you review the attachments and provide any questions or comments by Friday January the 8th. This will allow management time to provide answers prior to the meeting scheduled for Saturday January the 23rd. With several open items needing discussion we are proposing as of today that this meeting be from 9:00am to 2:00pm with a 30-minute lunch break at noon. The final agenda will be forthcoming. It is imperative that we get through the entire budget. As it is anticipated that the current Covid-19 situation will be peaking around this time, we propose that this meeting be held virtually via zoom.

Draft Parkfairfax FY22 Budget w/Managements 2.32% Proposed Increase and Alerternate 4.32% Increase Using DMA's Recommended Reserve Number

Assessment Income				2021	2022	2022	
	<u>Barkan Codes</u>			<u>Current Budget</u>	<u>Draft budget with PKFX Reserves</u>	<u>Draft budget with DMA Reserves</u>	
			Percentage Increase over previous FY	0.25%	2.63%	4.32%	
	5110.001	4001	Residential Assessments	9076414	9314942	9468942	
			Subtotal	9076414	9314942	9468942	
Unit Rental Income							
oncall		4501	Rental-309-3544 M Custis Dr	6804	6804	6804	
rental		4502	Rental-309-3546 M Custis Dr	17580	17580	17580	
rental		4503	Rental-309-3552 M Custis Dr	17580	17580	17580	
rental		4504	Rental-401-1401 M Custis Dr	18720	18720	18720	
rental		4505	Rental-401-1403 M Custis Dr	18960	18960	18960	
rental PD		4507	Rental-401-1407 M Custis Dr	12000	12000	12000	
rental		4508	Rental-802-3344 Valley Dr	24000	24000	24000	
oncall		4509	Rental-309-3554 M Custis Dr	6804	6804	6804	
oncall		4510	Rental-802-3354 Valley Dr	8160	8160	8160	
oncall		4515	Rental-401-1405 M Custis Dr	9708	9708	9708	
	5110.000		Subtotal	140316	140316	140316	
Other Income							
	5990.310	4610	Cable Revenue	16800	16800	16800	
	5920.000	4615	Late Fees & Interest	20000	20000	20000	based on 2020 trending
	5990.600	4625	Key Fees	8000	8000	8000	
	5990.008	4630	In Unit Service Fees/USP Income	40000	40000	40000	
	5910.000	4635	Laundry Fees	40000	40000	40000	Based on FY21 trending
	5991.010	4645	Newsletter Advertising	28000	28000	28000	newsletter smaller less ads
	5110.180	4650	Facilities Rental Income	5000	5000	5000	
	5990.190	4655	Storage Facility Rental Income	50000	53946	53946	
	5990.220	4660	Resale Processing Fees	48000	48000	48000	
	5990.000	4690	Other User Income	8000	8000	8000	
	5410.000	4910	Interest Earned-Reserve Accounts	70000	70000	70000	
			Subtotal Other Income	333800	337746	337746	
			total other income and unit rental income	474116	478062	478062	
			Total Income	9550530	9793004	9947004	
Administrative							
	6301.000	5010	Activitv Charges/Activities Committees	11700	11700	11700	
	6351.020	5020	Computer Repair & Maintenance	38000	38000	38000	
	6311.080	5030	Office Equipment Lease	7200	7200	7200	
	6311.000	5035	Office Supplies	15500	15500	15500	
	6311.010	5036	Copying	0	0	0	combined with 5070
	6311.130	5040	Office Systems Services	40000	40000	40000	Keytrak Maint & Buildium
	6391.000	5045	Dues & Subscriptions	300	300	300	
	6390.900	5050	Newsletter Services	32000	28000	28000	reduced smaller issues
	6390.180	5055	Unit Assessments/Assn Fees for AO Units	91888	93822	94951	Removed 3278 MC
	6311.050	5060	Postage	10000	20000	20000	
	6311.010	5070	Printing	11200	11200	11200	added line 5036 copying
	6360.000	5080	Telephone Services	36000	36000	36000	
		5090	Other Administrative Services	30000	28000	28000	
		5095	Website Design & Maintenance	0	0	0	
			Subtotal Administrative	323788	329722	330851	
Board/Annual Meeting Expenses							
	6390.009	5100	Annual Meeting Expenses	14000	14000	14000	
			Subtotal	14000	14000	14000	

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Payroll Salaries							
		5302	Administrative Salaries	271369	258143	258143	3.00%
		5304	Maintenance Salaries	1125608	1164810	1164810	Includes 2 and 3% per CBA
		5306	Manager/Assistant Manager Salaries	323131	327862	327862	2.00%
			Subtotal	1720108	1750815	1750815	30707
Payroll Taxes/Benefits							
		5325	Bonuses	1000	1000	1000	
	6723.001	5330	Health Life Benefits	459728	481436	481436	based on Man-U increase and 15% and 30% contributions
	6392.020	5335	Mileage	300	300	300	
	6711.000	5340	Payroll Taxes - Management	33379	33868	33868	
	6711.000	5345	Payroll Taxes - Administrative	28032	26666	26666	
	6711.000	5350	Payroll Taxes - Maintenance	116275	120325	120325	
	6723.001	5365	Retirement - Management	12931	13190	13190	
	6723.001	5370	Retirement - Administrative	7053	7194	7194	
	6723.001	5375	Retirement - Maintenance	30533	31144	31144	
	6313.000	5380	Employee Recruitment	400	1000	1000	
	6722.000	5390	Workers Compensation	82585	61585	61585	New number w-lower MOD
	6513.000	5395	Education/Training Benefit	8000	8000	8000	
			Subtotal Payroll Taxes/Benefits	780216	785707	785707	5491
Utilities							
	6451.000	6010	Water Service & Sewer	1289555	1328242	1328242	38687 3% increase
	6542.000	6020	Gas Service	220000	220000	220000	
	6450.000	6030	Electric Service	100000	100000	100000	
	6525.000	6035	Trash & Recycling Service	352975	366672	366672	13697 additional recycling pick up
			Subtotal Utilities	1962530	2014914	2014914	52384
Contracted Services and Supplies							
	6537.000	6100	Grounds & Landscaping - Contracts	283009	283009	283009	2% per contract
	6550.300	6115	In Unit Supplies/USP Parts & Supplies	10000	10000	10000	
	6537.101	6120	Tree Maintenance	180000	200000	200000	20000
	6537.040	6130	Landscape Other	120000	120000	120000	
	6519.000	6140	Pest Control	83000	73000	73000	based on trending
	6518.000	6150	Uniforms	20000	20000	20000	
	6548.000	6160	Snow Removal Services	20000	20000	20000	
	6541.043	6170	Exercise Facility Equipment R&M	3000	3000	3000	
	6570.000	6195	Vehicle Gas & Maintenance/major repairs	47000	47000	47000	
			Subtotal Contracted Services & Supplies	766009	776009	776009	10000
Repair & Maintenance							
	6541.000	6410	Building Repair & Maintenance	100000	100000	100000	
		6415	Electrical/Lighting Repair & Maintenance	0	0	0	moved to reserves 1.027
	6541.810	6420	Equipment Rental/Repair & Maintenance	2500	2500	2500	
		6430	General Repair & Maintenance	0	0	0	combined to 6410
	6541.230	6440	General Maintenance Supplies & Equip	35000	37000	37000	2000
	6515.000	6445	Janitorial and Cleaning Supplies	20000	22000	22000	2000
	6562.000	6450	Painting Services (contracted)	240000	240000	240000	new contract with doors (including est window credits)
	6562.100	6452	Painting Supplies	19000	19000	19000	
	6541.280	6455	Plumbing Supplies	30000	32000	32000	2000
	6541.001	6470	Tools	3000	3000	3000	
			Subtotal Repair & Maintenance	449500	455500	455500	

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Pool Expenses							
	6547.000	6510	Pool Management	113400	113020	113020	High Sierra
	6541.810	6520	Pool Supplies	15000	18000	18000	
			Subtotal Pool Expenses	128400	131020	131020	2620
Professional Services							
	6350.000	6610	Audit/Tax Return Preparation	15500	15500	15500	
	6393.050	6620	Engineering Services	10000	10000	10000	
	6340.100	6630	Legal Fees - Collections	15000	15000	15000	
	6340.000	6640	Legal Fees - General Counsel	45000	45000	45000	
	6340.800	6645	Legal Fees - Labor	5000	5000	5000	CBA/labor counsel
	6320.000	6650	Management Fees	75833	75833	75833	
		6660	Professional Fees	0	0	0	
			Subtotal Professional Services	166333	166333	166333	
Other Expenses							
	6370.000	6710	Bad Debt	1500	1500	1500	
	6720.000	6720	General Liability Insurance Premiums/Insurance - Bldg	354784	354784	354784	New with Preferred/GNY
	6719.000	6430	Permits & Licenses	3000	3000	3000	Based on 2020 trending
	6718.010	6740	Income Tax	15000	15000	15000	
	6710.000	6750	Property/Real Estate Tax	24020	21340	21340	Removed 3278 MC
	3590.380	6765	Prior Year Owners Equity	0	0	0	
	6720.030	1125	Insurance Claims/Insurance Losses	50000	50000	50000	
	6730.000	6781	Capital Expenses	100000	100000	100000	
			Subtotal Other Expense	548304	545624	545624	
	9901.015	6900	Reserves Repair & Replacement	2691340	2823360	2976231	
			Total Parkfairfax Expense	9550528	9793004	9947004	
			increase PKFX draft		242475		
			increase DMA draft			396476	

Parkfairfax Condominium Unit Owners Association
Fiscal Year 2021/2022 DRAFT 2.63 increase Budget Narrative
1 June 2021 thru 31 May 2022
Section 1: INCOME

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

4001 \$9,314,996

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 2021/2022 (FY22) Budget includes a 2.63% increase in the condominium assessment fee for each individual unit as compared with its FY21 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:

<u>Type/Model/ Common Interest % age/ Number of Units Paying Assessments</u>	<u>2020/21 Monthly Assessment Obligation</u>	<u>2021/22 Monthly Assmt Obligation (2.63% Incr.)</u>	<u>2021/22 Total Assessment Income</u>
1A Jackson 0.000515 88	389.53	399.77	422,162
1B Jefferson 0.000558 105	422.05	433.15	545,769
1C Monroe 0.000545 168	412.22	423.06	852,892
1D Adams 0.000508 239	384.23	394.34	1,130,953
1E Garfield 0.000528 120	399.36	409.86	590,203
2A Lincoln 0.000609 167	460.63	472.74	947,380
2A1 Lincoln 0.000633 21	478.77	491.36	123,823
2B Madison 0.000630 425	476.51	489.04	2,494,115
2B1 Madison 0.000649 19	490.87	503.78	114,862
2C Washington 0.000630 226	476.51	489.04	1,326,282
2D Cleveland 0.000718 4	543.06	557.34	26,752
3A Van Buren 0.000754 48	570.29	585.29	337,126
3B Harrison 0.000792 48	599.03	614.78	354,116
3C Coolidge 0.000840 5	635.34	652.05	39,123
4A Roosevelt 0.001013 1	766.19	786.34	9,436
1684			9,314,996

Condominium Assessments for Association Owned Units

There is a total of 17 Association owned units. The Association makes condominium assessment payments on all 17 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	2021/2022 Monthly Assessment	2021/22 Total
	<u>Obligation</u>	<u>Income</u>
<u>Units Comprising the Management Office</u>		
Unit No. 73801/ [3356 G.R.*/1B/Jefferson	433.15	5197.80
Unit No. 73802/ [3358 G.R.]/1A/Jackson	399.77	4797.24
Unit No. 73803/3360 G.R./3B/Harrison	614.78	7377.36
Unit No. 73804/ [3362 G.R.]/3A/Van Buren	585.29	7023.48
Unit No. 73805/ [3366 G.R.]/1B/Jefferson	433.15	<u>5197.80</u>
<u>Subtotal</u> for 5 units		29,593.68
 <u>Units Comprising the Exercise Facility</u>		
Unit No. 40105/1409 M.C.*/1A/Jackson	399.77	4797.24
Unit No. 40106/1411 M.C.*/1A/Jackson		
	399.77	<u>4797.24</u>
<u>Subtotal</u> for 2 units		9594.48
 <u>Units which the Association Rents Out</u>		
Unit No. 80201/3344 V.D./2A1/Lincoln	491.36	5896.32
Unit No. 30902/3546 M.C./1D/Adams	394.34	4610.76
Unit No. 30905/3552 M.C./1D/Adams	394.34	4610.76
Unit No. 40101/1401 M.C./1B/Jefferson	433.15	5197.80
Unit No. 40102/1403 M.C./1A/Jackson	399.77	<u>4797.24</u>
 <u>Subtotal</u> for 5 units		 25,112.84
 <u>Units Occupied by Employees/Police Officer</u>		
Unit No. 30906/3554 M.C./1D/Adams	394.34	4610.76
Unit No. 40104/1407 M.C./3B/Harrison	614.78	7377.36
Unit No. 40103/1405 M.C./3A/Van Buren	585.29	7023.48

Unit No. 80206/3354 V.D.*/2A1/Lincoln	491.36	5896.32
Unit No. 30901/3544 M.C./1D/Adams	394.34	<u>4610.76</u>
<u>Subtotal</u> for 5 units		29,520.68

Total All AU
Units 93,821.68

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 17 Association owned units will be found in many expense accounts lines (#6410, #6430, #6450, etc.) and among elements covered by the Replacement Reserve.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY2 Budget</u>
\$9,076,414	\$9,076,414	\$9,314,996

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
			96840
<u>Subtotal</u> for 6 units			

Units Occupied by Employees/Police Officer

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

Subtotal for 5 units

43,476

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$140,316	\$140,316	\$140,316
<u>Other Income</u>				
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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$16,800	\$16,800	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$20,000	\$22,286	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$8,000	\$8,000	\$8,000
5990.008/4630	\$40,000	<u>Unit Service Program (USP)</u> Projected FY21 income is based upon actuals		
		<u>Service</u>	<u>FY21 Rates</u>	<u>FY22 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 FY21 Budget</u>	<u>FY21Y-E Projection</u>	<u>Proposed FY22 Budget</u>

		\$40,000	\$30,783	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$48,000	\$29,813	\$40,000
5991.010/4645	\$28,000	<u>Advertising Income</u> Income in FY21 from the Association's monthly newsletter, the <u>Parkfairfax Forum</u> , 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
		1/4 Page	97	97
		1/2 Page	190	190
		Full Page	270	270
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$40,000	\$24,786	\$28,000
5110.180/4650	\$5,000	<u>Facilities Rental Income</u> Based on rental of the party rooms/meeting rooms owned by the Assoc. (Bldg. 738) @ \$150.00/rental, projecting 33 rentals during FY22 (note that there is also a \$200.00 refundable deposit requirement for each rental). (FY21 lower due to pandemic)		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$5,000	\$2,917	\$5,000
5990.190/4655	\$53,946	<u>Storage Rental</u> 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 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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$45,000	\$45,000	\$53,946

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 FY22 Budget figure is based the projection of income in FY21 and anticipates that conveyances of units in FY22 will probably remain at the pace seen in FY21.

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY21 Budget
\$48,000	\$47,248	\$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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$8,000	\$8,000	\$8,000

5410.000/4695 **\$70,000**

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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$70,000	\$71,230	\$70,000

Other Income Subtotals	\$346,800	\$323,918	\$337,746
	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
INCOME TOTALS:	\$9,550,530	\$9,571,452	\$9,793,3004

Section 2: EXPENSES

<u>Account Number</u>	<u>Projected FY22 Expenses</u>	<u>Line Descriptor/Commentary</u>									
<u>Administrative Expenses</u>											
6301.000/5010	\$11,700	<u>Committees and Activities</u>									
		TLUC Committee 200									
		Movie Night (1) 2,725									
		<u>Activities Committee 8,775</u>									
		TOTAL \$11,700									
		<table><tr><td><u>Approved</u></td><td><u>FY21 Y-E</u></td><td><u>Proposed</u></td></tr><tr><td><u>FY21 Budget</u></td><td><u>Projection</u></td><td><u>FY22 Budget</u></td></tr><tr><td>\$11,700</td><td>\$9,648</td><td>\$11,700</td></tr></table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$11,700	\$9,648	\$11,700
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$11,700	\$9,648	\$11,700									
6351.020/5020	\$38,000	<u>Computer Maintenance & Support</u>									
		Funding for all computer maintenance and support to include software.									
		Dataprise IT Support, O365 Cloud Services.									
		<table><tr><td><u>Approved</u></td><td><u>FY21 Y-E</u></td><td><u>Proposed</u></td></tr><tr><td><u>FY21 Budget</u></td><td><u>Projection</u></td><td><u>FY22 Budget</u></td></tr><tr><td>\$38,000</td><td>\$44,000</td><td>\$38,000</td></tr></table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$38,000	\$44,000	\$38,000
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$38,000	\$44,000	\$38,000									
6311.080/5030	\$7,200	<u>Office Equipment Lease</u>									
		Funding is provided for the office equipment listed below:									
		Copy Machines \$ 4,300									
		Answering service contract 2,500									
		Radio Repairs 400									
		<u>TOTAL \$ 7,200</u>									

		<u>Approved</u> <u>FY21 Budget</u> \$7,200	<u>FY21 Y-E</u> <u>Projection</u> \$7,599	<u>Proposed</u> <u>FY22 Budget</u> \$7,200
6311.000/5035	\$15,500	<u>Office Supplies</u> 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.		
		<u>Approved</u> <u>FY21 Budget</u> \$15,500	<u>FY21 Y-E</u> <u>Projection</u> \$13,500	<u>Proposed</u> <u>FY22 Budget</u> \$15,500
6311.010/5036	0	<u>Copying COMBINED WITH 5070/6311.010</u> Funding for expenses associated with the operation of the Association's copy machine for Board and committee flyers, notices, etc.		
		<u>Approved</u> <u>FY21 Budget</u> \$6,800	<u>FY21 Y-E</u> <u>Projection</u> \$6,800	<u>Proposed</u> <u>FY22 Budget</u> \$0
6311.130/5040	\$40,000	<u>Office Systems Services</u> M-Files, Buildium, KeyTrak annual maintenance and Dropbox		
		<u>Approved</u> <u>FY21 Budget</u> \$40,000	<u>FY21 Y-E</u> <u>Projection</u> \$40,000	<u>Proposed</u> <u>FY22 Budget</u> \$40,000
6391.000/5045	\$300	<u>Dues and Subscriptions</u> 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		
		<u>Approved</u> <u>FY21 Budget</u> \$300	<u>FY21 Y-E</u> <u>Projection</u> \$175	<u>Proposed</u> <u>FY22 Budget</u> \$300
6390.900/5050	\$28,000	<u>Communications/Newsletter</u> Funding for the monthly production of the <u>Parkfairfax Forum</u> , 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.		
		<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>

		\$32,000	\$36,915	\$28,000
6390.180/5055	\$93,822	<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.		
		<u>Approved</u> <u>FY21 Budget</u> \$91,888	<u>FY21 Y-E</u> <u>Projection</u> \$92,051	<u>Proposed</u> <u>FY22 Budget</u> \$93,822
6311.050/5060	\$20,000	<u>Postage</u> Funding for postage, including daily Association business, monthly mailings for checks, late notices via Barkan.		
		<u>Approved</u> <u>FY21 Budget</u> \$10,000	<u>FY21 Y-E</u> <u>Projection</u> \$12,359	<u>Proposed</u> <u>FY22 Budget</u> \$20,000
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.		
		<u>Approved</u> <u>FY21 Budget</u> \$11,200	<u>FY21 Y-E</u> <u>Projection</u> \$9,533	<u>Proposed</u> <u>FY22 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.		
		<u>Approved</u> <u>FY21 Budget</u> \$36,000	<u>FY21 Y-E</u> <u>Projection</u> \$37,430	<u>Proposed</u> <u>FY22 Budget</u> \$36,000
6390.00/5090	\$28,000	<u>Other Administrative Expense</u> Board Secretary, Courier service, Staff function/parties etc. Funding for expenses that do not fall into other expense lines.		

		Approved <u>FY21 Budget</u> \$30,000	FY21 Y-E <u>Projection</u> \$25,849	Proposed <u>FY22 Budget</u> \$28,000
	Admin. Subtotals	\$323,788	\$348,000	\$329,722
6390.009/5100	\$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		
		Approved <u>FY21 Budget</u> \$14,000	FY21 Y-E <u>Projection</u> \$13,300	Proposed <u>FY22 Budget</u> \$14,000
	<u>Payroll and Related</u>			
5302	\$258,143	<u>Payroll - Administrative</u> 2 FT Service Coordinators 1 FT USP Director 1 FT Maint. Admin Coordinator 1 FT Covenants Director The proposed FY22 Budget figure = full staffing at the FY21 Budget level + 2%- 3% <u>average</u> in annual raises effective 1Jun22.		
		Approved <u>FY21 Budget</u> \$271,369	FY21 Y-E <u>Projection</u> \$219,713	Proposed <u>FY22 Budget</u> \$258,143
5304	\$1,164,809	<u>Payroll - Maintenance</u> For FY21, staffing level 22 FT employees. No seasonal help. Add \$50,000 of overtime <u>General Maintenance Department</u> 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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$1,125,608	\$1,169,986	\$1,164,809

5306 \$327,862

Payroll - Management

1 FT General Manager

1 FT Assistant General Manager

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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$338,592	\$321,434	\$327,862

Total Payroll Approved FY21 Budget	Total Payroll FY21 Y-E Projection	Total Payroll Proposed FY22 Budget
\$1,720,108	\$1,711,133	\$1,750,815

5325 \$1,000

Bonuses/Awards, Etc.

Employee functions/parties etc. are now budgeted under expense line #5090– Other Admin. Expenses (\$4,000) 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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Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$1,000	\$1,000	\$1,000

5330 \$481,435

Group Insurance

Major Medical Group Health Care and Dental. The present

CareFirst/Delta Dental policy through Man-U (CBA) year (2020/2024) commenced on June 1st, 2020 and expires on May 31st, 2025. 7 months in FY21) reflects a firm quoted 4.5% increase and 5 months (Jan-May 22) 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%) =	113,430
Maintenance (less 15%) =	\$348,922
Subtotal:	\$462,352

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 FY22:

FY22 figure	\$ 19,083
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TOTAL	\$481,435
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5335 \$300

Mileage

Funding travel to classes/training

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$300	\$100	\$300

5340 \$33,868

Payroll Taxes, Etc. - Management

Funding for payroll taxes @ 10.3% of gross payroll.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$33,379	\$32,350	\$33,868

5345 \$26,666

Payroll Taxes, Etc. - Administration

Funding for payroll taxes @ 10.3% of gross

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$28,032	\$28,032	\$26,666

5350 \$120,325

Payroll Taxes, Etc. - Maintenance

Funding for payroll taxes @ 10.3% of gross pay.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$116,275	\$116,275	\$120,325

5365	\$13,190	<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>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY22 Budget</u></th></tr> <tr> <td>\$12,931</td><td>\$12,931</td><td>\$13,190</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>	\$12,931	\$12,931	\$13,190
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>						
\$12,931	\$12,931	\$13,190						
5370	\$7194	<u>Retirement (401(k) Employer Contributions) Administrative</u> Calculate the employer match @ 4% of gross pay. Full participation in FY21.						
		<table> <tr> <th><u>Approved</u> <u>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY21 Budget</u></th></tr> <tr> <td>\$7053</td><td>\$7053</td><td>\$7194</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>	\$7053	\$7053	\$7194
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY21 Budget</u>						
\$7053	\$7053	\$7194						
6513.000/5375	\$31,144	<u>Retirement (401(k) Employer Contributions) - Maintenance</u> Calculate the employer match @ 4% of gross pay. Presume participation @ 69%, participation in FY21.						
		<table> <tr> <th><u>Approved</u> <u>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY22 Budget</u></th></tr> <tr> <td>\$30,533</td><td>\$30,533</td><td>\$31,144</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>	\$30,533	\$30,533	\$31,144
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>						
\$30,533	\$30,533	\$31,144						
5380	\$1000	<u>Employee Recruitment</u> Cost for online employment ads						
		<table> <tr> <th><u>Approved</u> <u>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY22 Budget</u></th></tr> <tr> <td>\$400</td><td>\$800</td><td>\$1000</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>	\$400	\$800	\$1000
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>						
\$400	\$800	\$1000						
5390	\$82,585	<u>Workers Compensation</u> Current MOD is now 1.73, Broker has presented new 1.33 MOD for FY22 which will reflect a decrease of 25% or \$21,000 which is reflected in the FY22 proposed budget.						
		<table> <tr> <th><u>Approved</u> <u>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY22 Budget</u></th></tr> <tr> <td>\$82,585</td><td>\$82,585</td><td>\$61,585</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>	\$82,585	\$82,585	\$61,585
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>						
\$82,585	\$82,585	\$61,585						
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.						
		<table> <tr> <th><u>Approved</u> <u>FY21 Budget</u></th><th><u>FY21 Y-E</u> <u>Projection</u></th><th><u>Proposed</u> <u>FY22 Budget</u></th></tr> <tr> <td>\$8,000</td><td>\$7,940</td><td>\$8,000</td></tr> </table>	<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>	\$8,000	\$7,940	\$8,000
<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>						
\$8,000	\$7,940	\$8,000						

	<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
	\$780,218	\$779,327	\$785,707
Payroll Subtotals	\$2,500,326	\$2,490,460	\$2,536,522

Utility Expenses

6451.000/6010 \$1,328,242

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
2020:	1,274,568

	<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
	\$1,289,555	\$1,242,543	\$1,328,242

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
2020:	238,310

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 FY21 Budget</u>	<u>FY22 Y-E Projection</u>	<u>Proposed FY2 Budget</u>
\$220,000	\$205,670	\$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
2020:	102,442

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 FY21 Budget</u>	<u>FY21 Y-E Projected</u>	<u>Proposed FY22 Budget</u>
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\$100,000	\$88,791	\$100,000
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6525.000/6035 \$366,672

Trash Removal Services

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).

Residential Trash Removal Service

1,677 units @ \$14.01/month	\$281,937
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Note: There are a total of 1,684 residential units at Parkfairfax minus 7 units (main office and fitness units).

IDS and Waste Management

Commercial Trash and Recycling Removal Service

4 8-yard containers twice/week @ \$994/month

\$ 12,798

2 30-yard container av. 10/mo @ \$2,060/month	43,200
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1 30-yard brush container av. 2/mo @ \$986/month	19,728
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4-yard recycling weekly @ 825 monthly	9,009
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<u>Subtotal</u>	<u>84,735</u>
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<u>Total</u>	<u>\$366,672</u>
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**Approved
FY21 Budget
\$352,975**

**FY21 Y-E
Projection
\$389,677**

**Proposed
FY22 Budget
\$366,672**

Utility Subtotals

\$1,962,530

\$1,926,681

\$2,014,914

Contracted Services and Supplies

6537.000/6100 \$283,009

Landscaping Contract

Funding (\$283,009 0% increase)) for contracted landscape maintenance and care services. The budget figure used here is 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.

Approved

FY21 Y-E

Proposed

		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$283,009	\$283,009	\$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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$10,000	\$8,776	\$10,000
6537.010/6120	\$200,000	<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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$180,000	\$209,228	\$200,000
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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$120,000	\$118,451	\$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 FY22 based on current trending.		
		<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$100,000	\$67,574	\$73,000
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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$20,000	\$25,292	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$3,000	\$2,398	\$3,000
6570.000/6195	\$47,000	<u>Vehicle/Equipment Maintenance Repairs Fuel/Oil</u> Funding for gasoline and diesel fuel used in the Association's vehicles and equipment. Preventative maintenance, oil changes, inspections		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$47,000	\$44,536	\$47,000
Contract Service Subtotals		\$766,009	\$779,264	\$776,009

Repair & Maintenance

6541.000/6410	\$100,000	<u>General Maintenance Repairs combined with 6430 in FY20</u> 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		
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Association offices, Carpet cleaning in Association owned units

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$100,000	\$99,341	\$110,000

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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$2,500	\$1,958	\$2,500
		\$0	\$0	\$0

6541.230/6440 \$37,000

Maintenance/Repair Supplies

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
 PPE Supplies

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$35,000	\$52,248	\$37,000

6515.000/6445	\$22,000	<u>Janitorial and Cleaning Supplies</u>		
		Cost associated for materials and supplies to maintain Association offices, party room, fitness center, pools and employee areas.		
		Approved	FY21 Y-E	Proposed
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$20,000	\$30,301	\$22,000
6562.000/6450	\$240,000	<u>Painting Services (Contracted)</u>		
		All 58 Buildings and 9 Laundry Rooms in Ward 3 + one (4) complete white sand brick buildings. Front & Rear doors included. Add plaques (one ward per cycle Ward 3 for 2022 equals \$12,360)		
		Approved	FY21 Y-E	Proposed
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$240,000	\$219,985	\$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	FY21 Y-E	Proposed
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$17,000	\$18,444	\$19,000
6541.280/6455	\$32,000	<u>Plumbing Supplies</u>		
		Supplies associated with internal work, fittings, PEX, copper, pvc lines. Related supplies		
		Approved	FY21 Y-E	Proposed
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$30,000	\$47,858	\$32,000
6541.000/6470	\$3,000	<u>Equipment/Tool Purchases</u>		
		Funding for the purchase of tools and equipment such as		
		<u>Tools/Equipment (less than \$500)</u>		
		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		

		<u>Approved FY21 Budget</u> \$3,000	<u>FY21 Y-E Projection</u> \$2,458	<u>Proposed FY22 Budget</u> \$3,000
Subtotal Repair and Maintenance		<u>\$449,500</u>	<u>\$472,593</u>	<u>\$455,500</u>
6547.000/6510	\$113,020	<u>Pool Contract</u> 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 FY22 Budget number has been adjusted to reflect the 2021 Pool Management Contract from High Sierra and includes one additional week (Labor Day is later in 2021) and increase in minimum wage.		
		<u>Approved FY21 Budget</u> \$104,200	<u>FY21 Y-E Projection</u> \$18,900	<u>Proposed FY22 Budget</u> \$113,020
6541.810/5420	\$18,000	<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 replacements Pools A & C (B completed Spring of FY21)		
		<u>Approved FY21 Budget</u> \$15,000	<u>FY21 Y-E Projection</u> \$14,793	<u>Proposed FY22 Budget</u> \$18,000
Pool Expenses Subtotals		<u>\$119,200</u>	<u>\$33,693</u>	<u>\$131,020</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 FY21 Budget</u> \$15,500	<u>FY21 Y-E Projection</u> \$15,104	<u>Proposed FY22 Budget</u> \$15,500

6393.050/6620	\$10,000	<u>Engineering Services</u>		
		Funding for services outside of the settlement work reserves 1.006		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$10,000	\$11,670	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$15,000	\$9950	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$45,000	\$48,151	\$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.		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$10,000	\$6,204	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$75,833	\$75,833	\$75,833
6660	\$0	<u>Professional Fees</u>		

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$0	\$0	\$0
Subtotal Professional Fees		\$166,333	\$166,912	\$166,333
Other Expenses				
6370.000/6710	\$1,500	<u>Bad Debt Expense</u>		
		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.		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$1,500	\$1,494	\$1,500
6720.000/6720	\$354,784	<u>Insurance - Building, Liability, D&O, Vehicles, Etc.</u>		
		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 2.5% increase in the aggregate over FY21 payments, with Preferred Insurance Broker (GNY), the Association's insurance agent. The replacement limit under the blanket building coverage is \$248,178,000		
.		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$345,968	\$345,968	\$354,784
6719.000/6430	\$3,000	<u>Permits & Licenses</u>		
		Funding for City of Alexandria for licenses and permit fees (sewer, water and gas lines, etc.) Christmas Tree lighting. Hazardous Use permits (yard).		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$2,000	\$2,095	\$3,000
6718.000/6740	\$15,000	<u>Income Taxes</u>		

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

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$15,000	\$11,548	\$15,000
6710.000/6750	\$21,340	<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).		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$21,340	\$24,090	\$21,340
3590.3806765	\$0	<u>Owners Equity</u>		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$0.00	\$0.00	\$0
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 overflows, etc.)		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$50,000	\$16,773	\$50,000
6730.000/6781	\$100,000	<u>Capital Expenses</u> Funding for new installation and upgrades		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$100,000	\$100,000	\$100,000
Other Expenses Subtotal		\$ 548,604	\$ 501,968	\$ 545,624

6900 Reserves Repair & Replacement

In 2020 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 September 21, 2020 is implemented in the Association's FY22 draft budget and follows the guidelines set forth in the study.

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 3 successive years. Beginning with FY22 the study recommends annual increases of: 6.85%, FY22, 6.88% FY23 and 6.45% FY24. 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 September 21, 2020, projected expenditures in FY22 of **\$2,976,333**. The actual need for expenditures once items already completed, deferred or added to the FY22 list are likely to be on the order of **\$2,823,360**.

	Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
	\$2,691,340	\$2,690,506	\$2,823,360
TOTAL OPERATING EXPENSE	\$9,550,528	\$9,420,506	\$9,793,004

Parkfairfax Condominium Unit Owners Association
Fiscal Year 2021/2022 DRAFT 4.32 increase Budget Narrative
Based on DMA current Reserve Study
1 June 2021 thru 31 May 2022
Section 1: INCOME

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

4001 \$9,468,385

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 2021/2022 (FY22) Budget includes a 4.32% increase in the condominium assessment fee for each individual unit as compared with its FY21 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>	2020/21 Monthly Assessment <u>Obligation</u>	2021/22 Monthly Assmt Obligation <u>(4.32% Incr.)</u>	2021/22 Total Assessment <u>Income</u>
1A Jackson	0.000515 88	389.53	406.36	429,114
1B Jefferson	0.000558 105	422.05	440.28	554,756
1C Monroe	0.000545 168	412.22	430.03	866,936
1D Adams	0.000508 239	384.23	400.83	1,149,577
1E Garfield	0.000528 120	399.36	416.61	599,922
2A Lincoln	0.000609 167	460.63	480.53	962,981
2A1 Lincoln	0.000633 21	478.77	499.45	125,862
2B Madison	0.000630 425	476.51	497.10	2,535,186
2B1 Madison	0.000649 19	490.87	512.08	116,759
2C Washington	0.000630 226	476.51	497.10	1,348,122
2D Cleveland	0.000718 4	543.06	566.52	27,193
3A Van Buren	0.000754 48	570.29	594.93	342,678
3B Harrison	0.000792 48	599.03	624.91	359,947
3C Coolidge	0.000840 5	635.34	662.79	39,767
4A Roosevelt	0.001013 1	766.19	799.29	9,591

1684

9,468,385

Condominium Assessments for Association Owned Units

There is a total of 17 Association owned units. The Association makes condominium assessment payments on all 17 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	2021/2022 Monthly Assessment	2021/22 Total
	<u>Obligation</u>	<u>Income</u>
<u>Units Comprising the Management Office</u>		
Unit No. 73801/ [3356 G.R.*/1B/Jefferson	440.28	5283.26
Unit No. 73802/ [3358 G.R.]/1A/Jackson	406.36	4876.32
Unit No. 73803/3360 G.R./3B/Harrison	624.91	7498.92
Unit No. 73804/ [3362 G.R.]/3A/Van Buren	594.93	7139.16
Unit No. 73805/ [3366 G.R.]/1B/Jefferson	440.28	<u>5283.26</u>
<u>Subtotal</u> for 5 units		30,080.92
<u>Units Comprising the Exercise Facility</u>		
Unit No. 40105/1409 M.C.*/1A/Jackson	406.36	4876.32
Unit No. 40106/1411 M.C.*/1A/Jackson	406.36	<u>4876.32</u>
<u>Subtotal</u> for 2 units		9752.64
<u>Units which the Association Rents Out</u>		
Unit No. 80201/3344 V.D./2A1/Lincoln	499.45	5993.40
Unit No. 30902/3546 M.C./1D/Adams	400.83	4809.93
Unit No. 30905/3552 M.C./1D/Adams	400.83	4809.93
Unit No. 40101/1401 M.C./1B/Jefferson	440.28	5283.76
Unit No. 40102/1403 M.C./1A/Jackson	406.36	<u>4876.32</u>
<u>Subtotal</u> for 6 units		25,773.37
<u>Units Occupied by Employees/Police Officer</u>		
Unit No. 30906/3554 M.C./1D/Adams	400.83	4809.96
Unit No. 40104/1407 M.C./3B/Harrison	624.91	7498.92
Unit No. 40103/1405 M.C./3A/Van Buren	594.93	7139.16
Unit No. 80206/3354 V.D.*/2A1/Lincoln	499.45	5993.40

Unit No. 30901/3544 M.C./1D/Adams	400.83	<u>4809.96</u>
<u>Subtotal</u> for 5 units		30,251.40

Total All AU Units	95,858.33
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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 17 Association owned units will be found in many expense accounts lines (#6410, #6430, #6450, etc.) and among elements covered by the Replacement Reserve.

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY2 Budget
\$9,076,414	\$9,076,414	\$9,468,888

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
			96840

Subtotal for 6 units

Units Occupied by Employees/Police Officer

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

Subtotal for 5 units

43,476

		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$140,316	\$140,316	\$140,316
<u>Other Income</u>				
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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$16,800	\$16,800	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$20,000	\$22,286	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$8,000	\$8,000	\$8,000
5990.008/4630	\$40,000	<u>Unit Service Program (USP)</u>	Projected FY21 income is based upon actuals	
		<u>Service</u>	<u>FY21 Rates</u>	<u>FY22 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 FY21 Budget</u>	<u>FY21Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$40,000	\$30,783	\$40,000

5910.000/4635

\$40,000

Laundry Commission

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.

Approved
FY21 Budget

\$48,000

FY21 Y-E
Projection

\$29,813

Proposed
FY22 Budget

\$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.

1/8 Page
1/4 Page
1/2 Page
Full Page

FY 18

\$ 49

97

190

270

FY19

\$ 49

97

190

270

Approved
FY21 Budget

\$40,000

FY21 Y-E
Projection

\$24,786

Proposed
FY22 Budget

\$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 FY22 (note that there is also a \$200.00 refundable deposit requirement for each rental). (FY21 lower due to pandemic)

Approved
FY21 Budget

\$5,000

FY21 Y-E
Projection

\$2,917

Proposed
FY22 Budget

\$5,000

5990.190/4655

\$53,946

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: 1/2 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.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$45,000	\$45,000	\$53,946

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 FY22 Budget figure is based the projection of income in FY21 and anticipates that conveyances of units in FY22 will probably remain at the pace seen in FY21.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY21 Budget</u>
\$48,000	\$47,248	\$ 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.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$8,000	\$8,000	\$8,000

5410.000/4695 **\$70,000**

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:

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$70,000	\$71,230	\$70,000

Other Income Subtotals	\$346,800	\$323,918	\$333,800
INCOME TOTALS:	<u>Approved FY21 Budget</u> \$9,550,530	<u>FY21 Y-E Projection</u> \$9,571,452	<u>Proposed FY22 Budget</u> \$9,947,004

Section 2: EXPENSES

<u>Account Number</u>	<u>Projected FY22 Expenses</u>	<u>Line Descriptor/Commentary</u>	
<u>Administrative Expenses</u>			
6301.000/5010	\$11,700	<u>Committees and Activities</u>	
		TLUC Committee	200
		Movie Night (1)	2,725
		<u>Activities Committee</u>	<u>8,775</u>
		TOTAL	\$11,700
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>
		\$11,700	\$9,648
		<u>Proposed FY22 Budget</u>	<u>FY22 Budget</u>
		\$11,700	\$11,700
6351.020/5020	\$38,000	<u>Computer Maintenance & Support</u>	
		Funding for all computer maintenance and support to include software.	
		Dataprise IT Support, O365 Cloud Services.	
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>
		\$38,000	\$44,000
		<u>Proposed FY22 Budget</u>	<u>FY22 Budget</u>
		\$38,000	\$38,000
6311.080/5030	\$7,200	<u>Office Equipment Lease</u>	
		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

		<u>Approved</u> <u>FY21 Budget</u> \$7,200	<u>FY21 Y-E</u> <u>Projection</u> \$7,599	<u>Proposed</u> <u>FY22 Budget</u> \$7,200
6311.000/5035	\$15,500	<u>Office Supplies</u> 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.		
		<u>Approved</u> <u>FY21 Budget</u> \$15,500	<u>FY21 Y-E</u> <u>Projection</u> \$13,500	<u>Proposed</u> <u>FY22 Budget</u> \$15,500
6311.010/5036	0	<u>Copying COMBINED WITH 5070/6311.010</u> Funding for expenses associated with the operation of the Association's copy machine for Board and committee flyers, notices, etc.		
		<u>Approved</u> <u>FY21 Budget</u> \$6,800	<u>FY21 Y-E</u> <u>Projection</u> \$6,800	<u>Proposed</u> <u>FY22 Budget</u> \$0
6311.130/5040	\$40,000	<u>Office Systems Services</u> M-Files, Buildium, KeyTrak annual maintenance and Dropbox		
		<u>Approved</u> <u>FY21 Budget</u> \$40,000	<u>FY21 Y-E</u> <u>Projection</u> \$45,000	<u>Proposed</u> <u>FY22 Budget</u> \$40,000
6391.000/5045	\$300	<u>Dues and Subscriptions</u> 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		
		<u>Approved</u> <u>FY21 Budget</u> \$300	<u>FY21 Y-E</u> <u>Projection</u> \$175	<u>Proposed</u> <u>FY22 Budget</u> \$300
6390.900/5050	\$28,000	<u>Communications/Newsletter</u> Funding for the monthly production of the <u>Parkfairfax Forum</u> , 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.		
		<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>

		\$32,000	\$36,915	\$28,000
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.		
		<u>Approved</u> <u>FY21 Budget</u> \$91,888	<u>FY21 Y-E</u> <u>Projection</u> \$92,051	<u>Proposed</u> <u>FY22 Budget</u> \$94,951
6311.050/5060	\$20,000	<u>Postage</u> Funding for postage, including daily Association business, monthly mailings for checks, late notices via Barkan etc.		
		<u>Approved</u> <u>FY21 Budget</u> \$10,000	<u>FY21 Y-E</u> <u>Projection</u> \$19,500	<u>Proposed</u> <u>FY22 Budget</u> \$20,000
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.		
		<u>Approved</u> <u>FY21 Budget</u> \$11,200	<u>FY21 Y-E</u> <u>Projection</u> \$9,533	<u>Proposed</u> <u>FY22 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.		
		<u>Approved</u> <u>FY21 Budget</u> \$36,000	<u>FY21 Y-E</u> <u>Projection</u> \$37,430	<u>Proposed</u> <u>FY22 Budget</u> \$36,000
6390.00/5090	\$28,000	<u>Other Administrative Expense</u> Board Secretary, Courier service, Staff function/parties etc. Funding for expenses that do not fall into other expense lines.		

		Approved <u>FY21 Budget</u> \$30,000	FY21 Y-E <u>Projection</u> \$25,849	Proposed <u>FY22 Budget</u> \$28,000
	Admin. Subtotals	<u>\$323,788</u>	<u>\$348,000</u>	<u>\$330,851</u>
6390.009/5100	\$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		
		Approved <u>FY21 Budget</u> \$14,000	FY21 Y-E <u>Projection</u> \$13,300	Proposed <u>FY22 Budget</u> \$14,000
	<u>Payroll and Related</u>			
5302	\$258,143	<u>Payroll - Administrative</u> 2 FT Service Coordinators 1 FT USP Director 1 FT Maint. Admin Coordinator 1 FT Covenants Director The proposed FY22 Budget figure = full staffing at the FY21 Budget level + 2%- 3% <u>average</u> in annual raises effective 1Jun22.		
		Approved <u>FY21 Budget</u> \$271,369	FY21 Y-E <u>Projection</u> \$219,713	Proposed <u>FY22 Budget</u> \$258,143
5304	\$1,164,809	<u>Payroll - Maintenance</u> For FY21, staffing level 22 FT employees. No seasonal help. Add \$50,000 of overtime <u>General Maintenance Department</u> 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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$1,125,608	\$1,169,986	\$1,164,809

5306 \$327,862

Payroll - Management

1 FT General Manager

1 FT Assistant General Manager

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 FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$338,592	\$321,434	\$327,862

Total Payroll Approved FY21 Budget	Total Payroll FY21 Y-E Projection	Total Payroll Proposed FY22 Budget
\$1,720,108	\$1,711,133	\$1,750,815

5325 \$1,000

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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Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$1,000	\$1,000	\$1,000

5330 \$481,435

Group Insurance

Major Medical Group Health Care and Dental. The present

CareFirst/Delta Dental policy through Man-U (CBA) year (2020/2024) commenced on June 1st, 2020 and expires on May 31st, 2025. 7 months in FY21) reflects a firm quoted 4.5% increase and 5 months (Jan-May 22) 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%) =	113,430
Maintenance (less 15%) =	\$348,922
Subtotal:	\$462,352

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 FY22:

FY22 figure	\$ 19,083
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TOTAL	\$481,435
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5335 \$300

Mileage

Funding travel to classes/training

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$300	\$100	\$300

5340 \$33,868

Payroll Taxes, Etc. - Management

Funding for payroll taxes @ 10.3% of gross payroll.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$33,379	\$32,350	\$33,868

5345 \$26,666

Payroll Taxes, Etc. - Administration

Funding for payroll taxes @ 10.3% of gross

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$28,032	\$28,032	\$26,666

5350 \$120,325

Payroll Taxes, Etc. - Maintenance

Funding for payroll taxes @ 10.3% of gross pay.

<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
\$116,275	\$116,275	\$120,325

5365	\$13,190	<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></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY22 Budget</u></th></tr> <tr> <td>\$12,931</td><td>\$12,931</td><td>\$13,190</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$12,931	\$12,931	\$13,190
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$12,931	\$12,931	\$13,190									
5370	\$7194	<u>Retirement (401(k) Employer Contributions) Administrative</u> Calculate the employer match @ 4% of gross pay. Full participation in FY21.									
		<table> <tr> <th><u>Approved</u></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY21 Budget</u></th></tr> <tr> <td>\$7053</td><td>\$7053</td><td>\$7194</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>	\$7053	\$7053	\$7194
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY21 Budget</u>									
\$7053	\$7053	\$7194									
6513.000/5375	\$31,144	<u>Retirement (401(k) Employer Contributions) - Maintenance</u> Calculate the employer match @ 4% of gross pay. Presume participation @ 69%, participation in FY21.									
		<table> <tr> <th><u>Approved</u></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY22 Budget</u></th></tr> <tr> <td>\$30,533</td><td>\$30,533</td><td>\$31,144</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$30,533	\$30,533	\$31,144
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$30,533	\$30,533	\$31,144									
5380	\$1000	<u>Employee Recruitment</u> Cost for online employment ads									
		<table> <tr> <th><u>Approved</u></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY22 Budget</u></th></tr> <tr> <td>\$400</td><td>\$800</td><td>\$1000</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$400	\$800	\$1000
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$400	\$800	\$1000									
5390	\$82,585	<u>Workers Compensation</u> Current MOD is now 1.73, Broker has presented new 1.33 MOD for FY22 which will reflect a decrease of 25% or \$21,000 which is reflected in the FY22 proposed budget.									
		<table> <tr> <th><u>Approved</u></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY22 Budget</u></th></tr> <tr> <td>\$82,585</td><td>\$82,585</td><td>\$61,585</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$82,585	\$82,585	\$61,585
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$82,585	\$82,585	\$61,585									
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.									
		<table> <tr> <th><u>Approved</u></th><th><u>FY21 Y-E</u></th><th><u>Proposed</u></th></tr> <tr> <th><u>FY21 Budget</u></th><th><u>Projection</u></th><th><u>FY22 Budget</u></th></tr> <tr> <td>\$8,000</td><td>\$7,940</td><td>\$8,000</td></tr> </table>	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>	\$8,000	\$7,940	\$8,000
<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>									
<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>									
\$8,000	\$7,940	\$8,000									

	<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
	\$780,218	\$779,327	\$785,707
Payroll Subtotals	\$2,500,326	\$2,490,460	\$2,536,522

Utility Expenses

6451.000/6010 \$1,328,242

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
2020:	1,274,568

	<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
	\$1,289,555	\$1,242,543	\$1,328,242

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
2020:	238,310

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 FY21 Budget</u>	<u>FY22 Y-E Projection</u>	<u>Proposed FY2 Budget</u>
\$220,000	\$205,670	\$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
2020:	102,442

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 FY21 Budget</u>	<u>FY21 Y-E Projected</u>	<u>Proposed FY22 Budget</u>
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\$100,000	\$88,791	\$100,000
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6525.000/6035 \$366,672

Trash Removal Services

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).

Residential Trash Removal Service

1,677 units @ \$14.01/month	\$281,937
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Note: There are a total of 1,684 residential units at Parkfairfax minus 7 units (main office and fitness units).

IDS and Waste Management

Commercial Trash and Recycling Removal Service

4	8-yard containers twice/week @ \$994/month	\$ 12,798
2	30-yard container av. 10/mo @ \$2,060/month	43,200
1	30-yard brush container av. 2/mo @ \$986/month	19,728
	4-yard recycling weekly @ 825 monthly	9,009
	<u>Subtotal</u>	<u>84,735</u>
	<u>Total</u>	<u>\$366,672</u>

	<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
	<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
	\$352,975	\$389,677	\$366,672
 Utility Subtotals	 \$1,962,530	 \$1,926,681	 \$2,014,914

Contracted Services and Supplies

6537.000/6100 \$283,009

Landscaping Contract

Funding (\$283,009 0% increase)) for contracted landscape maintenance and care services. The budget figure used here is 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.

Approved	FY21 Y-E	Proposed
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		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$283,009	\$283,009	\$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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$10,000	\$8,776	\$10,000
6537.010/6120	\$200,000	<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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$180,000	\$209,228	\$200,000
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</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$120,000	\$118,451	\$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 FY22 based on current trending.		
		<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>
		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$100,000	\$67,574	\$73,000
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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$20,000	\$25,292	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$3,000	\$2,398	\$3,000
6570.000/6195	\$47,000	<u>Vehicle/Equipment Maintenance Repairs Fuel/Oil</u> Funding for gasoline and diesel fuel used in the Association's vehicles and equipment. Preventative maintenance, oil changes, inspections		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$47,000	\$44,536	\$47,000
Contract Service Subtotals		\$766,009	\$779,264	\$776,009

Repair & Maintenance

6541.000/6410	\$100,000	<u>General Maintenance Repairs combined with 6430 in FY20</u> 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		
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Association offices, Carpet cleaning in Association owned units

			<u>Approved</u> <u>FY21 Budget</u> \$100,000	<u>FY21 Y-E</u> <u>Projection</u> \$99,341	<u>Proposed</u> <u>FY22 Budget</u> \$100,000
6415	\$0		<u>Electrical/Lighting Repairs</u> Funding for lighting and wiring improvements (other funding is found in Reserve line items). Moved to Reserves 1.027		
			<u>Approved</u> <u>FY20 Budget</u> \$0	<u>FY20 Y-E</u> <u>Projection</u> \$0	<u>Proposed</u> <u>FY21 Budget</u> \$0
6541.810/6420	\$2,500		<u>Equipment Rental/Repair and Maintenance</u> 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</u> <u>FY21 Budget</u> \$2,500	<u>FY21 Y-E</u> <u>Projection</u> \$1,958	<u>Proposed</u> <u>FY22 Budget</u> \$2,500
			\$0	\$0	\$0
6541.230/6440	\$37,000		<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 PPE Supplies		
			<u>Approved</u> <u>FY21 Budget</u> \$35,000	<u>FY21 Y-E</u> <u>Projection</u> \$52,248	<u>Proposed</u> <u>FY22 Budget</u> \$37,000
6515.000/6445	\$22,000		<u>Janitorial and Cleaning Supplies</u>		

Cost associated for materials and supplies to maintain Association offices, party room, fitness center, pools and employee areas.

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$20,000	\$30,301	\$22,000

6562.000/6450 \$240,000

Painting Services (Contracted)

All 58 Buildings and 9 Laundry Rooms in Ward 3 + one (4) complete white sand brick buildings. Front & Rear doors included. Add plaques (one ward per cycle Ward 3 for 2022 equals \$12,360)

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$240,000	\$219,985	\$240,000

6562.000/6452 \$19,000

Painting Supplies

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

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$17,000	\$18,444	\$19,000

6541.280/6455 \$32,000

Plumbing Supplies

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

Approved FY21 Budget	FY21 Y-E Projection	Proposed FY22 Budget
\$30,000	\$47,858	\$32,000

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	FY21 Y-E	Proposed
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		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$3,000	\$2,458	\$3,000
Subtotal Repair and Maintenance		<u>\$449,500</u>	<u>\$472,593</u>	<u>\$455,500</u>
6547.000/6510	\$113,020	<u>Pool Contract</u> 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 FY22 Budget number has been adjusted to reflect the 2021 Pool Management Contract from High Sierra and includes one additional week (Labor Day is later in 2021) and increase in minimum wage.		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$104,200	\$18,900	\$113,020
6541.810/5420	\$18,000	<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 replacements Pools A & C (B completed Spring of FY21)		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$15,000	\$14,793	\$18,000
Pool Expenses Subtotals		<u>\$119,200</u>	<u>\$33,693</u>	<u>\$131,020</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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$15,500	\$15,104	\$15,500
6393.050/6620	\$10,000	<u>Engineering Services</u> Funding for services outside of the settlement work reserves 1.006		
		<u>Approved</u>	<u>FY21 Y-E</u>	<u>Proposed</u>

		<u>FY21 Budget</u>	<u>Projection</u>	<u>FY22 Budget</u>
		\$10,000	\$11,670	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$15,000	\$9950	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$45,000	\$48,151	\$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.		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$10,000	\$6,204	\$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 FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$75,833	\$75,833	\$75,833
6660	\$0	<u>Professional Fees</u>		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$0	\$0	\$0
Subtotal Professional Fees		_____	_____	_____

		\$166,333	\$166,912	\$166,333
Other Expenses				
6370.000/6710	\$1,500	<u>Bad Debt Expense</u> 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.		
		<u>Approved</u> <u>FY21 Budget</u> \$1,500	<u>FY21 Y-E</u> <u>Projection</u> \$1,494	<u>Proposed</u> <u>FY22 Budget</u> \$1,500
6720.000/6720	\$354,784	<u>Insurance - Building, Liability, D&O, Vehicles, Etc.</u> 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 2.5% increase in the aggregate over FY21 payments, with Preferred Insurance Broker (GNY), the Association's insurance agent. The replacement limit under the blanket building coverage is \$248,178,000		
		<u>Approved</u> <u>FY21 Budget</u> \$345,968	<u>FY21 Y-E</u> <u>Projection</u> \$345,968	<u>Proposed</u> <u>FY22 Budget</u> \$354,784
6719.000/6430	\$3,000	<u>Permits & Licenses</u> Funding for City of Alexandria for licenses and permit fees (sewer, water and gas lines, etc.) Christmas Tree lighting. Hazardous Use permits (yard).		
		<u>Approved</u> <u>FY21 Budget</u> \$2,000	<u>FY21 Y-E</u> <u>Projection</u> \$2,095	<u>Proposed</u> <u>FY22 Budget</u> \$3,000
6718.000/6740	\$15,000	<u>Income Taxes</u> Based on the audit of the Association's books and records annual income tax expenses.		
		<u>Approved</u> <u>FY21 Budget</u>	<u>FY21 Y-E</u> <u>Projection</u>	<u>Proposed</u> <u>FY22 Budget</u>

		\$15,000	\$11,548	\$15,000
6710.000/6750	\$21,340	<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).		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$21,340	\$24,090	\$21,340
3590.3806765	\$0	<u>Owners Equity</u>		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$0.00	\$0.00	\$0
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.)		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$50,000	\$16,773	\$50,000
6730.000/6781	\$100,000	<u>Capital Expenses</u> Funding for new installation and upgrades		
		<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
		\$100,000	\$100,000	\$100,000
Other Expenses Subtotal		\$ 548,604	\$ 501,968	\$ 545,624

6900 Reserves Repair & Replacement

In 2020 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 September 21, 2020 is implemented in the Association's FY22 draft budget and follows the guidelines set forth in the study.

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 3 successive years. Beginning with FY22 the study recommends annual increases of: 6.85%, FY22, 6.88% FY23 and 6.45% FY24. 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 September 21, 2020, projected expenditures in FY22 of \$2,976,333. The actual need for expenditures once items already completed, deferred or added to the FY22 list are likely to be on the order of \$2,823,360.

	<u>Approved FY21 Budget</u>	<u>FY21 Y-E Projection</u>	<u>Proposed FY22 Budget</u>
	\$2,691,340	\$2,690,506	\$2,976,231
TOTAL OPERATING EXPENSE	\$9,550,528	\$9,420,506	\$9,947,004