

Budget Message for 2024

Budget Committee Chair: Hallis

I would first like to thank my committee members for their thoughtful, diligent work and invaluable advice in crafting this 2024 budget – Joan Hudson, Lauren Dame and Carol Whipple. Further, we could not have done it without the able assistance of Diane Sollinger from BMC who researched the increases in all utility rates and contractor amounts. Many thanks to them all.

The budget committee met on October 26, 2023. We drafted the 2024 budget based on:

1. Past 3 years of actual expenses and estimated 2023 expenses
2. Increase in amounts prepared for the Tate by BMC
3. Standing committees' requests
4. Amounts estimated for capital expenses that might be financed by the Operating fund, under "Capital items paid by Operations". This amount was reduced to \$1,500 for 2024.
5. The history of increasing maintenance costs due to the aging of the building.
6. Analysis of the Replacement Reserve suggested 2024 costs.

As a result of our close examination of costs we determined that an increase in dues during 2022 is necessary to put the Tate operating funds in the black. We recommend an increase of 11.35% in residential Operating Fund dues for 2022 and 8% for

Commercial Operating Fund dues in order to cover the known and expected costs plus continue a positive financial position. Thus: In order to be prudent in our cost estimates and to provide the level of services that the owners have been accustomed to:

1. We have reduced the amount allowed for payment of capital expenses from the operating budget to \$1,500 from \$2,000.
2. We reduced the operating contingency to \$2,000, based on the lack of substantial transfers needed in prior years.
3. We will continue the operating dues of \$15 per month for all units in order to accumulate cash for future asset acquisitions. The additional amount would accumulate until we have reached \$60,000. We should reach \$32,122 by the 2023 year end.
4. We increased the comcast cost per unit from \$47 to \$50 to reflect the actual cost incurred.

Each year certain expenses increase due to cost of living increases, and the fraying of our beautiful building as it ages. The amount of revenue required to meet the budgeted expenses suggests a 11.35% increase in Operating dues for 2024. The Replacement Reserve fund was assigned a 5.8% increase for 2024 based on the Schwindt Replacement Reserve study conducted during 2023, which is projected out for at least 30 years.

The following are the requests for the standing committees' budgets:

- A. Landscape – this committee now also contains the responsibility for the Terrace Landscape. It has been projected to need %5,500 for 2024.

- B. Art - \$1,000 for art receptions, which is the same amount as for 2023.
- C. Social –increased to \$1,500.
- D. The landscape maintenance contract with Gentle was increased to \$7,320 from \$6,300. His duties include the 2nd floor terrace.

Brothers cleaning cost increased by 5%.

BMC's administrative management fee increased 10%.

The following are the cost changes for utilities:

- A. EWEB storm water – 11% increase
- B. EWEB electricity and water – estimated 7.75 and 8.5% increases
- C. City sewer – BMC estimates a 3.7% increase
- D. City storm water - BMC estimates a 11% increase
- E. NW Natural gas – BMC estimates an 8% increase
- F. Elevator phone lines decreased to \$4,824.

Daddy's Day Job (window washing) will be \$7,600 for both cleanings.

Elevator Maintenance will increase by 3% by contract.

BMC will be charging \$2.35 per unit per month for technology fees relating to software upgrades for all properties at BMC. The committee decided in 2019 to not add a billing line to owners, rather the Operating Fund will absorb that cost.

Attached, please find the draft of the 2024 budget and the allocation of dues by apartment for 2024.

DETAILED EXPENDITURES

The BOARD approves the budget - Pres. mails to owners before annual mtg.

GENERAL OPERATING

The Tate

	Historical Data				EXPENDITURE DESCRIPTION	Budget for Next Year			
	Actual			Adopted Budget This Year 2023		2024			
	Third Preceding 2020	Second Preceding 2021	First Preceding 2022			Proposed By Budget committee	Changes by Board	Adopted By Board	
1	2,102	2,329	2,411	2,500	1. Storm water	2,606	0	2,606	1
2	7,747	7,037	7,426	8,000	2. Water	8,346	0	8,346	2
3	7,726	7,206	7,774	8,100	3. Sewer	7,792	0	7,792	3
4	13,924	13,302	13,575	14,500	4. Electricity	14,856	0	14,856	4
5	5,491	5,377	6,794	6,500	5. Natural gas	8,994	0	8,994	5
6	48,359	15,004	35,530	40,100	6. Property insurance+umbrella policy	49,244	0	49,244	6
7	5,843	2,654	2,839	3,000	7. Heating, venting & A/C maintenance	2,500	0	2,500	7
8	12,734	14,837	17,584	19,000	8. General maintenance-BMC	17,475	0	17,475	8
9	2,720	2,566	2,416	2,750	9. Maintenance supplies	3,678	0	3,678	9
10	7,337	12,127	25,405	16,000	10. Maintenance contractors	18,626	0	18,626	10
11	5,529	6,320	5,866	6,100	11. Elevator maintenance	11,994	0	11,994	11
12	4,296	4,265	4,388	4,700	12. Garbage	4,966	0	4,966	12
13	3,956	4,341	4,595	4,900	13. Telephone	4,824	0	4,824	13
14	12,173	1,407	3,565	1,000	14. Accounting & legal	1,000	0	1,000	14
15	509	427	406	1,000	15. Social committee	1,500	0	1,500	15
16	86	331	566	1,000	16. Art committee	1,000	0	1,000	16
17	12,385	12,800	13,440	13,500	17. Administrative management	14,080	0	14,080	17
18	1,106	1,502	939	1,130	18. MBA memberships, and OR registration	3,200	0	3,200	18
19	382	390	568	520	19. Office & general supplies	633	0	633	19
19a	720	720	778	777	19.a Technology fees	1,354	0	1,354	19a
20	4,420	6,645	3,014	2,500	20. Taxes	6,000	0	6,000	20
21	20,236	18,512	22,420	24,000	21. Janitorial	26,000	0	26,000	21
22	21,860	23,672	24,880	26,100	22. Cable TV expense	27,444	0	27,444	22
23	3,142	2,766	2,691	3,000	23. Internet	3,000	0	3,000	23
24	540	0	0	200	24. Miscellaneous /website	200	0	200	24
25	6,664	5,716	2,376	2,700	25. Security monitoring	3,000	0	3,000	25
26	3,139	1,551	903	1,000	26.Terrace Garden Committee	0	0	0	26
27	4,848	5,160	5,500	6,300	27. Grounds contract	7,320	0	7,320	27
28	432	3,899	1,645	7,000	28. Landscape committee	5,500	0	5,500	28
29	6,860	1,362	0	2,000	29. Capital expenses paid from operating	1,500	0	1,500	29
30	-	1,750	800	850	30. Replacement Reserve Study & Annuual Financial Review	3,000	0	3,000	30
31	3,260	7,280	7,280	8,000	31. Window cleaning	7,600	0	7,600	31
32				(508)	32. Cash carryover to following year-operating	25,000	0	25,000	32
33		16,257	8,280	8,280	33. Asset acquisition savings	8,280	0	8,280	33
34	(3,577)	4,698	(508)		34. Net loss/gain	-		-	34
35				4,000	35. Contingency	2,000	0	2,000	35
36	226,949	214,209	236,144	240,540	36. TOTAL EXPENDITURES	304,512	0	304,512	36
37									37
38									38
39	226,949	214,209	236,144	240,540	39. TOTAL	304,512	-	304,512	39
	226,949	214,209	236,144	250,442		304,512			

RESOURCES

The BOARD approves the budget - Pres. mails to owners before annual mtg.

Approved, as amended, November 1, 2023

GENERAL OPERATING

The Tate

Fund

	Historical Data				RESOURCE DESCRIPTION	Budget for Next Year			
	Actual			Adopted Budget This Year 2023		2024			
	Third Preceding 2020	Second Preceding 2021	First Preceding 2022			Proposed By Budget committee	Changes by Board	Adopted By Board	
					Beginning Fund Balance:				
1	33,252	(4,533)	4,698	211,018	1. Available cash on hand at year end	5,000	0	5,000	1
2	167,423	173,190	197,840	1,800	2. Dues	234,888	0	234,888	2
3	900	1,238	(3,825)	0	3. Parking income	900	0	900	3
4	32	37	61	500	4. Late fees	0	0	0	4
5	0	1,022	1,000	0	5. Other (move in fees)	0	0	0	5
6					6. Special Assessment	25,000	0	25,000	6
7	22,587	24,248	25,335	26,084	7. Comcast monthly fees	27,444	0	27,444	7
8	2,755	2,751	2,755	2,760	8 Internet fee	3,000	0	3,000	8
9	0	16,257	8,280	8,280	9. Asset Acquisition	8,280	0	8,280	9
10				0	10.	0	0	0	10
11				0	11.	0	0	0	11
12				0	12.	0	0	0	12
13				0	13.	0	0	0	13
14				0	14.	0	0	0	14
15				0	15.	0	0	0	15
16				0	16.	0	0	0	16
17				0	17.	0	0	0	17
18				0	18.	0	0	0	18
19				0	19.	0	0	0	19
20				0	20.	0	0	0	20
21				0	21.	0	0	0	21
22				0	22.	0	0	0	22
23				0	23.	0	0	0	23
24				0	24.	0	0	0	24
25				0	25.	0	0	0	25
26				0	26.	0	0	0	26
27				0	27.	0	0	0	27
28				0	28.	0	0	0	28
29	226,949	214,209	236,144	250,442	29. Total resources	304,512	0	304,512	29
30				0		0	0	0	30
31									31
32	226,949	214,209	236,144	250,442	32. TOTAL RESOURCES	304,512	0	304,512	32

236,144

0

304,512

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Tate 2023	2023 Operating Monthly Dues		8.00% 11.35% Increase	2024 Total Monthly Dues	2023 Monthly Reserve	5.8% Increase	2024 Total Monthly RR	2024 New Monthly dues Total	Capital Asset Acq.	Cable TV	Internet	2024 New Monthly Total	Unit
1369	\$	215	\$	232	\$	116	\$	123	\$	355	\$	355	1369
1373	\$	61	\$	66	\$	32	\$	34	\$	100	\$	100	1373
201	\$	412	\$	459	\$	160	\$	169	\$	628	\$	698	201
202	\$	552	\$	615	\$	213	\$	225	\$	840	\$	910	202
203	\$	240	\$	267	\$	93	\$	98	\$	365	\$	435	203
204	\$	267	\$	297	\$	104	\$	110	\$	407	\$	477	204
205	\$	261	\$	291	\$	102	\$	108	\$	399	\$	469	205
206	\$	384	\$	428	\$	149	\$	158	\$	586	\$	656	206
207	\$	372	\$	414	\$	144	\$	152	\$	566	\$	636	207
208	\$	381	\$	424	\$	148	\$	157	\$	581	\$	651	208
209	\$	355	\$	395	\$	138	\$	146	\$	541	\$	611	209
210	\$	373	\$	415	\$	144	\$	152	\$	567	\$	637	210
301	\$	531	\$	591	\$	206	\$	218	\$	809	\$	879	301
302	\$	438	\$	488	\$	170	\$	180	\$	668	\$	738	302
303	\$	240	\$	267	\$	93	\$	98	\$	365	\$	435	303
304	\$	267	\$	297	\$	104	\$	110	\$	407	\$	477	304
305	\$	261	\$	291	\$	102	\$	108	\$	399	\$	469	305
306	\$	384	\$	428	\$	149	\$	158	\$	586	\$	656	306
307	\$	373	\$	415	\$	145	\$	153	\$	568	\$	638	307
308	\$	383	\$	427	\$	148	\$	157	\$	584	\$	654	308
309	\$	355	\$	395	\$	138	\$	146	\$	541	\$	611	309
310	\$	372	\$	414	\$	144	\$	152	\$	566	\$	636	310
401	\$	415	\$	462	\$	161	\$	170	\$	632	\$	702	401
402	\$	552	\$	615	\$	214	\$	226	\$	841	\$	911	402
403	\$	355	\$	395	\$	138	\$	146	\$	541	\$	611	403
404	\$	267	\$	297	\$	104	\$	110	\$	407	\$	477	404
406	\$	384	\$	428	\$	149	\$	158	\$	586	\$	656	406
407	\$	415	\$	462	\$	161	\$	170	\$	632	\$	702	407
408	\$	383	\$	427	\$	148	\$	157	\$	584	\$	654	408
409	\$	467	\$	520	\$	182	\$	192	\$	712	\$	782	409
410	\$	372	\$	414	\$	144	\$	152	\$	566	\$	636	410
501	\$	415	\$	462	\$	161	\$	170	\$	632	\$	702	501
502	\$	552	\$	615	\$	214	\$	226	\$	841	\$	911	502
503	\$	241	\$	268	\$	93	\$	98	\$	366	\$	436	503
504	\$	265	\$	295	\$	104	\$	110	\$	405	\$	475	504
505	\$	262	\$	292	\$	103	\$	109	\$	401	\$	471	505
506	\$	384	\$	428	\$	149	\$	158	\$	586	\$	656	506
507	\$	381	\$	424	\$	149	\$	158	\$	582	\$	652	507
508	\$	383	\$	427	\$	148	\$	157	\$	584	\$	654	508
509	\$	355	\$	395	\$	138	\$	146	\$	541	\$	611	509
510	\$	372	\$	414	\$	144	\$	152	\$	566	\$	636	510
601	\$	597	\$	665	\$	232	\$	245	\$	910	\$	980	601
602	\$	337	\$	375	\$	129	\$	136	\$	511	\$	581	602
603	\$	336	\$	374	\$	129	\$	136	\$	510	\$	580	603
604	\$	441	\$	491	\$	169	\$	179	\$	670	\$	740	604
605	\$	338	\$	376	\$	130	\$	138	\$	514	\$	584	605
606	\$	492	\$	548	\$	191	\$	202	\$	750	\$	820	606
607	\$	347	\$	386	\$	135	\$	143	\$	529	\$	599	607
total	\$	17,309	\$	19,277	\$	6,709	\$	7,102	\$	26,371	\$	29,591	
	\$	12	\$	12	\$	12	\$	12	\$	12	\$	12	
	\$	207,712	\$	231,324	\$	80,506	\$	85,223	\$	316,451	\$	355,091	
1373/1369	\$	3,305	\$	3,570	\$	1,771	\$	1,885	\$	5,455	\$		
	\$	211,018	\$	234,894	\$	82,276	\$	87,109	\$	321,906	\$		

The Tate Condominiums

Allocation of January insurance premium

\$ 25,000.00

<u>Unit</u>	<u>Area (Sq.ft.)*</u>	<u>Percentage</u>	<u>Assessment</u>
1369	1,896	3.04%	\$ 759
1373	528	0.85%	\$ 211
201	1,431	2.29%	\$ 573
202	1,917	3.07%	\$ 767
203	829	1.33%	\$ 332
204	927	1.48%	\$ 371
205	905	1.45%	\$ 362
206	1,331	2.13%	\$ 533
207	1,293	2.07%	\$ 517
208	1,322	2.12%	\$ 529
209	1,236	1.98%	\$ 495
210	1,295	2.07%	\$ 518
301	1,838	2.94%	\$ 736
302	1,521	2.43%	\$ 609
303	829	1.33%	\$ 332
304	927	1.48%	\$ 371
305	905	1.45%	\$ 362
306	1,331	2.13%	\$ 533
307	1,296	2.07%	\$ 519
308	1,327	2.12%	\$ 531
309	1,234	1.98%	\$ 494
310	1,291	2.07%	\$ 517
401	1,433	2.29%	\$ 573
402	1,919	3.07%	\$ 768
403	1,231	1.97%	\$ 493
404	927	1.48%	\$ 371
406	1,331	2.13%	\$ 533
407	1,441	2.31%	\$ 577
408	1,327	2.12%	\$ 531
409	1,619	2.59%	\$ 648
410	1,291	2.07%	\$ 517
501	1,443	2.31%	\$ 577
502	1,919	3.07%	\$ 768
503	837	1.34%	\$ 335
504	922	1.48%	\$ 369
505	910	1.46%	\$ 364
506	1,331	2.13%	\$ 533
507	1,324	2.12%	\$ 530
508	1,327	2.12%	\$ 531
509	1,232	1.97%	\$ 493
510	1,291	2.07%	\$ 517
601	2,069	3.31%	\$ 828
602	1,164	1.86%	\$ 466
603	1,162	1.86%	\$ 465
604	1,528	2.45%	\$ 611
605	1,173	1.88%	\$ 469
606	1,707	2.73%	\$ 683
607	1,203	1.93%	\$ 481
Total	<u>62,470</u>	<u>100%</u>	<u>\$ 25,000.00</u>