



Balance Rock Condominium Association

c/o Collect Associates
392 River Road
Shelton, CT 06484
(p) 203-924-5331 (fax) 203-924-8758
collectassoc@aol.com

TO: Balance Rock Unit Owners
FROM: Bob Pagliaro, Property Manager
DATE: November 24, 2017
RE: **Annual/Budget Meeting**

The Annual/Budget Meeting of Unit Owners has been scheduled to take place on **Wednesday, December 13, 2017 at 7:00 PM** and will be held at **Bungay Elementary School ~ 35 Bungay Road ~ Seymour, CT.**

The Agenda is as follows:

- A. Call to Order -- Proof of Notice of Meeting
- B. Reading of Minutes of Preceding Meeting
- C. President's Report / Property Manager's Report
- D. Election of Members of the Board of Directors
- E. Parking Lot Paving Project Discussion
- F. Treasurer's Review
 1. 2018 Budget Review / Paving Assessment
 2. Vote to approve/disapprove 2018 Budget
- G. Old Business
- H. New Business
- I. Open Forum for public comments
- J. Adjournment

During the Annual Meeting there will be an election for Board of Director positions that are becoming vacant. If you are interested in running for a position on the Board of Directors, nominations will be taken from the floor at the time of the meeting.

Enclosed you will find the Agenda, Proxy, Comments from Property Manager, 2018 Proposed Budget, and Budget Review. **In the Proposed Budget there is no common fee increase.**

Included in this Budget is the recommendation to implement a Special Assessment for the purpose of funding the paving of all parking lots at the complex. The estimated paving cost is approximately \$900,000. *(Please see the attached Paving Plan Spreadsheet for information on how the project would be funded.)*

If you are unable to attend, please complete the enclosed proxy and give to a neighbor to bring to the meeting. You may also fax or mail the proxy to Collect Associates no later than **December 11, 2017** at the address below:

**BRCA c/o Collect Associates
392 River Road
Shelton, CT 06484
203-924-5331 (phone); 203-924-8758 (fax)**

Please Note: We encourage everyone to arrive between 6:45 PM and 6:55 PM so that the meeting may begin promptly at 7:00 PM. Thank you for your anticipated cooperation. We look forward to seeing you at the Annual/Budget Meeting.

HEATING

The thermostat and zone valve located in your unit is directly linked to the main boiler system in your building. Each unit owner is responsible for the cost of replacing or repairing these items in their unit. If you are having problems with your heating, please contact my office at (203) 924-5331 and we will refer our heating contractor to assist in making the repairs. It is **imperative** to use the Balance Rock heating contractor when replacing these items to avoid damage to the boiler.

PET ISSUES

As a reminder: Owners are allowed to have one (1) dog or one (1) cat. Tenants are **not** permitted to have any pets. Violations of this rule will result in a hearing which may impose a daily fine.

BALANCE ROCK CONDOMINIUM ASSOCIATION

PROXY

We, the undersigned unit owner(s), hereby designate and appoint the Balance Rock Condominium Association Board of Directors, or

(Designate one person)

to act on my/our behalf at the Annual/Budget Meeting of Unit Owners of Balance Rock Condominium Association to be held on Wednesday, December 13, 2017 at Bungay Elementary School at 7:00 PM.

Signature of Owner _____

Signature of Second Unit Owner _____
(if unit is jointly owned)

Building _____ Unit # _____ Date _____

*Please mail **or** fax to:*

BRCA
c/o Collect Associates
392 River Road
Shelton, CT 06484
(203) 924-8758 (fax)

2017 COMMENTS FROM PROPERTY MANAGER

2017 has been another good year at Balance Rock with minimal breakdowns and emergencies. Once again, our Maintenance Staff (Don Waters & Nick Filipowich) go above and beyond to accommodate the needs of unit owners. They are a big asset to our community. Our pool staff did an exemplary job this year of handling the daily tasks without any problems or issues. A big thank you to Diane Murray, Esther Waters and Jesse Waters for a job well done.

After all bills have been paid, I am anticipating that 2017 will end with a positive cash flow. We are planning on purchasing less oil for 2018 based on 2017 actual oil consumption. This will allow us to continue our capital improvement projects **without increasing common fees.**

Some of the Capital Improvement Projects completed in 2017 are as follows:

Roof Replacements -- Building 25

Window Panels that have been Vinyl Sided

- Bldg. 25 (front and side)
- Bldg. 26 (front and left side)
- Bldg. 29 (rear, left and right side)
- Bldg. 77 (right and left side)
- Bldg. 89 (front)

Hot Water Tanks -- replaced a total of eight (8) hot water tanks in Bldgs. 29, 43, 49, 50, 79, 80, 92 & 93.

Deck Staining & Repair -- Bldgs. 37, 43, 49, 57, 67, 77, 80, & 85

**BALANCE ROCK CONDOMINIUM ASSOCIATION
PARKING LOT PAVING PLAN
Estimated Cost: \$900,000**

Funding for this project will come from a few different areas:

2018 Assessment from unit owners **\$210,000.00**
Owners will have 12 months to pay

2019 Assessment from unit owners **\$210,000.00**
Owners will have 6 months to pay
Due by June 30, 2019

Acquire 5 year loan from bank **\$300,000.00**
Existing loan will be paid off by Aug. 2019

Withdrawal from Reserve Account **\$180,000.00**
Reserve Account balance will be
approximately \$388,000

GRAND TOTAL: \$900,000.00

Please refer to the Schedule below to find the assessment for your unit.

Unit Type	2018 Common Fees	Assessment Amount
A	\$268.01	\$420.00
A2	\$458.31	\$714.00
B	\$355.12	\$567.00
B2	\$522.64	\$819.00
C	\$268.01	\$420.00
CE	\$237.19	\$378.00
D	\$361.84	\$567.00

**BALANCE ROCK CONDOMINIUM ASSOCIATION
2018 PROPOSED BUDGET**

	2017 Budget	YTD Actual Expenses	Difference	Year-End Estimate	2018 Budget
INCOME					
4500 Condo Charge	1,609,329.60	1,340,610.84	268,718.76	1,592,610.00	1,609,329.60
4519 Paving Assessment 2018	0.00	0.00	0.00	0.00	210,000.00
4508 Laundry Income	70,000.00	71,467.75	-1,467.75	71,467.75	70,000.00
4523 Keys	600.00	540.00	60.00	570.00	500.00
4580 Oil Assessment	3,800.00	0.00	3,800.00	1,322.00	600.00
4605 Conveyance Fees	6,000.00	7,842.22	-1,842.22	9,200.00	6,000.00
4606 Pool Income	800.00	1,092.64	-292.64	1,092.64	800.00
4607 Clubhouse Rental	500.00	705.00	-205.00	705.00	500.00
4608 Insurance Claim Revenue	0.00	30,906.25	-30,906.25	30,906.25	0.00
NET INCOME	1,691,029.60	1,453,164.70	237,864.90	1,707,873.64	1,897,729.60
5612 Reimbursable Legal Fees	35,000.00	17,822.61	17,177.39	28,265.00	30,000.00
5800 Late Fee	10,000.00	12,300.00	-2,300.00	12,800.00	10,000.00
5806 Fines	500.00	8,375.00	-7,875.00	8,375.00	3,000.00
5807 Resale Packet Income	1,625.00	2,125.00	-500.00	2,125.00	1,625.00
5810 Returned Check Fee	100.00	45.00	55.00	120.00	100.00
TOTAL INCOME	1,738,254.60	1,493,832.31	244,422.29	1,759,558.64	1,942,454.60
EXPENSES					
PROPERTY MAINTENANCE					
6203 Landscaping/Snow Removal	129,022.68	107,518.90	21,503.78	129,022.68	129,022.68
6204 Additional Snow Removal	7,000.00	9,560.82	-2,560.82	9,560.82	7,000.00
6206 Miscellaneous Landscaping	11,000.00	8,132.58	2,867.42	8,132.58	10,000.00
6207 General Maintenance	100,000.00	64,452.45	35,547.55	79,000.00	90,000.00
6212 Boiler Service Contract	12,995.00	12,995.00	0.00	12,995.00	12,995.00
6220 Cleaning Service	33,000.00	26,410.00	6,590.00	31,692.00	33,000.00
6229 Deck Staining	65,000.00	67,501.60	-2,501.60	67,501.60	60,000.00
6235 Heating System Repairs	38,000.00	39,411.01	-1,411.01	55,000.00	40,000.00
6280 Plumbing Services	21,000.00	29,713.18	-8,713.18	34,000.00	28,000.00
6311 Fire Inspection & Equipment	2,000.00	1,365.53	634.47	1,365.53	2,000.00
6312 Alarm Maintenance Service	6,000.00	4,344.68	1,655.32	9,300.00	6,000.00
6321 Insurance Claim Expense	3,000.00	14,422.82	-11,422.82	14,422.82	5,000.00
6352 Trash Removal	60,000.00	45,763.57	14,236.43	60,000.00	61,000.00
6355 Insect & Pest Control	2,000.00	850.82	1,149.18	1,900.00	2,000.00
6361 Road Pavement Repair	5,000.00	4,053.34	946.66	4,053.34	6,000.00
6380 General Supplies	40,000.00	20,287.62	19,712.38	28,500.00	40,000.00
Pool Expenses	13,000.00	11,746.23	1,253.77	11,746.23	13,000.00
TOTAL PROPERTY MAINT.	548,017.68	468,530.15	79,487.53	558,192.60	545,017.68

	2017 Budget	YTD Actual Expenses	Difference	Year-End Estimate	2018 Budget
UTILITIES					
6410 Electric	80,000.00	55,229.59	24,770.41	70,000.00	75,000.00
6430 Water	75,000.00	59,634.41	15,365.59	71,000.00	75,000.00
6440 Sewer	93,000.00	97,570.70	-4,570.70	97,570.70	98,000.00
6448 Telephone	1,600.00	1,065.20	534.80	1,325.00	1,500.00
6470 Oil	296,500.00	208,573.66	87,926.34	275,000.00	295,000.00
TOTAL UTILITIES	546,100.00	422,073.56	124,026.44	514,895.70	544,500.00
ADMINISTRATION EXPENSE					
7405 Property Management	85,153.92	70,961.60	14,192.32	85,153.92	88,966.80
7407 Insurance	111,000.00	101,148.07	9,851.93	118,060.00	122,010.12
7408 Loan Repayment Expense	67,060.00	50,293.62	16,766.38	67,060.00	67,060.00
7410 Bank Charges	700.00	611.65	88.35	650.00	700.00
7411 Taxes	2,200.00	3,201.00	-1,001.00	3,201.00	3,200.00
7423 Administrative	3,000.00	3,970.41	-970.41	4,600.00	2,200.00
7424 Payroll Expense	110,000.00	84,691.14	25,308.86	102,000.00	110,000.00
7425 Employee Insurance	7,000.00	7,790.50	-790.50	8,700.00	8,700.00
7605 Vehicle Towing Expense	200.00	0.00	200.00	0.00	200.00
7606 Accounting Audit/Tax Return	5,200.00	45.00	5,155.00	45.00	5,000.00
7612 Reimbursable Legal Expenses	35,000.00	30,854.80	4,145.20	36,000.00	35,000.00
7615 Assoc. Legal Expense	1,000.00	0.00	1,000.00	0.00	1,000.00
7619 License\Fees	3,500.00	3,846.40	-346.40	3,846.40	3,900.00
7655 Bad Debt Expense	20,000.00	33,817.84	-13,817.84	45,000.00	25,000.00
TOTAL ADMIN. EXPENSE	451,013.92	391,232.03	59,781.89	474,316.32	472,936.92
CAPITAL SAVINGS CONTRIBUTION					
8204 Revenue for Reserve Savings	21,923.00	40,000.00	-18,077.00	40,000.00	22,000.00
8210 Heating System/Burners	11,200.00	30,344.25	-19,144.25	36,000.00	25,000.00
8213 Paving Assessment 2018	0.00	0.00	0.00	0.00	210,000.00
8215 Roof Replacement	65,000.00	35,393.32	29,606.68	35,393.00	37,000.00
8220 Building Exterior Alarm	20,000.00	13,825.50	6,174.50	21,000.00	26,000.00
8225 Building Siding Project	75,000.00	42,624.18	32,375.82	42,624.18	60,000.00
TOTAL CAPITAL SAVINGS	193,123.00	162,187.25	30,935.75	175,017.18	380,000.00
TOTAL EXPENSES	1,738,254.60	1,444,022.99	294,231.61	1,722,421.80	1,942,454.60
NET INCOME	0.00	49,809.32	-49,809.32	37,136.84	0.00

BALANCE ROCK CONDOMINIUM ASSOCIATION

January 1, 2018- December 31, 2018

Budget Review**REVENUE**

<i>Condo Charges</i>	Common charges collected January - December 2018. Based on actual collection of billed common Oil charges.
<i>Laundry</i>	Based on estimated contract renewal for use of the laundry room
<i>Keys</i>	Broken key replacements of Entrance Door
<i>Oil Special Assessment</i>	Remaining funds to be collected from 2014 Assessment.
<i>Conveyance Fees</i>	As allowed is outlined in our by-laws the Association has initiated a conveyance charge on the sale of Units — payable by the purchaser — in the amount of 2 months of common fees. This allows the Association to collect additional income to help offset increases in expenses and reduce the risk of future fee increases.
<i>Pool Income</i>	Based on collections from unit owners for guest use of the pool
<i>Clubhouse Rentals</i>	Based on collections from residents' use of clubhouse rentals
<i>Insurance Claim Revenue</i>	Funds received from Association insurance carrier for damages to units.
<i>Reimbursable Legal Fees</i>	Revenue received for fees associated with collections of common fees. Offset legal expense for collections
<i>Late Fee</i>	Based on a \$50.00 late charge for common charges collected after the tenth of the month.
<i>Fines</i>	Collection for violation of the Rules and Regulations and/or By-laws of Balance Rock Condominium Association.
<i>Resale Packet Income</i>	Revenue from the cost associated with the sale of units paid by the seller.
<i>Returned Check Fee</i>	Bank fee revenue from owners for returned checks

PROPERTY MAINTENANCE

<i>Landscaping/Snow</i>	Based on a fixed contract price for snow and landscape.
<i>Additional snow removal</i>	This expense allows for additional sanding to be applied to the roadways during snow and ice storms.
<i>Misc. Landscaping</i>	Additional plantings and removal of dead or damaged plants / trees.
<i>General Maintenance</i>	Costs associated with internal / external property and building maintenance. Roof repairs, common plumbing repairs, gutters and siding repairs, common hallway and roadway repairs, decks, patios and other external / common items. Generally outside vendors expense.
<i>Boiler Service Contract</i>	Service and Cleaning of boilers in the 23 buildings
<i>Cleaning Service</i>	Contractual Basis. Cleaning common area hallways, laundry rooms, and clubhouse during summer & emergency cleaning.
<i>Deck Staining</i>	Power washing and staining of 6 buildings (21, 29, 41, 50, 75, and 79).

<i>Heating system Repairs</i>	Cost associated with repairs to the heating systems and hot water tanks. This expense has been separated from General Maintenance so that we can more accurately track the cost associated with the systems currently in service. Repairs that are not covered under boiler contract.
<i>Plumbing Services</i>	Repairs to the water distribution systems and preventive maintenance (power-surfing) sewer pipe lines.
<i>Fire Inspection & Equipment</i>	Fire Extinguisher Inspection and re-fills.
<i>Alarm Maintenance Services</i>	Repair and service of Entry way door bell systems and fire alarm inspections per Fire Marshall.
<i>Insurance Claim Expense</i>	Expense for reimbursement to unit owners from property damage.
<i>Trash Removal</i>	Expenses for refuse, bulk trash removal, and recycling.
<i>Insect/Pest</i>	For common area problems, exterior contract for ants, bees, etc. /abatement program added for termite control in targeted areas.
<i>Road Repairs Maintenance</i>	The repair cost for parking lot asphalt and catch basins.
<i>General Supplies</i>	Purchasing of equipment and supplies for the purpose of up-keep to the building's interior and exterior, pool area, mechanical and all common areas will include exterior paint for peeling wood. Purchasing of deck wood, gas for maintenance truck, lights, etc.
<i>Pool</i>	Weekly cleaning, maintenance and supplies for pool (including pool furniture).

UTILITIES

<i>Electric</i>	Based on Eversource billing (street lights, hall and building lights)
<i>Water</i>	Based on Aquarion Water Company actual usage
<i>Sewer Assessment Fee</i>	Based on actual usage charges.
<i>Telephone</i>	AT&T & Frontier bills for maintenance department & pool.
<i>Oil</i>	Total estimated usage: 155,000 gallons for the 23 buildings (estimating a total of \$295,000.00). Purchased 100,000 gallons of oil at \$1.84 per gallon contract price (\$184,000.00), purchased 35,000 gallons at \$1.92/gallon contract price (\$67,200.00), purchased 20,000 gallons at \$2.19/gallon dock price (\$43,800.00).

ADMINISTRATION

<i>Property Mgmt</i>	Figures are based on a contractual basis plus sales tax.
<i>Insurance</i>	<i>Policy</i> for liability, umbrella, and auto for all common areas. Figures are based on one-year premiums set for building coverage, umbrella and auto.
<i>Loan Repayment Expense</i>	<i>Bank Loan to TD Banknorth. Payment for Main Road Paving Project – 5 year loan. Loan ends August 2019.</i>
<i>Bank Charges</i>	Costs associated with the purchase of checks, stop payment fees, monthly service charges, etc.

<i>Taxes</i>	Costs associated with motor vehicle, property taxes, and IRS.
<i>Administrative</i>	Reimbursement for administrative expenses such as postage, copies, envelopes, coupon books, FHA certification, etc. (No cost to renew license for FHA in 2018).
<i>Payroll</i>	Payroll for maintenance personnel and pool attendants plus State and Federal taxes.
<i>Towing Expense</i>	Expense for towing illegal parked cars offset by revenue for towing credits.
<i>Employee Insurance</i>	Workmen's Comp. Insurance
<i>Accounting /Audit/ Tax Return</i>	Costs associated with filing of corporate documents, tax returns and Audit.
<i>Reimbursable Legal Expense</i>	Expense fees associated with collections of common fees. Offset legal revenue for collections.
<i>Association Legal Expense</i>	Costs associated with general litigation, lawsuits, and foreclosures. Expenses paid to Atty. Colleen Fries.
<i>Licenses/Fees</i>	Costs associated with miscellaneous fees such as Motor Vehicle Registrations, Secretary of State, Bureau of Boilers.
<i>Bad Debt Expense</i>	Reflects losses associated with foreclosure actions where the condominium associations are only permitted to recover 9 months of common fees.

CAPITAL SAVINGS CONTRIBUTION (Reserve)

<i>Revenue for Reserve Savings</i>	Revenue from revenue for Late Fees, Conveyance Fees, Resale Packets, Pool/Clubhouse rentals
<i>Heating System</i>	Replacement of hot water tanks. Hot water tank replacement is approximately \$5,000. Hot water tanks have a life expectancy of 6-8 years. Since 2006, all boilers have been replaced (except Bldg. 43).
<i>Roofs</i>	Replacement of A-frame roofs. Bldgs. 93 is scheduled for replacement in 2018.
<i>Building Exteriors (Alarm)</i>	Installation of fire alarm system in buildings. Bldgs. 17, 21, 25, 37, 41, 50 & 85 have been completed. Building to be determined by Fire Marshall.
<i>Building Siding Project</i>	Replacement of vinyl siding under windows on various buildings. Remaining buildings to be completed: Bldg. 21 (rear); Bldg. 25 (right side & rear); Bldg. 37 (rear); Bldg. 43 (rear); Bldg. 57 (rear); Bldg. 67 (rear, right & left side); Bldg. 75 (rear, right & left side); Bldg. 77 (rear); Bldg. 79 (rear, right & left side); Bldg. 89 (rear, right & left side); Bldg. 93 (rear, right & left side); Bldg. 50 (left side & front); Bldg. 80 (front, rear & left side); Bldg. 85 (rear left & right side).