

Finance Committee Notes for October 13, 2011

Present:

Betty Latson, Chair
Gina Zehr
Barbara Fiacchino
Barbara Grodzins
Frances Andrews
Dave Beck

Also Present:

Rich Vicens
Jim Losik
Brad Cesario of Exelon

Meeting commenced at 7:15pm

Brad Cesario of Exelon gave an energy price update to the committee. He noted that pricing for gas was at historic lows for 2013. Electricity is slightly higher. Brad noted that the board should be monitoring to determine if and when to lock rates beyond December 2012.

Discussion turned to the operating budget. It was noted that certain City budget proposals could adversely affect the JK budget-----notably a 25% increase in water rates and elimination of the scavenger rebate.

With regard to water, the amount budgeted was increased by 25%. It was agreed that the Association would check and make sure this increase in water rates applied to condos.

With regard to the scavenger rebate, it was unclear whether the elimination would apply to future years or whether past due rebates would also not be paid. Several committee members agreed to check with various City sources. Several committee members felt that the loss, if it occurs, needs to be accounted for immediately.

The Finance Committee also discussed the projected operating loss in 2011. The potential 2011 loss is expected to occur as a result of unexpected expenditures including uninsured losses and building interior costs related to HVAC pipe leaks and

elevator repairs. The budget was changed to reflect \$130,000 surplus to replenish operating cash from the potential operating loss.

The Committee members then discussed whether the proposed budget should be sent to owners given the uncertainty of several areas. The Committee would either need to make assumptions based on the worst case scenario or delay the completion of the 2012 budget until after the City passed its budget so that there would be clarity on open issues. No consensus was reached. It was decided to check with Alderman Reilly regarding the various mayoral proposals. It was pointed out to the Finance Committee that the January assessments would be collected at 2011 levels if there was a delay. If this is the case, then the 12 month 2012 assessment increase would then be spread over 11 months.

The City also has proposed a congestion tax on garages during certain hours of the day. It was unclear whether JK would have to pass this tax to daily parkers to keep garage income at projected levels.

There was also discussion regarding the actual projected level of 2011 garage income. Frances Andrews indicated she would discuss with Eddie Main, the manager of the garage.