

Message from Terri Lacoff, Council Treasurer
November 2022

In accordance with the Beacon Hill Townhomes Condominium (BHTC) Code of Regulations and Delaware condo law, enclosed is the proposed BHTC 2023 Annual Budget. **The monthly condo fee effective January 1, 2023, will increase to \$155.**

Due to extraordinary world economic conditions and the winding down of the Association returning surplus cash in the form of a reduced condo fee, the condo fee will begin its rise. I hope to ease into this transition, however, with the current rate of inflation, I expect our finances will be impacted at a faster rate.

During my time as Council Treasurer, we have been successful in the collecting the condo fees due the Association. In difficult economic times things can become a little more challenging for some. However, we are very fortunate at this time to be in a position where we have an extremely low condo fee, so I am optimistic we will not have an issue with severe delinquencies. Our 2023 Annual Budget “projects” expenses will exceed income at year-end by \$30,221. This intended deficit will be covered by the surplus cash in our Operating Account.

The *Reserve Study Report* (“*Study Report*”) is a long-term capital budget planning tool that, along with the cash Reserve Fund, is a requirement under Delaware condo law. The Reserve Fund is separate from the daily Operating Account. The Reserve Fund serves strictly for the funding of major replacements like roofs, sidewalks, asphalt, etc. The law forbids the use of Reserve funds for any expenses other than what is specified in the *Study Report*. BHTC has been funding the Reserve Fund in accordance with our *Study Report* recommendations. With the 2023 plan for asphalt resurfacing at East Court, the 2023 Reserve contribution was funded at the “required rate” of \$62,371 versus the “average required rate” of \$50,353. The *Study Report* can be found on our website, beaconhillcondos.org.

I will continue my commitment to act in the best interests of the community. However, like I do every year, it is my fiduciary responsibility to state that should I for whatever reason or cause cease the duties I have been performing and there be no Council Member or Unit Owner to assume these duties **OR** the services provided by Peg Savoia cease, the Association may have no choice but to engage the services of a full-service property management company which would result in a significant increase to the monthly condo fee.