

Message from Terri Lacoff, Council Treasurer
November 2023

In accordance with the Beacon Hill Townhomes Condominium (BHTC) Code of Regulations, enclosed is the proposed 2024 Annual Budget. **The monthly condo fee effective January 1, 2024, will increase to \$175. The monthly late fee will increase to \$30 on delinquent balances at and above \$100.** Interest at 18% per annum will be charged on accounts that are in legal collections and on accounts that carry forward small balances for consecutive months.

As I have reported over the past years, the low condo fee we have been enjoying came about as a result of the diligence and directives taken to collect the gross delinquencies left behind by our predecessors. The turnaround in collecting these funds combined with the complete overhaul in how we manage our operations quickly propelled the Association into a robust financial position we had never seen before. In accordance with Delaware law we were required to return the surplus cash to the Unit Owners and have been doing so in the form of a reduced condo fee. However, this period has come to its end.

With our hands-on approach in managing our community's operations we have developed some good contractor relationships. These working relationships provide for better contract considerations and pricing. However, some expenses are beyond our control. For instance, our insurance renewal this past August came with a whopping 23% (\$9,137) rate increase. This rate hike is of no fault of BHTC. Prior to our renewal, we received solicitation from a neighborhood insurance agent offering to review our policy. When he learned who held our policy, he said we would not be able to do any better. This recent rate increase alone amounts to an added \$10.57 per month to each Unit Owner. But even with rising expenses, I do not believe you will find another community comparable to BHTC with a condo fee that is as affordable as ours.

When you hear the Council speak of *Capital Replacement Expenses*, we are speaking on total replacement costs for things like roofs, curbs, sidewalks and asphalt. Replacement expenses are funded from the Reserve Account and those costs are projected through what is referred to as a *Reserve Study Report* ("*Study Report*"). This *Study Report* is a long-term capital budget planning tool that is a requirement under Delaware condo law. BHTC has been funding our Reserve in accordance with the *Study Report's* recommendations. You can find our *Study Report* on our website, beaconhillcondos.org.

It's hard to believe I will be entering into my 10th consecutive year of Council service. With that, as I must state each year, should I for whatever reason or cause cease the daily activities I have been performing and there is no Council Member or Unit Owner to assume these duties **OR** should 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 will cause a significant increase in the condo fee.