

SHADOWBROOK CONDOMINIUM

1 SHADOWBROOK LANE
MILFORD, MA 01757

TELEPHONE (508) 473-1784
FAX (508) 473-7798

November 27, 2019

Unit Owners
Shadowbrook Condominium Trust
1 Shadowbrook Lane
Milford, MA 01757

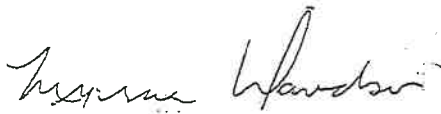
Dear Unit Owners,

After carefully reviewing the financial reports through September 2019, the Trustees of the Shadowbrook Condominium Trust have adopted the 2020 Annual Operating Budget which goes into effect on January 1, 2020. The budget provides for a 3% fee increase which translates to a range of \$10.97- \$14.54 per month per unit increase, depending on the size of the unit. Please see the attached budget and spreadsheet.

The Trustees and management were able to reduce or keep many budget line items level. The 3% increase will allow for an increase in the amount transferred to savings from \$242,330 in 2019 to \$251,146 in 2020 to fund capital repairs. The funds will help the Board and management to continue to invest in the property and maintain vital infrastructure. In July, the town of Milford awarded the town trash removal contract to E.L. Harvey. They are only contracted to come once a week and not twice as had previously been the case. This forced Shadowbrook to contract with a trash vendor for a second day of weekly trash removal. This line item will increase from \$500 in 2019 to \$10,500 in 2020. Lastly, insurance premium rate increases from \$173,750 in 2019 to \$196,100 in 2020 have a significant effect on the budget.

The Board of Trustees and Thayer & Associates, Inc. wish you and your family a safe and enjoyable holiday season.

Sincerely,



Myrna Davidson
Chairperson Board of Trustees
Shadowbrook Condominium Trust



Lee Maranda -
Property Manager
Thayer & Assoc., Inc.



Dwight Johnson
Senior Vice President
Thayer & Assoc., Inc

SHADOWBROOK

11/21/2018

2020 Budget
3% increase

| | BUDGET 2019 | BUDGET 2020 | VARIANCE 20 VS 19 |
|-------------------------|------------------|------------------|----------------------|
| OPERATING INCOME | | | |
| Common Area Fees | 1,724,217 | 1,775,943 | 51,726 |
| Interest | 900 | 1,500 | 600 |
| Late Fees | 6,000 | 4,800 | -1,200 |
| Parking Income | 4,500 | 4,500 | 0 |
| Violation/Fines | 6,500 | 6,000 | -500 |
| Storage Fee | 1,900 | 1,900 | 0 |
| Moving Fees | 7,500 | 9,500 | 2,000 |
| Laundry | 28,800 | 28,800 | 0 |
| Laundry Bonus | 18,750 | 18,750 | 0 |
| Comcast Income | 8,100 | 8,100 | 0 |
| 6D Income | 2,500 | 2,500 | 0 |
| Other Income | 4,700 | 1,000 | -3,700 |
| Function Income | 0 | 3,700 | 3,700 |
| TOTAL INCOME | 1,814,367 | 1,866,993 | 52,626 |

OPERATING EXPENSESAdministrative Expenses

| | | | |
|-----------------------------|---------------|---------------|------------|
| Accounting | 5,700 | 5,750 | 50 |
| Legal | 5,000 | 5,000 | 0 |
| Management Fee | 69,120 | 69,120 | 0 |
| Postage & Copies | 2,100 | 2,100 | 0 |
| Telephone | 4,000 | 4,700 | 700 |
| Other Administrative | 10,500 | 10,000 | -500 |
| Total Administrative | 96,420 | 96,670 | 250 |

Payroll & Benefits

| | | | |
|-----------------------------------|----------------|----------------|--------------|
| Wages - General | 272,200 | 276,283 | 4,083 |
| Wages Pool | 27,500 | 27,500 | 0 |
| Wages Overtime | 4,000 | 4,000 | 0 |
| Wages Contingency | 10,000 | 10,000 | 0 |
| Total Wages & Benefits | 313,700 | 317,783 | 4,083 |

Utilities

| | | | |
|------------------------|----------------|----------------|--------------|
| Electricity | 77,500 | 77,500 | 0 |
| Natural Gas | 118,000 | 121,750 | 3,750 |
| Water & Sewer | 188,100 | 188,100 | 0 |
| Total Utilities | 383,600 | 387,350 | 3,750 |

BUDGET
2019

BUDGET
2020

VARIANCE
20 VS 19

Repairs & Maintenance

| | | | |
|----------------------------------|----------------|----------------|---------------|
| Air Conditioning | 3,576 | 3,803 | 227 |
| Asphalt | 500 | 500 | 0 |
| Cleaning | 55,300 | 55,300 | 0 |
| Electrical | 7,300 | 7,300 | 0 |
| Exterminating | 10,000 | 10,000 | 0 |
| Fire Equipment | 9,250 | 8,500 | -750 |
| HVAC | 16,700 | 16,700 | 0 |
| Keys & Locks | 600 | 750 | 150 |
| Landscaping | 69,500 | 69,500 | 0 |
| Painting | 3,500 | 3,500 | 0 |
| Plumbing | 8,000 | 9,500 | 1,500 |
| Pool Repairs | 1,000 | 1,000 | 0 |
| Pool Supplies | 2,500 | 2,500 | 0 |
| Rubbish Removal | 500 | 11,000 | 10,500 |
| Security | 55,000 | 62,500 | 7,500 |
| Sewer Cleaning | 1,000 | 1,000 | 0 |
| Snow Plowing | 95,700 | 89,750 | -5,950 |
| Truck Expense | 1,500 | 1,700 | 200 |
| Supplies | 9,500 | 9,500 | 0 |
| Misc. Repairs | 4,000 | 4,000 | 0 |
| Insurance Claim | 0 | 0 | 0 |
| Total Repairs & Maint | 354,926 | 368,303 | 13,377 |

Insurance & Taxes

| | | | |
|------------------------------------|----------------|----------------|---------------|
| Insurance-Property | 173,750 | 196,100 | 22,350 |
| Taxes | 1,500 | 1,500 | 0 |
| Total Insurance & Taxes | 175,250 | 197,600 | 22,350 |

| | | | |
|---------------------------------|------------------|------------------|---------------|
| Total Operating Expenses | 1,323,896 | 1,367,706 | 43,810 |
|---------------------------------|------------------|------------------|---------------|

Reserves

| | | | |
|--------------------------|----------------|----------------|--------------|
| Allocation | 242,330 | 251,146 | 8,816 |
| Debt Service (Principal) | 178,702 | 178,702 | 0 |
| Debt Service (Interest) | 69,439 | 69,439 | 0 |
| Total Reserves | 490,471 | 499,287 | 8,816 |

| | | | |
|-----------------------|------------------|------------------|---------------|
| Total Expenses | 1,814,367 | 1,866,993 | 52,626 |
|-----------------------|------------------|------------------|---------------|

| | | | |
|-----------------------------|----------|----------|----------|
| Net Operating Income | 0 | 0 | 0 |
|-----------------------------|----------|----------|----------|

| UNIT SIZE | BENEFICIAL INTEREST | 2019 CONDO FEE | NEW 2020 CONDO FEE | 3% INCREASE FROM 2019 - 2020 |
|--------------------|---------------------|----------------|-----------------------------------|------------------------------|
| 1BR / 1BA | .002545 | \$365.69 | \$376.66 | \$10.97 |
| 2BR / 1BA | .002736 | \$393.12 | \$404.91 | \$11.79 |
| 2BR/1.5 BA (small) | .002864 | \$411.51 | \$423.86 | \$12.35 |
| 2BR/1.5 BA (large) | .002992 | \$429.90 | \$442.80 | \$12.90 |
| 3BR / 2BA | .003374 | \$484.80 | \$499.34 | \$14.54 |