Hinman House Condominium Association



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Managed by NS Management, LLC

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October 17, 2024

**Proposed 2025 Budget**

Hinman House Unit Owners –

Enclosed with this letter (or attached with this e-mail) is the proposed Hinman House Condominium Association budget for 2025 as voted on by the HHCA Board. The proposed budget is not yet adopted. Unit owners now have the opportunity to comment on or challenge this proposal either by letter or e-mail, or by attending the November 20 board meeting. The Board will vote at the November meeting to adopt the proposed budget with any revisions that may result from unit owner comments.

Here are highlights of the proposed budget:

* **There will be a 5% increase in the monthly assessment.** (The monthly parking assessment will not be increased.)
  + **It has been 11 years since the last time assessments were increased.** In 2014 assessments were increased by 5%. At that time the HHCA reserves for funding capital expenses were a little over $100,000.
  + **After six years without an increase since 2014, in 2020 the HHCA Board actually REDUCED assessments by 10% to give unit owners some relief during the Covid pandemic and its financial upheaval.** That 10% reduction has remained in place from 2020 through 2024.
  + In the period since 2014 we have spent more than $1.9 million on capital projects, all paid from reserves. (The $1.1 million window replacement in 2015 was paid partially from reserves and partially from special assessments. Apart from this window replacement project, there have been no special assessments since 1999.)
    - Capital improvements we accomplished since 2014—without special assessments—include hot water tank replacement, grinder pump replacement, window replacement (partial special assessment), new elevators, completion of water supply pipe (riser) replacement, hallway and lobby redecorating, roof exhaust fan replacement, roof replacement, roof anchor installation, trash chute upgrade, Unit 101 (Leo’s apartment) upgrades, building WiFi installation, outer front lobby tile replacement, restoration of cladding on support columns at front of building, new water heater, battery backup for entrance security locks and added video cameras and other security upgrades including brighter lighting for the parking deck and front entrance, portable A/C unit for 9th floor meeting room, and tuckpointing of the entire exterior masonry, among other things.
  + At the same time that we spent $1.9 million on capital improvements, we also built our reserve from little over $100,000 in 2014 to, at one point, over $900,000. However, we were able to hold assessments without change by gradually cutting back on the amount we contribute to reserves. Accordingly, our reserve fund has declined steadily since its $900,000 peak. We finished 2023 with a reserve balance of $838,000, and expect to finish 2024 with about $628,000 in reserves.
* **Our only capital expenditure for 2025 will be to pay the balance remaining on the tuckpointing project.** We will have paid $406,000 of that cost by the end of 2024, leaving $210,000 to pay in 2025. **We calculate that we will have approximately $414,500 in our reserve account at the end of 2025.** This year-end reserve balance is 83% of our 2025 budget of $502,000. Condo association and mortgage lender guidelines recommend a reserve fund of at least 35% of annual spending, so we are well above that threshold.

If you have comments or questions about the proposed 2025 budget, e-mail HHCA President Howard Voeks at [hvoeks@gmail.com](mailto:hvoeks@gmail.com), or come to the November 20 board meeting.

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Howard Voeks, HHCA President.