



Douglas Elliman

Property Management

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**TO THE UNIT-OWNERS OF
DAG HAMMARSKJOLD TOWER CONDOMINIUM**

Re: 2024-2025 Operating Budget

Dear Unit-Owners:

Your Condominium's Board of Managers has reviewed the building's financial position and approved an annual budget for the fiscal year 2024-2025.

The annual budget for your building consists of two categories: an Operating Budget and a Capital Budget.

The Operating Budget covers the Condominium's recurring income and expenses required to operate the premises in an appropriate manner. The Condominium's income from common charges, the garage lease, sales and leasing fees, laundry lease and storage income, etc., are recorded on the income side of the Operating Budget. All expenses to operate the building on a day-to-day basis, such as utilities, payroll, maintenance and repairs, corporate taxes, security etc., appear on the expense side of the Operating Budget. The Board believes it is appropriate to maintain a balanced Operating Budget. The vast majority of the Condominium's operating expenses are fixed and non-discretionary and are largely beyond the control of the Board of Managers.

The Capital Budget is intended to govern the expenses of the building's capital improvement projects and should not be confused with the day-to-day Operating Budget. The funding of the Capital Budget generally takes place through capital assessments.

The Board and its advisors believe that this approach is a "best practice" and consistent with prudent Condominium management.

Although the fiscal year 2023/2024 ended with a slight operating surplus, it was determined that, in view of anticipated inflation-related increases in several operating expense categories (including payroll, utilities, insurance, repair and maintenance), the Condominium's current level of common charge income would no longer enable the Condo to maintain a balanced Operating Budget for the upcoming fiscal year without increasing common charges.



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Therefore, in order to meet the anticipated operating expenses for 2024-2025, the Board unanimously voted to increase the common charges by 7.50%, retroactive to February 1, 2024 (the beginning of the Condominium's fiscal year). This increase will be reflected on your April 2024 common charges statement. *Please adjust your automatic bill payment accounts to reflect the increase.*

Your board believes that the current common charges remain competitive in the current real estate market and are responsible and appropriate under the circumstances.

Capital Projects

The current capital assessment will end in July 2024.

The mandatory Local Law 11 repairs are ongoing and will be completed by late spring 2024.

The pool repair upgrade has been completed. In order for the pool to be reopened for use the Department of Health must approve its use. We are awaiting that approval.

The Board is planning to begin the replacement of several common area HVAC units this year. Many of the current units are original to the building and the replacements will meet the current energy guidelines as set forth by the City and Department of Buildings.

The Board is also working on scheduling improvements to the gym and 42nd floor amenity areas.

As unit owners, you are responsible for making your views known to the various Board members to ensure that your own thoughts and concerns are taken into account. While the individual Board members bring distinct and independent perspectives to these matters, the Board frequently seeks consensus on major issues. Unit owners are encouraged to meet with the Board and management each month prior to the regular scheduled Board of Managers meetings. Please also feel free to drop a note with the front desk or with Douglas Elliman, to the board's attention.

Your board is comprised of volunteers who work many hours with your resident manager and managing agent to review the state of the building and in order to make the most prudent decisions for all with respect to the building's maintenance and finances. Notwithstanding, the Board and management remain available to address any concerns you may have regarding the matters raised in this letter or any other building-related matter.

Very truly yours,



Kaswaree Narine Cleary