



Bridge St Properties

Property Management

2022 Annual Meeting

December 3, 2022

1:00 pm EST

Meeting Agenda

- Introductions
- 2022 year in review
- 2023 budget, fees, assessment
- Owner feedback / Q&A
- Seasonal and other updates
- Adjourn

Key Milestones



- Completed sale of final two units at 87 Bridge St. in April & June
- Transitioned Condo Trust from Developer to Unit Owners on 7/26/2022
- Established baselines, run-rates, and document variety of expenses
- Service review & quoting of various vendors (Insurance, Landscaping, etc.)

Maintenance Notes



- Conducted power washing in late 2021
- A few minor maintenance issues – note basement at 5 Pomeroy
- Video cameras
- Protocols and plans for 2023 – regular inspections & budgetary allocation for maintenance

2022 Financial Overview



- Monthly Expenses higher than Income – lose money each month
- Monthly losses lead to unpaid bills – these are growing
- Need to address:
 - 1) Alignment of Monthly Income/Expenses
 - 2) Catch up on Past Due Bills

Income Statement

1/1/2022 - 12/31/2022 (Est)



Type	2022_01	2022_02	2022_03	2022_04	2022_05	2022_06	2022_07	2022_08	2022_09	2022_10	2022_11	2022_12	Annual 2022
Income	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$46,800
Association Fee Income	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$3,900	\$46,800
Expense	\$4,323	\$4,844	\$4,532	\$3,558	\$4,111	\$4,971	\$4,040	\$5,688	\$4,269	\$6,317	\$5,569	\$5,715	\$57,937
Insurance	\$390	\$390	\$390	\$390	\$390	\$390	\$600	\$600	\$600	\$600	\$600	\$600	\$5,941
Legal and Professional Fees	\$126		\$126			\$126			\$126			\$126	\$630
Management Fees	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$6,912
Repairs & Maintenance	\$80							\$1,415			\$100	\$120	\$1,715
Snow & Landscaping	\$1,625	\$1,625	\$1,625	\$1,625	\$2,424	\$3,130	\$1,625	\$1,828	\$1,700	\$2,483	\$1,625	\$1,625	\$22,938
Trash & Recycling	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$414	\$414	\$414	\$4,347
Utilities	\$1,181	\$1,908	\$1,470	\$622	\$376	\$404	\$895	\$924	\$922	\$2,243	\$2,254	\$2,254	\$15,454
Net Income	-\$423	-\$944	-\$632	\$342	-\$211	-\$1,071	-\$140	-\$1,788	-\$369	-\$2,417	-\$1,669	-\$1,815	-\$11,137

- Negative Net Income – Expenses higher than Income
- No money set aside for Reserves (Future big projects like roof, siding, driveway, etc.)
- Landscaping & Water are primary expenses
- Minimal maintenance spending to date
- Insurance change with sale of final units (July)

Balance Sheet

As of 11/30/2022, Accrual Basis

- \$17k of Unpaid Bills – Mostly unpaid Water Bills (\$9k) & Insurance Loan (\$4.5k)
- No Reserves

Assets	\$3,165
Accounts Receivable	-\$743
HOA - Pomeroy Place	\$411
HOA - Pomeroy Place - Pending EFTs	\$743
Prepaid Expenses	\$2,754
Liabilities	\$17,275
Accounts Payable	\$17,275
Equity	-\$14,110
Opening Balance Equity	\$5,485
Retained Earnings	-\$10,373
Net Income	-\$9,222
Total Assets	\$3,165
Total Liabilities & Equity	\$3,165

Cash Flow Statement

Accrual basis, From 1/1/2022 to 11/30/2022



Year in Review

Operating activities

Income	\$42,900
Association Fee Income	\$42,900
Expense	\$52,122
Insurance	\$5,341
Legal and Professional Fees	\$504
Management Fees	\$6,336
Repairs & Maintenance	\$1,595
Snow & Landscaping	\$21,313
Trash & Recycling	\$3,933
Utilities	\$13,100
Net Income	-\$9,222

Adjustments to Net Income

Accounts Receivable	\$65
Prepaid Expenses	-\$2,754
Accounts Payable	\$12,176
Prepayments	-\$864

Financing activities

Total	\$0
Owner Contribution	\$0
Net cash provided - Operating activities	-\$599
Net cash provided - Financing activities	\$0
Net increase (decrease) in cash	-\$599
Cash as of period start	\$1,753
Cash as of period end	\$1,154

2023 Monthly Dues & Special Assessment

Unit	2022 Dues	2023 Dues	Special Assessment
5 Pomeroy Unit 1	\$210.00	\$311.00	\$387.41
5 Pomeroy Unit 2	\$210.00	\$311.00	\$387.41
5 Pomeroy Unit 3	\$219.00	\$325.00	\$404.85
5 Pomeroy Unit 4	\$219.00	\$325.00	\$404.85
5 Pomeroy Unit 5	\$226.00	\$335.00	\$417.31
5 Pomeroy Unit 6	\$226.00	\$335.00	\$417.31
87 Bridge Unit 1	\$492.00	\$729.00	\$908.10
87 Bridge Unit 2	\$492.00	\$729.00	\$908.10
89 Bridge Unit 1	\$492.00	\$729.00	\$908.10
89 Bridge Unit 2	\$492.00	\$729.00	\$908.10
9 Pomeroy Unit 1	\$305.00	\$452.00	\$563.05
9 Pomeroy Unit 2	\$317.00	\$470.00	\$585.47
Total	\$3,900.00	\$5,780.00	\$7,200.06

2022 vs 2023 Expenses

2022 Revenue (Monthly)	2022 Expenses (Monthly)	2023 Budgeted Expenses (Monthly)
\$3,900	\$4,561	\$5,780

2022 vs 2023 Budgeted Expenses

	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)
HOA Management		
<i>Property Management</i>	\$576	\$576
<i>Master Insurance</i>	\$390	\$636
<i>Legal & Professional Services</i>	\$0	\$100
Buildings & Grounds		
<i>Landscaping & Snow</i>	\$1,625	\$1,967
<i>Trash & Recycling</i>	\$345	\$414
<i>Repairs & Maintenance</i>	\$0	\$280
<i>Pressure Washing</i>	\$229	\$145
Utilities		
<i>Common Water & Sewer</i>	\$1,000	\$486
<i>Electric</i>	\$354	\$252
Fire & Safety		
<i>Fire Monitoring</i>	\$42	\$42
<i>Security (Cameras)</i>	\$0	\$15
Reserves	\$0	\$867

2023 Expenses - HOA Management

	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Property Management	\$576	\$576	<ul style="list-style-type: none"> • Bridge St Properties rate will remain unchanged.
Master Insurance	\$390	\$636	<ul style="list-style-type: none"> • Annualized premium in 2022 was \$7,268 (includes base policy, with two townhouses added mid-year, and \$535 liability umbrella). • Annualized renewal premium will increase 5% in 2023, to \$7,633.
Legal & Professional Services	\$0	\$100	<ul style="list-style-type: none"> • Year-end tax-filing fee plus any other professional services, as necessary.

2023 Expenses - Buildings & Grounds

	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Landscaping & Snow	\$1,625	\$1,967	<i>Details of this "2023 Focus" on next slide</i>
Trash & Recycling	\$345	\$414	<ul style="list-style-type: none"> • USA Trash informed us of this increase, effective October 2022. • We are in the middle of a 5-year contract, and plan to assess alternatives (e.g. Pedal People).
Repairs & Maintenance	\$0	\$280	<ul style="list-style-type: none"> • Repairs in 2022 (totaling \$1715) were not originally budgeted. • Budgeted amount intended for any short-term maintenance and repairs (expected/unexpected).
Pressure Washing	\$229	\$145	<ul style="list-style-type: none"> • Previously budgeted amount was based on 12-month comprehensive cleaning of ground-level surfaces and decks. • Budget assumes more targeted cleanings of grimy areas, with comprehensive power-washings occurring at wider intervals (e.g. 18- or 24-month).

2023 Focus - Landscaping & Snow



	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)
<i>Base contract</i>	\$1,625	\$1,735
<i>Incidentals</i>		\$65
<i>Plantings</i>		\$167
Landscaping & Snow (subtotal)	\$1,625	\$1,967

Contract with Omasta increased by \$110/mo. This was more competitive than any other full-service landscaping/snow company quoted.

Budgeted amount includes annual overhead of \$778 for incidentals (e.g. large snowfalls - which have become less common in recent years, but should still be buffered against).

Seasonal plantings were not budgeted in 2022, and will decrease from \$3103 to \$2000 annually in 2023 - this amount could be put toward an owner-led planting effort.

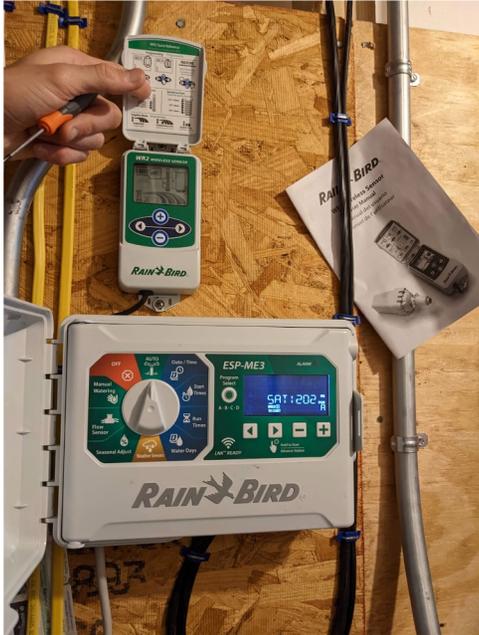
2023 Expenses - Utilities

	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Common Water & Sewer	\$1,000	\$486	<i>Details of this "2023 Focus" on next slide</i>
Electric	\$354	\$252	<ul style="list-style-type: none"> • Common power consumption decreased significantly in April 2022 following addition of timers to common lights. Additional efficiency gains are expected this winter. • However, National Grid recently implemented a 64% increase in electric supply/transmission rates this winter, versus the same 6-month period last year. • Board is exploring local community solar options for future electric cost savings.

2023 Focus - Common Water & Sewer



	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Common Water & Sewer	\$1,000	\$486	<ul style="list-style-type: none"> • 2022 monthly average for common meter was \$633, with daily waterings while in-season (Apr-Oct), and almost no sensor- or schedule-defined off-days. • Conservation efforts are expected to lower this bill next year by >25%, but Northampton water/sewer rates could also rise by 2-3%, in line with pre-pandemic increases.



2023 Expenses - Fire & Safety

Type	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Fire Monitoring	\$42	\$42	<ul style="list-style-type: none">• Contract with Hackworth Systems is unlikely to change significantly. This automated service is a local building code requirement.
Security (Cameras)	\$0	\$15	<ul style="list-style-type: none">• Arlo cameras were installed in 2022 as a more cost-effective solution than the developer-installed Ring cameras, for our HOA use-case.• Rate not expected to rise in 2023, for this cloud-based service.

2023 Expenses - Reserves

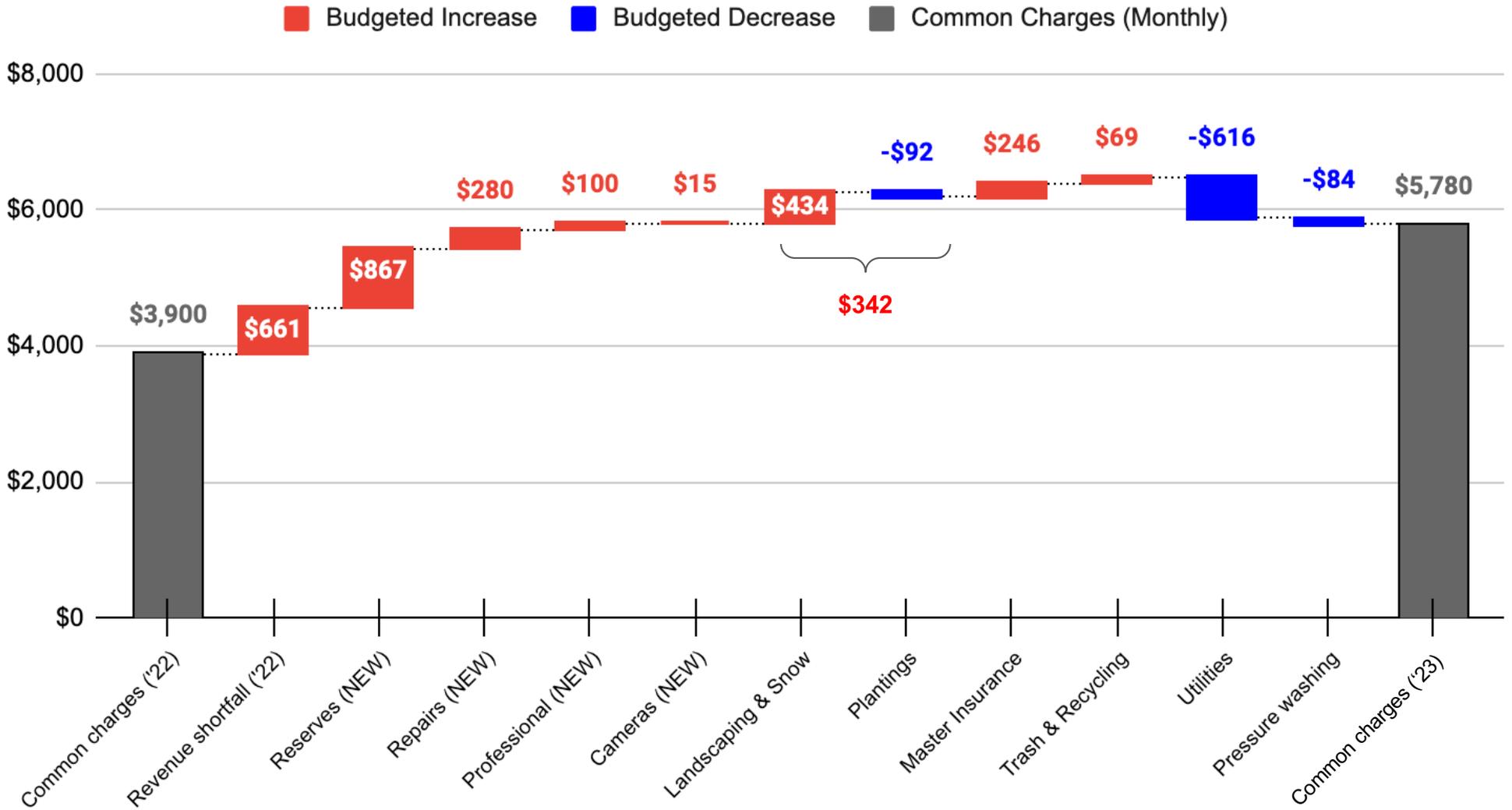
Type	2022 Budgeted (Monthly)	2023 Budgeted (Monthly)	Rationale
Reserves	\$0	\$867	<ul style="list-style-type: none">• Reserves are required by our governing documents• Need to begin saving for expected future replacement costs (e.g. roof, siding, asphalt, pavers, painting, etc.).• This is a 15% reserve rate (= reserve revenue / total revenue).

2022 vs 2023 Revenue

2022 Revenue (Monthly)	2022 Expenses (Monthly)	2023 Budgeted Expenses (Monthly)	2023 Budgeted Revenue (Monthly)
\$3,900	\$4,561	\$5,780	\$5,780

Developer's budget resulted in shortfall of revenues to meet expenses of \$661/month

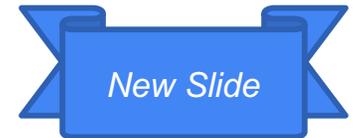




2023 HOA Fee Increase

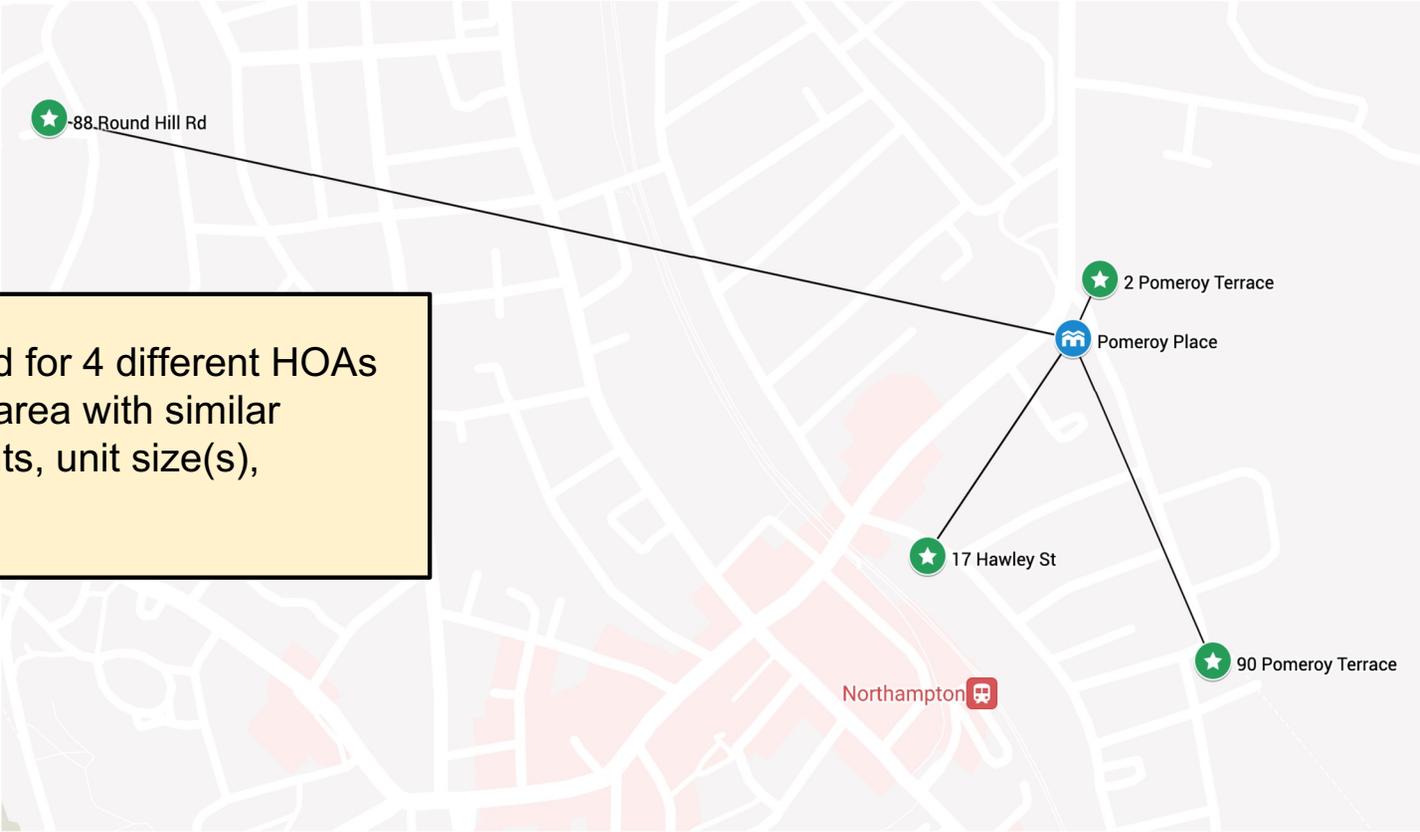
- **Common charges need to rise 48%** to cover our expenses, effective January 1st, 2023.
- The common charge for each unit will have the same percentage increase.

Percentage Interest in Common Elements as Basis for Monthly Fees and Assessments



- The percentage interest in common elements determines the monthly fees and special assessments (per Declaration of Trust, section 2)
- The percentages were established by the developer in the Master Deed and amendments, Exhibit B
- The percentages were not based on square footage or specific budget line items, but on original market values/sales prices, per Massachusetts General Law, Part II, Title I, Chapter 183A, Section 5
- The percentages specified in the governing documents cannot be changed by the Board, or membership, without an elaborate and costly legal process, probably formal surveying/analysis, and concurrence of all owners and mortgage holders (lenders)

How do our HOA fees compare to others?



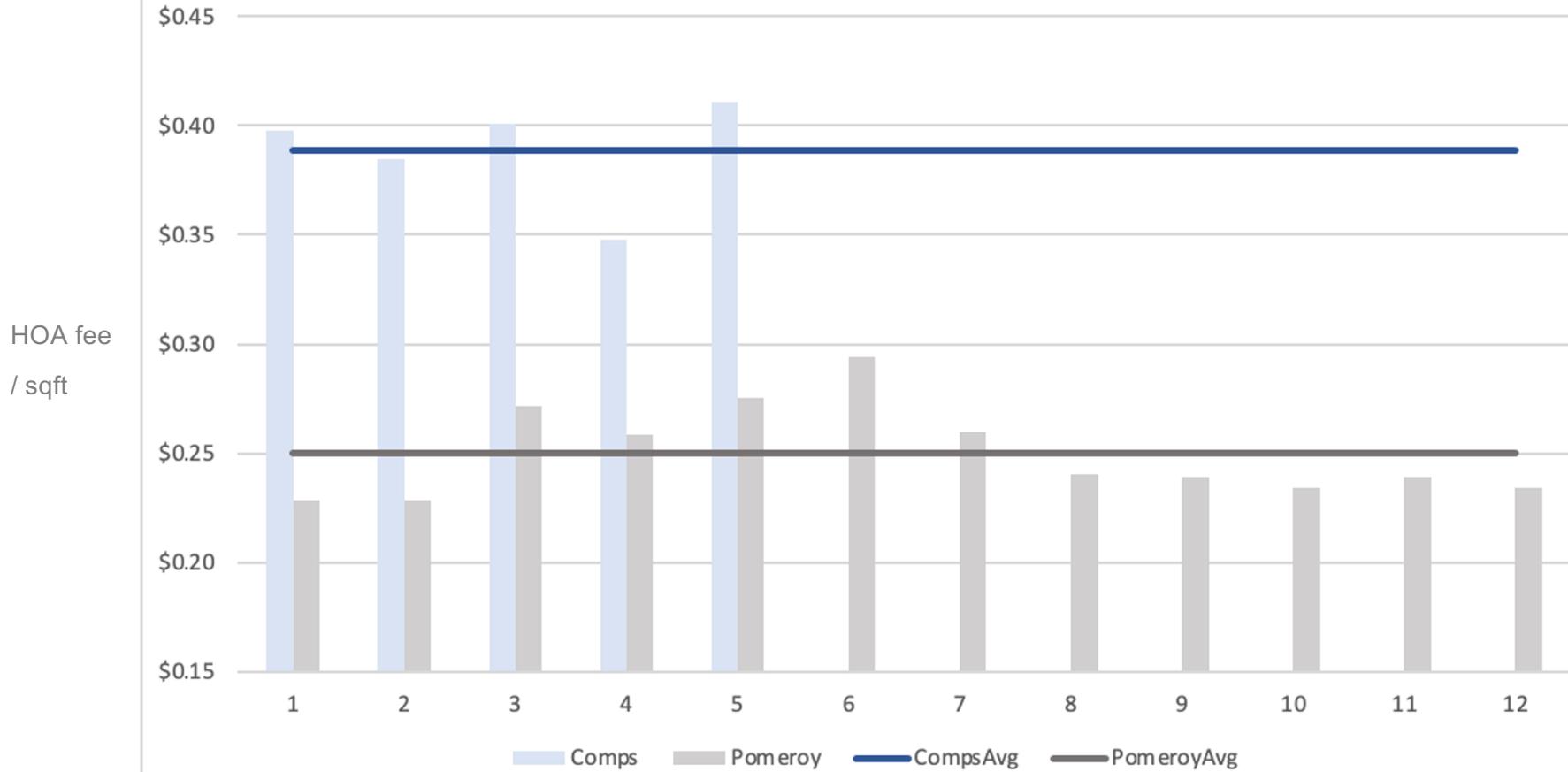
- Data analyzed for 4 different HOAs in downtown area with similar number of units, unit size(s), services.

HOA Fee Comparison

Address	Bedrooms	Sqft	HOA Fee	Units	HOA Fee/Sqft
88 Round Hill Rd	3	1,647	\$655	4	\$0.40
90 Pomeroy Terrace	2	1,700	\$654	6	\$0.38
2 Pomeroy Terrace	2	1,180	\$473	7	\$0.40
17 Hawley St	2	1,677	\$583	18	\$0.35
17 Hawley St	2	851	\$350	18	\$0.41

Average:
\$0.39/sqft

Condo Fee Comparison



2023 Special Assessment

- Total of \$7,200 is needed to catch up on payment of overdue bills, and establish reasonable cash flows.

- Payment for this special assessment is due **by April 1, 2023.**

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*Owner Questions &
Feedback*

Seasonal Updates

- Omasta snowstorm protocol:
 - Omasta will plow at any time (24/7) to keep up with snowfall.
 - Parking area “cleanup”:
 - If storm concludes before 9am, same-day cleanup at 1pm.
 - If storm concludes after 9am, next-day cleanup at 9am.
- *To maximize clearing of snow, please move cars before 1pm or 9am:*
 - *to already cleared visitor spot*
 - *to street or other off-site location*
 - *into garages or under carports (townhouse owners)*
- Omasta will not clear snow between parked cars, or clean snow off cars.



Landscaping Committee



- This new committee is open to all, to address:
 - New planting options (e.g. perennials, pollinators)
 - Spring planting event
 - Watering schedule options



Thank you