

HARTSDALE GARDENS SHAREHOLDERS NEWSLETTER

SPRING 2011

HARTSDALE GARDENS OWNERS, CORP.

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A COLD SNOWY WINTER

Starting with the Christmas day blizzard and weekly snow and ice storms, Mother Nature unleashed her fury and January 2011 was one of the snowiest on record!

The Board would like to commend Yuri Molina and Jamie Soto for an excellent job in keeping the sidewalks and parking lot safe and our building warm.

2010 FINANCIAL REPORT

Enclosed is a copy of the Hartsdale Gardens 2010 Financial Report. If you examine Page 13, Schedule of Budget with Actual Operating Amounts, you will note Hartsdale Gardens finished 2010 with an operating deficit of \$50,250.

This is a significant operating loss and there are several categories that contributed to the shortfall.

Heating Oil – For 2010 fuel oil was budgeted at \$94,500. That was based on a usage of 45,000 gallons at \$2.10 per gallon. For 2010 #4 oil averaged more than \$2.37 per gallon and our total expense for heating oil for 2010 was \$120,220 which was \$25,000 more than budgeted.

2011 Heating Costs- “A Crude Reality” – With only four months into the 2011 Operating Budget, oil again has moved to record highs and continues to spin out of control.

For 2011 oil was budgeted at \$2.50 per gallon. Unfortunately oil is now selling for more than \$3.27 per gallon which is a \$.53 per gallon over our 2011 budget and it is only May. The unprecedented political events that are taking place in the Middle East sent the price per barrel of heating oil to over \$100 per barrel.

Snow Removal – Snow removal costs for 2010 exceeded the budget by more than \$5,000. There was a lot of snow this past January through March 2010 and we had the Christmas day blizzard at the end of 2010.

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Legal Service – The Corporation incurred legal expenses in excess of \$8,500 in connection with litigation and enforcement of the House Rules.

Tree Work – There was more than \$4,000 in tree removal and maintenance that included hazard pruning and removal of trees in the rear of the building and around the playground.

Spanish Tile Repairs – Hartsdale Gardens spent more \$23,000 to replace damaged or loose Spanish Roof tiles.

At the end of 2010 the Hartsdale Gardens Reserve Fund totaled \$145,000.

Increase in Fuel Oil Surcharge June 1 – Because of the 2010 operating shortfall of \$50,250 and to compensate for skyrocketing fuel oil costs in 2011, the Hartsdale Board has resolved to double the Fuel Oil Surcharge effective June 1, 2011. The current fuel oil surcharge totals \$4,616 per month. By doubling the surcharge for the remainder of 2011 (7 months) Hartsdale Gardens will raise an extra \$32,312. Although the Board recognizes that doubling the fuel oil surcharge will place an additional financial burden on the shareholders, we all have to face the reality of fuel oil costs. No one wants to pay more than \$4.00 a gallon for gasoline; however there is no “quick fix” to stabilize energy costs. A major reason that oil and energy costs increase is due to worldwide economic conditions and a weak dollar.

Energy Conservation – Shareholders have raised issue and have inquired as to what steps Hartsdale Gardens has done to save on energy. In a one pipe steam system the best method to achieve efficiency is to improve distribution and balance the building without overheating apartments that are closer to the boiler. There is a heat timer control which runs the boiler for heat depending on the outside temperature. Yuri closely follows oil usage and modulates the boiler controls providing more heat when the temperature is below freezing and less heat when the outside temperature rises into the 40’s and low 50’s.

At Hartsdale Gardens we use an average of 45,000 gallons of #4 oil per year. That translates to a usage of 600 gallons per year, per apartment, which energy experts believe is extremely good for a 74 unit building built in the 1920’s with very large apartments.

Basement Apartment to be Remodeled – The Hartsdale Gardens Board engaged an architect to redesign the existing basement apartment and convert it into a two bedroom apartment that the Corporation could lease. By leasing the basement apartment the Corporation would produce monthly income that would add to the operating income. Local Realtors have viewed the space and are hopeful that the apartment could be rented for \$1,600 per month. That would result in income to Hartsdale Gardens of \$19,000 per year. Plans have been filed and a building permit has been issued by the Town of Greenburgh Building Department. Work is expected to commence in May. The renovation and reconstruction cost is \$49,000 and the total project cost will be paid for from the Hartsdale Gardens Reserve Fund.

Roof Bulkheads and Spanish Tile Repairs – There are still several Spanish tiles on the roof bulkheads of 27 and 47 building that need repair. In order to get to these areas, pipe scaffolding from the ground to the sixth floor may be necessary. The options for accessing the repairs are being reviewed by the engineering firm of Darius Toraby who supervised the tile replacement work that took place last year.

Sidewalk and Courtyard Repairs – The Hartsdale Board is looking into replacement of the main entry courtyard sidewalks with new stone pavers similar to what was used at the entrance to 27 building. Because of the current financial status of the Corporation the Board is not going to make a commitment to move forward with the project, however knowing the cost for the job will be helpful in future planning for Capital Projects.

Emergency Contact Information – If there is an emergency can we reach you? If there is an emergency in your apartment such as a water leak, back-up or radiator leak can we reach you for access??? Many times during the year a plumbing leak will occur between apartments. We can minimize the damage to your apartment if Yuri Molina can reach you. Please complete the enclosed Emergency Contact information and fax to 914-328-6993, e-mail to roinc1@msn.com or give the form directly to Yuri Molina.

* * * **WELCOME TO SPRING!!!** * * *

