

# **PATRICIA GARDENS OWNERS, INC. NEWSLETTER**

JUNE 2011

**PATRICIA  
GARDENS  
OWNERS, INC.**

## **Board of Directors**

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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 Juan Soto and Manuel Marroquin for an excellent job in keeping the sidewalks and parking lots safe and our complex warm.

## **2010 FINANCIAL REPORT**

Enclosed is a copy of the Patricia Gardens 2010 Financial Report. If you examine Page 13, (Schedule of Budget with Actual Operating Amounts) you will note Patricia Gardens finished 2010 with an operating deficit of \$58,621.

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

**Payroll** – In 2010, the Board made the decision to hire Manuel Marroquin to provide assistance to Juan Soto, two days per week and for vacation coverage.

The Board did not raise the maintenance charges in 2010 to offset the extra labor costs. The labor expense exceeded the budget by \$11,000. The payroll expense was budgeted at \$45,500. For 2011 the payroll budget forecast has been increased to \$60,000.

We expect that the extra help for Patricia Gardens will have a pay back. It will allow Juan to handle more maintenance issues without the need to call in an outside contractor. Snow removal in particular has always been an issue and there is no way one man could adequately deal with the frequent intense snowstorms without help.

**Building Repairs** – In 2010, Building repairs exceeded the forecast by \$23,000. During the year there were several large necessary repairs and replacements made to the boiler and heating system. Plumbing repairs for leaks behind walls and between apartments totaled \$7,816.

**2011 Heating Costs- “A Crude Reality”** – With only six 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 \$3.23 per gallon; \$.73 per gallon over our 2011 budget and it is only June. The unprecedented political events that are taking place in the Middle East sent the price of oil to over \$100 per barrel.

**Increase in Fuel Oil Surcharge July 1** – In order to compensate for skyrocketing fuel oil costs in 2011, the Patricia Gardens Board has resolved to increase the fuel oil surcharge effective July 1, 2011. The current Fuel Oil Surcharge totals \$4,020 per month across all apartments, but this amount has not been sufficient to meet expenses year-to-date.

By increasing the surcharge for the remainder of 2011 (6 months) Patricia Gardens will raise an extra \$34,738. Although the Board recognizes that increasing the fuel oil surcharge will place an additional financial burden on the shareholders, we all have to face the reality of today's fuel oil costs. We're really sorry - it's painful but necessary.

**The fuel oil surcharge is currently \$1.50 per share which translates to .125 per share per month. The new fuel oil surcharge effective July 1, 2011 is \$2.16 which translates to .180 per share per month.**

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 Patricia Gardens has taken 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. Juan closely follows oil usage and modulates the boiler controls to 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 Patricia Gardens we use an average of 35,000 gallons of #4 oil per year. That translates to a usage of 538 gallons per year, per apartment, which energy experts believe is extremely efficient for a 65 unit apartment building built in the 1950's.

**Danfoss Valves** — A number of shareholders have had Danfoss valves installed in their apartments. We expected that these valves would increase the energy efficiency of the complex by decreasing the amount of oil used, as they would allow residents to moderate the amount of heat coming into their apartments. However, over time we have not found them to be as effective as we expected. We will continue to work with our plumbing company and the Danfoss corporation to determine what we might do to make these valves more effective, and if this is possible we will deploy them more broadly within the complex.

**Building Improvements** – The replacement of the entry courtyard sidewalks, landings and steps was a major capital expense completed in 2010. The work included restoration of the buildings' structural columns, new landscaping, new handrails and new brick garbage containment areas.

All of the capital work completed in 2010 was paid for from the Patricia Gardens Reserve Fund without the need to assess the shareholders.

If you examine page 8 of the 2010 financial report you will note the building improvements made in 2010 totaled \$350,065. As of December 31, 2010, the Patricia Gardens Reserve Fund totaled \$94,859.

**Now for some Good News – Patricia Gardens Settles Real Estate Tax Protest** – Through our attorney, Michael Pearl, Esq., from the law firm of Rothschild and Pearl, Patricia Gardens has settled its Real Estate Tax Certiorari with the Village of Larchmont and Town of Mamaroneck. This is a proceeding by which we have challenged the real estate tax assessment for the complex, in attempt to reduce the assessment and real estate taxes. The settlement, which has resulted in a reduction in the Corporation’s Tax Assessment, will result in refunds to Patricia Gardens for Real Estate Taxes paid from 2003 to 2010, as well as a lower tax bill going forward. Achieving a reduction in our tax assessment will also benefit Patricia Gardens when it is time to plan for a 2012 budget. This is great news for Patricia Gardens and the tax refunds will be used to augment our reserve fund.

**2011 Sales** – In spite of a very difficult economy so far in 2011 three apartments have been sold at Patricia Gardens and two bedrooms have sold as high as \$227,000. When the Board asks a buyer at their Board Interview...”What attracted you to Patricia Gardens and what influenced your decision to buy here?”... the number one response is our beautiful grounds and courtyard.

**E-mail Maintenance Requests** – Juan Soto has an e-mail address, [juans1833@aol.com](mailto:juans1833@aol.com) that shareholders can use to communicate direct with Juan, make a Maintenance Request, request the exterminator or other issues relating to Patricia Gardens. There are also Maintenance Request forms on the workshop door outside the laundry room. If you do not get an adequate response, please notify the management office.

**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? Plumbing leaks between apartments are, unfortunately, not uncommon. However, we can minimize the damage to your apartment if Juan Soto and the management office can reach you. Please complete the enclosed Emergency Contact information and fax to 914-328-6993, or e-mail to [roinc1@msn.com](mailto:roinc1@msn.com).

