

HARTSDALE GARDENS OWNERS, CORP. NEWSLETTER

DECEMBER 2021

HARTSDALE GARDENS
OWNERS, CORP.

VIRTUAL SHAREHOLDERS MEETING

Board of Directors

Jimmy Rosi
President

Jeremy Ingpen
Treasurer

Judith Hoffman
Secretary

Nancy Heller
Director

Managing Agent

Robert Orlofsky
Realty, Inc.

7 Bryant Crescent
Suite 1C

White Plains, NY
10605

914-328-6962 (O)

914-328-6993 (F)

E-Mail

info@robertorlofsky.com

Website

www.robertorlofsky.com

Staff

Yuri Molina
Superintendent
(914) 949-4264

Luis Mejia - Porter

On November 30th the Hartsdale Gardens Board of Directors held a “Virtual Shareholders Meeting”. There were 31 Shareholders that joined and participated in the meeting.

Jimmy Rosi, as the new Hartsdale Gardens Board President, welcomed and introduced the other panelists and speakers for the meeting. Jimmy also mentioned that he has succeeded Arnold Bell, the former Board President, who has sold his apartment and moved to Florida. Jimmy thanked Arnie for his years of dedication and service to the Board.

Jeremy Ingpen – Jeremy gave a Treasurer’s report. Jeremy reported that 2021 was a very difficult year due to the Con Edison gas emergency. This required the replacement of all of the basement gas piping and gas infrastructure that provides gas service to every apartment in the building and the laundry room. The work required installation of new gas service lines in the basement and testing of every apartment’s gas stove before Con Edison would restore service. Jeremy mentioned that all involved did an outstanding job: building management, plumbers, Con Edison and the Greenburgh Building Department so that the gas service was restored in 6 weeks.

Nonetheless, Hartsdale Gardens is on budget to break even for 2021. Part of the reason is due to the Federal Paycheck Protection Program that reimbursed funds for higher than normal payroll costs incurred during the Pandemic. The PPP loan freed up funds to finance the replacement of the building’s intercom system and corridor lighting.

Jeremy reported that the cost of the gas emergency project was in excess of \$250,000. The Board decided to pay for the work out of the reserve fund and would not impose an emergency assessment on the Shareholders. This leaves a balance in the Reserve Fund of \$260,000.

Replenish Reserve Fund - Hartsdale Gardens has owned a basement apartment that had been rented out to help provide additional income. Because the Hartsdale Gardens Reserve Fund has been reduced due to the gas emergency, the Board has decided to sell the basement apartment. The proceeds from the sale, that is expected to be close to \$200,000, would be returned to the Reserve Fund and get the Reserve Fund back up close to \$450,000 which is an adequate level to address future emergency and major repairs.

Jeremy reported that the Hartsdale Gardens Board engaged Rand Engineering and Architecture, a well-regarded New York Engineering firm, to do a complete building inspection report from the roof to the basement.

HARTSDALE GARDENS OWNERS, CORP.
NEWSLETTER

The result of Rand Engineering's 350 page report is that there are no imminent structural or critical repairs that need to be made to Hartsdale Gardens. The engineering report recommended repairs to the exterior brick work and stucco. The exterior work should be planned to be undertaken within the next 3 to 5 years. This work can be financed in conjunction with the next cycle of mortgage refinance in 2025.

Jeremy closed by saying we are in an inflationary period and are seeing building maintenance costs go up. Heating gas cost has risen dramatically, Real Estate Taxes go up every year along with utility costs. In order to head off any potential operating loss for 2022, the Hartsdale Gardens Board has approved a 4% increase in the maintenance charges starting on January 1, 2022.

Mark Cohen – Mark is the Hartsdale Gardens accountant from the accounting firm of Bloom & Streit. Mark gave a financial overview and emphasized that Hartsdale Gardens ended 2020 with a small operating surplus.

One major factor that helped Hartsdale Gardens keep within budget for 2020 was a result of a successful real estate tax certiorari proceeding that was settled in 2019. A real estate tax certiorari proceeding lowers the assessed value of the property which lowers taxes. However, even with a reduction in the assessed value Real Estate Taxes still go up every year.

Hartsdale Gardens refinanced its mortgage in 2015. The interest rate is 3.84% and the mortgage matures in 2025. At the time of the refinance the Co-op picked up over \$600,000 to make improvements to the building and to establish the Reserve Fund.

For nine months of 2021, through September 30, Mark is projecting an operating loss of \$30,000 before forgiveness of the Paycheck Protection Loan. This is due to repairs and maintenance that have been over budget this year, along with gas heat, insurance, supplies and snow removal. However, once the Paycheck Protection Loan of \$38,000 is forgiven, that money will be applied to 2021 operating income and help to offset the higher repair and maintenance costs.

Mark restated that the 4% maintenance increase is necessary because operating expenses go up every year that the Co-op has no control over. The forecasted increases for next year include real estate taxes, payroll and related labor costs, insurance, supplies, utility costs including gas heat. Recently gas prices have been moving much higher.

Mark pointed out that the Hartsdale Gardens operating budget is just under a million dollars. Every 1% increase in the monthly maintenance charges only raise an additional \$9,700 in operating income. A 4% increase will raise just under \$40,000 to help offset the loss of rental income and rising operating costs for next year.

Robert Orlofsky – Our managing agent, reviewed the protocol and safety issues that were implemented at the start of the Pandemic in February 2020. Warning signage, a face mask requirement for the common areas, elevators, basement and laundry room signage was posted. All construction work was stopped. Visitors and deliveries to the building were limited.

Yuri and Luis were trained on cleaning and disinfecting procedures for the building entrances, hallways, surfaces and common areas to protect the Hartsdale Gardens Community that went on 7 days a week for more than a year. Robert reported that the Hartsdale Gardens Community was extremely responsive and followed the guidelines. As a result, there were few if any cases of COVID reported in the building.

Robert went on to give a review of all of the major capital improvements made at Hartsdale Gardens through the years from window replacement, elevator modernization, roof replacement, brick façade repairs, parking lot reconstruction, installation of new LED energy efficient lighting, video security system, conversion of the heating system from oil to gas (dual fuel), complete replacement of our entry courtyard and most recently replacement of the intercom system and corridor lighting.

Robert discussed the important decision the Board made in 2013 to convert the heating system from oil to gas. In 2016, just three years later, Con Edison placed a moratorium on all gas conversion and will no longer permit a building in New York State to convert from oil to gas. The main reason is because the Con Edison gas infrastructure is too old and cannot keep up with the demand for natural gas.

In 2011, before the gas conversion, it cost Hartsdale Gardens \$140,000 to provide heat and hot water operating on oil. Now more than 10 years later Hartsdale Gardens is budgeting \$92,000 for gas heat in 2022, a savings of more than \$50,000. If Hartsdale Gardens was still operating on oil today, we would have to budget for a heating expense of \$180,000 for 2022. This is double what we forecasted to spend next year. So, the decision to convert the heating system to gas has had a huge financial benefit to Hartsdale Gardens.

Norman Himmelfarb – Norman Himmelfarb is the attorney for Hartsdale Gardens Owners Corp. His firm Himmelfarb and Sher has represented Hartsdale Gardens for many years and has provided legal advice and assistance on many issues and policies that have been adopted by the Hartsdale Gardens Board over the years.

Norman discussed the new laws imposed by the Westchester County Board of Legislators and Westchester County Commissions of Human Rights that impact cooperative corporations.

Norman explained that Co-op Boards must now give a written reason if an application to purchase is denied. Norman reported that the Westchester County Commission of Human Rights wants to protect buyers from potential discrimination that would violate the Federal Fair Housing laws.

The second law, that was recertified in April of 2021 by the Westchester County Commission of Human rights, requires a Co-op Board to provide a “reasonable accommodation” and permit an individual, who has been medically prescribed, to have a dog in spite of the Co-op’s no pet policy. Any Shareholder seeking permission to have a service animal at Hartsdale Gardens is required to follow the Co-ops Emotional Support (ESA) policy. If the dog owner does not follow the rules or the dog becomes nuisance, the Board can start a legal action against the Shareholder.

Norman then went on to conduct an election of the directors. It was determined that between written ballots and attendance, there was a quorum so an election could take place. Norman advised that there were only four candidates running for five spots on the Board. The nominees are Jimmy Rosi, Jeremy Ingpen, Judith Hoffman and Nancy Heller. Thereafter a motion was made and unanimously carried to re-elect the existing directors for another term.

Q & A – After Norman completed the election, the Board opened up the meeting to questions. There were many questions submitted and answered by the Board and managing agent.

**HARTSDALE GARDENS OWNERS, CORP.
NEWSLETTER**

Jimmy Rosi closed out the meeting – Jimmy told all of the Shareholders present that every year some Shareholders get upset with the Board raising maintenance charges. Jimmy pointed out that the Board made a decision not to assess the shareholders the \$250,000 spent for emergency gas repairs and pay for the work out of the reserve fund. He along with the other Board members pay maintenance charges like everyone else.

Jimmy restated the Co-ops expenses go up every year and welcomed any advice or suggestions from other Shareholders on the financial issues. Jimmy also noted that there is a seat open on the Board and if anyone has an interest in serving on the Board should please send an email to the Hartsdale Gardens Board of Directors at info@robertorlofsky.com.

If you missed the Virtual Shareholders Meeting and want to view it online, the management office will be sending out an email blast with the link to replay the meeting.

Hartsdale Gardens is a Smoke Free building - Hartsdale Gardens has adopted a policy that will not accept an application from an individual that smokes. Anyone in the building that does smoke is required to smoke outside at least 25' away from the buildings. Violators of the no-smoking policy will be subject to enforcement.

Hartsdale Gardens 2021 Sales Report

In spite of the Pandemic, 2021 was an active year for Co-op sales at Hartsdale Gardens. We would like to take this opportunity to congratulate and officially welcome the following new Shareholders to Hartsdale Gardens:

Christopher DiNapoli 37-4E
Gianna J. Morillo 37-3E
Desmond S. Boyd 47-6L
Oscar R. Saravia-Moraga and Vanessa Iglesias-Saravia 27-1B

Yuri Molina and Luis Mejia do an excellent job to maintain Hartsdale Gardens. The buildings, lobbies and hallways are always clean and spotless. The courtyard, grounds and gardens are beautiful. The annual Hartsdale Gardens Holiday lights and lobby decorations are outstanding.

Best wishes for a Merry Christmas, Happy Hanukkah and good Health and Happiness in the New Year!

