

# **PATRICIA GARDENS OWNERS, INC.**

## **NEWSLETTER**

DECEMBER 2022

**PATRICIA  
GARDENS  
OWNERS, INC.**

Dear Shareholder,

On November 30, the Patricia Gardens Board reviewed in detail the 2022 Operating Budget versus the actual income and expenses year to date with Bill Rank, from Bloom & Streit who is our accountant.

For this year, Patricia Gardens incurred a significant overrun on the gas heating expense. For 2022 we had budgeted \$55,000. The actual gas heating expense is projected to be \$84,991 that is \$30,000 over budget.

Essentially Patricia Gardens used the same amount of gas as last year. The reason for the overrun is due to Con Edison increases in utility rates.

There are other areas that are over budget for 2022 that included general and major repairs.

Patricia Gardens was built in the 1950's. As the building ages, so does its original plumbing systems. There were several major plumbing leaks between apartments this year that needed repairs.

After a thorough review of all financial options, the Patricia Gardens Board of Directors adopted the 2023 Operating Budget that provides for a 4.5% increase in the monthly maintenance charges, a small \$10 per month increase in parking and a separate monthly fuel surcharge of .55 per share commencing on January 1, 2023.

Gas Heat is now forecasted to be \$95,000 for 2023 that is \$40,000 more than what was budgeted for in 2022. A separate monthly surcharge, for gas heat, provides the Board with flexibility to increase, lower or eliminate the surcharge depending on our actual gas heating costs during the first half of 2023.

To show you how utility costs have climbed please take a look at this chart along with past Maintenance charge increases.

<u>Total Gas Heating Expense</u>	<u>Past Increases in the Monthly Maintenance charges</u>
2019 - 31,886	2019 - 1%
2020 - 38,364	2020 - 3%
2021 - 72,615	2021 - 0%
2022 - 84,991	2022 - 3%
2023 - 95,000	2023 - 4.5%

Between 2020 and 2022 gas heating costs have more than doubled. The Monthly Maintenance charges have increased an average of 2.3% over the last 5 years while inflation has been running 6 - 9%.

**Board of Directors**  
**Arthur Coleman**  
**President**

**Katie FitzGerald**  
**Secretary**

**Alessia Daniele**  
**Vice President**

**Eric Gelb**  
**Treasurer**

**Robert Orlofsky**  
**Vice President**

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As we headed into the final quarter of this year, the accounts payable had grown to more than \$35,000 due to repairs. The Board concluded that the only way to fund these bills, without assessing the Shareholders, was to withdraw \$35,000 from the Reserve Fund, leaving a balance of \$230,000.

The good news is that the Board believes that foreseeable major repairs have been addressed over the years that include replacement of the building roofs, replacement of the entry courtyard, modernization of the electrical system, conversion of the heating system, window replacement and painting of the fire escapes.

**The Patricia Gardens Board and Management have been very proactive to control and reduce utility costs over the years.**

**\*\* CONVERSION OF THE HEATING SYSTEM FROM OIL TO NATURAL GAS \*\***

In 2015 the Board and management had the foresight and moved forward to convert our heating system from oil to natural gas. That conversion has cut our heating expenses in half. If Patricia Gardens was still operating on oil, or 2023 forecast for heat would be over \$170,000, more than double what is being forecasted for gas. Since Patricia Gardens converted to gas heat, Con Edison has put a Moratorium in New York State and buildings are no longer able to convert their heating systems from oil to gas.

**\*\*\* INSULATION OF THE ATTICS \*\*\***

In 2016 all of the attics in Patricia Gardens were insulated. The new insulation makes the apartments warmer during the winter and cooler during the summer. The insulation also helps to cut down on energy costs.

**\*\*\* REPLACEMENT OF ALL BUILDING WINDOWS \*\*\***

In 2019, Patricia Gardens moved forward with replacement of all of the building windows. The new windows are better insulated, quieter, eliminates drafts, has new screens and are much easier to operate.

When an engineer looks over a building built in the 1950's the first recommendation is always to replace the windows to improve energy efficiency.

We were very fortunate at Patricia Gardens to complete the installation of the windows before the Pandemic.

Since 2016, in just six years, Patricia Gardens has spent more than \$350,000 to make building and energy improvements. All of this work was paid for from the Reserve Fund without the need to impose a special assessment on the Shareholders.

**\*\*\* JUAN SOTO RETIREMENT \*\*\***

After more than 30 years, Juan Soto has decided to retire at the end of February 2023. The Board and Management have always held Juan Soto in the highest regard for his hard work and dedication to the Patricia Gardens Community.

Juan has outstanding mechanical skills and his skills, that were put to use over the years, has saved Patricia Gardens money. Juan always attempted to make repairs before it was necessary to call in an outside contractor.

Juan loves to take care of the Courtyard and Gardens and it shows, it really shows. Everyone who purchases at Patricia Gardens comments how beautiful the courtyard is and how well the buildings are maintained.

Juan has a very warm and friendly personality that made everyone feel welcome.

The Patricia Gardens Board and Management want to take this opportunity to thank Juan for his years of service and wish Juan, Diana and Alex the best of luck in their future endeavors.

**\*\*\* HUMBERTO SANCHEZ – NEW BUILDING SUPERINTENDENT \*\*\***

Humberto Sanchez has been appointed as the new building Superintendent for Patricia Gardens.

Many of the Shareholders know Humberto who has covered for Juan over the years during vacations and has provided extra help to Juan when needed.

Humberto is currently working as a building Superintendent in White Plains and has worked for the Management Company for more than 12 years.

As we move into 2023, there will be notice as to when Humberto will officially start and how to communicate directly with Humberto.

Humberto is very excited to move into Patricia Gardens with his wife Maria and their daughter Eileen.

**\*\*\* SAVE WATER – REPORT ALL LEAKS \*\*\***

Water is a precious commodity and expensive. Water rates have increased dramatically over the years.

The Board and Management want to be sure that no apartments are using an excessive amount of water due to leaks.

If your kitchen, or bathroom faucets are dripping or your toilet is running, please report the leak to the Management office who will assist you to have it repaired.

**\*\*\* 2022 SALES REPORT \*\*\***

In spite of rising interest rates three apartments were sold this year and we would like to congratulate and welcome the following new Shareholders to Patricia Gardens:

James Carl Pugliese  
James A. Broderick  
Eileen Lepping and Michael Gurrado

**\*\*\* ANNUAL MEETING OF SHAREHOLDERS \*\*\***

The Annual Meeting of Shareholders will be held in March. The meeting will be held virtually as it was last year. By having the meeting in March, the Board will have a good idea on the winter heating costs and the impact on the gas heat fuel surcharge.

**That's all for now. Best wishes to you and your family during the  
Holiday Season and in the coming New Year!**

