

PATRICIA GARDENS OWNERS, INC. NEWSLETTER

SPRING 2025

**PATRICIA
GARDENS
OWNERS, INC.**

PATRICIA GARDENS REFINANCES MORTGAGE RESERVE FUND TO INCREASE

Board of Directors

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The Patricia Gardens underlying mortgage matures this year. The Board and Management have actively pursued refinancing the mortgage, which was last refinanced in 2015. The interest rate on the current mortgage is 3.84%; of course, interest rates in 2015 were much lower than they are now. Compounding the difference in rates between 2015 and the present day, is the tremendous volatility in the Treasury market caused by the international trade war and tariffs. (The new mortgage interest rate is indexed to the 10 Year US Treasury.)

After obtaining proposals to refinance, we are very pleased to announce that Patricia Gardens has received a mortgage commitment from Morgan Stanley. The new mortgage amount is \$3,750,000, with an interest rate of 5.80%, and is expected to close at the end of June.

After the refinance, the Patricia Gardens Reserve fund is forecasted to increase to over one million dollars. This million-dollar Reserve Fund ensures the security of Patricia Gardens' financial future.

This balance will allow for the Board and Management to undertake necessary repairs and capital projects without implementing assessments to cover their cost, a step that would be necessary if the Reserve Fund did not hold sufficient funds. Those shareholders that have lived at Patricia Gardens for a long time know that the Board and Management have done an outstanding job through the years to make major capital improvements to the property without imposing special assessment.

Over the past 15 years, capital projects undertaken using funds from the reserve have included: the replacement of the entry courtyard; The conversion of the heating system from oil to gas; modernizing the building's electrical system; and just before the Pandemic, replacement of the building windows.

These have all been major capital improvements that improve the property and the buildings infrastructure.

Question: If the interest rate on the new mortgage is 5.80 % compared to 3.84% will the monthly maintenance charges increase?

Answer: Yes, the monthly maintenance charges will increase, but given the projection for higher mortgage servicing costs as a part of the refinance, the 2025 budget incorporated a contingency of \$15,000 to cover the increase in the mortgage interest expense through the remainder of 2025.

ARTHUR COLEMAN - THANK YOU FOR YOUR SERVICE

Arthur recently has decided to step down from the Patricia Gardens Board. Since 2016, he served on the Board of Directors, and in 2019 was elected President a position to which he gave hundreds of hours of his personal time. Arthur has been a positive inspiration providing tremendous wisdom and guidance through the years.

Even between Board meetings Arthur took time to meet with Management and contractors to get a clear understanding of any proposed work. Arthur, on behalf of all the shareholders and the Board members, please accept our thanks for your dedication, hard work and tireless service to the Patricia Gardens Community.

We would also like to take this opportunity to thank Alessia Leal who has stepped down from the Board. Alessia and her husband Erick are in the process of selling their apartment, and we would like to wish them the best of luck in their future endeavors.

Eric Gelb has succeeded Arthur Coleman as the Board President. Eric is an accountant and has a strong financial background, who has been a real asset to the Board and Management, helping to guide the Board on all financial matters from budgeting to operating expenses. We would also like to thank Katie FitzGerald, who has served on the Patricia Gardens Board for many years and continues to serve as a Vice President.

In accordance with the Patricia Gardens By-laws, if there is a vacancy on the Board, the remaining Board members have the authority to appoint a shareholder to fill the seat on the Board. Accordingly, the Patricia Gardens Board of Directors has recently appointed Juliet Nevins and Rachel Abrams to serve on the Board.

2024 FINANCIAL REPORT

Patricia Gardens ended 2024 with an operating surplus of \$29,138. The Utility Expenses were less than the budget forecast as a result of a savings in gas heat. Real Estate Taxes also came in ahead of the budget forecast. Maintenance Expenses were in line with the budget forecast. On the Balance Sheet as of 12/31/2024, the Patricia Gardens Reserve Fund totaled \$226,135.

Overall, the 2024 Financial Report shows that Patricia Gardens is financially strong. The Corporation was able to operate within the operating budget while maintaining a healthy reserve fund. In addition, because the gas heat expense for the first half of 2025 has been ahead of the budget forecast, the Board has resolved to lift the gas heat surcharge as of July 1. You may download a complete copy of the Patricia Gardens 2024 Financial Report by going to the managing agent's website www.robertorlofsky.com Click on Properties and Patricia Gardens to download the report.

SAVE THE DATE – ANNUAL SHAREHOLDERS MEETING JUNE 30

After several years of virtual meetings during and after COVID restrictions, the Patricia Gardens Board of Directors has agreed to return to “in person” for this year’s Annual Shareholders’ meeting. The meeting will be held on Monday June 30 at 7:00 pm at Lennys Steakhouse at 2047 Boston Post Road in Larchmont. The Shareholders’ meeting is a nice way to get to know your neighbors. The formal notice of the meeting will be forthcoming.