

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

DECEMBER 2024

**PATRICIA  
GARDENS  
OWNERS, INC.**

## **PATRICIA GARDENS 2025 OPERATING BUDGET**

On November 11, the Patricia Gardens Board of Directors reviewed in detail the 2024 nine month Financial Report and a proposed 2025 operating budget with Bill Rank our accountant from Bloom & Streit.

### Board of Directors

Arthur Coleman  
President

Katie FitzGerald  
Vice President

Alessia Daniele  
Secretary

Eric Gelb  
Treasurer

Robert Orlofsky  
Vice President

Managing Agent  
Robert Orlofsky  
Realty, Inc.

7 Bryant Crescent  
Suite 1C  
White Plains, NY 10605  
914-328-6962

E-Mail  
info@robertorlofsky.com

Website  
www.robertorlofsky.com

Superintendent  
Humberto Sanchez  
914-467-8791  
sanchez32615@yahoo.com

For 2024 the gas heating expense was ahead of the budget forecast due to the mild winter, however, gas prices and especially Con Edison utility transportation costs have been on the rise.

The repairs and maintenance costs were less than the budget forecast. Plumbing continues to be the number one maintenance expense.

In addition, one operating expense that is a “major financial concern” for 2025 is the building’s property insurance.

Cooperatives throughout New York are seeing increases in their insurance costs from 20% to 40%.

This steep increase is a result of higher building replacement costs due to construction, labor and material costs, as well as the increasing severity of catastrophic weather events across the country.

Compounding these factors is the reality that fewer insurance companies are willing to insure older wood frame buildings.

In anticipation of a rise in insurance premiums, the 2025 budget has included a 7% increase in insurance costs.

After reviewing the financial options and taking into consideration rising operating and insurance costs, the Patricia Gardens Board of Directors adopted the 2025 Operating Budget that provides for a 2.5% increase in the monthly maintenance charges and continuation of the gas fuel surcharge commencing on January 1, 2025. The charge for an outdoor or garage parking space remains the same without increase.

You may download a copy of the Patricia Gardens 2025 Operating Budget from the Managing Agent’s website [www.robertorlofsky.com](http://www.robertorlofsky.com)

## **2025 MORTGAGE REFINANCE**

The Patricia Gardens Owners Inc. mortgage matures September 1, 2025. The mortgage was last refinanced in 2015. The original amount of the mortgage was \$3,250,000 @ 3.82%. The amount remaining upon maturity will be \$2,571,369.

Over the past 10 years interest rates have risen sharply. If Patricia Gardens needed to refinance now the rate would be approximately 6.5% which is a tremendous increase.

Question – So what does all of this mean??

Answer - Over the years Patricia Gardens has been able to refinance its mortgage and receive cash proceeds to put back into the Reserve Fund. The Reserve Fund money has been used to make “Major Capital Improvements” without imposing a special assessment on the shareholders.

The Capital Improvements made over the past 10 years includes Window Replacement, conversion of the Heating system from Oil to Natural gas, Courtyard Replacement and modernization of the buildings Electrical system. These four projects alone cost over one million dollars.

Question – What will happen to the monthly maintenance charge after the refinance?

Answer – Since we are 9 months away from refinancing, there is no way to forecast what interest rates will be next year. An example would be, if Patricia Gardens applies for a new mortgage of \$3,150,000 the net proceeds to add back to the reserve fund would be approximately \$570,000. However, without knowing the interest rate we cannot predict what impact the refinance will have on the monthly maintenance charges.

Financial Future – One thing is certain, that since Patricia Gardens first became a Co-op in 1985 the Board of Directors and Management have done an outstanding job to manage the Corporations long term debt and make major repairs and Capital Improvements without placing a financial burden on its shareholders.

## **EXTERIOR BRICK AND MASONRY REPAIRS**

During 2024 there have been repairs made to the exterior brick walls that included steel lintel replacement above windows that were leaking and pointing of the brick.

For next Spring the Board is prepared to move forward with additional repairs to the exterior.

Maintenance of the exterior brick walls of a building that is 75 years old is necessary to prevent water infiltration and leaks that could cause damage to the interior walls of the building.

## **HALLWAY PAINTING COMMON AREA IMPROVEMENTS**

Recently the hallways were painted that included all of the apartment doors, handrails and entry doors. The wallpaper, that was installed more than 10 years ago, is in good condition.

However, looking to the future, the Board recognizes the wallpaper needs to be replaced. The Board would like to have a formal plan to modernize the hallways in the future with improved lighting and flooring.

**Heating Mains** – The underground steam heating main, located at the side of 1825, recently ruptured. The area required excavation to locate the line and a repair was made. The underground heating mains are more than 75 years old and are deteriorating. The Board is considering complete replacement of the heating mains and related underground piping in 2025.

### **NEW LAUNDRY ROOM EQUIPMENT**

The new washers and dryers installed by Hercules have made a major difference. The machines work better and are more efficient. We also have had positive feedback regarding the new Hercules App that permits residents to operate the laundry machines with a smart phone and receive a text message when their load has been completed.

### **SAVE WATER – REPORT ALL LEAKS**

Water is a precious commodity and expensive. Water rates have increased dramatically over the years and impacts the operating budget and your monthly maintenance charges.

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 ASAP and Humberto who will assist you to have it repaired.

### **A LOOK TO THE FUTURE**

Looking to the future; long- term capital projects being studied and under consideration include repairs and waterproofing of the exterior brick work on all the buildings, hallway modernization, front door and intercom replacement.

### **QUIET ENJOYMENT OF YOUR APARTMENT**

The Patricia Gardens setting is “Communal Living”. We live above, below and next to our neighbors.

Normal noise can travel between apartments that includes walking around your apartment, vacuuming, playing television or music, using an exercise machine, opening and closing furniture drawers, opening and closing external and interior doors ... and the list goes on.

The Patricia Gardens House Rules require that after 11:00 PM, residents should take extra precautions not to make noise that could disturb their neighbors.

All residents of Patricia Gardens are entitled to the quiet enjoyment of their apartments. Please be aware and considerate of your neighbors and take steps to minimize noise transmissions between apartments.

### **NO SMOKING IN COMMON AREAS**

Residents are also reminded that smoking and vaping is not permitted in any of the common areas of the buildings - this includes the hallways, laundry room and courtyard.

### **PLEASE BREAK DOWN YOUR BOXES**

Now with the holidays upon us, the daily deliveries of cardboard boxes from Amazon, UPS and FEDEX are increasing. Please help us by retrieving your packages from the building's entrances promptly after delivery and do not leave any junk mail on the entry lobby floor.

All cardboard boxes are required to be "broken down flat" before placing them in the "Blue" dumpsters. Do not place unflattened boxes in the "Blue" dumpsters.

### **\*\*\*2024 SALES REPORTS\*\*\***

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

Juliet Nevins  
Sarah Greer  
Jessica Lauro  
Alexander Louros

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

The Patricia Gardens Annual Meeting of Shareholders will be held next March. The meeting will be held "in person" next year at a local Larchmont Restaurant. By having the meeting in March, the Board will have a good idea on the winter heating, building insurance costs and where interest rates are trending in advance of the mortgage refinance.

The Board and Management would like to commend and say thank you to Humberto Sanchez and his wife Maria for their hard work to maintain Patricia Gardens. From cleaning the common areas and grounds, Patricia Gardens is meticulously maintained and always beautiful inside and out.

**Best wishes to you and your family during the Holiday Season  
and  
in the coming New Year!**

