

TUDOR ARMS OWNERS, CORP. NEWSLETTER

DECEMBER 2024

TUDOR ARMS
OWNERS, CORP.

Virtual Shareholders Meeting

On December 16, Tudor Arms conducted their Annual Shareholders meeting virtually via Zoom. Jillian Petrera, the Tudor Arms Board President, welcomed everyone and introduced the Board members and panelists. The other Board members introduced were Daniella Piper and Mary Ann Gioeli. The fourth Board member David Lulgjuraj could not attend the meeting due to a business commitment. Jillian also introduced Lori Lerman the Tudor Arms accountant from the firm of Bloom & Streit and Robert Orlofsky our managing agent.

Jillian advised that 33 shareholders representing 18,200 shares were present in person or Proxy, accordingly there is a quorum and an election of Directors can take place.

Jillian spoke about the past year of operations, how escalating heating, utility costs, along with insurance have had a significant impact on the 2025 budget and that 90% of the Co-ops budget is for expenses that the Co-op Board has no control over i.e., Real Estate Taxes, Mortgage Interest, Insurance, Utilities and Labor costs. The 10% of discretionary expenses the Co-op Board has control over are landscaping and discretionary repairs or improvements that are closely monitored and controlled. Lori Lerman will review the 2024 expenses and the 2025 operating budget in her report.

Jillian also reported that the Tudor Arms Reserve Fund, that now stands at \$471,000, is invested in U.S. Treasury Bills that have earned more than \$11,000 in interest this year.

Lori Lerman reported on the 2024 income and operating expenses year to date and the 2025 Operating Budget that has been adopted by the Board.

Lori advised that for nine months of 2024 Tudor Arms is projected to have a small operating loss. The gas heating expense was on budget due to the mild winter, however, gas prices and especially Con Edison utility transportation costs have been on the rise and are difficult to forecast.

The repairs and maintenance costs have exceeded the budget forecast due to plumbing repairs.

In addition, there are two operating expenses, insurance and mortgage interest expense, that will have a major impact on the 2025 Operating Budget. The Tudor Arms Mortgage matures next September 1, 2025. Robert will go into more detail about the mortgage refinance in his report.

Board of Directors

**Jillian Petrera
President**

**Daniella Piper
Treasurer**

**Mary Ann Gioeli
Vice President**

**David Lulgjuraj
Director**

**Thomas McShane
Director**

Managing Agent

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TUDOR ARMS OWNERS, CORP.
NEWSLETTER

The interest rate on the existing mortgage is 3.82%. Mortgage rates are now higher than 6%. Since we know the interest on the mortgage next year is going to be higher Lori has included additional mortgage interest expense in the 2025 Budget.

Insurance premiums continue to be on the rise as a result of higher building replacement costs and due to catastrophic weather events across the country that has caused a crisis in the insurance industry. Compounding these factors is the reality that fewer insurance companies will insure older masonry wood frame construction.

After reviewing all the financial options and taking into consideration rising utility, insurance and mortgage interest costs, the Tudor Arms Board of Directors adopted the 2025 Operating Budget that provides for a 7.5% increase in the monthly maintenance charges.

The gas heat assessment is being rolled into the maintenance increase. Shareholders have already been paying the gas heat assessment which represents 3% of the operating budget.

Lori advised the 7.5% maintenance increase breaks down as follows;

- 3% Fuel Assessment
- 3% Increased Operating Expenses
- 1.5% Additional Mortgage interest expense

Shareholders may download a copy of the Tudor Arms 2025 Operating Budget from the managing agent's website www.robtorlofsky.com.

Robert Orlofsky reported that the Tudor Arms Mortgage matures next September 2025. The Tudor mortgage was last refinanced in 2015. The original amount of the mortgage was 3,150,000 @ 3.84%. The balance of the mortgage upon maturity will be 2,492,512.

If Tudor Arms were to apply for a new mortgage of \$3,000,000, Tudor Arms would net approximately 450,000 regardless of the interest rate to add back to the Reserve Fund to be used for capital improvements and major repairs.

For example, if Tudor Arms had to refinance now, a 3,000,000 mortgage at an interest rate of 6.5% would cause an increase in the monthly maintenance charges of 5%. That is why Lori Lerman's 2025 budget includes 1.5% for additional mortgage interest.

Proceeds from refinancing the mortgage have paid for major capital improvements over the years that includes conversion of the heating system from oil to natural gas and reconstruction of the courtyard. Those two projects alone cost more than 750,000 and were paid for from the Tudor Arms reserve fund without imposing an assessment on the shareholder.

For 2025 Tudor Arms Board has approved repairs to the exterior facades where there have been leaks or deterioration of the brick work. Future major capital improvements being considered include replacement of the building's roof and additional repairs to the exterior of the building.

Verizon started to work at Tudor Arms to bring in FIOS internet and streaming services. While core drilling through a meter room floor, Verizon caused an electric short that damaged the West wing elevator. That is the reason the Verizon work was put on hold. We plan to let Verizon restart the work once we have more details of the installation especially in your apartments.

TUDOR ARMS OWNERS, CORP.
NEWSLETTER

Thereafter, Jillian opened the meeting to Q & A and advised that there was an open seat on the Board of Directors. Following the Q & A, Thomas McShane volunteered to serve on the Board. So by acclamation the following were elected to the Tudor Arms Board of Directors; Jillian Petrera, Daniella Piper, Mary Ann Gioeli, David Lulgjuraj and Thomas McShane.

Jillian thanked all of the shareholders that participated in the Webinar and wished everyone a Happy Holiday Season.

Quiet Enjoyment of Your Apartment

The Tudor Arms 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 internal doors... and the list goes on.

The Tudor Arms House Rules require that after 11:00 PM, residents should take extra precautions not to make noise that could disturb their neighbors. The Tudor Arms House Rules also require that 80% of the wood floors be covered with carpet and no pets allowed except for Board approved emotional support animals.

All residents of Tudor Arms 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 reminded that smoking and vaping are not permitted in any of the common areas of the building which 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.

All cardboard boxes are required to be “broken down flat” before placing them in the Recycle Containers in the garage. Please do not place full boxes in the Recycle Containers. [Please pick-up your packages from the building entrances and basement in](#) a timely manner. Do not schedule delivery of large items when you are away. There have been a number of large boxes that have blocked the entrances to the building which is a hazard. Please do not leave any junk mail in the entry lobbies.

Building Security

For everyone’s Security, keep all building doors closed, do not permit strangers into the building or a delivery for another apartment. Amazon, FEDEX and UPS are required to call the customer for access to deliver a package. Never let anyone into the building who say they are from Con Edison, Verizon or Optimum. Tell the individual(s) to call the building Superintendent.

Welcome New Shareholders

Apartment sales this year have been active and we would like to congratulate and welcome the following new Shareholders to Tudor Arms:

Crispin S. Tabogader, III
Matthew Schoene and Arjeta Hoxhaj
Krista Gresia
Navjot Kaur
Terence J. Lynam, Jr. and Patricia M. Lynam

Jose Marroquin and Uriel do an outstanding job maintaining Tudor Arms. The building is kept beautifully and we all appreciate the daily efforts, attention to maintenance issues and hard work. We also want to thank Jose and his team for their design and building of the Tudor Arms Holiday Lighting display that we all admire, enjoy and hope make your Holidays at Tudor Arms just a little bit brighter!

**Best wishes for a Happy Holiday Season and
Prosperous and Healthy New Year!**

