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October 2014

Writers & Artists

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PETER VARSALONA, engineer, is a principal in Rand Engineering & Architecture.

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Publisher's Note

FINANCIAL OVERSIGHT. Sort-of accounting. Or, to take language liberties: "treasuring." Overseeing the co-op or condo's treasury is probably one of the most important tasks a board director has to perform, and to be honest, one of the most confusing to the ordinary joe or jane.

What truth are the numbers telling? Are some numbers missing? And, most importantly, what are the numbers telling you to do?

For the treasurers in buildings being managed by Saparn Realty, the answer to these questions came too late. As we reported earlier this year, an elaborate scheme to cover up stolen money was busted apart, resulting in probable jail time for Saparn executive Alan Gorelick. And the beat continues, with Queens-based Tribor Management now under scrutiny for its own alleged scamming scheme. Clearly a treasurer can't thwart a thief, but I think diligent eyes can spot a trail before huge damage is done.

Of course, it's easy to become complacent, especially when paying a management company to take care of your books and property. Remember, though, that oversight is shared. If you think your treasurer is not up to the task, find someone who is. As a group of volunteer individuals shouldering the board mantle, I promise you that there is no greater task than being a diligent treasurer.

With this issue, we bid farewell to Michael Gentile, *Habitat*'s art director for nearly 14 years. He's off to Vermont for a gentler life, and while we wish him well in his new pursuit, we will miss him greatly. He was a rock-solid player at our offices, and one we could always count on to make our deadlines with a distinguished design flourish.

Enjoy the issue. Experience the *Habitat* app.

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THEY CAME FROM BELOW

One Property Confronts a Dangerous Infestation

By Bill Morris

Most New Yorkers are well acquainted with the city's garden-variety vermin – roaches, rats, mice, and those ubiquitous critters that recently transferred to the N train, bed bugs. Now they can add a new pest to their litany of urban enemies: **termites.**

PHOTOGRAPHS BY JENNIFER WU

BIG FIX: Superintendent Guillermo Paralta and former board president Mark Dean worked nonstop to end their co-op's termite infestation. Inset: Dean served on the board for many years before stepping down in June.

An eight-building, 54-unit complex in Hell's Kitchen that was built during the late 19th and early 20th centuries recently discovered that it had a major, potentially disastrous infestation of termites. The belated discovery may have saved one of the five-story walk-ups from structural collapse. Even more importantly, it underscored the dangers of having an entrenched board of directors that fails to monitor a building's physical health or perform routine maintenance.

Simply put, such a group has the potential to ruin your building. Put another way: vermin don't ruin buildings; negligent boards do.

Disrepair Here

Mark Dean, a professional cartoonist, moved into one of the complex's eight buildings on West 50th Street in 1979, when Hell's Kitchen was a much rougher version of its current gussied-up self. Four years later, the tenants bought the buildings, and the complex became a rent-stabilized Housing Development Fund Corporation (HDFC) property, with plans to become a limited-equity HDFC co-op. A board of directors was elected, and for four years in the late 1980s and early '90s, Dean served on the board.

Flash forward to 2010. Dean and several other residents were becoming more and more uneasy with the nine-member board that had been in power for years. The board didn't allow residents to attend meetings, a glaring lack of transparency.

The co-op conversion had been bungled, leaving the complex in a kind of rental/co-op limbo. Although the building was a rental, the board remained in power in anticipation of the building becoming a co-op eventually.

The board had an unnerving tendency to keep fattening the reserve fund without spending any of the roughly $1 million sitting there on routine upkeep. Dean and his

confederates feared that the board's inactivity was a prescription for disaster. Their fears would prove to be well founded.

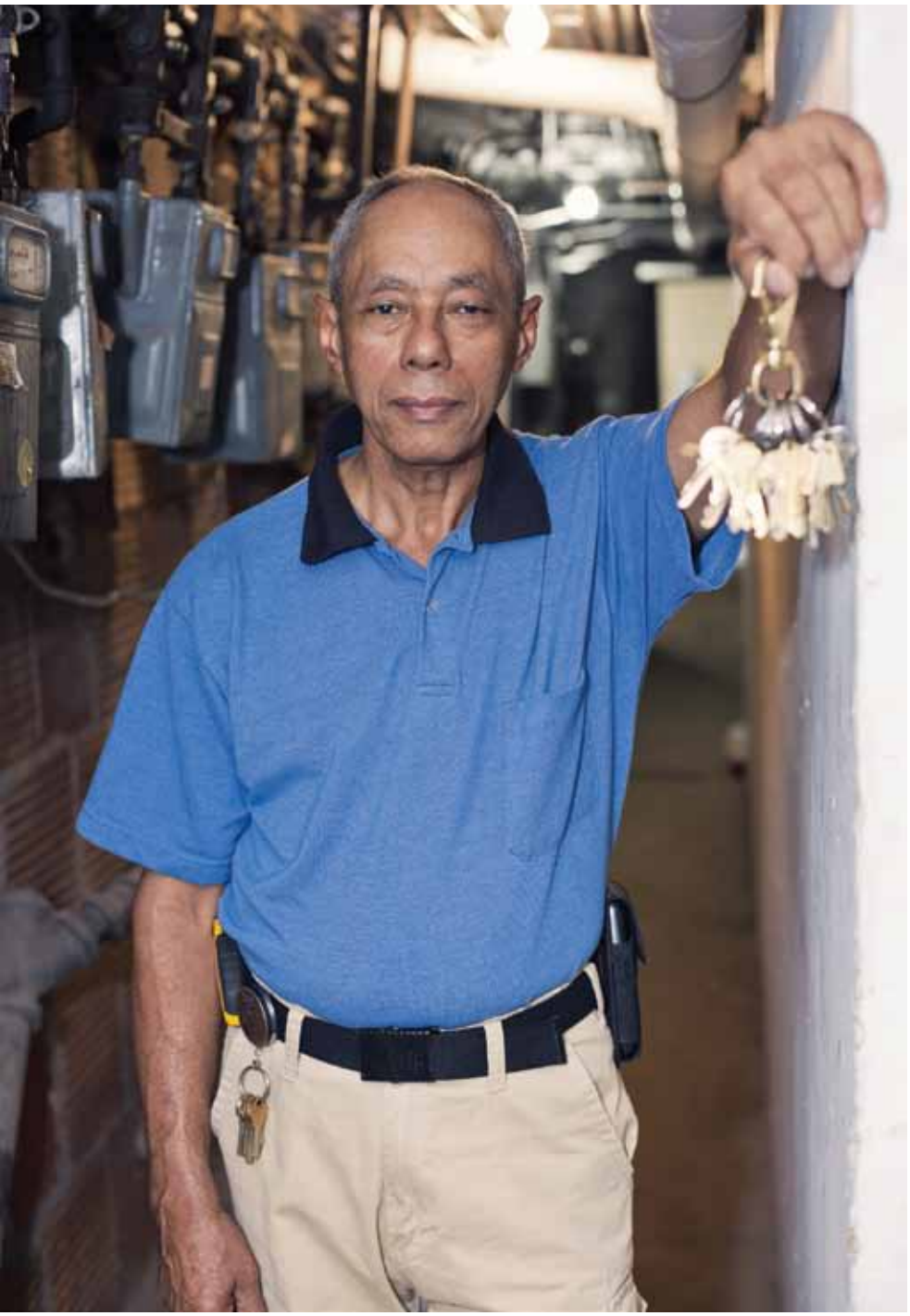
"The buildings had fallen into disrepair," says Dean, noting that the brick buildings were built on an infrastructure of wooden floor joists and wall studs. "The problem was that we had a lot of money saved because the old board didn't spend any money [on maintenance and repairs]."

Getting Elected

So Dean and four other like-minded residents ran for the board in 2010 and won five seats, a controlling majority. They got busy right away. First, they voted to limit board terms to five years, a way of ensuring that no future board would become entrenched. Then they hired a new super, Guillermo Paralta, whom Dean calls "a hard, hard worker, very conscientious. He knows his stuff."

The board set Paralta up in a large studio apartment, determined to keep this critical worker happy. "On our first tour of the basement at 448 West 50th Street with Guillermo," Dean recalls, "we scratched [a part of the wall] and termites flew out. So we called an exterminator, [who] ripped out the tin ceilings in all eight basements and found we had severe termite infestation as well as water damage. The oldest building, built in 1868, was in very bad shape. A lot of the wooden beams were rotted through."

To Dean's amazement, there was even a tree stump in one basement, obviously left there by the workers who had built the place a century and a half ago. Although most of the pests thrived in the basement – they're the so-called "subterranean" variety of termites – one elderly resident had an astonishing three-foot-long "shelter tube" full of termites dangling from his kitchen ceiling.



They hired a new super, Guillermo Paralta (*left*), "a hard, hard worker, very conscientious. He knows his stuff."

– Mark Dean

The board contacted its property manager, Josh Koppel, president of HSC Management, who in turn contacted Baldwin Pest Control. Koppel had been doing business with Baldwin for more than 10 years and knew they had extensive experience dealing with termite infestations, primarily in Westchester County, where wooden construction is more common than in the city.

The board also hired Rand Engineering & Architecture to draw up plans for repairing the extensive structural damage and, at Koppel's suggestion, hired the contractor Teamwork Restoration, which also had extensive experience repairing termite damage.

The Big Fix

With the pieces in place, the job Dean calls "the big fix" got under way. Today, two years and almost $300,000 later, the work is nearly complete. Koppel, the property manager, described his role in the project this way: "It's coordination, keeping people informed, making sure the super's keeping an eye on the exterminator, making sure the engineer's keeping an eye on the contractor."

So, under the watchful eye of the super, the exterminator drilled holes through the concrete basement floors and injected underground termite treatment, eliminating the source of the problem – at a cost of about $30,000. Then, the contractor's crew got to work replacing damaged joists and beams. It was no mean feat replacing 20-foot-long joists in tight basement spaces.

"With structural damage, you need to stop the source of the problem first," says Jason Damiano, a project engineer with Rand who replaced the original engineer just as construction was beginning in early 2013. Damiano met with the contractor twice a week during construction to make sure the work was being done to specifications.

"In theory," Damiano notes, "if you don't stop the problem at the source,

eventually any wooden building will show serious floor sagging, and might even collapse. Then, once you get rid of the source and fix the structural problems, the issues won't come back, provided the extermination continues." He says the key to addressing a termite infestation, or any pest problem, boils down to "inspections and maintenance."

Bryan Baldwin, the founder of Baldwin Pest Control, offered a two-year guarantee on his work, promising to return and re-treat any area that shows a return of the unwelcome guests. Based on his years in the business, Baldwin believes termites are becoming an increasingly severe problem in urban areas. Despite the common notion that New York is a city of steel and glass, he notes that many older neighborhoods – Hell's Kitchen, the

East and West villages, Chinatown – have buildings with a high wood content.

"As the climate changes, you're seeing termites more and more in the inner city," Baldwin says. "They're subterranean insects, and they usually swarm in April. It's getting warmer earlier each year, and now we're seeing swarms in March."

Inspections and Maintenance

That's the mantra Mark Dean left with the board when he stepped down as president in June. "The key is detection," he says. "You've got to inspect your building, do the exploratory work. You never know what's in there, so you've got to pull down sections of basement ceilings and check for structural damage." It's another way of saying such problems are avoidable.

"This was all due to neglect by the previous board," Dean says. "I'm very proud that I had a big part in doing this job. We're not a commune, but we're a communal entity. We take care of ourselves rather than having a landlord looking after things."

For Dean's successors on the board, the next big challenge is completing the conversion to a cooperative. (A new conversion plan is now under review by the state attorney general's office and could be put to a vote by the residents soon.)

Dean is glad someone else will be taking care of it. "Being board president is a full-time job," he says, "and it wore me out. It was time to let somebody else do it. We have some smart people in place now who know about finances."

They know something else that they had to learn the hard way: the importance of inspecting the building before a minor pest problem morphs into a major headache. ■

The difficulties faced by anyone planning for solar in the city are many. Countless roofs lack sunlight. Some panel manufacturers are fly-by-night operators from which purchasers must stay clear. Then there's the matter of knowing how to take advantage of all the incentives offered by the applicable tax codes and knowing which current financing practices are available.

Veteran New York real estate lawyer James Samson, a partner at Samson Fink & Dubow, and longtime Georgetown Mews board president Mary Fisher have managed to arrange for a massive undertaking in her cooperative association's 930-unit building complex in Kew Gardens, Queens. The property has an abundance of low-lying, southern-facing roof space – 550,000 square feet in all. (The eastern- and western-facing roof panels will generate only 20 percent less power than comparable south-facing panels. Only northern-facing panels are unlikely to make economic sense.)

Eventually, the project will provide 35 percent of the complex's energy needs, and by even the most conservative projections, it will pay off its full cost in under two years (see "The Solarscaping of Georgetown Mews," *Habitat*, July/August 2014). "In the end, the financial benefits of solar drive an opportunity like this," says Project Development Director Stephen Owen of the turnkey contractor RGS Energy. "I always say, 'Solar is the right thing to do, but people do it because it's the smart thing to do.'" He adds: "Solar is an impact investment, as the business decision to implement the solar alternative delivers a compelling return on investment and provides a positive influence on the community and environment."

POWER PLAY

GETTING THE BIGGEST BANG FOR YOUR SOLAR BUCK

BY JONATHAN LEAF

The story behind the Georgetown Mews story is equally fascinating: how did it get funding? Read on, and learn how a project that runs to nearly $4 million in upfront construction expenses will actually cost residents less than half a million dollars upon completion and, arguably, as little as $88,000 before the project even comes online.

To achieve that, Fisher and Samson – aided by RGS's Stephen Owen – had to learn the tax codes and then, armed with this knowledge, apply for a series of grants and credits. For the project to work financially, Georgetown Mews had to figure out how to take advantage of all the available incentives.

NYSERDA Grants

The first of these was a direct rebate, known as a Program Opportunity Notice, from the New York State Energy Research and Development Authority (NYSERDA). Founded in 1975 following the

first energy crisis, NYSERDA, a public benefit corporation that frequently assists solar projects, was originally set up with a mandate to help state energy conservation. However, its duties and resources have grown tremendously in recent years, especially since 1998, when it began receiving assistance from a payment stream taken out of the sums collected by the state's electric utilities.

Included now within its body of tasks is direct grant-making to help with solar projects. The amount of these disbursements varies, and it comes from a fund that depletes as awards are made during the course of each fiscal year. For Georgetown Mews, NYSERDA eventually made a crucial commitment of a little over $1 million. The property took advantage of a NYSERDA construction. The application for this grant must be filed with NYSERDA by a "qualified" partner. That's a solar power contractor or engineer that NYSERDA has approved. If you're not working with a qualified partner who has submitted an application on your behalf, you cannot get this grant. The state will also send inspectors at various stages in the process.

Reflecting on the complexities of the process, Dayle Zatlin, a spokeswoman for NYSERDA, says: "It's difficult to provide some sort of general model for co-ops wishing to use solar. It depends on how they're set up as corporations, what their guidelines are, and what kind of metering they have. It's not one-size-fits-all."

Tax Credits and Abatements

The City Program Panel Abatement Tax is a tax deduction requested from the city's Department of Buildings, not the Department of Finance. The request should be made when filing for building permits to do the construction for the solar panels. The application should only refer to the work related to the solar power project, and the request for work permits for this should be segregated

from requests for any other construction work. This application is said to be highly technical, and it must be filled out correctly when filed. Says Samson: "You get one shot at this one. You have to be prepared."

Fed Tax Credit

Even greater benefits can be found within the federal tax code. Samson recognized that the U.S. government offers 30 percent tax credits for solar power. He emphasizes that these credits are not to be confused with tax deductions. The federal government's assistance of 30 percent of the total cost of solar projects comes straight out of the sum that a tax entity – in this case, the co-op – would otherwise pay.

This must be requested of the IRS immediately upon completion of the system and the beginning of its operation. If the co-op wishes to pass on the credit directly to its shareholders for their individual tax returns, the co-op must file promptly with the IRS. The credit will apply to the tax year in which the system is put in service. According to Samson, if the request is not made in that year, it is vacated. Relevant information on the tax credit must be sent to all of the co-op's individual shareholders so they can add the credit to their April 15 tax return.

This credit was particularly appealing to Georgetown Mews since it owns roughly 100 of the apartments in its building complex, and the association has been profiting each year by selling off its apartment inventory. For its solar project, this will come to almost $1.2 million in reduced tax obligations. In rough terms, the tax credit works out to between $850 to $1,500 per resident.

Accelerated Depreciation

The co-op then got a further boost from accelerated depreciation schedules. These will provide almost $1.36 million more in benefits.

Con Ed & Excess Energy

Of course, the last and – in the long

run – the greatest of the financial attractions of the project doesn't appear in any computation of expenses: the power the project will generate.

Samson calculates this will be worth something in the neighborhood of a quarter million dollars each year. The amount isn't absolutely predictable, as weather patterns vary from season to season, and the rate that the complex will be paid by Con Edison for excess energy it feeds into the grid hasn't yet been set.

Naturally, most of the energy generated will come around midday, when the sun is at its apex. Since this is also when energy demand is highest and rates charged to many customers are at their peak, the co-op association is arguing that it deserves a higher rate than that given to most companies and organizations supplying excess power.

Warning

But the planners of the Georgetown Mews solar project emphasize that the success of a plan like theirs isn't simply about filling out grant applications or tabulating prices and working with a spreadsheet. It's also, they're quick to point out, about avoiding pitfalls associated with construction and purchasing.

The complex has had to see that its trees are kept well trimmed so that all the light intended reaches the rooftop panels. Then there's the matter of the panels themselves. "A lot of solar panels that you're offered come from warehouses which are full of product from China put out by manufacturers that are already out of business," Samson says. "So, if you want a reliable warranty on the goods, you have to be very careful."

Determined to make sure of this, Fisher, the board president, flew to St. Louis, Missouri, to visit the factory of the supplier the co-op had selected. Then Samson went over the contract sheets and negotiated each of the terms in excruciating detail. Through this haggling he managed to win underwritten warranties of 30 years on the panels and the best possible terms on the financing.

He further urges others to speak to multiple contractors before asking for bids and then find out who the subcontractors will be and learn their reputations.

Ultimately, Samson observes, if you include the more than $300,000 in upgrades to the complex's electrical system – a necessary change, given that the system dates to 1952 – the real cost of the project will be about $88,000 on a job whose final bill will come to nearly $4 million. That's after subtracting all the tax benefits and grants.

Then there's all that energy arriving each day from the sun. ■

DAVE BAMUNDO

THE SIDE JOB CONUNDRUM

by Kathleen Lucadamo

IT WAS A NO-BRAINER. The superintendent of an Upper West Side cooperative in Manhattan offered to install a dishwasher at a rate much lower than an average plumber would charge. It seemed like a good deal – until the super improperly installed the device.

As a result, the pipe broke, and an entire line of apartments was flooded, with the co-op looking at $45,000 in damages. "The co-op had no policy. There was a lot of finger-pointing. It was no good," recalls attorney Dean Roberts, partner at Norris, McLaughlin & Marcus. In the end, the building's insurance company covered $35,000 of the repairs while the building had to fork up the rest.

The super may be every building's go-to guy – the one who makes sure the boiler is humming properly, the trash is taken out promptly, and the lobby is pristine – but you may not want him working on *everything*. Nonetheless, old habits are hard to break: shareholders and unit-owners generally rely on these men (women rarely occupy the job) for help in doing everything from changing a light bulb to renovating a kitchen, and often that work is outside the scope of the job.

While side jobs often save residents money and line supers' pockets with extra cash, the situation isn't always a win-win. Instead, the arrangements create an array of potential problems for a co-op or condo and must be handled carefully, according to building managers.

Insurance Woes

To begin with, say experts, navigating through the situation is like walking through a minefield without a map. "It is fraught with problems both technically and legally," says Paul Gottsegen, president of Halstead Management. "The employee could get hurt at any time, whether or not he's 'on the job,' and even though it's a 'private' job on private time, he's still covered by the building-provided workers' compensation, so the whole building becomes responsible for this one private job."

Additionally, if a super doesn't

have his own insurance for the job, the building would be liable for any problems that occur during the work. Even using the building's tools or ladder could make the co-op or condo a party to the lawsuit. In fact, insurance companies and lawyers frown upon the practice of side jobs since it comes with such a dangerous liability to all shareholders and unit-owners.

"Sadly, most co-ops just don't deal with this policy," says attorney Roberts. "People don't think about it until something goes wrong, and when it does, it can get very bad." He recommends that boards discuss the issue and set up a policy on what the super can do. For some boards, a complete ban on outside work in the building is best, but others can draft a simple agreement before a side job that says the super is not acting as an employee but as an independent contractor with insurance.

Michael Spain, an insurance broker and principal at the Spain Agency, recently received a claim where the super did plumbing work on the side and something went wrong, making the building potentially liable. The dilemma is becoming so common that underwriters are starting to ask if supers are allowed to do private work in the building before insuring it.

"I don't see them saying they won't insure them if they do, but I see them asking, which means it's an issue they are looking at. It's definitely seen as a negative," says Spain.

Supers are also putting themselves at risk when doing private work, since they won't be entitled to workers' compensation if they are hurt. In one New York building, a super was installing cabinets for a shareholder on the side and one fell on the shareholder, recalls Edward Mackoul, an insurance agent and a principal at Mackoul and Associates.

The shareholder sued the super (who had no insurance) and the building. The building ended up paying $25,000 to the injured person for pain and suffering, says Mackoul, who handled the claim. "That building [subsequently] forced the super to get private insurance if he wanted to do side jobs," says Mackoul.

Outright Ban

Peter Lehr, director of management at Kaled Management, reports that all of his buildings have detailed job descriptions for their supers, which forbid private work in units during building time. Still, none of them have an outright ban on private work in the building on off-time.

"I never want to take money out of anybody's pocket, but you have to make sure these guys are not doing work on company time. If they are going to be a contractor, they have to act like a contractor. They need proper documentation and insurance," says Lehr.

Although side jobs are sometimes banned or discouraged, some managing agents take a "don't ask, don't tell" approach to minor jobs, such as walking someone's dog or watering plants. Gottsegen points out that even these come with a liability. "Someone going to feed the fish can knock over a $20,000 vase. With contracting, anything can happen, and that's what we look out for as managers. I'd rather a shareholder hire contractors who are licensed and insured instead of using building staff."

Striking a Balance

So how should you handle the whole issue of supers and side jobs? Instead of completely pushing the super aside, which can create ill will with the super (and staff), a

better course might be to ask him to look at a problem and make a recommendation on who can handle it from the outside and how, industry experts say.

If the super does the work, however, he must be insured, qualified to do the job, and approved by the board as any contractor would, says Spain.

Another choice is to create a system that allows the super to do minor repairs for set fees, such as $30 for fixing a leaking faucet, as one of Lehr's Queens buildings does. The super gets paid extra and is still covered by the building's insurance. Or a shareholder can pay the co-op for the repairs, which would then pay the super, ensuring he's covered.

Zoltan Papp, a super at a 100-unit co-op on Fifth Avenue and a member of the New York City Superintendent Technical Association, says he farms out odd jobs to his porters and forbids them from doing any side jobs that involve plumbing or electricity.

"I'm talking about little things, handy work that is covered by tips," says Papp, rattling off tasks like tossing out a Christmas tree, spackling a wall, or touching up paint. "The tenant is happy because they saved money, the guy is happy because he made extra money, and I'm covered because I know about it. It makes for a close relationship with tenants and the guys."

Still, he refuses the work himself, calling it unethical because he lives in the building and is well paid, and he warns the staff to stay away from major jobs. "I tell them, 'It could cause a fire or flood. Don't do it because you could lose your job,'" he says. If he is ever in doubt, his go-to person is the managing agent. "I don't call the shots. I talk to the agents and we make a decision on what we can do."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Money 101

Practical Tips From a Veteran Treasurer

by Reynold Weidenaar

IN MY YEARS AS TREASURER at a small co-op on Jane Street in Manhattan, here are some items of concern that I uncovered:

- A legal bill that was actually for clerical work, verifying whether some prospectus documents were in a file drawer at the law firm. It was billed as "legal consultation."
- A $21,000 proposal from a fuel supplier for an unnecessary boiler-tube cleanout.
- A $900 proposal for a water filter that included not only the filter but the cartridge holder as well, "just to be safe," at prices that were double what I found on the internet. There was nothing wrong with the cartridge holder. We bought only the filter directly for $200 and our super installed it for free.
- Undocumented expenses for overly numerous photocopies, which were typically billed the same as self-service commercial rates: seven cents per copy. The materials cost one cent for the sheet and two cents for the toner; why are they charging you more than twice the cost of materials?
- A $25,000 certificate of deposit that our mortgage lender required us to buy when we refinanced, paying one-fourth of one percent interest. That was OK, it was part of the re-fi, but after three years we were allowed to cash it in. Nobody paid attention to that, and the cooperative held it for a few more years, earning $5 per month interest instead of $20.

You are a volunteer. You have limited time. You've just taken on the treasurer's job, making you legally responsible for the control of the funds. If you shirk the task of reviewing each expense and verifying that it is accurate, reasonable, and proper, sooner or later you will find the trouble you most assuredly are asking for. What follows are my suggestions for making sure everything runs smoothly.

Step by Step

To begin with, you should be prepared for a careful review of your management company's monthly report. It might arrive two to three weeks after the end of the month, meaning that some

items are almost two months old. That makes it harder to ask questions and get full and prompt answers. Here's what you need to do:

Get expense explanations

All checks have a memo field. Ask your manager to be as specific as possible in filling this in: "new weatherhead" or "garbage bags" tells you more than a bookkeeping category, such as "supplies." Calling it "supplies" is informative – just not informative enough.

Make daily downloads

Use software like Quicken to make daily downloads of the activity in your building's bank account. Unless your co-op is very large, with a full range of equipment and services, typically there will be 12 to 20 payouts per month, and two-thirds of these will be recognizable recurring expenses (mortgage, insurance, payroll, utilities). You could be dealing with only three or four payouts that need to be identified. Quicken will deliver the payment transaction info the day after the bank has paid the check.

Review the bills

Management should send any out-of-the-ordinary bills to you for review and approval before payment. This does not apply to routine recurring items; however, professional services, repairs, equipment, maintenance, and supplies should be vetted as soon as the bills come in.

Review the paid checks

Go to the bank's website, log in to your account, and view the image of the paid check and read the memo. If that is not clear, then call your manager.

Verify the management report

By doing all of this, you'll reap your well-deserved reward. When you receive the monthly management report, you just have to revisit transactions that you have already seen. The report will show scans of the bills supporting the payouts, and it will be easy to deal with further questions and information if need be.

Review the checking account

Review the checking account once a month to determine, in consultation with your managing agent, how much excess cash can be transferred to the reserve account, where it should be earning interest. You should be using a bank that has a decent high-interest savings account or money-market account. If you have a reserve account of $100,000, that means $1,000 per year in interest income. Even though the amount is not large, shareholders will appreciate your efforts to secure this "free money" for their benefit.

Keep a history

When it comes to major repairs and capital expenses, a good ongoing system is for the treasurer to make a scan or take a screenshot of every capital expense or major repair invoice. These can be found in the monthly management reports. The graphics can be put on a regularly updated "Capital Improvements" webpage or otherwise made accessible to management and the board. An alternate system would be to maintain a spreadsheet or table listing the items and the reports where they may be found. Keep in mind that the system has to be external to the managing company and individual board members. Both can come and go, so the record-keeping must be accessible to new personnel.

Get a manager who suits your needs

Frankly, I think the shared oversight structure of co-ops can verge on the immoral. We have boards who are unpaid, often with skill sets that range from rarely proficient to nonexistent. They may be short-term volunteers with limited time to devote to your building. Building management may be motivated to save their own time and not necessarily your money.

CHECK IT TWICE: Reynold Weidenaar advises board treasurers to be conscientious record-keepers and meticulous organizers.

Ideally, the board should collectively acquire an understanding of boiler systems, legal issues, types of insurance coverage, property taxes, simple bookkeeping, and alterations/improvements, but the full-range happens only in the breach. Unfortunately, there are always shareholders who join the board so they can beat back maintenance increases, sublet fee increases, sublet term limitations, and expensive renovation projects. Aside from this focus, they are quite disengaged from the boring process of overseeing the management of the property.

Compare this to a single owner/manager of a market-rental building whose profit motive compels him/her

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to acquire the necessary knowledge and understand the relevant issues, much like a single homeowner. Now take that focus and hold it up against this scenario: at a shareholders' meeting in our building, it was decided that the composition of the board would be "more fair" if its members hailed from different floors of the building. (If you require this type of parliamentary democracy to manage your apartment building, I feel sorry for you.)

A reality is that management is not motivated like you are to save your co-op's money. In finance this is called the "agency problem" – your hired agent doesn't care about your money as much as you do, being motivated by a natural self-interest that may conflict with a principal's best interest. Management makes the same fee whether there are three hours or thirty hours of work devoted every month to your building. You can counter this and motivate management to put in the necessary time to do the job right by being fully engaged yourself. Nothing aggravates management more than a disconnected, hands-off board (unless it's a board whose members are in active conflict). E-mail and the phone are wonderful tools, but nothing beats sitting in the same room, manager and board members together, interacting as they work through an agenda and devise plans of action.

When my board hired our current managing company, we interviewed six references from board members of other co-ops who had hired the same company. These were lengthy conversations, about 20 minutes each. The recommendations of the managing company happened to be excellent, but it was impressive that all six of these board members who gave us references were fully on point.

In the final analysis, if you thrive on praise and gratitude, the treasurer's job is probably not for you. But if you have, or are interested in developing, the types of skills it entails, being the guardian of the money can be a fascinating experience. And a satisfying one, too. ■

Brownstone BROUHAHA

How One Brooklyn Co-op Lost – and Regained – Its Corporate Status

By Tom Soter

NINE BUCKS. That's the price of real estate happiness for Dean Starkman. And because it wasn't paid, Starkman is a very unhappy camper. He estimates that "it cost me money; it cost me an interest rate hike because interest rates moved; it took months; it was a total hassle… enormously frustrating, expensive. I still am not exactly sure what happened."

The story starts a little over a year ago, when Starkman, a shareholder and board member at a 12-unit Brooklyn Heights co-op, negotiated with a lender to refinance the mortgage on his apartment, a fairly routine affair. He had assembled all the required paperwork for the bank, and, recalls Starkman, "the last piece of the puzzle was our certificate of good standing as a corporation."

At that point, the lender informed Starkman that it was putting a hold on the deal. When Starkman asked why, he was told that the co-op's corporate status had been revoked. Under New York State law, the deal – any corporate deal – could not be closed.

"We were told that it had been revoked for years," Starkman says. "And the bank wouldn't budge. They wouldn't close without a certificate of good standing. They were doing what a bank is supposed to do."

The board began to investigate. The co-op's attorney, Theresa Racht, a partner at Racht & Taffae, discovered two problems, one involving an unmade biennial corporate filing and the other concerning unpaid state income taxes. In short, the corporation had been dissolved by the state for failure to file corporate tax returns and pay corporate taxes.

Exactly what is the biennial corporate filing? According to Jim Goldstick, a management executive at Mark Greenberg Real Estate, domestic and foreign business corporations are required by Section 408 of the Business Corporation Law to file a biennial statement every two years with the New York Department of State. This statement, adds Robert Woloshen, a CPA at Woloshen & Herman, must provide the name and business address of its chief executive officer, the street address of its principal executive office, and the address to which the secretary of state should send any information or copies of legal documents accepted on behalf of the corporation. A corporation or LLC that fails to file will be marked in its records as "past due," which will prevent it from, among other things, taking part in a "business transaction" such as refinancing a mortgage. In co-ops, the managing agent is primarily responsible for filing. The filing fee is $9. Reinstating the corporate status costs $59 (the original $9 fee and a $50 fine). The corporation is responsible for the filing, but usually delegates it to the manager, says Goldstick.

To her surprise, Racht discovered that not only had the filing not been made, but state taxes had not been paid.

How could that be? Racht talked with the building's manager and the accountant, and both insisted that they had fulfilled their responsibilities. Curiouser and curiouser. Further sleuthing by Racht found the solution: the employer identification number (EIN) on the building's tax statement did not match the EIN on its state tax forms. The same was true of the biennial filing. There were apparently two entities with very similar names and EINs. At some point in the last few years, the addresses associated with the EINs got switched, and the filings and taxes for Starkman's co-op were being credited to the other entity. This second property was apparently inactive, and therefore did not file a biennial statement or pay taxes.

The state can, at any time after a one-year period of not receiving tax filings, deactivate or dissolve a corporation. In this case, for whatever reasons, the state didn't get around to doing that until about a year before Dean Starkman tried to refinance. Although no one in Starkman's co-op knew it, theirs was a dissolved corporation because the state claimed that there had not been any taxes paid.

Once the problem was defined, however, it was not very difficult to pay the $50 fine and re-file the biennial statement, and then go about clearing up the mess of corporate decision-making that had occurred during the time that the co-op had unknowingly not been a

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corporation. "To be safe, any decisions made while you were not a corporate entity should be ratified," observes Robert Tierman, a partner at Litwin & Tierman.

But there are other lessons to draw from this brouhaha. Most professionals agree it shouldn't have gotten to the point of a mortgage refinancing stalling to get the board's attention. You can protect yourself by taking two steps. First, *check that you are still corporate*. Someone needs to see that the correct corporate name and the correct corporate EIN are in place. At least once every two years, a board member should verify on the Department of State website (dos.ny.gov/forms) that their corporate entity is still active and hasn't been dissolved. And second, *check the paper trail*. If you've changed managing agents, make sure any notices are being forwarded to your new manager. If they're not, you may have already dissolved – and not even know it. Scary.

Managing Absentee Occupancy

Liz R.Insurance Broker We are a condo of 67 units. Lately buyers seem to be investors who are renting out their units. We have nothing that addresses this situation in our bylaws. We now have 10 of the units rented with no restrictions on time of lease, etc. I understand that if 30 percent of units are rented some banks will not approve a mortgage. I do see other pitfalls, and the board is discussing solutions. First we are trying to get an 80 percent majority vote changed to 66-2/3rds in our bylaws. The more rentals with absentee occupancy, the more problems we seem to have. What are your thoughts, and has anyone confronted this same problem? This will be a hard sell.

Mark B. Levine, RAM (Excel Bradshaw Management Group) Banks do not want to lend to buildings that are greater than one percent of investor-owned or subleased. This is because they fear that if the tenants don't pay their rent, then the unit-owner(s) may have an issue paying the common charges as they were relying on that income to pay for their monthly fees.

The sooner you can get your bylaws amended by the 80 percent that is called for in the document to reflect the change in the sublet policy, the better off you will be. If you wait too long and greater than 20 percent of your units are rented out, it is more likely that you would never be able to capture the 80 percent vote as you need.

If you'd also like to make it less onerous on the owners, you can institute a sublet cap in years, i.e., no more than three out of every five years, three years total, etc. You can also make it a soft-income revenue builder by charging a sublet fee to all unit-owners who do choose to rent.

If your offering plan holds a provision for a right of first refusal for sales and sublets prior to their implementation, that is one tool that you have to manage the sublets as well.

dsi1 You can also institute a bylaws change of policy that no rentals or subletting are allowed during the first three years (or five years) of ownership to make it financially undesirable to purchase for investment vs. domicile/residential ownership.

SrPropMgr

Besides the issue of renters not paying their rent on time I am seeing an issue with renters having a total disregard for house rules and recycling policies. This puts a burden on the super, the property manager, and the board.

Dax Although this is a bit off-topic, when the percentage of unpaid rents and occupancy charges is climbing while rules are being ignored, the board should be examining its management style and policies. Substantial overdue rent coupled with widespread rule violations are often suggestive of a breakdown in one or more basic elements of operational management. ■

Join our online discussion forum where board members post questions and the board director community chimes in with responses. Topics range from mouse-proofing to management – really, anything, and all things, that boards encounter on a daily basis. Want to participate?
Go to: www.habitatmag.com/board-talk
Some of the responses have been edited for clarity. Opinions expressed in **Board Talk** do not reflect the opinions of ***Habitat***.

Mark the Date: **Sunday, November 16, 2014**

Council of New York Cooperatives & Condominiums
34th Annual Housing Conference & Exposition

Newman Vertical Campus of Baruch College
55 Lexington Avenue
(at East 24th Street)
New York, NY

For information:
212-496-7400
Register online at:
www.cnyc.coop

BOARD STORY

A Lifetime of Lessons in One Day

3 Hour Classes
8:45 – 11:45

1. CURRENT SIGNIFICANT LEGAL DECISIONS FOR CO-OPS AND CONDOS

Every year, CNYC president Marc Luxemburg, Esq., examines recent legal decisions, providing commentary and insights about how each case affects New York cooperatives and condominiums; he also suggests ways for boards to cope with new challenges that these cases raise. Mr. Luxemburg moves quickly through a great number of court cases in this advanced class, designed for experienced board members familiar with board functioning and for attorneys.

2. RESERVES: ACCUMULATING, INVESTING & SPENDING THEM

The reserve fund of a cooperative or condominium is the cushion protecting shareholders and unit owners from sudden assessments or unanticipated jumps in carrying charges. It is a vital component of long-term plans for maintaining the building and upgrading systems as needed. CPA Abe Kleiman will discuss reasons for establishing reserves, means of accumulating funds, and prudent ways to invest these assets while effectively addressing the needs of your cooperative or condominium. Attention will be paid to pertinent tax rulings and regulations.

3. HOW DOES YOUR BUILDING WORK?

Peter Grech is a past president of the Superintendents' Technical Association and resident manager of a large cooperative. He will explain in clear, nontechnical terms, exactly how key building systems work. Mr. Grech's presentation will give board members a better understanding of the elevator, the boiler, the water tank and other building systems. This overview will be interesting to all board members, people considering serving on the board, management personnel and building staff members.

4. THE TREASURER

The treasurer of a cooperative or condominium oversees all financial activities. While the execution can be delegated to management or to investment advisors, the treasurer can never relinquish responsibility for ensuring that all is done. Accountants Jayson Prisand and Robert Mellina will discuss the treasurer's responsibilities, suggesting systems of control and practical, timesaving procedures.

5. REPAIRS IN A COOPERATIVE — WHO'S RESPONSIBLE FOR WHAT?

Is it the shareholder or the corporation that is responsible for a particular repair in a cooperative apartment? The answer is not always evident, but attorney Phyllis Weisberg and property manager Jim Miller will provide sound guidelines for delving into this issue. References will be made to appropriate portions of the proprietary lease, the bylaws and the law. Specific examples will be cited.

6. YOUR ROOF & EXTERIOR WALLS

Masonry expert Maurice Schickler will discuss preservation of the building envelope, with slides to illustrate both problems and solutions. He will explain why and how leaks occur and what preventive measures are effective in deterring them, and will explain terminology and techniques to be aware of in supervising roof repair and replacement, pointing, masonry repairs and waterproofing. Mr. Schickler will also discuss Local Law 11 and the NYC Building Code and how they apply to facade and roof work.

7. CURTAILING FRAUD & CORRUPTION

Forensic accountant Mindy Eisenberg Stark and attorney Robert Mayes will discuss the many forms that fraud can have and will offer guidelines for detecting wrongdoing in your cooperative or condominium. They will suggest policies and procedures to minimize opportunities for corruption and will suggest preventive measures designed to help maximize the board's effectiveness in overseeing management and vendors and supervising building staff.

8. BOARD RESPONSIBILITIES IN CONDOMINIUMS

Attorney Linda Plotnicki will review the laws and legal documents governing a condominium and will

34th Annual Housing Conference

Sunday, November 16, 2014

Baruch College – Newman Vertical Campus / 55 Lexington Avenue at East 24th Street

★ higher level course ▲ accounting CPE credit ❖ CLE credit pending ♣ UHAB presentation
✱ Offered & updated every year.
● **Discussion class** where your participation will be expected. In all other classes, speakers will expect to make their full presentations before entertaining questions or commentary.

8:00 AM REGISTRATION and EXHIBITS

MORNING – Please select one numbered morning class (1-18) or two consecutive lettered morning classes .

8:45 – 11:45 3-HOUR CLASSES

1. Current Significant Legal Issues ★❖✱
2. Reserves ▲
3. How Does Your Building Work?
4. The Treasurer ▲
5. Repairs in a CO-OP: Who's Responsible for What? ❖
6. Your Roof & Exterior Walls
7. Curtailing Fraud & Corruption ▲ ❖
8. Board Responsibilities in CONDOS
9. Legal Responsibilities of CO-OP Boards

9:00 – 10:30 90-MINUTE CLASSES

A. Co-op/Condo Terms & Topics
B. Apartment Renovations & Combinations
C. NYC Carbon Challenge
D. Limiting Smoking in NYC Co-ops/Condos
E. What Should Be In the Minutes?

10:45 – 12:00 75-MINUTE CLASSES

J. Your Personal Emergency Plan
K. Committees to Help Run Your Building
L. Selecting Great Public Space Designs ●
M. How to Recognize Elder Abuse
N. Changing to Cleaner Fuel

9:30 – 11:30 2-HOUR CLASSES

10. Warning Signs
11. A Code of Ethics for Board Members ❖
12. New Laws & Rules in NYC ✱
13. Financial Issues in CONDOS
14. Basic Financial Aspects of CO-OPS
15. Role of the Managing Agent ●
16. Ask UHAB: Interactive Clinic for HDFCs ♣ ●
17. A Green Roof for Your Building
18. All About House Rules

MIDDAY – Please select one midday class.

12:15 – 1:45 90-MINUTE CLASSES

101. Board Concerns Regarding Trust Ownership
102. Creating A Policy Manual
103. Coping with Sponsor Issues ❖ ★
104. Property Tax Update ✱
105. Successful Energy Projects
106. Discussion Group for Small Self-Managed Buildings ●
107. Ask the Construction Attorney ●
108. Addressing Objectionable Conduct in CONDOMINIUMS
109. Discussion for Multiple Building Co-ops & Condos ●
110. Solving Leaks in Post-War Buildings
111. CO-OP Sublet Issues
112. Communicating with Shareholders & Unit Owners
113. Exploring Ethical Challenges ●
114. Controlling Variable Costs
115. Management Transitions
116. Improving Recycling
117. Amenities to Enhance Your Building
118. Insurance Guidelines for Building & Residents
119. How to Run An Annual Meeting
120. Why Your Attorney Should Review All Contracts
121. A Reserve Study
122. Dealing with Difficult Residents
123. Helping Seniors Age in Place
124. Treasurers' Forum ★●

LUNCH BREAK – VISIT EXHIBITS – You may purchase snacks and box lunches on the Fourteenth Floor.

AFTERNOON – please select one session

2:30 - 4:30 2-HOUR CLASSES

201. Co-ops And Condos Unite!! ●
202. CO-OP Admissions Policy & Procedure
203. Emergency Preparedness for Your Building
204. Understanding Your CO-OP Audited Financial Statement
205. Board/Management Interface ★
206. Wills & Estate Issues in HDFC COOPERATIVES ♣
207. Evaluating Board Performance ●
208. Enforcing the Rules ❖
209. Refinancing the CO-OP Underlying Mortgage
210. Discussion: CONDO Issues & Answers ●
211. Liability of Board Members ★
212. Your Building Service Employees
213. Reasonable Accommodations
214. A Greener NY: Opportunities & Incentives
215. Planning Strategies for Redecorating Public Space
216. The Budget ▲
217. Understanding Your Heating System

3:00 - 4:30 90-MINUTE CLASSES

U. The Urban Gardener
V. Coping With Extreme Hoarding
W. Lights! Camera!! Action!!! Filming in Your Building
X. Creative Storage Concepts for All those Packages!!
Y. Transfer Fees ('Flip Taxes')
Z. Renovations in Landmarked Districts and Buildings

4:30 PM – RECEPTION

At the end of the day, all participants are invited to gather in the Exhibit Hall on the fourteenth floor of the Newman Vertical Campus. CYNC leaders will highlight recent successes and introduce special guests. Door prizes will be awarded.

discuss issues of general concern, ranging from house rules and their enforcement to protection of the income stream in default situations. What should the board do to ensure efficient day-to-day operation of the building? To effectively amend policies, by-laws and rules and regulations of the condominium? To exercise some control over who lives in the condominium? What does the concept of a board member's fiduciary duty really mean? Here you will find answers to these important condo questions.

9. LEGAL RESPONSIBILITIES OF CO-OP BOARDS

Attorney Dennis Greenstein will discuss the concepts common to the functioning of all cooperatives, focusing on the proprietary lease and bylaws, court cases and the responsibilities of directors, but also providing many practical suggestions and examples to guide participants to be able to function efficiently and to understand both the legal and the practical issues that boards frequently face. The class is packed full of information that you will not want to miss.

90-Minute Morning Classes 9:00 – 10:30

A. CO-OP & CONDO TERMS AND TOPICS

As we seek to understand our responsibilities as owners in New York cooperatives and condominiums, we encounter new terms and new ideas that can sometimes be confusing. This class is designed to help participants familiarize themselves with co-op and condo jargon and concepts such as common elements, inspectors of elections, quiet enjoyment, warranty of habitability, Notice to Cure, defaults, arrears, bill backs, transfer fees, reserve funds, capital improvements, fiduciary responsibility, directed proxies and the right of first refusal.

B. APARTMENT RENOVATIONS & COMBINATIONS

With cooperative or condominium ownership often comes the impulse to make one's home one's castle. New shareholders and unit owners often plan extensive renovations before moving in to their units; others decide that their apartments need a facelift, or they buy an adjacent unit and combine the two. This does bring dust, noise and disruption to the building, which the board must keep under control. Corporate counsel provides guidance. Attorneys Bruce Cholst and Alfred Taffae will share their expertise about renovation rules, time frames, fees, inspections, and compliance with city and federal requirements in a class designed to help the board mitigate the stress of apartment renovations.

C. GREENING NYC BUILDINGS: THE NYC CARBON CHALLENGE

Retrofitting NYC buildings to become more energy efficient helps make housing more affordable by reducing utility costs while furthering the PlaNYC goal to reduce greenhouse gas emissions in the city 30% by the year 2030. Laws enacted pursuant to PlaNYC to make New York City buildings more energy efficient include the requirement for buildings greater than 50,000 square feet to benchmark their energy use annually and to undergo energy audits and retro-commissioning every 10 years, and for all buildings with city permits to burn heating oil, to phase out the use of No. 6 and No. 4 oils. Certain buildings have agreed to be overachievers, taking part in the NYC Carbon Challenge to reduce their greenhouse gas emissions by 30% in just ten years. Jenna Tatum and John Lee from the Office of Long Term Planning and Sustainability, Luke Surowiec of the NYC Clean Heat Program, and energy analyst Martha Sickles will provide an update on progress toward a greener, greater New York and information on how your cooperative or condominium can become part of the NYC Carbon Challenge.

D. LIMITING SMOKING IN COOPS AND CONDOS

A growing number of cooperatives and condominiums have made the decision to be smoke-free. They develop and enact policies with this target in mind. Issues can arise if smokers are in residence or if owners know that their guests may want to smoke. How will resale value be affected? Are there discrimination issues to consider? Joshua Berengarten, Esq., will provide advice about implementing and enforcing a no-smoking policy.

E. WHAT SHOULD BE IN THE MINUTES?

The minutes of your board meetings are the official record of actions taken, policies established and projects planned. Minutes are not the occasion for flowery prose; they are not enhanced by excessive detail. Every board member shares responsibility for ensuring that the minutes that are approved accurately reflect the intentions of the board and do not contain any unnecessary information. Attorney Jeffrey Schwartz will help secretaries and aspiring secretaries develop clear, concise minutes for their cooperatives or condominiums.

2-Hour Morning Classes 9:30 – 11:30

10. WARNING SIGNS: HOW TO KNOW IF YOUR BUILDING IS IN TROUBLE

Co-op and condo boards face problems all the time; they are usually manageable, but sometimes, a seemingly insignificant issue can escalate into expensive and time-consuming problems that become a major source of dissention in the building. These catastrophies do not occur without warning signs — subtle (or not so subtle) hints that an issue that seems inconsequential has the potential to turn into a major headache. Attorney Stuart Saft, who chairs the CNYC Executive Board, will discuss warning signs that need to be addressed to prevent small nuisances from taking on a life of their own. The class will help board members identify the warning signs of potential problems and prepare them to deal with these issues prior to (and/or after) the exploding point.

11. A CODE OF ETHICS FOR BOARD MEMBERS

CNYC vice president Arthur I. Weinstein, Esq., has developed a suggested code of ethics for board members of cooperatives and condominiums. This model will form the basis for a discussion of not-so-hypothetical issues that boards may confront. Time will be allotted for questions from participants and topics discussed will include the reasons for establishing and enforcing such a code.

12. NEW LAWS & RULES IN NEW YORK CITY

Laws passed by the City Council and regulations promulgated by city agencies impose new responsibilities

on building owners each year. In this annual session, architect Leon Geoxavier, who is a member of the Board of CNYC, bring participants up to date on the latest city requirements and their deadlines.

13. FINANCIAL RESPONSIBILITIES OF CONDO BOARDS

Accountant Rick Montanye will review all the basic financial responsibilities of condominium boards, including analysis of financial statements and management reports. If time permits, additional issues will be explored — reserves, tax considerations, and exercise of the right of first refusal as units are sold.

14. BASIC FINANCIAL ASPECTS OF COOPERATIVES

Accountant Michael Esposito will provide a careful analysis of budgets, management reports, and tax issues to help new treasurers and 'nonfinancial' board members fully understand their responsibilities. Once the basics are covered, if time permits, the discussion will turn to issues such as long range planning, mortgage refinancing, and contingency reserves. This class is designed for the true beginner; with class #204 on Financial Statements it provides a detailed overview of basic financial issues for cooperatives.

15. MANAGEMENT FORUM: WHAT TO EXPECT FROM YOUR MANAGING AGENT

The Residential Management Council of the Real Estate Board of New York (REBNY) was founded as a forum for principals and CEOs of management firms to exchange information, to cope collectively with industry issues, and to set standards and recommend practices to maintain high standards in the management field. They have provided transition guidelines, alteration agreements, mortgage applications, and a listing of all of the services which management typically performs. Property manager Harry Smith will lead this interactive discussion of the services buildings should expect from their management company.

16. ASK UHAB: AN INTERACTIVE CLINIC FOR HDFC Members

Since 1973 the Urban Homesteading Assistance Board (UHAB) has assisted in the creation and preservation of 1,600 buildings and created homeownership opportunities for over 30,000 households. In this interactive class, Co-op Preservation Associate Director Ann Henderson, and TIL/ HDFC Technical Assistance Director Oscar McDonald will answer questions about scenarios your limited-equity HDFC co-op may be facing. They will address matters of governance, repairs and maintenance, challenging situations amongst the board and shareholders, and compliance with codes as well as regulatory and monitoring agreements.

17. A GREEN ROOF FOR YOUR BUILDING

Green roofs provide many benefits: they add usable space to the roof, extend the life of roofing membranes, lower heating and cooling costs, reduce storm water runoff, and increase a building's value. Architect Stephen Varone and LEED AP Yessica Marinez will address the issues involved in installing a green roof, including structural and waterproofing considerations, maintenance costs, roofing warranties, code compliance, and zoning restrictions. Green roof specialist Michael DiMezza will discuss which types of systems and plantings are most suitable for green roof installations.

18. ALL ABOUT HOUSE RULES

Every cooperative and condominiums starts its existence with a set of boilerplate house rules. Over time these can be updated, amended, or simply ignored, as new building policies are instituted. Attorney Peter Livingston will discuss the role of house rules in a cooperative or condominium, their relationship to other corporate documents, how to change house rules and ways to make sure that everyone knows what the house rules are. Examples of what belongs or does not belong in the house rules will also be discussed.

75-Minute Late Morning Classes
10:45 – 12:00

J. YOUR PERSONAL EMERGENCY PLAN

Experience has taught us that problems can arise when least expected, and that we can be at home, at work, at play or on the road when disaster strikes. But advance thought can help us cope. Come learn about practical preparations for your family to organize and practice, so that everyone knows what to do in emergencies. Put together plans for contacting one another, for sheltering away from home if necessary. Mary Fisher is a CERT member, a board president and a member of the CNYC Board. She will help you prepare to cope with emergencies.

K. COMMITTEES TO HELP RUN YOUR BUILDING

Anyone who has served on a board knows how time-consuming, even overwhelming, the work load can be. Attorney Theresa Racht will lead a discussion on how the effective use of committees can actually ease the board's work load as well as provide a mechanism to move controversy outside board meetings so that decisionmaking during board meetings is easier.

L. SELECTING GREAT PUBLIC SPACE DESIGNS

Let's talk about fresh, timeless and durable design plans for lobby and hallways. Interior designer Marilyn Sygrove will lead a discussion of colors, fabrics and design to help you create handsome and durable public areas to welcome residents and guests to your building. Bring your questions and your concerns, and plan to join in a general discussion of lobby issues.

M. HOW TO RECOGNIZE ELDER ABUSE

Frail and elderly New Yorkers are far too often victims of abuse, frequently by family members or by individuals hired to provide care to them. To help identify and curtail this abuse, Local 32BJ and property owners agreed, in their recent contract, to develop programs to help building employees spot signs of abuse and to know how to report possible problems. Joy Solomon, Esq., Director and Managing Attorney of The Harry and Jeanette Weinberg Center for Elder Abuse Prevention, will share insights and lessons learned in working to curb elder abuse. James Barry, Manager of Program Development for the 32BJ Training Fund, will discuss efforts to raise building service workers' awareness of elder abuse and will preview the new online course that 32BJ has developed to further this goal.

N. CHANGING TO CLEANER FUEL

The NYC Department of Environmental Protection requires

buildings using No. 6 heating oil to convert to a cleaner fuel alternative by 2015. As affected buildings hurry to comply, boards face a number of options. Should they first switch to No. 4 oil (permitted until 2030) and then convert to No. 2 oil, to gas, or to a dual-fuel (gas/oil) system? Or should they eliminate the middle step and convert now? And, if so, to which fuel? Property Manager Michael Wolfe, engineer Peter Varsalona will discuss the costs and challenges of converting, estimated savings, expected payback time, and which rebate programs are available to help you make the right choice for your cooperative or condominium.

90-Minute Classes
12:15 – 1:45

101. BOARD CONCERNS RE: TRUST OWNERSHIP

CNYC president Marc J. Luxemburg, Esq., and Peter Massa, Esq., will help board members and managing agents understand concerns the board should address when an owner seeks to transfer a unit to (or purchase it by) a trust or other entity. What are the risks? What restrictions might the board want to consider imposing? What is the typical procedure a board should follow when an individual desires to transfer his or her apartment to a trust? Sample forms of agreement will be provided and discussed.

102. CREATING A COOP OR CONDO POLICY MANUAL

How does a co-op or condo maintain consistency in its rules and interpretation of its proprietary lease, declaration of condominium, bylaws or house rules when boards and management change over time? How do boards make certain that they treat shareholders and unit-owners fairly and equally? How can residents know the rules as they have evolved over the years? Coordinate all this information in one place, eliminate the inconsistencies, make certain that the rules still make sense, and you have a policy manual specific to your co-op or condo. Present it in a 'user-friendly' format and in easy-to-read style and your shareholders or unit owners will have an excellent reference source when questions arise. In this class, attorney Stuart Saft, who is chairman of the CNYC Board, will start you on the road to developing a policy manual for your own co-op or condo.

103. COPING WITH SPONSOR ISSUES

Often the process of converting a building to a cooperative or condominium that is fully owned and occupied by resident owners can take a very long time, with the sponsor exercising control over the building for a considerable period. And after control passes to the residents, the sponsor may continue to serve on the board and exert influence on building elections, expenditures and budget. There may be issues relating to the sponsor satisfying its financial obligations to the building while in control of the board of directors or managers, as well as issues relating to possible defects in construction discovered by the residents. After control passes to the resident owners the goals of the sponsor may differ significantly from those of resident owners. In this class, Erica Buckley, Esq., who heads the Real Estate Finance Bureau at the Office of the Attorney General of the State of New York, and attorney Arthur Weinstein, who is a founder and vice president of CNYC will guide participants to strategies for dealing with sponsor issues.

104. PROPERTY TAX UPDATE

Home owners in NYC cooperatives and condominiums have benefitted from a property tax abatement program that was put in place in 1997, and was renewed on January 30, 2013, with major modifications. Now higher abatement percentages go to buildings valued at less than $60,000 per unit, and the abatement program is limited to an individual's primary residence (plus up to 2 additional units in the same cooperative or condominium as the primary residence). CNYC and its Action Committee for Reasonable Real Estate Taxes continue to work for permanent reform of the City's property tax system. Action Committee Chair Jim Rheingrover and certiorari attorney Eric Weiss will provide an update on the abatement program which sunsets on June 30, 2015 and

will answer questions about this and other city tax abatement and exemption programs.

105. SUCCESSFUL ENERGY PROJECTS

Urban planner and energy analyst Martha Sickles will lead a panel who present case histories of successful applications of energy efficiency/ renewable energy programs in their cooperatives or condominiums. The presentation will include tips on best practices for assessing needs, incorporating energy retrofits in capital planning and making the case for energy efficiency to shareholders or owners.

106. DISCUSSION GROUP FOR SMALL SELFMANAGED BUILDINGS

Here is an opportunity for discussion of topics of general interest to board members of small, selfmanaged buildings. CNYC board member Marleen Levi will host, and experienced board members of self managed buildings will have advice to share, but clues to solve your problems could as easily come from a fellow class participant. Bring your questions and be prepared to share your insights. This class is limited to residents of small self-managed building only.

107. ASK THE CONSTRUCTION ATTORNEY

Bring your questions when you meet with construction attorney C. Jaye Berger and she will help you avoid having a renovation disaster in your building. Ms. Berger will use real life examples and explain what to look for when selecting a contractor, key provisions in contracts, how to negotiate these provisions, insurance issues, mechanic's liens, subcontractors and managing the construction process. She will discuss keys to successfully completing a project and suggest ways to avoid common legal problems that can arise between the co-op or condo and contractors, shareholders and unit owners.

108. ADDRESSING OBJECTIONABLE CONDUCT IN CONDOS

When unit-owners or their guests or tenants engage in conduct that neighbors find objectionable, the condominium board has fewer ways to deal with this than do their counterparts on the boards of cooperatives. Nevertheless, with patience and determination and a well organized strategy, a condominium can deal effectively with objectionable conduct. Attorney Robert Braverman will offer clear guidelines and will cite appropriate case law.

109. DISCUSSION GROUP FOR MULTI-BUILDING COOPS & CONDOS

Larger cooperatives and condominiums have builtin benefits of scale; with many owners sharing the costs, there can be efficiencies in staffing and in implementing new projects. But when these co-ops and condos are so large that they encompass multiple buildings, there can also be special challenges. How do you ensure equitable representation on the board? Or set priorities for staging repairs or improvements? Are there logistical challenges in the selection of meeting places, the arranging of social events, etc.? If your cooperative or condominium spans multiple buildings, please come take part in this discussion, led by CNYC Board member Leon Geoxavier, who is president of the board of a Queens cooperative.

110. SOLVING LEAKS IN POST-WAR BUILDINGS

Maintaining the facades, windows and roofs of complex structures built in the last 60 years requires more thoughtful maintenance and repair procedures than older buildings. Architect Douglas Lister will explain the technological changes to building enclosures since World War II and how to plan maintenance projects to keep these buildings dry, safe and looking good. Specific construction topics will include: glazed brick masonry, repointing, membrane waterproofing, structural steel shelf angle maintenance, masonry anchors, air barriers and insulation to reduce energy costs, roof systems and terraces and windows.

111. SUBLET ISSUES IN NEW YORK COOPERATIVES

Many cooperatives periodically review their sublet, admissions and 'guest' policies to ensure a consistently balanced approach to the changing needs of the building and its shareholders. Attorney Morton H. Rosen will examine subletting both from the point of view of the board of directors and that of shareholders who may wish to sublet. He will help participants consider procedures for reviewing sublet candidates and sublet fees. The class will also explore restrictions and conditions that boards might consider imposing in sublet situations, including short term sublets. The law and possible board policies with respect to occupancy by 'guests' and 'roommates' will also be discussed.

112. COMMUNICATING WITH SHAREHOLDERS/UNIT -WNERS

In today's information-focused world, shareholders and unit owners expect to be kept informed and to have procedures for bringing their questions to the attention of building staff, management and board members. Communications professional Lloyd Chrein and property manager Gerard Picaso will discuss ways to maintain open and effective lines of communication.

113. EXAMINING ETHICAL CHALLENGES

Board members are honor-bound to act in the best interest of their cooperative or condominium at all times. They must never use their board position for personal gain or to promote the interests of family, friends or business associates. Board members should always disclose any relationship with vendors, prospective purchasers, and other interested parties and should not take part in decisions regarding those entities. Consultants Linda Brockway and Greg Carlson will lead an interactive discussion of ethical dilemmas that boards and individual board members may face.

114. CONTROLLING VARIABLE COSTS

Many of the costs of operating our buildings appear completely beyond our control, but significant savings can be effectuated through a careful review and monitoring of all building expenditures. In this step-by-step class, property manager Mark Hoffman and CNYC board member Ted Procas, who is chairman of the Association of Riverdale Cooperatives (ARC), will review typical building expenses and will share secrets for containing runaway budgets.

115. MANAGEMENT TRANSITIONS

Accountant Mindy Eisenberg Stark and attorney Jeff Schwartz will lead a full and frank discussion of how to shop for and select the firm and agent that are right for your cooperative or condominium; what

contract provisions will help define the expectations of both parties; and how to optimize the possibility that records and documents all reach the new management firm promptly and in good order.

116. IMPROVING RECYCLING IN NYC APARTMENT BUILDINGS

Help make NYC cleaner and greener one building at a time, starting with your own. Jessica Schreiber, Coordinator of the NYC Department of Sanitation's Apartment Building Programs, will present opportunities for personalized recycling assistance for your building, convenient clothing recycling and easy ways to handle ewaste. She will also share information on the new organics collection pilot and other programs from the NYC Department of Sanitation.

117. AMENITIES TO ENHANCE YOUR BUILDING: ROOF GARDENS, STORAGE, GYM, MEETING ROOM, PLAY ROOM...

Building amenities benefit residents in many ways. Enhanced 'curb appeal' and more facilities in the building foster a sense of community and enhance the quality of life. These same factors increase apartment value. Property manager Neil Davidowitz will lead a session on amenity options; it will cover methods for establishing priorities and effective ways to get resident input on the decision and will then proceed from decision to implementation, including suggestions on applicable designs, budgets, fees, construction, and policies and procedures for the use of the new amenity. Experts Josh Goldman and Dennis Mele will provide insights regarding these amenities

118. INSURANCE GUIDELINES FOR BUILDING AND RESIDENTS

Insurance expert Edward Mackoul will present the full range of insurance coverages necessary to a typical building and each of its residents. He will discuss the cost of insurance and will suggest ways a building can maintain appropriate coverage.

119. HOW TO PLAN AND RUN A SUCCESSFUL ANNUAL MEETING

The annual meeting allows shareholders and unit owners to select those who will manage their cooperatives and condominiums. Planning the annual meeting to ensure maximum participation and the presence of a quorum is vital to a successful meeting. Shareholders and unit owners should always try to attend in person to learn what is happening in their buildings, get answers to their questions, hear what the candidates have to say and vote in the election. Attorney David L. Berkey will explain how to plan for and conduct successful annual meetings.

120. WHY YOUR ATTORNEY SHOULD REVIEW ALL CONTRACTS

The contracts that service providers offer will have been carefully prepared by their attorneys to provide them with maximum protection. When your attorney reviews these contracts, s/he will advise changes in certain provisions and elimination of others to protect your cooperative or condominium from unexpected surcharges, ensure quality work and perhaps insert incentives for swift completion of the project. Attorney Ronald Jay Gold will discuss pitfalls and best practices when reviewing contracts.

121. A RESERVE STUDY FOR YOUR CO-OP OR CONDO

A reserve study is a procedure that helps boards plan for the ongoing repairs and replacements of building systems. Many lenders — particularly those making loans for condominiums — will ask to see such a study. Engineer Mitchell Frumkin will discuss in detail what a reserve study involves, how it is prepared and how it should be reviewed and regularly updated by the board to confirm that it reflects accurately their building's plans.

122. DEALING WITH DIFFICULT RESIDENTS

Every building is challenged by demands of difficult residents: people who are convinced that they are exempt from all rules; who renovate their apartments without permission, who park in others' spaces, who send unauthorized guests to use the apartment in their absence; those whose cluttered units invite vermin infestation or fire; or the people who disrupt meetings and bombard the board with angry questions, but refuse to listen to or accept the answers; those whose maintenance is chronically late, but who still expect very prompt service whenever they have a problem; or people who think the board is their employee. Attorney Joshua Berengarten will suggest creative and effective ways to deal with difficult resident.

123. HELPING SENIORS AGE IN PLACE

New York City is an ideal setting for senior citizens to 'age in place'; it has excellent public transportation, neighborhood stores, and a wide variety of community services, social, religious and cultural opportunities make it easy to enjoy community living and to access necessary services. Evelyn Jones Rich, Barbara Gottlieb and Rochelle Shereff will discuss amenities and opportunities to enhance the lives of seniors in your cooperative or condominium drawing on their own experience as senior activists and organizers at Lincoln Towers and Lincoln Guild as well as the NYC NORC Coalition.

124. TREASURERS' FORUM

Accountants Annette Murray and Tom Pedersen invites building treasurers to discuss their responsibilities, expand their insights, share their concerns and work together to address problem issues such as reserves in an interactive session designed for the experienced building treasurer.

2-Hour Afternoon Classes 2:30 – 4:30

201. CO-OPS AND CONDOS, UNITE!

Join CNYC Board Chair Stuart Saft, Jim Rheingrover, chair of the Action Committee for Reasonable Real Estate Taxes, and CNYC's advocate Katie Schwab to learn of legislation that may threaten the future of our homes and beneficial legislation that needs our support. Let's work together to bring reasonable limits to costly unfunded mandates, which are making our homes unaffordable. Let's develop strategies for harnessing political power to enable New York City cooperatives and condominiums to be treated as successful, democratically run housing for their owners.

202. CO-OP ADMISSIONS POLICY & PROCEDURES

CNYC cofounder and vice president Arthur I. Weinstein, Esq., will detail the responsibilities of the board of directors and the admissions committee in establishing criteria

and reviewing applications for the purchase of shares for units in a cooperative. Various housing discrimination laws will be reviewed in detail. Sublet policy will be touched upon briefly in this session, but it is also the subject of a separate class (#111). CNYC's prototype application form will be distributed and discussed.

203. EMERGENCY PREPAREDNESS FOR YOUR CONDO OR CO-OP

Emergencies can have many forms: vandalism, natural disasters, fire, mechanical failures, sick or injured residents, acts of terror. Today's co-op and condo boards and the professionals who work with them must consider these possibilities (and more!) as they prepare to cope as swiftly and efficiently with whatever problems may befall their community. Advance planning will include adequate insurance coverage, carefully laid plans, and good communication to residents, encouraging them to make their own family plans for emergencies (see Class J). Mary Fisher is the president of the board of a large cooperative and a CNYC board member. She and property manager Steven Greenbaum will lead a discussion designed to help you expand and perfect the contingency planning for your cooperative or condominium.

204. UNDERSTANDING YOUR CO-OP'S AUDITED FINANCIAL STATEMENT

CPA Michael Esposito will walk you through a linebyline review of financial statements for cooperatives, discussing issues related to each item. This elementary session is designed to introduce new treasurers and interested board members to the basics of co-op financial statements. With #14, it will provide a detailed overview of the financial responsibilities of the co-op board of directors.

205. EFFECTIVE INTERFACE BETWEEN BOARD & MANAGEMENT

If boards are to enjoy a successful, productive and professional relationship with their property managers, they must establish the foundation to work in concert. Essential components include active communication, common understanding and shared goals. CNYC board members Marleen Levi and Gregory Carlson, will lead a discussion that focuses on identifying, developing, implementing and adapting work styles that yield resultoriented interaction between board and management. Participants will be expected to have a clear understanding of how boards function.

206. WILLS & ESTATES ISSUES IN LIMITED EQUITY HDFC COOPERATIVES

This class will offer information that will help both board members and shareholders in limited equity cooperatives understand their rights and responsibilities relative to inheritance and transfer of apartments on death. Attorneys will discuss how family members and boards in HDFC cooperatives should proceed after the death of a shareholder, including steps that they can take to avoid having apartments tied up in legal proceedings to settle an estate. Many issues parallel those in conventional cooperatives: Who gets the apartment? Can a board reject an heir? What if maintenance is not being paid? Other issues are unique to HDFCs or to limited equity housing.

207. EVALUATING BOARD PERFORMANCE

It is wise for a board to review and evaluate its own performance periodically — with the goal always of improving both the way it functions and the way it is perceived by its 'constituents' in the condominium or cooperative. Some buildings, particularly smaller ones, may bring all shareholders together for a constructive evaluation session of board performance. Join long term board member Ed Yaker, who is also Chair of the Coordinating Council of Cooperatives, for an interactive session on evaluating board performance, including a sample evaluation form and board resource material.

208. ENFORCING THE RULES

Boards' power to impose rules on their community residents is the quintessential feature of cooperative and condominium living. Unfortunately, the exercise of that power often results in acrimony and costly litigation. Attorney Bruce Cholst will discuss strategies for enforcing the rules while minimizing tension and the prospect of litigation. If litigation is unavoidable, he will also explore boards' powers and legal remedies in compelling compliance with their regulations. Bring your house rules and horror stories to help make this an informative and interactive session.

209. REFINANCING THE COOPERATIVE'S UNDERLYING MORTGAGE

Attorney Theresa Racht will moderate a seminar exploring diverse aspects of refinancing underlying mortgages on cooperative buildings. The session will begin with a careful look at mortgage basics, including guidance about prerequisites, costs, preparation, and obligations, and will include suggestions for maximizing your building's borrowing power.

210. CONDO DISCUSSION — BRING ALL YOUR QUESTIONS

Here is your opportunity to set the direction of the class. Come with your questions of general interest about condo documents, about the organization (or dysfunction) of your board, about problems with neighbors (see also #108 and #122), about construction flaws (see also #103) about your responsibilities as board members and as unit owners. Attorneys Steven Sladkus and Jeffrey Reich will lead a discussion designed to explore issues of common concern and to help you find answers to your questions.

211. LIABILITY OF BOARD MEMBERS

Volunteers who serve on boards put in long hours and use their best efforts in setting policies for their cooperatives or condominiums. They must ensure that all responsibilities are met, that their buildings are clean, comfortable and well maintained and that the community functions civilly. Instead of thanks, they may be faced with criticism, complaints and legal challenges. Attorneys Walter Goldsmith, Robert Fass and Robert Cantor will discuss instances where individual board members may face liability including actual cases. They will suggest best practices for board conduct, insurance to protect and defend the board and steps to take the moment a liability issue threatens.

212. YOUR BUILDING SERVICE EMPLOYEES

Cooperatives and condominiums rely on staff to protect the building and its residents, and to keep the physical plant running smoothly, under the guidance of the 'super'. When things are not working as well as the board would like, advice and help are available through the Realty Advisory Board on Labor Relations, Inc. (RAB), which represents property owners in their dealings with service employees — both for day-to-day issues and in the negotiation and administration of contracts. In this class, RAB president Howard Rothschild, Esq., will suggest effective ways to deploy, motivate and, when necessary, discipline building employees, including a discussion of realistic expectations for your super's performance. Margie Russell, executive director of the New York Association of Realty Managers (NYARM), will provide insights on training staff and suggestions for enhancing performance while also improving employee satisfaction.

213. REASONABLE ACCOMMODATIONS: RAMPS, COMFORT PETS, PARKING, ETC. WHAT IS YOUR BUILDING REQUIRED TO DO?

Marc H. Schneider, Esq., will discuss what your board should do when it receives a request for an accommodation or modification of the building based upon a medical necessity. His presentation will analyze the various laws applicable to such requests including the Fair Housing Act, the New York State Human Rights Law and the New York City Human Rights Laws. Mr. Schneider will share advice to help your board avoid lawsuits and discrimination claims. He will discuss what to do when the request is first made; what can and what cannot be asked of the person making the request; the circumstances under which such a request must be granted; and when a request can be denied. He will also discuss who pays for any costs related to compliance with the request. Can a fee be charged for an accommodation? What should the board do if a formal complaint is filed? Is the claim covered by insurance? Plus other issues that boards face in connection with a request.

214. OPPORTUNITIES & INCENTIVES FOR A GREENER NY

Energy expert Lewis Kwit will lead a discussion of sustainability as it impacts New York cooperatives and condominiums today and in the foreseeable future, with practical advice to help buildings develop their own sustainability portfolio. Technologies that contribute to a sustainable living environment will be presented as will incentives available from state, city and federal governments for implementing these protocols. Panelists include Dean Zias of the New York State Energy Research and Development Authority (NYSERDA), Barry Korn of Barrett Capital and Phil Madnick of Con Edison's Multi-Family Energy Efficiency Program.

215. STRATEGIES FOR REDECORATING PUBLIC SPACES

The first impression of your building is conveyed by its public space. A well-designed lobby and hallways that are integrated with the lobby have a positive effect on the quality of life of every resident. Prospective purchasers

react positively, too. Selecting and executing the appropriate new design depend on a strategically planned process, which is the subject of this class. Interior designers Joel M. Ergas, FASID, and Stephen Stanczyk will guide you through key steps that result in successful renovations of lobbies, hallways, elevator cabs, mail rooms and building entrances. Clear and timely communications to residents at every step of the way are vital to attaining consensus for the lobby design as well as fostering their patience and cooperation with the inevitable inconveniences of construction.

216. THE BUDGET

Every well-run cooperative or condominium develops an annual budget to govern spending and to determine the amount of carrying charges that must be collected from each shareholder or unit owner. The building manager, the accountant and the treasurer should all participate in the development of your budget. Accountant Steven Beer will offer insights to help you establish and monitor a prudent budget and will provide tips to smooth out the impact of large seasonal expenses such as fuel and periodic ones (taxes, insurance, etc.)

90-Minute Classes
3:00 – 4:30

217. UNDERSTANDING YOUR HEATING SYSTEM

A clear understanding of how your heating system operates will help you make maximal use of your energy dollars. This class will take an indepth look at the heating plant of buildings of between 20 and 1,000 apartments and examine their various servicing needs. Attention will be paid to boilers, burners, controls and to inspection requirements. Experts Fredric Goldner and Asit Patel will provide practical facts and figures about the cost of maintaining and upgrading existing systems and advice about replacement of aging equipment.

U. THE URBAN GARDENER: GROW FLOWERS! GROW FOOD!

Gardening space in New York City cooperatives and condominiums is often limited. But there are many plants that can thrive in tree wells, window boxes, balconies or courtyards. And an increasing number of gardeners are growing fruit and vegetables in the city today. In this class, naturalist Mike DiMezza will suggest a variety of plants — for food or for decoration — that are well suited to the rigors of city life. He will also have practical guidance on how to maintain your urban garden.

V. EXTREME HOARDING: EVALUATING ITS IMPACT AND WHAT TO DO ABOUT IT.

People who hoard collect things and fill their homes far beyond their capacity to manage them, potentially putting themselves, their neighbors and their buildings at risk. Public awareness is high about the hazards of hoarding and, in 2013 the medical profession officially declared hoarding to be a 'disorder'. Recently, there have been precedent-setting legal evictions because of hoarding. Kristin P. Bergfeld is a nationally recognized expert working for 27 years now with hoarders referred to her company by building managers, lawyers and hospitals. Ms. Bergfeld is an author of the nationally accepted and utilized Clutter-Hoarding Scale © ICD 2011, an objective rating system for the type and degree of hoarding. She will distribute copies of this Scale and explain how to use it; she will also discuss how building can remedy these often complicated situations.

W. LIGHTS! CAMERA!! ACTION!!! – FILMING AT YOUR BUILDING

New York is a media friendly town, with films, TV episodes and commercials being shot on location all the time. What if your building – or its facade, or an apartment – were to be one of these locations? What types of fees are paid? Do you need a professional to negoti-

ate on your behalf? Are there risks? What will your residents think of this idea? Isabelle Wedemeyer has helped her co-operative to be frequently seen in television episodes and films. She will lead a panel discussion of experts ready to help with the technical as well as the human issues that arise when cooperatives and condominiums seek to turn their buildings into stars.

X. CREATIVE STORAGE CONCEPTS FOR ALL THOSE PACKAGES

Many people order online these days and more and more packages arrive each day at most cooperatives and condominiums. Will flowers or FreshDirect deliveries benefit from refrigeration? Where and how can so many packages be stored? Designer Jonathan Baron has creative solutions for storing deliveries safely, discreetly and in ways that they can easily be retrieved.

Y. TRANSFER FEES ('FLIP TAXES'): THE GOOD, THE BAD, THE UGLY

Transfer fees are generally collected from a seller as a unit changes hands. These funds will help defray the cost of building improvements and therefore help contain the cost of operations. Instituting or changing transfer fees typically required a bylaw amendment, with the requisite majority or supermajority vote. Property manager Irwin Cohen and attorney Stuart Wachs will explore benefits, drawbacks and market expectations with regard to the roles of buyers, sellers, lenders, brokers and attorneys in addressing transfer fees.

Z. RENOVATIONS IN LANDMARKED DISTRICTS AND BUILDINGS

To preserve unique areas in our city, the Landmarks Commission creates landmarked districts. Landmarking enhances the value of a property, but it also increases the cost in time, materials and often in stress, when renovations are proposed. Property manager Neil Davidowitz and architect Dennis Mele will provide guidance for streamlining the processes necessary to do quality renovations — whether in individual apartments or to the building and grounds — where Landmark approval is required. ■

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Corrections and Clarifications

In "Management POV" (July/August 2014), the name of the president of Awaye Realty was incorrect. Arlene Waye is the president of the firm. *Habitat* regrets the error.

In "The Smell of Gas" (September), the story incorrectly described a leak test that used gas to search for leaks. What actually happens is that the risers are pressurized using air pressure with a compressor, and then studied for several hours to see if there is a drop in pressure. *Habitat* regrets the error.

In addition, although the article did make reference to the necessity of a gas shutdown in the event of a leak, it was not clear what such a shutdown involves. Every appliance that uses gas, (stoves/ovens, hot water heaters) is disconnected, and the line plugged. After the pressure test, a new valve is added (in most cases, new hoses as well), and a plumber must gain access to each apartment to turn on the gas. *Habitat* regrets the omission.

Energy Detective

By Tom Sahagian

The Case of the Baffling Blockage

A LOT OF FOLKS WHO USED to work for me still stay in touch, especially when there's an energy mystery to be solved. Not long ago, my pal Nate e-mailed me with a real puzzler.

It seems that a building at which he was working was converting from steam heat to hydronic (forced hot water) heat. An excellent idea, if executed correctly. A hydronic heating system has the potential to cut a building's heat and hot water consumption in half – or better – if the existing system is steam. Occupant comfort will usually improve as well.

But there is that little matter of correct execution. To achieve its full savings potential, a hydronic heating system generally must include a low-water-content boiler or boilers, the ability to vary boiler output over the full range of the heating load, variable speed pumps, and room-by-room heat control. New materials and methods, like PEX pipe and crimp-type pipe connectors, make retrofit projects easier and faster, which reduces installation cost.

Nate's e-mail, however, wasn't about any of these things. He was having a much more fundamental problem. The brand-new system whose construction he was overseeing was not sending any heat to an entire half of the building – even though everything looked perfectly OK.

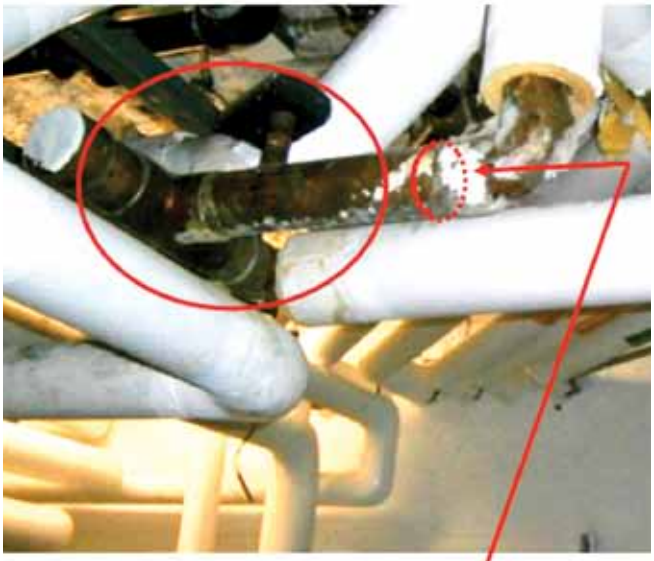
We went through the usual suspects. Pump on? Check. Pump impeller spinning? Check. All valves open? Check. Boiler energized and making heat? Check. Is the pressure drop across the pump correct? Uh, well, someone decided to save money and delete the pressure gauges.

Despite the "value engineering" on the gauges, it sounded like it could be a blockage in the pipe. Except that that's the first thing that pops into everyone's mind any time there is a heat distribution problem in any kind of system, and it is almost never the problem. You'd be amazed at how many times a contractor has "fixed" a "blockage" in a hydronic system by installing either a more powerful pump (even though the original pump was already oversized) or one or more unnecessary additional pumps.

I once had a job where the unnecessary additional pump was installed backward and the contractor claimed that he had "solved" the "blockage." For good measure, he powered the pump with an illegal extension cord that stole its power from the cable company's nearby panel.

But that's another story. Suffice it to say that, in this case, any actual blockage would have to be amazingly serious, and with no visible external evidence of its location.

Nate told me he had felt along the pipes to see where they went from hot to not-so-hot, but it was difficult to tell just by feel. And copper pipes conduct heat so well, it's possible that a pipe that felt warm on the outside could be misleading.



The infrared camera told us where the problem was.

MYSTERY SOLVED: the Sawzall told us *what* the problem was. Sometimes the answer that's almost always wrong is the right one.

I asked Nate if he had an infrared camera. Not one of those inexpensive temperature guns, but a full-fledged camera that could take an infrared photo of the pipes. Fortunately, he did. I suggested scanning the pipes in the boiler room to see if any kind of obvious pattern emerged.

Nate and his colleagues had to remove a fair amount of pipe insulation to track down the location of the still-theoretical blockage, but after some effort they found what looked like a smoking gun – a large pipe tee fitting where the pipe was hot on one leg and uniformly less hot on the two other legs.

OK, great – but why would a large tee in a brand-new heating system be blocked? It made no sense.

No sense, that is, until Nate ordered the contractor to cut open the tee with a Sawzall. There, stuck inside the pipe (*see photo*), was a grimy T-shirt (no pun intended by the contractor, I hope) that had been used as a rag when the plumber was sweating the pipe. Perhaps he should have used a sweatshirt instead, but whatever he should have used, he should have removed it before closing up the pipe. ■

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Ask the Engineer

By Stephen Varone and Peter Varsalona

Chimney Liners and Extensions

Our 35-story condominium is planning to convert from No. 6 heating oil to a gas-and-oil system. Our engineer told us that as part of the project we will have to install a chimney liner, and possibly extend our chimney, at an additional estimated cost of $300,000. Is this a requirement, and if so, what does it entail?

MANY CO-OP AND CONDO BOARDS have been converting their heating plants to a gas-only (firm gas) system or to a dual-fuel system. That's because of the high price of oil relative to gas and the New York City Department of Environmental Protection regulation that requires buildings burning No. 6 heating oil to convert to a cleaner fuel by 2015. A dual-fuel system, also known as interruptible gas, burns gas almost all of the time, and No. 2 heating oil only when gas demand is very high, like on extremely cold days.

Property managers and board members are often surprised to learn that converting their building's heating plant from oil to gas can require changes to the chimney. Most chimneys were built for oil heat, not gas. If this is the case with your building, it will need a chimney liner to accommodate the new heating plant before you initiate gas service, per the 2008 New York City Fuel Gas Code and 2013 New York City Building Code. In addition, your chimney may also need an extension or an offset.

Chimney liners protect the flue from the acidic condensate produced by burning natural gas, as the condensate can corrode the chimney's interior masonry. In addition to protecting the masonry, the liner prevents the chimney from overheating and keeps toxic gas from infiltrating the building.

Types of Chimney Liners

There are several types of chimney liners, each characterized by its material and how it is installed or applied. Thick-gauge (10-gauge or heavier) stainless steel is the most common type of liner and can be used in flues of all heights and diameters. The liners, which are typically transferred to the site in roughly four-foot sections, are welded together as they are either lowered into the chimney from above or hoisted into place from the cellar. Because stainless steel liners can weigh several thousand pounds, they need to be braced at intervals, and the existing building structure, including the foundation and floor framing, may require reinforcement.

Light-gauge (24-gauge or lighter) stainless steel factory-designed chimney liners are also readily available. Some manufacturers offer up to 15-year warranties for their systems. These lighter-gauge systems are typically fastened together with predesigned collars, straps, ties, and supports. Although these are lighter and less expensive to purchase, they require engineered supports at frequent intervals, which can make them impractical for relining chimneys with difficult-to-access interiors.

Another common liner is a ceramic flue sealant, which is sprayed onto the interior of the masonry chimney. The spray, a ceramic compound with a consistency equivalent to unformed concrete, hardens to form an impenetrable surface that improves the chimney's resistance to extreme heat. Compared to the steel liner, the spray-applied version may greatly reduce the need for structural reinforcement because its relatively limited weight is directly transferred to the masonry chimney.

Ceramic liners, however, are limited to chimneys up to about 250 feet in height because of the equipment used for the installation and manufacturer recommendations. Some spray-liner manufacturers, such as Thermocrete, claim they are working on overcoming the height limitations and will soon be able to install their liners in chimneys up to 400 feet tall.

Less common are masonry liners, which are

composed of fire bricks or clay tile. Masonry liners aren't well-suited for repair or alteration work because, given the tight space, it is extremely labor intensive to safely and efficiently install the bricks or tiles (which must comply with building code) along the inner chimney wall. In addition, bricks and tiles add a considerable amount of weight to the chimney. Also, masonry liners are not structurally self-supporting, so typically they are not suitable for chimneys that require an extension.

Design Considerations

The major factors in deciding which type of chimney liner to install are cost and the feasibility of installation. Welded stainless steel liners cost roughly 25 percent more than spray alternatives, and depending on height may require support at intervals. But because your building is 35 stories tall, a ceramic liner is probably not feasible.

Other factors to consider include the height and interior dimensions of the flue, the condition of the chimney, the building's heating schedule, and changes needed to meet current building codes. If the construction work will be done during the heating season, your board may want to opt for a liner with a shorter installation period to minimize the shutdown time for the building's heating plant (which will require the use of a temporary boiler) or wait until spring to begin the construction work.

Extensions and Offsets

If the buildings adjacent to your cooperative were completed after your building was constructed, or an extension was added to your building, your chimney may need an extension or offset to meet code. According to Section 503 of the 2008 New York City Fuel Gas Code and Section 802 of the 2008 New York City Mechanical Code, the chimney needs to exceed the height of the highest point of construction, typically a bulkhead, parapet wall, or penthouse. How much taller depends on the construction type of your building, the fuel your building uses for heat, and the chimney's dimensions.

Your engineer will specify the exact dimensions required to comply with code.

If the chimney is too close to the adjacent building, it will also need to be offset – i.e., extended away from the building's wall – to meet code. Because it's usually not feasible to relocate the entire chimney, only the portion of the chimney that extends beyond the roof level and is too close to the nearest construction will have to be offset. How much clearance is determined by code specifications similar to that of extensions?

In addition to having sufficient clearance from the adjacent structures, the extension must withstand loads from gravity and wind, along with rain, ice, snow, extreme changes in temperature, and even earthquakes.

Like liners, chimney extensions may be constructed from steel, concrete, or masonry. The most appropriate material will depend on the height of the extension and aesthetic concerns. Masonry extensions are relatively expensive and are usually reserved for limited alterations or when aesthetics are a priority.

Landmarked buildings and those located within a designated New York City Historic District will need to receive approval from the Landmarks Preservation Commission before construction work begins. The design engineer or architect should consider how the alteration will affect the building's aesthetics and design the chimney extension or offset to preserve the historic look of the property, considering its appearance from the street, if applicable.

Special Inspections

Special inspections take place at various points in the construction process and are conducted by a special inspection agency registered with the New York City Department of Buildings (DOB). All new and altered chimneys require special inspections to verify that the work complies with the approved construction documents and that the chimney has proper clearance from adjacent combustible structures. If the construction work involves masonry wall, steel-bolting, steel-welding, anchors, or masonry erection, special inspections will be needed for those items as well.

Mechanical system work, including the heating plant, may also require special inspections. The inspections required depend on the type of liner specified and the material choice for the chimney extension.

DOB Inspections

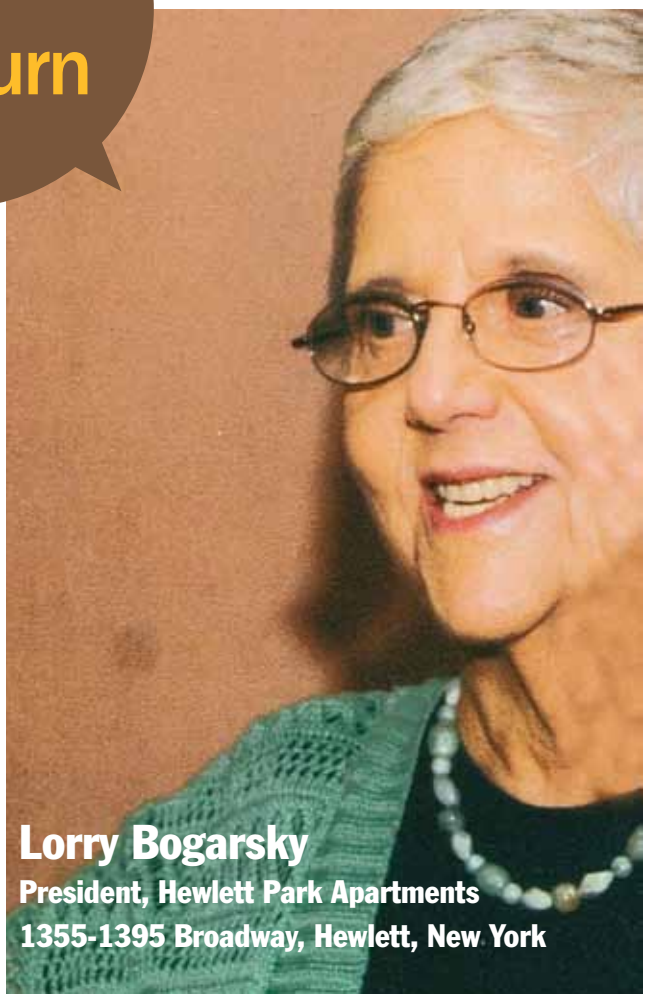
In addition to special inspections on the chimney and liner, the oil-to-gas conversion work itself must undergo inspections by the DOB to ensure it meets code. The DOB's plumbing division inspects the gas piping and gas meter room, and the boiler division the boiler, burner, and related equipment.

The oil-to-gas conversion, chimney liner installation, and chimney extension or offset, whether completed concurrently or successively, are usually undertaken as part of the same project. Typically, the mechanical work begins before the liner and extension work gets underway, but logistics and scheduling issues may require delays between project phases.

Regardless of the order of the installation, the building cannot begin burning gas until all of the work is completed and passes DOB inspection. Even then, because of the backlog of buildings being converted from oil to gas, it can take several months for Con Edison to run the gas line to the building and provide a gas meter for installation. Until then, the heating plant must continue to run on oil, so boards should plan accordingly.

A chimney liner and an extension or offset can add a considerable cost when a building is converted from oil to gas, but the payoff is a safer heating plant and the potential for long-term savings on heating costs. ■

Born Leader



Lorry Bogarsky
President, Hewlett Park Apartments
1355-1395 Broadway, Hewlett, New York

LORRY BOGARSKY lives in a two-building, 68-unit cooperative in Hewlett, New York, where she served on the board for ten years before becoming president five years ago. She first lived in the building as a young adult back in 1952, when her family moved from the Bronx and the building was barely five years old. She married and moved out, staying in the community, and 17 years ago, she and her second husband bought an apartment in that same co-op, gut-renovated it, and made it their retirement home.

How did you come to serve on the board?

When we were here about two years, an opening occurred on the board, and I was asked if I had interest in serving. At that time, I still owned my own employment agency, and I didn't know if I wanted to take on another business, but I said yes.

What have you learned in your time on the board?

This is not an easy job. It is a thankless job, because if anything goes wrong, who do they blame? The president of the board. I enjoy all of it – except when my phone rings at 10 o'clock. Having been a businesswoman for so many years of my life, and having been in a service business, it's just a part of my outlook that you interact with the people you see daily. I know all of the 68 shareholders. We have two open shareholders' meetings a year. People who ask questions get answers.

A lot of people come to a co-op with a renter's mentality, where the feeling is, "Let the landlord take care of it; he's making a lot of money." We're not landlords. We're shareholders in a corporation, and therefore we have to share, and we often have to remind the shareholders that the people on the board are part of an assessment, too. Some of them don't want to hear that. A co-op means everybody bears responsibility equally.

Tell me about some of the projects your co-op has undertaken and why.

We have, over the past several years, been through [some] very major capital improvements, which we did out of our reserve fund. Fiscal management is prime. Because we were able to do that, we were able to put a new roof on the building, which was very much needed after Hurricane Sandy.

We have been talking for several years about new windows: the windows were replaced 25 years ago, and a great product was not chosen, and there are apartments where the windows don't go up and down. Now our building has excellent curb appeal, we really need to have windows that work. So we are on a window-replacement project, and there is an assessment for that. It's the first time we've had an assessment in five years, and we haven't even had a raise in rate in three years because we've watched our dollars so carefully.

What advice would you give to newcomers on the board?

I would advise new board members to listen carefully and bring their own experience to the table, because everybody brings something. At our last open meeting, there was this discussion about the windows, and [people said,] "We didn't know that," and "You didn't tell us that," which was really not true, but people don't pay attention to their mail or to the notices slipped under our door. One board member said, "Why don't we just provide everybody with an agenda?" What a simple thing. But he's a school principal, so that to him is a basic tool: you go a meeting, you get an agenda, you know what's going to happen at the meeting. My advice is bring what you know, listen to the people who have been there longer, and don't be afraid to express your feelings.

This interview was edited for length and clarity.

Case Notes

By Richard Siegler and Dale J. Degenshein

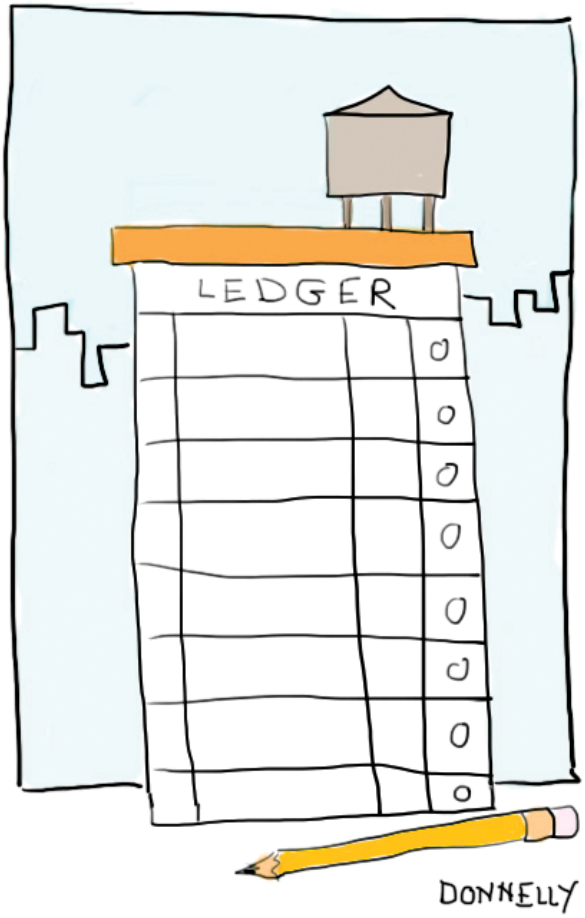
Co-op Non-Payments: What Proof Do You Need?

WHAT DOES A COOPERATIVE NEED to prove when it sues a shareholder in landlord/tenant court for non-payment? These cases go to trial so rarely that people may not look at the proof the co-op must proffer. But in *305 East 85th Housing Corp. v. Dropkin*, the court considered the co-op's proofs and rendered a decision that is worth examining for several reasons.

The Lawsuit

The co-op began a summary proceeding in landlord/tenant court against the tenant-shareholders for non-payment of maintenance charges. The matter went to trial and the co-op submitted its case. The court focused on the maintenance (or rent) to be charged. The proprietary lease does not state the maintenance to be charged; rather, it states that the amount charged is equal to the proportionate share of cash requirements, as set by the board. The co-op introduced into evidence its rent ledger for the apartment, which showed money charged, paid, and what amounts remained due, measured back to May 2012, the last time there was a zero balance.

The court explained that, as a legal matter, a non-payment action "sounds in contract," and acknowledged that, in a co-op, a shareholder was obliged to pay a proportionate share of the cost of maintaining common facilities.



The Proof and Ruling

In the court's view, the problem was that the co-op not only had to demonstrate the existence of the contract (the proprietary lease, which it did), but also the terms of the contract. The co-op submitted the maintenance ledger and the minutes of a board meeting that contained a resolution to increase maintenance by 84 cents per share. The board also submitted a letter to all shareholders reporting the maintenance increase. The co-op did not, however, introduce evidence that showed the cash requirements or the full maintenance charges on a per-share basis.

The co-op argued that, because the shareholders previously paid maintenance, the amount was established through what is known as the "voluntary payment doctrine." The court acknowledged that repeated payment of a set amount over time could prove an agreement between the parties, but here the shareholders paid different amounts each month. Accordingly, the doctrine did not apply.

The court concluded that the co-op had not proved the amount of monthly maintenance due and thus it could not collect those fees.

Alterations

There was also an issue concerning attorneys' fees alleged to be due in connection with the shareholders' alteration – they combined two apartments into one. The lease allowed the co-op to collect professionals' fees if the shareholder performed an alteration, so that the co-op could hire an architect, engineer, lawyer, or other professional to review contracts, architectural drawings, and plans, and to inspect the alterations.

The co-op introduced a letter into evidence specifying the charges due under the alteration agreement for these professional fees. But, the court noted, the proprietary lease did not allow the co-op to charge those expenses as "additional rent." Further, the court explained that the alteration work was performed in 1992. Since the co-op's maintenance ledger showed a zero balance in May 2012, the court could not accept that the money from a 1992 alteration remained due.

The Takeaway

This case is instructive for a number of reasons. Although it is not clear whether it would have been sufficient, when co-op boards wish to increase maintenance charges, it may be prudent to adopt resolutions that spell everything out – i.e., that the maintenance prior to the increase is $X per share, that

the maintenance is being increased by $Y per share in accordance with the cash requirements section of the lease based on a specific budget, and the total maintenance due is $Z per share following the date of the resolution. Although this may appear to be unnecessarily burdensome and "overkill," such language may have satisfied the court's concerns.

As to the alterations, there are two important points. First, the proprietary lease did not state that the professional fees to be paid under the alteration agreement could be collected as "additional rent." Typically, a proprietary lease will include words to the effect that additional rent shall be collected as maintenance. When that language is in place, it allows the board to bring a non-payment proceeding to collect additional rent. But the predicate to this, of course, is that the monies being charged are "additional rent." If they are not, then the board would presumably have to bring a money action against the shareholder to collect the fees, as described in whatever contract under which they are due – here, the alteration agreement. It is important to check documents; in most, if not all, instances, boards want to make sure that all money owed by a shareholder is deemed "additional rent."

The other noteworthy aspect of the decision is that the co-op's ledger showed a zero balance long after this money would have been due. That is something as to which boards – and more to the point, managing agents – must be diligent. If there is money owed by a shareholder, that amount must be properly reflected on the shareholder's arrears ledger. Absent that, a court may find that the money was paid, waived, or otherwise uncollectible. ■

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Specializing in all areas of real estate property management. Call Tom Bundarin

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Contact: Jeff Heidings.....JHeidings@sirenmgt.com
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"Stats" is a listing of important facts, figures, and statistics of concern to the co-op/condo world. It is subdivided into "Building Loans," which represents a sampling of cooperative underlying mortgage refinancing deals; and "Management Transitions," which includes a sampling of buildings that hired new management firms (takeover dates appear in parentheses). All data, covering the past three months, has been voluntarily submitted, and the omission of any professional from this section is no reflection on his or her business. To have your item published in an upcoming issue, call (212) 505-2030 ext. 3006, fax (212) 254-6795, or e-mail: jwu@habitatmag.com.

Management Transitions

Manhattan

Tribeca

93 Worth Condominium
97-unit condo. Transition to: Metro Management Developement (5/1/14)

Gramercy

160 East 22nd Street Condominium
82-unit condo. Transition to: Century Management (8/1/14)

Washington Heights

500 West 174th Street
60-unit HDFC co-op. Transition to: Veritas Property Management (8/1/14)

Fort George

Inwood Tower
190-unit HCR Mitchell Lama. Transition to: Metro Management Development (5/1/14)

Queens

Long Island City

1 Vernon Jackson Condominium
10-17 Jackson Avenue
32-unit condo. Transition to: Excel Bradshaw Management Group (10/1/14)

Building Loans

340 East 83rd Street Apartment Corp.
Upper East Side, Manhattan
22-unit co-op, 0% unsold shares
LOAN: $300K TERM: 49 months
RATE: 4.00% CLOSING: 7/11/14
BANK: NCB
LOAN OFFICER: Mindy Goldstein
BUILDING REP: Veritas Property Management

666 Apartment Corp.
666 Pelham Road
New Rochelle, Westchester County
100-unit co-op, 0% unsold shares
LOAN: $500K TERM: 63 months
RATE: 4.00% CLOSING: 7/14/14
BANK: NCB
LOAN OFFICER: Edward Howe
BUILDING REP: Prime Locations

Bradford Hall Apartments
5-6 Alden Place
Bronxville, Westchester County
17-unit co-op, 0% unsold shares
LOAN: $750K TERM: 84 months
RATE: 3.88% CLOSING: 7/9/14
LINE OF CREDIT: $250K
BANK: NCB
LOAN OFFICER: Mindy Goldstein
BUILDING REP: Barhite & Holzinger

250 West 16th Street Owners Corp.
Chelsea, Manhattan
45-unit co-op, 0% unsold shares
LOAN: $1.25 mil TERM: 10 years
RATE: 4.00% CLOSING: 7/10/14
LINE OF CREDIT: $750K
BANK: NCB
LOAN OFFICER: Edward Howe
BUILDING REP: Plymouth Management Group

Advertiser Index

Planner

OCTOBER 1

Heating season begins. Owners must provide heat starting today.

New York City property taxes. Last day to pay the second quarterly installment of 2014–15 property taxes to New York City's Department of Finance.

Building Service Employees Union (Local 32B-32J). Quarterly contribution to pension and welfare fund due. To avoid interest and penalties, pay by the end of this month.

OCTOBER 11

Fire safety. Last day to distribute fire safety plans during Fire Prevention Week (October 5–11) if they're not distributed in January with window guard notices.

OCTOBER 13

Columbus Day observed. Building Service Employees Union (Local 32B-32J) contract holiday. Sanitation Department holiday. No garbage pickup, no street cleaning.

OCTOBER 24

New York City real property assessment. Last day to file petition to review tax commission's final determination of 2014–15 real property assessment.

OCTOBER 29

NYARM Real Estate Expo. Annual expo held at the top floor of the Hotel Pennsylvania at Seventh Avenue and 33rd Street in Manhattan.

Transitions

I don't remember when I first met Andrea Bunis, but I never had any trouble remembering when I had talked to her. Blunt and to the point, Andrea always spoke her mind – not always appropriate for publication, but always with insights about the co-op and condo management business to which she dedicated her life.

"I've given up trying to reason with the boards," she said to me once. "Now, I just do what I'm told – only drawing the line at illegalities." The situations she said she encountered were mind-blowing: she's repped a board where the president wanted to challenge the lease of a restaurant because he didn't like the food; another where a woman complained about not getting a tax abatement for her apartment even though she no longer lived in the building (but still served on the board); and another where a board member threatened the manager with an AK-47 because he didn't like the answer the agent gave him.

"They should try to imagine what it would be like if they weren't on the board," Bunis said bluntly. "Are they truly looking out for the building or are they looking out for themselves?"

The cynicism reflected her years of experience in handling boards and people, and although apparently frustrated by a number of her clients, she never gave up on them, and she seemed virtually indestructible. Therefore, it was startling to hear that Bunis, 57, had died of pancreatic cancer on August 25. She founded Andrea Bunis Management 30 years ago and was the recipient of numerous industry honors, including *Habitat*'s Management Achievement Award. She will be missed.

• • •

Another transition, albeit a less traumatic one, has occurred at Gerard J. Picaso Inc. Jerry, whom I've known since I started working in this business three decades ago, is merging his 32-year-old management firm with the much larger Halstead Management Company. When we first met, I felt as though we were old friends. I, of course, recognized him instantly from his ads – "Every building should have a Picaso," with Jerry sitting in a picture frame, and the more famous promo of him standing on a rooftop, arms outstretched, with a cityscape in the background.

We hit it off instantly. I was impressed by his keen knowledge of the industry (which he had started learning as a young man, working in the buildings his father ran for Lawrence-Picaso), insights into people, and ready wit. When Jerry phoned me the other day with the news of the merger, my first thought was, "There goes the last of the independents." But Jerry saw it differently: after Halstead approached him about selling his company – but allowing Picaso to keep running his operation as he always had – the deal sounded more appealing. Imagine: not worrying about paying the rent or about job security for his employees, just doing what he has always enjoyed doing, interacting with people as he manages their properties. "It's a good thing," he said.

• • •

And finally, another *Habitat* award-winner is going through a transition. Mark Greenberg Real Estate, better known these days by the handle MGRE, is "combining" with the Charles H. Greenthal Group. "It's not a merger, it's a partnership," says MGRE director of management Steve Greenbaum. According to a press release put out by MGRE, "this combination strategically brings together two leading property management firms and allows them to offer enhanced and comprehensive management services for current clients, as well as the ability to broaden client bases."

In other words, bigger is better. Well, I've known Steve almost as long as I've known Jerry, and Greenthal is certainly getting the real deal by merging, combining, partnering, or whatever you want to call it. Steve's one savvy management exec – and the rest of Team MGRE doesn't seem so bad, either. Kudos to all! ■

HABITAT

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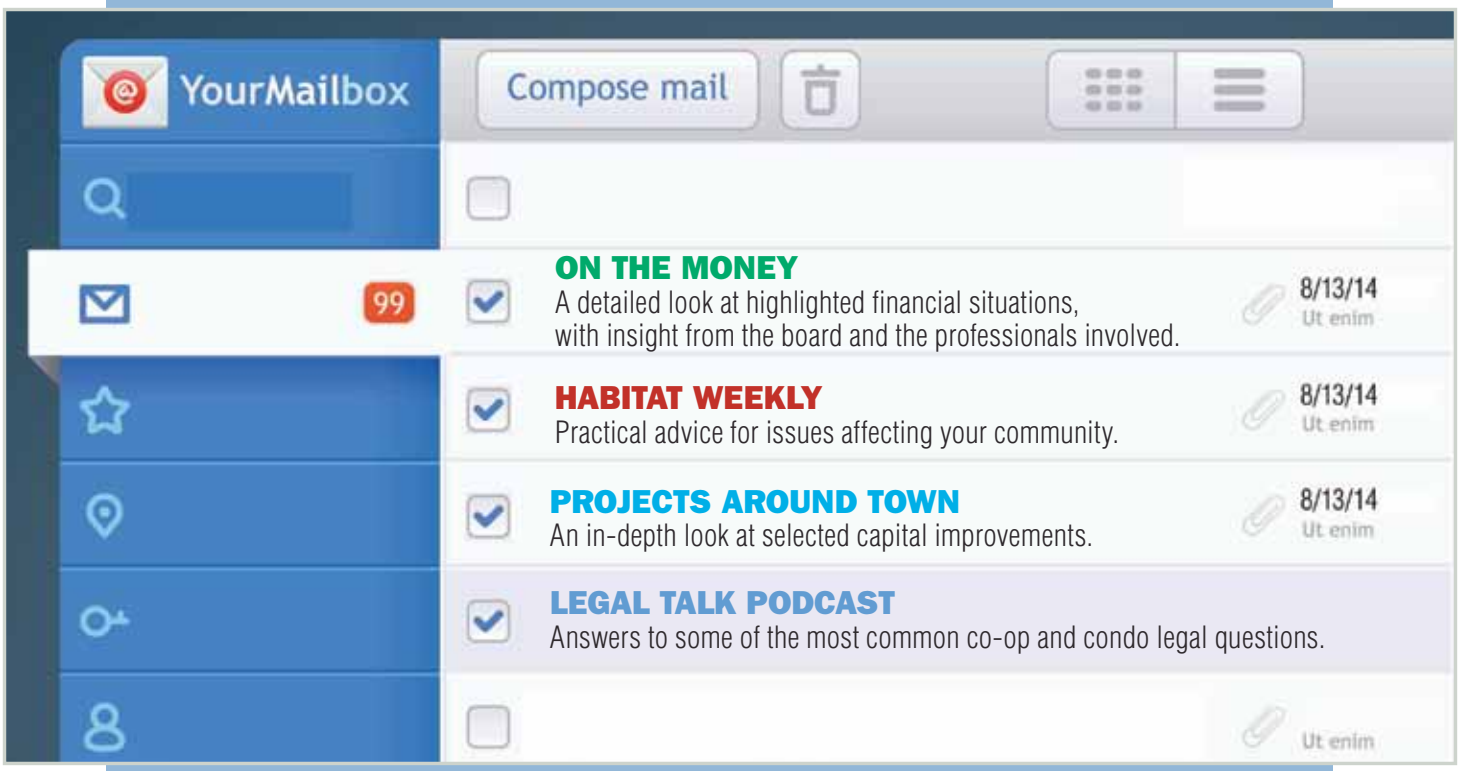

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Twin Queens Co-ops Get Facelift Without Fuss

Lobby redesign is a nightmare.

Ask any board or managing agent and the story is usually the same: redoing your lobby is like juggling dynamite; where aesthetics are involved, you can rarely please everyone, and the whole project can explode in your face.

In that case, Maddy Hacken must be a brave woman. Knowing the dangers of redesign, the board president at The Catalina and The Plymouth, a 130-unit twin co-op in Bayside, Queens, not only initiated a redesign, she actually served on the beautification committee. She might as well have put a target on her back.

But, remarkably, the project was completed with hardly any controversy. Hacken is matter-of-fact about that, claiming it was simply a matter of preparation, communication, and common sense. The board prepared the shareholders by announcing the planned renovation at the annual meeting in 2013. Then, rather than risk anyone feeling left out and critical, the board offered residents a chance to help make aesthetic choices as part of the beautification committee. (Three other women joined Hacken as members; they communicated largely through e-mails and had different tastes, but always found consensus, which even the president admits was "amazing.") Frequent e-mail announcements and elevator notices during the job kept the residents informed and, by and large, supportive.

Most must have been pleased that something was being done. For years, everyone had talked about renovating the lobby and hallways. No wonder: with popcorn walls, dim lighting, and office carpet running up the sides of the elevators, the common areas were showing their age.

The board hired interior designer Tina Tilzer, feeling that her design style was in line with what it envisioned. "We visited another building Tina had done in Great Neck and we loved the feel and the attention to detail there, but we didn't know if we could afford it," Hacken says. "Tina showed us that she could bring that within our budget, and then it was just a matter of saying yes or no to her suggestions based on what style we were going for."

NEIGHBORHOOD
The Catalina and The Plymouth
209-80 18th Avenue and 209-20 18th Avenue, Queens

PROJECT
- Lobby and hallway redesign
- New carpets, wallpaper, and lighting

INVESTMENT
$330,000

PARTICIPANTS
Maddy Hacken, board president
Tina Tilzer, designer

RECENT SALES
5/29/2014: **$176,000**
3/18/2014: **$175,000**
3/17/2014: **$188,216**

FINANCIALS
Estimated market value: **$14,056,000**
Assessed value: **$6,004,270**

Project start date: January 2013
End date: July 2014

"They wanted a place they could be proud of when they walk into their building," says Tilzer. "They didn't want anything very traditional or heavy, and especially nothing trendy. They wanted it to be timeless."

Working from the top down in both six-floor buildings, Tilzer's team renovated the hallways first, sandblasting the textured popcorn walls to start with a fresh palette. Then it was time to execute the design plan. New ceiling fixtures and wall sconces were added to bring a much brighter feel to the previously dim hallways. The lobbies were next, with the centerpiece being new benches bracketed with ironwork sculptures, providing a much-needed artistic flair to the entryways. But Tilzer says the art didn't trump the committee's practical concerns. "Security is a big issue in every building, so we made sure you could see through the sculpture work from the front desk to the areas beyond it," she says.

With a cost $330,000 for the renovation of the two buildings' lobbies and hallways, the board was able to fund the project entirely from the reserve funds.

The work is now nearing completion, and it is already eliciting positive reactions. "They transformed this from an older building to something upscale," Hacken says. "You can't always please everyone, but 99 percent of the people here love it."

– JASON CARPENTER

The Orion Condominium
350 West 42nd Street, No. 33A

Midtown West, Manhattan
1BR/1B condo. Unit features open kitchen with stainless steel appliances, granite countertops and island. Limestone bathroom with deep soaking tub and Waterworks fixtures. Cherry hardwood floors. Open views of the west and south. Building has a pool, three sun decks and an 8,200-square-foot fitness center. *CC: $885. Taxes: $562.*

DEALMAKERS
Listing Agent: David Bibian, Keller Williams NYC
Buyer's Agent: Zhuo (Zoe) Chen, Douglas Elliman

THE SALES SKINNY
THE ASK **$1,400,000**
THE GET **$1,440,000**
THE WAIT **6 weeks**

MOST RECENT SALES
8/01/2014: **$785,000** – studio/1B
7/21/2014: **$1,800,000** – 2BR/2B

359 16th Street, No. 2B

Park Slope, Brooklyn
1BR/1B condo. Unit features slate tile floors, terrace; kitchen features stainless steel appliances, tiled backsplash, dishwasher and breakfast bar. *CC: $162/month. Taxes: $17/month.*

DEALMAKERS
Listing Agent: Carson Alexander and Michael Shapot, Keller Williams NYC
Buyer's Agent: Stuart Emanuel, DavidWest Property

THE SALES SKINNY
THE ASK **$615,000**
THE GET **$545,000**
THE WAIT **19 days**

MOST RECENT SALES
1/12/2010: **$310,000**

205 East 63rd Street, No. 15A

Upper East Side, Manhattan
1BR/1.5B co-op. Unit has windowed kitchen and marble bathrooms. Building includes doorman, live-in super, and parking available. *Mntc: $2,540.*

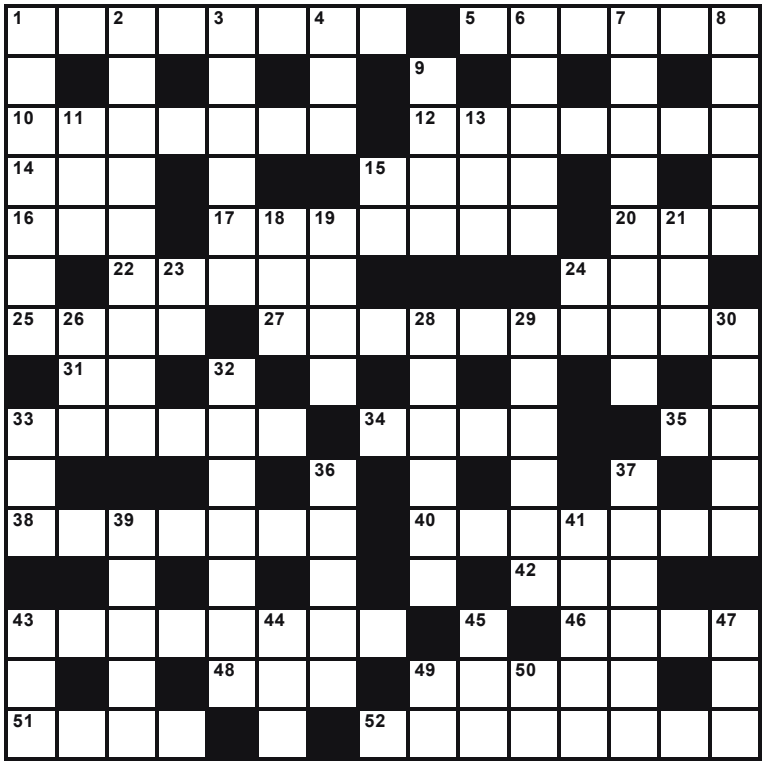
DEALMAKERS
Listing Agent: Fern Budow, Corcoran
Buyer's Agent: Dan Geller and Eric Kleinstein, Keller Williams NYC

THE SALES SKINNY
THE ASK **$549,000**
THE GET **$536,000**
THE WAIT **20 weeks**

MOST RECENT SALES
8/05/2014: **$2,250,000** – 4BR/3B
4/03/2014: **$1,545,000** – 3BR/2B
3/13/2014: **$1,600,000** – 3BR/3B

Epic Fall

Savor the first blush of autumn with this month's puzzle.



Across

1 HVAC components
5 Comes before chic
10 Repaired joints in a brick facade
12 Knicks' new president who just bought posh digs at the Osborne Apartments
14 Big "Wheel" first name
15 Fail on a grand scale
16 Bit of tax planning, for short
17 Recessions' opposite
20 Talking Heads "And She ___"
22 Stunning weapon
24 Fix, in a way
25 Con Edison system
27 A board may require them as part of an application
31 __ Bice, Idol runner-up
33 It opens up to the world
34 Kind of tax a co-op can profit from, on unit sales
35 Tea Party state
38 Speaks frankly
40 Parking facilities
42 Brain scan
43 Community bank whose experienced Real Estate Lending Team provides timely and innovative solutions
46 Sean Connery, for one
48 Precedes exempt or deductible
49 Catty remark?
51 Cuts with the grain
52 Gotham's aka

Down

1 Setting a limit on
2 "The height of flattery"
3 Decisively indicative test
4 Danger signal
6 Pawns off
7 Brooklyn nabe where apartment prices are soaring
8 Pulls, as a permit for example
9 Door position
11 Boat gear
13 New England cape
15 French for you
18 A pop
19 Golfer's obstacle
21 Improve, as cheese
23 Promotional effort
24 Nurse, for short
26 Stat at Citi Field
28 Speech of praise
29 Darth Veda's side
30 Leaves rolling in the aisles
32 Popular soup
33 "Tommy" singers
36 Sara Blakely, founder of this company, just sold her Central Park apartment for $30 million
37 Item you might find in a breakfast table setting
39 Deck out
41 He is famed for his fables
43 The ___ Side
44 007 creator Fleming
45 "Sex and the City's" Mr.
47 Golf location
49 Saginaw state
50 Airline, for short

For solution to puzzle: http://bit.ly/OctSolutions

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Patrick Akosah	718.512.2798	MLO #674966	Joseph Dempsey	718.593.8067	MLO #575564
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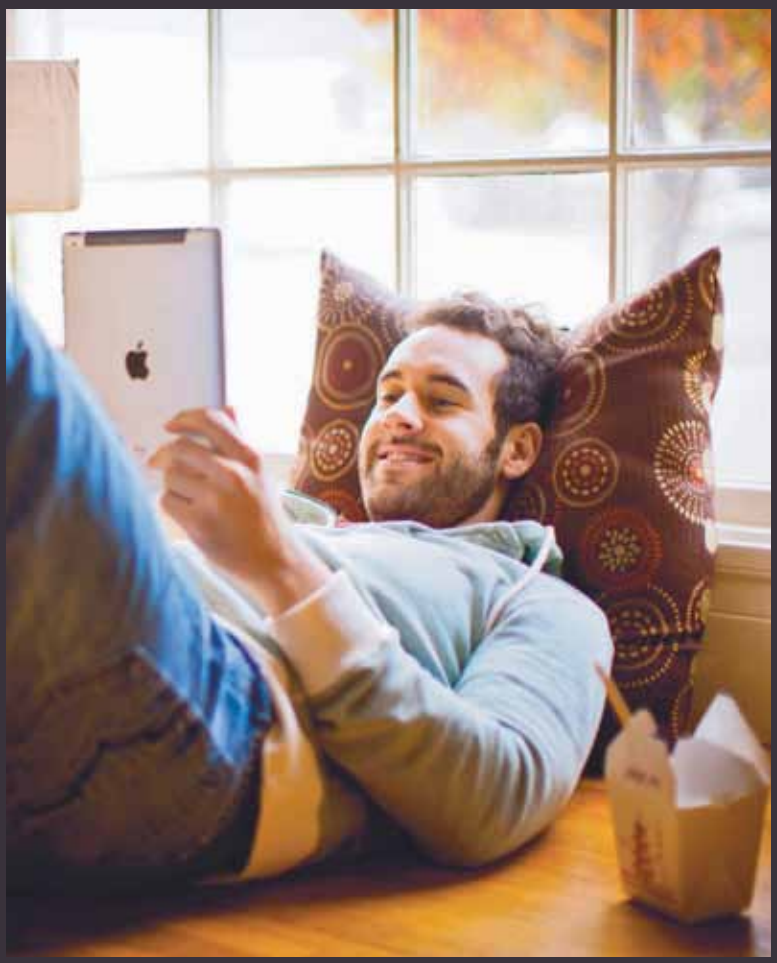

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