

350 Bleecker Street Co-op Newsletter
January 14, 2000
Number 119

The board met on December 9, 12, and 19. Among the issues discussed:

YEAR 2000 BUDGET

The budget is attached to the end of the Newsletter. Highlights include:

A. Income \$1,224,919

1. Maintenance (\$4.65 times 17,222 shares) \$960,987
2. Assessment (53 cents times 17,222 shares) \$109,532
3. Rent from the stores and garage \$106,000
4. All other forms of income \$48,400

B. Operating Expenses \$1,064,58

1. Real estate taxes and other city and state taxes \$299,000
2. Mortgage interest and principal \$292,834
3. Payroll, medical, payroll taxes \$195,000
4. Utilities \$74,100
5. Intercom, janitorial, windows, landscaping, minor repairs \$54,600
6. Legal, dues, licenses, postage, office expenses, etc. \$49,550
7. Managing agent fee \$49,500
8. Insurance (fire, directors and officers liability, etc.) \$35,000
9. Interest paid to waterproofing contractor at 6% \$2,000
10. Contingency \$15,000

C. Major capital expenses \$279,000

1. Waterproofing contract (AM+G, formerly called M+G) \$210,000
2. Construction contingency \$20,000
3. Sidewalk plant and dirt replacement \$20,000
4. Zolotone (hallway + lobby wall painting) \$20,000
5. Engineering \$6,000
6. Steam pipe \$2,000
7. Exercise room equipment \$3,000

The cash position was estimated at \$317,510 at the end of 1999. The cash position at the end of 2000 is estimated to be \$196,845. On January 1, 2000 the building owed the waterproofing contractor \$67,076, at 6% interest. This debt is scheduled to be paid off before the end of 2000. The mortgage agreement with the National Cooperative Bank requires that the building have at least \$100,000 in cash at the end of each year.

If you have any questions about the budget, please contact any board member.

TRANSFER AGENT CHANGE

The board voted unanimously to hire the Schechter and Brucker law firm as transfer agent. In other words, they will handle all the closings, shareholder mortgage financings, etc. From now on, all closings will be at Schechter and Brucker's office in the Empire State Building (350 Fifth Avenue), suite 4510. Andrew Brucker's phone is 212 244 6600, fax 212 244 6784. Andrew Brucker assisted the board with legal advice on some recent issues. He also ran the November shareholder election. Coincidentally, his partner, Howard Schechter, had his picture in full color on page 1 of the December 19 Sunday NY Times Real Estate Section, since he was quoted extensively in an article on co-op law.

Fees (payable to Schechter and Brucker) will be \$470 for the seller, \$50 for the purchaser. Credit reports are \$40 each. Aztec forms will be \$290. Adjournments with less than 24 hours notice will be \$150. Sending papers to be signed in advance of the closing will cost \$50. (This means that you needn't attend your closing in person.) In case of a lost stock certificate, the affidavit will be \$150 plus the legal search cost. The co-op earns no revenue from any of these fees paid to the law firm.

Aztec forms are another term for the "recognition agreement". This is a contract between a mortgage borrower, the lender for the apartment, and the co-op that requires the co-op to inform the lender if the borrower defaults on his/her obligations to the co-op. If the purchaser requires no mortgage, there is no Aztech form or fee required.

FINANCING AN APARTMENT?

Most lenders require an appraisal form completed by an authority familiar with the building. Ken Newman, as Managing Agent, charges \$100 for these forms to be completed. If your form is filled out and signed by any current board member, there is no charge. Schechter and Brucker do not charge for this service, either.

PURCHASE AND REFINANCING FOR EXISTING SHAREHOLDERS

Any shareholder who wants to refinance an apartment or purchase another apartment, can avoid submitting financial statements to the board, if he/she either

- a. has paid all financial obligations to the co-op on time for the most recent 36 months, or
- b. has submitted financial statements to the co-op within the most recent 36 months and paid all obligations to the co-op on time during that period

This rule was adopted unanimously because board members felt that further scrutiny under these circumstances is unnecessary.

ELEVATOR IMPROVEMENT

The board voted unanimously to install a "Magic Eye by Tri-Tronics" on the north elevator. Now each elevator door will sense a person standing in the doorway without banging into the person. The "Magic-Eye" uses infra-red light, similar to a TV remote control.

ZOLOTONE

Starting January 17, the hallways will be sprayed with Zolotone paint. For the past few weeks, the building staff has been working hard preparing the walls by plastering, priming, etc.

CONSTRUCTION

The New York City Landmarks Commission approved the application filed by Alex Neratoff, our architect, so the waterproofing job can be completed this Spring. In the meantime, the contractor will install the backyard pavers, weather permitting. The sidewalk planter walls and other masonry work will have to wait until Spring because concrete we use requires consistent warm temperatures to set properly. Shortly before the planter walls are rebuilt, the plants and soil will be removed by the contractor. If you want to save any of the plants, please contact Mark Lilien. Otherwise, they will probably be destroyed by the contractor.

BUILDING OWNERSHIP

Of the 137 original apartments:

Number owned by the sponsor, not for sale at this time: 30

Vacant apartment, for sale by sponsor (5S): 1

Sublet apartments, unsold shares owned by investors: 2

Apartments owned by tenant shareholders (including those sublet): 104

Sublet apartments, owned by tenant shareholders: 2 (included in 104 above)

WANT TO JOIN THE BOARD?

If a board member resigns, the building's rules allow the remaining board members to pick a replacement. If you'd like to be considered for this, please contact any board member. At least one board member may be selling her apartment soon, which would create a vacancy.

PLUMBING

The board voted unanimously to repipe the steam lines in the boiler room leading to the "D" and "G" line apartments. This should balance the heat better and save energy. The cost to the co-op for this work and a pump replacement will be \$9,800. The work will be done by the end of the month and should not require a shutdown of the building's heat for more than an hour or two. The work will be done by Kapnag Plumbing.

The board received a \$17,000 bid for sewer reconstruction. A lobby apartment encountered a toilet backup because the building's sanitary sewer is also connected to the rainwater drains from the roof and backyard. Although this connection was legal when the building was built, modern buildings have separate connections, so that major rainstorms cannot backup the sanitary sewer. There is no building code requirement that the co-op correct this situation. The board will solicit other bids for the work before deciding what to do.

Rainwater from our next door neighbor's building on Tenth Street also runs into our system. Recently, the board was advised that this was illegal. Since 1962 (when our building was completed) no one protested this situation. The elapsed period of 38 years means that we cannot legally stop our neighbor from doing this now. Dean Hanson of Kapnag suggested that we simply keep our garage ramp drain as clear as possible to avoid future difficulties. Dean suggested that installing an additional drain for the garage would probably not be money well spent. Dean not only works for Kapnag (a plumbing contractor), he is also an engineer.

SUPER'S WORKSHOP

The board authorized up to \$2,000 to renovate the super's workshop. Steel shelving was purchased, and the materials were reorganized in an orderly fashion to allow for easy access and space for the tenant storage locker room. The previous wood shelving was the subject of increasingly sharp complaints from the building inspector, due to the wood's flammability.

350 Bleecker Street Year 2000 Budget

	2000 Budget
<u>INCOME</u>	
Commercial Rent	\$86,000
Additional Commercial Rent	20,000
Laundry Income	13,000
Interest Income	5,000
National Co-op Bank Dividend	1,300
2% Transfer Fees	25,000
Sublet Fees	2,500
Late Fees @ \$50	200
Bike Room Fees	1,400
Assessment (53 cents times 17,222)	109,532
Maintenance Fees (\$4.65)	960,987
Total Income	1,224,919
<u>EXPENSES</u>	
Real Estate Tax	295,000
NYS Franchise Tax	2,000
NY Corporate Tax	2,000
Loan Interest (6% to AM+G)	2,000
Mortgage Interest + Principal	292,834
Total Taxes + Interest + Principal	593,834
Gas for cooking	3,500
Electricity	18,000
Gas for Hot Water (Summer)	4,000
Gas for Steam Heat	28,000
Cable TV	600
Water + Sewer	20,000
Total Utilities	74,100
Insurance	35,000
Management Fees (Ken Newman)	49,500
Legal (excludes certiorari)	25,000
Accounting	8,000
Phone	1,000
Postage & Stationery	2,400
Printing	1,200

Licenses, permits, violations	1,000
Office expenses	8,000
Bank Charges	650
Dues & Subscriptions	1,000
Internet Site	300
Security System	1,000
Total Administrative	134,050

350 Bleecker Street
Year 2000 Budget

	2000 Budget
Payroll	165,000
FICA Taxes	13,000
Medical	17,000
Total Labor	195,000
Boiler, Plumbing, A/C	12,000
Architect and Engineer	2,500
Janitorial Supplies	10,000
Elevator	10,600
Electrician	2,500
Windows	8,000
Intercom + Doors	1,200
Landscaping	1,200
Exterminator	4,600
Exercise Room	1,000
Painting, Carpet	1,000
Total Maintenance / Repairs	54,600
Contingency Fund	15,000
Total Operating Expenses	1,066,584
<u>Construction / Capital</u>	
AM&G (Formerly M&G)	210,000
AM&G Contingency	20,000
Planter Landscaping	20,000
Painting Zolotone	20,000
Engineering	6,000
Exercise Equipment	3,000
Total Construction/Capital	279,000
Total Expense: <i>(Including Contingency)</i>	1,345,584
Income Less Expense <i>Addition/(Reduction) to Reserve</i>	\$(120,665)
Cash Reserve estimate 12/31/2000	\$196,845

