

# 201 NEWS

NOVEMBER  
2011

THE NEWSLETTER OF 201 WEST 16TH STREET

## Welcome

**14D Keith Sebolt and Gene Giles.**

*Mr. Sebolt is an architect in his own practice who is currently working on the new Delta terminal at JFK. Mr. Giles is a management consultant to AT&T.*

## Security is everyone's concern

201 is one of the safest buildings in Chelsea. Our doormen do an excellent job in controlling traffic into and out of our building. Please note that just because someone has a key does not mean they get access to our building. If you are authorizing someone to water your plants or feed your cat while you are away, the Superintendent must be notified. It is easy to do, call him at (212) 255-2544, or send him an email at [super@201west16.org](mailto:super@201west16.org).

Along the same lines, if you have a change in your housekeeper, the super must be informed. The new housekeeper may arrive with a key, but unless they are known to the doorman, or have permission from the super, they will not be admitted. Remember, when in doubt and without prior authorization confirmed, the doormen are instructed to turn people away, even if they have a key. This standard is in place for everyone's protection.

## Time Change

The annual fall time change (fall backward) is a great time to change the batteries in your smoke detector, just as we do in the public areas of our building.

## Real Estate Taxes

In the last newsletter we mentioned that real estate taxes are now the largest single item in our budget. RE taxes are now a larger budget item than salaries for our hardworking professional staff or the payments on our mortgage. The city has been aggressively increasing the "assessed value" of our building, while at the same time making increases in the tax rate. We've been just as aggressive in protesting the valuation of our building for tax purposes. And occasionally they meet with our tax attorneys and offer an agreement in compromise. In 2002 we got a substantial settlement from the City based on over assessments during the previous 10 years. In 2011 we got a minor settlement, reported here, that covered the last 8 years. Even with those reductions, real estate taxes continue to climb.

In 2000 we paid \$233,500 in real estate taxes, which represented 22% of maintenance charges. In 2011 the taxes paid to the city are \$617,750, representing 38% of maintenance charges. In 2012 the real estate taxes on the building are expected to be \$729,000, representing about 39% of each maintenance bill.

Under the current NYC, NYS, and Federal tax schemes, real estate taxes paid are deductible on your tax filings if you itemize deductions. This is small solace for what is an onerous increase in an expense that we are largely unable to control. The Board of Directors has attempted to reduce the impact of some of these increases by growing the auxiliary revenue line, with some success. During an overall period when our taxes increased by 178%, maintenance has increased by only 41%. Unfortunately, there are fewer options to generate additional auxiliary revenue, and so the burden of continued tax increases could have a stronger impact on maintenance in the future.

## Façade Program

The restoration of the west façade of the building has been completed. Scaffolding has been removed from the rear of the building and private terraces are once again usable by shareholders. All of the work has been completed at the penthouse level and the west portions of those terraces have also been returned to the shareholder. Currently we are working in the crawl space between the elevator machine room and the PH, installing through-wall flashing to further isolate water penetrations at the top of our building.

On the east façade of the building, we are beginning to receive our newly cast terracotta stones, made with specially formulated concrete, textured and colored to match our existing stone work. The back up work of waterproofing, smoothing, and isolating has been completed. The newly cast terracotta stones will be attached to the building with specially engineered stainless steel pins that will lock them into place. This part of the work should be completed by late November. At this point the only thing remaining will be cutting and pointing, and minor repair to the Indiana limestone at the base of the building.

Once again we thank all the shareholders for their cooperation during this essential maintenance and reconstruction of portions of our façade.

## Lockers

We currently have one half-size locker available for rent. If you would like to rent one of our convenient storage lockers, please see Cristian in his office and he will add you to the very short wait list. Storage only an elevator ride away – it can't be beat. Please also note that after an extensive analysis of nearby storage facility rates the Board has voted to increase locker rental rates by 15% for all locker agreements renewing after December 31, 2011.

## Fuel Expenses

Our building uses, on average, about 50,000 gallons of # 6 fuel oil a year. In 2000 we were paying approximately \$0.81 per. By 2006 the price was \$1.40/gallon on average. We now pay about \$3.30/gallon. The perfect storm this year of an severe cold and a long winter coupled with extraordinarily high prices means that our fuel costs in 2011 will be about \$165,000, almost \$65,000 over our budget allotment for fuel for the year. These additional costs will very likely mean that the coop will have a deficit in spending for the year.

To try to keep maintenance costs down, we are constantly in search of ways to grow our auxiliary revenue. We have also added special sensors to detect areas in the building that may be overheated and where adjustments to the heat are possible. We have our boiler technicians come in several times during the year to "tune up" our boiler and burners so that they operate at maximum efficiency. And we have our superintendent closely monitor the heating in the building to avoid overheating. We have also competitively bid the replacement of individual valves on apartment radiator units. The building will replace free of charge any valve on your radiators that doesn't work properly. (If you are interested, please contact Cristian at (212) 255-2544, or send him an email at [super@201west16.org](mailto:super@201west16.org).) With 80 year old equipment, installed with 90 or 100 year old engineering technology, these measures are about the best that can be done at the moment.

Mayor Bloomberg's GreeNYC program has aggressively mandated that coops in NYC change from #6 fuel oil to #2 fuel oil by 2015. #2 is approximately 10% more expensive than #6, but burns much cleaner, which is the attractive part for the Mayor (and the environment). In addition to the increased costs, another drawback is that you have to burn a bit more #2 to get the same heat equivalent when using #6. There will be costs to the coop to meet this mandate. Our fuel delivery method must be changed, and the burner itself will need to be modified.

As a result, the Board of Directors has begun the very initial steps of exploring alternative methods of compliance and reviewing what some different options might cost. We are trying to assess any potential paybacks possible in changing to #2 or even changing to natural gas. We've already eliminated the option of purchasing ConEd steam. ConEd is working to stop providing steam altogether and they have significantly raised rates. We'll keep you informed about our progress in investigating the best options to heat our building moving forward.