

# CO-OP CITY TIMES

Co-op City's official newspaper serving the world's largest cooperative community.

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Saturday, March 9, 2024

## Management's Response to Shareholder Request for Dept. Information

On behalf of Douglas Elliman Property Management, I am pleased to present a special edition of the Management Report for Riverbay Corporation.

This Management Report provides an overview of the Corporation's Fiscal Year 23/24 Comprehensive Budget for period ending January 31, 2024, as well as an overview of the 25 functional departments which comprise Riverbay Corporation. An analysis of the budget vs. actual comparison will be provided to keep the community informed on how Riverbay is performing financially for the current reporting period. The 25 departmental budgets are included in this presentation.

**Management Report**

**Marvin L. Walton**  
Riverbay Executive General Manager

**Fiscal Year 23/24 Comprehensive Budget Overview**



The budget summary on this page gives a snapshot of Riverbay Corporation's Budget vs. Actual performance for Fiscal Year 23/24 for period April 1, 2023, to January 31, 2024.

### Income

Most of the Corporation's income is derived from carrying charges. For the period ending January 31, 2024, actual carrying charges were greater than anticipated by \$232,000. Other income was less than anticipated by 7% or \$3.17M due mostly to less than anticipated electric power income receipts.

### Summary of Expenses

#### Departmental Expenses

Total departmental expenditures, which includes salaries, fringe benefits and other expenses associated with the day-to-day departmental activities involved with providing direct and indirect services to the shareholders **are down 6% or \$7.8M**. This was due mostly to unused payroll and burden, asbestos, and flooring materials costs. Individually, departments were within the projected budget through January 31, 2024 with the following exceptions:

- The Power Plant Department was **over budget** by 9% due mostly to greater than expected overtime costs.
- The Restoration Department was under budget by 19% due mostly to reduced asbestos and flooring costs.
- The Public Safety Department was under budget by 8% due mostly to compensation savings because of vacancies.

#### Corporate Expenses

Corporate expenses are less than anticipated by 10% or \$7.5M due mostly to reduced utility costs.

#### Debt Service & Fee Expenses

The Corporation experienced an unfavorable variance of \$173,000K between the YTD budget and actual because of slight increases in the mortgage premium and reserves payments.

#### Overall Performance

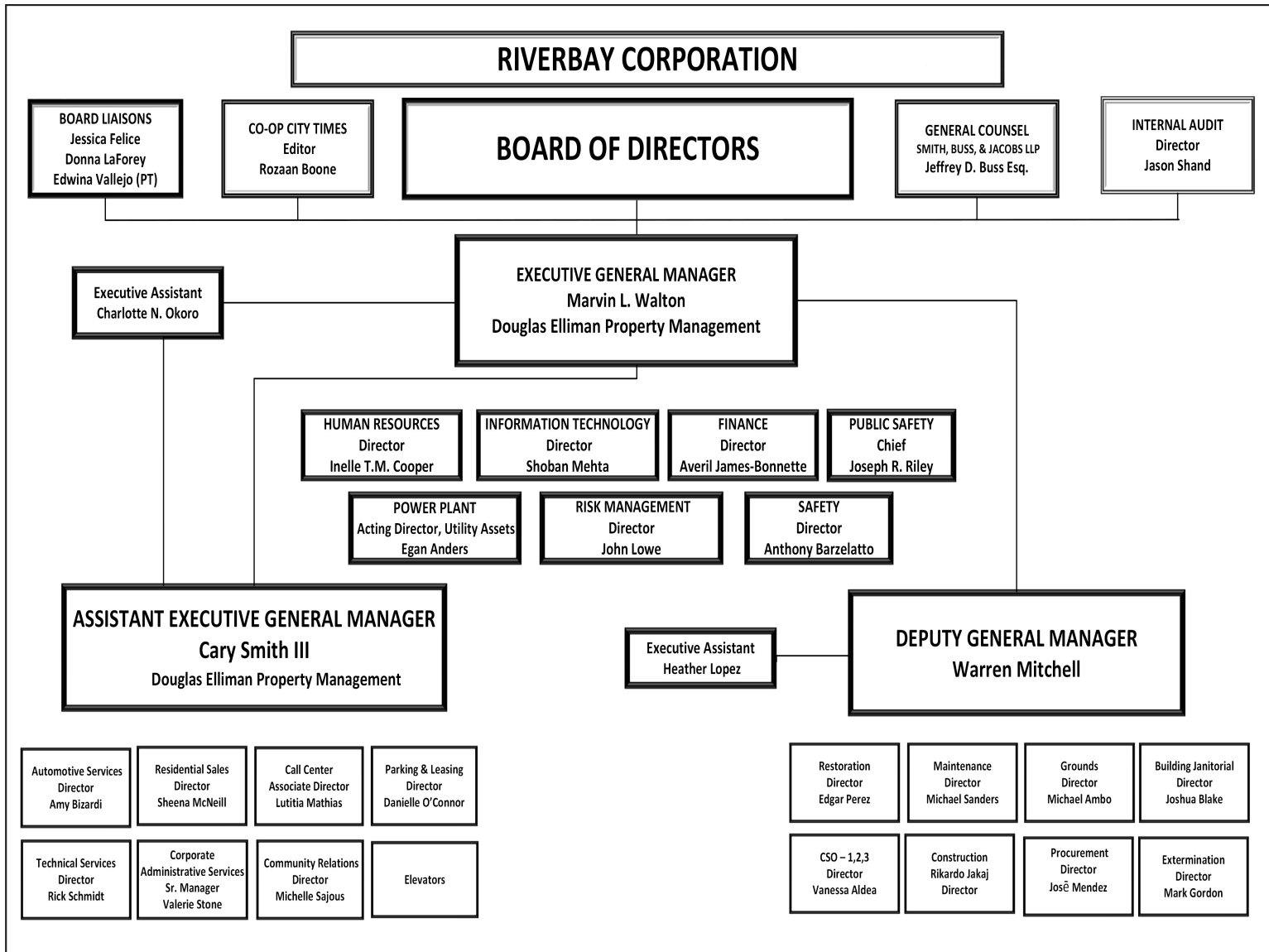
Overall, the grand total actual expenses of \$213,077,000, which include departmental, corporate and debt service was less than anticipated against the grand total actual income of \$225,550,000 which yielded a surplus of \$12,474. Similarly, year-to-date budget for the grand total expenses was \$228,151,000, which was less than anticipated when compared to the year-to-date budget grand total revenue of \$228,424,000 which yielded a positive variance of \$272,000. Both measures were favorable results for the reporting period.

RIVERBAY MONTHLY BUDGET COMPARISON SUMMARY - FY 23/24

RIVERBAY CORPORATION  
FISCAL YEAR 23/24 YEAR-TO-DATE BUDGET COMPARISON  
AS OF JANUARY 31, 2024  
AMOUNTS IN THOUSANDS

	F23/24 ANNUAL BUDGET	APRIL - JANUARY 2024			
		Y-T-D BUDGET	ACTUAL	+/- \$	+/- %
<b>INCOME:</b>					
Carrying Charges	\$ 224,002	\$ 186,668	\$ 186,900	\$ (232)	-0.1%
Vacancy Losses	\$ (2,466)	\$ (2,055)	\$ (1,992)	\$ 63	-3.1%
All Other Income	\$ 52,573	\$ 43,811	\$ 40,643	\$ 3,168	7.2%
<b>Grand Total Income</b>	<b>\$ 274,108</b>	<b>\$ 228,424</b>	<b>\$ 225,550</b>	<b>\$ 2,873</b>	<b>1.3%</b>
<b>DEPARTMENTAL OPERATING EXPENSES:</b>					
Automotive Services	\$ 1,318	\$ 1,098	\$ 1,084	\$ 15	1.3%
Board of Directors	\$ 456	\$ 380	\$ 344	\$ 36	9.5%
Budget & Finance	\$ 3,426	\$ 2,855	\$ 2,689	\$ 166	5.8%
Building Janitorial	\$ 23,860	\$ 19,884	\$ 19,646	\$ 238	1.2%
Call Center	\$ 2,363	\$ 1,969	\$ 1,946	\$ 23	1.2%
Communications (C.C. Times)	\$ 930	\$ 775	\$ 642	\$ 133	17.2%
Information Technology	\$ 4,364	\$ 3,637	\$ 3,141	\$ 496	13.6%
Construction	\$ 2,657	\$ 2,214	\$ 1,672	\$ 542	24.5%
Cooperator Services Office	\$ 1,499	\$ 1,249	\$ 1,045	\$ 204	16.3%
Corporate Administrative Services	\$ 783	\$ 652	\$ 572	\$ 80	12.3%
Extinction	\$ 599	\$ 500	\$ 541	\$ (41)	-8.2%
General Management	\$ 1,549	\$ 1,291	\$ 1,251	\$ 39	3.1%
Grounds/Landscaping	\$ 5,244	\$ 4,370	\$ 4,115	\$ 255	5.8%
Human Resources	\$ 1,076	\$ 897	\$ 825	\$ 72	8.0%
Internal Audit	\$ 509	\$ 424	\$ 344	\$ 80	18.9%
Maintenance	\$ 18,074	\$ 15,062	\$ 15,108	\$ (46)	-0.3%
Parking & Leasing	\$ 6,696	\$ 5,580	\$ 4,820	\$ 761	13.6%
Power Plant	\$ 21,173	\$ 17,644	\$ 19,184	\$ (1,540)	-8.7%
Procurement	\$ 2,107	\$ 1,756	\$ 1,597	\$ 159	9.1%
Public Safety (CCPD)	\$ 13,543	\$ 11,286	\$ 10,337	\$ 949	8.4%
Residential Sales	\$ 1,484	\$ 1,237	\$ 1,128	\$ 109	8.8%
Restorations	\$ 29,275	\$ 24,396	\$ 19,738	\$ 4,658	19.1%
Risk Management	\$ 516	\$ 430	\$ 359	\$ 71	16.5%
Safety	\$ 1,091	\$ 909	\$ 797	\$ 112	12.4%
Technical Services	\$ 911	\$ 759	\$ 574	\$ 185	24.3%
<b>TOTAL DEPARTMENTAL EXPENSES</b>	<b>\$ 145,505</b>	<b>\$ 121,254</b>	<b>\$ 113,497</b>	<b>\$ 7,757</b>	<b>6.4%</b>
<b>CORPORATE EXPENSES:</b>					
Insurance	\$ 21,671	\$ 18,060	\$ 16,553	\$ 1,506	8.3%
Utilities + Water	\$ 47,699	\$ 39,749	\$ 34,634	\$ 5,115	12.9%
Real Estate Taxes	\$ 11,459	\$ 9,549	\$ 8,638	\$ 911	9.5%
Violations	\$ 100	\$ 83	\$ 105	\$ (21)	-25.7%
Bad Debts	\$ 4,500	\$ 3,750	\$ 3,501	\$ 249	6.6%
Corporate Operating Expenses	\$ 6,422	\$ 5,352	\$ 5,620	\$ (268)	-5.0%
<b>TOTAL CORPORATE ALL EXPENSES</b>	<b>\$ 91,851</b>	<b>\$ 76,543</b>	<b>\$ 69,051</b>	<b>\$ 7,492</b>	<b>9.8%</b>
<b>EXPENSES BEFORE DEBT SERVICE &amp; FEES:</b>	<b>\$ 237,356</b>	<b>\$ 197,797</b>	<b>\$ 182,548</b>	<b>\$ 15,248</b>	<b>7.7%</b>
<b>DEBT SERVICE &amp; FEES:</b>					
General Replacement Reserve Fees	\$ 5,269	\$ 4,391	\$ 4,534	\$ (143)	-3.3%
HUD Mortgage Insurance Premium	\$ 2,121	\$ 1,767	\$ 1,797	\$ (30)	-1.7%
Debt Service	\$ 29,036	\$ 24,197	\$ 24,197	\$ -	0.0%
<b>TOTAL DEBT SERVICE &amp; FEES</b>	<b>\$ 36,426</b>	<b>\$ 30,355</b>	<b>\$ 30,528</b>	<b>\$ (173)</b>	<b>0.0%</b>
<b>GRAND TOTAL EXPENSES</b>	<b>\$ 273,782</b>	<b>\$ 228,152</b>	<b>\$ 213,076</b>	<b>\$ 15,076</b>	<b>6.6%</b>
<b>NET SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>\$ 326</b>	<b>\$ 272</b>	<b>\$ 12,474</b>	<b>\$ 12,202</b>	

## Overview of Departments



To increase accountability on all levels of the corporation, effective Monday, September 25, 2023 the current state of the organizational structure of Riverbay Corporation was modified to incorporate Cary Smith III, Assistant Executive General Manager, into the day-to-day operations. Cary has direct oversight of the following **process departments**:

- Automotive Services • Call Center • Community Relations
- Corporate Administrative Services Elevator Services • Parking & Leasing • Residential Sales • Technical Services

Warren Mitchell, Deputy General Manager, has direct oversight of the following **operations departments**:

- Building Janitorial • Cooperator Services Office • Construction • Extermination • Grounds/Landscaping • Maintenance • Procurement • Restorations

Marvin L. Walton, Executive General Manager, has indirect oversight of all departments as well as direct oversight of the following **internal support departments**:

- Finance • Human Resources • Information Technology • Power Plant • Public Safety • Safety • Risk Management

The Board Directors have direct oversight of the following departments:

- Office of Board Liaison • Office of the General Counsel • Internal Audit • Communications (*Co-op City Times*)

Below are descriptions of the 25 Riverbay functional departments with the budget headcounts, the number of positions budgeted for the department.

### Department Descriptions

**1. The Automotive Services Department** is responsible for Fleet Management corporate wide and administers approximately 120 vehicles and equipment. This department interacts with 17 internal departments with assigned vehicles. The duties include overseeing vehicle acquisition and maintenance, driver management, monthly processing of gas receipts, maintaining vehicle mileage logs, vehicle registration as well as handling emergency service calls. Purchasing of garbage trucks and accessories for the PearTree Facility is also handled by this department. They also collaborate with the Enterprise Fleet Program, T-Mobile GEO Tab, and Shell gas station. **[Budget Headcount – 2]**

**2. The Board of Directors of Co-op City** is represented by fifteen volunteer shareholders. The Board provides guidance and oversight to Management and ensures Co-op City is operated in a manner consistent with professional management practices. The Board encourages shareholder involvement in governance of the community by joining Board committees chaired by Board directors, which allows for exchange of ideas and input among shareholders, directors and Management personnel who attend committee meetings. **[Budget Headcount – 3]**

**3. The Finance Department** is responsible for all the financial activities of the Corporation. This includes Accounts Receivable which collects all monies due the Corporation; Accounts Payable which pays all the bills; Payroll which pays over 1,000 employees each week along with paying the benefits to the various unions;

Collections which address shareholders and commercial tenants who are not paying timely; Accounting which ensures all transactions are recorded properly and supports the annual audit by the outside accounting firm; Budget which monitors all revenue and expenses versus Budget amounts, and numerous other responsibilities such as Union contract negotiations, Annual Income Affidavit processing, etc. **[Budget Headcount – 20]**

**4. The Buildings/Janitorial Department** provides janitorial services to the entire Co-op City community. The Department cleans and maintains all sixty-five (65) separate high-rise buildings, seven (7) townhouse clusters and provides 365-day trash pick-up throughout the entire community. Buildings/Janitorial is responsible for the cleaning/maintenance of the common public hall areas on 1,790 floors, including basements (1,690 apartment floors). Buildings/Janitorial maintains/cleans over 3,500 flights of public stairs in the high-rise buildings consisting of approximately 1,460,740 sq. ft. of flooring. The PearTree facility is responsible for removal of all trash within Co-op City. The department also plasters and paints all walls, ceilings, repairs/replaces tile floors and cobase in public areas. The department cleans 160 elevators in 65 lobbies, 70,000 sq. ft. of basement cleaning, cleans 2,235 compactor rooms and 35 laundry rooms amounting to approximately 35,660 sq. ft. of space. Buildings/Janitorial is responsible for the cleaning of some 11,000 sq. ft. and over 1,900 pieces of windows in the high-rise buildings. Other tasks include the replacement of bulbs (approximately 21,750) in high-rise buildings. **[Budget Headcount – 249]**

**5. The Call Center** opened in September 2019 to centrally manage calls for the corporation. Shareholders are provided guidance with maintenance, restorations, basic finance questions and inspections of their apartment, account inquiries and public area concerns. The Call Center agents are required to generate and distribute work orders to the various departments. **[Budget Headcount – 42]**

**6. The Communications Department (Co-op City Times)** is responsible for publishing the official weekly newspaper of the community. Founded in October 1966 by United Housing Foundation (UHF), builders of Co-op City, the newspaper's mission is to record the history of the development, policy decisions of the Riverbay Board of Directors, initiatives of the development's management, and the accomplishments of its residents. It is the medium through which the Riverbay Corporation and the development's supervisory agency, New York State Division of Housing and Community Renewal (HCR), communicate with shareholders, and vice versa. **[Budget Headcount – 9]**

**7. The Construction Department** provides oversight for the contracted projects. Collectively, they monitor the progress of these projects, manage the contractors, and evaluate the work for compliance with the contractual documents. Other projects include, but are not limited to, paved surfaces in and around the campus, masonry and carpentry work within the corporate spaces, large-scale construction projects such as Local Law 11 work as well as the small-scale trip hazard prevention. The department provides specialized skilled repairs and maintenance of upper and lower Ash Cart rooms, compactor rooms, dumpster pads, as well as throughout the three major shopping centers. They are also responsible for the safe use of heavy-duty construction equipment – backhoe, bobcat, concrete mixer, generators, concrete grinders, jackhammers, concrete saws, and air compressor related equipment. The Construction Department also helps other departments assess and repair throughout the campus. **[Budget Headcount – 17]**

**8. The Cooperator Services Office** is responsible for addressing shareholders' complaints, which include noise complaints, maintenance issues, housekeeping issues, etc. The De-

partment also conducts property walkthroughs, inspections to ensure that court stipulations are met, all HPD violations are addressed, and that rules and regulations of the Occupancy Agreement are being followed. The Cooperator Services Office liaises and follows up with other departments such as the Maintenance, Restorations and Janitorial/Buildings to ensure that maintenance, repairs, and other issues referred to those departments are remediated in a timely manner. **[Budget Headcount – 15]**

**9. Corporate Administrative Services Department (CAS)** is responsible for corporate-wide purchasing of office supplies and furniture as well as supplying 800+ union members with uniforms. CAS manages the mailroom, which helps the flow of communication between Riverbay and outside parties as well as between internal departments. CAS also staffs the reception desk at 2049 Bartow guiding the shareholders to the various branches of the Corporation to obtain pertinent information. **[Budget Headcount – 4]**

**10. The Extermination Department** provides pest control services to the Co-op City community by implementing the core principles of IMP (Integrated Pest Management). Pests are populations of living organisms (*animals, plants, or microorganisms*) that cause damage to the community. The following are the primary areas of focus to be inspected, treated, and monitored daily by this department: Apartments, basements, pump rooms, storage areas, upper common hallways/including, garbage chute closets, compactor rooms/Ash Cart rooms, laundry rooms, hallways, lobbies and corridors, staircases and landings, crawl spaces, community centers and administration offices, full exterior perimeters, vacant commercial spaces, grounds, and all other accessible areas. **[Budget Headcount – 7]**

**11. The General Management Department** consists of the Office of the Executive General Manager, Community Relations, and Elevator maintenance. Since 2016, the day-to-day oversight of the corporation has been contracted to Douglas Elliman Property Management. The Douglas Elliman onsite team is headed by Executive General Manager Marvin L. Walton (since April 2023) and Assistant General Manager Cary Smith III. The Community Relations Department collaborates closely with the Riverbay Fund to offer year-round programs and activities for shareholders and their families. These events include the following: health fairs, topical workshops, outdoor concerts and fairs, block parties, Splash Days, Halloween, Easter and Fourth of July celebrations, a Senior Citizen prom, holiday celebrations and other programming. The department also serves as Riverbay Corporation's liaison to various city agencies, elected officials, and businesses. **[Budget Headcount – 6]**

**12. The Grounds/Landscaping Department** provides full outdoor services to 340 acres in the Co-op City community. Among the areas covered, they are responsible for the daily repair and maintenance of 840 benches, 15 cul de sacs, 2 Greenways, 17 miles of walkways/pathway and sidewalks, 360 public garbage cans, the Power Plant, Yellow School House, riverside, PearTree, and occasional public city medians/walkways. They provide picturesque landscaping services surrounding the outside of all sixty-five (65) separate high-rise buildings and the seven (7) townhouse clusters. The Grounds Department covers lawn maintenance, seeding, watering, mulching, pruning, cutting & trimming of grass and hedges, weeding, weed whacking, leaf removal, garbage removal, cultivation, planting, snow removal, de-icing, chain/post installations and repairs. Aside from the outdoor maintenance, the department is also responsible for mechanical maintenance provided to the garages, Buildings/Janitorial and Construction department for the wear and tear of the machines used by the Porters of the buildings. **[Budget**

## **Headcount – 49]**

**13. The Human Resources Department** is responsible for recruiting, personnel actions processing, benefits, organizational development and training, employee and labor relations, rewards and recognition, succession planning, employee retention and providing guidance to management and employees on HR related matters. **[Budget Headcount – 9]**

**14. The Internal Audit Department** assists the Board of Directors, Audit Committee, and Management in the effective performance of their duties. The functions of Internal Audit include examining, evaluating, and monitoring the adequacy and effectiveness of operational and internal controls established to ensure that Riverbay's activities and operations mitigate risk to the Corporation. Management is fully responsible for the internal controls and to ensure that appropriate and adequate arrangements are in place. **[Budget Headcount – 5]**

**15. The Information Technology Department** is responsible for the architecture, hardware, software, and networking of computers in the corporation. They are also responsible for programming, website updates and technical support throughout the corporation. They deal with a variety of troubleshooting issues with help to present for future issues. **[Budget Headcount – 6]**

**16. The Maintenance Department** is comprised of Building Maintenance, Preventive Maintenance, the Lock Shop, Electric Shop, Plumbing Department, Intercom Department and Emergency Maintenance. Requests for repairs are taken by the Call Center during normal working hours. Call Center issues Work Orders for Maintenance to perform the job and creates an historical record of the work performed. The Emergency Desk operates from 4 p.m. to 8 a.m. and all day on weekends and holidays, prioritizing and handling all emergency calls. The Maintenance Department works 24 hours per day, 365 days per year. **[Budget Headcount – 133]**

**17. The Parking & Leasing Department** oversees the operations of eight (8) garages, three (3) commercial malls comprised of 84 leased spaces and 31 professional spaces throughout the campus. The department also schedules rooms for events hosted by various community-based organizations, groups, and churches, manages basement storage and hall closets, and Key Fob distribution. **[Budget Headcount – 58]**

**18. The Power Plant** is a central feature of the Co-op City community; it is a Combined Cooling, Heating and Power Generation Facility ("CCHP") providing the energy and utility needs of the community. The primary energy source for the CCHP is from natural gas, although the plant can also fire on low sulfur diesel fuel. Natural gas currently feeds three (3) fired water tube boilers. The Plant currently consists of one 300 kpph High Pressure Boiler (900psi), one 150 kpph High Pressure Boiler (900psi), and one 300 kpph Low Pressure Boiler (150psi). There is one steam turbine generator operating at 16 MW and two gas turbine generators operating at 12.5 MW each and providing 80,000 kpph high pressure steam. Although the overall combined cycle power provided to Co-op City ranges between 14 MW and 23 MW, the CCHP can generate 40 MW of electricity. The Department has the overall responsibility to ensure that the Plant is operating at an acceptable level of availability and reliability. A third party operating and maintenance (O&M) consultant, NAES, is currently working with Management to optimize the performance of the co-gen facility by focusing on safety, reliability, compliance, and cost. **[Budget Headcount – 56]**

**19. The Procurement Department** is responsible for purchasing goods and services required by the corporation, and for inventory management and distribution of supplies and materials. Procurement helps ensure that suppliers comply with the

purchase contract terms and all applicable Federal, NY State Division of Community Renewal (DHCR) and all other applicable laws and regulations. **[Budget Headcount – 21]**

**20. The Co-op City Department of Public Safety** is responsible for the protection of life and property within the confines of Co-op City. The department is committed to delivering quality services in response to our community. The department recognizes its responsibility to protect life and property, prevent crime, enforce laws, and improve the quality of life for all residents of the community. Their goal is to build partnerships with all members of the community by demonstrating pride, professionalism, and service while treating everyone with dignity and respect. **[Budget Headcount – 130]**

**21. The Residential Sales Department** has the fundamental role of generating revenue, which helps to cover the cost of operating the Co-op City community as well as reduce the number of vacant units in a complex comprised of 15,372 apartments situated on 340 acres of land. The department processes new applications, transfer applications and succession applications for apartments under the supervision of the New York States Housing and Community Renewal. **[Budget Headcount – 14]**

**22. The Restorations Department** restores both vacant and occupied apartments, in addition to some of the public space work, i.e., all plastering and some painting. Before work begins in vacant apartments, there is a move-out inspection conducted to determine repairs needed to re-sell the apartment. With respect to occupied apartments, inspectors visit the apartment to identify work needed. The department is divided into five sections: Inspections, Flooring, Ceramic Tiling, Plastering, and Painting. **[Budget Headcount – 76]**

**23. The Risk Management Department** is responsible for the renewal of all 13 of Riverbay's insurance policies. The department also manages all Workers' Compensation, General Liability, Property Damage and Directors' & Officers' claims, and assists the Safety Department with review of Co-op City campus for safety issues needing corrections. **[Budget Headcount – 4]**

**24. The Safety Department** is responsible for administering the corporation's safety program. The department works closely with the Risk Management Department to investigate and record all workplace injuries, accidents and to advise management on mitigation measures to reduce workplace injuries and hazards. The Department conducts inspections including daily inspections of commercial centers, residential buildings along with inspections and re-inspections of commercial establishments and provides training to employees on workplace safe practices, protocols, and accident prevention. **[Budget Headcount – 6]**

**25. The Technical Services Department** handles a wide variety of daily operations that keeps Co-op City's Communication, Security Systems and MATV operating smoothly. Some of the items that the department takes care of are the MATV System, which brings the community around 60 HD channels, as well as the cameras for Channels 6 (Building Lobby), 8 (Laundry Rooms) & 12 (Information Crawler). Tech Services is also responsible for the distribution of live events on Channel 12 and provides installation of MATV in the homes of our cooperators. Tech Services installs and maintains over 1000 cameras for the complex, along with the Blue Emergency Call Boxes throughout the campus. In addition, Tech Services installs and maintains Riverbay's in-house Fiber Optic Network for office communications via email, internet, and telephone system, plus helps maintain Co-op City's Computer Network Connections. This department also liaises with projects for Verizon, Altice, NYPD, NYPD & Federal Government for Communication Projects. **[Budget Headcount – 7]**

