

CO-OP CITY TIMES

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Saturday, October 19, 2024

Management Report for Riverbay Corporation for period ending September 30, 2024



Management Report
Marvin L. Walton
Riverbay Executive General Manager

On behalf of Douglas Elliman Property Management – Managing Agent, I am delighted to present the Management Report for Riverbay Corporation for the period ending September 30, 2024.

This Management report provides updates with the following items:

- Staffing – Public Safety Department
- Heat/Change-Over
- Post Earthquake Assessments
- Shareholder Orientation
- 2-year Budget Planning
- Convector initiatives

PUBLIC SAFETY STAFFING

CCPD current staffing levels grew to be (49) forty-nine or 53% short of the budgeted 93 Peace Officer positions. The new recruitment class with our in-house Peace Officer Training Academy is progressing with a total of (16) sixteen recruits in the Academy. Management has begun recruitment efforts for the next class, which is anticipated to begin mid December 2024. The Human Resources Department received a total of applications of which 182 were identified for interviews.

HEAT/CHANGE-OVER

Air conditioning in the community was shut down and the Power Plant Team began transitioning to heating operations last week. The Power Plant team will continue to monitor the community during this transition to stabilize the heat.

POST EARTHQUAKE ASSESSMENTS

Riverbay structural engineers, O&S Associates completed an assessment of 35 buildings and the 7 townhouse clusters in the community and did not observe any damages from the earthquake that occurred on April 5, 2024.

SHAREHOLDER ORIENTATION

Beginning Monday, November 18, 2024, Management will post a *Shareholder Orientation* video on the Co-op City website. This video will provide information for **ALL** shareholders as it relates to the “Co-op City Shareholder Experience.” House rules and regulations contained in the video can serve as a refresher for shareholders, especially those that moved in some time ago.

2-YEAR BUDGET PLANNING

During the month of September 2024, Management held five (5) community engagement sessions with building and townhouse association leaders where the focus was primarily capital improvements needed in the community. The purpose of these sessions were to gather information from the community that will be shared with the Board Directors as decision are reached on the projected Capital budget. The Capital budget will reflect the needs of the community within the established budgetary constraints. We appreciated the association leaders’ participation in the 2-Year Budget planning process.

UPDATE - CONVECTOR INITIATIVES TRACKER – UPDATES IN RED TEXT

Vendor(s)	Product/Project	Funds Expended
1. Express Plumbing	Installation of an electronic leak detection and shut off valve in convector	\$5,301.04
Current Status		
<p>The electronic leak detection and shut off valve was installed in Building 10B, Apartment 4B. This device is designed to detect leaks that may occur from a build-up of condensation in the convector. Once the water in the drip pan reaches a certain level, the device will activate and shut off the valve stopping the chilled water from circulating in the coil mitigating potential flooding in the apartment.</p> <ul style="list-style-type: none"> • Management will be installing two (2) motorized shut-off valves with leak detection in occupied apartments. These valves will shut the water flowing through the coils in the convector once a leak is detected. The Maintenance team will periodically check in with the shareholders to see how the device is performing. • Management obtained a quote (\$3,534.00) from Express Plumbing to install the two (2) shut-off valves in apartments. Management is coordinating with the two (2) shareholders where the valves will be installed and monitored by the Maintenance department. • Shut-off valves were installed in 11A/12C and 16B/12F; the valve will automatically shut off the water flowing through the coil if a leak is detected. The Maintenance department will monitor these convectors and will stay connected with shareholders to see if any issues arise from the installation. 		

Vendor(s)	Product/Project	Funds Expended
2. Kelvin Systems, Inc.	Convector control and leak monitoring unit	\$2000.00
Current Status		
<p>A sample product was installed in Section 1 Maintenance Office to observe the features for evaluating the functionality. The company is working on a dashboard that will support the operation of the unit.</p> <p>Kelvin Systems, Inc. presented to Riverbay Management team on Friday, June 30, 2023. The presentation provided an overview of a radiator monitor and the proposed retrofits which include replacing the current toggle switch with a GFCI outlet, installing a float switch that is to be placed in the condensate drip tray to send an alert when the drip tray level rises and a radiator sensor that will monitor the convector coil temperature and report information to a cloud dashboard and database. Management plans to purchase five (5) radiator monitors at a cost of \$400/unit (\$2,000) which will be installed in apartments and will be monitored by the Maintenance team for performance.</p> <ul style="list-style-type: none"> • The device is currently being evaluated in apartments. Management is working with shareholders to identify additional apartments to test the device. This device could provide reporting/alarm benefits. • 4 Units have been installed. Kelvin is arranging to install 3 more units, two (2) of which were free of charge. • Maintenance will continue to be evaluated as issues arose with connectivity and were resolved by the vendor. • This system does not have a leak detection device. Some issues came up during testing with connectivity and the unit was not responding. The vendor is addressing this matter. 		

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Vendor(s)	Product/Project	Funds Expended
3. Aqua Solanor Inc.	Ultra-Thin Hydronic Fan Coil Unit	\$0
Current Status		
<p>A Canada-based company shipped a free unit (8,000 BTUs) to be tested in an apartment. It is proposed that this unit will replace an existing convector and will include a water sensor and a 2-way shut-off valve that will prevent flooding in an apartment. The unit shipped was a base model without the water sensor and 2-way shut-off valve.</p> <p>PHASE 1 – Conduct test to determine if the unit fits and operates in our current environment. The base model unit was installed in the living room of the model apartment, Building 19, Apt. 23F, on June 6, 2023. RESULTS: This unit operates in our current environment without any issues observed thus far. The Maintenance team will continue to monitor and do all necessary testing to complete this phase. The Maintenance team anticipates that the unit will be monitored through September 2023.</p> <ul style="list-style-type: none"> The Maintenance team continues to monitor the apartment once a week. Thus far, the apartment temperature has been maintained around seventy degrees with only one unit operating. There were no leaks from the unit. This is a one-bedroom apartment. <u>Phase 1 completed.</u> Will monitor the heating through the winter. Unit performed well in our current environment during the cooling season. <p>PHASE 2 – Order a larger unit (12,000 BTUs) from vendor that will include dual shut off valves, water leak sensors and a larger/deeper condensate tray. This unit will be installed in the model apartment and will be monitored by the Maintenance team to ensure it fits and operates in our current environment and performs all its features. The Maintenance Team will monitor the unit for the winter season through March 2024. Test time for this phase is estimated at 6 to 8 months.</p> <ul style="list-style-type: none"> The 12,000 BTU unit is currently in transit to Riverbay at no cost. This unit will come complete with two 3-way motorized Belimo valves to shut off water to the coil in the event of a leak or break. This unit will be installed in the living room of the 3-bedroom model apartment in Building 34 in Section 5 and monitored in our current environment for the upcoming heating season. The unit was received with two motorized shutoff valves and a water detection device. It is currently being installed in the 3-bedroom model apartment (living room - 34/32E). Installation will be completed by the week ending 10/14/23. This will be monitored weekly to ensure it operates correctly in our current environment. The Maintenance department are monitoring the units, and they are performing as expected. No leaks have been detected. Winter monitoring is proceeding as planned, with adequate temperatures measured in the apartments using only living room units. Measurements were taken on 1/18/24 with outside temperatures 28 degrees, room temperatures were as follows: 19/23F temperature was 73 degrees and 35/32E temperature was 69 degrees. <p>Phase 3: Based on the data collected from phase 1 and phase 2, the Maintenance team will meet with the Engineering team and will design a unit that would meet any additional requirements needed. The goal is to build a unit for our current environment with the software and performance for Co-op City's high-rise buildings. This unit will be designed to save energy and provide the same comfort and eliminate localized condensate leaks and coil failure leaks. Management will also explore if there is government funding available for this type of large-scale program. Time for this phase is to be determined.</p> <p>Phase 4: Designed unit completed and ready for ordering when all requirements are met. Management will examine historical data to determine a line of living rooms that have had multiple leaks in a building for units to be installed. The labor needed for installations will be assessed and determined during this phase. The Maintenance team will monitor units installed in apartments beginning with a cooling season in the current environment for performance. Test time for this phase is to be determined.</p> <p>Phase 5: Roll out a larger scale install throughout the campus. This will involve preparing an RFP to obtain options and prices to furnish and install units in various quantities. The installation of the new units is projected to reduce convector leaks, floor repairs, and asbestos abatement. There will also be increased comfort in the apartments along with cost savings on energy. Time for this phase is to be determined.</p> <ul style="list-style-type: none"> This unit continues to perform well in the current environment. Management will be exploring additional features in the unit that would maximize its performance. 		

Vendor(s)	Product/Project	Funds Expended
4. Artic Heat Pumps		\$0
Current Status		
<p>The vendor will provide a 12,000 BTU convector like the one being evaluated at no cost to Riverbay. We will assess this unit in our current environment to make sure it performs all its features.</p> <ul style="list-style-type: none"> The Unit arrived and is continuing to be evaluated. The unit was installed in the maintenance shop and is being monitored. Unit is performing well in the current environment, but it does not have any leak mitigation features. 		
Vendor(s)	Product/Project	Funds Expended
5. Gil Bar		\$0
Current Status		
<p>Waiting for delivery. All measurements were taken by Manufacturer. Expected delivery is within a month.</p> <ul style="list-style-type: none"> The Unit arrived and was installed in Section 2 office (Bldg. 10C) on 3/18/24. This unit has control valves and a pan float for leak mitigation. Vendor changed from the promised retrofit of the existing convector box to a direct replacement unit. The unit is working as expected and being monitored by the Maintenance Department. Unit is performing well in the current environment, but it does not have any leak mitigation features. 		
Vendor(s)	Product/Project	Funds Expended
6. Verano	Universal Slim Fan Coil (<i>Units currently being installed at Rochdale Village</i>)	\$65,000.00
Current Status		
<p>Waiting for delivery of six (6) free sample units from the manufacturer. Expected delivery is within four (4) weeks. Plans are to have the sample units installed in occupied apartments and the Maintenance department will conduct ongoing monitoring of the units.</p> <ul style="list-style-type: none"> Management is identifying six (6) occupied apartments for the units to be installed in the living rooms. Once the locations are identified, the contractor will measure and make all arrangements for the units to be installed. Management will be proposing to the Board to purchase twenty-six units (<i>6 free</i>) for a total of thirty-two units. These units will be installed in Building 14 on the E line and monitored during the cooling season. The anticipated cost including the installation is \$65,000 plus taxes. With consensus from the Board Directors, Management is preparing a contract with the vendor to install thirty-two units in the living rooms of Building 14 on the E-line. Plans are to have the installation commence within the next 6-8 weeks. 32 Sloped Top Units are on order and expected to be delivered by the end of the month. The units will be installed in Building 14 on the "B" line. This is a correction to the information that was reported last month (Units to be installed on the B-Line and the E-Line). Installation is expected to take one week. Thirty-two units have been delivered to Co-op City. Management is in the process of installing these units in Building 14 B-line Living rooms. As of 7/16/24, six (6) units have been installed. Plans are to install five (5) units each day with an estimated completion date of 7/24/24. All units come with digital screens for comfort settings, water temperature sensors, leak detection devices for drip pans as well as the floor. The Maintenance department will monitor units in our current environment during the cooling season and heating season. All thirty-two units have been installed and are currently being monitored under our current environment. They are performing well; Management will continue to monitor the units for the remainder of the A/C season and the upcoming heating season. Management will arrange for the Board Director to tour Apt. 23B in Building 14 so they can see how the unit operates. The 32 Units installed continue to perform well in our current environment. No defects have been detected. The units are continuing to function without any identified issues. Management is in the process of transitioning into the winter season. The Maintenance Department will continue to monitor the apartments during this transition. 		

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BELOW ARE THE KPIs (KEY PERFORMANCE INDICATORS) FOR SEPTEMBER 2024.

RESIDENTIAL SALES ACTIVITY

	September	Fiscal YTD	Monthly Average
Apartment Closings	22	181	30
Apartments Accepted (sold)	49	265	44
Move Outs	33	182	30

APARTMENT CLOSINGS AND FINANCING HISTORY

Equity Paid in Full	13
Deferred Equity Program	1
Equity Financed via Loan (<i>Citibank or Webster Bank</i>)	7
Downsizing / Lateral transfers (no monies collected)	1

Note : 0 (zero) Applicants declined to close due to lack of financing.

Total Apartments	15,372
Occupied Apartments	15,144
Occupancy Rate:	98.5%
Vacant Apartments	228
-Apartments - Undergoing Restoration Process	68
-Apartments - Restored, Pending Closing	104
-Apartments - Unsold (<i>34 Restored and 18 Not Restored</i>)	52
-Model Apartments	2
-Convector testing unit	1
-Waterproofing Testing	1
Average Days for Apartment to be Restored:	22
Total Apartments Restored	24
Evictions:	
-Shareholders	5
-Commercial	0
Landlord / Tenant Court Proceedings:	
Court Stipulations Cases:	20
Hold Over Cases:	95
Non-payment Cases:	212
Dispositions	0
Vacancy Loss	\$ (142,248)

HUMAN RESOURCES SUMMARY

EMPLOYEE AND LABOR RELATIONS SUMMARY

Type	Outstanding (previous month)	New	Resolved	Ongoing
Grievances	2	0	0	2
Arbitrations	12	0	0	12
External Concerns/Inquiries	8	0	1	7
Disciplinary Actions Reports & Other ELR matters	68	35	25	78
Total:	90	35	26	99

DISABILITY/FMLA/PFL

	New Requests	Pending Request	Total on Leave
Short Term Disability	1	0	6
Family Medical Leave Act	4	2	11
Paid Family Leave	1	0	9
Workplace Accommodation	2	2	N/A
Total	8	4	26

**Work place Accomadations vary in type, and are not counted in the "Total on Leave" column. Accomodations that are leave extensions are counted in the noted leave categories.*

HEAD COUNT SUMMARY

Budgeted Head Count	948
Filled Head Count	881
Vacant Head Count	67
Vacant Head Count Rate	7.1%

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PUBLIC SAFETY SUMMARY

CCPD DETECTIVE SQUAD SUMMARY Y-T-D

Case Type	2024	2023	% Change
Homicide	0	0	0.0%
Rape	0	0	0.0%
Burglary	5	3	66.7%
Robbery	4	8	-50.0%
Felony Assault	3	6	-50.0%
Grand Larceny	1	3	-66.7%
Grand Larceny Auto	19	11	72.7%
Total Cases to Squad	32	31	3.2%

COMMUNITY COMPLAINTS / SUMMONS ISSUED

Type of Summons	Summons Issued
Abuse of Premises	11
Anti-Social Behavior	3
Leash Law Violation	2
Defacing / Destroying Riverbay Property	0
Driving/Parking on Property	0
E-BIKES	0
Harboring Animals	17
Littering	4
Loitering	5
Noise	18
Poor Housekeeping	3
Refusing Apartment Inspection	3
Smoking inside Residential Bldg.	0
Unauthorized Move In / Out	6
Other	5
NYC Parking Summonses	130
NYC Criminal Court Summonses	3
TOTAL	210

CALLS RECEIVED FOR SERVICES

Nature of Call	Calls Received	Nature of Call	Calls Received
Abuse of Premises	5	Maintenance	33
Aided	74	Missing person	3
Animal	32	Move In / Out	23
Assault	3	MVA	9
Ball Playing	2	Narcotics	4
Burglary	2	Noise	231
Calls for Help	17	Objects from Building	4
Criminal Mischief	7	Odor	47
Criminal Trespass	7	Parking Condition / Violations	180
Disorderly Conduct	16	Property Damage	11
Dispute	45	Property Lost / Found	14
E-BIKE	2	Public Consumption	0
Elevator Calls	36	Robbery	0
Fire / Smoke	1	Robbery Commercial	0
Harassment	37	Sex Related Crime	0
Hazardous Condition	1	Shots Fired	1
Intelligence	109	Suspicious Package	1
Investigate Vehicle	10	Suspicious Person	38
Larceny	36	Unsecured Property	14
Larceny-Vehicle	4	Unsecured Vehicle	12
Lock Outs	10	Vehicles Towed	3
Loitering	69	Other	93
		TOTAL CALLS	1,246

SWEEPS/ ARRESTS/ CONTACT MADE

Sweeps/Arrests	September
Arrests	2
Building Inspections	3,469
Call box inspections	212
Directed Patrol	422
Garage Inspections	741
Mall Checks	184
Post Conditions / Sweeps	489
RU OK Calls to participants	810
TOTAL	6,329

PARKING & LEASING SUMMARY

SHOPPING CENTER COMMERCIAL & PROFESSIONAL SPACES SUMMARY

	Bartow	Einstein	Dreiser	Professional	Total
Total Spaces	31	19	34	31	115
Occupied	31	18	30	25	104
Vacant	0	1	4	6	11
Occupancy Rate:	100.0%	94.7%	88.2%	80.6%	90.4%
Vacancy Breakdown:					
6 spaces currently being shown to potential tenants					
2 spaces currently in negotiation/pending background check					
3 new leases pending Board approval					
1 move out – Dr Gang (Bldg 14)					
Vacancy Loss					\$15,367

Riverbay Corporation Fiscal Year 24/25 Budget Overview

The budget summary below gives a snapshot of Riverbay Corporation's Budget vs. Actual performance for Fiscal Year 24/25 for period beginning April 01, 2024, and ending August 31, 2024.

Income

At the end of August 2024, actual carrying charges were slightly greater than anticipated by 3% or \$3.1 million due to greater than expected receipts of carrying charges. Other income was less than anticipated by 7% or \$1.5 million primarily due to less than anticipated sales of electrical power income.

A breakdown of some of the other income streams are included in **Appendix A** to this narrative.

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 \$ 3.7 million.

Many vacancies in several departments, especially the Public Safety Department, continue to contribute to the positive variances by the departments. Although some departments reported positive budget variances in payroll, there were some negative budget variances in the operating budgets. For instance:

* Power Plant was over budget by \$856,000 due mostly to unforeseen Ric Will repairs and chemical treatment costs.

* Construction was over budget by \$26,000 due to an increase in Roof Repairs.

* Extermination was over budget by \$35k,000 due to overtime and chemical supplies.

* Grounds was \$15,000 over budget due to purchases of supplies and equipment costs (Seasonality purchasing).

* Automotive Services was over budget by \$10,000 due to increased vehicle tracking costs.

* Safety was over budget by \$31,000 due to increased environmental remediation costs.

* Computer Services Department reported a negative (114.3%) budget variance of \$1.1 million for June 2024. As explained in last month's report, the Department was over budget due to invoices totaling approximately \$495,000 for furniture and equipment that had been encumbered in August 2023. SHI International billed these invoices and remain as open purchase orders. To date, these invoices have not been paid due to ongoing negotiations between Riverbay and SHI International. As long as these purchase orders

remain open, the department will continue to show this negative variance.

* Asbestos and flooring materials costs continue to be below budget.

Corporate Expenses:

Corporate expenditures were over budget 0.1% or \$5.9 million due mostly to 2024/25 accrued water costs.

DEBT SERVICE & FEES:

Debt service & fees were under budget by 0.3% or \$57K due to greater than expected replacement reserve fees and mortgage insurance premiums required payments.

Overall Performance

Overall, the grand total actual expenses of \$118,588,000 which include departmental, corporate and debt service were greater than anticipated against the grand total actual income of \$115,995,000 which yielded a deficit of \$(2,593,000). Also, the year-to-date budget for grand total expenses was \$116,399,000 which was more than anticipated when compared to the year-to-date budget grand total revenue of \$114,622,000 which yielded a negative variance of \$(1,776,000).

RIVERBAY CORPORATION FISCAL YEAR 24/25 YEAR-TO-DATE BUDGET COMPARISON APRIL THRU AUGUST 2024 AMOUNTS IN THOUSANDS					
INCOME:		Y-T-D BUDGET	ACTUAL	+/- \$	+/- %
Carrying Charges	\$224,002	\$93,334	\$96,487	(\$3,153)	-3.0%
Vacancy Losses	(\$1,600)	(\$667)	(\$912)	(\$245)	37.0%
All Other Income	\$52,691	\$21,955	\$20,419	\$1,535	7.0%
Grand Total Income:	\$275,093	\$114,622	\$115,995	(\$1,373)	-1.0%
DEPARTMENTAL EXPENSES					
Automotive Services	\$1,398	\$582	\$593	(\$10)	-1.8%
Board of Directors	\$462	\$192	\$117	\$75	39.1%
Budget & Finance	\$3,595	\$1,498	\$1,451	\$47	3.1%
Building Janitorial	\$24,170	\$10,071	\$9,946	\$125	1.2%
Call Center	\$2,402	\$1,001	\$968	\$33	3.3%
Communications - C.C. Times	\$1,092	\$455	\$472	(\$17)	-3.7%
Information Technology	\$3,712	\$1,547	\$2,877	(\$1,330)	-86.0%
Construction	\$2,694	\$1,122	\$1,148	(\$26)	-2.3%
Copoperator Services Office	\$1,544	\$644	\$625	\$18	2.9%
Corporate Administrative Services	\$845	\$321	\$293	\$28	8.9%
Exterminating	\$690	\$288	\$322	(\$35)	-12.0%
General Manager	\$1,821	\$759	\$715	\$44	5.8%
Grounds/Landscaping	\$5,294	\$2,236	\$2,251	(\$15)	-0.7%
Human Resources	\$1,325	\$552	\$461	\$91	16.4%
Internal Audit	\$618	\$258	\$137	\$121	46.9%
Maintenance	\$18,633	\$7,764	\$7,518	\$246	3.2%
Parking & Leasing	\$6,044	\$2,518	\$2,452	\$66	2.6%
Power Plant	\$19,697	\$8,207	\$9,063	(\$856)	-10.4%
Procurement	\$2,053	\$855	\$853	\$2	0.2%
Public Safety (CCPD)	\$15,231	\$6,346	\$4,876	\$1,471	23.2%
Residential Sales	\$1,580	\$659	\$498	\$160	24.3%
Restorations	\$30,462	\$12,693	\$9,240	\$3,453	27.2%
Risk Management	\$613	\$255	\$187	\$69	26.8%
Safety	\$1,084	\$452	\$452	\$0	-0.1%
Technical Services	\$933	\$389	\$350	\$39	10.0%
TOTAL DEPARTMENTAL EXPENSES	\$147,994	\$61,664	\$57,866	\$3,798	6.0%
CORPORATE EXPENSES:					
Insurance	\$24,146	\$10,061	\$6,322	\$3,738	37.0%
Utilities + Water	\$48,377	\$20,157	\$29,900	(\$9,743)	-48.0%
Real Estate Taxes	\$11,632	\$4,847	\$3,832	\$1,014	21.0%
Violations	\$100	\$42	\$27	\$15	36.0%
Bad Debts	\$4,500	\$1,875	\$571	\$1,304	70.0%
Corporate Operating Expenses	\$6,220	\$2,591	\$4,850	(\$2,259)	-87.0%
TOTAL CORPORATE ALL EXPENSES:	\$94,974	\$39,572	\$45,503	(\$5,930)	-15.0%
EXPENSES BEFORE DEBT SERVICE & FEES:	\$242,968	\$101,237	\$103,369	(\$2,132)	-2.0%
DEBT SERVICE:					
Gen'l/Repl Reserve Fees	\$5,269	\$2,195	\$2,222	(\$27)	-1.0%
HUD Mortgage Ins Premium	\$2,084	\$868	\$898	(\$30)	-3.0%
Debt Service	\$29,036	\$12,098	\$12,098	\$ -	0.0%
TOTAL DEBT SERVICE FEES	\$36,389	\$15,162	\$15,219	(\$57)	0.0%
GRAND TOTAL EXPENSES:	\$279,357	\$116,399	\$118,588	(\$2,189)	-2.0%
NET SURPLUS (DEFICIT) FROM OPERATIONS:	(\$4,264)	(\$1,776)	(\$2,593)	(\$817)	