

507 2nd Street Owners Corporation  
AGM Minutes

Thursday 29th May 2008  
7.30pm - 9.30pm, Starbucks 7th Ave

Participants:

Betty, Dan, Rey Farraj, Sandy

Absentees:

Marti and Brad

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1. Reviewed the accounts of 2007/08. We are now running at a significant \$3000 deficit, due to fuel and water rates increases. We presented a budget for 2008 proposing to increase the monthly maintenance by \$100. This will return us to a positive cash flow. Effective immediately for June 1st payment. The budget estimates that in approx 4 years assuming our current expenditure, sufficient funds will be available to complete the outside waterproofing project.
2. We are proposing to paint the fire escape and roof with an estimated budget of \$2800. This work is long overdue, the heavy corrosion has turned it into a potential liability. Some of the steps and anchor points may need repairing too. Rey and Dan are following up with potential companies.
3. Fire Safety was discussed – the building code states that all corridors and fire escape shall be kept readily accessible and unobstructed at all times. The building has a legal duty to ensure that the corridors/fire escape and under the stairs to be in compliance. Strollers/plants/bikes and shoes will asked to be removed. We propose to install smoke detectors and fire extinguishers on every floor (near to the apt doors). Dan and Betty have installed an exit alarm on the roof top door, one of those push alarms for designated fire exits.
4. We think we should have a building-wide meeting to discuss these Fire Code changes with all shareholders and tenants. Rather than posting a letter for action, we are reminding everyone face to face that it's our obligation to keep us all safe and within the stated regulations. Dan/Betty to follow up on a date/time.
5. Betty earlier in the day had a conversation with Joe Rydell. He feels that painting the fire escape is a waste of money and that the city isn't to know that we are not following rules. The co-op members disagreed with his views on this matter, but respectfully want him to know that these changes are not personally directed at him, but rather for everyone's collective safety in the building. Joe Rydell indicated that if work goes ahead he might be calling the city with other undisclosed complaints.
6. It was noted that our building recently received an inspection/violation by DOB after an anonymous complaint. The violation was cured, waiting on confirmation from the city.
7. Rey confirmed that we can apply for the STAR rebate. See URL for details:  
[http://home2.nyc.gov/html/dof/html/property/property\\_tax\\_reduc\\_coop\\_condo.shtml](http://home2.nyc.gov/html/dof/html/property/property_tax_reduc_coop_condo.shtml)  
The application form requires owners to supply social security numbers/purchase price etc.
8. Proposing that we investigate finding a better wholesale rate from our gas supplier (savings can be up to 17% off retail price). This needs to be completed in time for the heating season.

507 2nd Street Owners Corporation  
Annual General Meeting Agenda

Thursday 29th May 2008  
7.30pm - 9.30pm, Starbucks 7th Ave

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Invited Participants:

Betty & Kin  
Marti and Brad  
Dan and Audrey  
Rey Farraj  
Sandy and Cho

AGENDA

1. Review of Accounts 2007/2008
2. Fuel and Water Rate Inflation
3. Maintenance Increase
4. Fire Safety Improvements
5. Recycling Compliance/Awareness
6. Any other Business

PROXY VOTE

Those that are not in attendance can submit a proxy vote to the President.

Expenses for 507 for 2007/2008

1. Insurance \$1,216.00 @ 4 times a year =	\$4,864.00
2. Water \$4,500.00 per year =	\$4,500.00
WITH ADDT'L 14.1.% INCREASE ON July 1, 2008	
3. Con Edison <u>\$60.00@12</u> =	\$ 720.00
4. RE Taxes per year	\$14,578.12
5. Cleaning \$60.00 @ 12	\$ 720.00
6. Tax Filings	\$ 600.00
7. Accounting Fee	\$1,000.00
8. Fuel	\$12,000.00
a. Winter Season (Oct-March)	
\$1,800.00 a month on average (\$1800*6)= \$10,800.00	
b. Summer Season (April-September (\$200*6)= \$1,200.00	
<b>Total Expenses:</b>	<b>\$38,982.12</b>
<b>Total Revenue:</b>	<b>\$36,000.00</b>
<b>Loss:</b>	<b>(\$2,982.12)</b>

507 2nd Street Owners Corporation

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**Accounts > Expenditure 2008**

Fire Escape and Roof Painting	\$2800
Fire Extinguishers and Smoke Detectors	\$300
Total	\$3100

**Current Income**

Baseline 8 Apartments average \$485 per month	\$3880
Income \$3880 x 12 months	\$46,560
Mortgage Repayment	\$10,560
Balance	\$36,000
Spend	\$39,000
Overdrawn	-\$3000

Proposed \$100 increase maintenance	
\$45.00 inflation+ \$55.00 capital repairs	\$100 per unit increase
8 Apts x \$100 per month	\$800 monthly increase
\$800 x 12 months	\$9600 yearly increase

Current Repayment Debt	-\$2982.12
Proposed Repair	\$3100
Proposed Spend	\$6082.12
Proposed New Maintenance Revenue	\$9600
Available Balance 2008	\$3517.88

**Long Term Capital Repairs**

Building Waterproofing	\$22,000
\$6000 yearly for 4 years providing capital available in 2012	\$24,000

Expenses for 507 for 2006/2007

1. Insurance \$1,216.00 @ 4 times a year =	\$4,864.00
2. Water \$3,600.00 per year=	\$3,600.00
3. Con Edison <u>\$60.00@12=</u>	\$ 720.00
4. RE Taxes per year	\$14,578.12
5. Cleaning \$60.00 @ 12	\$ 720.00
6. Tax Filings	\$ 600.00
7. Accounting Fee	\$1,000.00
8. Fuel*	
a. Oil remaining bal (done)	\$3,500.00
b. Gas 10/06-3/07	\$6,508.18
• 10-12/1/06 \$ 1,441.96	
• 1/1/07 \$ 1,266.22	
• 2/1/07 \$ 1,900.00	
• 3/1/07 \$ 1,900.00	
• 4/1/07 -5/07 \$1,500.00	

<b>Total Expenses:</b>	<b>\$36,090.30</b>
<b>Total Revenue:</b>	<b>\$36,000.00</b>
<b>Loss</b>	<b>\$90.30</b>

30x86  
30x72

signature on delivery

Year	Oil Consumed	Amount Spent on Oil	Avg. Price
2003	6,585.4 gallons	\$7,836.62	1.19 p/Gal.
2004	6,789.2 gallons	\$10,548.04	1.55 p/Gal.
2005	7,506.5 gallons	\$16,137.08	2.15 p/Gal.
2006 so far	3,107.8 gallons	\$6,963.95	2.24 p/Gal.

75

↓ \$7,000

	Assessed Value	Real Estate Taxes
2003	84,254.00	\$10,632.52
2004	\$90,976.00	\$11,733.36
2005	\$96,558.00	\$12,725.40
2006 (Not Determined)		

	Insurance	Per Year
2002-2005	\$9,291.83	
2003		\$3,077.27
2004		\$3,077.27
2005		\$3,077.27

per quarter.

2005-2008	\$11,920.80	
2006		\$3,973.60
2005		\$3,600.00

"frontage reading" <sup>note on</sup>

	Income
4R	485
4L	485
3R	470
2L	485
1R,LFT,2R,3L	** (1,925.00 - 1,000.00) = 925.00

credit \$50 pm.

Total	Month	\$2,850.00	Yearly	\$34,200.00
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\*\* Underlying Mortgage owed to Reyad Farraj \$130,000.00  
Mortgage Converted from Interest Only in 2003 to Self Liquidating.  
15 Year Ballon payment due 2018.

	2005 Example
Income	\$34,200.00
Expenses	
Oil	16,137.08
RE Taxes	12,725.40
Water/Sewer	3,600.00
Insurance	3,077.27
Total Exp.	\$35,539.75
	(\$1,339.75)

slip or fall  
300-000  
per apt.

\*( Cleaning Services, Misc Plumbing expenses not included)