



THE CO-OP & CONDO COMMUNICATOR

March 2018

Local 32B-32J Union Contract

The agreement for Local 32B-32J building service employees (this does not apply to our Bronx and non-union properties) is set to expire at midnight on April 20, 2018. The agreement covers wages and benefits for more than 30,000 residential building service employees, including doormen, porters, handymen and superintendents in New York City. Please note: in buildings with six or more employees (including the superintendent position), the superintendent is considered a resident manager who is covered under a separate contract which expires at midnight on June 20, 2018. In the event the building workers go on strike because an agreement is not reached between the Realty Advisory Board (RAB) and Local 32B-32J, the Service Employees Union, Midboro will have a contingency plan in place to handle the day-to-day operations of the building. We will be distributing notices concerning procedures in the unlikely event of a strike. Michael Wolfe is honored to have been selected as a member of the Realty Advisory Board's negotiating committee.



If you have not registered for "Midboro Online", this would be a wonderful way to ensure that you receive all updates that pertain to the strike and building specific instructions if such an event occurs. You can register by logging on to www.midboro.com and selecting the "Client Portal" tab on the right hand side.

CONTACT US:



Billing: Questions pertaining to your monthly bill should be emailed to ar@midboro.com.

Purchase, Sublet, Refinances: Questions pertaining to purchase, sublet, and refinance applications should be sent to closings@midboro.com. This is a distribution email to all members of the Transfer Department who will respond to

your requests.

Website Inquiries: Questions/ issues pertaining to registration for "Midboro Online" can be sent to webadmin@midboro.com.

ClientCare: If you have any questions, concerns, suggestions or complaints that are not being addressed by your management team, you may contact our executive team at clientcare@midboro.com to address your needs. Our Client Care email address is set up to provide an additional layer of support to the residents we serve.

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Cooperative and Condominium Tax Abatement

Owners of cooperative and condominiums who are considered eligible by the New York City Department of Finance and meet the requirements noted below for the Cooperative and Condominium Property Tax Abatement can have their property taxes reduced in the form of a credit.

The New York City Department of Finance (DOF) is the governing agency that determines whether or not your apartment is your primary residence. One of the significant indicators they use is the address listed on your New York City Income Tax Return. If you own or co-own up to three apartments in the same co-op or condo development, you can still be eligible for the tax abatement as long as one of them is your primary residence. Apartments owned by a trust or where a person owns a life estate in the property are eligible only if the unit is the primary residence of the beneficiary of the trust, trustee, or life estate holder. The amount of the abatement is based on the average assessed value of the apartments in your cooperative or condominium. The assessed value is a figure the City derives through a complicated formula for tax assessment purposes only.

The following forms of ownership are immediately disqualified by the NYC DOF: (i) Investor owned apartments including sponsor units (ii) LLCs and corporations (iii) Partnerships and owners of more than three apartments in the same development.

Midboro posts tax abatement credits each year on eligible cooperative shareholders' maintenance bills (typically in June). In condominiums, the NYC DOF will continue to post abatement credits directly on the real estate tax bills sent to unit owners.

It is important to note that eligibility of shareholders and unit owners is subject to review by the DOF annually. Therefore, it is possible that although you were deemed eligible in a prior year and had received the abatement credits, the DOF can revoke eligibility at any given time if they determine that your apartment is no longer your primary residence.

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STAR Exemption

STAR is New York State's School Tax Relief Program that includes a school property tax rebate program and a partial property tax exemption from school taxes. This is different from the NYC Tax Abatement Credits. All New Yorkers who own and live in one, two, or three family homes, condominiums or cooperative apartments are eligible for STAR on their primary residence. You are entitled to receive it for only one unit. If you own more than one unit in a building development you will not receive the credit unless the units are legally combined. There are two parts to the STAR property tax exemption: The Basic STAR exemption is available for owner-occupied primary residences regardless of the owner's age, where the income of the owners and spouses who reside on the property does not exceed \$500,000. The Enhanced STAR exemption is available for the primary residences of senior citizens (age 65 and older) with yearly household income that does not exceed a statewide standard. For property owned by a husband and wife, or by siblings, only one of them must be at least 65 years of age as of December 31 of the year in which the exemption will begin to qualify for the Enhanced exemption. Their combined annual income, however, must not exceed the STAR income standard. Homeowners that register in the Income Verification program do not need to register every year. Income will be verified as long as a NYS IT-201 is filed annually.

New York State has changed the STAR application process. For new applicants, it's now called the STAR Credit Program. If you purchased your home after March 15, 2015 or you did not apply for the STAR exemption before March 15, 2015 you must apply directly on the New York State website (<https://www.tax.ny.gov/star/>) or call 518-457-2036. If you qualify, you will receive a STAR credit in the form of a check, rather than receiving a property tax exemption credit that is applied to your account by Midboro. If you do not receive the STAR Credit, you will receive a letter from New York State Department of Finance (NYS DOF). Please note: Owners must directly apply for their STAR Credits.

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Property Tax Exemptions

In addition to the Tax Abatement and STAR Credit Program, eligible shareholders/unit owners can also apply for the following NYC DOF property tax exemptions: (i) Senior Citizens Homeowners Exemption, (ii) Disabled Homeowners Exemption, (iii) Veterans Exemption (iv) Clergy Exemption (v) Disabled Crime Victim/Good Samaritan Exemption. You can use the Homeowner Tax Benefits Application to apply for most of the property tax exemptions for your primary residence. Unlike the Tax Abatement, your primary residence is determined by the address where you are registered to vote or by the house, condominium, or cooperative apartment that you live in for the majority of the year.

You may apply for these exemptions by completing the **"Homeowner Tax Benefits Application"** (click the link which redirects you to the website) on the NYC DOF website. The qualifications to be eligible for these exemptions are indicated on the application. Your application must be submitted directly to the NYC DOF. Your application must be postmarked on or before March 15, 2018. If eligible, your benefits will begin July 1, 2018. Filing the appropriate applications with the DOF to ensure receipt of the available abatements is the shareholder/unit owner's responsibility. Midboro is not responsible for filing on the shareholder's/unit owner's behalf.

A MESSAGE FROM MICHAEL J. WOLFE, PRESIDENT

As your managing agent, our goal is to ensure that we provide the highest level of management services to all of our clients. A key component of providing this service is educating ourselves about any new laws for code compliance from the various city or state agencies and new tax laws that may have an effect on buildings or individual owners.

Our compliance department and management teams are working diligently with your Board to adhere to the new compliance codes, including but not limited to the adoption of a Smoking Policy, Board Conflict Interest, Elevator Codes and Hallway Signage Codes that either take affect this year or over the next 1-2 years. We have some of the top industry specialists present to educate our staff on such matters.

The new federal tax law limits the annual tax deduction for all state and local income, sales and real property taxes to no more than \$10,000 (\$5,000 for married individuals filing separately), beginning in 2018. Our CFO, Gary Ziprin, Director of Management, Robert Grant and myself worked on obtaining and reviewing as much information to assist Co-op Boards with making the best decision for shareholders. Although based on the information gathered and the opinion of various accountants in the industry that there would be no benefit to shareholders, we took the necessary steps to keep all options open and protect the interest of our shareholders should anything change.

As always, Midboro endeavors to serve you with high quality management services. As a reminder, we provide an additional layer of support through Client Care. In the unlikely event that you are not satisfied with an experience with any member of our staff, you may contact my executive team at client-care@midboro.com to address your needs.



Cooperative and Condominium Tax Abatement

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As your managing agent, we always act in your best interest and perform our due diligence by reporting this information on your behalf when you have provided the information. However, Midboro, along with many other managing agents in the industry, have experienced several issues with the DOF and their lack of communication as well as clerical issues on the DOF database resulting in resubmissions by Midboro. We understand this can be frustrating for owners and we will try to assist in any possible way, but we must reiterate that most of these issues are derived from the DOF.

The DOF corrections deadline was originally February 15th, but they have now extended it to March 15th. Any responses received after February 15th, will be submitted as an amended report to the NYC DOF.

Homeowner's Insurance Policy

The building's insurance policies cover only the building itself (as dictated by your governing documents)



and does not cover personal property of residents against damage or theft. The building's policies also does not cover residents for liability should any guest/visitor injure themselves inside a resident's apartment. Nor does it cover a resident for property damage caused by negligence, such as a plumbing fixture overflow. To protect yourself against these misfortunes, you must rely on your own homeowner's insurance policy. We urge you to obtain a policy (if you don't already have one) and renew it each year. In most buildings it is required per your governing documents.

Apartment Renovation



If you are considering having work done in your apartment, it is imperative that you contact your Account Executive (also available at www.midboro.com) to request the appropriate alteration application which sets forth all renovation requirements established by your cooperative or condominium. Minor work (painting/wallpaper) may require a decorating agreement, but in all cases require a submitted scope of work and proof of adequate and acceptable insurance, workers compensation and applicable licenses. Building

alteration guidelines are set up to protect you and your neighbors. The governing documents of your building require Board approval before any alteration work can begin.

New Smoking Policy

By September 1, 2018, all cooperative and condominium buildings must comply with a NYC mandate to adopt and disclose a detailed building policy, which states where a person is permitted or not permitted to smoke within the building. This includes any public outdoor space such as rooftops, courtyards, gardens and balconies. This does not prohibit residents and owners from smoking within their apartment unless you live in smoke-free building. However, it should be noted that residents need to be mindful and ensure that smoke odors do not permeate outside of the apartment, creating a disturbance to their neighbors. The new policy is to be included in the house rules and included in all sale contracts or leases.

Registrations for STAR will be accepted for three years from the income tax filing deadline for the year the credit covers. For example, to claim the STAR credit for 2017, you must register by April 15, 2021. However, the sooner you register, the sooner you will receive your STAR check.

If you are currently receiving a STAR credit, you do not need to register for STAR. You will continue to receive these credits on your monthly bill.

If you had the STAR Exemption on your property tax year 2016/2017 and you wish to apply for Enhanced STAR please complete and submit the "RP-425E Form" (click the link which redirects you to the website) directly to the NYC DOF as noted on the application. If you have any questions regarding the process or your eligibility you may contact NYS DOF directly at 518-457-2036 or by email at orpts.star@tax.ny.gov.

Subletting

"Micro" leasing is prohibited by almost all cooperatives and condominiums in New York City. If you are interested in subleasing your apartment, you must obtain Board approval. Violation of your building's rules and leasing policies are subject to fines by the Board, and possible legal action. Additionally, severe penalties may be imposed by New York City. For more information on your building's rental policies please visit our website at www.midboro.com or email closings@midboro.com.

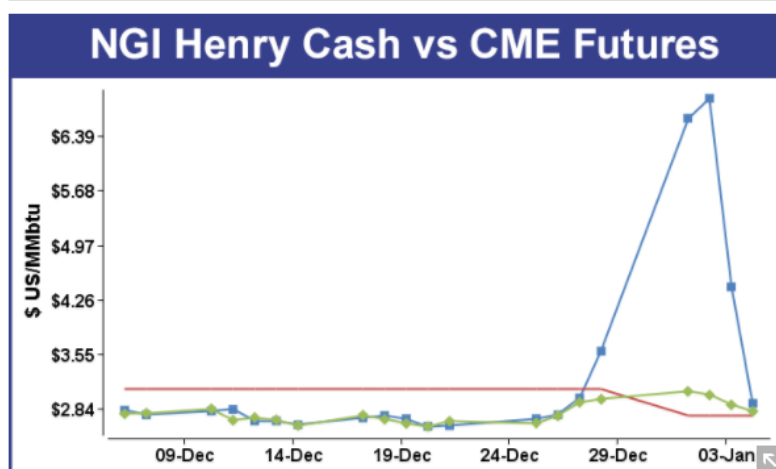
Gas and Electric Charges

There was a large spike in gas and electric charges during the "arctic blast" which occurred the last week of December 2017 and the first week of January 2018. Due to the colder temperatures, production slowed down and demand rose, hence causing commodity prices to rise tenfold from the seasonal norm. The demand for natural gas was the highest in 4 years. Daily trading of gas soared from \$5.00/dth to over \$150.00/dth.

Natural gas is a major source of fuel used in the generation of electricity. On account of this, the price of electricity tripled during this time frame.

Many residents will see an increase in their electric bills for that winter storm period.

See Graph Below



Board Conflict of Interest

Due to new legislation, you will find a Conflict of Interest report in official owner documents that outline any transactions, which did or did not affect a board member financially. The report will include (i) signed report by all directors/managers to shareholders/ unit owners listing all contracts and transactions in which any director/manager has a personal financial interest, including the name of the contract recipient, contract amount, and purpose of the contract, and/or (ii) a report that there were no contracts or transactions in which any director had personal financial interest, and (iii) a report of any Board meetings during which the contract or transaction was voted on that includes the date of each meeting, the attendance of each meeting, and how each board member voted. We will provide you with a copy of the disclosure report on an annual basis.

AVOID LATE PAYMENTS, GO PAPERLESS!

Setting up your online payment account avoids unnecessary late fees. We encourage all shareholders/unit owners to sign up with our user friendly online payment system, ClickPay. ClickPay is a fast and easy way to pay your monthly charges. You can arrange monthly payments based on the amount billed to you, monthly payments for a fixed amount, or you can arrange one-time payments. ClickPay accepts payment via debit/credit cards (A processing fee of 2.95% will apply for each transaction and 3.95% per transaction for AMEX cards). If you prefer online payment via your bank's website, ClickPay is contracted with many banks to enable third party online payments to be in the form of an ACH transfer rather than a paper check (Please note that your third party online payment service must have your customer/account number. This is the exact account number as it appears at the top of your bill stub). By signing up for ClickPay, you will have the option to receive e-alerts when your bill is available. Those who are signed up on ACH will automatically be enrolled to receive only e-alerts. Set up your online payment today at www.clickpay.com/midboro.



Smoke/Carbon Monoxide Alarm Maintenance

Test all alarms in your apartment at least once a month, even if your alarm uses a long-life battery. It only takes a few seconds. Replace batteries twice a year if your device does not have a 7 or 10 year battery (unless expired). "Chirping" alarms are a warning that the battery is low. Replace the battery immediately. Clean your smoke alarm by dusting and vacuuming.

Service Interruptions

Every now and then your building may need to do a water, boiler, and elevator shut down to repair, clean or perform preventative maintenance on those mechanical systems. We appreciate your patience as we make adjustments that will be helpful to the long-term health of your building's plumbing, mechanical and hvac systems.