

336

C.P.W.

NEWSLETTER

November 20, 1992

NEW FINANCING RULES

The Board of Directors at its November meeting decided to change the required cash down-payment for purchase of an apartment in our building. The minimum down-payment was reduced from 40% to 33 1/3%. This decision was based on a survey of down-payment policies of at least ten buildings along Central Park West and was a response to the mood in the current real estate market.

CAPITAL IMPROVEMENTS AS DISTINGUISHED FROM REPAIRS

Questions have been raised about the characterization of the cost of maintaining, repairing and improving the building as "repairs" or "capital improvements".

According to generally accepted accounting principles, a "capital improvement" is a change, replacement or addition to the building which extends the useful life of the building. Examples of capital improvements are: The replacement of a boiler, installing new fire doors, or a new roof, or a new sidewalk.

A repair is anything that insures a given item will function as it would be expected to in the course of normal wear and tear. For example, purchasing a new boiler pump for the existing boiler, sanding and painting fire doors or patching the sidewalk would be repairs.

It is expected that a coop will pay for repairs out of the coop's income, since repairs are regularly occurring and do not entail unusual expense. A coop with a huge reserve fund can pay for capital improvements from such a fund; however, it is accepted practice for coops, like businesses, to finance capital improvements by borrowing.

Coops may also choose to use special assessments to pay for capital improvements or to pay for any borrowing.

The cost of a capital improvement should be reflected in the coops balance sheet over the years in which the improvement will function. Unlike a repair, a capital improvement will be depreciated over its useful life. A repair is shown as an ordinary expense in the year in which it is incurred.

One final note: Shareholders should keep records of any assessments for capital improvements. Such an assessment reflects an investment in the building and thus is added to the shareholder's cost basis at the time the shareholder sells his or her apartment. This can have favorable tax consequences for the shareholder.

(Summary by Ann Seltzer)

HEAT

With winter winds and chilly temperatures fast approaching, it may be of help to review the measures which tenants can take to increase their own comfort.

The coop will do its best to provide sufficient heat for everyone. However, the efficiency of the heating system varies considerably depending on the location of your apartment. Units with a northeast corner exposure are buffeted by winds which dramatically reduce heating effectiveness. Other apartments with extensive exterior exposure have some rooms that are colder than others. Apartments with fewer exterior exposed walls tend to be much warmer and radiators in some of these units are rarely turned on, even on the coldest days!

Here are several suggestions for increasing comfort on cold winter days. Window air conditioners should be removed or covered to effectively seal the unit. New windows with thermal insulated glass will, of course, also increase the effectiveness of the building heating system. If there are still rooms with problems, small space heaters can provide an extra measure of warmth.

KEYS

A new system is being established to increase the security of tenant's keys which are kept by the superintendent to use in case of emergencies. The superintendent should have a key to the front door of every apartment in the building. It is very important to have access if there are leaks or other problems requiring immediate attention when tenants are not at home. Tenants who are reluctant to give the superintendent their key however, should let him know in writing about friends in the building who will have a key. If emergency entry requires the breaking open a front door, access and repairs to the door will be at the tenant's expense.

All tenants in the A/B lines should carry their service door key for entry in case the passenger elevator is not working.

STAFF MEMBER OF THE MONTH - LORENZO SCOTT

Scotty, our passenger elevator nightman, has been working at 336 since January 18, 1968. He is the senior man on our staff, now rounding out his twenty fifth year of attentive service. Born and raised in Atlanta, Georgia, Scotty came to New York when he was twenty seven years old. His wife's name is Lutricia Scott. Their three children are Lorenzo Scott Jr. (who is also on the staff of 336), Lakecia (who works for the Federal Government in Alexandria, Virginia) and LaShawin (who attends high school in the Bronx). A grandson named Latwain is nine years old.

Scotty gets great pleasure from hunting and fishing. During the season there are rabbits and squirrels to go after up-state near Haverstraw; then there is vacation hunting in Georgia. Fishing for bass, blues and stripes off Montauk Point or New London offer a challenge as well as a happy day at sea.

WELCOME

John and Joan Miguez with their son Mark are new tenants in 10E. A daughter Sara is away at college and will join them on holidays.

NOTICES

For Rent. Two small adjoining rooms, suitable for a small office or storage, with a window overlooking the courtyard, located on the ground floor in the rear service lobby are available. The price can be negotiated with the Board of Directors. Contact Toby Weinberger (864-0938) for further information. Contact Louie to inspect the space.

WANT ADS

Housekeeper Available. "Doris Wright has been a trusted member of our household. She is both capable and efficient in cleaning and maintaining an apartment. She can also supervise children or care for older adults. Doris is very pleasant and caring. She can be reached at 590-1668." The Fursts 6B.

Please send any news, want ads, notices or suggestions for the next newsletter to the Editor, Phyllis Sternau (3E)