

# FIRST Impressions

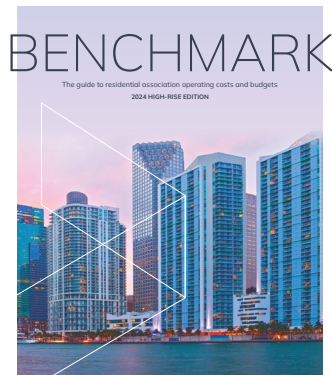
News for board members of properties managed by FirstService Residential



Q3 2024

## FirstService Releases BENCHMARK Guide

FirstService Residential has published its inaugural *BENCHMARK* guide to help high-rise condo and co-op boards make informed decisions about their operations and budget strategies. *BENCHMARK: High-rise* offers insights into insurance, maintenance, sustainability, amenities, reserves, and capital planning. The data was compiled from FirstService's managed portfolio of 3,800 high-rise buildings across major urban areas in the U.S. and Canada.



### What's driving operating budget increases?

NYC condos and co-ops are facing comparable challenges:

Primary factors:

1. Wages and related costs – Labor expenses continue to increase as our largest union agreement with 32BJ introduces a 12.6% wage increase over four years (2022–26).
2. Utilities, including water and sewer – FirstService is budgeting a 6% increase for 2025.
3. Insurance increases – [Read our article](#) on why property insurance premiums continue to soar.
4. Co-op real estate taxes continue to surge as assessed values of NYC real estate continue to rise.

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## CORPORATE TRANSPARENCY ACT COMPLIANCE FOR BOARDS

The Corporate Transparency Act (CTA) is a new law that requires many business entities — including cooperative corporations, homeowners' associations, and condominiums — to provide information on its "Beneficial Owners" to the U.S. Department of the Treasury.

A beneficial owner is defined as an individual who either directly or indirectly: (1) exercises substantial control over the Association, or (2) owns or controls at least 25 percent of the Association's ownership interests.

[This memorandum](#) contains all of the details. We urge you to read through it carefully. In addition, we are hosting a webinar on Mon., Sept. 30 at 6:00 p.m. to further educate our boards. [Click here to register.](#)

In order for FirstService to have time to complete the filings in a timely manner, you must advise us of your election to engage our services with *FinCEN Report* no later than October 15, 2024. If you have not responded by that date, we will deem that you have elected to either file the BOI Report directly with FinCEN or engage another service to do so.

# NYC LL157 and Natural Gas Detector Compliance

Earlier this year, the NYC Department of Buildings (DOB) finalized Local Law 157, which mandates the installation of natural gas detectors in residential buildings and modifies some rules regarding carbon monoxide and smoke detectors. The legislation aims to enhance safety measures to detect gas leaks. Compliance is required by May 1, 2025, so it's important for boards to understand specifics of the law to take appropriate action. Our in-house compliance experts answer the most common questions about the law [in this article](#).



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## BOARD MEMBER WEBINARS

[Register today!](#)

**Navigating Local Law 157 and Mitigating Risk to Your Property**  
Tues., Sept. 17 | 6:00 – 7:00 p.m.

[Click here to register and submit your questions in advance.](#)

What we'll cover:

- Compliance requirements for condos, co-ops, and rental buildings
- Choosing the right gas detector
- Mitigating risk with ProSentry's advanced solutions
- Water leak detection
- Mechanical and environmental monitoring
- Device and installation costs
- Exclusive risk audit and cost savings analysis program

**NYC Local Law 97: First Filing is Approaching in 2025**  
Tues., Sept. 24 | 6:00 – 7:00 p.m.

[Click here to register and submit your questions in advance.](#)

What we'll cover:

- The current process and requirements for submitting greenhouse gas emissions data to the City, as well as other useful information pertaining to Local Law 97, including the newly released Article 320 Info Guide:
  - What is required?
  - What happens if you do not comply?
  - How to prepare for the 2025 filing deadline
  - Why is it important that you verify square footage and occupancy type?
  - What is Good Faith Effort?

**Corporate Transparency Act: Compliance Requirements for Condos and Co-ops**  
Mon., Sept. 30 | 6:00 – 7:00 p.m.

[Click here to register and submit your questions in advance.](#)

The Corporate Transparency Act requires many business entities — including cooperative corporations, homeowner associations, and condominiums — to provide specific information on its “Beneficial Owners” by Jan. 1, 2025.

What we'll cover:

- Who is considered a beneficial owner of an association?
- What information must each association report?
- When must the report be filed?
- What are the penalties for not filing or missing the deadline?
- How do associations file?

# New Annual Operating Budget Process

## FOR CALENDAR YEAR-END BUDGETS

As we advance our efforts to streamline operations and enhance efficiency within our organization, we are excited to announce the rollout of a new annual operating budget process. After careful consideration and consultation with our senior management and our financial department, we have developed a comprehensive strategy to revamp our operating budgeting procedures. This initiative aims to modernize our financial management approach while fostering greater transparency and accountability.

Key highlights of the new operating budget process include:

- **Enhanced Collaboration:** We will implement a more collaborative approach to budgeting, involving relevant internal departments and team members at various stages of the process.
- **Streamlined Workflow:** We are introducing streamlined workflows and standardized templates to simplify the budgeting process, allowing us to allocate our internal resources more efficiently. As a result, your property manager will have a more defined role in the preparation and presentation of the budget.
- **Timeline:** We expect there will be sufficient time for calendar year-end budgets to be approved by mid-November, allowing maintenance/



common charge increases to be reflected on the January 2025 billing statements.

- **Continuous Improvement:** We recognize that change can sometimes be challenging but we are committed to supporting our clients throughout this budget season to facilitate a smooth rollout. We are providing this overview in advance of the budget season so that you are familiar with the new budgeting process.

Should you have any questions, please reach out to your Team Leader or Property Manager directly.

[Click here](#) for a Glossary of Financial Management terms.

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## INSURANCE INSIGHTS

### Insighters: Tackling Insurance Challenges



[Click here](#) to watch a five-minute primer with Andrew Lester, president of FirstService Financial, who explains how to navigate the challenging insurance market for community associations:

- Strategies for securing the best terms
- Addressing rising premiums
- Implementing effective risk management practices
- Why carriers are selective
- How FirstService Financial builds compelling cases to make communities stand out as low-risk, insurable options

### Habitat Magazine | Hard Market, Hard Choices



“In today’s punishing insurance market, where premiums are rising and coverage is decreasing, buildings that have multiple insurance claims on their loss record can have trouble renewing coverage with their carrier—and finding a new policy in the nonpreferred insurance marketplace is a grim scenario. The premium increases can be anywhere from 100% to 300%, and sometimes with exclusions on top of that, so it’s important for boards and property managers to know the drill when it comes to risk transferal,” says Sean Kent, SVP, FirstService Insurance Brokers. [Click to read article.](#)

## BENCHMARK Guide

continued from front page

Secondary factors:

1. Facility upgrades and modernizations needed for aging buildings to reduce emissions for LL97 compliance.
2. Local laws mandating facade inspections and repairs, fire safety upgrades, and more.

To watch a replay of our *BENCHMARK: High-rise* virtual panel, [click here](#). The panel features industry experts sharing key trends influencing high-rise budgets, essential factors for board members to consider, and innovative solutions to enhance community value and resident experience.



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### MULTIFACTOR AUTHENTICATION ADDED TO EAPPLY

FirstService Residential is committed to protecting our technology and our clients' personal information from cyber threats. We follow standard cybersecurity practices and continuously work to improve our systems and infrastructure.

As part of our increased security measures, we are upgrading our eApply login process on Sept. 17. The new login will have Multifactor Authentication and password management features. The set-up process is very simple, user-friendly, and similar to many banking and financial institution client portals. When the new login is launched, existing users will need to set up their Multifactor Authentication and new password. *Your user profile and information will not be affected.*

"Board members are everyday heroes performing a balancing act in the communities they serve. In their budgeting process, that means delivering on service expectations while managing costs. Our goal is to simplify community living by providing information to help boards optimize their budgets with confidence and assist them in communicating with their residents," said David Diestel, CEO of FirstService Residential.

[Download the full \*BENCHMARK: High-rise\* guide here](#). Click these links to access segments of the guide that pertain to your property:

- [NYC Condominiums](#)
- [NYC Cooperatives](#)

### KUDOS

"Sonia – I have always been at ease when I see your name associated with an application. I repeatedly see you get things done quickly and efficiently, and working with you has always been a pleasure. Your timeliness, responsiveness, and customer-service-oriented work ethic make you stand out among your peers."

— Board member

### POST NEW LETTER GRADES BY OCT. 31

The new Building Energy Efficiency Ratings will soon be released by the city and must be posted by Oct. 31. The grade is based on the building's aggregate energy usage per square foot and converted to a letter grade. On behalf of your property, FirstService Energy will provide the following support:

- Download the placard
- Audit the grade
- Contact DOB if there is an issue (our team has flagged many issues in the past)
- Print, laminate, and mail the placard to the building



# Annual Energy Budget Services

Utilities account for 20–30% of your operating budget, so it's essential to properly allocate funds for your building's success. With many operating costs out of your control, it's important to make carefully considered decisions where you can.

Our budget specialists create customized utility budgets for your property, backed by research and industry expertise. The final deliverable includes three potential outcomes: the recommended projected budget, the projected best-case scenario, and the projected worst-case scenario. This can help boards stay prepared for market fluctuations. [Click here for additional details.](#)

**Our process includes research on utility tariffs for commodities including electricity, natural gas, oil, and steam and reviewing utility bills from up to three years prior to avoid single year historical errors.**

With this information, we can provide you with an accurate and dynamic estimate of your



annual energy costs and consumption, enabling you to plan for your expenses accordingly.

This year, we are offering our budget services to our clients at a discounted rate of \$275 per building. If your property participates in FirstService Energy's energy procurement program, there is no fee for this additional service.

Please contact your property manager for more information.

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## MANDATORY COMPOSTING BEGINS IN OCTOBER

Starting October 6, 2024, curbside composting will become mandatory for properties across all five boroughs.

The Department of Sanitation (DSNY) collects leaf and yard waste, food scraps, and food-soiled paper and turns them into compost or renewable energy. Compost is collected every week on the same day as recycling.

Per Local Law 85 passed by the City Council in 2023, NYC will begin issuing fines in April 2025 for failure to separate compostable material.



How Residents Compost:

1. Collect food scraps, food-soiled paper, and plant waste in any bag or container in their apartment.
2. Empty the scraps from their home into your building's compost bin.

Learn more at [nyc.gov/CurbsideComposting](https://nyc.gov/CurbsideComposting).

[Click here](#) to order tip sheets, building signage, and bin decals.

[Click here](#) to watch a curbside composting training video prepared by DSNY.

# 53W53 Featured in FDNY Safety Training Video



By Aziz Bendriss,  
General Manager, 53 West 53

Among all residential high-rise buildings in Manhattan, 53 West 53 was selected by the Fire Department of New York (FDNY)

as an exemplary residential building for one of their internal training videos. The video highlights the extensive fire safety systems installed in the high-rise condominium, thanks to the significant investment and commitment to safety and sophistication by the building's sponsor. This recognition places the condo alongside other distinguished NYC buildings, such as the Empire State Building and Freedom Tower.

"This video, which discusses the building's fire panel, purge system, fire pumps, and sprinkler system, will not only benefit the FDNY, but it will also serve as an educational tool



about safety in our condominium. It will provide the FDNY with specific knowledge about our building, enabling them to respond more quickly and effectively in case of an emergency, thus minimizing potential damage to our building and neighboring properties."

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## Featured in Habitat Magazine

### LOW-COST HEAT SENSORS GENERATE SAVINGS FOR SEMINOLE OWNERS

A low-cost shift from basic heating controls to wireless indoor heat sensors is generating more than \$40k a year in energy savings for shareholders at Seminole Owners Corporation, a 349-unit co-op in Forest Hills managed by FirstService. The cost of the upgrades came in at \$14,722 after the project received a \$10,578 utility rebate from National Grid. Not only has the move reduced winter heating bills—it's also cutting emissions and making the apartments more comfortable.

FirstService Senior Property Manager Amanda Mercado realized the building was overheating in winter. Residents were used to having radiators on full blast but were cracking open windows or even running their in-window air conditioning units on warm winter days. "I just saw the dollars being thrown out of the window and I knew we had to do something about it," Mercado says. [Click to read article.](#)

### SUMMER OF SERVICE

To give back to our local neighborhoods and communities, FirstService associates have been performing random acts of kindness and volunteering across New York City in support of the company's Summer of Service. [Click to read more.](#)

*Pictured: Members of FirstService's 2024 class of Emerging Leaders filled nearly 300 backpacks with school supplies for New York City students in need as part of Summer of Service.*



## CLINTON HILL COOPERATIVE IMPLEMENTS EFFICIENCY TRAINING

Clinton Hill Cooperative is a 12-building co-op complex built in 1944, with two “campuses” situated along Clinton Avenue in Brooklyn Heights. To comply with Local Law 97, Clinton Hill needed to implement energy efficiency upgrades throughout their buildings, during which the project team sought to create a culture of training and energy efficiency among the operations and maintenance (O&M) staff. [Click to read the NYSERDA case study.](#)



## KUDOS

“As a board member, I’ve worked with many managers over the years, but I’ve never encountered one as conscientious as Antonia. I’ve been working with her for the past several weeks on a project to deal with arrears of sublet fees. She is knowledgeable, responsive, organized, and returns information in a timely manner. If she doesn’t have the answers to my questions she knows where to obtain them. Just wanted to let you know what a gem you have in Antonia.”

– Board member

*Featured in Habitat Magazine*

## PROFILING BOARD MEMBER GERALD ROSS

*Habitat* recently spoke with Gerald Ross about his long history as board president at 160 West End Ave. and the challenges along the way. FirstService has proudly managed this property since 2004.

“We’ve always had excellent advisors, including the same accounting firm and management—and have had the good sense to follow their advice.”

[Click here](#) to hear more from Ross on managing FISP repairs, borrowing for an HVAC project, staying ahead of the energy curve, and the easiest board meeting of the year.

# HABITAT

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### STAY CONNECTED

Know of a fellow board considering new management?  
Please have them [contact our team](#).

[Click here to read our latest industry-related articles.](#)

**First Impressions** is published for board members and building owners of properties managed by FirstService Residential New York, Inc. While every effort is made to achieve accuracy in the information contained in this publication, it is not intended as advice to any specific property, and FirstService Residential shall not be liable for any damages resulting from reliance on the accuracy of information contained herein. The information contained herein is meant to provide general advice, and it is not intended to be applied to a specific building or situation experienced at a building. Please consult with your property manager and other professionals to address any compliance matter at your building.

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