

To: Laurette Valdez
From: Peter Merson
Date: December 4, 2025
Subject: Request for Reconsideration of 2024 Maintenance Increase Based on Actual vs. Projected Expenses

Dear Laurette Valdez,

I am writing to formally request that the cooperative's **9%** maintenance increase, which was implemented based on the budget projections outlined in the memo dated November 27, 2023, be reconsidered and reduced to align with the actual operating cost increases incurred by the cooperative.

The basis for this request is the significant discrepancy between the Board of Directors' projected expense increase for 2024 and the actual costs realized.

The November 27, 2023 memo indicated that the Board projected total operating costs to increase by **\$218,800** in 2024. This projection appears to have been the primary justification for the substantial **9%** maintenance fee adjustment.

However, based on subsequent financial reviews and actualized figures, the total actual increase in operating costs for 2024 amounted to only **\$100,287**.

The initial projection was approximately **54%** higher than the actual increase in expenses. This overestimation has resulted in residents being charged a maintenance fee premium that is disproportionate to the actual financial needs of the cooperative.

Therefore, I respectfully request that the Board of Directors, in conjunction with your management firm, re-evaluate the current maintenance fee structure. The **9%** increase should be adjusted downward to reflect the actual cost increase of **\$100,287**, rather than the inflated **\$218,800** projection.

Reducing the maintenance increase to match the actual expense increase ensures fiscal responsibility and fairness to all shareholders, aligning our contributions with the true operational requirements of the building.

Thank you for your attention to this matter. I look forward to a prompt review and adjustment.

Sincerely,

Peter Merson

Apartment 8T Riveredge Cooperative

914-476-2183 ptermerson@hotmail.com



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PROPERTY MANAGEMENT

REAL ESTATE SALES

FINANCIAL MANAGEMENT

November 27, 2023

To All Riveredge Shareholders

Re: Maintenance Increase

The Board of Directors of the Riveredge Owners, Inc. has reviewed the actual operating expenses for the first nine months of 2023 and a forecast of future expenses in 2024. Unfortunately, the expenses of operating the Riveredge have increased greatly in the past two years and the Riveredge cannot continue to absorb these increased costs.

The Board projects dramatic increases in the cost of operating the Riveredge building and property in 2024. These include projected increases of \$110,000 for fuel oil, \$23,000 for insurance, \$8,500 for real estate taxes and \$77,300 in other expenses.

After careful consideration the Board of Directors has voted to increase the monthly maintenance by 9%, an increase of \$1.58 per share, starting on January 1, 2024.

The Board understands that no one enjoys these increases, but they are essential at this time. As always, the Board will closely monitor every cost incurred and assess the fiscal status of the Riveredge as we move forward. The Board asks for your continued support as we plan for the challenges ahead.

Shareholders who use on-line paying for their maintenance and parking must notify their banks of the changes.

Very truly yours,

WESTCHESTER PROPERTY MANAGEMENT GROUP INC.

Laurette R. Valdez
Senior Property Management

Operating Expense Projections vs Actual 2024 Expenses

	2023 <u>Actual</u>	2024 <u>Actual</u>	Actual <u>Difference</u>	2024		2024	
				Increase <u>Projected</u>	Increase <u>Actual</u>	<u>Difference</u>	
Fuel oil	243,083	267,710	24,627	110,000	24,627	\$ (85,373)	
Insurance	86,587	99,094	12,507	23,000	12,507	\$ (10,493)	
Real estate	369,302	384,242	14,940	8,500	14,940	\$ 6,440	
Other expenses	883,625	931,838	48,213	77,300	48,213	\$ (29,087)	
				\$218,800	\$100,287	\$ (118,513)	

Gross Operating expenses	\$1,582,597	\$1,910,958
minus one-time fire damage	-	(228,074)
minus Fuel oil	(243,083)	(267,710)
minus Insurance	(86,587)	(99,094)
minus Real estate	(369,302)	(384,242)
Other expenses	883,625	931,838

Projected increase:	\$ 218,800
Actual increase:	\$ 100,287
Error (overestimation):	\$ 118,513
Percentage incorrect	54%
(the projected cost increase was about 54% too high)	

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Riveredge Owners, Inc.
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenue		
Maintenance charges, net	\$ 1,644,840	\$ 1,513,404
Parking income	80,383	81,329
Interest	53,776	76,136
Storage fees	31,023	31,297
Laundry income	25,850	26,280
Other income	10,799	17,333
Total revenue	1,846,671	1,745,779
Expenses		
Payroll and related expenses	262,939	249,503
Utilities	328,592	290,726
Water and sewer charges	52,221	52,920
Repairs and maintenance	495,817	224,945
Security	77,374	72,322
Insurance	99,094	86,587
Legal and accounting	10,953	39,560
Management fees	52,725	51,150
Real estate taxes	384,242	369,302
Corporate taxes and miscellaneous	31,577	24,720
Mortgage interest	115,424	120,862
Total expenses	1,910,958	1,582,597
(Deficit) excess of revenue over expenses before realized/unrealized gain/(loss) on investments and depreciation	(64,287)	163,182
Realized gain on investments	57,693	4,110
Unrealized (loss)/gain on investments	(15,213)	13,724
Depreciation	(357,605)	(349,528)
Excess of expenses over revenue	\$ (379,412)	\$ (168,512)

The accompanying notes are an integral part of these financial statements.

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Riveredge Owners, Inc.
 Detail of Selected Expenses
Years Ended December 31, 2024 and 2023

	2024	2023
Payroll and related expenses		
Salaries and bonuses	\$ 167,267	\$ 156,918
Payroll taxes	12,989	12,167
Employee benefits	<u>82,683</u>	<u>80,418</u>
Total payroll and related expenses	\$ 262,939	\$ 249,503
Utilities		
Fuel oil heating	\$ 267,710	\$ 243,083
Electricity and gas	<u>60,882</u>	<u>47,643</u>
Total utilities	<u>\$ 328,592</u>	<u>\$ 290,726</u>
Repairs and maintenance		
Exterminating	\$ 3,002	\$ 3,592
Elevator	13,404	17,487
Miscellaneous repairs and general contracting	16,315	32,307
Painting, plastering and apartment repairs	5,600	17,850
Doors, locks, windows and intercom	10,906	15,303
Janitorial supplies	21,563	19,113
Plumbing, heating and boiler	56,666	18,375
Pool expense including supplies	56,840	49,524
Landscaping	68,142	38,814
Laundry room	20,031	7,447
Storm related damages and cleanup costs, net	-	2,200
Fire and water damages, net	<u>228,074</u>	-
Water damages and mold remediation	-	2,850
Fencing	-	6,500
Exterior	-	1,500
Other Insurance refunds	<u>(4,726)</u>	<u>(7,917)</u>
Total repairs and maintenance	<u>\$ 495,817</u>	<u>\$ 224,945</u>
Corporate taxes and miscellaneous		
Miscellaneous and administrative	\$ 18,392	\$ 13,779
Telephone	9,720	9,213
State and local income taxes	1,950	-
License and fees	<u>1,515</u>	1,728
Total corporate taxes and miscellaneous	<u>\$ 31,577</u>	<u>\$ 24,720</u>