



Dear Shareholders:

January 1, 2017

The Board of Directors is happy to present you with an overview of the Glen Oaks Village **2017 BUDGET**. The shareholders budget presentation and this hand-out is an opportunity to learn about the spending priorities and sources of revenue of our co-op. You can find some of the key points of the Shareholders Budget Meeting presentation here.

Keeping the co-op on **SOLID FINANCIAL FOOTING** and making decisions that positively impact the co-op is the primary focus of the Board of Directors. The expected rise in **PROPERTY TAX AND WATER RATE INCREASES CONTINUE TO BE A CHALLENGE**. In addition, NYC unfunded mandated spending and other rising costs continue to put pressure on budgets and affordable maintenance in all co-ops. As a result of these cost challenges there will be a **3.51% MAINTENANCE INCREASE** this year. Belt tightening and other measures taken by the board have allowed us to keep maintenance as low as possible. Future maintenance increases will be dictated by the City's imposition of higher property taxes, water rates and other costs facing housing co-ops.

78% OF YOUR MONTHLY MAINTENANCE PAYS FOR PROPERTY TAXES, WATER, HEAT, UNDERLYING MORTGAGE AND INSURANCE! 22% of your maintenance pays for everything else!

Monthly maintenance continues to be low at Glen Oaks Village. We also have not imposed heating cost assessments or a Flip Tax on our shareholders as many other co-ops have done. A flip tax is a fee that apartment sellers must pay to the co-op upon the sale of their unit. These flip tax fees can range from 5% to 50% of the sale price.

As done in past years and also by most other co-ops, there will be a **NYS STAR Tax Credit Special Assessment** that will be reflected on your maintenance bill in the same month that the offsetting NY STAR Credit is issued. If you have not yet applied for your NYS STAR CREDIT, you will need to do so now for future years. If you received the NYS STAR credit in the past, you will not need to reapply. There is no application form - **to apply or search to see if you're already registered go to www.tax.ny.gov/star or call 518-457-2036**. The process is easy and requires that you answer a few simple questions. You only need to apply once.

The volunteer members of the Board understand that there is never a good time for an increase and increases are often a hardship for many. That is why an increase is only done as a last resort. A **PROPERLY FUNDED BUDGET MUST REFLECT THE TRUE COST OF RUNNING A CO-OP**. Maintaining excellent financials and continuing to upgrade the infrastructure of our aging co-op is essential.

Thank you,

Board of Directors

Proud of Our Accomplishments!

1. Capital Improvement Program
2. Value Added Improvement Policy
3. Apartment Sales Program - Strategic Planning and Marketing to Maximize Pricing & Value
4. Fiscally Sound Management
5. Low Maintenance and No Flip Tax

GLEN OAKS VILLAGE OWNERS, INC. BOARD OF DIRECTORS

GOALS

1. IMPROVE QUALITY OF LIFE
2. MAINTAIN PROPERTY & INFRASTRUCTURE
3. INCREASE PROPERTY VALUES
4. ENCOURAGE VALUE-ADDED IMPROVEMENTS
5. KEEP MAINTENANCE LOW

BOARD'S GUIDING PRINCIPLE

THE LONG TERM INTERESTS OF THE CO-OP
WILL ALWAYS DETERMINE
SPENDING DECISIONS AND PRIORITIES.

2017 Budget Challenges

Property Taxes	UP	\$320,000
Water	UP	\$200,000
Heat	UP	<u>\$200,000</u>
Total		\$720,000

Equivalent to 3.6% Maintenance Increase.

Other expenses continue to rise including the Union contract and other operating costs.

Challenging Time for Co-ops

There will be a 3.51% Increase effective Jan 1, 2017.
Smallest increase since 2006.

Last Increase 4.75% in 2015

**SINCE 2000
8 INCREASES
6 NO INCREASES**

- > 2003: 4.8%
- > 2004: None
- > 2005: 3.9%
- > 2006: 2.5%
- > 2007: None
- > 2008: 4.0%
- > 2009: 3.9%
- > 2010-2011: None
- > 2012: 4.5%
- > 2013: None
- > 2014: 3.75%
- > 2015: 4.75%
- > 2016: None

	2017 Budget
REVENUE:	
Total SH Maintenance Revenue	21,492,853
Total Rental Revenue	2,775,100
Non-Maintenance Revenue	3,132,743
TOTAL REVENUE	27,400,696

ADMINISTRATIVE EXPENSES:	
Total Management Staff	1,027,000
Total Professional Fees	187,000
Total Administrative Office	421,300
Total Bad Debt Expense	0
TOTAL ADMINISTRATIVE EXPENSES	1,635,300

MAINTENANCE EXPENSES:	
Total Salaries & Wages	3,749,350
Total Landscape	255,000
Total Vehicles	145,700
Total Property Repairs	1,774,948
Total Maintenance Office	29,000
TOTAL MAINTENANCE EXPENSES	5,953,998

OPERATIONS & SECURITY:	
Total Heating Expense	2,650,000
Total Security Fee	460,000
Total Other Operating Expenses	3,094,200
TOTAL OPER. & SECURITY EXPENSES	6,204,200

TOTAL INSURANCE & PENSION	2,595,500
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TOTAL TAXES	6,763,600
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TOTAL INTEREST ON DEBT	1,320,971
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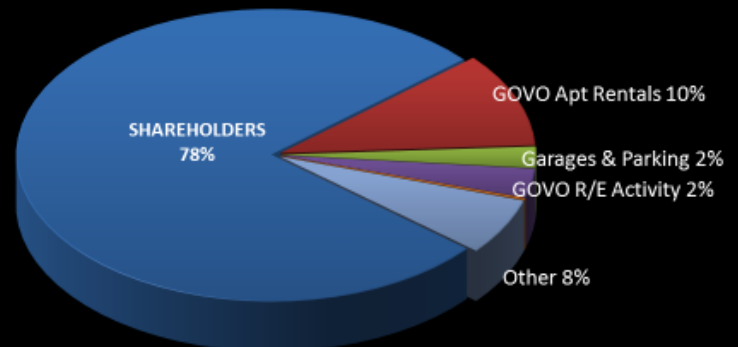
TOTAL EXPENSES	24,473,569
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Cash Flow Before Capital Expenses	2,927,127
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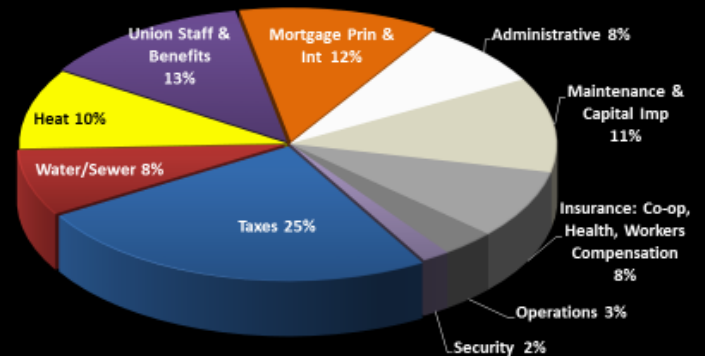
CAPITAL EXPENSES	
Total Debt Principal	1,996,922
Total Capital Improvements	929,900
TOTAL CAPITAL EXPENSES	2,926,822

TOTAL EXPENDITURES	27,400,391
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2017 Budget Revenue \$27,400,000



2017 Budget Expenses \$27,400,000



PERSPECTIVE

SINCE 2000

WATER RATES INCREASED 116%

PROPERTY TAXES INCREASED 110%

GOVO MAINTENANCE INCREASED 32.1%



2016 Fall Festival



Kids had a great time



2016 How-O-Ween Dog Costume Contest



GOVO Security Dog & Prisoner



Sunrooms
4 completed
8 more approved



Splash Park Shrunk Wrapped for Winter

BOARD OF DIRECTORS

□ Bob Friedrich	President	1991
□ Roseann Ciaccio	Vice President	1996
□ Christine Bergen	Secretary	1997
□ Justin Conklin	Treasurer	2007
□ Lee Feinman	Board Member	1989
□ Carol Carucci	Board Member	1997
□ Lenny Motsinger	Board Member	1999
□ Mitch Jaret	Board Member	2006
□ Sandra Draves	Board Member	2016

WHAT'S IN THE 2017 BUDGET?

- After a careful study in 2015 and 2016 showed that we could save 15%-28% in gas usage, we began installing new Boiler Heat Timer and Feeder Valves recently, at a cost of \$267,000.
- We have allocated another **\$260,000 in 2017 and will allocate \$273,000 in 2018 to complete this job.**
- 3 Year Program Cost 2016-2018 is \$800,000.
- The savings will provide a 1-2 year payback period.

WHAT'S IN THE 2017 BUDGET?

- 10 GOVO Apartment Sales will generate \$2M in revenue.
- Porch Light Program to be completed in 2017.
- Mailbox Program (\$90K) to be completed in 2017.
- Building Foundation Program replacing all window well doors has now been completed.

WHAT'S IN THE 2017 BUDGET?

Exterior Painting Program – 6 Year Cycle

- 2011: GO west last Painted
- **2017 GO west to be Painted. \$100K**
- 2012 GO east last Painted
- **2018 GO east to be Painted**

WHAT'S IN THE 2017 BUDGET?

- 131 of 134 Building Roofs have been done. Program cost since inception: \$2,000,000
- 1 Roof budgeted for 2017. It was last done in 1998 and is the 1st roof to be redone since our program began in 1994.
- In 2016 we did a garage roof in-house and saved the co-op \$60K
- Our Stoop Program was completed in 2013. In 2016 for the first time since 1994 when our stoop program began, we had to redo 2 stoops that were last done in 1993 and 1997. A life span of 18-21 years.

WHAT'S IN THE 2017 BUDGET?

- We will paint 100 garage doors on an as-needed basis.
- We have sped up the Garage Door Frame Vinyl Capping Program. This program began in 2016 and was to be completed in 2019. It will now be completed in 2017 at a cost of \$84,000.

FEES WE HAVEN'T CHANGED...

- Alteration Fees
- Garage Fees
- Late Payment Charges
- Annual Parking Permit
- Community Room Rental Fees.
- Closing Costs
- No Energy Assessment
- No Flip Tax

YOUR MONTHLY MAINTENANCE

YOUR UNIT TYPE	Shares	3.51% Increase Effective 1/1/17	<i>Monthly Increase</i>	OLD MONTHLY MAINTENANCE
		NEW MONTHLY MAINTENANCE		MAINTENANCE
A Lower	104	\$514.45	\$17.42	\$497.03
A Upper	107	\$529.29	\$17.92	\$511.37
B Lower	132	\$652.96	\$22.11	\$630.85
B Upper	136	\$672.75	\$22.78	\$649.97
C Lower	138	\$682.64	\$23.11	\$659.53
C Upper	142	\$702.43	\$23.79	\$678.64
D Lower	150	\$742.00	\$25.12	\$716.88
D Upper	155	\$766.73	\$25.96	\$740.77
E Lower	142	\$702.43	\$23.79	\$678.64
E Upper	146	\$722.21	\$24.45	\$697.76
F Lower	121	\$598.55	\$20.27	\$578.28
F Upper	124	\$613.39	\$20.77	\$592.62
G Lower	142	\$702.43	\$23.79	\$678.64
G Upper	146	\$722.21	\$24.45	\$697.76
H Lower	160	\$791.47	\$26.80	\$764.67
H Upper	165	\$816.20	\$27.64	\$788.56

How Much Will the Maintenance Increase Cost?

Monthly: \$17.42 to \$27.64

Annually: \$209 to \$332

That's Less Than \$1 per day.

Expenses as a % of Your Maintenance

Non-Discretionary Co-op Costs

Property Taxes	\$6,200,000	29%
Mortgage Principal & Interest	\$3,318,000	15%
Heat	\$2,650,000	12%
Insurance: Co-op, Health, Wkrs Comp	\$2,596,000	12%
Water/Sewer	\$2,200,000	10%
TOTAL	\$16,964,000	78%

All Other Discretionary Costs 22%

Which include: Repairs, Vehicles, Fuel, Landscaping, Uniforms, Supplies, Tools, Signage, Office Salaries, Printing, Legal, Postage, Telephone, Office, Events, Gas, Electric, Exterminator, Bulk Pickup, Permits, etc.