



OCTOBER 2021

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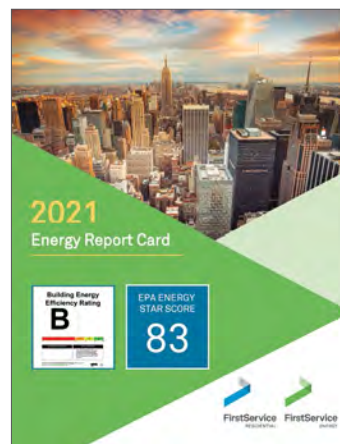
Client Financial Success Stories



Reading this in print?
Scan here for the full digital experience with videos, online resources and more.

FirstService Residential Issues Annual Energy Report Cards

This marks the tenth year that FirstService Residential has issued Energy Report Cards to our managed properties. Our in-house team of energy experts at FirstService Energy developed a proprietary energy information management system to record and analyze your building's current and historical energy use, utility costs, typology information, carbon emissions and operating equipment.



The data collected is translated into easy-to-read charts and graphs that benchmark your building against others in the FirstService Residential management portfolio, enabling our energy team to identify where your building has the most opportunity for energy and carbon savings.

“The more informed our clients are about their building's environmental impact, the more empowered they are to improve it,” says Tal Eyal, president of FirstService Energy. “We developed Energy Report Cards to equip our clients with the insight to make informed decisions on opportunities that will optimize their property's energy performance, reduce emissions and lower annual operating costs.”

continued on next page

Energy costs can comprise 30% of a building's annual budget, which is typically the single largest controllable expense for a residential property.

Energy Report Cards

continued from front page

Your Energy Report Card includes your building's:

- ENERGY STAR score calculated by the US Environmental Protection Agency
- New York City Energy Efficiency Building Grade
- Potential Annual Savings Opportunities
- Energy Usage and Cost Benchmarking
- Weather Normalized Energy Consumption
- Historical Energy Consumption by Commodity
- Carbon Emissions Impact
- Energy Aggregation Purchasing Program Savings (if applicable)
- Energy Conservation Methods Checklist

2 “As New York State and City agencies approve increasingly stringent local laws aimed at reducing carbon emissions and improving energy efficiency, there's a growing need for our clients to have transparent, actionable data in order to make important, often costly, decisions on the right efficiency projects to undertake,” said Dan Wurtzel, president, FirstService Residential. “As industry thought leaders, we recognized this need over a decade ago when we formed FirstService Energy to help guide our clients on the path to efficiency.”

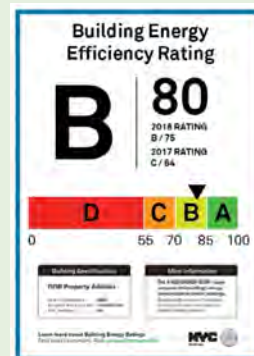
We encourage our board members and building owners to use this information as the basis for further discussion with your property manager. By doing so, you can help improve your building's efficiency, save money, reduce potential Local Law 97 fines, and ultimately reduce your building's impact on the environment.

FirstService Residential is committed to providing solutions that reduce operating expenses, maximize property values and provide an exceptional quality of life for residents. As the largest residential management company in New York City, we have a social responsibility to help protect the environment by guiding our clients on the road to energy efficiency.

LETTER GRADES MUST BE POSTED BY OCT. 31

Placard will be delivered to your building in advance of the deadline

New York City has released the new Building Energy Efficiency Rating placards and all buildings 25,000 sq. ft. and above are required to publicly post their grade each year by October 31. The grade is based on the building's aggregate energy usage per square foot and converted to a letter grade.



As part of this process, FirstService Energy will provide each of our managed properties with the following support:

- Download the new placard
- Audit the grade
- Communicate with the NYC Department of Buildings (DOB) if there is an issue (our team flagged many issues last year)
- Print, laminate, and mail the placard to the building to the attention of the general manager, superintendent or resident manager.

Once the placard is received, your management team will ensure that it is posted in a conspicuous location near each public entrance by the October 31 deadline following the [DOB instructions](#). As mandated by Local Law 95 and Local Law 33, failure to prominently display your Building Energy Efficiency Grade will result in a DOB violation and a fine of \$1,250.

The Path to Local Law 97 Compliance

Local Law 97 (LL97) of New York City's Climate Mobilization Act (CMA) requires buildings over 25,000 square feet to reduce their carbon emissions to allowable limits by December 31, 2024. Starting in 2025, buildings will be required to submit an annual emissions intensity report certified by a registered design professional that states the building is in compliance—or be subject to substantial fines.

The first compliance report is due May 1, 2025 and every May thereafter. Most condos, co-ops and rental buildings will require a deep energy retrofit or must follow an alternative path to achieve these strict emissions targets. Retrofits can take years to complete, so boards and building owners should not stall their efforts to take action given the progressively restrictive emissions caps in 2030 and beyond. Saving energy is the most effective way to



Our energy experts discuss the most common questions and challenges facing multifamily buildings impacted by Local Law 97. [Click here to watch a replay.](#)

reduce building emissions and targeting the most carbon-intensive fuels will yield the biggest carbon savings. A strategic approach to both long-term carbon reduction and capital planning will facilitate the most favorable return on investment.

[Click here to read more](#) about LL97 compliance.

Where is Your Building on the Path to Local Law 97 Compliance?



ENERGY Insights

Helping FirstService Residential clients navigate the path to efficiency

FirstService Residential and FirstService Energy continue to help our clients understand their obligations under the Climate Mobilization Act (CMA), including navigating the new legislation, understanding forthcoming penalties related to carbon emissions, improving overall efficiency and preparing buildings to comply with the law.

To further the dialogue and support our clients, we launched [Energy Insights](#), an interactive library of [webinars](#), [articles](#), [tips for residents to reduce energy usage](#), [frequently asked questions about the NYC Climate Mobilization Act](#) and [more](#).

With the right plan and the right partners, buildings can turn this obligation into an opportunity to save money, reduce emissions and improve quality of life for residents.

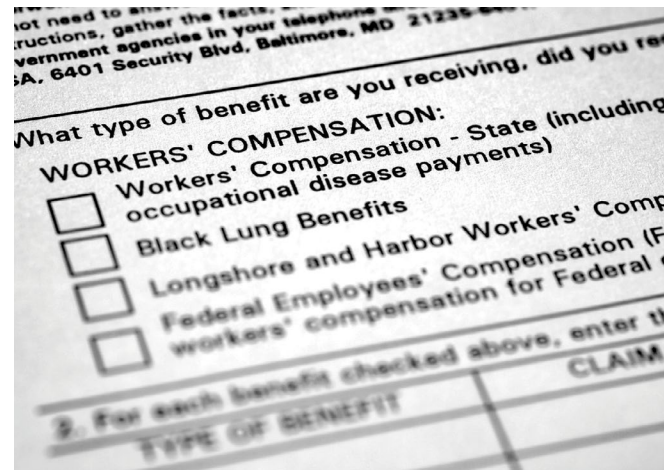


Importance of Workers' Compensation Placement

FirstService Residential would like to remind our board members and building owners of the importance of Workers' Compensation coverage. Workers' Compensation is placed to provide coverage to employees who suffer work-related injuries or illness. New York State requires all businesses to carry Workers' Compensation coverage, including coverage for part-time employees and family members employed.

If the Workers' Compensation Board discovers that there is no coverage in place while having direct hire employees, it will issue a penalty to the building, which can be as high as \$2,000 for every 10-day period without coverage.

We recommend that all our managed properties purchase a minimum Workers' Compensation policy—even if the building has no paid employees and only uses workers employed by a



third-party staffing company. The minimum premium for a building with no employees is very small, averaging \$741 per year.

In the event that an independent contractor were to be held as an employee (a possibility for individual contractors), the policy would respond. It would also protect against any claim for failing to maintain a policy.

It is important to note that the types of independent contractors who are most likely to submit a claim are “sole proprietors” who do not need to maintain their own Workers' Compensation coverage.

Please reach out to your management team with any questions.

If the Workers' Compensation Board discovers that there is no coverage in place while having direct hire employees, it will issue a penalty to the building, which can be as high as \$2,000 for every 10-day period without coverage.

BOARD MEMBER & BUILDING OWNER RESOURCES

WEBINAR RESOURCE PAGE

Visit our new [webinar resource page](#) to access FirstService Residential's on-demand webinars featuring insights and best practices from financial, legal, energy and management experts on enhancing property values, complying with local laws, and improving the resident experience.



CNYC South Florida Condo Collapse: Insights and Lessons Learned Part 1

[View More](#)



CNYC South Florida Condo Collapse: Insights and Lessons Learned Part 2

[View More](#)



Ask Our Experts: Effective Building Budgets for NYC Condo & Co-op Boards

[View More](#)



The New Reality: Understanding Insurance Requirements for Capital Projects

[View More](#)

Protesting Tax Assessments

Message from General Counsel Ben Kirschenbaum

Protesting real estate tax assessments is critical for all owners of real property and boards for our cooperatives and condominiums do so each year.

The NYC Tax Commission hearings to consider the requests to reduce the assessment will be wrapping up in the fall. If a property owner has either not received an offer to reduce the assessment or has rejected the offer



from the Tax Commission, the owner must file a petition commencing a civil action against the City of New York in October each year.

Filing the petition preserves the right to continue to protest the assessment. FirstService Residential distributes the petitions upon receipt from the tax certiorari attorney and returns them to the attorney after they are signed by the board president or other officer.

[Click here](#) to read Fast Facts about the Tax Certiorari Process in New York City.



The Clock is Ticking

YOUR BUILDING'S PATH TO LOCAL LAW 97 EMISSIONS COMPLIANCE

Presented by FirstService Residential at The Cooperator Expo
Thursday, October 28, 2021 • 12:15 p.m. – 1:15 p.m.



Drew Ahrendorf
Vice President
FirstService Financial



Kelly Dougherty
Vice President
FirstService Energy



John Foley
Vice President
FirstService Project Management

Buildings need wide-ranging support to navigate the complex requirements, strict emissions targets and narrow timelines established by NYC Local Law 97. Most buildings will require a deep energy efficiency retrofit or must follow an alternative path to avoid costly fines if they are unable to comply. Our experts will guide board members on how to succeed in:

- ▶ Prioritizing and implementing retrofit projects that maximize emissions reductions
- ▶ Securing incentives and favorable financing terms to cover associated costs
- ▶ Hiring qualified contractors to create a project plan with minimal disruption to residents
- ▶ Implementing low-cost, high-reward strategies to optimize building performance
- ▶ Driving behavioral changes among residents to help reduce emissions

CLICK HERE TO REGISTER FOR THE COOPERATOR EXPO

The registration link is to attend the full expo. You cannot register specifically for this seminar. Seating is first-come, first-served.

FIRSTSERVICE RESIDENTIAL TO HOST TWO CLASSES AT 2021 CNYC ANNUAL HOUSING CONFERENCE

Two of our in-house experts will be joined by fellow industry professionals to lead two classes at The Council of New York Cooperatives & Condominiums (CNYC) Annual Housing Conference taking place on Sunday, November 14 from 9:00 a.m. to 4:45 p.m. via Zoom.

BEST PRACTICES FOR CO-OP & CONDO BOARDS [9:00 A.M., COURSE 105]

How do the best and most efficient boards run their buildings? Conduct their meetings? Oversee the well-being of their community? What are the essential documents that every board member should understand? When and how are professional advisors best used?

Learn best practices for efficient, effective leadership of your co-op or condo with these experts:

- Michael Wolfe, president of property management, FirstService Residential, and chair of the Resident Management Council at the Real Estate Board of New York (REBNY)
- Andrew Brucker, partner, Armstrong Teasdale LLP
- Rick Montanye, CPA, partner, Marin & Montanye LLP

CONQUERING LL97 COMPLIANCE CHALLENGES [11: 15 A.M., COURSE 203]

New York City's ambitious Climate Mobilization Act (Local Law 97 of 2019) sets standards for significant reductions in the carbon footprint of buildings of 25,000 square feet and more, so as to reduce the city's carbon level in 2050 by 80% from its level in 2005. Many buildings will be seriously



challenged to achieve the required reductions along the way to this goal and could face fines for non-compliance.

Understand the law and ways to deal with compliance challenges with these experts:

- Michael Wolfe, president of property management, FirstService Residential, and chair of the Resident Management Council at the Real Estate Board of New York (REBNY)
- Kelly Dougherty, vice president, FirstService Energy
- Peter Varsalona, PE, CEM, CBCP, principal, RAND Engineering & Architecture

[Click here to download the conference brochure.](#)

Register online at www.CNYC.coop by midnight Thursday, November 11.

YOU ARE INVITED

CNYC invites board members and committee members to its Annual Housing Conference which offers 40 continuing education classes. Registrants can attend up to three classes as well as attend the Plenary Session where CNYC leaders will provide updates on key issues and honored guests will be introduced.

Every co-op and condo that is a 2021 CNYC member in good standing can send its first registrant at no cost. Additional member registrants can attend at CNYC's modest member rates.



NEW CLIENTS

Welcome

to the FirstService Residential Family



**THE COSMOPOLITAN
CONDOMINIUM***
145 East 48th Street
Manhattan
207 units



**42 TRINITY PLACE
CONDOMINIUM***
77 Greenwich Street
Manhattan
90 units



1065 PARK AVENUE
1065 Park Avenue
Manhattan
103 units



COLUM 75 INC.
102 West 75th Street
Manhattan
61 units



**1104 LEXINGTON
AVENUE**
1104 Lexington Avenue
Manhattan
27 units



**287 PROSPECT
AVENUE**
287 Prospect Avenue
Brooklyn
53 units

*The greatest compliment we can receive
is the referral of new business.*

*Thank you to our board members, building
owners, residents and professional industry
partners for having the confidence in
FirstService Residential to recommend our
company to your neighbors, friends and clients.*

**New development consulting and management*

TESTIMONIAL

“I served as President of the condo board association at 45 Park for several years and was instrumental in bringing in FirstService Residential as manager for the building. They were terrific, in terms of managing the building’s finances, attention to maintenance issues, and interactions with the residents. A particular shout out to Maria Auletta, whom we were blessed to have as the manager assigned to our building.”

— ROBERT BICKFORD, JR.

Success Stories

CASH MANAGEMENT HIGHLIGHTS

FirstService Residential offers a level of in-house financial expertise that is unmatched by other management companies and mortgage brokers

FirstService Financial proactively evaluates our clients' reserve portfolios to maximize interest income on deposit balances with FDIC-insurance coverage. With billions in deposits placed at commercial banks specializing in real estate, we are able to negotiate favorable rates for our clients. In 2020, our team helped FirstService Residential clients generate over \$5 million in additional interest income. Here are recent success stories:



RESERVE FUND REALLOCATIONS

Building	\$ Reserve Reallocation	Additional Interest Income Generated
Manhattan Condo	\$2,000,000	\$5,000 per year
Brooklyn Co-op	\$750,000	\$3,300 per year
Manhattan Co-op	\$1,000,000	\$3,200 per year
Manhattan Condo	\$800,000	\$3,000 per year
Manhattan Co-op	\$750,000	\$3,500 per year

- Constructed a mini-CD ladder from 12–24 months to lock in fixed rate yields with \$2.5 million and placed the rest into a liquid money market account with an FDIC-insured sweep to protect the balances with deposit insurance.

Lending

FirstService Financial negotiates loans for FirstService Residential clients that yield lower interest rates and better terms than buildings can typically obtain on their own. In 2020, our team closed 30 loans at \$200 million of total debt for our clients. We also negotiated interest rates that averaged 0.50% below the industry average, resulting in more than \$1,000,000 in annual interest expense savings for our clients. Here are recent success stories:

MANHATTAN CONDO

- Allocated \$7.1 million sitting at a broker earning 0.01% to a series of commercial banks paying preferred rates on money market accounts and CDs.

LENDING HIGHLIGHTS

Property	Loan Amount	Interest Rate	Term
Manhattan Condo	\$20,000,000	2.90%	10-year fixed, 30-year amortization
Bronx Co-op	16,500,000	3.05%	10-year fixed, 30-year amortization
Brooklyn Co-op	\$13,500,000	2.75%	10-year fixed, full term interest only
Queens Co-op	\$2,925,000	3.00%	10-year fixed, full term interest only

INSURANCE HIGHLIGHTS

QUEENS CO-OP

FS Insurance Brokers saved the client \$7,000 on their General Liability and Umbrella policies by placing the insurance in our exclusive program.



Local Law 87 Reports Due December 31

Upcoming 2021 energy ordinance compliance deadline

NYC [Local Law 87](#) (LL87) requires buildings over 50,000 square feet to undergo periodic energy audits and retro-commissioning. The intent of the law is to inform building owners of their energy consumption through energy audits, which are surveys and analyses of energy use, and retro-commissioning, the process of ensuring correct equipment installation and performance.

FirstService Energy provides expert guidance on completing the energy audit and retro-commissioning services needed to comply with LL87. Through our partnerships, FirstService Residential clients pay 20% less for LL87 services.

Here's how it works:

1. In advance of your building's compliance deadline, our team will reach out to collect and verify your building typology.
2. Using this data, we solicit bids from our network of qualified service providers.
3. Our team reviews the proposals and prepares a bid analysis for your building.

Our goal is to lessen the administrative burden on your property manager so that he or she can focus on other priorities for your building.

LL87 COMPLIANCE DEADLINES

Covered buildings are due in the calendar year with a final digit that is the same as the last digit of the building's tax block number, as illustrated in this chart. The building's energy audit and retro-commissioning work must be completed prior to filing the energy efficiency report (EER). Our compliance department is tracking all of our properties to ensure our management teams advise you timely.



If your building is unable to file the EER by Dec. 31, 2021, we can assist with obtaining an extension for your building if it meets the extension criteria:

- **Good Faith Efforts:** An owner may apply for an extension of time to file an EER if, despite good faith efforts, the owner is unable to complete the required energy audit and retro-commissioning prior to the due date of the report, for reasons other than financial hardship of the building, or
- **Financial Hardship:** An owner may apply for annual extensions of time to file an EER based on the financial hardship of the building.

If an extension request is successfully filed by Dec. 31, 2021, the EER submission due date will extend to Dec. 31, 2022.

ALREADY RECEIVED YOUR 2020 OR 2021 EER?

If you have already received your 2020 or 2021 EER, reach out to our team to learn more about the energy conservation measures that you can implement to increase your building's efficiency—which will help improve your building's energy grade and lower its carbon footprint.

For more information, email Lily.Malota@FirstServiceEnergy.com.

LL87 COMPLIANCE DEADLINES

Year EER is due	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Last digit of tax block number	3	4	5	6	7	8	9	0	1	2

FISP COMPLIANCE UPDATE

New York City's Facade Inspection Safety Program, known as FISP or Local Law 11, requires periodic facade inspections for buildings with more than six stories above ground. This requirement also includes appurtenant structures such as a garage, balcony railings or street walls.

The burden of responsibility falls on boards and building owners to complete these inspections every five years, file subsequent reports with the Department of Buildings (DOB) and complete all remedial repairs within a specific timeframe. The current inspection timetable is Cycle 9 which opened on February 21, 2020. The best way to comply with new FISP requirements is to plan ahead.

WHAT ARE THE NEW FISP/LOCAL LAW 11 REQUIREMENTS FOR CYCLE 9?

1. Physical inspections must now be performed every 60 linear feet along a building's facade.

2. The increased linear requirement often means buildings will need to install more scaffold than before which increases project expenses.
3. Inspectors are required to probe or remove small portions of cavity walls for a more in-depth structural analysis.
4. When the report is filed with the DOB, buildings are required to post an exterior wall certificate similar to [building energy efficiency scores](#).
5. Failure to post the certificate within 30 days of report filing will result in a \$500 violation which can be given every time the DOB visits a property, even for reasons unrelated to the facade inspection.

To learn more about FISP, [read our article](#) or [watch our webinar](#).

Unsure of your compliance cycle or need assistance with your project? Email us at Info@FSProjectManagement.com.

9TH CYCLE FACADE INSPECTIONS SAFETY PROGRAM (FISP) FILING WINDOWS

Last Digit of Block #	2020	2021	2022	2023	2024
4, 5, 6, 9	SUB-CYCLE 9A: 2/21/20 - 2/21/22				
0, 7, 8		SUB-CYCLE 9B: 2/21/21 - 2/21/23			
1, 2, 3			SUB-CYCLE 9C: 2/21/22 - 2/21/24		

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Q4 2021 COMPLIANCE DEADLINES

OCTOBER 1

- 2021–2022 Heat Season begins
- New Building Energy Efficiency label available—replace existing label with latest score before Oct 31 [HPD]

NOVEMBER 1

- Deadline for annual cooling tower certification [DOB]

DECEMBER 31

- Final day to electronically file annual bedbug report for 11/1/20–10/31/21 [HPD]
- Last day to file annual elevator and boiler inspections for 2021 cycle via DOB NOW: Safety [DOB]
- Last day for annual lead paint inspections (LL 1) and allergen hazard inspections (LL 55) [HPD]
- Last day to submit LL 87 Energy Efficiency Report for buildings due in 2021 (covered buildings list—50K sq ft—with a last digit of “1” as the building’s tax block number) [DOF]
- Last day to perform gas piping system inspections or submit certifications for Community Districts 2, 5, 7, 13, and 18 in all boroughs [DOB]

KEY

DOB – NYC Department of Buildings
 DOF – NYC Department of Finance
 HPD – NYC Department of Housing Preservation and Development

NEW TO YOUR BOARD?

These resources can help you quickly learn the ropes

To position your board for success, newly elected board members must understand their roles and fiduciary duties. Operating a cooperative or condominium involves many of the same responsibilities as any other business, yet new volunteers may not have experience in such matters.

We invite you to watch this webinar, [Successfully Onboarding New Board Members](#),



presented by Dan Wurtzel, president, FirstService Residential, for members of the Council of New York Cooperatives & Condominiums (CNYC).

FirstService Residential also has created a best practices guide to assist new board members transition into their role.

[Click here](#) to read our guide to Successfully Onboarding New Board Members.

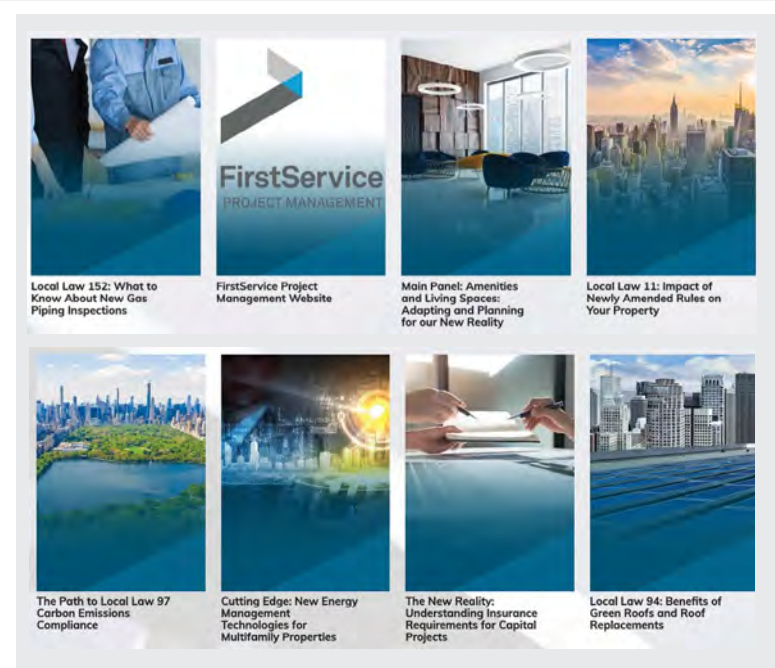


Thank you for volunteering to make a difference for your building and fellow residents.

ONLINE RESOURCES

CAPITAL IMPROVEMENTS RESOURCE LIBRARY

At FirstService Residential, we know that boards and building owners face a number of challenges when considering capital improvements. Our [Capital Improvements Resource Library](#) includes webinars, expert panels and breakout sessions covering all aspects of planning and executing capital projects to help you increase property value and relevance in today's marketplace.





FirstService
RESIDENTIAL

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New York, NY 10017

Board Members: Have you been receiving First Impressions via email?

If not, please speak with your management team to ensure you are not unsubscribed from receiving newsletters.

STAY CONNECTED



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

Know of a board or building owner interested in our property management services?

[Email LetsTalk.NY@fsresidential.com](mailto:LetsTalk.NY@fsresidential.com) or call 212.634.5410.

First Impressions is published for board members and rental 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.

We welcome your feedback. Email us at news.ny@fsresidential.com.

www.fsresidential.com/new-york