

Making
a Difference.
Every Day.

FirstService Residential

ADVANTAGE

FirstService Residential Lauded for Environmental Leadership

FirstService Residential has been named “Environmental Stewardship Team of the Year” by the New York Association of Realty Managers (NYARM). The company was recognized for its “overall dedication to the environment and specifically for its exceptional efficiency accomplishments at Brightwater Towers Condominium.”

“By standing as a strong environmental leader among management firms, we are paving the way for others to follow suit, which will result in significant financial savings and environmental benefits for New York City residents,” says Dan Wurtzel, President, FirstService Residential New York.

FirstService Residential’s commitment to conservation prompted the company to

form its FS Energy division in 2009 to advise clients of ways to reduce energy costs, consumption and emissions. Since then, properties have realized more than \$23 million in cost savings while reducing their carbon footprint by 68,630 metric tons, or 15.6 percent.

At Brightwater Towers Condominium, a two-building, 734-unit complex on the oceanfront in Brooklyn, the boiler room was severely damaged during Superstorm Sandy. A new system—which reduced the number of boilers from three to two while increasing overall efficiency—was raised four feet off the ground to maximize resiliency against future storms. The system’s efficiency qualified the complex for a grant

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Accepting the award: (L-R) Keith Werny and Jeff Hower, FirstService Residential; Cynthia Reich, Brightwater Towers Board President; and Marty Levine, Renewable Energy Associates.

Energy Purchasing Program Surpasses \$12.2 Million in Savings

The FirstService Residential Energy Aggregation Purchasing Program, which is run by our FS Energy subsidiary, continues to deliver impressive returns to participating buildings. Since its inception in October 2011 participating properties have saved \$12.2 million!

The program leverages the purchasing power of our large portfolio of buildings in order to reduce natural gas and electricity costs relative to the local utility.

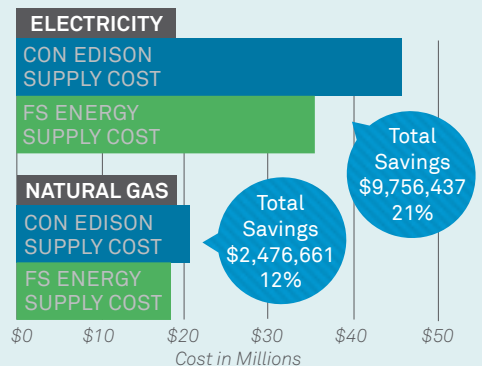
Board members who wish to receive their building’s FS Energy Aggregation Tracker Report—which provides a month-over-month comparison of supply costs versus what would have been charged by Con Edison and/or National Grid for the same period—should speak with their property manager.

Have a question about the program in general? Contact Edmond Ohin, FS Energy Client Commodity Manager, (212) 634-5486 or edmond.ohin@fsenergyservices.com.

FirstService Residential Portfolio-wide Energy Savings

October 2011 – October 2013

TOTAL SAVINGS TO DATE: \$12,233,098



Value Added Service: A Refinancing Success Story

Our affiliate, FirstService Financial, Inc. (FFI), assists clients of FirstService Residential in fulfilling their financing requirements at the most competitive interest rates and terms available. FFI has facilitated or assisted in loan placements in excess of \$1 billion for cooperatives and condominium associations.

This recent transaction illustrates why many of our clients choose to participate in FFI's programs, which provide added value based on the global purchasing power of our parent company, FirstService Corporation.

"We are pleased with the highly favorable terms that FFI was able to secure for us," says Jarett Epstein, Treasurer of 205 East 78th Street. "FFI's professional guidance is a terrific benefit of having FirstService Residential as our management company."

205 East 78th Street 218-unit cooperative in Manhattan

Existing Situation:
Original Mortgage: \$8,500,000
Balance at Prepayment: \$8,500,000
Original Interest Rate: 4.95%

The co-op refinanced their loan in November 2011. In 2013, the co-op realized they needed an additional \$1 million in proceeds for capital improvements. The main concern of the board was the impact to the shareholders of refinancing again, pulling out additional capital proceeds, and incurring a prepayment penalty.

FFI worked with the board and, through analysis, discovered the co-op could increase the loan amount to cover the prepayment penalty and additional proceeds, reduce the interest rate, and lower the monthly debt payments.

The board elected to move forward and was in a position to close by June 2013. Unfortunately rates began to rise and the board was not comfortable closing. They decided to cancel the transaction and wait until rates decreased. Meanwhile, FFI stayed in contact with the board and provided constant analysis of debt scenarios.

The board re-engaged FFI in November 2013 and wanted to close by year-end. FFI was able to work with the lender who was willing to close in June to expedite closing and satisfy the board's concerns. The board was able to pull out \$1 million in proceeds

"FFI's professional guidance is a terrific benefit of having FirstService Residential as our management company."

**Jarett Epstein, Treasurer,
205 East 78th Street**

and minimize any increases to the maintenance costs of the shareholders.

FFI Solution:
New Mortgage Amount: \$10,000,000
New Interest Rate: 4.37%

- FFI locked in a rate of 4.37% on a 10-year interest only mortgage.
- The total prepayment cost was \$340,000 and the association was able to pull out an additional \$1 million in proceeds and lower the interest rate.
- FFI provided the client with a maintenance impact analysis that demonstrated the board could increase the total loan amount at a lower interest rate and the monthly debt payments would not increase. This allowed the board to reassure shareholders that maintenance costs would not increase due to the mortgage refinance.
- FFI was able to close within 30 days of re-engagement due to work that had been done earlier in the year as well as its relationship with the lender. ●

To learn how FFI's programs may benefit your property, please contact Jordan Muchnick at (484) 398-6042 or jmuchnick@firstservice.com.





The Greening of Jamie Towers

Jamie Towers is a four building, 620-unit Mitchell-Lama apartment complex located in the Bronx. The co-op was a perfect match for the latest round of recycling initiatives rolled out by the New York City Bureau of Waste Prevention, Reuse and Recycling. For over a year, General Manager Victor Berrios and his dedicated building staff have worked with the Office of Recycling Outreach and Education (OROE) in encouraging the community to implement various initiatives aimed at proper recycling methods.

Chutes and Re-fashion

They began with a “chute room makeover” on all floors to ensure that recycling areas had proper signage, labeling, bins and bags. Training was provided to maintenance staff and workshops were held for building residents as part of the Apartment Building Recycling Initiative (ABRI).

The building also established on-site textile recycling collection through re-fashionNYC, a partnership between the City of New York and Housing Works that makes clothing donation easy through in-building drop-off service. With the success of this initiative, the property has facilitated the recovery of a veritable mountain of material for a second life.

Second Life for Electronics

As of April 2015, it will be illegal for New Yorkers to set electronics out for curbside pickup. The city, in partnership with Electronic Recyclers International, has begun enrolling residential buildings in e-cycleNYC. Buildings with more than 50 units are eligible for on-site collection bins for devices. Jamie Towers is one of the first buildings to participate in this program.



Superintendent Robert Andrews (left) and General Manager Victor Berrios with a full e-cycleNYC bin.

After several board members met with representatives of our subsidiary, FS Project Management, regarding the benefits of co-generation, the board subsequently passed a unanimous resolution to move forward and install two AEGIS units.

Making Mulch, Million Trees, Greenmarket

In January building staff turned discarded Christmas trees into pine mulch for the property’s flower beds. In March, Jamie Towers participated in the MillionTreesNYC initiative by hosting a free tree giveaway for neighboring residents. The building is also working with GrowNYC to host a greenmarket.

The free services of OROE are available to many properties in the FirstService Residential portfolio. For further information, please speak with your property manager or visit www.nyc.gov/abri, www.nyc.gov/refashion, or www.nyc.gov/ecycle.



Handyman Raymond Rich (left) and Asst. Superintendent Alton Crawford prepare mulch at Jamie Towers.



GM Victor Berrios helps porter Francisco Vazquez unload a re-fashionNYC textile collection bin.

Strike Preparations Under Way

The contract between the owners and operators of residential apartment buildings in New York City represented by the Realty Advisory Board on Labor Relations (RABOLR) and Local 32BJ of the Service Employees International Union (SEIU) will expire on April 20, 2014. It is possible that an employee strike could take place at that time.

The last time there was a strike in the residential sector was in 1991—a walkout that lasted 10 days.

RABOLR and 32BJ are currently engaged in negotiations for a successor contract and we are hopeful that a strike can be averted. Boards and owners of affected buildings can be confident that FirstService Residential is making the necessary arrangements to ensure that residents will be provided with the best level of service possible in the event of a strike.



If your superintendent is covered under the Resident Managers and Superintendents Agreement, their contract does not expire until June 20, 2014. Until that date, he or she will continue to work pursuant to the contract, even if the rest of the employees are on strike. Pursuant to the agreement, superintendents should not be required to perform the duties of striking employees except for emergencies involving health and safety, but should be required to perform their own normal duties.

Experience has shown that methods involving volunteers and residents performing services are effective in short-term emergencies, but should be replaced or supplemented with other methods, such as service contractors, as rapidly as possible. This will minimize inconvenience to residents who also have busy schedules and obligations which prevent them from being available for volunteer work over a longer period of time. ●

Delivering Service Excellence

FirstService Residential always appreciates receiving feedback from our clients. Here are some examples of how our associates are making a difference, every day, by being genuinely helpful.

“The person who is managing our property is nothing short of superlative. He is responsive, insightful, and has a strong sense of responsibility toward our building. He has been there 1000 percent for us.”

— **Board President, Lenox Court Condo**

“Thank you for all your help with my refinance package submission to the board. I am highly impressed by your attention to detail, diligence, promptness and professionalism. You truly went that extra mile to analyze, interpret and understand my financial documents. Thanks for being available and responding twice or four times a day to our queries. Star plus customer service should always be appreciated and congratulated!”

— **Shareholder, Royal York**



“I dropped by the management office and, despite the difficult weather conditions, all four office employees are working today. It could be argued it is their responsibility to be here, but I see it as a reflection of their responsibility to FirstService and Kips Bay Condominium. Their dedication and commitment is appreciated by the Board and residents.”

— **Board President, Kips Bay Condominium**

“I truly appreciated your help with a myriad of building issues which have come up over the years. Your professionalism and experience in assisting New York City co-op boards cut through the noise of shareholder and other issues has helped our building and our board.”

— **Board President, 224 Riverside Drive**

“Thank you so much for being proactive, responsive, and trustworthy. These are the qualities that are crucial in today’s business environment and management service. I leave the St. Tropez knowing that a management team like you will lead the building to growth and extraordinary efficiency.”

— **Unit Owner, St. Tropez Condominium**

FirstService Residential is First to Join Mayor's Carbon Challenge

Participation will further promote efficiency and accelerate a reduction in emissions across our portfolio

FirstService Residential was the first management firm to join the New York City Mayor's Carbon Challenge, a program aimed at reducing energy use and greenhouse gas emissions in multifamily residential buildings.

"Energy conservation is not just an important environmental goal, it should be a critical

financial goal for every property," says Tal Eyal, EVP, FirstService Residential and head of its FS Energy division. "The correlation between better energy practices and real savings is irrefutable."

While FirstService Residential is proud of its success to date—having realized more than \$23 million in cost savings at our properties while reducing their carbon footprint

by 15.6 percent—many more opportunities to improve efficiency remain. By participating in the Challenge, FirstService Residential will be providing our clients with yet another avenue to efficiency.



Energy Report Cards and the Carbon Challenge

FirstService Residential is the only management company to

provide its clients with an annual customized Energy Report Card detailing energy use by commodity and in comparison to peer buildings—a practice that began four years ago. Report Cards arm clients with measured data and a roadmap so they can implement the right energy management strategies for their buildings.

Report Cards will be issued to our managed

Residential properties produce 37% of greenhouse gas emissions in NYC.

properties in the spring to coincide with the kick off of the Challenge. "By integrating the tools, resources, and financial assistance provided through the Challenge into our program, we will be able to help our clients better determine where conservation opportunities exist and take action to develop a plan to further reduce their building's energy use and emissions," adds Eyal.

Property managers will be introducing the Mayor's Carbon Challenge to clients this spring. To participate, an authorized board member or owner must simply sign a commitment letter pledging to reduce emissions by at least 15 percent in 10 years. ●

Environmental Award

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worth more than \$500,000 from the New York State Energy Research and Development Authority (NYSERDA).

Brightwater Towers is currently awaiting grant approval that will make it the first New York City property to install a microgrid—a small scale power grid that can operate independently or in conjunction with the area's main electrical grid. On top of the environmental benefits, the microgrid is expected to save the property more than \$1 million in annual electricity costs. FirstService Residential is also investigating the feasibility of installing solar panels and wind turbines at the property to provide an additional source for recharging the microgrid's battery. ●

Safety First at FirstService Residential

Lieutenant Anthony Mancuso, Executive Director of Fire Safety Prevention, Fire Department of New York, addressed fire prevention in residential properties at the February Monthly Property Managers Meeting.

One of the fundamental missions of the FDNY is to protect the lives and property of residents through fire safety education programs. As such, FDNY fire safety educators are available to come to your property to conduct training and demonstrations for residents and building staff. Sessions can be tailored specifically for your property and generally address the common causes of fire and fire injuries in the home, as well as provide information on how to prevent fires and what to do in case of fire.

If you are interested in this free service, which has been well received at many of our properties, please speak with your property manager.



FirstService Residential to Address Emergency Preparedness at Cooperator Expo

FirstService Residential will host an educational seminar at The Cooperator's Co-op, Condo and Apt. Expo on Tuesday, April 8 at 11:00 am. We are honored that Commissioner Salvatore J. Cassano of the Fire Department of New York, and Ira Tannenbaum, Director of Public/Private Initiatives, NYC Office of Emergency Management (OEM), will join President Dan Wurtzel to address the topic: "Are You Ready? Everything You Need to Know About Emergency Preparedness."

Residential buildings face the possibility of emergencies on a regular basis —building fires, water main breaks, smoke/water damage and

heating and power failures. Our experts will discuss how to prepare residents and buildings for an emergency, whether a natural or man-made disaster, as well as the best courses of action for recovery.

Commissioner Cassano, who has over 44 years of experience in the FDNY, heads the world's largest fire department with more than 16,000 fire, EMS and civilian members. He previously served as the FDNY's Chief of Department, overseeing many of the agency's most important

bureaus including Fire and EMS Operations, Training, Safety, Fire Prevention and Communications. Ira Tannenbaum is responsible for designing and implementing OEM programs to maximize the coordination of corporate and municipal emergency management measures and resources within New York City.

Board members who wish to attend the expo may register at www.coopexpo.com.



FDNY Commissioner
Salvatore Cassano



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Have a comment about this newsletter? Send an email to: news.ny@fsresidential.com.

FirstService Residential supports the highest social and environmental standards in the market. We are contributing to conservation and responsible management by using FSC-certified paper and print products.

