

CO-OP CITY TIMES

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Saturday, June 14, 2025



Riverbay's FY 25/26 & FY 26/27 Comprehensive Operating & Capital Budget

This Management Report for Riverbay Corporation is for the period ending April 30, 2025 and provides updates on the following topics:

- Public Safety – Peace Officer Staffing Levels
- Disruptions – Information Technology Systems; and
- Building 4A,B&C Gas Outage Update

Public Safety Staffing

Peace Officer head counts in the Department of Public Safety remain at 75 or 81.0% of the 93 Peace Officer positions budgeted in the department. As of May 31, 2025, the following provides the current status of Peace Officers' staffing in the department:

- 14 officers who graduated from the Training Academy on December 9, 2024, are detailed on every shift/tour and are working closely with other fully commissioned Peace Officers throughout the community.
- 17 recruits from the in-house Peace Officer Training Academy graduated Friday, June 6, 2025.
- 18 vacancies are being advertised for the recruitment of the next class for the Training Academy.
- 2 Peace Officers were promoted to the Detective Squad.

Disruptions – Information Technology Systems

On May 21, 2025, Management was alerted to unusual activity in our Information Technology network. In response, our Information Technology team promptly secured and isolated our system and temporarily took computer systems offline. In addition, Management launched an investigation with the assistance of third-party experts.

- Specifically:
 - o Management engaged **BakerHostetler** as outside cybersecurity legal counsel.
 - o BakerHostetler engaged the forensic investigation firm, **Kroll**, on behalf of Riverbay, to perform a privileged investigation of the incident.
 - o In addition, BakerHostetler engaged the Information Technology firm, **Entara**, through Kroll, on behalf of Riverbay, to assist with the containment and recovery process.
 - o Law enforcement, including the NYPD and FBI, was notified.

Management is working diligently with the experts to complete our investigation and to restore access to systems as quickly and as safely as possible. We are methodically working to determine which systems and data were involved in this incident. Our investigation is ongoing, and we will provide an appropriate update when additional information becomes available. Due to the sensitive and ongoing nature of our investigation and law enforcement involvement, we are not able to provide further details. This is all of the information we have to share until this assessment is complete, and we understand the full scope of the cybersecurity incident. We appreciate shareholders' continued patience and support as we work to bring our computer systems back online.

Building 4A, B & C Gas Outage

As of result of **LOCAL LAW 152 – PERIODIC GAS PIPING SYSTEM INSPECTIONS**, a leak was detected in the gas meter room that supplies gas to the three (3) buildings (500 apartments)

Management Report

Marvin L. Walton
Riverbay Executive General Manager

and ConED immediately disconnected the gas to the entire building. Since leaks were detected,

the building owner shall immediately take action to correct such condition in compliance with the New York City construction codes.

The Management team met with the shareholders and families who reside in Building 4A,B&C on Thursday, May 8, 2025, in Dreiser Auditorium to discuss the gas restoration process for the building.

Riverbay Corporation contracted with a Certified Master Plumbing contractor to facilitate the repairs and upgrades needed in the buildings in order to have the gas services restored in the apartment. To facilitate the repairs and upgrades, Riverbay Management must gain access to all 500 apartments and laundry rooms. This process began on Tuesday, May 13th, from 8 a.m.-8 p.m. The Certified Master Plumber contractor began knocking on doors to gain access to apartments to replace the gas valves, hoses and place the valves in the closed position. All employees of the contractor were required to have Riverbay IDs visible to shareholders. In addition to replacing the gas valves and hoses, upgrades are required for the 20 gas risers located throughout the buildings which require wall breaks in certain apartments.

As of Monday, June 2, 2025, Management has completed entry into all 500 apartments and installed new gas valves and hoses as well as upgrades for the 20 gas risers. The piping in the gas meter room has been replaced. The Certified Master Plumber is conducting gas line testing from the basement up to the portico ceiling. If any leaks are detected, necessary repairs will be made before proceeding.

Management will conduct a shareholder information meeting on Tuesday, June 10, 2025, at 7:00 p.m. in Dreiser Community Center Auditorium A – 2nd floor, for shareholders of Buildings 4A,B & C. Important updates and project status will be discussed during this meeting.

Please Note: Reporting on convector initiatives was suspended for this month's Management Report.

The Corporation's key performance indicators were discussed with the Board Directors during the briefing session on Tuesday, May 20, 2025, and are available to the community in this edition of the *CC Times* newspaper.

Riverbay Corporation Fiscal Year 24/25 Budget Overview

The budget summary that follows gives a snapshot of Riverbay Corporation's Budget vs. Actual performance for Fiscal Year 24/25 for period beginning April 01, 2024, and ending March 31, 2025.

INCOME

There are two (2) sources of Income for the Operating Budget, Carrying Charges and Other Income. A summary of these income sources is as follows at the end of the Fiscal Year March 31, 2025:

- Actual Carrying Charges were greater than anticipated by 6.0%

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or \$13.8 million as a direct result of the 8.1% increase in Carrying Charges that took effect July 1, 2024.

• **Other Income** includes all other income received by the Corporation (e.g., *Garage space rentals, storage room rentals, commercial & professional space leases, fines—Community Complaints, community center rentals, sales of electric power, etc.*) was less than anticipated by 5.0% or \$2.8 million. These results were primarily due to reduced receipts from the sale of electric power to ConEdison.

SUMMARY OF EXPENSES

Expenses for the Corporation are grouped into three (3) functional expense categories, and they are as follows:

• **Department Expenses** – Costs associated with operating 25 departments within the Corporation. These departments provide direct and indirect services to the shareholders.

• **Corporate Expenses** – Costs associated with Corporate-wide expenditures such as Insurance, Real Estate Taxes, Utilities, Water, and other operating expenses.

• **Debt Services and Fees** – Costs associated the mortgage refinancing inclusive of reserves replacements, Mortgage Insurance Premiums and Debt Services.

Departmental Expenses:

Total departmental expenditures, which include salaries, fringe benefits and other expenses associated with the day-to-

day departmental activities involved with providing direct and indirect services to the shareholders, was less than anticipated by 5.0% or \$7.4 million.

Vacancies in several departments, especially the Public Safety Department, contributed to the positive variances in the departments. Although some departments reported positive budget variances in payroll & fringe benefits, there were also negative budget variances in the operating budgets, and they are as follows:

• **Automotive Services** is \$92k over budget due primarily to increased leased equipment costs.

• **Building Janitorial** is \$281k over budget due to various expense categories including Janitorial Supplies, Welding and Capital Purchases.

• **Information Technology** reported a negative 14.0% budget variance of \$528k. The department was over budget due largely to invoices totaling approximately \$495,000 for furniture and equipment that had been encumbered in August 2023. These invoices were billed by SHI International and remained as open purchase orders. These invoices were not paid due to ongoing negotiations between Riverbay and SHI International.

• **Extermination** was \$85k over budget due mostly to exterminating supplies.

• **Grounds Department** was \$127k over budget due to an increase in overtime and True Green services.

• **Maintenance Department** was \$1.1 million over budget due primarily to increased plumbing supplies, doors and convactor parts and the unbudgeted gas detector project costs.

• **Power Plant** was \$2.4 million over budget due mostly to unforeseen Ric Will (underground piping) and increased chemical treatment costs, generator, and pump repairs.

• **Safety Department** was \$680K over budget due to increased environmental remediation costs and unbudgeted gas detector project costs.

Corporate Expenses:

Corporate operating expenditures are under budget by 1.0% or \$1.4 million primarily due to less than anticipated Insurance costs.

Debt Service & Fees:

Debt service & fees were over budget by 0.0% or \$119K due to greater than expected replacement reserve fees and mortgage insurance premiums required payments.

OVERALL PERFORMANCE

The overall performance for the Corporation for Fiscal Year 24/25 is as follows:

• **Grand total actual expenses of \$270,686,000**, including departmental, corporate and debt service & fees were less than anticipated when compared to the **grand total actual income of \$285,736,000**. These results yielded a **surplus of \$15,051,000** for the fiscal year.

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HUMAN RESOURCES SUMMARY

EMPLOYEE AND LABOR RELATIONS SUMMARY

Type	Outstanding (previous month)	New	Resolved	Ongoing
Grievances	2	1	0	3
Arbitrations	13	1	0	14
External Concerns/Inquiries	3	0	0	3
Disciplinary Actions Reports & Other ELR matters	90	18	19	89
Total:	108	20	19	109

DISABILITY/FMLA/PFL

	New Requests	Pending Request	Total on Leave
Short Term Disability	5	2	10
Family Medical Leave Act	4	2	14
Paid Family Leave	7	7	13
Workplace Accommodation	0	0	0
Total	16	11	37

*Work place Accommodations vary in type, and are not counted in the "Total on Leave" column. Accommodations that are leave extensions are counted in the noted leave categories.

HEAD COUNT SUMMARY

Budgeted Head Count	949
Filled Head Count	886
Vacant Head Count	57
Vacant Head Count Rate	6.0%

PARKING & LEASING SUMMARY

SHOPPING CENTER COMMERCIAL & PROFESSIONAL SPACES SUMMARY

	Bartow	Einstein	Dreiser	Professional	Total
Total Spaces	31	19	33	30	113
Occupied	31	18	31	28	108
Vacant	0	1	2	2	5
Occupancy Rate:	100.0%	94.7%	93.9%	93.3%	95.6%
Vacancy Breakdown:					
5 spaces currently being shown to potential tenants					
2 space currently in negotiation/pending background check					
Vacancy Loss					
					\$10,546

PUBLIC SAFETY SUMMARY

CCPD DETECTIVE SQUAD SUMMARY Y-T-D				CALLS RECEIVED FOR SERVICES CONTINUED		COMMUNITY COMPLAINTS / SUMMONS ISSUED	
Case Type	2025	2024	% Change	Nature of Call	Calls Received	Type of Summons	Summons Issued
Homicide	0	0	0.0%	Maintenance	22	Abuse of Premises	9
Rape	1	0	0.0%	Missing person	7	Anti-Social Behavior	8
Burglary	8	3	166.7%	Move In / Out	20	Leash Law Violation	0
Robbery	6	2	200.0%	MVA	7	Defacing / Destroying Riverbay Property	1
Felony Assault	13	18	-27.8%	Narcotics	1	Driving/Parking on Property	2
Grand Larceny	0	1	-100.0%	Noise	185	E-BIKES	0
Grand Larceny Auto	4	0	0.0%	Objects from Building	5	Harboring Animals	11
Total Cases to Squad	32	24	33.3%	Odor	34	Littering	5
				Parking Condition / Violations	241	Loitering	2
				Property Damage	9	Noise	10
				Property Lost / Found	15	Poor Housekeeping	6
				Public Consumption	0	Refusing Apartment Inspection	5
				Robbery	1	Smoking inside Residential Bldg.	0
				Robbery Commercial	0	Unauthorized Move In / Out	4
				Sex Related Crime	0	Other	2
				Shots Fired	3	NYC Parking Summonses	128
				Suspicious Package	4	NYC Criminal Court Summonses	1
				Suspicious Person	51	TOTAL	194
				Unsecured Property	18		
				Unsecured Vehicle	1		
				Vehicles Towed	24		
				Other	111		
				TOTAL CALLS	1,362		

RIVERBAY CORPORATION
FISCAL YEAR 24/25 YEAR-TO-DATE BUDGET COMPARISON
APRIL 1, 2024 THRU MARCH 31, 2025
AMOUNTS IN THOUSANDS

	F24/25 ANNUAL BUDGET	APRIL 2024 THRU MARCH 2025			
		Y-T-D BUDGET	Y-T-D ACTUAL	+/- \$	+/- %
INCOME:					
Carrying Charges	\$224,002	\$224,002	\$237,770	(\$13,768)	-6.0%
Vacancy Losses	(\$1,600)	(\$1,600)	(\$1,893)	(\$293)	18.0%
All Other Income	\$52,691	\$52,691	\$49,806	\$2,831	5.0%
Grand Total Income:	\$275,093	\$275,093	\$285,736	(\$10,643)	-4.0%
DEPARTMENTAL OPERATING EXPENSES:					
Automotive Services	\$1,398	\$1,398	\$1,490	(92)	-7.0%
Board of Directors	\$462	\$462	\$303	158	34.0%
Budget & Finance	\$3,595	\$3,595	\$3,508	87	2.0%
Building Janitorial	\$24,170	\$24,170	\$24,451	(281)	-1.0%
Call Center	\$2,402	\$2,402	\$2,405	(2)	0.0%
Communications - CCTimes	\$1,092	\$1,092	\$1,016	76	7.0%
Information Technology	\$3,712	\$3,712	\$4,240	(528)	-14.0%
Construction	\$2,694	\$2,694	\$2,606	88	3.0%
Cooperator Services Office	\$1,596	\$1,596	\$1,457	140	9.0%
Corporate Administrative Services	\$845	\$845	\$674	98	13.0%
Exterminating	\$690	\$690	\$775	(85)	-12.0%
General Management	\$1,821	\$1,821	\$1,538	283	16.0%
Grounds/Landscaping	\$5,294	\$5,294	\$5,494	(127)	-2.0%
Human Resources	\$1,325	\$1,325	\$1,184	141	11.0%
Internal Audit	\$618	\$618	\$426	193	31.0%
Maintenance	\$18,633	\$18,633	\$19,775	(1,143)	-6.0%
Parking & Leasing	\$6,044	\$6,044	\$5,652	392	6.0%
Power Plant	\$19,697	\$19,697	\$22,087	(2,390)	-12.0%
Procurement	\$2,053	\$2,053	\$2,008	44	2.0%
Public Safety CCPD	\$15,231	\$15,231	\$12,624	2,607	17.0%
Residential Sales	\$1,580	\$1,580	\$1,203	377	24.0%
Restorations	\$30,462	\$30,462	\$22,547	7,915	26.0%
Risk Management	\$613	\$613	\$533	80	13.0%
Safety	\$1,084	\$1,084	\$1,764	(680)	-63.0%
Technical Services	\$933	\$933	\$858	76	8.0%
TOTAL DEPARTMENTAL EXPENSES	\$148,046	\$148,046	\$140,618	7,428	5.0%
CORPORATE EXPENSES:					
Insurance	\$24,146	\$24,146	\$20,445	3,700	15.0%
Utilities + Water	\$48,377	\$48,377	\$47,680	697	1.0%
Real Estate Taxes	\$11,632	\$11,632	\$11,277	355	3.0%
Violations	\$100	\$100	\$182	(82)	-82.0%
Bad Debts	\$4,500	\$4,500	\$4,859	(359)	-8.0%
Corporate Operating Expenses	\$6,220	\$6,220	\$9,116	(2,897)	-47.0%
TOTAL CORPORATE ALL EXPENSES:	\$94,974	\$94,974	\$93,559	1,414	1.0%
EXPENSES BEFORE DEBT SERVICE & FEES:	\$243,020	\$243,020	\$234,178	8,842	4.0%
DEBT SERVICE:					
Gen'l/Repl Reserve Fees	\$5,269	\$5,269	\$5,347	(78)	-1.0%
HUD Mortgage Ins Premium	\$2,084	\$2,084	\$2,125	(41)	-2.0%
Debt Service	\$29,036	\$29,036	\$29,036	\$ -	0.0%
TOTAL DEBT SERVICE FEES	\$36,389	\$36,389	\$36,508	(119)	0.0%
GRAND TOTAL EXPENSES:	\$279,409	\$279,409	\$270,686	8,723	3.0%
NET SURPLUS/(DEFICIT) FROM OPERATIONS:	(\$4,316)	(\$4,316)	\$15,051		