

COURIER

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Ask The PROFESSIONALS

Everything you need to know about Coops and Condos



***Q:** I am on the Board of Directors of a Co-op. Electricity is included in the maintenance. Since the cost of electricity has gone up many shareholders have asked if we could have sub-metering so that each apartment would pay for their own electricity. What do we have to do to get started?*

Board of Directors, Queens, NY

A: New York State Public Service Commission (PSC) requires that there be a vote of shareholders to approve the conversion from master metering to sub-metering of electricity. The PSC requires that a percentage of those canvassed vote in favor of the Conversion to sub-metering. There should be meetings with shareholders explaining the process. Professionals in the sub-metering field should be at these meetings to explain all that it entails, e.g. the installation of the individual meters, the reading of the meters and the maintenance of the meters. How the cost of the electricity of the common areas would be allocated to shareholders must be addressed. Most by-laws require a quorum to be present at meetings when there is a vote [some Co-ops allow proxy voting].

It is extremely important that an attorney review BOTH your by-laws and proprietary lease for the requirements of your offering plan before having a shareholder vote to approve the change to sub-metering.

Needless to say, converting to sub-metering is an extremely important decision and must be done according to all the rules and regulations of the PSC. For more detailed information please contact your Attorney.

**Geoffrey R. Mazel, Esq.,
Hankin & Mazel PLLC**