

# **ST. JAMES TOWERS | MONDAY, SEPTEMBER 30, 2024**

## **BOARD OF DIRECTORS HYBRID MEETING WITH STOCKHOLDERS – UNOFFICIAL MINUTES**

**Directors Present:** Dr. Noreen Hosier, Mr. Patrick Stennett, Mr. Warren Harding, Ms. Arlene Arrington, Ms. Yvonne Hilton, Ms. Stacey Starke, Ms. Nicole McKnight, Ms. Kalia Foote

**Directors Absent:** Mr. Claudio Jordan

**Property Manager:** Ms. Nicole Duncan

The meeting was called to order at 7:07 PM.

### **WELCOME/OPENING REMARKS**

Dr. Hosier welcomed the stockholders to the Board of Directors Meeting, which was held in a hybrid format whereby participants may join online or in person in the Community Room. Dr. Hosier also advised those attending the meeting in person to practice health and safety measures by wearing masks and distance seating. She also recommended shareholders practice these same measures in common areas of the building.

The meeting was accompanied by a PowerPoint presentation starting with the following agenda items:

- I. Welcome
- II. President's Opening Remarks: Dr. Noreen Hosier
  - A. Correction of Minutes- June 24, 2024
- III. Reports
  - A. Administrative: Director Warren Harding, Secretary
  - B. Management: Nicole Duncan, Property Manager
  - C. Corporation Finance: Director Nicole McKnight, Treasurer
- IV. Old and New Business
- V. Questions and Answers: Director Warren Harding
- VI. Closing Remarks
- VII. Executive Session

A motion was made by Patrick Stennett to accept the agenda as presented and seconded by Yvonne Hilton. The board voted unanimously to accept the agenda, with the exception of Mr. Claudio Jordan, who was absent.

A roll call of the Directors was conducted; all were present except Mr. Claudio Jordan.

### **CORRECTION OF MINUTES, JUNE 24, 2024**

As there were no corrections to the minutes from the June 24, 2024 Quarterly Meeting, a motion was made by Stacey Starke to accept the minutes as recorded, and Arlene Arrington seconded the motion. The minutes were accepted unanimously by all directors present.

### **REPORTS**

**Administrative:** Warren Harding presented the following:

- 2024 Annual Meeting and Election of Board of Directors 12/16/24 at 7 PM
  - Election Services United (ESU) will supervise election
  - More details will be mailed to stockholders of record

- Voting can be done by mail or in person
  - ESU will be onsite for in-person voting and will certify election results
- Candidates' Night 12/9/24 at 7 PM
  - Moderated by Metro Management
- Candidate Requirements
  - Be a stockholder and reside in an apartment at 21 St. James Place (per bylaws)
  - Must not be in maintenance arrears by more than two months (per Mitchell-Lama Reform Act)
  - Take online board training course offered by HPD
    - 8 Training Videos
      - Board Service: Introduction and Overview
      - Income Verification Audit Process
      - Succession Rights
      - Application Process
      - Vacancy Reporting
      - PHFL (Private Housing Finance Law) and Local Laws
      - Senior Citizen Rent Increase Exemption (SCRIE)
      - Financial Oversight
- Process for voting for board directors (per bylaws)
  - Stockholders may vote for up to three candidates at each annual meeting
  - Elected directors serve a three-year term
- Election of Board Officers (per bylaws)
  - Board of Directors elect President, Vice President, Secretary and Treasurer at the first meeting after the election of directors each year
  - Assistant Secretary and Assistant Treasurer may also be elected and other officers at the discretion of the board
- 2024 Apartment Inspections
  - Per St. James house rules, shareholders will receive reasonable advance notice
  - Alternate date for inspection may be requested
  - If shareholder does not provide access to apartment for inspection, administrative fee of \$50.00/month will be charged until access is granted
- Mandatory Composting
  - March, 2024: Department of Sanitation implemented mandatory separation of the following:
    - Leaf and yard waste
    - Organic plant waste
    - Food waste and food-soiled paper
  - April, 2025: fines for violating proper disposal will take effect
  - Virtual information sessions available at Department of Sanitation website on following dates:
    - Thursday, October 3 at 6 PM
    - Thursday, October 10 at 2 PM
    - Thursday, October 17 at 4 PM (Spanish and Chinese translations available)
    - Thursday, October 24 at 6 PM
    - Thursday, October 31 at 2 PM

- Thursday, November 7 at 4 PM
- Thursday, November 14 at 6 PM (Spanish and Chinese translations available)
- Thursday, November 21 at 2 PM
- Thursday, December 12 at 6 PM (Spanish and Chinese translations available)
- Register for sessions at <https://www.nyc.gov/site/dsny/collection/residents/curbside-composting.page>

**Management:** Property Manager Nicole Duncan reported the following:

- 2022 Income Verification Audit
  - Letters of explanation were distributed to shareholders who fell under the following categories:
    - Not Found – NYS Dept. of Finance was unable to match Social Security Number to taxpayer profile
    - No Return Filed - NYS Dept. of Finance matched Social Security Number to taxpayer profile; unable to confirm a filed return
    - Unmatched – Reported income on 2022 NYS tax return was higher than indicated on calendar year 2022 income affidavit
  - Failure to comply results in maximum penalty surcharge of 50%
  - Required information must be returned to Management by 10/1/24
  - Audit results must be submitted to HPD by 3/31/25
- Surcharges and Administrative Fees
  - 2021 Income Verification Audits: 23 noncompliant/income discrepant households totaled \$99,895 in penalty surcharges
  - Apartment Insurance: 61 households not submitted proof of apartment insurance charged \$50.00 monthly administrative fee until proof is submitted
  - Dog Rule: 1 household failed to comply with one dog/household house rule; \$50.00 administrative fee charged for first month following warning, \$100.00/month for continued noncompliance
- Arrears and Legal Status
  - Current stockholder arrears, August, 2024 Finances at a Glance: \$124,520
    - 6 apartments in arrears 30+ days: \$9,547
    - 9 nonpayment proceedings with Landlord and Tenant attorney: \$91,572
    - 3 succession rights denial holdover cases awaiting legal possession of apartments
    - Arrears within 30-day period: \$23,401
  - Parking Lot Regulation Reminder: No shareholder may have a parking spot if monthly carrying charges for two consecutive months are:
    - Paid late (i.e., after the 10<sup>th</sup> of the month)
    - In arrears for 60 days
- Apartment Resales and Vacancies
  - 21H resale closed 9/25/24 at \$14,718, new occupant Linda Viney
  - Vacant Apartments/Vacancy Loss
    - No vacant apartments; no vacancy loss from July-September, 2024
    - Apartment 21H was occupied prior to 90-day moveout expiration date
- Apartment Inspection Schedule
  - During the hours 10am to 6pm on:
    - Mon. October 14
    - Tues. October 15

- Wed. October 16,
  - Thurs. October 17
  - \*Sat. October 19- during the hours 9am to 5pm
- Make-up Days (during the hours 5pm and 8pm)
  - Wed. October 23 and Thurs. October 24
- Dog Owner Responsibility – Management has received complaints of dog waste found in common areas (lobby/floors). Ms. Duncan reminded stockholders to exercise care when walking dogs in the building, and to comply with NYC laws including licensing, rabies vaccinations, leash restraints, proper curbing and cleaning up waste, and excessive noise. Before entering the elevator with your dog, shareholders with dogs should seek consent to enter the elevator from others occupying the elevator. The board will seek removing the pet from the premises if these policies are violated.
- Guest Policy
  - Guests occupying an apartment in the absence of the shareholder living in the apartment is an illegal sublet, unless approved in writing in advance by the board and HPD.
- Exterminator Services
  - Are available free of charge on the 1<sup>st</sup> and 3<sup>rd</sup> Saturdays of the month.
  - Reminders are posted on BuildingLink and lobby bulletin boards
  - Shareholders should contact the Management Office to request service.
- Maintenance Items
  - Elevators: June 2024 Category 1 Inspection
    - Additional repairs needed on cab phones for cars 2 & 3. Cost: \$2,802
  - John Deere Snow Removal Tractor – sent for service in preparation for the winter on 8/14/24. Awaiting completion of service and return to St. James
  - Heating Pump Service Agreement – renewed agreement with G. S. Dunham; cost: \$3,350 (40% increase)
  - Lobby Runners/Elevator Padding and Mats
    - Replaced two elevator protection pads; cost: \$2,557
    - Replaced lobby runners and elevator mats; cost: \$4,935
  - Tree Pruning - Evergreen Tree Specialists trimmed dead tree limbs/branches and tree pruning around the building perimeter; cost: \$4,800. Work completed on 9/11/24.
- Heating Season
  - NYC heating law requires
    - Heat for 7 months (10/1/2024-5/31/2025)
    - Between 6 AM-10 PM:
      - Temperature inside apartment should be at least 68°F if outside temperature falls below 55°F.
    - Between 10 PM-6 AM:
      - Apartment should be at least 62°F regardless of outside temperature.
  - Heating Season Recommendations
    - Open blinds, shades and drapes during daylight hours in order to take advantage of the natural light and heat provided by the sun.
    - Arrange furniture away from window and external walls to avoid cold drafts.
    - Keep radiators clear and free of obstructions.
    - Make sure windows are tightly closed and air conditioners are properly sealed.

- Do not use supplementary heating equipment such as oven, electric or kerosene space heaters; these are fire hazards and are absolutely prohibited.
  - Immediately report all complaints such as; no heat/hot water, leaks or excess steam and loud banging from radiators, in your apartment to the maintenance, management and/or security.
- Maintenance Personnel
  - Returning summer relief porter Winston Jacob successfully completed his assignment during the 2024 maintenance staff vacation period.
  - Maintenance staff vacation season has concluded, winter preparation is underway.
- Apartment Plaster Failures: increase in maintenance tickets for ceiling plaster failures in last two months, and contractors are aggressively addressing plaster repairs.
- Detailed Cleaning of Hallway Floors and Walls
  - Maintenance staff is working on cleaning lobby floors and seating area, touchup painting elevator wall areas, compact room floors and wall tiles
- Laundry Room
  - Recent complaints of malfunctioning machines. Hercules (laundry equipment vendor) will conduct inspection of machines and work on a plan to minimize breakdown.
  - Shareholders were asked to help decrease machine breakdown by not using excessive amounts of detergent and overloading the machines with clothes
- BrightView Landscaping
  - Will conduct site assessments during the fall season and make adjustments as needed upon shedding installation on St. James Place and driveway entrance.
- BuildingLink - Ms. Duncan encouraged everyone to use BuildingLink to submit repair requests, read management notices and building documents, view stockholder meeting recordings, submit questions and make appointments with the management office. Also notify the Management Office of email address and phone number changes.

**Finance:** Treasurer Nicole McKnight reported the following:

- The board met with professional team (legal, financial, and management) on 9/19/24 to review and discuss:
  - Draft annual financial report (analysis of previous year's income and expenditures, forecast budget for current fiscal year)
  - New real estate co-op laws and trends, pending stockholder legal issues impacting the corporation's budget
  - Pending and future capital projects
- Highlights of Draft Auditor's Financial Report, 7/1/2023-6/30/2024
  - Reserve Funds: \$1,172,000; \$69,000 increase from previous year
  - Operating Reserves: \$331,000
  - Building Improvement Capitalization: \$ 145,000
  - Forecasted Operating Surplus: \$203,000
  - Revenue
    - Surcharge income: \$7,000 more than budgeted
    - Interest/Dividends: \$16,000 more than budgeted
  - Expenditures
    - Administrative & telephone \$25,000 over budget
    - Electricity \$82,000 under budget
    - Wages & Related Expenses \$101,000 under budget

- Balanced budget forecasted for the current fiscal year ending 6/30/25 without a maintenance increase.

- Corporation Accounts Balances, 8/31/24

Account	Balance
First Sale Reserve	\$249,640
Merrill Lynch Investments	\$947,384
Operating Reserve	\$332,501
Escrow	\$395,471
Application	\$ 87,301
Community Room	\$ 68,979

Corporation Accounts Total Balance: \$2,081,276

- Annual Budget 7/1/24-8/31/24

ITEM	BUDGETED	TO DATE	PERCENT USED
Management Fee	171,000	27,810	16
Legal	114,000	10,890	9.5
Accountant	26,000	6,000	23
Admin & Mgmt	58,000	5,720	10
Electricity	500,000	149,716	30
Gas (heat)	300,000	16,965	6
Maintenance & Repairs	792,000	121,331	15
NYC R/E Tax	265,000	43,810	17
Security	384,000	46,647	12
Maintenance Staff	717,000	122,260	17
Insurance*	270,000	227,250	84
Water & Sewage*	425,000	348,540	82

\*Escrowed Accounts to be paid next fiscal year:

- Insurance Sept 15, 2025
- Water and Sewer: (Anticipating potential 8.5% increase)

- Finances at a Glance (snapshot of corporation revenues and expenses)

	Start	End	Unpays
June	\$335,394	\$239,932	\$5,249
July	\$239,932	\$287,046	\$5,745
August	\$287,046	\$220,228	\$9,919

For the last three consecutive years, the corporation has had a surplus in the budget. Starting with the façade Cycle 9 repairs, we have major building projects to contend with. The Board continues to look for ways to sustain a balanced budget. We will continue to apply for grants and/or funding for the building.

**Old/New Business** Dr. Hosier presented the following:

**Old Business**

- Capital Projects
  - FISP Cycle 9 Updates
    - Jan. 31, 2024: rejection of the St. James FISP Cycle 9 report with a Safe With A Repair and Maintenance Plan (SWARMP) Rating,
    - DOB required resubmission with 45 days with additional documentation to support SWARMP Rating
      - SWARMP Rating:
        - Does not require immediate installment of shedding and
        - 5 years to make required repairs.
    - August 14 & 28, 2024: Two DOB inspectors visited St. James and conducted visual inspections.
    - September 3, 2024: DOB for the 2<sup>nd</sup> time rejected Mr. Patel's report
      - Issued emergency work and vacate orders due to observed hazardous conditions at balconies.
    - To address the rejected report, the engineer is required to resubmit report for another DOB review by October 18
      - The Engineer must provide status of the required repairs cited in the open façade conditions related to ECB (NYC Construction Codes) violations
    - Unsafe rating requirements:
      - Install shedding
        - Board contracted Millenium Restoration Corp. to install shedding along the front covering walkways below apartment balconies A-M and St. James Place/ back of the building covering sidewalk below apartment balconies B-N.
        - Total cost: \$85,560. The first 3 months are included in the installation price, followed by \$8,600 per month
      - Contract an engineer company for consulting services and architectural/engineering design to prepare and implement a FISP Cycle 9 Repair Program

- Board requested and reviewed 3 bids
- Selected lowest bidder: United Engineering of NY, DPC, Vivek Patel, Principal Engineer
- Cost: \$351,000
  - Initial payment: \$75,000 (Phase I) to prepare
    - Scope of work
    - Preliminary repair program with budget projections
    - Bid package with specifications
    - Bid analysis and selection of lowest bidder
    - DOB work permit filing
- Funding Sources
  - First Sale Account will be used for the shedding.
  - Capital Reserves (Merrill Lynch Account ) to cover Engineer Contract Phase I
  - HPD/HDC loan:
    - Due to staffing shortages, St. James' loan request has not been scheduled
    - Projected preliminary loan meeting will not be scheduled until 2025.
    - Due to recent DOB summons, required balcony emergency work and vacate orders, HPD has requested details on the most pressing work and what the board is proposing.
  - \$1 million City Council grant
    - Grant was approved for the St. James Place Cobblestone Replacement Project.
    - Council Member Crystal Hudson was willing to transfer grant funds for the FISP Cycle 9 repairs.
    - Insurance company contacted St James today requesting status of cobblestone repair project; therefore, may not be possible to transfer funds.
- Additional Local Laws
  - Local Law 88
    - Requires the lighting systems of covered buildings to be upgraded
    - Requirements
      - Registered design professional/licensed master or special electrician certifying that such upgrade has been completed and that the work is in compliance with the technical standards of the New York City electrical code.
    - September 17, 2024: St. James passed the lighting audit performed by Lawless and Mangione with recommendation for upgrading.
    - Safetech Electric submitted proposal to replace current sensors with 16 new occupancy sensors in common area locations.
    - Cost of Audit: \$3,500
    - Cost of upgrades to replace current sensors: \$10,500 plus tax
  - Local Law 126: Parapet Inspection



- Effective 1/1/24
- September 20, 2024: St. James parapet passed inspection.
- Inspection was performed by Engineer Vivek Patel, United Engineering of NY, DPC
- Cost: \$4,500
- Local Law 157: Natural Gas Detection Alarms
  - Compliance Date: May 2025
  - Requirement: natural gas detection alarms must be installed in the same room as the gas burning appliance in apartment
  - Board approved F & F Supply's proposal and purchased the natural gas detection alarms. Cost: \$28,000
  - November 2024, the superintendent and handyman will install the detectors.
    - Paid overtime rate; estimated Cost: \$6,154
  - HPD approved alarm and install cost as a stockholder chargeback item.
  - In the near future, Management will provide details regarding stockholder cost and apartment installation scheduling.
  - It is projected that complete installation of all 326 apartments will be by March 2025.

A question arose regarding Local Law 97; the board is working with Metro Management's Compliance Director on how to comply with Local Law 97.

**Emmanuel Baptist Church 1<sup>st</sup> Sunday Worship with Communion** – will resume on 10/6/24 in the Community Room at 10 AM.

### **Board Vote**

Motion to accept proposal submitted by Safetech Electric to replace 16 new occupancy sensors at a cost of \$10,500 plus tax; Stacey Starke moved, Yvonne Hilton seconded, vote was unanimous in the affirmative by all directors present.

### **Questions and Answers**

- One question was submitted in advance regarding the process of electing board officers, which Warren Harding addressed during his presentation. Otherwise, no other questions were submitted.
- Anthony Coker:
  - Why are we talking about dogs every month? Dr. Hosier shared that both the Management Office and the board receive communications about dogs, and Ms. Duncan discussed this issue in her report.
  - What's the update on Local Law 97? Dr. Hosier addressed that in her discussion about Local Laws.
- There were no questions from anyone joining by telephone.
- Attendees in the Community Room
  - Michele Claudio Roxey expressed concern about the quality of Millenium's work and hiring them again to do the same work. No documentation was provided for Mrs. Roxey's concerns. Dr. Hosier replied that the façade work was done 13 years ago, subsequent wear and tear over the years resulted in requiring façade work to be done again, and the repair plan needs to be reviewed. Furthermore, Millenium's quality of work has not been in dispute.

### Closing Remarks

- Stockholder Remembrance – Dr. Hosier expressed condolences on behalf of the Board for the following who passed away from July-September::
  - Mildred Hicks-Apt (20F)
  - Helen Richardson (former stockholder, 14H)
  - Naomi Johnson (former stockholder, 17A)
- The next hybrid virtual meeting will be the Annual Meeting on Monday, 12/16/24

The meeting with stockholders was adjourned at 8:26 PM, followed by a closed executive session.

Minutes prepared by Warren Harding, Secretary

Warren Harding  
Signature

10/17/24  
Date