

ST. JAMES TOWERS | MONDAY, MARCH 25, 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

Directors Absent: Mr. Claudio Jordan, Ms. Nicole McKnight

Property Manager: Ms. Nicole Duncan

The meeting was called to order at 7:05 PM.

WELCOME

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. She acknowledged Directors Warren Harding and Kalia Foote and Handyman Akash Ramdath for working together on the technical upgrades 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 due to the rise in respiratory infections.

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

- I. Welcome
- II. Correction of Minutes- May 31, 2023
- III. President's Opening Remarks
- IV. Reports
 - A. Administrative
 - B. Management
 - C. Finance
 - D. Building Committees
- V. Old and New Business
- VI. Questions and Answers
- VII. Closing Remarks
- VIII. Adjourn

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

CORRECTION OF MINUTES, DECEMBER 11, 2023

As there were no corrections to the minutes from the December 11, 2023 Annual Meeting, a motion was made by Arlene Arrington to accept the minutes as recorded, and Patrick Stennett seconded the motion. The minutes were accepted unanimously, with the absences of Mr. Claudio Jordan and Ms. Nicole McKnight.

PRESIDENT'S OPENING REMARKS

Dr. Hosier highlighted the following:

- Two new rules approved by HPD:
 - Required Apartment Insurance
 - HPD approved on January 10, 2024

- Stockholders must obtain and maintain apartment insurance at his/her expense
- Non-compliance Administrative fee: \$50 for first month
- After 60 days Non-compliance: Corporation reserves the right to purchase a homeowner's insurance policy for the shareholder's apartment complying with the requirements and charge the cost of the policy back to the shareholder
- Board hosted events to provide information and facilitate policy purchases:
 - Information Session: Wednesday, February 21, 2024
Andrew Brucker, legal counsel
Steven Potosky, Metro insurance consultant
 - Insurance Fair - Thursday, March 9 & Saturday, March 12th
- All stockholders will be required to submit to Management proof that they have apartment insurance, by Monday, July 1, 2024, start of the new fiscal year.
- Annual Apartment Inspections
 - HPD approved on February 6, 2024
 - Apartment inspections will be held annually
 - Apartment access to conduct inspections is mandatory
 - Non-compliance Administrative fee: \$50 per month until compliant

REPORTS

Administrative: Warren Harding reported the following:

- Occupancy Agreement, Section 10: Repairs and Maintenance Obligations:
 - Shareholder is responsible for repairs and maintenance of their apartment at their own expense
 - St. James Towers has the option of performing any required repairs/maintenance at the shareholder's expense with a ten-day notification in writing
 - Exceptions are emergency repairs when reasonable notice will be given
 - If St. James does not exercise this option and the shareholder does not perform the necessary repairs and maintenance, St. James may proceed with the work and charge the shareholder the cost of the repairs
 - If the shareholder fails to pay for these charges, St. James reserves the right to employ the necessary remedies to collect those charges
 - Shareholders are also obligated to repair and replace or renovate refrigerators and ranges. Prior written consent of St. James is required for replacing refrigerators and ranges
- St. James Towers, Inc. Rules and Regulations, HPD-approved July, 2017 & Addenda
 - Terraces – the following are prohibited:
 - Trash, bedding, cleaning equipment, terrace enclosures
 - Shading (terrace shades bamboo shades beach umbrellas, etc.)
 - Floor coverings (indoor/outdoor carpeting, sheet vinyl, mats)
 - Enclosing, interweaving and/or wrapping terrace railings with any type of materials
 - Hanging any items from the terrace ceiling and inside or outside of the terrace railings
 - Painting over the Strongwall gray protective paint materials that were applied to the terrace ceiling and adjacent sidewalls. Painting the area adjacent to the Strongwall coating may be done with Board approval, and only neutral colors are accepted (e.g., white, beige)

- Cooking and/or barbequing
- Guest Policy
 - Guests occupying an apartment when the shareholder is not living there are illegal sublets unless prior approval is granted by the Board and HPD
 - A guest is defined as a person who is not a lessee, not listed on the income affidavit, and is staying with the shareholder in the apartment for more than three days
 - Shareholders wishing to have a guest must notify the Property Manager in writing no less than 5 business days prior to the commencement of the guest's stay
 - Notification must include the guest's name, intended length of stay, and when the guest begins occupying the apartment
 - Guests staying more than 30 days (consecutively or in the aggregate) in any calendar year must request and receive written consent of the Board prior to the commencement of the stay
 - All guests are required to sign in at the security desk and are not to be given use of the key fob. Shareholders are responsible for their guest's conduct, and if the guest's actions violate the Occupancy Agreement or St. James' rules and regulations, the Occupancy Agreement may be terminated, regardless of whether or not the shareholder is aware of the guest's wrongful acts
- Board and Management Memoranda
 - Dogs: Shareholders may own one dog. Such dog must be registered in accordance with St. James Towers, Inc. pet registration requirements
 - The adult weight of the registered dog should not exceed 40 pounds. The following specific breeds are prohibited: Doberman Pincher, Pit Bull and Rottweiler
 - Lobby Doors: The front doors are open for entering and exiting the building 24 hours daily
 - Stockholders should use their issued key to gain entrance
 - St. James Place Rear Exit Door: The back exit door can be used 6-9am daily. All other times, the back exit door is not to be used

Management: Property Manager Nicole Duncan reported the following:

- Current stockholder arrears listed on the Feb. 2024 Finances at a Glance: \$147,016
- Twenty-two (22) apartments currently in arrears over 30 days: \$13,154
- Three (3) succession rights denial cases stalled in landlord/tenant court for \$79,726
- One (1) deceased probate court case for \$8,421
- Seven (7) non-payment eviction proceedings against shareholders with our Landlord & Tenant attorney for \$45,715
- Management will continue to reach out to shareholders with reminders and encourage payment arrangements if necessary
- Arrears, Resales, and Vacancies, December 12, 2023-March 24, 2024
 - Two new stockholders:
 - Apartment 22K- Diane Guinn and daughter, Samantha Witherspoon
 - Apartment 8E- Kameica Brown, husband Jonathan Karakostas and 2 children Loreli and Leon
 - Amount added to First Sale Reserves : \$37,531.81
- Vacant Apartments: Currently 3 vacant apartments:
 - Apartment 14F is scheduled to close on March 29, 2024. Apartments 11B & 22I: Conducting interviews with potential applicants assigned to the apartments

- **Vacancy Loss:** The Corporation received vacancy loss from apartments 22K and 8E in the amount of \$628. This means that the apartments were vacant for more than 90 days and St. James cannot legally collect monthly carrying charges thereby causing a financial loss to the Corporation.
- **Administrative Items**
 - **Income Verification Audit Update:** Management received the audit responses from the New York State Department of Taxation and Finance and is currently finalizing and recalculating the audit results. Letters will be sent to each household listed in the audit findings.
 - **2023 Apartment Inspection Follow-up:** As a result of the 2023 apartment inspections, some shareholders received letters regarding air conditioner and freezer charges. Based on several variances affecting apartment inspections since 2019, follow-up letters were sent, modifying retroactive charges approved by the board. Letters are also being distributed for items requiring further maintenance, repair and action, as noted in the Occupancy Agreement. Anyone receiving a maintenance repair letter indicating items to be repaired but have been corrected must advise the Management Office of the repair date.
- **Maintenance Staff Items**
 - **Maintenance staff** will be conducting their spring spruce-up of the lobby floor, window washing, shampooing rugs, cleaning light fixture covers, and dusting. They have painted the bulk/garbage room floors and are in the process of installing door closures on exit doors. Painting of the elevator and compactor room doors will be upcoming.
 - **Vacation Season:** Management has received the vacation schedules from the maintenance staff and is reviewing resumes for a Summer Replacement Worker. Interviews with candidates will begin in early April.
- **Maintenance Repairs**
 - **Parking Lot Arm Barrier:** The Dekalb Ave exit arm barrier was replaced at the cost: \$1,250
 - **John Deere Tractor Fuel pump** repaired at a cost of \$990
 - **Incinerator Chute Doors Inspection** conducted on all incinerator chute doors, identified defects on 8 floors. Estimated replacement of the hopper doors with hydraulic closer cost: \$8,000
 - **Elevator Car #1 Repair:** St. James' insurance company approved repair costs of \$51,127 (Minus the \$5,000 deductible). Last Friday, following the DOB inspection, the car was put back into service.
 - **Façade Repair:** During heavy rainstorms in February, leakage was reported in one of the apartments on the M line. Vivek Patel, Project Engineer, investigated the area, and Millenium Restoration performed repairs on the Lafayette Ave. side of the building, which included limited brick replacement, repointing and caulking. A spray bar water test will be performed along the M line the first week of April, weather permitting. Following the most recent rain, maintenance checked the apartment and reported no leakage.
- **Administrative Items**
 - **Laundry Room**
 - **Laundry Room Door:** The strike plate was replaced on the laundry room door so that fobs may be used again for entry.
 - **Laundry Rom Hours:** Starting March 26, 2024, the laundry room hours will be extended to 12 Midnight.
 - **Other Laundry Room Items:**

- Hercules restocked the card machine.
 - Delivery of a lower table is forthcoming.
- BrightView Landscaping: Annual spring landscaping cleanup to be done in the coming weeks (removing leaves and branches from the flower bed, removing dead fall plants, new mulch seeding and plants)
- Bargold Storage: The new storage room in the basement was completed in February. Remote leasing has begun with 37 of the 38 units rented as of 3/21/24.
- Reminders:
 - 2023 Income Affidavits – due April 30, 2024. Shareholders submitting affidavits after the deadline are subject to a nonrefundable \$50 administrative fee. Second deadline date: June 30, 2024. Shareholders submitting affidavits after the second deadline date are subject to a nonrefundable \$150 administrative fee plus a monthly 50% surcharge until the affidavit is submitted.
 - Parking Lot Recertification: Shareholders who changed their license/registration/insurance must submit updated documentation to the Management Office. Per HPD rules, all vehicles parked in the lot must have NYS registration with the address of 21 St. James Place, Bklyn, NY 11205.
- Utility Passthrough: In April, 2023, HPD approved the utility passthrough starting in May, 2023. This additional charge will no longer appear in the maintenance statement starting May, 2024

Finance: Assistant Treasurer Arlene Arrington reported the following:

- Board of Directors meeting with the corporation's professional team on March 11, 2024:
 - Mr. Robert Mellina, corporation accountant, presented the six-month financial report (July 1-December 31, 2023)
 - Stockholders received a letter prepared by Mr. Mellina, summarizing pertinent information from his report plus the Finances at a Glance ending February 29, 2024
 - Distributed documents confirm that proactive financial strategies put in place by the Board has contributed to the corporation maintaining a positive Day to Day Operating balance between July 1, 2023-February 19, 2024
- Proactive Strategies:
 - Three-year 10% carrying charge increase, of which the last 2.5% increase was implemented Nov. 1, 2023
 - 12 Month Utility Pass Through – last payment 4/1/24
 - No monthly mortgage payments
 - HPD waived monthly reserve fund contributions to Capital Reserve Account, which has more money than required by HPD
 - Board requested and HPD approved stopping \$9,500 monthly payment into the reserve account, resulting in funds that would have been transferred to the reserve account remain in the Operating Account to pay towards expenditures.
- Finances at a Glance: prepared monthly by Metro Management and utilized by Board to monitor the corporation's monthly collected income and expenditures
 - While only a snapshot, the monthly analysis provides reliable indicators of budget line item expenditures.
 - By tracking the budget each month and identifying the percentages per line item, adjustments can be made if needed or projecting changes that will be needed in the next fiscal year.

- Annual Budget: Summary outlined below:

Corporation Budget July 1,2023-Feb. 29,2024			
ITEM	BUDGETED	TO DATE	PERCENT
Management Fee	168,000	111,240	66
Legal	77,000	52,580	68
Accountant	25,000	20,000	80
Admin & Mgmt	50,000	79,233	158
Electricity	705,000	399,945	57
Gas(heat)	402,000	229,840	57
Maintenance & Repairs	775,000	572,855	74
NYC R/E Tax	274,000	186,974	68
Security	354,300	218,940	62
Maintenance Staff	784,000	339,215	43
Insurance	240,000	166,310	69
Water & Sewage	377,000	272,800	72

- While three-fourths of the budget lines are over budget, the available funds in the Operating Reserve Account are available to transfer in the Day-to-Day Operating account if needed. In addition, there is a high percentage of St. James Towers stockholders paying a surcharge, which provides a higher amount of collected revenue than budgeted.
- Corporation Accounts Summary:

Corporation Account Balances: February 29, 2024

First Sale Reserve	\$ 211,210
Merrill Lynch Investments	\$ 925,521
Operating Reserve	\$ 323,120
Capital Assessment	\$ 18,279
Escrow	\$ 486,194
Community Room	\$ 66,417
Application	\$ 87,301
The total balance of the corporation accounts is:	<u>2,118,042</u>
End of Month Balance :	<u>\$ 373,390</u>
Open Unpaid Bills:	<u>\$ 37,497</u>

- Other financial items:
 - Each month of January/February Finances at a Glance ended with enough money to cover our outstanding bills
 - Electricity and gas contracts due to expire in April
 - Unexpected 50% energy contract increase required the 12-month utility passthrough
 - Metro energy consultant is looking for new contracts, with a positive preliminary forecast; shareholders will be kept informed.

Building Committees: Dr Hosier highlighted the following from the Building Committees segment of the HPD Board Training video:

- Committee chairperson should be a board member
- Any shareholder may volunteer for a committee
- Committees can alleviate some board pressure
- An ad hoc committee can focus on a single project or task

- Can assist with planning and research
- Can provide fresh ideas
- Good training ground for individuals wanting to contribute to the co-op and perhaps considering running for the board in the future.

Two committees (Technology and Events) have been formed, and a summary of activities was presented respectively by Kalia Foote and Stacey Starke.

Summary from Technology Committee by Ms. Foote:

- Community Room has been wired for Wi-Fi
- Router purchased out of Community Room funds for \$175.00
- Logitech Conference Room device (combined camera, speakers, microphone) that can be used for hybrid meetings; cost: \$800.00 from Community Room Fund
- Anyone interested in joining the Technology Committee is welcome

Summary from Events Committee by Ms. Starke:

- Two movie events held on 3/16/24: "Spider-Man: Across the Spider-Verse" (for children) and "Rustin" (for adults)
- Both events were successful with positive feedback
- Future event: First Sunday Communion Service in collaboration with Emmanuel Baptist Church; tentative date: April 7, 2024
- Events Committee is looking for more volunteers to join
- Acknowledged Arlene Arrington and Clarice Bradley for their help with the movie event

Dr. Hosier further encouraged shareholders to participate and welcomed them to share other ideas they may have.

Old and New Business: Dr. Hosier presented the following:

- Old Business:
 - In September, 2022, the Integrated Physical Needs Assessment (IPNA) identified two priority capital projects: 1) Façade Inspection Safety Program (FISP) Cycle 9; 2) Roof replacement
 - FISP Cycle 9 Update: in January 2024, Vivek Patel, project engineer, United Engineering of NY, DPC and Millenium Restoration completed the probing and inspections of the FISP 9th Cycle
 - In February, Mr. Patel completed and submitted his report with a Safe With A Repair and Maintenance Plan (SWARMP) rating to the Department of Buildings (DOB). DOB response to the report and rating is pending.
 - A SWARMP rating does not require immediate erection of shedding. The corporation would have 5 years to make the repairs cited in Mr. Patel's report. DOB usually takes 2-3 months to review the report.
 - If DOB disagrees with the report by determining St. James is unsafe after their inspection, shedding will have to be erected immediately and remain until the cited repairs are corrected.
 - St. James Cobblestone Replacement Project:
 - In Fall, 2023, Corporation insurance company North Shore Risk Management determined that the cobblestones along St. James Place posed a liability risk and need to be replaced to avoid policy cancelation

- North Shore agreed to have barriers erected around the affected areas until temperature conditions are conducive to start the replacement project
 - St. James has not yet heard back from the insurance company
 - The Corporation engaged the services of United Engineering of NY, DPC to: 1) Prepare a recommended scope of work and preliminary budget projections on the anticipated cost of implementing the replacement program (estimated cost: \$1.5 million); 2) Prepare drawings and specifications necessary to provide the basis for competitive bids and suitable for filing and obtaining the approval from DOB.
- New Business:
 - BrightView Landscaping: the Board approved a one-year renewal landscaping service contract with BrightView amounting to \$16,743, a 7% increase with a 30-day termination clause in case the DOB deems the building façade unsafe, requiring erecting shedding and eliminating the need for landscaping
 - Funding Sources for Capital Projects: the Board has pursued the following sources for funding its upcoming capital projects:
 - HPD/HDC mortgage loan – St. James is in the cycle to be assigned HPD project manager for funding in 2025
 - Habitat for Humanity loan – application has been submitted, status is pending
 - NYC Capital Funding Grant Request for Non-for-Profit Organizations, Fiscal Year 2025
 - Project proposals for Congressionally Direct Spending for Fiscal Year 2025

Questions and Answers

- Question submitted in advance: How are we specifically getting the millions of dollars we need for our capital projects, current and future? Is the Board actively seeking financing mortgage from HPD, and if not, what is the reason? And how many projects of this magnitude and complexity, not counting projects paid for by shareholder assessment as our legal professionals manage?
 - These questions were addressed when Dr. Hosier discussed funding sources. She also noted that once St. James enters into a mortgage, it will be a new budget line item and maintenance will increase.
- Online question: When will the cobblestones be repaired, or will we lose them altogether?
 - We don't have a timetable as to when the repair work will start. Looking at the specifications that have been drawn thus far, those cobblestones will be removed, and we're looking at concrete being replaced there, but with special treatment to allow the expansion of roots for the trees. The exact details are not there, and the timetable is being set by the insurance company. We're hoping to extend it into 2025.
- Questions from Community Room:
 - Why was there an extra amount for an apartment vacated by a shareholder's death after 90 days?
 - The deceased's apartment is a probate case, and we cannot take possession of the apartment until the case is finalized. Since it has passed the 90 days, the fees are accruing.
 - Can we get a list of people who do repairs in our building for us to use when we want to have repairs done in our apartments?

- Recommending people to do maintenance and repair presents a liability issue for the management as well as for the board. We have been advised by our attorneys not to do that. But there are certain contractors that are working around the building that's renovating apartments. If you want to have their name without recommendation, the Management Office can provide that information, and references from people that they've done work for.
- Two questions: 1) There was a project to add closures to the basement exit doors; are there no closures on the exit doors? 2) (Comment) - the landscapers placed mulch in areas that aren't needed. The only thing that will die without mulch are the hedges because they're susceptible to pest infestations.
 - Point of clarification: the closures were for the hallway doors, not the basement doors.
- Two questions: 1) We have a lot of policies to fulfill; what is HPD's obligation? 2) When are we going to have our pipes and windows changed, and also change the vent and circulation system?
 - It was recommended that the shareholders submit questions in advance, particularly for multiple questions so that the board can research them beforehand. However, Dr. Hosier indicated that the questions posed are addressed in the Occupancy Agreement and recommended that shareholders review it. Window replacement is a lower priority because the roof replacement and façade work are more immediate.

CLOSING REMARKS

- On behalf of the board, Dr. Hosier expressed condolences to the families of the late:
 - Ruby Gordon (2K)
 - Cheryl Wiggins (5B)
 - Carrie Suter (21A)
 - Delores Brooks (21H)
- Well wishes to Robbie Williams (14F) who relocated to New Jersey to live with her family.
- The next quarterly meeting will be in June (date TBA) in a virtual hybrid format

The meeting was adjourned at 8:47 PM.

Minutes prepared by Warren Harding, Secretary


Signature

4/6/2024
Date