

ST. JAMES TOWERS | MONDAY, MARCH 27, 2023

BOARD OF DIRECTORS VIRTUAL MEETING WITH STOCKHOLDERS

Directors Present: Dr. Noreen Hosier, Mr. Patrick Stennett, Mr. Warren Harding, Mr. Ronald Roxey, Ms. Arlene Arrington, Ms. Nicole McKnight, Mr. Claudio Jordan, Ms. Yvonne Hilton, Mr. Rudy Moore

Building Manager: Nicole Duncan

The meeting was called to order at 7:01 PM.

WELCOME

Dr. Hosier welcomed the stockholders to the third Virtual Board of Directors Meeting for the current fiscal year (7/1/2021-6/30/2023).

CORRECTION OF MINUTES

The minutes from the December 13, 2022 Annual Meeting were previously reviewed and posted as unofficial minutes. As there were no corrections to the minutes, the directors voted to accept posted minutes for official record. Ms. Yvonne Hilton moved to accept the minutes as posted; Mr. Ronald Roxey seconded. The vote was unanimous in the affirmative, and the minutes were accepted.

PRESIDENT'S OPENING REMARKS/ADMINISTRATIVE ITEMS

Dr. Hosier read the agenda for the meeting and asked for a motion to accept the agenda as written. Ms. Nicole McKnight moved to accept the agenda as written, and Mr. Rudy Moore seconded. The vote was unanimous in the affirmative, and the agenda was accepted.

Documents that were referenced during the meeting were: 1) the Six-Month Finance Review (July 1-December 31, 2022) from Mr. Robert Mellina, Corporate Accountant, summarizing St. James' financial statements in a letter distributed to stockholders dated March 4, 2023; 2) Finances at a Glance, January 31, 2023 and February 28, 2023

Mask Policy – There have been questions whether the HPD-approved mask policy for St. James Towers remains in effect, and the policy does remain in effect as the health and welfare of St. James' residents and employees remain the board's primary concern. Although there is no administrative penalty, the board encourages all stockholders to continue to comply with St. James' policies, which are:

1. Wearing masks in all common areas, such as hallways, lobby, main entrance, basement, elevators and laundry room;
2. Only two people per elevator, unless all are in the same family;
3. Minimum of 5 people in the laundry room.

Mitchell-Lama Proposed Rule Amendments – On March 14, HPD held a virtual hearing regarding several proposed amendments to the Mitchell-Lama Rules. Prior to the hearing, the proposed rule amendments were posted in the lobby Board of Directors bulletin board and the St. James Towers website. Copies of the proposed amendments and instructions for sending comments to HPD are still available in the Management Office and on HPD website.

Midyear Meeting with Professionals – On March 20, the board held its annual midyear meeting with the corporation's professional team and discussed the following topics:

1. Six-month finance review;

2. Potential funding sources – the corporation's professional team is continuing to investigate potential funding sources for St James' pending capital projects. However, HPD currently is overwhelmed with requests for city loans, and its funding allocations have been made through 2023. Due to St. James having funds in its capital reserves, HPD does not consider St. James as an emergency compared to other Mitchell-Lama developments. Therefore, the professional team advised the board that funding from the city for capital projects might not become available until the end of HPD's fiscal cycle in 2024.

The professional team investigated funding opportunities from private sources such as Wells Fargo and brokerage firms such as Meridian Group. Depending on the size and term of the loan, the required increase in stockholder carrying charges could range from 14 to 36 percent. Therefore, the board will delay doing multiple simultaneous capital projects and focus on priority projects such the Façade Inspection Safety Program (FISP) Cycle 9 inspection which has a compliance deadline of February 21, 2024.

MANAGEMENT REPORT

Ms. Nicole Duncan, St. James Property Manager, presented the following management report:

Personnel - Carlos Rolando resigned from his position from St. James Towers effective January 5, 2023 after 11 years of service. Eduardo Conforme was hired to temporarily fill the open porter position effective February 3, 2023. The interview process is ongoing to find a satisfactory permanent replacement.

Arrears, Resale & Vacancy Update

- There are currently 18 shareholders in arrears over 30 days totaling \$114,565.
- There are currently 5 non-payment eviction proceedings against shareholders with the Landlord & Tenant attorney.
- Letters were sent to Stockholders who are in arrears more than 30 days for payment.

Deceased Shareholders – Condolences were expressed to the families of the late Barbara Taylor (1G), Agnes Boone (21I) and Fulvia Zambon (LC).

Apartment Resales - Apartment 7K closed on March 24, 2023, welcoming new stockholder Jessica Sepulveda and her daughter Charlotte Lloyd.

Welcome to 6 new stockholders between December 14, 2022 to March 24, 2023, collecting a total in first sale payments of \$99,063: 4F- Iliana Suriel and Family; 11K- Annette Metoyer & Family; 20H- Temitope Oladele; 17A- Mr. & Mrs. Eggleston and Family (Internal Transfer); 19B- C. Joyce Julien and Family (Internal Transfer) and 7K- Jessica Sepulveda and Family

Vacant Apartments – There are currently two vacant units: Apartment 21I is scheduled to close on March 28. Applicant interviews are being conducted to find viable candidates to qualify for apartment 5J.

Vacancy Loss - Vacancy loss totaling \$3,792 on four previously vacant units (4F, 19B, 17A and 7K), means that these apartments were vacant for more than 90 days and St. James cannot legally collect monthly carrying charges, resulting in a financial loss to the Corporation.

Maintenance - The maintenance staff will be conducting their spring spruce-up of the lobby floor, window washing, shampooing rugs, cleaning light fixture covers, dusting and installing "No Standing" signage in the driveway.

Department of Sanitation New Rules – The NYC Department of Sanitation has implemented a new rule reducing the hours that trash, recycling and curbside composting will sit on sidewalks. The new rule goes into effect April 1, 2023. Residential buildings have two options to ensure all waste is set out by midnight:

- Place waste out after 6:00 PM in a container of 55 gallons or less with a secure lid, or
- Place waste out after 8:00 PM, if putting bags directly on the curb.

This rule has also required changes to the maintenance staff schedules on Mondays and Fridays. We have scheduled trash pick-up based on the option suitable for St. James.

NYS Homes & Community Renewal – Tips for Electric Scooters and Bikes

On March 15, the NYS Homes and Community Renewal circulated important information regarding Fire Hazards and Prevention Tips for Electric Scooters and Bikes to increase awareness among residents and provide information. Fires caused by lithium-ion batteries in these devices are one of the main causes of injuries and deaths. These fires are particularly dangerous for two reasons: (1) depending on the location of the bike or scooter in an apartment, egress may be blocked, and (2) the explosive nature of these fires often prevents the triggering of smoke alarms or circuit breakers. We ask that all residents do their part to help prevent electric scooter and bike related fires.

The U.S. Consumer Product Safety Commission recommends following these guidelines:

- Always be present when charging devices using lithium-ion batteries;
- Only use the charger that came with your device;
- Only use an approved replacement battery pack;
- Follow the manufacturer's instructions for proper charging and unplug the device when done;
- Never charge while sleeping;
- Never use these devices with a battery pack that has been modified/reworked by unqualified personnel or with re-purposed or used cells;
- Never throw lithium batteries into the trash or general recycling. Instead, take them to your local battery recycler or hazardous waste collection center.

Elevator Floors - The Board of Directors has retained JS Construction Group to replace the damaged flooring in elevator cars 1 and 2 to match the existing flooring at a cost of \$4,888. The repair was completed on March 2.

Elevator CAT 1 Test - The annual NYC required category 1 inspection test on all 4 elevators was conducted on March 24, the inspection results are forthcoming and will notify Management of any necessary repairs.

Brightview Landscaping - The annual spring landscaping cleanup started on Wednesday, March 22. The clean-up comprised removing leaves and branches from the flower bed, raking debris and dead leaves, and removing the fall plants. The mulch and plant installation and seeding are scheduled for April 6.

Playground Update - On March 24, the playground bench manufacturer, Kenneth Lynch and Sons, completed the bench installation. The contractors from DV Contracting are scheduled to return in April to replace the concrete at the entrance of the driveway.

REMINDERS

2022 Income Affidavits

The 2022 Income Affidavits were distributed to all stockholders on March 1, 2023. The deadline to complete and submit the affidavits is May 1, 2023. Any affidavits submitted after the deadline date will be subject to a non-fundable \$50.00 administrative fee. The second deadline date is June 30, 2023. Affidavits submitted after the second deadline will incur a non-refundable \$150.00 plus 50% monthly surcharge until the affidavit is submitted.

Smoking in Apartment

Management has received several complaints regarding marijuana odors in their apartments as well as finding cigarette butts on their terraces. This can cause a fire and damage stockholders' furniture. When smoking in your apartment, please be mindful of your neighbors with young children, seniors and persons with allergies, etc. Smoke travels into other apartments through the ventilation system and out of windows.

Parking Lot Recertification

The 2023 parking lot recertification has been completed. Please remember to provide updated documentation when your car, license, registration and/or insurance changes.

Rules & Regulations

Effective June 1, 2022, HPD lifted the Covid-19 pandemic related suspension of Administrative Fees. Please familiarize yourself with the Restated Rules & Regulation administrative fees listed on pages 11 and 12, particularly the following:

- Any shareholder who throws objects from apartment windows and terraces shall be subject to a fee of \$ 75.00 for each occurrence.
- Shareholders who allow their pets to urinate or defecate in the building or anywhere on the Premises, including parking lot and walkways, shall be subject to a fee of \$75.00 for each occurrence.

Apartment Renovation

No structural changes or alterations can be made to apartments or terraces. All apartment renovations must be pre-approved by the Board of Directors. Shareholders who wish to renovate their apartment must contact the management office and complete the St. James Towers Inc. Renovation Agreement. The Board reviews all requests and provides written authorization if the proposed work meets all applicable requirements. Shareholders must ensure that outside contractors comply with the rules and regulations of St. James Towers, Inc. All outside contractors must submit a copy of their insurance coverage listing St. James Towers, Inc., as an additional insured agent and the Corporation must be held harmless. Contractors must comply with the insurance requirements listed in the Renovation Agreement. It is advisable that shareholders be familiar with these regulations and follow up to ensure that contractors are complying. Outside contractors are responsible for disposing apartment trash and debris away from the premises. They must sweep and mop the public hallway floors following disposal of debris. Shareholders are responsible for damage to the premises. When an apartment is plastered due to damages caused by St. James Towers' infrastructure, the repaired area will be painted with standard white paint without cost to the shareholder.

FINANCE REPORT

Board Treasurer Patrick Stennett presented the following finance report:

Highlights from Robert Mellina's month report (7/1/22-12/31/22)

- Monthly maintenance was approximately \$51K more than last year due to the 2.5 increase effective November 1, 2022.
- In October, 2021, HPD approved a maintenance increase effective November, 2021. Six months later in May 2022, the electric and gas company with whom St. James had a contract filed for bankruptcy
- A new contract with another company went into effect July, 2022, but was 50% higher than the previous contract
- Electricity and cooking gas were approximately \$93K more than last year
- Gas heat was approximately \$56K more than last year
- Insurance was higher than last year by approximately \$24K

Corporation Account Balances: February 28, 2023

• First Sale Reserve	\$13,075
• Merrill Lynch Investments	\$923,149
• Operating Reserve	\$350,230
• Capital Assessment	\$20,568
• Escrow	\$433,960
• Application	\$92,101
• Community Room	\$83,352

The total balance of the corporation accounts is: \$1,916,435

Highlights from Feb Finances at a Glance

Beginning of month balance was approx. \$217,000

Total Income was approx. \$382,000

Total Expenses \$399,000

End of Month Balance 200,000

Unpaid Bills total 140,000

While it appears that the corporation has enough to cover the unpaid bills, the monthly Finances at Glance is only a snapshot of the monthly submitted bills and some companies submit their bills late and are cumulative, thereby necessitating larger payments in later months. For example, in December, 2022 the Board had to approve a transfer of \$285,000 from the Operating Surplus Account to cover bills accumulated from July 1, - Dec 31 2022.

Arrears Explanation Feb 2023

Total arrears are approximately \$202,000

Deceased Estates awaiting settlement approximately \$66,000

Seniors Needing Supervision approximately \$40,000

Resale awaiting settlement approximately \$63,000

Long term Legal and/or chronic arrears approximately \$17,000

Those figures total \$186,000 which is 92% of the current arrears

Budget Updates

- As of February, the budget line items of great concern are Gas & Electricity which will not have reimbursements from first sale and/or landlord/tenant case settlements.

- In February, St. James requested HPD to approve a Utility Pass Through that would provide a temporary increase to the corporation's Operating Account to cover the unexpected 50% gas & electricity increase. We are awaiting HPD's approval.

Percentage of Budget

- Administrative and Management: 92%
- Accountant: 75%
- Gas and Heat: 69%
- Maintenance and Repairs: 76%
- Insurance:
 - Budgeted: \$204,000
 - Actual: \$213,000
- Water and Sewer: Close to budget without going over
- Management Fee: 65% (on target)

INFORMATION AND EDUCATION REPORT

Board Secretary Warren Harding presented the following report:

- **BuildingLink**
 - Successfully launched on February 10
 - Web-based property management software application
 - Centralized location for information on building operations and shareholder information
 - Benefits:
 - Streamlines recordkeeping processes in the Management Office
 - Provides immediate communication with shareholders regarding repairs, emergencies and general information.
 - Website address for St. James Towers: stjamestowersinc.com.
 - To log in, input username and password you created when you registered
 - Can view personal information, other building and community-related information, submit repair requests and send messages to the Management Office
 - Management Office is continuing to add content to the website
 - Contact Management Office for assistance with the application
 - Want to achieve 100% participation using the application

- **St. James Towers, Inc. Restated Rules and Regulations**

The board is working on updating the Restated Rules and Regulations to reflect current items such as the revised air conditioning/parking lot charges and mask wearing policy for COVID.

- **MTA Petition results and follow-up**

- Residents of St. James signed a petition opposing MTA's proposed changes of removing B38 limited service and the bus stops at Ryerson St. and Dekalb Ave, Lafayette Ave. and Grand Ave., and discontinuing the B52 route along Greene Ave.
- A total of 286 signatures were collected, and the petition was sent to the Chair and CEO of the MTA and our Council Member Crystal Hudson.
- A Town Hall on the MTA redesign was co-hosted by our State Senator Jabari Brisport and Assembly Member Phara Souffrant Forrest on Thursday, March 23. There was very vocal opposition from the audience to MTA's proposed changes.
- Copies of our signatures were given each to Sen. Brisport and Assembly Member Souffrant Forrest at that meeting.

- Both elected officials stated they will follow up with our concerns by arranging another meeting between MTA representatives and the community.
- As of this time, the MTA plan has not been finalized.
- **Fix the MTA**
 - Senator Brisport also announced the Legislature is in budget negotiations with the Governor to fund a program called "Fix the MTA," which aims to Freeze Fares, Fund Frequency, and provide Free Bus Service. More information can be found at fixthemta.org, where you can also write to the Governor from this website about this program.
- **Local Law 97**
 - Building Emissions Law, Local Law 97 aims to cut carbon emissions by 40 percent by 2030 and reach net-zero (no longer emitting additional greenhouse gases into the atmosphere) by 2050.
 - The law outlines several requirements for compliance that apply to buildings such as St. James, and penalties will be imposed for non-compliance.
 - There are specific compliance guidelines for rent-regulated and affordable housing, which includes Mitchell-Lama developments such as St. James Towers.
 - Under this law, St. James is required to file a one-time report by May, 2025 demonstrating compliance with the applicable 2030 limits.
 - There are resources available to assist buildings such as St. James to achieve compliance, and the board is researching more details.
 - A webinar was held by The Cooperator on March 16th called "Local Law 97 - What Your Board Must Know about Benchmarking, Saving on Energy & Avoiding Penalties" which discussed many of the aspects of Local Law 97. A recording of the meeting can be found at <https://cooperatornews.com/events/> where you need to register to watch on demand.
- **Funding for Capital Projects**
 - The board explored grant funding opportunities for some of our capital projects, mainly roof repair and window replacement.
 - Identified potential sources from our State Senator Jabari Brisport and the City Council.
 - There is currently no process for capital funding from the senator's office, but they are accepting letters for requests, and are targeting the Fall of 2023 for implementing a process; early decisions for approval would be in early 2024.
 - State funding is on a reimbursement basis whereby St. James would have to pay for the capital project first and then get reimbursed.
 - A funding request letter was submitted to Senator Brisport's office.
 - City council funding is also reimbursement-based but requires in its grant application to list funding sources to demonstrate how we plan to pay for our capital projects, and then they would decide on awarding a reimbursement grant.
 - Another city program is offering funding to incentivize carbon reduction that would encourage compliance with Local Law 97. We are further researching this opportunity for the window replacement project and possibly the roof.

COMMUNITY UPDATES

Assistant Secretary Nicole McKnight presented the following report:

February 22: Congresswoman Nydia Velazquez met with constituents at the Ingersoll Community Center. Treasurer Patrick Stennett attended the meeting. Rep. Velazquez replaced Hakeem Jeffries as our representative due to remapping of districts.

February 23: Board Directors Nicole McKnight, Warren Harding and Patrick Stennett met with State Senator Jabari Brisport to discuss our funding request of approximately \$1 million. Sen. Brisport advised us to resubmit for capital projects funding in the Fall, as we had applied for discretionary funding. The Senator will follow up with DHCR to seek other available funds/grants.

Updates on Jobs, Trainings, etc.

- Summer Youth Employment Program applications are open; deadline to submit applications is March 31. Program is for NYC youths aged 14-24.
- CCNY: program for girls/nonbinary students in grades 9-12, Zahn Bossgirls Entrepreneurship Program
 - Program introduces entrepreneurship as a career and also a mindset that advances any course of learning
- Free online training for Citi Bike mechanic jobs
 - Applicants must be 18 and over
 - No minimum education or prior mechanic experience required
 - Women, gender non-conforming, formerly criminal justice involved persons are welcome to apply
 - Training starts April 4 and new sessions start every five weeks
 - AM and PM classes are available
- Free OSHA Training for Construction Jobs in Downtown Brooklyn
 - Various full-time positions
 - First phase: Alloy Block in Downtown Brooklyn
 - Contact Management Office for more information
- Incident in Willoughby Walk parking lot
 - Catalytic converter was stolen from resident's car
 - Common type of theft in U.S. and Canada
 - Be alert and proactive; contact Security/Management Office if suspicious behavior is observed

OLD AND NEW BUSINESS

- Old Business
 - Waiting for favorable weather conditions to complete final concrete repayment in front of entrance to the playground from walkway near driveway
 - Thank you stockholders who made donations for playground benches:
 - William and Yvonne Hilton
 - Barry and Noreen Hosier
 - Nikki and Raymond Johnson
 - Arlene Arrington
 - Andrea Bernard
 - Deborah DeShong
 - Warren Harding
 - Joy Harris
 - Wakena Jones
 - Autumn Lucas
 - Sophia Marsh
 - Betty Payne

- Emily Roche
 - Dorothy Staton
 - Margorie Thomas-Innis
- New Business
 - New Contracts:
 - Elect-U.S.
 - One-year contract: March–December 2023
 - Provide technical services and support – includes
 - 3 Quarterly Meetings
 - 1 Annual Meeting
 - 1 Candidates Night Meeting
 - One test meeting for each event
 - Cost \$2,575
 - BrightView Landscapers
 - One-year contract March–November 2023
 - Weekly maintenance services (lawn care, herbicide treatment, hedge pruning, etc.)
 - Cost: \$15,648
 - Extra Work Cost Reduction
 - Reduce number and types of seasonal flowers
 - Additional costs due to:
 - Increased number of privets shrubs at Lafayette Ave.
 - Red mulch in areas where flowers were previously planted
 - Repair lawn on Lafayette Ave area opposite driveway
 - Cost: \$7,355
 - Hercules Corporation
 - New license agreement for 7 years
 - Includes complete renovation of laundry room
 - New washers, dryers, floor tiles, repainting
 - \$348,000 Advance Commission
 - Two installment payments:
 - \$163,200 following completed renovation (projected time: June)
 - \$184,800 approximately 3.5 years later
 - FISP Cycle 9
 - The board approved an Integrated Physical Needs Assessment (IPNA) of our building, performed by Lawless & Mangione. The IPNA combines the traditional IPNA with an energy audit, which is needed for Local Law 97.
 - Purpose of IPNA: 1) identify building deficiencies and makes recommendations for improvements; 2) assess water and energy savings and improvement needs, including their estimated cost, estimated annual energy savings, and estimated annual cost savings.
 - Report estimated that St. James needs \$12 million
 - Priority is FISP Cycle 9 because of a Department of Buildings deadline date of February 21, 2024
 - Required to do inspection of façade and terrace railings
 - Engineer performing inspection files a report with Department of Buildings
 - If receive Safe rating from Cycle 9, will have five years to identify needed repairs
 - Board has been interviewing companies to perform Cycle 9 inspection
 - Board reviewed three proposals: Lawless & Mangione, Rand, and United Engineering of New York (headed by Vivek Patel, an engineer formerly employed by Rand and has worked on previous projects at St. James)
 - United's proposal was the lowest
 - No need to install shedding until repairs start

Dr. Hosier asked the board to consider accepting United Engineering of New York proposal. There was general agreement that Mr. Patel of United would be a good choice given his previous experience with St. James. Mr. Harding agreed that United would be a good choice but indicated that the board had previously voted for Lawless & Mangione to perform the inspection. Due to an erroneous omission in Lawless & Mangione's proposal, their actual price was higher by \$11,000; therefore, a motion was suggested to reverse the board's previous vote to accept Lawless & Mangione's proposal due to the inaccuracy, followed by a motion to accept United Engineering of NY.

Mr. Harding moved to reverse the board's vote to accept Lawless & Mangione's proposal for the Cycle 9 inspection and was seconded by Mr. Claudio Jordan; the board voted unanimously in the affirmative, and the motion passed.

The next motion was to accept United Engineering of New York's proposal for \$27,500 to conduct FISP Cycle 9 inspection and write the report. Mr. Claudio Jordan made the motion, and Mr. Rudy Moore seconded. The board voted unanimously in the affirmative, and the motion passed.

QUESTIONS AND ANSWERS

Questions included concerns about the following:

1. Drains in the playground to run off water to prevent pooling;
2. Opening the playground and other amenities (Rainbow Room, Community Room);
3. Clarification on whether St. James is preparing for requesting city funding prior to 2024
4. Explanation of \$526,838 income reported in the 12/31/22 Finances at a Glance

The questions were answered to the best of the board's knowledge along with a follow-up.

Some shareholders experienced audio problems during the meeting; Elect-U.S. will investigate.

CLOSING REMARKS

Dr. Hosier thanked the shareholders for their attention, and the board for their input. She reminded the shareholders to use the St. James website and encouraged those who have not yet done so to register for their account.

The meeting ended at 8:39 PM.

Minutes prepared by Warren Harding, Secretary

Warren Harding

4/1/2023

Signature

Date