

UNOFFICIAL MINUTES

ST. JAMES TOWERS | MONDAY, DECEMBER 11, 2023

ANNUAL STOCKHOLDERS MEETING OF ST. JAMES TOWERS, INC.

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

Professional Team:

Robert Mellina, Partner, Prisant, Mellina, Unterlack & Co
David Baron, President, Metro Management Development, Inc.
Nicole Duncan, On-Site Property Manager
Andrew Brucker, Partner, Armstrong Teasdale, Corporation Counsel

The meeting was called to order at 7:05 PM; Dr. Hosier read the agenda and conducted a roll call of the board. All were present with one vacancy; a quorum of the board was present. The professional team was also introduced.

Election Services United Corp. (ESU) supervised the Board of Directors Election, and the virtual meeting was livestreamed on Zoom with technical support provided by Director Warren Harding.

ESU personnel were stationed in the lobby to collect absentee ballots and supervise in-person voting. Sandra Tovin of Election Services United, Corp. announced that there was a quorum.

Since stockholders had received corporation information covering September 21-November 19, 2023, Dr. Hosier explained that in addition to the fiscal year ending June 30, 2023 annual financial report, updated corporation business covering the period 11/21/23-12/8/23 will also be presented this evening.

Role and Responsibilities of the Cooperative Board of Directors

Director Warren Harding discussed the role of and responsibilities of the cooperative's Board of Directors, and also mentioned the board training videos produced by HPD that are available. Topics covered during his presentation included operating the cooperative like a business, the board as a governing body of the "mini-democracy" of the cooperative with fiduciary duties, the role of committees and their limited function, and balancing the robust exchange of ideas with the board's decision-making role to act in the common and general interests of the housing cooperative. He concluded that the board, in collaboration with the shareholders, must focus on making decisions that ensure safety, minimize liability, and not adversely affect its operating budget.

Financial Report, Fiscal Year 7/1/22-6/30/23

The following highlights presented by Mr. Mellina, corporation accountant, reflect financial information as of 6/30/2023:

- Operating account balance (used for paying bills): \$278,000 (increase from last year)
- Operating reserve balance: \$213,000 (decrease from last year due to paying down loan for capital project, resulting in a zero-loan payable balance)
- Funds
 - Reserve Fund balance (in Merrill Lynch account for capital projects): \$924,000
 - First Sale Reserve Fund balance: \$158,000
 - Capital Assessment Fund balance: \$20,000

- Building Improvements
 - Capitalized \$430,000 for playground and exterior renovations
- Former Construction Loan
 - Loan of \$1.5 million from vendor for parking lot project was paid in full.
- Building Operations: Revenues and Expenditures
 - Budgeted Revenue: \$3,838,000; Actual: \$3,981,000
 - Budgeted Expenditures: \$4,167,000; Actual: \$3,949,000
 - Deficit was budgeted, but ended with a surplus of \$32,000

Overall financial condition is good; St. James operated at a surplus and has a balanced budget for next year.

Board Treasurer Patrick Stennett reported the following on the first quarter of the fiscal year:

Corporation Annual Budget July 1-October 31, 2023

ITEM	BUDGETED	TO DATE	PERCENT
Management Fee	168,000	54,000	32%
Legal	77,000	21,614	28%
Accountant	25,000	7,200	29%
Admin & Mgmt	50,000	24,939	50%
Electricity	705,000	243,232	35%
Gas(heat)	402,000	228,537	7%
Maintenance & Repairs	775,000	298,835	39%
NYC R/E Tax	274,000	48,166	18%
Security	354,000	122,269	35%
Maintenance Staff	784,000	218,761	28%
Insurance	240,000	80,810	34%
Water & Sewer	377,000	136,400	36%

Corporation Finances

Corporation Account Balances: October 31, 2023

- First Sale Reserve \$223,039
 - Merrill Lynch Investments \$924,332
 - Operating Reserve \$ 320,224
 - Capital Assessment \$ 18,271
 - Escrow \$ 225,374
 - Application \$ 88,651
 - Community Room \$ 65,436
- The total balance of the corporation accounts is: 1,865,327
- End of Month Balance : \$ 458,287
 - Open Unpaid Bills: \$ 50,815

Management Report

Ms. Nicole Duncan, Property Manager, presented the following:

NEW STOCKHOLDERS

Dec. 14, 2022-Oct. 10, 2023: 12 new stockholders

10 external applicants and 2 internal transfers

Total collected in First Sale Capital Account: \$161,886

NEW SUCCESSION RIGHTS CASES

5 succession rights cases pending:

- 2 files were submitted to HPD for review pending approval
- 3 files are pending documentation for managements' review and submission.

Arrears & Legal Status

October Finances at a Glance Arrears: \$115,574

- Thirteen (13) apartments in arrears over 30 days: \$68,700
 - Three (3) succession rights denial cases stalled in landlord/tenant court.
 - Four (4) are non-payment eviction proceedings against stockholders with our landlord/tenant attorney and
 - Four (4) succession rights denial holdover cases, awaiting legal possession of the apartments.

Apartment Resales

- 6F, Alexis DeJesus

Vacant Apartments

2 vacant units. Apartments: 8E, 22K

8E: Dec. 18th closing scheduled

22K: HPD processing external applicant file

Vacancy Loss (vacant apartments for more than 90 days from which St. James cannot collect monthly carrying charges): There is no vacancy loss.

2021 Income Verification Audit: The audit documents were submitted to the New York State Department of Finance by the 11/10/2023 deadline. The Management Office will review and prepare a report and send responses to each household and HPD by 3/31/24. A 50% surcharge penalty will be applied for the 2021 calendar year to those who did not submit the required documents.

2023 Apartment Inspection

Completed 10/24/23

305 apartments were inspected.

13 apartments did not provide access

No access fee charged per apartment: \$996

- Unreported air conditioners from the time the last inspections were conducted in October 2019.

13 x \$996= \$12,948

Management Office

A proposal in the amount of \$3,750 was submitted to separate the key fob system from the desktop computer as recommended by Lockman, Inc. It also included installing a new PC with a monitor dedicated to isolating the access control software on its own server.

Office Copier

The office copier lease expires 12/31/23. Proposal was submitted by the vendor DEC Copiers to renew the contract for 60 months at \$204/month, a decrease from the previous rate of \$215/month due to reduced average number of copies printed.

Maintenance Personnel

- On 10/11/23, the board approved a one-time \$85 charge for installing a landline phone in the Superintendent's office to facilitate communication with the shareholders.
- Staff Uniforms: Maintenance staff expressed concerns about the quality of their uniforms. Management has contacted two alternate uniform suppliers to examine uniform samples and receive proposals.
- Holiday Decorations: staff began decorating the lobby for the holidays on 12/4. Christmas tree will be purchased and is scheduled for decorating the week of 12/11.

Boiler

- On 10/17/23 8 defective tubes were replaced on boiler #1 due to leaks and corrosion at a cost of \$2800.
- Contract renewal: on 12/6/23 the board approved to renew the service contract for the boiler in the amount of \$4,300, the price of which has not changed in three years.

Landscaping

BrightView Landscaping performed the following services:

- Drained and shut off the irrigation system for winterization
- Removed summer flowers; fall flowers will not be installed due to the FISP Cycle 9 inspection.

Tree branches: the board approved Evergreen Tree Specialists to trim and cut dead tree branches on the property at a cost of \$5250. Work is to begin 12/22/23.

John Deere Tractor

Annual service was performed on the tractor at a cost of \$849.

Exterminator Service Issue

A number of shareholders has complained about exterminator services from Broadway Exterminator. Management is exploring other companies.

Elevators

- On 12/2/23 elevator #2 was taken out of service due to a broken bolt on the brake arm and also caused interrupted service on two other elevators. Service was restored on 12/4.
- Elevator #4 was taken out of service on 11/27 for cable replacement. DOB inspected the elevator, gave it a pass, and service was restored.

Allied Universal Security

- Management is continuing to work with security staff on improving performance.
- Allied Universal notified management of the minimum wage increase to \$16/hour effective 1/1/24.

FISP Cycle 9

- Millenium Restoration installed scaffold drops for probing six apartment lines.
- The board approved scaffold drops for six additional apartment lines at a cost of \$34,000, which was not in the original scope.

Cobblestone Sidewalk Repair

- Millenium Restoration placed safety barriers around three cobblestone areas on the St. James Place side of the property at a cost of \$5,000.
- Insurance carrier North Shore Risk Management Corp. deemed the barriers insufficient and requested barriers to be placed on the entire St. James block
- St. James engineer, contractor and insurance company will meet to address issue.

Bargold Storage

- Shareholders were informed via memo that Bargold Storage will clean out the former Rainbow Room basement space on 1/2/24
- Those wishing to retrieve items from the room must notify the Management Office of the date and time they will remove items, which items will be removed, and a plan for removing the items.
- Items remaining in the room after 12/28/23 will be removed by Bargold.

Energy Conservation Tips

Ms. Duncan offered a number of tips for conserving energy in order to contain costs.

Exterminator Service

Exterminator service is available on the 1st and 3rd Saturday every month free of charge.

Trash/Debris Disposal

Proper trash disposal procedures were reviewed to minimize vermin infestation, as well as procedures for disposing debris from renovations and proper use of the Bulk Room.

Metro Management

Metro Management President David Baron presented to the shareholders current trends in the property insurance industry and how it impacts St. James, particularly risk management causing rising costs of premiums.

Legal Report

Andrew Brucker, Corporate Attorney, described the concept of umbrella insurance that Mr. Baron discussed. Next, Mr. Brucker discussed capital projects and the difficulties in getting funding from the city. He is looking into bridge loans to fund immediate need projects (i.e., roof, cobblestone) and will be repaid once St. James receives city loans.

NYC Accelerator

Director Warren Harding gave an overview of the NYC Accelerator program as it pertains to Local Law 97 and how St. James is pursuing opportunities to receive funding for the required measures for compliance.

Q&A

No questions were submitted in advance; online and telephone questions were taken.

- What type of loan is being considered?
 - Seeking bridge loan from private source as temporary until city funding is secured that would be used for repaying the bridge loan; still researching other options
- Assistance with accessing board training videos
 - Management Office can assist
- Communicating with non- English-speaking shareholders on building business
 - Issue will be explored further
- Notifying shareholders of decision on Rainbow Room
 - Discussed at various open board meetings
- Resume meetings in Community Room
 - To be decided
- Policy on submitting requests for holiday decorations in lobby
 - Need for closer monitoring due to precarious insurance situation
- Making appointments with Management Office after business hours due to work schedules
 - Interested stockholders should contact the property manager

Closing

Dr. Hosier made the following closing remarks:

- Acknowledged shareholders/residents who passed away with moment of silence
- Reminder to submit holiday gratuity for the staff. The deadline has been extended to Monday, Dec. 18th, 5pm.
- Thanked Shareholder Midge Stallworth for taking care of the lobby plants all year round.
- Thanked ESU, professional team, and the stockholders of St. James Towers

The meeting was adjourned at 8:43 PM.

Minutes prepared by Warren Harding, Secretary


Signature

12/15/23
Date