

# UNOFFICIAL MINUTES

## ST. JAMES TOWERS | MONDAY, DECEMBER 16, 2024

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 (joined later), Mr. Claudio Jordan, Ms. Yvonne Hilton, Ms. Stacey Starke, Ms. Kalia Foote

**Professional Team:**

Robert Mellina, Partner, Prisant, Mellina, Unterlack & Co  
David Baron, President, Metro Management Development, Inc.  
Nicole Duncan, On-Site Property Manager  
Andrew Brucker, Corporation Attorney, Fox Rothschild  
Thomas Juneau, Corporation Attorney, Fox Rothschild

The meeting was called to order at 7:08 PM, at which point a quorum of stockholders had not yet been met. Dr. Hosier introduced the professional team in attendance, followed by a roll call of the board, all of whom were present except for Ms. Nicole McKnight, who joined the meeting later. Then Dr. Hosier read the agenda, and Mr. Brucker provided an explanation of a quorum.

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.

**Administrative Report**

Board Secretary Warren Harding delivered the Administrative Report, in which he discussed HPD's newly published document and training videos entitled "Mitchell-Lama Co-op Shareholders Training," and was initially mentioned during the November 18, 2024 information session. The training materials are available on BuildingLink and the HPD Mitchell-Lama website, and the document is also available in the Management Office upon request. Mr. Harding also referred to a board memo to the shareholders on November 21 highlighting the following topics from the training:

- What is a Mitchell-Lama Cooperative
- What is a Shareholder
- House Rules
- Shareholder's Insurance
- Maintenance Payments
- 311 Calls and Violations

Shareholders were strongly encouraged to review the training documents and videos to educate themselves on living in a Mitchell-Lama co-operative and address any questions they may have. The Board will schedule shareholder meetings to review and discuss the information presented in the new shareholder training materials, as well as the mandatory training videos for first year board of director members.

**Financial Report, Fiscal Year 7/1/23-6/30/24**

The following highlights presented by Mr. Mellina, corporation accountant, reflect financial information as of 6/30/2024:

- Working Capital (Assets to Liabilities) Ratio (indicates ability to meet financial obligations) was 2:1; want at least 1:1
- Funds
  - Reserve: \$940,000
  - First Sale: \$231,000 (used for capital projects)
  - Capital Assessment Reserve: closed after transferring funds to pay for capital projects
- Building Improvements
  - Capitalized \$145,000 of improvements (exterior, sidewalk, playground)
- Revenues and Expenditures
  - Budgeted Revenue: \$4,290,000; Actual: \$4,308,000
  - Budgeted Expenditures: \$4,209,000; Actual: \$4,105,000
  - Surplus of \$203,000 from operations
- Projected budget for 2025 is a balanced budget
  - Projected increase in wages due to union contracts
  - Projected increase in insurance
- Overall financial position is good
  - Money in reserves
  - Operating at a surplus
  - No debt service due to no mortgage

## Corporation Budget

A summary of Assistant Treasurer Arlene Arrington report is shown below:

### Corporation Budget Line Expenditures

| Item                  | 2023-2024 | 2024-2025 | Increase |
|-----------------------|-----------|-----------|----------|
| Water & Sewage        | \$377,000 | \$425,000 | \$48,000 |
| Legal                 | \$77,000  | \$114,000 | \$37,000 |
| Insurance             | \$240,000 | \$270,000 | \$30,000 |
| Maintenance & Repairs | \$775,000 | \$792,000 | \$17,000 |

### Corporation Annual Budget July 1-November 30, 2024

| ITEM                   | BUDGETED | TO DATE | PERCENT |
|------------------------|----------|---------|---------|
| Management Fee         | 171,000  | 70,000  | 41%     |
| Legal                  | 114,000  | 24,000  | 21%     |
| Accountant             | 26,000   | 6,000   | 23%     |
| Admin & Mgmt           | 58,000   | 21,000  | 36%     |
| Electricity            | 500,000  | 316,000 | 63%     |
| Gas(heat)              | 300,000  | 57,000  | 19%     |
| Maintenance & Repairs  | 792,000  | 357,000 | 45%     |
| NYC R/E Tax            | 265,000  | 106,000 | 40%     |
| Security               | 384,000  | 122,000 | 32%     |
| Maintenance Staff      | 717,000  | 298,000 | 42%     |
| Insurance (escrow)     | 270,000  | 112,000 | 42%     |
| Water & Sewer (escrow) | 425,000  | 191,000 | 45%     |

## Corporation Finances

### Corporation Account Balances: November 30, 2024

|                            |           |
|----------------------------|-----------|
| •First Sale Reserve        | \$210,614 |
| •Merrill Lynch Investments | \$956,950 |
| •Operating Reserve         | \$334,470 |
| •Escrow                    | \$313,679 |
| •Application               | \$ 87,301 |
| •Community Room            | \$ 69,797 |

The total balance of the corporation accounts is: 1,972,811

### November 2024 Finances at a Glance

|                         |                   |
|-------------------------|-------------------|
| Start of Month Balance: | <u>\$ 171,440</u> |
| End of Month Balance :  | <u>\$ 193,674</u> |
| Open Unpaid Bills:      | <u>\$ 92,656</u>  |

Ms. Arrington noted that the absence of a mortgage contributed St. James' monthly cash flow in January. However, capital project financial needs will result in a new mortgage pending HPD approval. The mortgage will increase the annual budget, thereby necessitating a maintenance increase. The Board anticipates meeting with HPD to further discuss St. James' capital project needs and funding. Until the mortgage is finalized, we will not know the amount of the increase which will be extended over 3 years.

### Management Report

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

#### New Stockholders

Dec. 11, 2023-Dec. 16, 2024: 6 new stockholders

Total collected in First Sale Capital Account: \$106,708

#### Vacant Apartments

2 vacant units. Apartments: 10F, 14H

#### NEW SUCCESSION RIGHTS CASES

7 succession rights cases submitted to HPD

- 5 were approved
- 2 are pending

## **Arrears & Legal Status**

**November Finances at a Glance Arrears: \$226,626**

**Landlord & Tenant Court \$109,642**

- **12 nonpayment evictions proceedings**
- **3-succession rights denial holdovers**

**2021 Income Verification Audit \$105,452**

**19 shareholders noncompliant**

**Monthly Maintenance \$11,532**

**30-60 days arrears**

Ms. Duncan advised that nonpayment of carrying charges becomes a heavy burden on the corporation finances, and negatively affects the corporation obligation to pay monthly bills on time. Therefore, shareholders are strongly encouraged to pay their maintenance charges on time, and immediately make an appointment with the Management Office if anyone experiences a financial hardship.

### **2024 Apartment Inspection**

**9 apartments did not provide access**

### **Apartment Insurance**

**42 have not submitted proof of insurance**

### **Maintenance & Repairs**

#### **Plumbing**

**Do not pour used cooking oil down the sink drain**

**Dispose of cooking oil by putting it in a jar/bottle/metal oil container**

**Freezing the oil for future reuse or putting in the basement garbage.**

With respect to insurance, Ms. Duncan noted that St. James' shareholders share the cost of repairs and damages through the cost of the corporation's property insurance. Having adequate apartment insurance can potentially avoid higher corporation property insurance costs that are passed on to the shareholders. All shareholders were strongly encouraged to purchase apartment insurance.

### **Maintenance Personnel**

Maintenance porter Marcus Rodriquez has resigned his position from St. James, effective Dec 22, 2024. He was thanked for the years he served at St. James and wish him all the best in his endeavors. Resumes are being reviewed and interviews will be scheduled to fill the position.

### **Plumbing Incident**

Ms. Duncan presented a photo of the basement drainage pipe that fed into the M and N apartment lines that was clogged and had to be cut and removed. Some apartments were flooded and

several Bargold storage units were affected. Building maintenance staff is assisting with cleanup. Management is assessing reported shareholder damage. The shareholders' apartment insurance policies should cover personal property in their storage units.

### **Maintenance Expenditures**

**Annual Boiler Service Contract Renewal: \$4,300**

#### **Community Room**

**Nov. 11, 2024: Awning over the 2<sup>nd</sup> community room door was damaged from heavy wind  
Replacement Cost: \$1,198**

#### **Landscaping**

Fall cleanup is ongoing. In the coming year Management will discuss with the landscaper an on-call service for the needed areas at St. James due to the shedding installed around the building.

#### **Elevator**

Over the last three months there have been considerable interruptions in the elevator service. Management requested a written summary from the Service Operations Manager explaining the cause of the interruptions, repairs performed, or repairs needed to mitigate the problems. Once completed, the summary will be shared and discussed with the board and all stockholders.

#### **Compliance with Local Laws**

- Composting
  - As of Oct 6, 2024, Brooklyn was required to participate in the NYC Department of Sanitation's Curbside Composting Program.
  - This is a separate service and will not affect trash or recycling.
  - Composting bins will be collected on our recycling day (Tuesday)
  - The Management Office will distribute more information and identify the location of the brown bins in the basement garbage room.
  - What to Compost:
    - Food scraps including fruit, vegetables, meat, bones, dairy, and prepared food
    - Food soiled paper including napkins, towels, tea bags, disposable plates, coffee filters, pizza boxes
- Local Law 157: Natural Gas Alarm
  - Each apartment will be billed \$25.00 for installing the gas alarms.
  - A schedule will be posted and distributed in January, explaining in detail where and what the maintenance will be doing with the scheduled work.
- FISP Cycle 9
  - In November, shedding was installed on the East and West walkways of St. James Towers by Millenium Restoration.
  - The shedding will remain in place until the façade and terrace repairs are completed.
  - The repair completion due date was February 21, 2024; due to delays in receiving an HPD capital project loan, the repair work has not yet started.
  - Project engineer Vivek Patel of United Engineering of New York submitted and DOB granted a 90-day extension through Feb 24, 2025.
  - The engineer has also prepared the 9<sup>th</sup> cycle repair design, scope of work, budget report and specs/drawing for DOB review.

- Latest communication from HPD projects a loan project manager will be assigned to St. James Towers in January 2025.

### **Reminders**

- Water Conservation - due to the citywide drought alert, the following is recommended:
  - Take shorter showers
  - Immediately report leaks to Maintenance
- Electricity - because of the required 24-hour lighting under the shedding, the energy costs will be a larger annual expense for the cooperative. Everyone was urged to help conserve energy whenever possible.
- Trash Disposal
  - Dispose garbage down the chute to avoid vermin infestation.
  - All garbage must be bagged and securely closed.
  - No garbage should be left inside or outside the compactor room or inside the chute opening.
  - Recyclables must be taken to the basement recycling room.
  - Contact the Management Office to access the bulk room.
  - No apartment renovation or move-out items are to be placed in the bulk room; the shareholder or contractor is responsible for carting away all debris from the premises.
- Exterminator Services – A licensed exterminator is available to all stockholders on the 1<sup>st</sup> and 3<sup>rd</sup> Saturday of the month; reminder notices are placed in the lobby bulletin boards and on St. James BuildingLink website.

### **Metro Management**

Metro Management President David Baron presented to the shareholders an overview of the company's history of managing Mitchell-Lama cooperatives and St James in particular. Then he described the following relevant city local laws with which St. James must comply:

- Local Law 11, Façade Inspection – a five-year cycle that requires buildings of 7 stories or higher to have exterior walls inspected and repaired, if deteriorated conditions exist.
  - With Cycle 9, inspection procedures require scaffold drops on all elevations, and every 60 linear feet probes to check for hidden conditions.
- Local Law 152, Periodic Inspection of Gas Systems on a four-year cycle with a December 31 due date.
  - Exposed gas piping must be inspected for leaks and other hazardous conditions; if conditions are found, repairs and re-inspection are due in 120 days.
- Local Law 84, Benchmarking - by May 1 annually, all buildings 25,000 square feet and larger, or two or more buildings on the same lot totaling 100,000 square feet must submit their energy and water consumption to DOB. These data are used to compile the Local Law 95 letter grade and determine the potential carbon use penalty of Local Law 97.
- Local Law 87, Energy Audit – all buildings over 50,000 square feet, or two or more buildings totaling 100,000 square feet on a single lot must hire a qualified energy inspection firm to provide an audit every ten years as determined by the last digit of the block number of the property. The report consists of two parts:
  - Local Law 33/Local Law 95, Building Energy Efficiency Rating Label – on October 1, the Local Law 33 and the Local Law 95 energy grade label is available and must be posted in the building lobby by October 30.
- Local Law 97, The Climate Mobilization Act – starting in 2025, the data submitted to DOB for Local Law 84 benchmarking will be used to calculate whether or not NYC buildings over 25,000 square feet will receive a fine (carbon tax) based upon a preset

emissions limit. Buildings above the limit as defined by year periods will be fined following submission of data due May 1, 2025.

- Exemption and time delays apply for Mitchell-Lama housing.
- The fine amount, if applicable, is determined by the amount of emission, the type of fuel source, the building use type and the total square footage.
- Local Law 69, Annual Bedbug Report – apartment-specific information showing known bedbug infestations, the date, and their abatement must be made available to HPD annually. The filing window is December 1-December 31.
- Annual Safety Mailings – for each apartment, the primary resident must sign off the presence of children under 6 and under 10 years of age which, if present, trigger lead paint inspection, Local Law 117 stove knob cover requirements, and window guard requirements.
- Local Law 85, Composting
  - Leaf and yard waste separation from trash is mandatory
  - Separation of food waste and food-soiled paper from trash is mandatory
  - Buildings must provide composting-specific trash bins
  - The warning period runs through Spring, 2025, at which time all NYC buildings not participating will be subject to fines
- Local Law 88 – requires lighting systems in buildings 25,000 square feet and larger to be compliant with strict new energy standards:
  - LED lighting must be used
  - A one-time certification is due May 1, 2025
  - Local Law 157, Gas Detectors – as of May 1, 2025, installation of natural gas detection alarms is required in the same room as the gas-burning appliance (such as a stove) within 3 feet, but not more than 10 feet from the appliance
  - Mounted on the ceiling or on a wall within one foot of the ceiling
  - NYC Housing Law allows \$25.00 to be charged back to the tenant for its installation

Federal Laws requiring compliance:

- Corporate Transparency Act – requires certain entities to disclose information about their owners and people who have control of them.
  - The law was enacted as part of the National Defense Authorization Act and required corporations and similar entities to file information about beneficial owners and anyone who exercises substantial control over the entity.
  - The goal of the law is to penetrate through layers on intermediate entities and identify to the Department of Treasury's Financial Crimes Enforcement Network the individuals ultimately exercising control or enjoying ownership of entities doing business in the U.S.
  - The filing deadline was January 1. Many advisors suggested that co-ops and condos take a wait and see approach, since they were not the real targets of the law.
  - On December 3, 2024, a Texas judge issued a nationwide injunction to keep the enforcement of the act; there is no way to determine whether or when the board will ever have to comply. Co-op boards were clearly not the intended target of the law.

Insurance – Mr. Baron next discussed insurance trends, primarily the significant increase in costs. Pricing has gone up considerably in the umbrella program along with significantly lower limits of liability. He also noted that Metro hired Alan Randmae as Compliance Officer to assist

Property Managers with getting proposals for work that needs to be done, and to ensure buildings comply with the various laws and regulations.

### **Legal Report**

Andrew Brucker, Corporate Attorney, discussed the following issues:

- City financing for capital projects – HPD and HDC have various loan programs but have not yet gotten back to St. James’ funding requests. They will assign someone to St. James after the new year.
- Ryerson Towers’ use of St. James’ parking lot – Mr. Brucker’s colleague Thomas Juneau discussed Ryerson’s action against St. James in 1987.
  - Ryerson argued that they need to obtain the easement (the right for someone to use someone else’s property) that contains a portion of the St. James’ parking lot driveway, which became restricted following the installation of gates entering the parking lot and preventing deliveries to Ryerson’s residents. The court ruled in favor of Ryerson whereby the designated area is an easement for ingress and egress (coming and going) only.
  - The law also states that anyone using the easement must share in the cost of repairs.
  - St. James asked Ryerson to contribute its ratable portion of repair costs; they initially refused, then offered an unreasonably low amount, which has led to a lawsuit against Ryerson to obtain a portion of the repair costs.

**Quorum Update:** Dr. Hosier announced that 149 stockholders had registered, which is 9 short of reaching a quorum. She urged everyone to contact their neighbors and have them sign in so that quorum is reached and avoid the \$4,950 expense for running the board election.

### **Q&A**

- No questions were submitted in advance.
- Is there a reason that the annual meeting is all virtual and not hybrid as the previous meetings were held this year? That may be why we have not reached a quorum.
  - Trying to run a hybrid meeting plus managing people to sign in is difficult to navigate. Virtual meetings have been successful, and not many people attended in person at the hybrid meetings. But we will continue to run hybrid meetings.

**Quorum Update:** Quorum was finally reached!

### **Closing**

Dr. Hosier closed the meeting by acknowledging the following shareholders/residents who passed away this year:

2K-Earnestine Gordon  
5B -Cheryl Wiggins  
7F-Gloria Dickenson  
13C-Annie Brown  
14H-Helen Richardson  
20F-Mildred Hicks  
21A -Carrie Suter  
21H-Delores Brooks

Two more stockholders are in the hospital, and one is in hospice.

Greeley and June Tyson (10F) have permanently relocated South.

Reminder to submit holiday gratuity for the staff. The deadline has been extended to Tuesday, December 17.

Holiday decoration acknowledgements:

- Maintenance staff and for the holiday decorations
- Shareholders Alba Sosa and Shawn Watts-Bey for the Christmas tree decorations
- Courtney Shapiro and Yvonne Hilton respectively for the Hanukkah and Kwanzaa decorations.

Thanked ESU, professional team, and the stockholders of St. James Towers

The meeting was adjourned at 8:40 PM.

Minutes prepared by Warren Harding, Secretary

Warren Harding  
Signature

1/5/25  
Date