

The Grapevine Newsletter

I heard it through the Grapevine...

Minutes from The Berkeley's Annual Shareholders Meeting, May 10, 2022

Elections America hosted the 2022 Annual Shareholders Meeting (ASM) of Berkowners, Inc. on Zoom and via teleconference.

At 6:35 p.m. Walter Chadwick, board president, called the meeting to order. As quorum had yet to be met, Walter introduced the Berkeley's counsel, Tara Snow. Ms. Snow explained that if quorum was not achieved, tonight's meeting would just be a reading of committee reports.

Rick Montanye of Marin and Montanye Accounting was introduced. Mr. Montanye gave an overview of the current financial report. He said the Berkeley reserves were healthy and the 2022 budget was in good order.

Wanda Chin, treasurer, read her report.

As treasurer, I work with our accountants to review financial statements and tax filings and assist guiding the board of directors on the conservative investment and use of the corporation's reserve funds. The corporation refinanced its underlying mortgage in October 2018, and the additional funds of \$4 million were designated for capital improvements, specifically new windows. We have in the past two months reported on the status of the windows project and have advised how this would be financed—with a combination of reserve funds, sale of co-op-owned apartments, and a special assessment:

- The board had lengthy discussions and decided that a minimum of \$2 million should always be kept in our reserve funds; that comes out to an average of \$7,000 per apartment.
- We expect that the sale of 3 treasury units will generate \$1.2 million.
- The special assessment will generate \$1 million by the end of April 2025.

At this time, our reserve funds are deposited with JPMorgan Chase Bank, TD Bank, and Habib American Bank—in savings accounts and certificates of deposit. Savings rates have been anemically low for the past two years. US Treasury yields have been lower than bank CD rates. Forecasts indicate that

rates will rise, as is inflation. The board has discussed reviewing again the topic of a flip tax as another capital source, and hope that this can gain some traction this year. The board last did a survey in spring 2019 and only 89 shareholders responded.

The capital improvements committee will review the various projects that the board has been dealing with.

Pia Prevost, vice president and capital improvements chair, read her report.

Good evening, my name is Pia Prevost, and I am the chair of the capital improvements committee. I think by now most shareholders know Douglas Lister from Lister Architects in New York, our co-op architect in charge of the window replacement project, leak repairs, and he also reviews the alteration agreements for shareholder renovations if needed. For those who are not familiar with Douglas's background, Doug has 30 years of experience working on landmarked buildings (almost all residential co-ops and condominiums) in New York City. More than 90% of the work at his firm is building facade restoration and roof repair work. He has extensive experience working on water infiltration in both existing and new buildings and has worked on over 300 buildings. Doug has a Master of Architecture from Tulane University, focusing on historic preservation, and a Postgraduate Diploma in Facade Engineering from the University of Bath.

1. Window Replacements - The board selected and contracted with Tindel Replacement Windows to replace the windows. The company started to take dimensions of the existing windows and installed a sample window in A53 in the 35th street building. The company will also soon send us a sample window that will be placed in all three buildings, for one week each in the three lobbies. Unfortunately we are still awaiting approval from the Landmarks Preservation Commission. The actual installation of the windows will start 6 to 8 weeks after the approval.
2. Leaks - Repair work for the leaks is still in progress. Status at May 6, 2022:
 - Repair work completed in 82 units
 - Repair work scheduled in 33 units
 - Units not inspected = 34. As of now, the team did not have access to those units.

As of now the cost is approximately \$764,000 (average cost per unit ~\$9,900).

We are expecting additional cost for the remaining repair work of \$320,000.

3. Laundry Rooms - A feasibility study was completed. Our consultant advised us to install electric dryers. We have been told that by installing electric dryers we do not have to install an exhaust duct to the full height of the roof. This will reduce the cost considerably. In addition, the New York City Council passed legislation at the end of 2021 banning the use of natural gas in most new buildings approved 2027. I know we are not a new building, but since we will be installing new

dryers, we should honor the new rules. We spent a lot of time investigating the possibility of installing heat-pump dryers, but unfortunately this kind of dryer for coin/card-operated units does not yet exist in the United States. An additional washer will be added in each of the 3 laundry rooms. Hopefully we will have a detailed design concept and cost estimate in 4 to 5 weeks.

Peggy Russel, vice president and liaison to the admissions committee and garden committee, read her report.

Good Evening. I am Peggy Russell and serve as liaison to both the admissions committee and the garden committee. Additionally, I coordinate the September garden party, oversee the children's circle, and, recently, have been working with a group of parents to establish a children's room in the Berkeley.

THE ADMISSIONS COMMITTEE

The chairman of the six-member admissions committee is Maurice Garvey. The advisory committee vets applicants for purchases and sublets in the Berkeley and advises the board as to their acceptability based primarily on their ability to meet the fiscal responsibility of the purchase. Acceptance requires a unanimous vote of the committee. From May 2021 through the present, there have been 14 approved sales, one approved sublet, and two recent approvals that have not yet closed. The average price per share was \$1,296, which is in line with the upper tier of co-op sales in Jackson Heights.

THE GARDEN COMMITTEE

The garden committee, which oversees the development of the internal garden, is co-chaired by Kathryn Howard and Phil Washburn. The dedication and hard work of the committee is witnessed by anyone who enjoys and appreciates the beauty of the Berkeley garden. Through a small petty cash fund and donations from shareholders, the garden committee has slightly over \$1,000 in their treasury. With approval from the committee, the funds are used for enhancements to the garden. The board provides soil, compost and mulch to the gardeners and funds tree pruning by a professional arborist. Gardeners who adopt an alcove or planted area of the garden receive no funds from the board and enhance the beauty of the garden with their own money and hard work. There is a waitlist for residents who want to garden an individual alcove in the garden. Two plots became available this year and were offered to and accepted by persons on the waitlist. There is currently one person on the list.

The committee schedules work days during the year for specific projects such as bulb planting, overall maintenance, and, recently, the removal of paving stones on the northeast end of the garden to open another gardening area. Validation of the hard work and dedication of the garden committee and the gardeners has been evidenced by the inclusion of the Berkeley garden in the annual Jackson Heights Gardens Tour. The committee plans, coordinates and greets visitors with cookies and lemon water during the tour. Last year, despite COVID restrictions, more than 100 persons visited our garden

during the tour. This year the tour is scheduled for Saturday, June 11 from noon to 4 p.m. with a rain date of Sunday, June 18.

A special thank you to Richard Penberthy who donated more than 800 bulbs to the garden last fall and to the gardeners who did the planting. The tulips, hyacinths and irises are beautiful and were the announcement of spring so many of us needed. And a shoutout to Phil for planning and coordinating the development of the north-end slope in the garden and to the gardeners who helped him. The terracing not only saves the slope but gives the garden another pop of beauty. Thank you to the Leahys for their continued donations to the garden, which supports the ongoing efforts in the garden. The garden has become an enviable oasis for the residents of the Berkeley and is a unique amenity to persons looking for a home in Jackson Heights. Thank you to Kathryn and Phil and all the gardeners for their years of dedication.

THE GARDEN PARTY

Several years ago, to celebrate the new garden, I volunteered to coordinate an annual September garden party. Unfortunately, COVID has put the party on hold since 2020. We plan to resurrect the party this September. The board provides the basics for the party, including the makings for hamburgers and hot dogs for grilling, cheese plates and drinks. Residents bring additional food - salads, snacks, desserts, etc. A date has not been set for the party, but as soon as it is, I will be recruiting volunteers for a variety of activities including food prep, set-up, grilling and clean-up. It has become a highlight of the year and a great way to welcome new neighbors and enjoy an afternoon with friends.

CHILDREN'S CIRCLE

In 2009 the children's circle was created to encourage connections between Berkeley families. Once a month, children are invited to come together for story reading, musical instruments, simple crafts, and seasonal activities. COVID interrupted the circle for a while, but we started back up a few months ago in the garden and welcomed many new families. Special thanks to Jessica Pressler for initiating and coordinating the annual Easter Egg Hunt. Children are invited to the circle where they create Easter crafts while eggs are hidden in the garden. All Berkeley children are invited to participate in the hunt and, thanks to the donation of filled plastic eggs by Berkeley residents, no one leaves without a basket full of goodies.

CHILDREN'S ROOM

Thanks to Cecilia Durbin we have reactivated the unofficial committee to look into the possibility of creating a children's room in the Berkeley. Several parents have joined in the efforts and, realizing the fiscal limitations we face, have begun looking for space in the Berkeley that can be used for the room. The group will present a proposal to the board when it has completed its initial efforts.

Ed Leahy, secretary and ad hoc committee on governance member, read his report.

The board voted to create an ad hoc committee to recommend changes to the co-op's bylaws and house rules, being guided by best practices and the needs of our community. Among the items the committee will be considering in the coming year will be:

- 1) a review of the officer positions, including a more specific listing of the duties of each office and possible changes to one or more positions; for example, rather than have two vice presidents, it may be more appropriate to have an assistant treasurer;
- 2) consideration of the establishment of permanent committees within the bylaws, as opposed to those created by a vote of the board; for example, an Audit Committee, with required qualifications for membership and responsibility for engaging auditors and reviewing financials and audit reports prior to acceptance by the board; and,
- 3) reviewing house rules to assure they are both reasonable and enforceable; for example, it may not be reasonable to prohibit anyone under the age of 17 from walking the common areas unaccompanied.

The committee will recommend any changes to the board for a vote. Anyone wishing to make any suggestions may do so by emailing them to the Berkboard address.

Julie Nguyen, board director and liaison to the communications committee, read her report.

Good evening Berkeley shareholders. My name is Julie Nguyen and I am a director and the communications liaison. In this role this past year I've had the pleasure to work closely with Fred Fishel, who was chair of the communications committee for many years and in recent months getting to know Rob Oppgaard who has graciously and seamlessly transitioned into the role as chair of the communications committee.

This past year, we began the early stages of exploring what it would entail to expand our current internet access to the garden. We have also begun looking at redesigning The Berkeley website--looking into options to create a private section for shareholders and ways we can better highlight and feature our building, cooperative and amenities while also maximizing the website to be a source of information for our community. Lastly, unrelated to the communications committee, we submitted interest with the NYC Department of Sanitation (DSNY) in their Curbside Composting Program, which has been postponed by the city. It was originally scheduled for fall 2021.

It has been such a pleasure working closely with the board and getting to know everyone this past year. I wish all the board members joining this June all the best!

Zach Rosenblatt, Board Director, read his report on new business ideas.

Hi everyone, Zach Rosenblatt here, A65 in the 35th Avenue building. I've just completed my first year on the board and I must say, wow, it is not an easy undertaking to dedicate the time required, especially with a full-time job and two kids at home. I've learned a lot, not the least of which is that my fellow-board members, particularly the incumbents who were already there when I joined last year, are really dedicated to the Berkeley and are very thoughtful about making decisions that are right for us as shareholders.

That said, we are both an old set of buildings and one that has a sizable mortgage, so many of our board decisions come down to the budget. That's why today I want to talk about a flip tax. Virtually all decisions are made for the co-op by the board, but a flip tax requires a vote by two-thirds of shareholders. The last time the board attempted to do this, while many members of the community did express an interest in raising a flip tax, we were nowhere near two-thirds participation needed to enact it. I want to bring this up again because I believe last time it was discussed, the tax was proposed without proper context. I think shareholders believed they were choosing between flip tax and nothing. But as we see now with the enactment of the windows assessment, the choice is not between flip tax and nothing. We need to pay for critical infrastructure at the Berkeley, and I fully expect there to be other building requirements that will raise the need for further funds. The choice is not between a flip tax and nothing, but between a flip tax and another source of income that will be a burden on shareholders. In my opinion, while a flip tax doesn't feel good, I believe it is better absorbed by those with the windfall of their apartment sale, rather than by every member of the co-op.

As we all know, the window project includes raising \$1 million from shareholders via a monthly assessment for 36 months. To take my unit as an example, with 425 shares, we're now paying \$115 per month, or a little over \$4,100 over the course of the assessment. I know from the tough discussions we had that the board was desperate to avoid an assessment, but it was just impossible. I do believe, however, that if we had had a flip tax in effect over the last few years, this window assessment, while it wouldn't have been avoided altogether, would have been a lower burden on shareholders, many of whom are on a fixed income. Jay at Wavecrest provided me with details of apartment sales over the last few years. A 1% flip tax on apartment sales over the past five years would have raised \$316,000 for the co-op, and over 10 years would have raised \$527,000 for the co-op. Those funds could have been used to put a significant dent in the windows assessment.

I fully understand why a flip tax isn't palatable. As a shareholder, it doesn't feel great to willingly vote for a rule that will cost me money when I sell. But as a member of the board and fiduciary to the corporation, I believe it is in the Berkeley's best interest to implement a flip tax to offset the cost of future problems our buildings will undoubtedly face. So I urge shareholders to consider the merits of a flip tax if and when it is brought up for a vote again.

Now I'll speak briefly about the package theft situation and what I have learned about possible solutions. I've been in touch with a company called Butterfly MX, which provides a locking system where couriers and residents enter a pin for access. We would need to provide a room in each of the three buildings, and they'd install a web-enabled locking system that takes a time-stamped photo of everyone who accesses the room. The quote I got for this, to install the intercom in all three buildings, was \$26,000 and then a \$14,000 annual subscription fee. While this is a lot of money, it's not entirely prohibitive in the context of a \$3 million budget.

That being said, the solution I describe presents some challenges. First, we are responsible for providing our own package rooms, which would need to be accessible from the lobby in all three buildings. 35th avenue has two good alcoves by our front door. I understand closets might be available to use in 77th and 78th street. But in any case, there would be a considerable capital outlay to construct rooms that match the aesthetics of our lobbies. Second, while the demonstration gave me comfort that our usual delivery folks from the postal service, UPS and FedEx would have good access to the package rooms, I'm not convinced that every Amazon or Lasership courier would know how to or be willing to follow instructions to gain access to the package rooms.

I'm hoping to get time to research this further, including speaking to a few other providers and checking references on Butterfly MX. It's such a shame every time we get notice of the most recent package theft. If anyone is interested in joining the research efforts, please feel free to let us know. In the meantime, everyone should continue to take precautions when expecting deliveries: turn on package tracking alerts and retrieve your deliveries as soon as they arrive; utilize Amazon's alternate pickup locations such as lockers or local pickup sites; and, if you are in a position to do so, have important packages sent to a relative or your office.

Walter Chadwick, board president and safety and security committee member, read his report.

Safety and Security

In August of last year, shareholder Tim Paul reached out to the board asking if we would start a safety committee. The board thought it was a great idea and along with Tim, Julie and I volunteered to be the board Liaisons. We researched, reached out to the Fire Department, and toured the buildings with Carlos. We then wrote the Security Guide and the Fire Prevention Safety Guide. Both may be found on our website.

Walter asked Elections America if we had achieved quorum. As we had not, Ms. Snow explained that this had not been an official Annual Shareholders Meeting but rather a reading of committee member reports and that the voting had thus been invalidated.

Walter explained the existing board members would be meeting the next night and that they would be appointing new directors for the board members stepping down.

Walter adjourned the meeting at approximately 7:30 p.m.

Notes from the May 11, 2022, Meeting of the Board of Directors of Berkowners, Inc.

Directors present: Walter Chadwick, Wanda Chin, Cecilia Durbin, Elizabeth Hollander, Ed Leahy, Zach Rosenblatt, and Peggy Russell. Mr. Chadwick served as chair and called the meeting to order at 7:03 p.m. with Ms. Chin, Mr. Leahy, Mr. Rosenblatt and Ms. Russell in attendance.

Since no quorum was met for the 2022 Annual Shareholders Meeting, the results of the election were void. The three board members whose terms had ended were carried over for another year. Mr. Chadwick announced that Ms. Nguyen and Ms. Prevost had resigned from the board. Ms. Durbin and Ms. Hollander were elected to the board and joined the meeting at 7:24.

Mr. Chadwick was elected president. Ms. Chin was elected treasurer. Mr. Leahy was elected secretary. Mr. Rosenblatt and Ms. Russell were elected vice presidents. Ms. Hollander volunteered to serve as the board's liaison to the garden committee. Ms. Durbin volunteered to serve as board liaison to the communications committee.

The board discussed the process for voting for a flip tax and the requirements for a successful vote. The board also discussed possible alternatives for facilitating communication between shareholders and the board.

The meeting was adjourned at 7:51 p.m.

Board Announcements & Reminders

Scheduled Board Meetings

Remaining board meetings for the second half of 2022 are scheduled for **June 14, July 12, August 9, September 13, October 11, November 8, and December 13**. If you have a topic you would like to discuss with the board, please email them at berkboard@gmail.com.

Reinstatement of Mask Mandate at The Berkeley - Effective May 21, 2022

The CDC presently states the Queens County Covid rate is high. They are suggesting masks be worn in all indoor public spaces. The Berkeley board unanimously voted to reinstate a mask requirement in all Berkeley common spaces beginning Saturday, May 21. Please be courteous to your neighbors and follow the rule. Masks should be worn in the lobbies, halls, elevators, basements and laundry rooms. Masks are not required in the garden. Let's all hope this current spike is short-lived.

Other Announcements

Berkeley Children's Circle

The June Children's Circle Bug Hunt is scheduled for **11 a.m. on Saturday, June 18** (rain date, Sunday, June 19) in the north end garden. All Berkeley children are invited to share stories, sing songs, play instruments, and make bug boxes. And, of course, we'll have a hunt for bugs (plastic) in the center garden. For more info contact Peggy at tpeg60@yahoo.com or consult the related website page for general info at <https://www.theberkeleycoop.com/copy-of-activities>. Hope to see you there!

The Garden Committee

If you are interested in joining the Garden Committee, volunteering for garden workdays, adopting a plot, donating, or have further questions, please contact Katherine Howard at howfelice@gmail.com. The Committee usually meets monthly from March through November to discuss gardening issues and plans. **The next meeting is Sunday, June 5.**

We're pleased to announce The Berkeley's participation in the 2022 Jackson Heights Garden Tour on Saturday, June 11 from 12-4 p.m. (rain date, June 18). The Tour is an annual fundraiser for the Jackson Heights Beautification Group (JHBG), which also sponsors the Tour. It's part of a weekend of events organized by JHBG. Info about the weekend may be found at <https://www.jhbg.org/2022/04/29/historic-weekend-2022/>. Tickets for the Tour to visit other gardens in the area are \$10 and can be purchased at nearby Espresso 77 on 77th St.

Contributors to this newsletter were Walter Chadwick, Katherine Howard, Ed Leahy, Rob Oppengard and Peggy Russell. If you'd like to contribute content to the Berkeley Grapevine, please email TheBerkeleyGrapevine@gmail.com.

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