

Berkeley Grapevine

BOARD NOTES FROM THE ANNUAL SHAREHOLDER'S MEETING **MAY 8, 2018**

1. Call to order – Anne Eckhardt acted as Chair and called the meeting to order at 6:30
 - a. Introduction of Board members and Guests **Anne Eckhardt**
 - i. Anne Eckhardt – Director and President
 - ii. Maria Hoffman – Marin & Montanye Accountant/Auditor
 - iii. Ed Schiff – Attorney and Assistant Secretary (arrived late – not introduced)
 - iv. Dexter Ramirez – Ed Schiff's Assistant (arrived late – not introduced)
 - v. Jay Yablonsky – Wavecrest Management Team and Assistant Secretary
 - vi. Roger Stuart – Wavecrest Management Team
 - vii. Peggy Russell – Director and Vice President
 - viii. Pia Prevost – Director and Vice President
 - ix. Ed Leahy – Director and Treasurer
 - x. Bertine Lafayette – Director and Secretary
 - xi. Eric Koch – Director
 - xii. Bryce Bermingham – Director
2. Presentation of proof of due calling of the meeting – Quorum Achieved **Jay Yablonsky**

A Quorum was actually not reached. There was confusion in the calculation. We actually only reached 81% of required shares in order to have a quorum. Fortunately, because there was no voting, this did not adversely affect the outcome of the meeting.
3. Reading of the minutes of previous meeting or meetings – This was waived
4. Reports of officers and committees
 - a. **Finance Committee**
 - i. 2017 Financial Statement Overview **Maria Hoffman**
 - ii. Refinancing Details/Current Status – Summary of Ed's Report **Ed Leahy**

At this time last year, many of us were concerned about the state of our cash reserves, which at year-end 2016 had dipped to \$683,000. For a complex of buildings this old, that was a dangerously low figure. Tonight, I can report that, at year-end 2017, our cash reserves stood at \$1,120,000. Better, but still not where we need to be.

We expect to close the sale of two units owned by the co-op in the near future. Apartment A23 in the 35th Avenue building is currently under contract for \$344,000, and the Admissions Committee has already approved the buyer for Apartment B37 in the 77th Street Building for \$510,000. These sales will further boost our cash reserves, but they will also reduce the number of apartments owned by the co-op to 16. Each apartment sold represents a loss of future income. It is obvious that selling off income-

producing assets in order to build up cash reserves is not an advisable long-term practice. It is also obvious that other steps need to be taken to allow the co-op to address major capital needs in the future without cashing out its assets.

One such step is the refinancing of the two existing Santander mortgages totaling \$8,077,000, which allow for a one-time refinancing. We are currently paying interest on these loans at 6.25%. The new loan of \$12.8 million, through the Principal Financial Group, would be at 4.16% for a 20-year term, amortizing over 30 years (meaning that there would be a balloon payment to be made or refinanced at the end of the 20 years). Because of lower monthly payments resulting from the lower rate and the new amortization period, we would realize annual savings of \$29,000. At the same time, the refinancing would provide immediate net proceeds to the co-op of \$4,150,000. The balloon payment at the end of the twenty-year term would be \$6,106,000.

The \$4.1 million in proceeds would be available for capital improvements. The board expects to use the proceeds for replacement of windows in all three buildings.

The other step taken by the board back in February was to enact a 2% increase to the monthly Maintenance Fee. While the co-op's gross income declined slightly from 2016, and is expected to decline slightly more in 2018, expenditures have steadily risen from \$3,039,000 in 2015, the year of the last Maintenance Fee increase, to \$3,141,000 in 2017 and a projected \$3,188,000 for 2018. As the co-op's expenses continue to rise, it is unwise to hold Maintenance fees flat. The board unanimously agreed in February, therefore to enact a 2% increase for 2018 with the expectation that a series of small annual increases will leave the co-op in a sounder, financial condition while at the same time avoiding a more draconian single-year increase further down the road.

Our goal is for the co-op to be financially sound, able to meet its needs and to increase value to our shareholders. I believe we are closer to that goal now than we were a year ago.

Anne Eckhardt also mentioned that we just got another Berkowners owned apartment back in 77th Street. This apartment is a 2 bedroom/1 bath. The apartment will be made ready to rent.

Shareholder Comments:

1. Shareholders would appreciate getting the financial statements at least 2 weeks prior to the Annual Shareholders' Meeting. The Board agreed to make this happen.
2. Shareholders also want the Board to reconsider implementing a Flip Tax again in order to generate additional income. It was explained that in order to accomplish this it requires 2/3 approval of all shareholders. The Board agreed to reconsider this proposal at our next board meeting.

b. Capital Improvements Committee

i. Beautification Fund Account Balances

Bryce Bermingham

1. Reminder \$0.01 per share per month went into effect in August 2016. Our current balance in the fund is ~\$22,000

ii. Ramp Replacement Details

1. As discussed at the last annual shareholders' meeting we received bids to replace the ramp. Original bids received to perform work were from:

Skyline	\$259,500
SASCO	\$ 88,550
Sage Builders	\$279,636

We met with SASCO and modified the contract to include the stairs and ramp to the garden, as well as the railings. This increased the price of the contract to **\$97,050**

There was a significant delay in getting the work started because we had problems getting the required DOB and Landmark's Commission approval.

2. Total Cost of Project:

Skyline – Shoring up wall	\$ 13,500
A&E Design	\$ 18,000
A&E – Filings	\$ 2,261
Frank Caminiti	\$ 3,500
SASCO	\$ 97,050
Change Order 1	\$ 3,500
Change Order 2	\$ 7,000
Total	<u>\$144,811</u>

Change Order#1 - \$3,500

- Changing the Ramp configuration.
- Changing the Step framework to change the steps Configuration.
- Excavate to install New dry-well tank
- Additional funds will be needed to repair the North lawn of the garden

Change Order#2 - \$7,000 Additional Railing Design with Curved Ramp Railing and Access Gate

- Furnish & install customized railing design throughout the retaining wall, curve railing for the ramp and new access door on the sidewalk level.

iii. Laundry Room

Pia Prevost

1. Fowler – Contract ended April 30, 2018 – We are now on a month-to-month basis.
2. New vendor – We have met with Hercules and Sky Laundry and are expecting proposals. This would include bringing the laundry rooms up to code. They will not be legal because they are not on our certificate of occupancy. It would also mean that the exhaust for the gas dryers will have to go through duct work on the outside of the buildings. This would be done in the interior garden area in the alcove spaces.
3. 78th Street Gas Leak Issue – Passeggio Fees
 - a. Fix gas leaks in apartments. \$32,856

	Items required to bring laundry room up to code:		
b.	Laundry room– Backflow RPZ	\$16,800	
c.	Filing Fees	\$ 7,500	
d.	Plumbing / slop sink work	\$ 7,500	
e.	Sprinkler system	\$ 9,600	
f.	Gas work	\$ 8,650	<u>\$ 50,050</u>
	Total		<u>\$ 82,906</u>

c. Admissions Committee **Peggy Russell**

1. Discussed recent sales prices – In 2017 eleven apartments were sold at an average share price of \$1,266. Year to date for 2018 four have been sold at an average share price of \$1,287.40. This information can be found on our website.

d. Garden Committee **Bertine Lafayette**

1. JHBG Garden Tour is Sunday, June 9th – We will be on the tour again this year.
2. We purchased 6 new chairs to replace the damaged ones, as well as a bench and small table – \$1,976.
3. We will be restoring the north lawn by using sod so we will be ready for the Garden Tour in June. This will cost approximately \$5,500.
4. We are also getting bids on repairing the garden walkways and replacing the staircase to the pit on both sides. We anticipate that this will be completed by June 9th.

e. Hospitality Committee **Bertine Lafayette**

1. We've held several get-togethers and they have been a lot of fun and appreciated by the new residents. We will be having another shortly as there have been new shareholders approved by the Admissions Committee recently.

f. Gym Committee – Status Summary **Eric Koch**

Early this winter, one of our shareholders suggested that the Board re-look at the feasibility of re-opening the original basement gym in the 78th Street Building. A prior study some 9 years ago had looked at the renovation of a large portion of the original facility and the purchase of a significant amount of equipment; the anticipated costs were large and the project was shelved. However, in light of the shareholder's request, the Board thought that it might be useful to see if a partial renovation and re-use of the space could be done affordably.

Shareholders were informed about this in the newsletter and asked whether they had an interest in participating in this effort. Some 14 people expressed an interest and the first organizational meeting was held on February 25th. Since then, we have had 4 additional meetings and have developed into a core group of some 6 to 7 very active volunteers, each of whom has been energetically taking on individual responsibilities and actively participating in the discussions.

One of our first tasks was identifying what other if any, Jackson Heights co-ops or condominiums have operating gym facilities and we discovered 5 operating one, all of which opened over the past 5 years, and one in the planning stages. We thus far have toured three of these facilities, met with a shareholder or a board member at each of these facilities who was involved in the planning and opening of these facilities and obtained photos of one of two other identified operating facilities. Those which we have toured and talked with to date are Southridge, the Chateau, and Terrace View. In each of these 3 cases, the facilities are being actively used and have been deemed to be financially viable.

Similar to what each of these toured facilities has done, the concept we have been working on is one of covering the costs of opening and operating the facility largely through charging “membership” or usage fees paid by those shareholders using the facility.

Thus far, in addition to the tours of and discussions with these other co-ops, we identified a section of the gym as the most reasonable starting point, done floor layouts and measurements, put together and priced a preliminary list of equipment and solicited quotes on the contract work which we have thus far identified as being necessary. Thus far, a partial renovation and re-use of the space appear to be sufficiently feasible to continue our study and to continue work on a formal presentation to the Board of Directors sometime in late June or early July.

If anyone here has any questions or suggestions, I would be more than pleased to meet with you individually at the end of this meeting. Alternatively, you can send your comments, suggestions or questions to me or the board via email.

g. Communications Committee

Anne Eckhardt

1. Last year we sent 9 newsletters to residents to keep them abreast of what was happening in our community. In the August newsletter, we added a new section to called “Board Notes”. This section is just to give shareholders an idea of what the Board is working on. When decisions have been finalized on items, shareholders will be advised via the newsletter or other formal correspondence from the Board.
 2. Noise complaints – residents need to be more tolerant of their neighbors. Our buildings are old and noise travels.
 3. Feeding pigeons/squirrels – this is not acceptable. Pigeons and squirrels can forage for their food. They are destroying our gardens.
 4. Trash – Must be put in the compactor rooms tied up properly. Recyclables should be washed before putting them in the compactor room. Shareholders were concerned that they were not informed when the compactor rooms were going to be treated/cleaned. This caused several problems. To help eliminate the roach problem, Milton will be instructed to cover all of the drains in the compactor rooms. Residents will also be informed when the compactor chutes will be cleaned. When this happens, the rooms will be closed off so that roaches cannot escape the compactor area. A shareholder also suggested that a communication be sent to all residents to explain how garbage/recyclables are to be disposed of.
 5. Items must not be left in the hallways, lobbies, basements.
5. Unfinished business – None.
 6. New business – None.

7. Adjournment – With no further business to be discussed, Anne Eckhardt adjourned the meeting at 8:45.

End of Board Notes

OTHER NEWS ITEMS

THANKS TO THE MEETING VOLUNTEERS

The Quorum/Election Committee offers its thanks to the following individuals who helped in registering shareholders: Fred Fishel, Marianne Maley, Carmen Rivera and William Scharff. Our thanks also to Isabel and Ursula of Wavecrest Management in helping to register shareholders and measure quorum.

Our thanks to Juan Grullon and Humberto Pazmino who, under Milton Rivera's direction, as always outdid themselves in setting up the community room.

OUR GARDEN

Dear Berkeley Residents,

With spring and summer coming, we can expect to see greater activity in our garden. Everyone using the garden should be following the safety and good neighbor guidelines but we also want to take this opportunity to remind all residents that children and families are welcome in the garden at all times. All residents should follow garden rules and be respectful of each other - which includes not raising voices at or taking photos of children who are not your own. While the garden rules do impose some limitations, children are allowed to engage in a wide range of activities, including talking, laughing, exploring, coloring, crafts, bubbles, picnics, etc. We look forward to everyone enjoying our beautiful garden together this year. The Garden Rules can be found on our website at <https://www.theberkeleycoop.com/garden-committee-clvxp>

The Berkeley Board

JHBG GARDEN TOUR – SATURDAY, JUNE 9, 2018

The Berkeley will participate in the 2018 Jackson Heights Beautification Group's Historic Open Gardens Tour. The tour will be Saturday June 9th from 12 PM to 4 PM. The rain date is Saturday June 16th.

It is a self-guided tour through select gardens in the neighborhood. More information about the weekend can be found here: <http://www.jhbg.org/2018/04/03/historic-weekend-june-9th-and-10th>.

Folks interested in volunteering to help with setup, breakdown or other support on the day of the tour should please contact Kayhan Irani from the Garden Committee at kayhanirani@msn.com.

We look forward to seeing you in the garden.

COMMUNICATIONS AT THE BERKELEY

As a reminder to long-time residents or as news to new residents, we mention the Communications Committee. It consists of bulletin boards, a printed newsletter, the Berkeley Grapevine, and two Internet

entities, the Berkeley Coop List Serve and the Berkeley website. Each is described below.

Bulletin boards – Six locked boards are positioned at or quite near the mailboxes. They contain notices and announcements from the Board as well as notices on public safety. Three open boards are in the three laundry rooms. These are for any postings that shareholders should like to make.

Newsletter – Published on an almost monthly basis (January being the possible exception.) Printed copies may be picked up at the mailboxes of each building. The newsletter is also posted on the Berkeley website. An announcement to alert residents of a new issue is made to subscribers to the List Serve (see below.) Items for inclusion in the newsletter may be sent to **berkeleynewsletter@msn.com**

List Serve – This is a Google group where residents may communicate and share helpful tips/information about the building and the community. To join...

1. Go to www.groups.google.com/group/berkeleycoop.
2. Click on 'Subscribe to this group'.
3. Enter your email address where you wish to receive emails from the group then enter the confirmation text.
4. A subscription confirmation email will be sent to the email address entered.
5. When the email arrives, click on the 'Join This Group' button.

Website – **www.theberkeleycoop.com**. There you will find the By-laws of the corporation; the House Rules; forms and applications for renovations, refinancing, STAR rebates, etc. In addition, there is an archive of this newsletter, of the financial statements back to 2007 as well as other information about the history of the Berkeley and of Jackson Heights.

Please also note that the Board itself has an email address: **berkboard@gmail.com**.

WE ACTIVELY SEEK TO IMPROVE ALL ASPECTS OF THE BERKELEY, ESPECIALLY ITS COMMUNICATION FRAMEWORK. PLEASE SEND COMMENTS ON ANY ISSUE TO:

berkeleynewsletter@msn.com.

FOR THOSE WITHOUT ACCESS TO THE INTERNET, LETTERS MAY BE POSTED CARE OF THE BOARD SECRETARY:

**Mrs. Bertine Lafayette
77-12 35th Avenue
Apartment B22
Jackson Heights, NY 11372**

SCHEDULED BOARD MEETINGS

The schedule of the summer Board meetings is as follows: **Wednesday** June 27, **Thursday** July 26 and **Tuesday** August 21. **Please note that the meetings are on different weekdays.** The meetings begin at 6:30 PM. Between 6:00–6:30 PM, all shareholders/tenants may come to the Boardroom in the basement of the 77th Street Building to discuss issues with a Board member. The Board asks that you send an email in advance (**berkboard@gmail.com**) to let it know the nature of your issue and that you be succinct in your presentation. If you are not a resident of 77th Street, you may contact the Board at the above email address to gain entrance.

Contributors to this issue were Terrence Dineen, Anne Eckhardt and Kayhan Irani. Anyone wishing to contribute an article/notice to the Berkeley Grapevine should contact the Berkeley Cooperative Newsletter at berkeleynewsletter@msn.com

BERKELEY — IMPORTANT CONTACT NUMBERS

Milton Rivera, Superintendent: **718-424-0040**
Emergency: **646-403-2558**
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