

Berkeley Grapevine

May, 2019

Volume 75

BOARD NOTES FROM THE ANNUAL SHAREHOLDERS' MEETING **HELD ON MAY 14, 2019**

Anne Eckhardt, President and Chairperson, called the meeting to order at 7:00 PM. At that time, we did not have a quorum; registration was allowed to stay open, and a quorum was reached at 7:15 PM

In attendance were the following:

- Anne Eckhardt – Director and President
- Rick Montanye – Marin & Montanye Accountant/Auditor
- Seth Sahr – Attorney
- Jay Yablonsky – Wavecrest Management Team and Assistant Secretary
- Roger Stuart – Wavecrest Management Team
- Peggy Russell – Director and Vice President
- Pia Prevost – Director and Vice President
- Eric Koch – Director and Treasurer
- Bertine Lafayette – Director and Secretary
- Walter Chadwick – Director
- Wanda Chin – Director

Anne Eckhardt introduced Seth Sahr, our new attorney of Novitt, Sahr & Snow, located in Forest Hills. Mr. Sahr discussed his firm and was given the task of introducing all of the speakers of the meeting.

Introduction of a new Board member

Seth Sahr

Wanda Chin was elected to the Board on April 30th. She will be finishing out Bryce Bermingham's term that expires in May 2020.

Wanda Intro

Wanda Chin

Wanda is a shareholder in the 78th Street building. She provided a brief biography of her residency in Jackson Heights since 1986, having served on the board of Hawthorne Court on 77th Street, responsible for updating the corporation's by-laws and spearheading and supervising major capital work, and serving as the building representative of the Hawthorne Court Council. She discussed her employment in commercial real estate finance and currently in affordable housing finance, as well as her volunteer and community activities. She discussed her interest in managing the reserve funds along with capital improvement projects.

Introduce Rick Montanye – 2018 Financial Overview

Seth Sahr

Finance – 2018 Financials

Rick Montanye

Mr. Montanye gave an overview of our financials. We are in good standing, and we have a healthy reserve fund. However, we did run at a slight deficit in 2018, and it is clear that we will be doing the same during the next three years. He said we need to increase our maintenance to cover the cost of our operating expenses. He also noted that we should not use our reserve to make up for a deficit in our operating expenses.

Committee Reports:

Introduce Eric Koch – Capital Improvements Overview

Seth Sahr

Eric Koch Introduction Eric Koch

My wife Mi-hee and I purchased 78th Street unit at the Berkeley in January 2013. We have lived in Jackson Heights since June 2002. Most of my professional career has been underwriting and managing commercial real estate assets, mainly for financial institutions both nationally and here in NYC

I have been a member of the Berkowners, Inc. Board of Directors since June 2017. Areas of focus over the past year include the mortgage refinancing, chairing the Board's Fitness Center and Window Replacement Task Force, working on the repair and extension of the Garden's flagstone pathways. As a result of the recent resignations of Ed Leahy and Bryce Bermingham, I have assumed the position of Treasurer and Chair of the Capital Improvements Committee.

Finance Committee

Eric Koch

First with regard to the Co-op's financial status, as previously noted, the co-op successfully refinanced its existing first and second mortgage in August, consolidating them under a single new mortgage with Principal Mortgage, one of the country's leading insurance and asset management funds. Taking advantage of the then historic low-interest rates, Berkowners was able to borrow an additional \$4.1 million while slightly reducing our monthly debt service.

We also took advantage of the strong real estate market to sell two of the co-op's owned units. As a result of these sales and of our 2018 refinancing, we currently have cash reserves of \$5.4 million and total cash equivalent assets, including our operating account, of \$5.8 million.

We currently retain ownership of 16 units, 15 of which are currently rented and one of which has recently been renovated. Two of the units are considered fair market rentals which could be offered for sale at the end of their lease periods. Of the remaining 14 units, 11 are rent stabilized, and 3 are rent controlled, where our ability to sell the units are prohibited or restricted. The rental operations are modestly profitable (\$26,177 in 2018 after maintenance payments and vacancy losses). The Board's mutual objectives are to avoid operating losses on these units while maintaining the flexibility of selling units which become available for sale during strong real estate markets as needed to augment capital reserves.

Capital Improvement Committee

Eric Koch

Last year the Board established two Task Forces with regard to capital improvements; the Berkeley Fitness Center Task Force, which began work early last winter, and the Windows Replacement Task Force which began work this fall. Before reporting on the current status of both of these activities, I want to thank all of the people who have served on these Task Forces for all of their hard work to date – Bertine, Tim Paul and Melissa Soltis on the Windows Task Force, and Melissa Soltis, Stephen Sandoval, Omar Gonzalez, Judith Whiting, Hallie Bulleit, Phil Lukeman, and Ian St. George on the Berkeley Fitness Center Task Force. Without their help, none of what we have accomplished to date would have been possible.

Fitness Center

Eric Koch

As have been stated, the Berkeley Fitness Center Task Force has been charged with the responsibility of studying the feasibility of a user-funded fitness center and reporting their findings and recommendations to the Board. Over the past year, the Task Force toured all but one of the existing co-op/condominium sponsored fitness centers in Jackson Heights and met or talked with those responsible for establishing and operating the centers, we met with equipment providers to develop equipment cost budgets, toured and studied the feasibility of the unoccupied basement spaces in our three buildings, solicited and talked with architects, including those with prior backgrounds in designing co-op and condo fitness centers, and issued a competitive RFP for environmental testing of the old athletic facility in the 78th Street building – the one which was determined as the only suitable available space for a fitness center. And most recently, the issuance of a survey to determine the level of interest in a self-funding fitness center.

The results exceeded our expectations with a total of 89 people thus far indicating their willingness to pay \$35 per month to use the facility as proposed in the survey, and based upon this level of interest, the Board has authorized the environmental testing of the old athletic facility and the engagement of the architect recommended by the Task Force to work with the Task Force in

developing a project budget for the renovation of the space, the last steps in our efforts to determine the feasibility of the project. The goal is to complete the feasibility and to make to the final report to the Board by no later than August 2019. Assuming that the project is feasible, we will move forward as quickly as possible with the renovation of the space and the opening of the fitness center.

Window Replacements

Eric Koch

The initial charge of the Window Replacement Task Force has been to identify potential architects for the proposed project and to select three candidates for evaluation by the full Board. As I believe everyone here knows, we are in a historic district, and any window replacement will be subject to the review and approval of the city's Landmarks Committee. The Task Force therefore spent the first three or some months reaching out to other co-op and condo projects in Jackson Heights to learn of their experiences working with their architects and the Landmark Committee and to seek their opinion on the architect which they used, reviewing the websites and available materials of architects recommended by the Landmarks Committee and others who had demonstrated experience in working on large scale residential window replacement projects on landmark buildings or in preservation districts. Recently, the Task Force narrowed its prospective list of architects down to six firms and on behalf of the Board and our property management company, issued a formal request for competitive proposals to the six firms. The RFP was issued last week with a deadline for responses of May 25th; to date 4 of the 6 firms have indicated their intent to submit proposals.

The next step is for the Task Force is to review the proposals, interview the architects, and select three for a second round of review by and interviews with the full Board.

Before moving on, I would like to address the issue as to why the Board is looking into the replacement of the existing windows: the windows are beyond their anticipated life expectancy and are increasingly prone to failure, and replacement parts are not available, the manufacturer long ago having gone out of business, the windows no longer, if they ever did, seal properly against the elements and are increasingly prone to water leakage.

Other Improvements

In addition to these two potential projects, the Board has been looking at upgrades to the laundry facilities – a subject which Pia will discuss momentarily – and we have been looking – now that work on the new ramp has been completed – on extending the flagstone walkway through the north section of the garden. The stakes and strings mark the proposed work area.

As you know, we did some flagstone repairs last year with mixed results. Although we were able to find a contractor who was able to match the stone, the mortar work in mounting the replacement stones and in repairing existing cracks left a lot to be desired – including that despite the requirement the mortar color match, it did not, and the repair work was superficial and poorly executed.

As a result, the Board identified and reached out to the contractor who did the original work and this past weekend received his proposal for extending the walkways, installing expansions joints both in the new and old sections and re-doing any poorly executed repairs. The Board will be studying the proposal with the aim of making a decision whether or not to proceed with the work. If a decision is to do the work, the goal is to have it completed before this year's garden tour.

Introduce Pia Prevost – Laundry Rooms/Apartment Renovations

Seth Sahr

Laundry Rooms

Pia Prevost

Renovating the Laundry Rooms is a project that has to be undertaken immediately, and I am sure everybody agrees to that. I also think everybody is aware that we cannot only do a simple room renovation as was done in the past. It will take much more:

- installing sprinklers
- upgrading electrical
- installing a full height external exhaust for the dryers (gas or electric.)

This work requires an Architect / Engineer to produce the drawings and to file with the Department of Buildings.

We received one proposal for Professional Services which was in the ballpark of \$30,000 to \$35,000, which we think is high and we are looking for additional proposals. Depending on when we will have an Architect for the Window Project, we will also request from that Architectural Firm a proposal for the

Laundry Room Project.

Sky Laundry, the company who represents Dexter laundry equipment, is difficult to get in touch with. The other laundry company who maintains/services those machines is Fowler. I think nobody would like to go through that experience again.

Although Dexter is apparently one of the best commercial machines, we are also looking into other options.

We should be able to give an update on the Laundry Rooms within the next two to three months.

Renovation of Apt. A53 (35)

Pia Prevost

A year ago, the Board made the decision not to sell Berkowner's apartments, but to renovate / update the spaces and rent them. This approach will ensure that the co-op will keep the inventory of apartments stable and have a source of funds in the future.

We renovated Apt. A53 in the 35th Avenue building. A rental application is being prepared, and the monthly rent will be \$2,000. The monthly maintenance on the apartment is \$773. This gives us an annual profit of approximately \$15,000.

Since I am an Architect / Designer, I am helping, as a Board member, the co-op renovate / update those apartments. Like everybody else on the Board, I do not get compensated for my Professional Services.

Introduce Peggy Russell – Admissions Committee and Children's Circle and Children's Room

Seth Sahr

Admissions Committee

Peggy Russell

There were 9 apartment sales in 2018. The average resale price was \$1,198 per share. So far, in 2019, we have had 5 sales, and the average resale price is \$1,417 per share. The average share price has increased by \$219 over 2018.

Children's Room Committee

Peggy Russell

The first meeting of the Children's Room Committee was held in April. Three rooms have been identified as possible locations for a children's room. Committee members will begin visiting other rooms in surrounding buildings, meeting with children's room coordinators in the area, determining the location of the Berkeley Children's Room, exploring costs and developing a formal proposal for consideration to the Board. Anyone interested in being part of the committee, contact me at 347-813-4842 or tpeg60@yahoo.com if you have questions.

Children's Circle

Peggy Russell

Children's Circle continues to be an active part of the Berkeley community. Monthly gatherings give Berkeley youngsters a chance to read, participate in music, make arts and crafts projects, and play together. Through the generous help of Berkeley parents, Jessica and Josh Pressler, the circle once again held its annual Easter Egg Hunt in the garden. Other special activities include the Annual Bug Hunt and planting of spring flowers. The next Circle is scheduled for Saturday, June 15th at 11:00 AM here in the Community Room. Anyone that has a special talent to share with the children was invited to attend one of the Circle meetings.

Introduce Anne Eckhardt – New Staff/Communications

Seth Sahr

New Staff / Board Members

Anne Eckhardt

Milton and Humberto have retired. The retirement party is being held on May 31st at 6:30 in the Community Room

Carlos has been hired as our new super. We interviewed two assistant super candidates at our April 30 board meeting and made an offer. Unfortunately, the candidate had taken another position. We are still looking for an assistant super.

Ed Leahy and Bryce Bermingham have resigned from the Board

Walter Chadwick and Wanda Chin have been elected to the Board

Communications Committee

Anne Eckhardt

Eight newsletter editions were published

We set Carlos up on the Google Group and set up a separate Gmail account for the super. The assistant super will also be added to this account when he is hired.

Carlos' Gmail address is also on our website under the "contact us" drop-down menu. You can send him an email by clicking on the link.

Miscellaneous

Anne Eckhardt

BerkSocial Club – Marina Pomeroy and Stacey Zaretsky started a game night for adults. It is held on the last Friday of the month – this month it is postponed because we are having Milton's and Humberto's retirement party on May 31st. It's a fun night. We have lots of games to play. See more info on our website.

Bargold Storage Units – We still anticipate buying the Bargold storage areas in early 2020, which is our first opportunity to do so. The price is \$180,000. The units bring in ~\$60K per year so our investment will be a cash cow after year 3.

Introduce Bertine Lafayette – Hospitality/Garden Committees

Seth Sahr

Hospitality Committee

Bertine Lafayette

The Hospitality Committee was started to welcome new shareholders to the Berkeley. They are first sent a letter of welcome and at a subsequent time invited to a wine and cheese party where they meet some board members and neighbors. They are given information about the building, staff, house rules, our activities, and neighborhood. We try to answer any of their questions and concerns. They are given a contact to discuss any future problems they may have. We had three such parties last year and one so far this year and have met many lovely interesting people. I want to thank the committee members who are Cindy and Ed Leahy, Melissa Caolo, Peg Russell, Katherine Howard, and Fred Fishel.

Garden Committee

Bertine Lafayette

I am the Board liaison to the Garden Committee. This committee is made up of wonderful people who love and study gardening and spend their own time, energy, and money making our gardens beautiful for all of us to enjoy. This year the group had to face the challenge of repairing some areas at the north end which were torn up by the construction of the new retaining wall and stairs. The north slope is being designed by Phil Washburne and Richard Penberthy along with the help of the garden committee members. The stones that were purchased for the terracing of the slope were funded by a very generous donation from Cindy Leahy. The garden group is happy to accept donations to help defray expenses. Ed Leahy has offered the garden committee a dogwood tree. Our newest members of the garden committee are 11-year-old Arden and 6-week old Desta. Anyone interested in a garden spot should contact Katherine Howard, the co-chair at howfelice@gmail.com.

We will be on the Jackson Heights Beautification Group's Annual Garden Tour on Saturday, June 8th from 12 – 4 PM. It's our 6th year on the tour. Volunteers will be needed to greet guests. Contact Katherine Howard at howfelice@gmail.com or Kayhan Irani at kayhanirani@msn.com if you wish to volunteer.

Introduction of Board Candidates

Seth Sahr

Each candidate was given a maximum of 3 minutes to state their positions/reasons for wanting to be on the Board. The candidates were: Walter Chadwick, Anne Eckhardt, Pia Prevost, and Roy Sirengo.

Election of Directors

Terrence Dineen

Voting was conducted after the candidates discussed their platform with the shareholders. The ballots were collected and given to Terrence Dineen, Quorum Committee Chairman, and Rick Montanye, Jr., auditor, to process the ballots and communicate the results to Anne Eckhardt, President.

New Business**Sahr, Montanye, Eckhardt**

A healthy discussion was held regarding implementing a Flip Tax. Seth Sahr and Rick Montanye explained the benefits of having a Flip Tax. Anne Eckhardt presented the results of the Flip Tax Survey she had received as of the morning of the annual meeting. She had only received 38 responses to the survey at that time. During the meeting, she received 16 additional survey responses; she also informed shareholders that had not responded to the survey to do so and that the survey would be open until May 31. At the close of the survey, she will input the data and report the results to the community. If the results show a high level of interest in implementing a Flip Tax, a meeting will be held for further discussion of the positive aspects of having a Flip Tax. If it seems that a large majority of the shareholders would agree to a Flip Tax, another attempt will be made to get 2/3 of the outstanding shares to vote for a Flip Tax.

Adjournment**Anne Eckhardt**

There being no further business to discuss, Anne Eckhardt adjourned the meeting at 9:30 PM.

End of Board Notes

OTHER NEWS ITEMS

ELECTION RESULTS

VOTED SHARES FOR EACH CANDIDATE			
CHADWICK	ECKHARDT	PREVOST	SIRENGO
45,805	51,585	52,230	19,000

Pia Prevost, Anne Eckhardt, and Walter Chadwick were elected to the Board of Directors.

CORRECTION

In item 6 of the “Board Notes” of the April *Berkeley Grapevine*, the Communication Committee incorrectly identified apartment B-36 (77) as one that transferred ownership. The apartment which in fact transferred ownership is apartment A-36 (77).

The Communication Committee extends its apologies to resident Tamara Rothenberg and apartment owner Richard Hazelton.

THANKS TO THE MEETING VOLUNTEERS

The Quorum/Election Committee offers its thanks to the following individuals who helped in registering shareholders: Sandra Aberkalns, Fred Fishel, Carmen Rivera, Tom Russell 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 Caesar Quezada who, under Carlos Rivera’s direction, as always outdid themselves in setting up the community room.

RETIREMENTS

The retirement party for Milton and Humberto is scheduled for **Friday, May 31, 2019 at 6:30 PM** in the Community Room in the basement of the 77th Street building. Please stop by to say farewell to Milton and Humberto.

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

THE BERKELEY SOCIAL CLUB



Another BerkSocial Game Night occurred on Friday, April 26th. Residents who attended played Sequence, Spinner Dominoes, and Scrabble. Thank you to all who showed up!

The May 31st event is canceled due to the retirement party for Milton and Humberto.

We will let you know when our next event will be. See our website page for more information at

<https://www.theberkeleycoop.com/berkeley-social-club>

or email questions to: MyBerkSocial@gmail.com.

Games Available: * Bingo * Cards * Scrabble * Spinner Dominoes * Mexican Train Dominoes * Uno * Backgammon * Sequence

Marina and Stacey

CHILDREN'S CIRCLE

The next Children's Circle will take place on Saturday, June 15, 2019, at 11 AM in the 77th Street Meeting Room. All children must be accompanied by an adult. Look for notices on bulletin boards near mailboxes and in laundry rooms. All Berkeley children are invited to join us for:



- ✓ Bug Hunt
- ✓ Stories and Reading

- ✓ Music and Musical Instruments
- ✓ Snacks

The complete schedule for the year is on the Berkeley website using the following link: <https://www.theberkeleycoop.com/copy-of-activities> Please contact Peg Russell at 347-813-4842 or tpeg60@yahoo.com if you have questions.

JHBG GARDEN TOUR – SATURDAY, JUNE 8, 2019

The Berkeley will participate in the 2018 Jackson Heights Beautification Group's Historic Open Gardens Tour. The tour will be Saturday, June 8th from 12 PM to 4 PM. The rain date is Saturday, June 15th.

Folks interested in volunteering to help with setup, breakdown or other support on the day of the tour should please contact Katherine Howard from the Garden Committee at howfelice@gmail.com.

We look forward to seeing you in the garden.

SCHEDULED BOARD MEETINGS

The dates of the next Board meetings are the Tuesdays of June 18, July 23, August, 20, and September 24. All the meetings begin at 7:00 PM. Between 6:30–7:00 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, Katherine Howard, Kayhan Irani, Bertine Lafayette, Marina Pomeroy, Peg Russell and Stacey Zaretsky. Anyone wishing to contribute an article or notice to the Berkeley Grapevine should contact the Berkeley Cooperative Newsletter at berkeleynewsletter@msn.com

BERKELEY — IMPORTANT CONTACT NUMBERS

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