





EASTERN GARDENS CALENDAR OF EVENTS

JANUARY 2015

SUN	MON	TUE	WED	THUR	FRI	SAT
				1 HAPPY New YEAR	2	3
4	5 7:30pm 2015 Board Annual Planning	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20  Martin Luther King	21	22	23	24
25	26	27  Bookmobile	28	29	30	31

FEBRUARY 2015

SUN	MON	TUE	WED	THUR	FRI	SAT
1	2  Ground Hog Day	3	4	5	6	7
8	9	10	11	12	13	14 
15	16  Presidents Day	17	18	19	20	21
22	23	24  Bookmobile	25	26	27	28

AN EMERGENCY IS A PERSONAL SITUATION THAT THREATENS HUMAN LIFE OR PERSONAL PROPERTY AND DEMANDS IMMEDIATE ATTENTION, I.E. MEDICAL, BURGLARY, FIRE, THEFT & ASSAULT — **DIAL 911**



Volume 12—Issue 1

2015 BOARD OF DIRECTORS

- **Jeff Lema**
President/Director
- **Bernadine Stofanik**
Vice President/Director
- **Lynette Haley**
Treasurer/Director
- **Shirley Brown**
Secretary/Director
- **Ed Healy**
Director
- **Jerry Ontiveros**
Alternate Director
- **Kathy Slotterback**
Alternate Director

MANAGING AGENT

FPI Management
800 Iron Point Road
Folsom, CA 95630
(916) 357-5300

- **Gary Haugstad**
Sr. Portfolio Mgr.
- **Theresa Williams**
Community Manager
- **Kurt Whisenhunt**
Maintenance, (On Call/PT)

OFFICE HOURS

10am—5pm
Mon-Fri: OPEN
Sat-Sun: CLOSED
Office Ph: (916) 489-1604

**After Hour
Building Emergencies**
(916) 271-8649

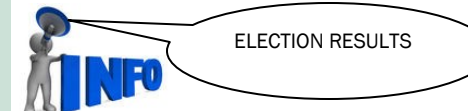


THE GARDENS GRAPEVINE

EASTERN GARDENS COOPERATIVE, INC.
3045 EASTERN AVE. SACRAMENTO, CA 95821

JAN—FEB 2015

EASTERN GARDENS 2015 BOARD OF DIRECTORS & ELECTION RESULTS



- Jeff Lema—68
- Bernadine Stofanik—45
- Ed Healy—44
- Shirley Brown — 41 votes
- Jerry Ontiveros—40
- Kathy Slotterback—34
- Jetta Ostrofsky—9

One Board Member carried-over from 2014 is Ms. Lynette Haley

2015 Board of Directors/Officers

- Jeff Lema - Director/President
- Bernadine Stofanik - Director/V.P.
- Lynette Haley - Director/Treasurer
- Shirley Brown - Director/Secretary
- Ed Healy - Director
- Jerry Ontiveros - Alternate Director
- Kathy Slotterback - Alternate Director

Regular Board meetings for the Board of Directors will be quarterly, that is, every three months, with the exception of December which is the Annual General Meeting of the membership (AGM) which is held on the 2nd Tuesday of December.

The board meetings will be held on the 3rd Monday of the quarter month at 7:30pm. The next regular open board meeting is scheduled for March 15, 2015 @ 7:30pm in the clubhouse. Please submit questions or concerns in writing 10 days before the board meetings and place them in the board's mail box located inside the business office. All letters are read privately and discussed amongst the board and are kept confidential. Should you request an audience with the board please state so in

your letter as to the time and date you will be available.

SPECIAL RECOGNITION

A special thanks to each of those outgoing board members and to those members who have volunteered their time and effort.

- Mrs. Alina Chekrijeva, V.P.
- Ms. Janice Hoberg, Treasurer
- Ms. Alize Grant, Secretary
- Mrs. Janet Lumberg, Elections Chairperson
- Mrs. Kathy Kent, Movie Coord.
- Ms. Jetta Ostrofsky, Activities Coord.
- Ms. Theresa Williams, Mgr./Director
- Mr. Kurt Whisenhunt, Maintenance



And a Special Thanks to all the committee volunteers for your help and support this past year. We hope to see more of the membership become involved. Thanks again, one and all!

This Issue

- Election Results & EG's 2015 BOD
- 2015 Annual Planning
- Annual Share Value Increase
- Prorata Portion
- 2015 Inspections
- Winter Reminders
- Re-designation of Parking Stalls
- EG Calendar of Events

ANNUAL PLANNING



Every year for the past 10+ years Eastern Gardens Board of Directors has set aside a meeting time with management to discuss and plan for the upcoming year. Topics vary from EG's governing documents, its business practices, current events, capital improvement projects, directors code of ethics and any changes in state and local laws as it relates to associations, occupancy standards and corporations such as ourselves, as well as any business issues carried over from the previous year.

The get together is also a time for new board members to be introduced and acclimate themselves to all of the issues and subject matters of Eastern Gardens, and also to become accustomed to meeting protocols, working with other members, management and to acquire a better understanding of what or who Eastern Gardens is. You don't need fancy degrees or financial or legal expertise to contribute to EG's community. The only prerequisites is having and being a constructive and positive contributor with the willingness and capacity to listen and work with others to help ensure and preserve Eastern Gardens affordable housing concepts and the cooperative spirit.

SHARE VALUE INCREASE

One of the financial successes of Eastern Gardens Cooperative is the MEMBERSHIP VALUE, sometimes referred to as the share or stock. Eastern Gardens Cooperative (EG) is established as a not-for-profit corporation whose specific purpose is to provide affordable housing for its



members who are share holders in the co-op corporation. Buying a share or membership entitles the purchaser to hold a proprietary lease, commonly known as the Occupancy Agreement. The Occupancy Agreement gives the purchaser the exclusive right to occupy a dwelling unit in the development and to participate as a member in the operation of the co-op by electing board members from its membership to represent them and oversee the business affairs of the corporation.

As one of its many duties and responsibilities, the Board of Directors reviews both its short and long term financial expenditures and revenue; this will also include the purchasing of its share (a.k.a. membership value/fee, (EG Bylaws page 30 of Handbook) and other business practices.

Earlier in the year of 2014, the Board reviewed and discussed its options along with the pros and cons to increase or not to increase the membership value/fee. During an executive meeting by the BOD and management, the board unanimously voted not to increase the buy-in share value. The Board's decision was based on various concerns; such as, (i) the current economy, (ii) a decline in EG's outside waiting list, (iii) comparison with other co-op housing within the area, (iv) out of sync with current market prices.

So, beginning January 1, 2015 Eastern Gardens membership value/fee will increase by 1%. For example, in 2014 the membership fee or share price for a one bedroom was \$10,315.73 and \$13,977.48 for a two bedroom, as of January 1, 2015 it increased by 1%, that is, \$10,418.89 for a one bedroom and \$14,117.25 for a two bedroom. Please note, that the increase is annually and will apply for the entire year and not monthly.



For example, if you move-in on January and then move-out in June you will get back your same original fee/buy-in share value, less any miscellaneous expenses. The next annual increase will not be affected until January 1, 2016 which will then go up 1%.

ESTIMATED PROJECTIONS

The budget is based on estimated projections from Eastern Gardens historical financial expenditures and anticipated cost increases, for example, utilities, insurance and building materials...etc., which does not necessarily include emergencies, such as, unplanned assessments, litigation issues, accidents or reserve withdrawals.

PRORATA PORTION



In accordance with the Internal Revenue Code Section 216, shareholders of Eastern Gardens are permitted a Prorata deduction for mortgage interest and property taxes paid to a cooperative housing corporation. At the close of every year both Eastern Gardens and FPI management is audited for financial compliance by an outside independent bookkeeping company. The report from the audit will be available sometime in February or early March. In addition to the audit the bookkeeping company also prepares the shareholders Prorata portion, which is deductible if you itemized on your 2014 individual income tax return. The Prorata portion report will be available to the membership in mid or late January at Eastern Garden's business office. NOTE: If you were a member for less than a full year during 2014 you must prorate your deduction accordingly. This is explained in the Prorata report. For additional information please contact your tax preparer or consultant.

Thank You

2015 INSPECTIONS



We all understand that Eastern Gardens Corporation provides affordable housing for the low and moderate income on a cooperative basis and because it does we are required to follow HUD fair housing laws along with applicable local and state codes as well as any contractual agreements that the corporation has indebted itself upon, for example, HUD's Regulatory Agreement and the Housing Assistance Program, better known as Section "8". Your management team (FPI), has annually conducted preliminary safety and preventative maintenance inspections as preludes to the HUD generated REAC, CAHI, and EG Insurance carrier inspections, along with local code enforcement inspectors.

This year for 2015, the membership can expect no different. Besides your own management team conducting its annual in-house inspections, the following is a brief description by those agencies who also will be inspecting.

REAC—Real Estate Assessment Center is another division within HUD that

handles on-site physical inspections for all HUD-affiliated properties, which includes Eastern Gardens because we participate in the Housing Assistance Program (HAP) and also because we are a HUD insured property, contractually bound by HUD's Regulatory Agreement.

CAHI—California Affordable Housing Initiative is the company HUD contracted with to perform all of its internal reviews and is designed to assess Owner/Agent performance in key property management areas, and compliance with the terms of the controlling documents (e.g., HAP Contract, Management Plan) and HUD directives, specifically those on the Section 8 program. In times past HUD did these reviews themselves but were always understaffed but now have chosen to contract this out. This is really for the protection of those on Section 8 to ensure that landlords and public housing owners are providing decent and adequate housing for those on the program. Not only will they review the corporations record keeping and files but randomly select section 8 participants for interviews to see how they feel about their living conditions, (e.g. repairs are being

maintained...etc.) The HAP or "Section 8" is a voluntary program that owners, businesses and corporations that provide housing can participate in. Eastern Gardens participates in the program to help better assist those who qualify for the program. Currently EG has over 25 of its members who participate in the program; the corporation and those members who are on the program must comply with HUD's requests.

County Inspections—Local inspectors includes all fire, building, swimming pool and ADA, health and safety code requirements.

Property Insurance Carrier—EG's property insurance carrier will conduct inspections on all of the common areas, which mainly focus on safety and preventative maintenance issues which sometimes overlaps both the county and REAC inspectors, this will include but not limited to:

- Walkways, carports and driveways
- Stairways, and stairways landings and hand rails
- Fencing and Picnic areas

WINTER REMINDERS



With winter upon us and the unprecedented increases anticipated in utility costs, I'd like to remind everyone that the most effective way

to save on your electric bill is through conservation.

- Replace your heating filter at least twice a year.
- Take advantage of the sun – open curtains during the day to capture the warmth and close them at night to prevent heat loss through windows.

- Replace standard incandescent bulbs with compact energy efficient fluorescent bulbs.
- Use higher watt bulbs in reading and cooking areas and less bright bulbs in other areas.
- Keep bulbs and fixtures free of dust for better lighting.
- Load dishwashers to capacity. Allow dishes to air dry in lieu of the drying cycle.
- Keep your freezer tightly packed. Arrange the refrigerator to allow air to circulate freely.
- Keep your thermostat at a moderate 68-74 degrees

RE-DESIGNATED PARKING STALLS



Some of you may already have noticed that the board has re-designated three of the parking stalls located in

front of the clubhouse. This was done to better assist visitors who visit the business office and for management to have their own parking spot and finally, an additional handicap stall in close proximity of both the clubhouse and business office.

