

EASTERN GARDENS COOPERATIVE MINUTES

Regular Meeting: Members and Board of Directors

Date/ Time: JUNE 8, 2017 @7:00 PM

Location: Eastern Gardens Clubhouse, (3045 Eastern Ave. Sacramento, CA)

MEETING MOTO: difficult roads often lead to beautiful destinations.

I. OPENING OF MEETING 7:05 pm

ROLL CALL

PRESENT:

Anita Stone, President/ Board Director
Arne Jerde, Treasurer / Board Director
Jean Davis, Secretary / Board Director
Jetta Ostrofsky, Board Director

ABSENT:

Teresa Magee, Vice President / Board Director (on medical leave)
Joyann Richardson, Board Director - alternate

II. MEETING MINUTES

Members present asked to waive reading of previous minutes from 5-11-2017 Regular Meeting. Copies of previous minutes available in all common areas, on Website, and in Business office on top of Board filing cabinet.

III. MANAGEMENT REPORTS:

Certified Occupancy Specialist (COS) Jennifer Michon

1. May financials almost complete.
2. Rent comparisons completed and presented to Board of Directors
3. Nothing further to report.

IV. BOARD OFFICER REPORT

- **Treasure: Arne Jerde:** There is nothing new pending. April financials have already been posted. May Financial Report will be out around June 20th.
- **Secretary: Jean Davis:** Nothing new to Report.
- **President: Anita Stone:**
 1. Terri Magee still absent on medical leave, will be returning for next Board and Regular Meeting.
 2. Jetta Ostrofsky is now a Board Director, she is taking place of Janice Hobert. Janice has moved to Texas and we all wish her good fortune in her new home.
 3. Board sent out 15 invitations to members asking them to join the Board as alternate director. Joyann Richardson replied, was interviewed and accepted

as a new alternate Board Director. She could not attend tonight; however, she will be attending future meetings.

4. Eastern Gardens monthly rent charges are the lowest in Sacramento and in California. On the recommendations from HUD, and based on a review of the monthly financial statements, Reserve Funds Reports and the projected 2018 budget, the Board is recommending a \$25 a month increase in rent.

The increase would go in effect Sept 1, 2017. The increase would not apply to members on subsidy, as HUD is already paying higher monthly rate for subsidized units.

This discrepancy is not considered by HUD to be Fair Housing practice. Equalization of rents and fiscal responsibility are the basis for the recommendation for a rent increase.

The income of Eastern Gardens is not in line with its expenditures. As part of the Eastern Gardens agreement with HUD to guarantee our mortgage loan, our Cooperative must demonstrate fiscal responsibility. Failing to be fiscally prudent, could result in the withdrawal of HUD support. The result which would make our mortgage payable on demand, that could cost each member up to \$8,000 dollars and immediate increase in rents to current market value.

Arrowhead Housing has done a comparison study of other Sacramento cooperatives, low income housing, and standard apartments. Eastern Gardens Cooperative rents remain hundreds of dollars lower.

It should be noted that the \$25-dollar increase is less than the increase recommended by HUD. It is wise to take a small increase in rent, then to risk the unfavorable alternatives.

A notification with all due diligence information regarding the proposed rent increase will be going out sometime in the next weeks. The notice will be delivered to each member.

5. Reminder: members are not to individually contact our vendors (gardeners, pool guy) This costs Eastern Gardens money, because vendors are not working when they are talking to members. Also, it is confusing to the vendors.... who is in charge? Vendors are managed by community director, with oversight by the Board of Directors.
6. In the business office on top of the Board of Directors filing cabinet, is a blue binder which contains the Eastern Gardens Cooperative monthly financial reports. All members are welcome to review the reports, however DO NOT remove reports from binder. Members can ask Deborah Mohamed for a copy.

V. FOLLOW UP TO PREVIOUS MEETING TOPICS

The Board listens carefully to all members comments and as is applicable, we take actions. After the last regular meeting, several issues were brought forward.

A. Pet Policy: Eastern Gardens Pet Policy needs to be updated. HUD follows Federal guidelines for ADA, and Fair Housing reasonable accommodations for disabilities. There are distinct requirements specific to Service, Therapy, and Assistance animals. Our old policy does not define and distinguish between a pet and an animal designated for service, therapy or assistance. Arrowhead Housing has forms which must be filled out prior to obtaining an animal. These are standardized forms provided by HUD, as a way to reasonably accommodate requests. Without this documentation from a member, an animal is designated as a pet and certain restrictions would apply. The Board has almost completed update of "Pet Policy" and copies will be distributed to membership.

B. Pool Rules: because of new regulations and to better conform to Fair Housing laws, our pool rules need to be updated. Board in partnership with Arrowhead Housing is revising "Pool Rules". Once completed, copies will be distributed to all members.

VIII. OPEN FORUM: Members welcome to speak on any issue.

(TIME LIMIT: 3 minutes per person)

MEMBER: Why is Board no longer deciding who does and does not live here?

JENNIFER MICHON: With HUD, the tenant selection process must follow the guidelines of Fair Housing laws. Arrowhead has updated tenant selection process to conform with HUD and Fair Housing regulations.

ANITA STONE: Tenants are selected according to waiting list and certain priorities like in house transfers, and medical needs. All new tenants are screened by Arrowhead with background checks. Once the tenant has cleared the background checks, paid all applicable fees and deposits, there is no reason not to accept them as new tenants. Remember: Fair Housing forbids discrimination based on gender, race, language, national origin, religion, sexual orientation and familiar status. It falls to the Board simply to complete a 'welcome interview' for the new member.

MEMBER: It seems like Arrowhead is running everything.

ANITA: Running Eastern Gardens is a shared job. Arrowhead Housing was hired and contracted to handle day to day management of Eastern Gardens. The Board of Directors only needs to get involved when there are problems. It is like when you hire someone to prepare your taxes. You don 't pay them and then do all the work yourself.

MEMBER: When I was on Membership Committee, I and a Board member went into Office to look at waiting list and Deborah threatened to call the police.

ANITA STONE: The waiting list contains private and confidential information and it is not permissible for any member or Board Director to review or demand access to that information. For example: a member on the waiting list for in-house transfers may have

listed a medical need for the request. This is private information, only to be accessed by the manager so she can reasonably accommodate that member as a unit becomes available. NO members, nor Board Directors have the any right to that private information. If they should insist, the Manager, who is doing what is legally correct by refusing access has the right to call authorities.

MEMBER: I went to office to ask why and report that members were carrying a stove from one apartment to another. Deborah said she knew about it and it was none of my business. New Improvements forms says appliances must remain in apartment.

ANITA: Circumstances of a new stove being carried by members was approved by management with Board knowledge. Being observant is ok, but once you report to manager, then you need to let manager handle situation. It is not duty of members to police others members activities, especially once they are informed that the action is occurring with management approval.

MEMBER: (shouting) Why is manager never at these meetings why do we only get Jennifer Michon here? We haven't seen Deborah at a meeting in over a year.

ANITA STONE: Deborah doesn't need to come to this meeting. Jennifer is the President of Arrowhead and Deborah reports directly to her. Jennifer is HUD certified and has expertise in Cooperative housing and low-income housing, she is fully aware of what goes on at Eastern Gardens. Her attendance to these meetings are welcomed. Deborah Mohamed, our on-site manager, was rudely and harshly treated at last year's meetings, that she has some understandable discomfort and anxiety about attending Regular Meetings. The 2017 Board acknowledges her concerns and excuses Deborah Mohamed from attending.

MEMBER: Instead of rent increase. We can refinance if we need money.

ANITA: Refinancing would not be wise, there would be a loan initiation fee which could be as much of 10% of loan amount, plus interest rates may be costlier and to pay loan refinance would cause higher rent increases.

MEMBER: (shouting - profanity omitted from text) Who do you think you are? What do you know about finances?

ARNE JERDE: Hey show some respect.

ANITA: I am calling a time out for this discussion. (Jean Davis, rings time out bell.)

JETTA OSTROFSKY: We should all be focusing on how lucky we are to live here, instead of complaining and causing trouble. If you are so unhappy here there are other places to live. There is no other place in Sacramento as nice and inexpensive as Eastern Gardens. We should all be thankful for that.

MEMBER (1): I would like to thank Board and President for all their hard work and for the way, they conduct these meetings. The Board is correct, refinancing is not a good idea.

ANITA STONE: Could you tell us what your qualifications are?

MEMBER (1): Yes, I am a CPA (certified public accountant). The current loan has a very good interest rate, we would not get as good a rate if we tried to refinance. The proposed rent increase is reasonable.

MEMBER (2): It is small enough, considering we have not had a rent increase in years. If we had had little increases every year in the past, we would not need to have big increases.

MEMBER: The gardeners have cut all the flowers and hacked up the oleanders at north gate. I called Deborah, and she said you told them to do that. She does not walk property with them like previous manager.

ANITA STONE: I have not instructed the gardeners to do any cutting. They are following a plan developed by former landscape committee. I will ask about the cutting. However, the gardeners cannot follow 112 different instructions, tailored to each resident desire. To do so would be very expensive. Manager does not need to follow the gardeners, they receive their instructions from Alex, their boss, who is following Eastern Gardens plan.

MEMBER: They are not following the plan.

JENNIFER MICHON: Gardeners are under contract to do a specific amount of work. Extra work or special jobs, would need to be contracted and would cost more.

ANITA: I will follow up with Alex regarding plan and scheduling of trimming.

MEMBER: Why is the garden's boss never on site? Most of them don't even speak English.

JEAN DAVIS: Like any other company, Alex hires people to do the job, gives them the instructions and then let's them do their job. Micromanaging is not a good thing to do, also I am sure the landscape company has many other job sites, so Alex can't spend all his time with us.

Anita Stone asks if there are any more comments or questions?

There are none and she adjourns the meeting.

VI. MEETING ADJOURNED 8:45pm

Regular Meetings of the Board of Directors and Member/Shareholders shall be in accordance with EG Bylaws Article V, Section 8.