

The Next Chapter

May 13, 2023

Riverbay Corporation shareholders,

It is with honor and immense pleasure that I provide my first management report on behalf of Douglas Elliman Property Management. As you are aware, my tenure with Riverbay Corporation as Executive General Manager commenced on Monday, April 17, 2023 – four weeks ago.

During the initial four weeks, I worked closely with Bob Klehammer to transition all aspects of the entire operations of Riverbay Corporation. Meetings were conducted with the directors of Riverbay Corporation’s 22 operational and internal support departments. I also met with representatives from four departments (Internal Audit, General Counsel, *Co-op City Times*, and Liaisons to the Riverbay Board of Directors) who report to the Board. The purpose of the meetings was to allow me to ascertain the roles and responsibilities of each department and how they assist with the day-to-day service delivery to the shareholders of Co-op City, and the Board directors, respectively. During the meetings, each department director or representative provided a brief synopsis (including an organizational chart) of their team’s essential business functions as well as staff alignments and headcounts.

Please note: The 2023/2024 Budget (**\$273.6 million**) approved by the Board of Directors included **948 head counts** across departments. Of the **948** approved headcount, **847, or 89.3%**, positions are filled and **101, or 10.7%**, are currently vacant. Department directors were instructed to evaluate current vacancies to ensure they are essential to departmental operations before submitting a request to fill the position.

A “*Meet and Greet*” was held with Board directors collectively, and individual meetings were conducted with 12 of the 15 Board directors, thus far. These meetings were held to gain an understanding of the Board directors’ priorities for the community and their perspectives as it relates to executive management. The meetings with Board directors granted the opportunity for relationship building, which will be beneficial to the success of an effective partnership between the Board of Directors and executive management. I am hopeful to meet with the remaining three (3) Board directors real soon.

Individual introductory emails were sent to presidents of active building associations within Co-op City. The purpose of these

Management Report

Marvin Walton



emails were two-fold: first, to recognize the important function of building associations in engagement between your management and residents, and secondly, to request an invitation to an upcoming building association meeting which would enable me to speak with and hear directly from shareholders in the coming months.

Below are a few operational items that executive management will focus on in the coming months:

- Partnering with the Board of Directors to ensure accountability on all levels of the corporation;
- Often and constant communication with shareholders via the *Co-op City Times* and building association meetings;
- Visibility on the campus to engage with shareholders and observe conditions in the buildings

and the community at-large;

- Continued improvements throughout the campus that enhance the quality of life for families living within Co-op City;
- Continue to identify and test strategies to address flooding caused by our aging convector system;
- Continue to seek an understanding and documenting of the “Current State” of the essential business functions of Riverbay Corporation;
- Proposal of a “Future State” of the Corporation for consideration by the Board of Directors; and
- Working together in partnership with the Board of Directors and shareholders to make the next chapter at Co-op City the “Best” chapter.

As we say farewell to Bob Klehammer, we are thankful for the major investments in the infrastructure that took place in the approximately seven (7) years under his leadership as executive general manager. He leaves Co-op City on a solid foundation that will enable continuation of capital improvements over the next several years. We wish him well in his retirement.

I look forward to meeting and talking with shareholders as I travel around the campus. It is my sincere hope that, with the Board of Directors, executive management and shareholders listening to each other and working collaboratively, we will continue to elevate services provided by Riverbay Corporation, enhance the quality of life of shareholders and maintain the viability of this important stock of affordable housing for the next generation.