

Highland Towers, Inc.

Board of Directors Meeting Minutes March 7, 2022

1. Call to Order and Roll Call:

Ralph Skarecki, Building Manager called the meeting to order at 7:10 p.m. Ralph advised that the meeting is a Shareholders meeting, and anyone can make a motion. He asked for a motion to make him Chairman of the Meeting.

Motion: *Appoint Ralph Skarecki Chairman of the Shareholder Meeting.*

Motioned: B. Licata

Seconded: C. Gammage

Unanimous Consent

Roll Call of Directors:

President – Louis Mazza, Present

Vice President – Chris Van Horn, Present

Secretary – Jennifer Schammel, Present

Treasurer – Jim Keefe, Present

Director – Dean Coscia, Present

Director – Kevin O'Hara, Present via ZOOM

Director – Bob Turrentine, Present

2. Proof of Notice of Meeting: Ralph Skarecki

The notice for the meeting was provided via US mail and posted onsite on the three (3) bulletin boards with statutory notice. Addresses provided by shareholders and maintained as an Association Distribution List are located in the office.

The Noticing of this Meeting was done at the same time as the Shareholder Meeting and is under the "Affidavit of Mailing" for the 14-day statutory notifications already provided.

Ralph advised that tracking receipts were on file in the office for the Shareholder packets sent out. Ralph introduced Lisa Magill, attorney with Kaye Bender Rembaum who along with her associate were to act as Inspector and officially tally the election votes for the meeting.

Motion: *Approve Lisa Magill as Inspector for the Shareholder Meeting.*

Motioned: C. Gammage

Seconded: M. Keefe

Unanimous Consent

3. Prior Meeting Minutes: Ralph Skarecki

Motion: *Approve the March 10, 2021, Annual Shareholder Meeting Minutes.*

Motioned: J. Schammel

Seconded: C. Van Horn

Unanimous Consent

4. President's Report: Lou Mazza

Lou welcomed the Shareholders to the meeting and thanked them for their participation. As his last meeting as President, Lou thanked his fellow Board Members for their work over the last year on various projects. He thanked Ralph for getting the office back on track after a long duration of not having a Building Manager and thanked the Shareholders for their patience during the concrete restoration project. He noted that there is a long way to go, but that we would get through it and have a beautiful building at the end. Lou advised he was looking forward to working with the new President and Board and will continue to provide his support.

Officer's Comments:

Vice President: Chris Van Horn

Chris thanked Lou for his great efforts during this past year as President and noted that he believed it was the most challenging year Highland Towers has been through since his arriving to the building. Chris noted Lou's tireless work, especially during the long duration without a Building Manager.

Secretary: Jennifer Schammel

Jennifer echoed Chris's comments and noted that Lou did a tremendous job with all the challenges the past year had especially with the concrete restoration project and appreciated his leadership through it.

Treasurer: Jim Keefe

Jim thanked Lou as well and commented on Lou's ability to calm tempers and differing viewpoints and bring everyone together during difficult times.

5. Committee Reports: Ralph Skarecki

a. Admissions Committee: Bob Turrentine

Bob summarized the past year with the transactions that took place:

- Unit 406 was sold by Jack and Barbara Miller to Karrie Millett
- Unit 704 was sold by Bob and Elizabeth Bergsten to Doug and Rose Bond
- Unit 701 was sold by Steve and Rita McCarthy to Tony Borg and Cheryl Clayton
- Unit 305 was sold by Holly Grimes to Dean Coscia

Bob also noted that due to construction there were no renters this past year.

b. Architectural Committee: Dean Coscia

Dean noted that there were no current Architectural Review requests on hand and that the Committee has been working on some ongoing items that would be reported in an upcoming meeting.

c. Audit Committee: Jim Keefe

Jim reported that the 2021 audit by a professional CPA firm is underway. This same firm did a great job on the 2020 audit. Jim commented that the Association is solvent and in the right place.

d. Construction Committee: Jennifer Schammel

Jennifer presented a detailed update on the current state of the restoration project (see attached report). Jennifer also noted:

- The Construction Committee has also taken on the responsibility of managing the window and door scope of work, contracting directly with Complete Aluminum as opposed to them being a subcontractor to USSI. This has saved the Association \$265,850 in contractor markups (USSI markup is 20% for project management, profit, etc.).
- The first order of windows and doors were arriving to the site in the next two weeks.
- The cash flow is positive, however out of the \$1.4 million currently in the Special Assessment account approximately \$370K is from Shareholders for their new windows and doors and shouldn't be counted as cash flow. There is a current invoice due from Complete Aluminum for \$350K to offset this amount. In addition, there is a USSI invoice for approximately \$150K.
- Due to the positive cash flow, the Association was able to move the January assessment payments to April.

e. House Committee: Anne Dunn

No report.

f. Legal Committee: Jim Keefe

Jim reported that there was a lot going on and that the Legal Committee has added Karrie Millett to the committee.

g. Technology Committee: Dean Coscia

No report.

h. Treasurer's Report: Jim Keefe

Jim reviewed the budget as presented to the Shareholders in December. The Board approved the budget previously but needed to be ratified in the meeting. Jim's comments included:

- There was a surplus of approximately \$34K that was carried over.
- We were able to hold assessments this year even though expenses this year were greater than last year. The operating expenses are higher now that we have a full time Manager receiving a salary, which is offset somewhat by the fact that the Insurance did not increase as much as anticipated.
- Other items are pretty much in line from one year to the next, even though different line items increase or decrease between the years, they balance out at the end.

- We are putting more funds in the reserves than we are obligated by the statutes. Ralph commented that extrapolating from the 2020 audit, the statutes require \$125K or \$130K and we are at \$179K.
- The reason for changing the dollar amounts in the reserves line items is that we are expecting some expenses that will be sooner than later and need to be addressed. These include the pool and the fire pump work.
- The pool is near the end of its useful life more than other items. It requires some repairs that are not cosmetic. This includes repairs to the filtration and drainage system that will need to be addressed soon, thus the reason for this line item's increase.
- Once the concrete restoration project is completed, the reserves can be reset, and funds redistributed.
- To prevent an additional assessment, the other line items were lowered to include more funds available for the pool and the fire pump.
- There was discussion regarding the cost of the roof replacement and how that would be funded. Funding for the roof is not included in the concrete restoration budget. The roof will need to be repaired/replaced after the concrete restoration project is complete and is part of the required building recertification program.
- There was discussion related to the options for funding the roof including a 2023 assessment and the availability of funds from the line of credit recently obtained by the Association. In addition to the roof, there will be electrical work required for the recertification as well.
- The recertification inspection report must be complete by January 2023 and the work required by the inspection by January 2024.
- To date approximately \$460K out of the \$2Mil loan has been committed to by Shareholders participating in the loan. Therefore, there are available funds in the loan.
- There is a two year draw down period however and once drawn, the money can't be reborrowed. We have two years to use the money, if not it is lost, and the balance has to be paid off.
- To date \$116K has been drawn down on the loan on behalf of the participating Shareholders
- The Association also has a \$200K revolving line of credit available.
- There was further Shareholder prompted discussion regarding the condition of the roof, warranty, inspections, etc. It was noted that the roof needs to be inspected annually to maintain the warranty.
- Ralph commented that he thought the roof was replaced in 2006 and had a 15-year warranty.

Motion: Approve the 2022 budget as presented to the Shareholders

Motioned: L. Mazza

Seconded: B. Turrentine

Vote: 7-0 Approved

6. Shareholder Q&A: Lou Mazza

- There was discussion regarding a Shareholder's invited guest to the annual meeting. It was explained that only Shareholders are allowed to attend the meeting. The Shareholder advised their preference would have been for private communication on this instead of it being brought up in the room.

Motion: *Take a ten-minute break while proxies tallies are being finalized.*

Motioned: K. Millett

Seconded: C. Gammage

Unanimous Consent

7. NEW Business: Ralph Skarecki

Ralph called the meeting back to order at 8:22 p.m.

Ralph reminded the Shareholders that in February the Board agreed to change the voting to be the two candidates with the most votes would serve a typical three-year term and the third winning candidate would serve two years. This would create more of a stagger for Board Member terms.

ELECTION RESULTS:

- There were 1,032 shares either present at the meeting or submitted via proxy. 30% of the total shares (520 shares) are required to have the meeting and 20% of the total shares (347 shares) are required to have the election.
- Ralph advised a quorum was established for both items.
- Votes were tallied and the new Board Members Include: Bob Turrentine and Mike Hernandez (three-year terms) and Sally Gleicher (two-year term).
- Lisa MaGill confirmed the results. Ralph advised the tally sheet will be kept on file in the office.
- The Board thanked both Kevin O'Hara and Dean Coscia for all their hard work and efforts in serving on the Board.

8. Adjournment:

Motion: *Adjourn the Board Meeting at 8:45 PM*

Motioned: L. Mazza

Seconded: B. Turrentine

Unanimous Consent

Respectfully Submitted,



Jennifer Schammel
Secretary
Highland Towers, Inc.

05-02-2022

Date

Enclosures:

2022 Budget

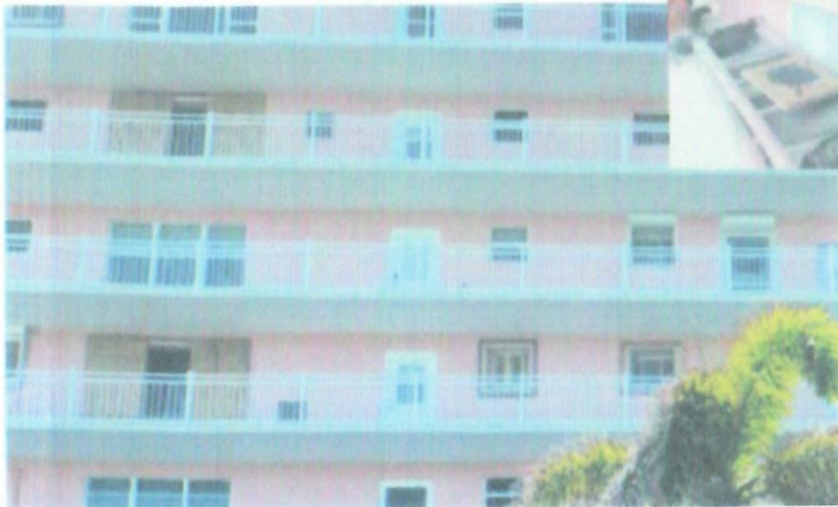
March Concrete Restoration Update Presentation

Highland Towers Concrete Restoration Project Update

May 2022



West Elevation





6 & 7 STACKS

- Sliding glass doors installed
- Stucco complete, painting and waterproofing prep work
- Final inspections ongoing
- Next steps:
 - 7 Stack small bathroom window mods
 - Waterproof balcony slab
 - Spray deck over waterproofing
 - Install handrailing
 - Drywall replacement on interior
 - Remove dust walls
 - Shareholder finishes



7 STACK South -
Windows installed, final painting



7 STACK East -
Windows installed,
stucco work ongoing



7 STACK North -
Complete



5 STACK

- Bedroom windows installed 5 and 6 stacks, stucco and painting complete
- Sliding glass doors installed except 205 (should arrive week of 5/16) and 105 (?)
- Alcove windows currently being installed
- Next steps:
 - Stair tower windows to arrive in June
 - Stucco work to complete after all windows in, then final paint
 - Waterproof and spray deck balcony slabs
 - Install handrailing
 - Drywall replacement on interior
 - Remove dust walls
 - Shareholder finishes



3 & 4 STACKS

- All concrete slabs poured back at balconies
- Concrete column repairs at sliding glass doors complete
- Concrete repairs at windows nearly completed
- Reinforced CMU jambs at all openings complete
- Old AC openings filled in with new CMU block
- Electrical repairs at receptacles under the windows or next to the SGD ongoing
- Next Steps:
 - Begin window/door opening prep for Group Order #1 and #2
 - Start installation of windows and doors #1 and #2
 - Need Group Order #3 to complete stacks



1 & 2 STACKS

- 2 Stack Windows/SGDs removed, dust walls built
- 2 Stack balcony slab demo work ongoing
- 2 Stack concrete repairs
- 1 Stack mobilization
- 1 Stack dust walls at 101, 501 and 601
- 1 Stack railings removed and investigative chipping started
- Next Steps:
 - 2 Stack – continue repairs, AC openings, electrical
 - 1 Stack – remove enclosures as required





Overhead Pedestrian Protection

Contractor built a pedestrian tunnel at the South stairs leading to pool deck area now that the One Stack is under construction



Waterproofing of Windows and Door Openings

After window and sliding glass door openings are repaired, concrete sill and jambs installed, concrete is ground smooth and urethane waterproofing is applied. New code compliant concrete curb is also installed at sliding glass door threshold.

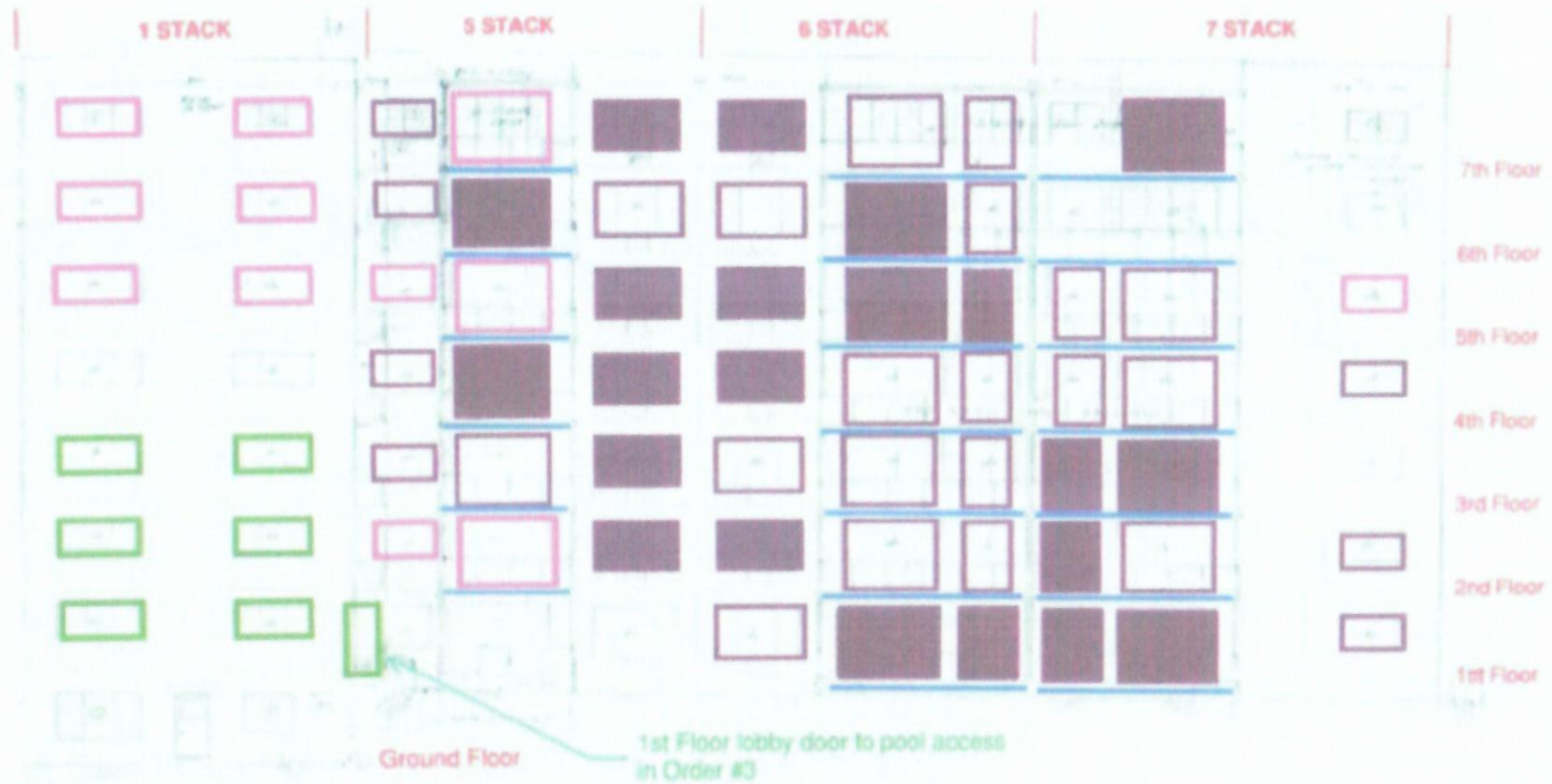
Status of Group Windows and Doors Purchase

\$265,850 in savings to
Shareholders by the
Association self managing the
Window and Door Contract

- **Group Order #1:** Ordered November 30, 2021. Approximate Delivery March 2022. Included 96 Windows and Doors. **STATUS: 95% INSTALLED**
- **Group Order #2:** Ordered January 31, 2022. Approximate Delivery May 2022. Included 71 Windows and Doors. **STATUS: STATUS: ARRIVE ONSITE 5/18**
- **Group Order #3:** Ordered February 25, 2022. Approximate Delivery June 2022. Included 24 Windows and Doors. **STATUS: STILL TRACKING JUNE/JULY ARRIVAL**
- **Total of 191 SGD's and Windows of 280 (68%)**
 - South Elevation: 31 of 35 SGD's (86%) and 39 of 49 Windows (80%)
 - East Elevation: 21 of 28 SGD's (75%) and 38 of 42 Windows (90%)
 - North Elevation: 41 of 70 Windows (59%)
 - West Elevation: 22 of 56 Windows (39%)

SOUTH ELEVATION

AS OF 4 25 2022



GROUP 1 (Due Onsite March 2022)

GROUP 2 (Due Onsite May 2022)

GROUP 3 (Due Onsite July 2022)

GROUP 1 (Due Onsite March 2022)

- SGD/Window Removed for concrete repairs - directed by Engineer
- SGD/Window Needs to be Removed - Owner Replacement

GROUP 2 (Due Onsite May 2022)

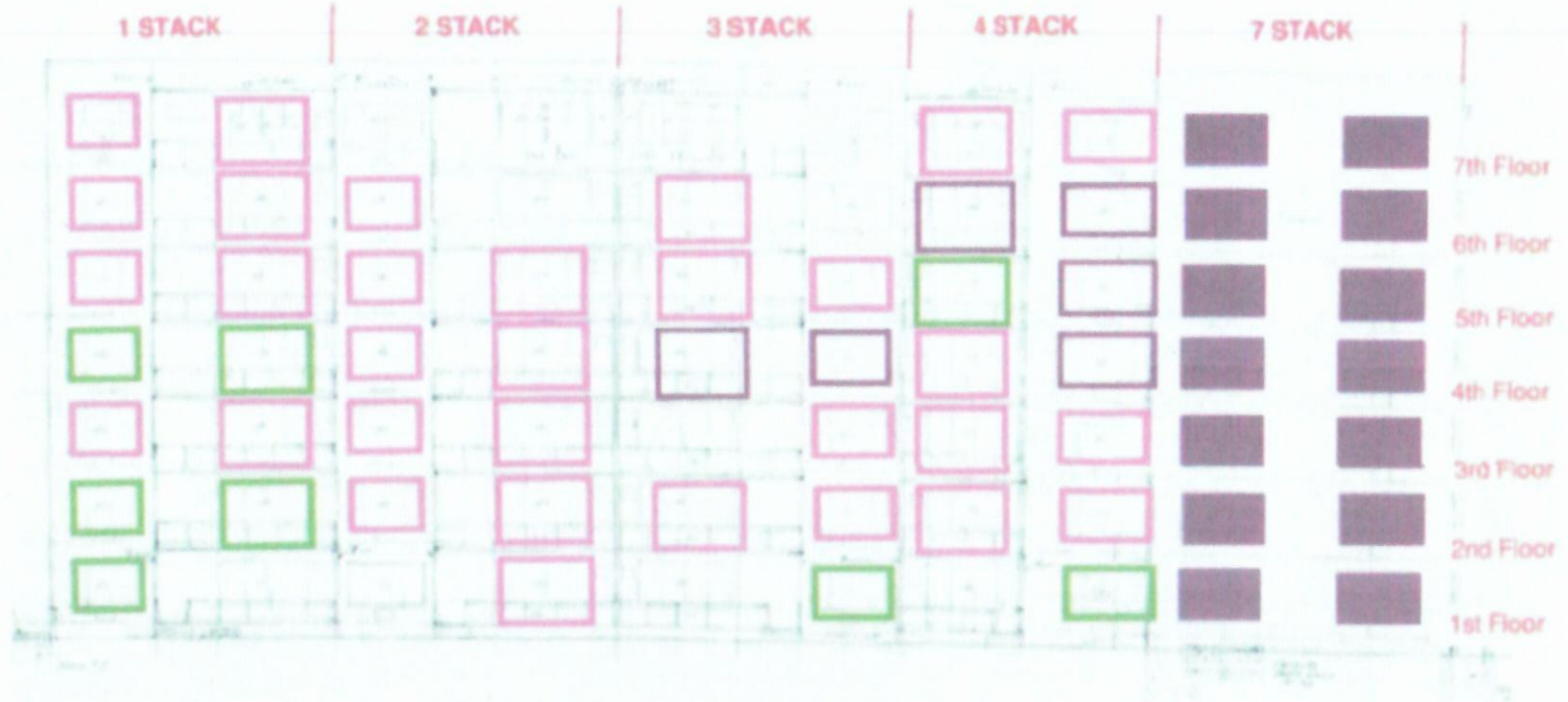
- SGD/Window Needs to be Removed - Owner Replacement

GROUP 3 (Due Onsite July 2022)

- SGD/Window Needs to be Removed - Owner Replacement

EAST ELEVATION

AS OF 4/25/2022



GROUP 1 (Due Onsite March 2022)

SGD/Window Removed for concrete repairs - directed by Engineer
 SGD/Window Needs to be Removed - Owner Replacement

GROUP 2 (Due Onsite May 2022)

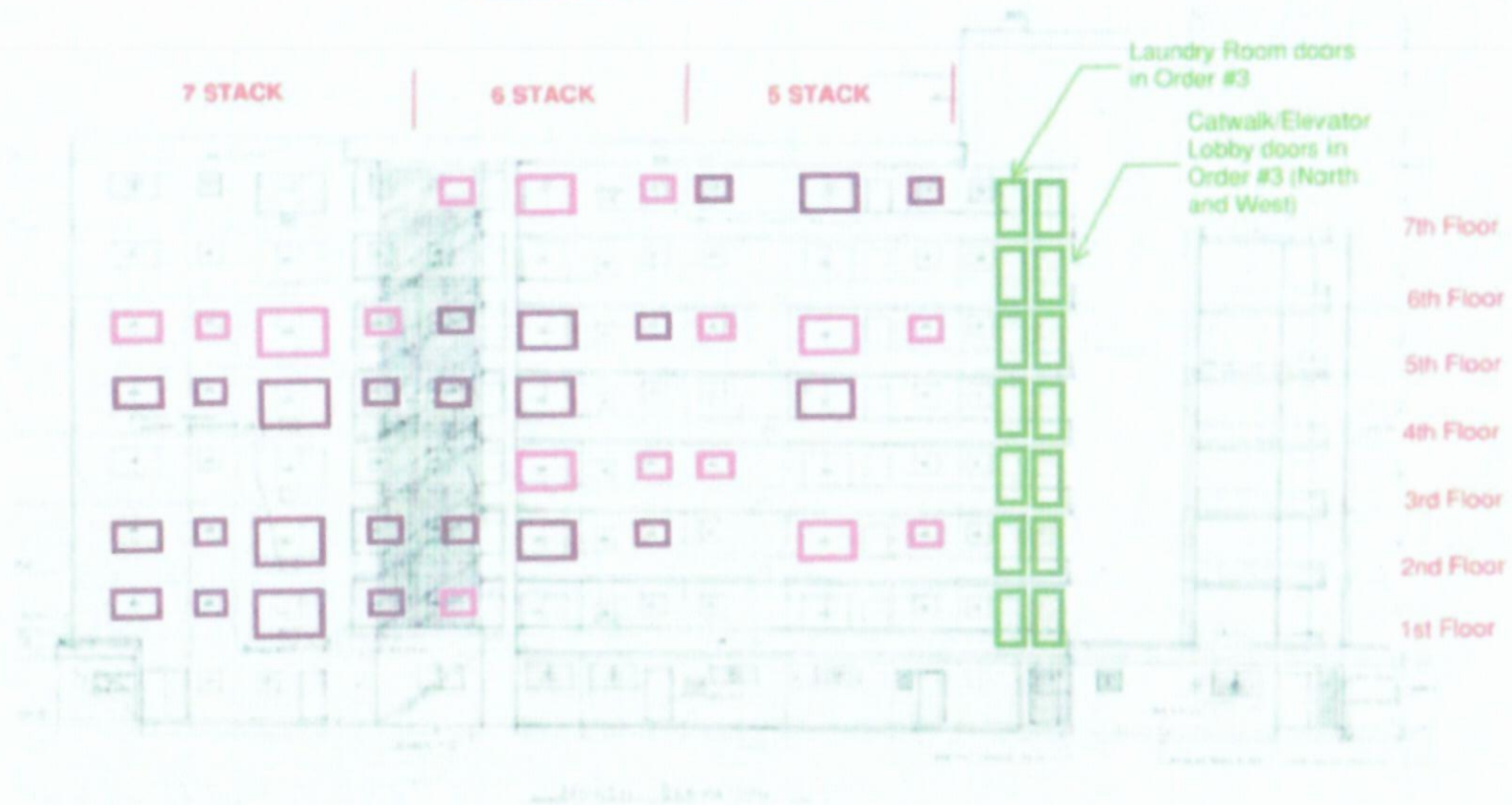
SGD/Window Needs to be Removed - Owner Replacement

GROUP 3 (Due Onsite July 2022)

SGD/Window Needs to be Removed - Owner Replacement

NORTH ELEVATION

AS OF 4/25/2022



GROUP 1 (Due Onsite March 2022)

SGD/Window Removed for concrete repairs - directed by Engineer

SGD/Window Needs to be Removed - Owner Replacement

GROUP 2 (Due Onsite May 2022)

SGD/Window Needs to be Removed - Owner Replacement

GROUP 3 (Due Onsite July 2022)

SGD/Window Needs to be Removed - Owner Replacement


WEST ELEVATION

AS OF 4/25/2022

 Added after Group 3



GROUP 1 (Due Onsite March 2022)

 SGD/Window Removed for concrete repairs - directed by Engineer

 SGD/Window Needs to be Removed - Owner Replacement

GROUP 2 (Due Onsite May 2022)

 SGD/Window Needs to be Removed - Owner Replacement

GROUP 3 (Due Onsite July 2022)

 SGD/Window Needs to be Removed - Owner Replacement

Open Issues

- **Drywall Contractor – Interior Replacement Scope**
 - Received three quotes.
- **Shareholder Interior Finishes and Cleaning**
 - Investigating possible Shareholder finishes (tile, base, etc.) by Drywall Contractor at SH group rate.
Researching cleaning contractor for SH group rate.
- **Common Area Windows and Doors**
 - Laundry Room, Catwalk Lobby North and South and First Floor door to Pool Deck in Order #3.
 - Other Common Area windows or doors not ordered. (Ground Floor Lobby, Utility and Restrooms, etc.)
- **Roofing Consultant**
 - Signed agreement with RoofTec Consulting. Moving forward with inspection and core samples.
- **Electrical Engineer Consultant**
 - Received three proposals.

THANK YOU to our Awesome Field Supervisors!



Pedro
US Structures



Pino
Complete Aluminum

Highland Towers Inc.
Approved Budget 2022

December 15, 2021

REVENUE				
G/L	INCOME	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
4001	Maintenance Income	512,500	507,312	(5,188)
4101	Reserve Income	174,500	179,688	5,188
	Prior Year Surplus	0	34,000	34,000
Total Revenue		687,000	721,000	34,000

OPERATING EXPENSES				
G/L	PROFESSIONAL	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
5002	Accounting	13,850	17,500	3,650
5003	Professional Fees	400	1,000	600
5004	Legal	4,000	2,500	(1,500)
5005	Licenses/Permits	0	1,400	1,400
5006	Contingency	0	1,000	1,000
5007	Office/Postage	2,980	2,500	(480)
5008	Board Events	2,000	500	(1,500)
5010	Screening Fees	0	300	300
5011	Taxes	1,000	1,000	0
Total Professional Expenses		24,230	27,700	3,470

G/L	INSURANCE	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
5101	Insurance	113,000	116,000	3,000
5102	Workers Comp.	0	1,500	1,500
Total Insurance Expenses		113,000	117,500	4,500

G/L	REPAIRS & MAINT.	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
5201	Building Repairs	50,000	23,812	(26,188)
5202	Pest Control	2,200	3,500	1,300
5203	Elevator Service	16,700	17,000	300
5204	Lawn Maintenance	19,000	18,000	(1,000)
5205	Landscape Extras	1,000	1,200	200
5206	Tree trimming	1,800	1,500	(300)
5207	Irrigation	800	1,000	200
5208	Beach/Deck Repairs	3,000	4,200	1,200
5209	Pool Maintenance	5,800	3,000	(2,800)
5210	Pool Repairs	3,000	1,000	(2,000)
5211	Janitorial	27,000	25,200	(1,800)
5212	Janitorial Supplies	3,000	500	(2,500)
5213	Fire Alarm & Equip.	5,000	5,200	200
5214	Building Maint. Supplies	20,000	10,000	(10,000)
Total Repair & Maintenance		158,300	115,112	(43,188)

G/L	UTILITIES	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
5301	Electric	10,000	10,000	0
5302	Water	32,349	40,000	7,651
5303	Telephone	4,000	3,500	(500)

Highland Towers Inc. Approved Budget 2022

December 15, 2021

5304	Gas	7,000	7,500	500
5305	Cable	31,437	54,000	22,563
5306	Trash	5,800	6,000	200
Total Utilities		90,586	121,000	30,414

G/L	PAYROLL	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
5401	Gross Wages	117,250	160,000	42,750
5402	FICA	7,270	0	(7,270)
5403	Medicare	1,700	0	(1,700)
5404	Unemployment	165	0	(165)
Total Payroll		126,385	160,000	33,615

G/L	RESERVES	Approved Budget 2021	Approved Budget 2022	Inc/(dec)
9102	Paving	3,916	2,000	(1,916)
9103	Fencing/Gates	18,119	8,500	(9,619)
9104	Roof	15,563	15,000	(563)
9105	Elevators	50,946	50,000	(946)
9106	Seawall	4,809	3,588	(1,221)
9107	Pool	10,000	33,000	23,000
9108	Painting	22,107	12,000	(10,107)
9109	Electrical Repairs	24,540	15,000	(9,540)
9110	Contingency Reserve	14,500	31,000	16,500
9111	Concrete Restoration	10,000	9,600	(400)
Total Reserves		174,500	179,688	5,188

Operating Expenses	512,501	541,312	28,811
Reserve Expenses	174,500	179,688	5,188
TOTAL EXPENSES	687,001	721,000	33,999

Unit #	Shares	%	2022 Yearly	2022 Quarterly
G1	25.00	1.44%	\$9,899.14	\$2,474.78
101	32.20	1.86%	\$12,750.09	\$3,187.52
102	32.20	1.86%	\$12,750.09	\$3,187.52
103	20.20	1.16%	\$7,998.50	\$1,999.63
104	46.00	2.65%	\$18,214.41	\$4,553.60
105	23.00	1.33%	\$9,107.20	\$2,276.80
106	25.20	1.45%	\$9,978.33	\$2,494.58
107	40.20	2.32%	\$15,917.81	\$3,979.45
201	35.20	2.03%	\$13,937.98	\$3,484.50
202	34.20	1.97%	\$13,542.02	\$3,385.50
203	34.20	1.97%	\$13,542.02	\$3,385.50
204	34.00	1.96%	\$13,462.82	\$3,365.71
205	25.00	1.44%	\$9,899.14	\$2,474.78
206/7	68.40	3.94%	\$27,084.03	\$6,771.01
301	36.20	2.09%	\$14,333.95	\$3,583.49
302	35.20	2.03%	\$13,937.98	\$3,484.50
303	35.20	2.03%	\$13,937.98	\$3,484.50
304	35.00	2.02%	\$13,858.79	\$3,464.70

Highland Towers Inc.
Approved Budget 2022

December 15, 2021

Unit #	Shares	%	2022 Yearly	2022 Quarterly
305	26.00	1.50%	\$10,295.10	\$2,573.78
306	28.20	1.63%	\$11,166.22	\$2,791.56
307	42.20	2.43%	\$16,709.74	\$4,177.44
401	37.20	2.14%	\$14,729.91	\$3,682.48
402	36.20	2.09%	\$14,333.95	\$3,583.49
403	36.20	2.09%	\$14,333.95	\$3,583.49
404	36.00	2.07%	\$14,254.76	\$3,563.69
405	27.00	1.56%	\$10,691.07	\$2,672.77
406	29.20	1.68%	\$11,562.19	\$2,890.55
407	43.20	2.49%	\$17,105.71	\$4,276.43
501	38.20	2.20%	\$15,125.88	\$3,781.47
502	37.20	2.14%	\$14,729.91	\$3,682.48
503	37.20	2.14%	\$14,729.91	\$3,682.48
504	37.00	2.13%	\$14,650.72	\$3,662.68
505	28.00	1.61%	\$11,087.03	\$2,771.76
506	30.20	1.74%	\$11,958.16	\$2,989.54
507	44.20	2.55%	\$17,501.67	\$4,375.42
601	39.20	2.26%	\$15,521.84	\$3,880.46
602	38.20	2.20%	\$15,125.88	\$3,781.47
603	38.20	2.20%	\$15,125.88	\$3,781.47
604	38.00	2.19%	\$15,046.69	\$3,761.67
605	29.00	1.67%	\$11,483.00	\$2,870.75
606	31.20	1.80%	\$12,354.12	\$3,088.53
607	45.20	2.61%	\$17,897.64	\$4,474.41
701	40.20	2.32%	\$15,917.81	\$3,979.45
702/3	78.40	4.52%	\$31,043.69	\$7,760.92
704	39.00	2.25%	\$15,442.65	\$3,860.66
705	30.00	1.73%	\$11,878.96	\$2,969.74
706	32.20	1.86%	\$12,750.09	\$3,187.52
707	46.20	2.66%	\$18,293.60	\$4,573.40
Totals	1735.00	100%	\$687,000.00	\$171,750.00