

# Highland Towers, Inc.

## Minutes of July 12, 2021 Board of Directors Meeting

### 1. President's Report by Louis Mazza:

Louis Mazza welcomed and thanked everyone for their attendance for today's board meeting.

After roll call and the previous meeting minutes were approved, Lou had the following remarks:

- Condolences were expressed to the family members and friends of all the victims of the Surfside building collapse tragedy. This is a wake up call to the dangers of not keeping up with building maintenance. Although we are all humbled by the cost and inconvenience of the restoration project, we now see that the importance of performing timely periodic maintenance is undeniable from a safety and cost effectiveness point of view.
- Highland Beach was unaffected from the recent tropical storm Elsa. As a reminder, it is hurricane season and Dale is very busy securing the building when a storm approaches and does not have time to remove personal items left out on the balconies and the beach storage area. Unless you are in residence, please remove these items by July 19, 2019. If Shareholders are not in residence, any personal items left out will be moved inside and the Shareholder will be assessed a \$75 fee. In addition, when you leave the building, please remove your items from the beach storage area. If a storm approaches, any chairs or other beach items left at the beach storage area at the stairs will be discarded.
- The pool heater room hatch is in poor shape and the concrete restoration contractor, USSI has been asked to repair it. They will also be asked to install a temporary fix to secure the hatch until it can be permanently repaired.
- The new domestic water pump has been delivered and is ready to be installed. It has been decided that the old pump should be kept to use as a backup in the event the new pump fails at some point in the future. Parts are being priced and ordered so that this work can commence.

### 2. Roll Call of Directors:

President – Louis Mazza, Present

Vice President – Chris Van Horn, present via ZOOM

Secretary – Jennifer Schammel, present via ZOOM

Treasurer – Jim Keefe, present

Director – John Gammage, not present

Director – Kevin O'Hara, present via ZOOM

Director – Bob Turrentine, present via ZOOM

### 3. Approval of Prior Meeting Minutes:

A motion was made to approve the June 18, 2021 meeting minutes and was unanimously approved by the Board.

#### **4. Concrete Restoration Report:**

Jennifer Schammel reported on the current progress of the restoration project. Please refer to Appendix A - Concrete Restoration Monthly Report for the Month of June 2021 attached to these meeting minutes.

Additional comments provided by Jennifer not addressed in the Monthly Report included the following:

Although a 40 year full building inspection is not required for Palm Beach County, it is highly recommended the board consider this for Highland Towers due to its age and unknown maintenance history. In light of the recent activity with inspections resulting from the Surfside building collapse, it will be difficult to find an engineering firm available to perform the inspection, but it would be a good idea to get on a waiting list. It was also stated that once the concrete restoration project is complete, a great amount of the structural issues will be resolved, but that the inspection also will look at the foundation, roof, electrical system, fire protection system, etc. and once these deficiencies are reported, they will need to be repaired in a timely fashion.

Jennifer also mentioned that an immediate step to take to further ensure the building is structurally sound is to have our current Engineer of Record, Miller Engineering inspect the remainder of the lower level columns in the West storage area as well as the interior columns in the ground floor lobby. This will require removal of some finishes and some destructive work to be able to inspect the concrete, but recommends it be done.

A tutorial was presented for how to access the instructions and documents for replacing windows, doors, shutters and ACs on the website. An Ordering Guide is included on the website under the Documents and Forms tab that details the ordering process with links to the Highland Towers Building Standards and the Architectural Request Form.

#### **5. Legal Committee Report:**

Jim Keefe provided an update on the FDOT encroachment issue. Back in April Highland Towers received a letter from Florida Department of Transportation advising that the East parking lot encroaches on State right of way for A1A. Some of the neighboring properties received the same notice. Outside counsel was consulted and they wrote a letter on behalf of the Association to the State pointing out that the encroachment existed over 60 years and the issue was never previously raised. The letter requested FDOT granting Highland Towers an easement in lieu of leasing the property as suggested by the state. To date there has not been a response.

#### **6. Treasurer's Report:**

Jim Keefe reported that there is ample disposable cash compared to this time last year and there should not be a problem paying the insurance premium due on December 15<sup>th</sup>. The last few years the reserves were tapped for this payment. The budget is currently tracking an overage in administrative costs and is under in maintenance and there are still ample funds in those categories. The budget is overall in good shape.

## **7. Old Business:**

- A. Fire Pump: Chris Van Horn reported on the status of the fire pump issue. Back in April of this year, the Delray Beach Fire Department cited the building for an inoperable fire pump which is typically needed for a building that needs to push water up through the building to the sprinkler system. In Highland Towers' case the existing sprinkler system is only on the lower level in the trash room. Since it has been determined by the Building Code Official that Highland Towers is not classified as a High Rise building (less than 75' from fire truck access to the highest occupiable floor slab of the building), it is not required to have the fire pump. A Fire Prevention Engineer was consulted to perform a flow test on the hydrant to determine the water pressure the building receives. After the calculations were performed to confirm the pressure was sufficient for the trash room sprinkler system, the Engineer was able to present the case to the fire department and they agreed the fire pump was not needed. Therefore, the expensive repairs required to replace the old fire pump are no longer required. The old pump and system can be disconnected and removed. The cost for the Engineer was only \$1,000 but saved the Association many thousands of dollars in replacements and repairs. The board thanked Chris for his diligence in bringing this issue to a favorable conclusion.
- B. Property Manager Search: Lou Mazza provided an update on the Property Manager search. The committee is still looking for a qualified Property Manager and Construction Manager. It has not been successful yet in finding a Property Manager with adequate construction expertise to also project manage the restoration project. The committee is researching several options including splitting the two roles with separate people. There are a handful of candidates, both management companies and individuals that are being considered. It is hopeful that out of this pool of candidates the position(s) can be filled.

## **8. New Business:**

There was no new business to discuss.

## **9. Open Discussion – Shareholder Q&A**

There was open dialog between Shareholders and board members on topics such as stairwell roof doors being replaced, a request for glass railing, bank loan financing vs. future assessments for the overage on the restoration budget and a question related to electric recharge stations in the parking lot. There was also a question regarding whether renters could return this coming season. The board responded that it is too early to make this decision and likely would not be known until September.

There was also discussion on why a construction project manager is needed in addition to a property manager. The board explained that although a property manager may claim to have restoration experience, that does not necessarily mean that they truly understand how to manage the project or have the technical expertise to oversee the work and make sound decisions on behalf of the building. In light of the Surfside tragedy it is extremely important to have someone on board with the technical knowledge of concrete restoration and structures to prevent uneducated and ill-advised decisions. To date Jennifer Schammel has volunteered her time to manage all aspects of the restoration project under the assumption that there would be

a manager in place at some point. She has a fulltime job of her own and since the restoration project takes a considerable amount of time, it is important that this position be filled as soon as possible.

10. **Adjournment:** Lou Mazza asked for a motion to adjourn the meeting. A motion was made, the motion was seconded and approved. The meeting was adjourned.

Respectfully Submitted,

Jennifer Schammel, Secretary

Appendix:

Appendix A – Concrete Restoration Monthly Report for the Month of June 2021

# Highland Towers Concrete Restoration Project

## Monthly Report

Month of June 2021

6/30/2021

### 1. General Overview:

In the month of June there were thirteen rain days affecting construction. The contractor was able to work a partial day on most of the rain days. The inspector visited the site seven times this month to review the progress of the waterproofing work on the West catwalks and to inspect ongoing exploratory chipping and demo work on the balconies. The Engineer of Record also visited the site to review the exploratory work on the balcony slabs and provided direction on how to move forward with removal of enclosures and sliding glass doors.

### 2. Current Progress – North Elevation:

Progress this month:

The window repairs were completed on the North wall (7 Stack). Windows were re-caulked and the North 7 Stack wall and the North Stair wall were painted.

### 3. Current Progress – West Catwalks:

Progress this month:

In June, the focus of the work on the West Catwalks was primarily completing the concrete repair work, stucco work, ceiling patching, prime painting and prep work required to begin the waterproofing phase. Waterproofing was to begin on June 14<sup>th</sup> however rain hindered the schedule for waterproofing significantly. With afternoon rains, the slabs were often too wet to apply the waterproofing the following day. The 7<sup>th</sup> through 4<sup>th</sup> floor waterproofing was eventually applied. The spraydeck coats would be applied in July along with the waterproofing of the lower floors.

Scheduled for month of July:

The remaining floors 5, 4, 3, 2 and 1 are to be waterproofed and spraydecked applied by the end of July, weather permitting. In addition, the floors will receive two coats of finish paint as well as the final coat of paint on the walls will be applied.

### 4. Current Progress – Seven Stack:

Progress this month:

All three elevations of the seven stack tower had swing stages erected and crews performing concrete repairs, shutter removals or repairs, stucco work and paint prep. The East wall requires significant concrete repairs around windows and required dust walls to be installed in some of the apartments. If the concrete repairs cannot be completed with the windows in place some of the windows will need to be removed. The South wall's concrete repairs and stucco finish work was completed and is ready for paint. The contractor will hold off on painting of this wall until the 7 stack balconies are ready for paint.

Schedule for month of July:

Concrete repair work will continue on the east wall and it will be determined by the engineer and contractor if any windows need to be removed.

## **5. Current Progress – Balconies:**

Progress this month:

Seven Stack: After exploratory chipping was performed and extensive corrosion of rebar and concrete was found in the balcony slabs, balcony enclosures were removed as directed by the engineer to properly repair the concrete slabs. Tile and AC condensing units on balconies were also removed in order to make the repairs. So far, two units in the 7 stack will require removal of the sliding glass door as the corrosion extends into the apartment. In addition, the railing at several balconies has been removed due to the corrosion along the perimeter of the balcony edges.

Six Stack: Mobilization of the Six Stack balconies took place in June, including the setup of the swing stage and scaffolding and extending the construction zone and fencing. This was followed by pressure washing of the balcony slabs and exploratory chipping of spalled concrete areas of the slabs. Six Stack shareholders were notified of items needing to be removed from the balconies. Exploratory chipping was performed and after extensive corrosion was noted by the inspector, the Engineer of Record deemed it necessary that all three enclosures on the Six Stack were to be removed.

Schedule for month of July:

Concrete demo and rebar repair/replacement work will continue on the Seven and Six Stack balconies in July. Alternating slabs will be poured back with concrete to allow the supporting of the remaining floors to be worked on. In addition, the Five Stack mobilization will take place later in the month, which will require the construction zone and fencing to extend and will include the closure of the first floor building access to the pool deck area. Residents will be required to access the pool, deck and beach by using the exterior South gate and stairs during this phase of the restoration. (Phase II).

## **6. Budget:**

The Contractor will be paid \$387,974.34 through the month of June 2021. This includes a 10% retainage reduction. As of June, the work on the North and West catwalks has incurred a total budget overrun of \$111,794 for additional work due to the significant unanticipated extent of the repairs. The original overall budget for the catwalks was \$577,104 and the projected total cost for the catwalks is currently \$688,898 resulting in the \$111K budget overage.

US Structures' original schedule of values for the catwalks was \$235,604. To date, USSI has submitted change orders totaling \$258,332 for the additional required repairs. Their projected final cost for the catwalks is \$493,936. Contingency and other allowance line items in the budget have reduced the overall impact to the catwalk budget. Both the North and West catwalks are responsible for the budget overrun as far more full depth repairs were required than originally anticipated.

The contingency fund for the balcony phase is \$150,000. If the trend continues for the amount of full depth repairs on the balcony phase of the project, which is highly likely, that contingency fund will be exhausted with the additional repairs as well.

Additional budget issues include the following:

- 1.) Seven Stack Tower Repairs. Extensive repairs are required at the North, East and South Seven Stack tower walls which had significant repairs (especially the East elevation) due to cracks, spalls and deterioration at windows, shutters and multiple other areas on the vertical surfaces.
- 2.) Shutter Removal and Repairs. The budget did not allow for the amount of shutter removal and repairs being performed. Most of the shutters are having to be removed and corrosion caused by the shutters repaired. In some cases, the track was removed to make the repairs.
- 3.) Handrail Removal. The budget did not include removing or replacing the handrail. Due to early exploratory chipping at the balconies, it is evident handrail will need to be replaced.
- 4.) Extensive balcony slab repairs. If the trend continues for the amount of repairs required for the balconies as witnessed on the Seven and Six Stacks, the budget for the actual cost for the balcony repairs will exceed the budget.

## 7. Project Issues:

- a. Safety – Safety of residents, visitors, employees and workers continues to be the major focus for the project. As the work on the catwalks winds down the focus on safety will shift to the balcony phase. As the pool will mostly remain open during much of the restoration, it will be important to fence off construction zones and create safe access to the pool, deck and beach.
- b. AC concerns – ACs can be turned back on most floors with the exception of during the waterproofing work. It is required that during the waterproofing phase, ACs remain off due to condensation dripping and ponding on the concrete slabs. In addition, the seven stack is not able to run their ACs during the balcony and East wall restoration. Shareholders should consider other supplemental AC or dehumidification measures during this time.
- c. AC Condensation issue. Some of the ACs on the West catwalks have the condensate drain drip onto the catwalk slab. This is not ideal as water should not pond on the slab and rust stains will form on the newly painted walls and slabs. The condensate drains should be drained properly to prevent this.

## 8. Schedule and Phasing:

Weather permitting, the West catwalks are anticipated to be substantially complete in late July or August, with the completion of the waterproofing, painting and final cleanup work. The balcony phase of the project having started as anticipated in May is well underway and by the end of July will have three stacks under restoration (Seven, Six and Five). Mobilization of the Five Stack is scheduled for the week of July 19th. Once the crews and swing stages are complete with the West catwalks and the Seven Stack tower, additional stacks will be mobilized.

The following are excerpts from an update which was emailed to the seven stack residents on May 2<sup>nd</sup> as a heads up for upcoming activities to the South elevation (balconies). It has been updated and repeated here for the six stack as well, which started in June and will pertain to the remaining stacks as work progresses.

- **Balcony Work Sequence:** *It will take the contractor a couple weeks to mobilize the balcony side. Once set up, the first task will be for the Engineer to perform an inspection of the concrete for potential repairs. This will require the contractor to perform some exploratory chipping at suspect areas and demo any tile or floor covering that may be on your balcony. The tile or floor covering cannot be replaced due to incompatibility issues with the waterproofing that will go on the slab after the repairs are made. If you are onsite, we ask that you move everything completely off your balcony and open your shutters. If you have an enclosure, you still need to move all furniture and furnishings off the balcony. The contractor needs the entire balcony area to work, including ceiling fan removal. This needs to be completed no later than May 12<sup>th</sup> for seven stack, June 18<sup>th</sup> for the six stack and July 2<sup>nd</sup> for the five stack. Please also ensure that the enclosure can be opened from the outside.*

- **Shareholder Impacts:** *All balcony floors of each stack will be worked on at the same time in no particular order. Alternating floors will be worked on while the remaining floors are supporting them. Although you will have access to your unit, you do not have access to your balcony or patio and you may lose your view if the sliding glass door needs to be removed. Also, you may lose your enclosure if the Engineer deems it necessary to remove it to repair the balcony slab. The existing enclosure will not be able to be replaced. There is a possibility that you may need to have shutters removed if there is corrosion at the windows/sliding glass door and it can't be repaired with the shutter in place. It will also be loud and dusty due to concrete chipping, grinding and sandblasting. You also will not be able to run your AC if your condenser is located on the balcony slab. Please refer to previous meeting minutes for suggestions for AC and humidity control while your AC is off.*

## 9. Shareholder Concerns:

Shareholders, Renters and Visitors should be reminded of the following:

### General Considerations:

- Balcony restoration work will be very loud, dusty and an inconvenience to all occupants in the building.
- During the waterproofing phase on the West catwalks, non-fulltime residing Shareholders should refrain from visiting Highland Towers as there will not be catwalk access for potentially weeks at a time during July and possibly August (depending on how much rain impacts the schedule).
- Chipping, grinding and sandblasting work is very dusty. Although there are dust filters/collectors on the tools and contractor uses netting during sandblasting, there is still a lot of dust that travels in the air to other surfaces around the building, pool and deck area.
- The spraydeck product that is applied via sprayer on top of the waterproofing coat to provide the texture to the walkway may produce air borne fine particles that can stick to vehicles. It is recommended that during the days of this application, that cars be relocated to the west lot.
- There is no available parking along the North Alley wall. This needs to stay clear for the building's trash removal and the Contractor's dumpster switch out and other construction deliveries. Shareholders are to ask all visitors, service vehicles, Realtors, etc. to park across the street.
- The Contractor's fenced off staging area in front of the building and in the alleyway is a hardhat construction zone and should not be entered as it is dangerous due to overhead work. Protected walkways to access maintenance, storage and ground floor apartments should be the only means for access on the ground floor.
- All Shareholders receive a daily Construction Notice email from [Construction@highlandtowers.org](mailto:Construction@highlandtowers.org) for all impacts to catwalks, ACs and access to their units. Shareholders are responsible for reading the daily construction notices to understand the impacts to their unit and plan their activities accordingly.
- Shareholders are also responsible for forwarding the notices to their renters and visitors. In addition, daily construction notices are posted in the elevators and bulletin board in the lobby.
- Shareholders can log in to the website [highlandtowers.org](http://highlandtowers.org) to see construction updates under the Restoration Project tab and can view construction progress photos in the gallery. Weekly updates are posted every Friday evening/Saturday morning. All Shareholders should check it weekly to keep updated on the project and important reminders that impact the Shareholders.