

**Highview Condominium II**  
**Board of Directors – Meeting Minutes**  
**June 28, 2022 – 7:00 p.m.**

The twenty-fourth regular meeting of the 2019-2020 Highview Condominium II Board of Directors was called to order at approximately 7:00 p.m. by Lauren Esposito, Vice President. The meeting was conducted remotely by Zoom. Board members in remote attendance: Robert Boynton, Joseph Cann, Marjorie Cannon, Christine Chun, Kathleen DeVaynes, Lauren Esposito, Max Lucci, and Sindhu Mathew. Madalina Rauscher was absent. Marissa Zinnanti attended from CRM Management.

- 1) Minutes: Minutes of the 05/24/22 meeting were approved by email vote.
  
- 2) Financial Report:
  - a) Bank account balances: Empire checking account balance is \$31,459 and Empire Savings \$9,996.13 on 06/28/22. Additional savings in the Citibank account is approximately \$43,000. All funds in hand total approximately \$73,948.  
Payments due to Highview: Uncollected unit owner account balances (past-due) to Highview total \$60,120.90; including one unit currently in foreclosure with a current balance of \$41,197. All unit owners with any account balance greater than 60-days past due are automatically moved to the building's attorney for a final warning, which is then followed by a lien on the unit. All related legal billing by the attorney is automatically added to the outstanding account balance.  
Payments owed by Highview II: As of 06/30/22, bills payable by the building total \$47,233, of which approximately \$25,000 is bills for engineering work involved with the upcoming Capital repairs (Local Law 11 facade work, boiler replacement, and foundation cracks) and update of the Capital Reserve Study.  
Reserve Funds policy: Per audit guidelines, Operating Reserve on 12/31 of the current fiscal should total 25% of previous fiscal year's independently audited Operating Expenses. The independent audit is conducted on an accrual basis. With Operating Expenses of approximately \$320,000, the building requires a \$80,000 Operating Reserve. The Capital Reserve balance is calculated on the funds remaining after Operating Reserve is satisfied. In response to the most recent update of Capital Reserve Study conducted by Becht Engineering in 2010, the Board is mandated to maintain a Capital Reserve minimum of \$250,000 and conduct Special Assessment whenever it appears that the 12/31 minimums utilized by the independent audit will fall short.
  - b) Foreclosure, Liens, and Arrears:
    - i) Foreclosure: No update. Board requested an estimated timeline for completion of the foreclosure sale.
    - ii) Arrears: Discussed.
  - c) FY2021 Audit: No update. Marissa will contact auditor for estimated completion date.
  - d) Capital Reserve Engineering Study: Becht Engineering is performing the Capital Reserve Study update. Report is in draft, awaiting for completion of contractor bids for an accurate cost of new boiler which needs to be compliant with NYC Local Law 97 and 2030 deadline. Anticipate completion of Study report by end of September.
  - e) Financial Reporting: Sindhu Mathew requested that the board consider a report of our accounts and money coming in and going out to keep track of finances. She was referred to the monthly management report received by all board members which includes an Aged Payables Report (unpaid bills), Balance Sheet Report summarizing current Assets and Liabilities, and the Annual Budget - Comparative Report that summarizes income and expenditures current month (actual, budgeted and variance), cumulative year-to-date (actual, budgeted and variance), and total budget for the year. It was questioned whether all Board members are taking the time to read these reports prior to the board meeting.
  
- 3) Legal Report:
  - a) Attorney meeting: Lauren Esposito reported on her conference call with Robert Boynton, Sindhu Mathew, and the building's attorney Alfred Conti. Discussed status of all current liens and progress with the unit foreclosure, as well as any recommendation he might propose concerning Bylaws and Rules & Regulations. Conti felt that amending Bylaws was an expensive and time consuming undertaking and to be avoided if possible. He noted that according to the Bylaws, any amendment of the Bylaws required participation of all unit owners' mortgage holding banks and it would be up to the Board to determine whether a mortgage existed for each unit and then

take on the legal responsibility for contact and follow up to verify their replies. The Board can amend and add Rules & Regulations at any time by a Board vote, as long as the changes do not conflict with NYS and NYC law and building code, and offer no grounds for a legal case of discrimination. Concerning chronic problems with several tenant occupied units, Conti proposed an additional Rider to each lease agreement affirming rights and liabilities of both landlord and tenant. Conti will provide the completed document and it will be used on all new leases and renewals.

- b) NYC Department of Buildings (DOB) and Environmental Control Board (ECB) building fines: Cohen, Hochman & Allen continuing to represent Highview as expediter in resolving the open NYC DOB (5) and NYC ECB (1) violations. Board discussed each of the six violations and information/records requested of management by expediter.
  - c) Records of insurance compliance by unit owners: Discussed. Currently a number of units are not in compliance and have begun receiving a monthly fine.
  - d) Records of insurance compliance by unit owners' tenants: Management indicates that there are 9 units in rental without proof of tenant insurance and unit owners receiving monthly fines. No update.
  - e) Leased units: Management is required to collect a \$500 fee for newly leased units and a \$300 fee for all renewals. Management indicates that 10 units have failed to provide copies of leases and are subject to fines. All rental units will have to provide proof that the fees have been paid during management transitions. Units have begun receiving monthly fines.
  - f) List of pre-approved contractors: No update.
  - g) Local Law 11 - Cycle-9: From May meeting, meeting to be scheduled with Basonas to discuss timing of project and sign contract. Salomon Engineering to participate in meeting. Work must be completed by February 2023. No update.
  - h) Vendors and contractors insurance: No update.
  - i) Awning repairs: Marissa reported that repairs are scheduled for next week.
  - j) Awning damage reimbursement: Marissa in discussion with Amazon.
  - k) RPZ valve inspection: Completed.
  - l) Fire Plan evacuation sticker: Sticker completed. Lauren working with super to assure installation in each unit to comply with NYC code.
  - m) NYC Condo Tax Abatement Law changes: As noted at previous meeting, tax law changes are taking effect in 2022. Although Highview II was not listed among buildings affect this year, Board had requested that management provide a better understanding of the change in order to anticipate if/when it might apply to the building in future year. No update.
  - n) NYC Condo Tax Abatement Law application for 2022: CRM appeal in process.
- 5) Building Repair & Maintenance:
- a) Boiler operation status: Boiler providing the building's heat and hot water continues to fail environmental emissions inspection. Although a new boiler is currently being designed for the building, construction, installation, and NYC inspections estimated to take more than a year to complete. Building currently being fined \$4,000 per month by City for failure to comply with combustion pollution standards. Ongoing discussion with Champion Combustion.
  - b) Foundation crack: Salomon Engineering progressing with investigation. Board approved \$13,000 on 06/16/22 for test borings building's support pillars per Salomon Engineering's request. No update on anticipated completion date.
  - c) Elevator fan repair: Cost of replacement approved by Board.
  - d) Roof exhaust fan (K-line): CRM getting estimates for repair/replacement.
  - e) Capital projects on hold & current status:

Capital projects approved by the Board, General Membership meeting of unit owners, and Empire Bank as part of the 2016 Capital Assessment. Due to significant cost overruns on the interior decorating projects funded by the same Assessment (carpeting, wall paper, lighting), these projects were put on hold pending a future assessment:

- i) Electrical back-up - generator system: Salomon Engineering completed design work in 2016. Salomon presently updating design work.
- ii) Elevator Cab Renovation: Bids received in 2016. Management seeking updated bids.

- iii) North sidewalk: Initial design work by Salamon in 2016. Now being updated.
- iv) Security upgrades/repairs: Phase I and Phase II were completed. Phase III bid was completed in 2016. Proposal update for 2022 completed. Current cost approximately \$12,000.

New Projects currently on hold pending new Capital Assessment:

- i) Local Law 11 - Cycle 9 (facade repairs): Inspection completed 06/03/21. Bidding completed 04/2022, contractor selected 05/2022. Cost approximately \$200,000. Contract to be signed.
  - ii) Boiler replacement: Design plans to be completed in a couple weeks. No cost estimates until bidding is completed.
  - iii) Building foundation repairs: Engineering evaluation in progress. Anticipate completion mid-August with bidding to follow. No cost estimates until bidding is completed.
  - iv) Security video server replacement: Contract received 05/24/22. Cost will be \$10,410.
  - v) Roof exhaust fan replacements (as needed): Awaiting repair bids.
  - vi) Landscaping replacements: No update.
- f) Maintenance schedule: Zinnanti will review and share with board at next meeting. No update.
- g) Underground fuel tank: Question raised as to when the building's 10,000 underground fuel tank was last pressure tested. No record in boiler room. Zinnanti will discuss with Joe Cann. No update.
- h) Garage maintenance: Marissa reported floor is being completely washed out monthly and no storage beyond a single automobile in each space as stipulated in Bylaws.
- 6) Committee Reports:
- a) Financial Planning. No update.
  - b) Building Beautification & Improvement. No update.
  - c) Rules & Regulations: No update.
- 7) New Business: Sindhu Mathew requested that the board immediately schedule a General Membership meeting with unit owners to discuss the building's upcoming need for a Special Assessment.

Madalina Rauscher replied that without any cost estimate of the most significant projects (boiler and foundation cracks), the meeting would not be able to offer any information beyond what unit owners have read in the Meeting Minutes. Unit owners already know that approximately \$350,000 in Special Assessments for the 2018 Local Law 11 Cycle-8 repairs and 2019 cost of elevator replacement were delayed, thereby depleting the \$250,000 Capital Reserve, and diminished the Operating Reserve below its mandated balance. She noted that in accepting the Presidency in December 2021, she called for an emergency Special Assessment that is bringing in approximately \$7,000 per month, but the total of that additional income is only slightly more than the building's accumulated engineering costs and replenishing the Operating Reserve.

It was noted that Salamon Engineering has declined to provide any estimated cost for the boiler and foundation cracks until bidding is completed. Once bidding is completed, the engineer has offered to attend any board meeting and/or General Membership meeting to discuss project costs in detail.

Without no additional input from other board members, the board tabled Mathew's suggestion for now.

The meeting was adjourned at approximately 9:00 p.m. Minutes submitted by Robert Boynton, Secretary.