

Highview Condominium II
Board of Directors – Meeting Minutes
July 26, 2022 – 7:00 p.m.

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

1) Financial Report:

- a) Bank account balances: Empire checking account balance is \$41,419 and Empire Savings \$9,996.13 on 07/26/22. Additional savings in the Citibank account is was \$58,992 on 07/07/22. All funds in hand total approximately \$110,407.
Payments due to Highview: Uncollected unit owner account balances (past-due) to Highview total \$63,463. 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: Liabilities (payable by the building) total \$76,767, of which \$23,750 is bills for engineering work involved with the upcoming Capital repairs (Local Law 11 facade work, boiler replacement, and foundation cracks), \$14,807 for test borings of the building's foundation supports, and \$1,700 for completion 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 annual 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 determined by the independent auditor will fall short.
- b) Foreclosure, Liens, and Arrears:
 - i) Foreclosure: Board discussed estimated timeline for completion of the foreclosure sale. Current balance of arrears on unit owner's account totals \$41,952.
 - ii) Arrears: Current balance aside from unit in foreclosure totals \$21,511 of which \$17,231 is attributable to (4) unit owners and currently with attorney for a final warning and court action (liens).
- c) FY2021 Audit: No update. Marissa anticipates an update from auditor this week concerning completion date.
- d) Capital Reserve Engineering Study: Becht Engineering awaiting completion of Salamon Engineering boiler bids.

2) Legal Report:

- a) Legal actions by building attorney: Boynton will contact Conti for update on progress of all 90-day delinquent unit owner to liens.
- 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 (3) and NYC ECB (1) violations. Boynton will contact Expediter on Highview cases for update on each.
- c) Records of insurance compliance by unit owners: No update.
- d) Records of insurance compliance by unit owners' tenants: No update.
- e) Leased units: Management is required to collect a \$500 fee for newly leased units and a \$300 fee for all renewals. No update.
- 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. Salamon Engineering to participate in meeting. Work must be completed by February 2023. No update.
 - h) Vendors and contractors insurance: No update.
 - i) Awning damage reimbursement: Marissa reported that Amazon sent insurance adjustor on 07/15/22.
 - j) 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.
- 3) Building Repair & Maintenance:
- a) Boiler operation Local Law 87 compliance update: Building continues to be fined \$4,000 per month by City for boiler's failure to comply with combustion pollution standards. Ongoing discussion with Champion Combustion. No update from Marissa.
 - b) Boiler replacement: Salamon Engineering completed boiler design and report was received on 07/05/22. By email vote on 07/12/22, Board approved contract for Salamon to proceed with RFP to contractors and technical evaluation of proposals received for Board review. Once bids have been received, engineering will be available to discuss with Board. Boynton asked whether contract had been signed with Salamon to proceed with bidding. Marissa will check.
 - c) Foundation crack: Salamon Engineering has completed site survey. Supplemental test borings of foundation pillars were completed by outside vendor as approved by Board. Completion of evaluation and design work to correct any problems found is estimated to be completed in mid-August. If significant work is required, cost will be remain undetermined until bidding is completed.
 - d) Local Law 11 - Cycle 9b: Management will schedule meeting with Salamon Engineering and Basonas (facade repair contractor) to discuss scheduling of work for late fall. As of this meeting, although Board approved, contract (\$178,000, plus specified cost per foot for any additional repairs) as not been signed by Highview. Awaiting funding through Special Assessment.
 - e) Elevator fan repair: Bid approved at last board meeting. Now awaiting update on repair.
 - f) Roof exhaust fan (K-line): CRM getting estimates for repair/replacement. Discussed that the only bid received to date did not provide adequate breakdown.
 - g) 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: Salamon Engineering completed design work in 2016. Salamon 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 9B (facade repairs): Repair bidding completed 04/2022, contractor selected 05/2022. Cost approximately \$200,000. Contract to be signed. City requires completion of the work and submission of paperwork by 02/23/23.
- ii) Boiler replacement: Design plans completed 07/05/22. Bidding evaluation contract signed 08/10/22. 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.

- h) Maintenance schedule: Zinnanti will review and share with board at next meeting. No update.
- i) 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.

- 4) Committee Reports:
 - a) Financial Planning. No update.
 - b) Building Beautification & Improvement. No update.
 - c) Rules & Regulations: No update.

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