

# Hillcrest East 25, Inc.

## Condominium Board Meeting Minutes: August 2, 2023

**Call to Order:** Meeting was called to order in the Lobby of Hillcrest East 25, by Steven Hurtig at 7:00pm.

**Board Members Present:** Steven Hurtig, President; Lori Limardo, Vice President/Secretary; Bill Cannizzaro, Member at Large

**Board Members Absent:** Harriet Dinari, Treasurer; Will DeForte, Member at Large

### Meeting Summary:

**First Item on the Agenda:** Steven Hurtig called the meeting to order and began the roll call of Board Members present.

**Second Item on the Agenda:** Steven Hurtig asked Lori Limardo to conduct the voting on the next agenda item. Lori Limardo put forth a motion to waive reading and approve the Meeting Minutes from May 11, 2023 and from July 25, 2023 into the record. Steven Hurtig seconded the motion and the motion was passed unanimously by all Board Members present.

**Third Item on the Agenda:** Steven Hurtig then made a motion to approve the Insurance Renewal with Citizens. Hillcrest East 25 is very fortunate to get approval from Citizens without an increase in the premium for the next year. This is unheard of, considering what is currently happening in the market. It is a bargain relative to what other buildings with less residents are paying which is about 25%-30% more and the insurance isn't as good. We have a 5% deductible versus many who have a 10% deductible. We have a good policy and were fortunate to get it. Steven Hurtig again made a motion to approve the Insurance Policy Renewal. Lori Limardo seconded the motion and the motion was passed unanimously by all Board Members present.

**Fourth Item on the Agenda:** Steven Hurtig asked Lori Limardo to address the next item. Lori Limardo specified that we will vote to approve the hiring of an engineer to perform our Reserve Study. We have not yet selected an engineer for this task so this vote will specifically be to hire an engineer. Lori Limardo then made a motion to approve the hiring of an engineer to perform our Reserve Study. Bill Cannizzaro seconded the motion and the motion was passed unanimously by all Board Members present.

Steven Hurtig added that by Florida Statute we are required to have this Reserve Study performed.

**Fifth Item on the Agenda:** Steven Hurtig continued with an update on the Hotwire installation plans. Hotwire had just informed the Board that the begin date for the installation inside the Units has been moved to August 14<sup>th</sup>. They were planning on beginning on August 7<sup>th</sup> but will now begin calling Unit Owners for Installation Appointments on August 14<sup>th</sup>. After a lengthy discussion, Hotwire has agreed to increase their Installation Teams from 2 or 3 to now having 8 Teams in the building to have everyone up and running by September 1<sup>st</sup>. Hotwire anticipates that they will be able to have 30 Units Installed per day with each Teams working in 4 Units per day. That should leave a couple of days available in case not everyone has had their consultations. Hotwire is working to resolve the permit

issue with the City for hooking up to the power source. Hotwire has advised us that this will be taken care of by August 14<sup>th</sup>.

**Sixth Item on the Agenda:** Steven Hurtig then asked Lori Limardo to address the next item.

Lori Limardo introduced a discussion on the parking lot rules, noting that any Unit Owner in the parking lot may have some observations that would need to be reported. Lori Limardo reminded that the parking lot rules require that all vehicles parked in Reserved Spaces have Hillcrest Identification Stickers affixed to their window and that all vehicles are required to park head first. If any Unit Owner notices a vehicle that is backed in, this will need to be reported immediately to the Guard at the front desk. In the past we have had some catalytic converters stolen from a few vehicles and we want to know who is in the parking lot that doesn't belong. We recently had a vehicle stolen out our parking lot so we are asking that if any Unit Owner sees a vehicle parked out of place or backed in to report it immediately to the Guard.

Steven Hurtig asked Bill Cannizzaro if he wanted to add anything.

Bill Cannizzaro stated that it was his car that was stolen at around 1:00 am. They were very professional as it only took them 6 minutes to get in and drive it out even with an anti-theft device on the car. They had backed into an empty space right next to the car and 6 minutes later the car was gone.

Lori Limardo added that the cameras captured everything that happened and the video has been given to the police.

A Unit Owner asked if Bill Cannizzaro was followed home. Bill Cannizzaro replied that no, his car parked there since about 8:30pm. Bill Cannizzaro continued that it was a 2020 Nissan Maxima and somebody needed that car, that it was probably in a chop-shop somewhere. The engine, transmission and the body parts are worth a lot of money.

Steven Hurtig added that cars like the Honda Civic and Toyota Corolla are very popular cars and the parts are worth more than the whole car to some. Steven Hurtig specified that the theft was right near the building, it was not out in the Guest parking area. They were very brazen and after viewing the video it looked like they had a chip to get in and start the car.

Lori Limardo added that all they needed was the right frequency.

Steven Hurtig explained that they had a scout car that came in first and that they were professionals.

**Seventh and Eighth Items on the Agenda:** Steven Hurtig combined the following two agenda items, concerning Our Parking Lot. Steven Hurtig first announced that the milling of Our Parking Lot has been completed after resolving several issues we had with portions of the finished surface. There are still some lines that need to be painted and the company has agreed to return to complete this task as well. The company has been paid the balance, according to the contract, as the finished surface has been delivered.

Steven Hurtig continued to explain that in the Western area of Our Parking Lot where the cones are located, the underground drain pipe is broken. The water has come up through the asphalt and we have the beginnings of a potential sink hole at that spot. We had a camera that we put through the pipe and have located the actual problem. We have hired a company, called the Plumbing Experts, and are waiting for an emergency permit from the City of Hollywood. As soon as we receive the permit, the repairs will be done and we will be able to get the cones out of the way. It's a very serious problem and a very expensive problem to fix. We have well vetted the company to perform these repairs in the right way. We will be paying \$9975.00 and while we had other bids for \$12,900.00 and \$17,750.00, this company included a one-year warranty for the parts and labor.

**Ninth Item on the Agenda:** Steven Hurtig expressed frustration over the continuous problems that we have had with Our Jacuzzi. Steven Hurtig explained that another part will be installed tomorrow and we expect that Our Jacuzzi will be operational by tomorrow afternoon. The chemicals are in the water, we just need this last part put in. We had been victimized by the supply chain issues, we had several leaks that had to be found and fixed, we had skimmers that needed to be replaced, some valves needed to be fixed and several parts that had to be purchased. It has been a very long process but it has been done correctly. Red Rhino, the premier company in Florida, has been doing the repairs and we expect that Our Jacuzzi will be up and running tomorrow.

**Tenth Item on the Agenda:** Steven Hurtig reminded that we have a rule that has not been enforced, concerning everyone taking a shower before entering the pool or jacuzzi. In actuality, everyone is on the honor system because no one is really out there to ensure these showers are taken. It is apparent however that not everyone has taken their showers because what has been happening is the sun block material has caked onto the side and to the bottom of the pool. This material is very difficult to remove and is causing our pool maintenance people excess time to clean. If everyone would take their showers, then we would not have to struggle to remove the sun block from the swimming pool or jacuzzi walls. Lori Limardo added the reminder that we have a shower out by the jacuzzi for everyone to use. So when anyone is sitting out there in the Sun with sun block on and decides they want to go into the water, please go over to the shower first and rinse off before going into the water. Steven Hurtig added that we had just repaired the railing that surrounds the shower so it is all set to go.

**Eleventh Item on the Agenda:** Steven Hurtig explained that we have had an unusual number of large repairs this year. Specifically, we had to have an electrical board made by Otis for Elevator #2, which has been out for approximately two and a half weeks. This was very expensive but we had to wait for Otis because these parts are not made anymore.

We had to get a new condenser for the air conditioning which was put on the roof.

We had four common air conditioning units that we had to replace at approximately \$6000.00 a unit.

We have had a significant amount of pipe leaks that we have had to take care of.

Repairing the drain in the West Parking Lot will cost almost \$10,000.00.

The jacuzzi repairs will total to about \$8,000.00.

Earlier, we had also put in some additional landscaping on the islands in the front of the building which was around \$7,500.00. We had simple dirt there and this landscaping definitely beautifies and livens up the entrance to our building.

The repairs and the improvements to the property have already paid off. We have been getting record prices for the units in the building as they have never sold this high before in the history of our building. People seem to want to get into this building as we have a waiting list right now, though we have nothing for sale at this time.

**Twelfth Item on the Agenda:** Steven Hurtig asked for the audience to participate in the discussion on the mandated reserves we will have to incorporate in January 2025. Steven Hurtig reminded that we will be required to have fully funded reserves, beginning in January 2025, based on the current legislation. That legislation may be tempered down but the days of waiving reserves are over. We will have to have reserves to some extent. On that note, Steven Hurtig asked the audience by a show of hands, how many people would be in favor of having partial reserves in 2024 budget. This would be to hedge some of totals that we will need in 2025.

A Unit Owner asked what exactly partial reserves means.

Steven Hurtig answered that fully funded reserves would be required in 2025. Our old reserve schedule for fully funded reserves will be replaced with a new reserve schedule. This new reserve schedule for fully funded reserves will be less than the old one because we had made many different improvements in the building. For example, instead of having to replace the cost of our roof in two years, we have eighteen years to accumulate the replacement cost of our roof, therefore each year, it will cost us less. There are many other major improvements we have made that will extend the years to accumulate the replacement costs of those items. We don't yet know the actual numbers but amount to be reserved will be divided by the size of each Unit. Fully funded reserves will require the replacement cost of each item divided by how many years before that item needs to be replaced. For partial reserves, we would be looking at a dollar amount rather than a percentage because we do not yet know the final amount. Any partial reserves that we may have in 2024 would be to lessen the burden of the mandated fully funded reserves in 2025. An example, if fully funded reserves in 2025 would be \$200.00 per month, maybe partial reserves in 2024 could be \$50.00 per month. It would be a good idea to get started with accumulating reserves since we know the legislation will require some form of reserves. A substantial number of hands went up followed by additional questions.

Steven Hurtig explained that when we vote on a budget, we cannot have three choices on the ballot (full reserves, partial reserves, no reserves) because we have to have a majority (50%+1) otherwise we would be forced to fully fund reserves in 2024. We can only have two choices on the ballot and the way it looks right now, perhaps the choices are between having full reserves or partial reserves. We will ask other Unit Owners in our building as well before the Board votes on how to approach reserves for next year's budget.

Another item that would have to be reserved for is the Emergency Life Saving System. If we are forced to install this sprinkler system and comply with that regulation, it could cost around \$750,000.00. The feedback that we are getting from Tallahassee right now is that this will get kicked down the road to 2027. It is not yet official but if that holds true then we will not have to include that in our reserves.

A Unit Owner asked what happens to the reserves.

Steven Hurtig answered that the money is held in a bank until a reserved item needs to be replaced. Steven Hurtig reiterated that because of the many improvements we have already made, we will be able to spread our reserves out significantly. This as opposed to a building that hasn't done anything and will need to reserves lump sums to pay for their replacements. We are not in that position.

Lori Limardo added that the only reason we are even approaching this discussion is because of the legislation imposing the requirement of reserves. We have always had the option of waiving reserves. Our building has functioned very well without having reserves and with very few assessments. This last assessment we had was the first in several years. The last assessment we had was to replace our roof but Unit Owners could get that reimbursed from their individual property insurance policy. We have taken care of our building very well and are ahead of the curve on most repairs and improvements. Yet they are now forcing all buildings, three stories or higher to have reserves. That's the only reason we are having to touch this issue.

One Unit Owner asked why the legislation is requiring reserves.

Bill Cannizzaro answered that the legislation was responding to the collapse of the Champlain Towers. The legislators thought that because Champlain Towers lacked sufficient maintenance, then requiring all buildings to have reserves would alleviate the insufficient maintenance issues.

Steven Hurtig added that the Champlain Towers was the catalyst for this legislation. There were 98 people that died and they were blaming it on lack of money. The politicians jumped on it and in essence are making everyone pay for the negligence of the people in Champlain Towers. The

atmosphere in Tallahassee is changing right now because the legislation was a knee jerk reaction and they are realizing the repercussions.

Lori Limardo added that she had studied the Champlain Tower South Collapse in depth, beginning the morning that it happened in June 2021. This included studying the blueprints and other various documents that were released by the City of Surfside. Lori Limardo gave the opinion that reserves would not have saved that building. The proof was in the loan that was acquired the January before the collapse. The engineer's inspection report from 2018 originally pointed out various repairs that needed to be made yet these repairs were not made. The City of Surfside accepted this 2018 inspection report. If this loan would have been acquired and the repairs made in 2018 or even in 2019, then this building likely would not have collapsed. There were other even earlier aspects of the Champlain building that likely have contributed its collapse, including adding a 13<sup>th</sup> floor only to the section that fell without increasing the PSI strength or thickness of the concrete columns and by hooking the rebar of the pool deck to these columns instead of adding crossbeams to sustain the weight. Lori Limardo had stated these points and more to anyone who would listen, including the Florida State House member from our District.

Steven Hurtig added that we are being penalized for a situation that is very different from our own. Hillcrest is not on the beach with the exposure of direct salt air, we have done our 40-year Recertification and have complied with everything that we needed to do. Yet we are being forced to fully fund reserves when we really do not need to in order to maintain Our Building properly.

Lori Limardo added that we do not have an underground parking lot like Champlain did.

There were several questions concerning reserves and some additional discussion before moving on to the next agenda item.

Steven Hurtig answered the questions and stated that at this time we do not know the actual amount that will need to be reserved.

Lori Limardo added that we have made substantial improvements to Our Building and that those improvements will lessen the overall amount that we will need to reserve.

Bill Cannizzaro explained that reserves are figured based on the remaining life of the various structural items of Our Building.

Steven Hurtig continued to explain the different categories that are expected to be reserved for as well as that the legislation no longer allows pooling of the funds which puts constraints on how the funds are used.

**Thirteenth Item on the Agenda:** Steven Hurtig asked Lori Limardo to discuss the various inspections we will be required to have performed.

Lori Limardo cited the new legislation, requiring additional inspections and reserve studies. This will be an additional cost that will need to be included in our monthly maintenance. The new Structural Inspection has two phases. This inspection delves into every aspect of the structure of Our Building. The first phase is performed by an engineer who does a visual inspection throughout Our Building. If we pass the first phase, then we do not need the second phase. However, if we do not pass the first phase, then the second phase will be a more invasive testing routine on the area(s) that failed the visual first phase.

Steven Hurtig added that we will also need a milestone inspection and that this legislation has added a lot of regulations for us to comply with that will cost us a lot of money.

**Fourteenth and Fifteenth Items on the Agenda:** Steven Hurtig asked Lori Limardo to discuss the next agenda item.

Lori Limardo stated that we have had a lot of delivery vehicles entering our parking lot that have parked in some of the Unit Owner's reserved spaces right in front of Our Building. These delivery people try to dash in, dash upstairs and dash out but meanwhile a Unit Owner comes home and cannot park in their own reserved space. The Front Desk Security Guard has tried to ask these people to move but sometimes arguments occur. To avoid this, we have added a new sign, directing delivery vehicles to continue through the front area to the stop sign where another sign points to Our Service Area as their designated parking.

Lori Limardo continued, reminding that as stated in Our Rules and Regulations, Unit Owners are responsible for their visitors while on Our Property. This includes the delivery people when Unit Owners call for such services. We have plenty of designated parking spaces for delivery vehicles. If a delivery person does not abide by these rules even when the Front Desk Security Guard asks them to, then the Security Guard will need to call you and have you instruct the delivery person accordingly.

**Sixteenth Item on the Agenda:** Steven Hurtig stated that on a couple of occasions there have been some issues with Unit Owners and Personnel in Our Building. Whether it be with Our Maintenance People, Security People or Vendors that come to our building, some arguments have taken place. As President of Our Building, there is great respect for Our Maintenance People, Our Security People and Our regular Vendors. The members on the Board treat them well and do not want to see them disrespected by Owners in Our Building who may think for some reason that they are a tier above these people. We are all individuals on the same level and we should all speak respectfully to one another. If there is a problem with somebody, then you should bring it to the office rather than having to yell in Our Lobby or in Our Corridors. Our Rules and Regulations refer to such behavior as Non-Decorous Conduct in Our Common Areas. Occasionally we have Real Estate Agents here and we have numerous visitors who should not need to witness such behavior. It creates a very bad impression of Our Building that is totally unnecessary. We feel that we have a very good staff of people here and we want to keep them here. If there is any kind of problem, then please bring it to the office.

**Seventeenth Item on the Agenda:** Steven Hurtig stated that we have had some problems with renovations. Some Unit Owners who want to perform their renovations are not supplying the proper forms and are not handling it in the way that it is supposed to be handled. Steven Hurtig asked the Unit Owners present if they understand the process for renovations from beginning to end.

A Unit Owner raised their hand and listed several steps.

The complete process is as follows:

- 1) Fill out a Renovation Form.
- 2) Submit the Contractors Business License and Insurance Coverage, naming Hillcrest East 25 in the lower left corner of the policy. This is to protect us from Workman's Compensation Claims.
- 3) Reserve the Service Elevator Two Days in advance with the Security Guard. This is to avoid multiple major projects which will tie up the elevator on different particular floors and drag out each project.
- 4) Submit a \$500 damage deposit check to the Security Guard. This check will be returned uncashed if there is no damage when the renovations are completed.
- 5) Request the Corridor Floor Boards to protect our new carpet which includes a nonrefundable \$25 charge. This is essential. These floor boards have sustained paint drippings and other damage that otherwise would have compromised our new carpet. Our Maintenance People will put the boards out before the renovations begin and pick them up after the renovations are completed.

A Unit Owner asked if the office could send out this information.

Steven Hurtig responded that each Unit Owner is given this information at the initial interview but that the office with email blast this information again.

**Eighteenth Item on the Agenda:** Steven Hurtig asked Lori Limardo to speak about Hurricane Preparedness.

Lori Limardo reminded everyone that we are currently in the Hurricane Season and to prepare just in case a storm comes our way. We have posted a list of essential items as a guide to what you may need to prepare and withstand the aftermath of a storm. You can find this list in the Mailroom, at the Front Desk and when other Notices have expired, this list will also be on each of the landings by the elevators. Lori Limardo noted that Our Building is lucky in the sense that we are on the same grid as the hospital across the street. Usually as soon as the hospital power is restored, ours will be restored as well.

A Unit Owner asked about Our Generator.

Lori Limardo responded that as soon as our power goes out, Our Generator will power up Our Common Areas. Our Generator power does not reach inside of the individual Units.

Steven Hurtig added that our old generator was hooked into all of the elevators together so if one went out, they all went out. Now each elevator is hooked up to Our Generator separately so that there is independent service which is an important safety feature.

Bill Cannizzaro reiterated that it is a very important safety feature.

**Nineteenth Item on the Agenda:** Steven Hurtig then asked if there were any comments or questions on the agenda items we have discussed. There were several questions which were all answered.

**Twentieth Item on the Agenda:** Steven Hurtig then made a motion to adjourn the meeting. Bill Cannizzaro seconded the motion and the motion was passed unanimously by the Board Members present.

**Meeting Adjourned:** 8:07pm