

Winston Towers 600 Special Board Meeting

July 7, 2021

07:00 PM, Virtual Meeting

The meeting was held via an online meeting platform (GoTo Meeting).

Mrs. Dolores Bolano, President of the Board of Directors, asked Mr. Samuel Golberg, Treasurer of the Board, to preside over the meeting. Mr. Goldberg called the Unit Owners' Meeting to order on Wednesday, July 7, 2021, at 07:00 PM, and presented the agenda:

1. Verification of Quorum - Call to Order
2. Discussion and Adoption of the Special Assessment
3. Questions and Comments
4. Adjournment.

Mr. Golberg explained that the reading of the minutes of the last special meeting in December 2020 were waived, as these were approved in the December 2021 Budget meeting. He then called roll: Mrs. Dolores Bolano, President of the Board, Mr. Augustin Puyans, Vice-President of the Board, Ms. Virginia Santoni, Secretary of the Board, Mr. Samuel Golberg, Treasurer of the Board, and Directors Mr. Bernard Etheart, Mr. Jeffrey Waxman, Mr. Seymon Peltz, and Mrs. Rosana Rodriguez were present; Mrs. Sophia David was not present at the time of roll call, but joined a little later. Having 8 of the 9 Directors present at the time of roll call, quorum was verified.

Mr. Golberg then moved to Item 2: Discussion and Adoption of the Special Assessment. Mr. Goldberg reported that Notices for this meeting were emailed, and posted in the building, on June 22, 2021. Mr. Golberg explained that the purpose of the special assessment in the amount of \$850,000.00 is to:

1. Collect \$345,000.00 for insurance shortfall
2. Collect \$505,000.00 for contract signing initial deposits to structural engineering and construction companies.

He explained that the money received from the sale of the land for the pedestrian bridge cannot be used for anything other than building improvements; if we use the money for anything else we would have to pay about 30% in taxes to the federal government. However we can borrow from that money to make payments, but we must pay it back in a certain time period; therefore under the advice of the CPA, we borrowed \$502,000.00 from the Pedestrian Bridge account to pay the 2020 insurance premium and are in the process of paying back the account on a monthly basis in 36 months, which comes out to \$13,944.44 a month, with about 20 months remaining. For 2021, we also have payments in the amount of \$51,748.00 in flood insurance, \$3,363.00 in workers compensation insurance, \$534,807.00 in building insurance, and \$108,907.00 in liability insurance; this is a total of \$ 698,825.00 in insurance premiums, which comes out to \$58,235.42 a month. Our 2021 budget is slotted for \$48,341.67 a month, however our current premium coupled with the repayment of the money borrowed from our Pedestrian Bridge account, total \$77,095.00 a month for two years of insurance (2020 and 2021); this has resulted in a shortage for insurance payments of \$28,783.52 per month or around \$345,000.00 for the year.

Second, we must make deposits to the structural engineering and construction companies for the repairs for the East side of our building, which has severe structural damage such as cracks, spalling and structural issues related to balcony concrete deck, concrete slab, concrete walls and columns. In addition, there are water leak issues inside some apartments, also evidence of several unsafe structural conditions that require immediate attention. For example, two to three weeks ago, we signed a contract with Best Roofing Company for the total replacement of our roof; the contract is for approximately \$800,000.00, at the time of the signing we had to pay 20% of the contract, which is about \$160,000.00. Given the issues of the collapse of the building in our neighboring city, Surfside, the situation with engineers is crazy, and they are demanding 50% downpayment. We are in the stages of contracting a structural engineering company that will be inspecting every wall and balcony, and conducting the 40-year examination, which includes the structure of the building, the electrical system, and overall safety of the building. At this point, it is very hard to find someone to complete the works, and the government of Sunny Isles has begun daily inspections, and is issuing citations giving 30 days to correct the cited issues. To remediate this urgent situation, we need to hire a structural engineering company and a general contractor to do these priority emergency structural repairs on the East wall and balconies on the East side of the building lines 19 and 01, so the Board is asking for \$505,000.00 because we do not have enough money in our operational account to make the down payments. If approved, the special assessment will have the following method of payment: the total amount will be divided by 391 condo owners according to unit type and square footage of each unit, then the result will be divided into equal 6-month payments which will start August 1, 2021 and the last payment would be January 1, 2022. (See Proposed Schedule of Special Assessment payments below, or refer to the emailed notice). This method and calculations have been verified by our corporate CPA.

<u>UNIT TYPE</u>	<u>Total Special Assessment per unit</u>	<u>Six Equal Monthly Payment Amounts starting 8/1/2021</u>
A	\$3,304.00	\$550.66
A - Special	\$3,419.00	\$569.83
B	\$2,600.00	\$433.33
B - Special	\$2,233.00	\$372.17
C	\$2,635.00	\$439.17
D	\$2,166.00	\$361.00
E	\$1,792.00	\$298.67
F	\$1,625.00	\$270.83
F - Special	\$2,510.00	\$418.33
G	\$1,254.00	\$209.00

Mr. Golberg then opened the floor for the special assessment discussion and comments, item 3 of the agenda. He reminded everyone that this discussion is of the special assessment only, if any one has any other business to please reserve it for the end. He also asked that those speaking please state their name and unit number.

The following are some of the comments (C), questions (Q) and answers (A) posed:

- Q: Irene Mashkovich, Unit 1409, asked what was the money borrowed from the Bridge account spent on?
- A: Mr. Golberg answered that in 2020, the Board approved to borrow 502,000.00 to pay for the 2020 insurance premiums; we are paying \$13,944.44 in 36 monthly payments.
- Q: Angela Arango, Unit 2402, asked if our regular maintenance fees do not cover the payments of insurance premium?
- A: Mr. Golberg answered that currently our monthly income is \$217,336.17, and our monthly insurance payment is \$77,095.19, which is 35% of the budget; we are paying 13% more than the budgeted amount of \$48,341.67.
- C: Ms. Arango voiced her concern that we waited too long to raise this money. Mr. Golberg answered that the Board had voted on not raising the maintenance fee for 2021, and this is the result.
- C: Dolores Bolano, President of the Board, added that unfortunately, the insurance companies in South Florida are getting out of the business of insuring large buildings and as a result of this phenomenon the cost and premiums for insurance are skyrocketing; there are only one or two companies left, and we must either pay high premiums or not be insured. And for 2022, it will be worse after the events of the Champlain Towers collapse, it is estimated the premiums will triple.
- C: Mr. Golberg agreed that the premiums will likely go up substantially, we are all aware of what is happening. He had gotten a quote for his H-06 insurance in the amount of \$683.00 after the collapse, when he called to purchase the insurance, he was told it was now \$2,300.00. Unfortunately, this is out of our control, and we are not here to discuss what happened before, nor why we didn't do this or that, we are here to move forward. Currently, the building is in bad shape after 20 years of neglect; prior to the Surfside collapse, city engineers would come and spend minutes inspecting and would leave, now they are spending hours and writing up every little thing that they find, and giving us practically no time to correct the issues. He spoke to the city official and explained the procedure for bidding and contracting, and they do not care how involved the process is, they want things done immediately. After an inspection last week, they called the RTI, the company performing the garage repairs since October of last year, directly and demanded that 125 additional shoring be placed in the first and second stories of the garage. The additional shoring was placed, and as result many parking spaces, and much of the garage was closed, and that is costing us an additional \$25,000 every three months. We were not consulted on this matter, the city simply said place it, or we condemn the building. Mr. Golberg expressed that we can discuss this for hours, but we must acknowledge that this is a matter of safety and ensuring people are not harmed, so we have to act.
- C: Sessine Najjar, Unit 1019, commented that appreciates the Board's effort and work in ensuring our building is safe. He feels better having heard all that is being done, and we need to spend whatever is necessary because we are more anxious about our safety now, than ever, and we have no choice. When we look at the numbers it is an emergency, but it is hopefully not back breaking to anyone; we should move along with this and safeguard our property. He recognized that the most important matter is saving lives and protecting lives.

And he would like the rest of the owners to join and to move along with this as soon as possible.

Q: Alina Sosa, Unit 2212, commented that she wanted to get to the matter at hand: what is going on with the building. She thanked the Board for all they are doing and that she understands that the Board is really trying in the midst of this difficult situation, and asked if we would be discussing the safety of the building?

A: Mr. Golberg answered that the purpose of the meeting is **only** to discuss the special assessment.

Q: Mrs. Sosa followed up by saying that given the importance of the safety of the building we need to discuss this issue, and if not there is a meeting on Saturday to discuss the safety, what is happening with the building and what measures are being taken.

A: Mr. Golberg expressed that he had no knowledge of any additional meetings; the points she raised are important, but that is a long conversation and we should stick to the agenda and discuss the matters at the end of this meeting if we have time. He explained that he had spoken to the President of the Board about holding an in-person meeting for those who do not have the ability to join a virtual meeting to discuss what is being done not in a Board meeting, but more of a town hall meeting, but it has not been confirmed. If such a meeting is to be conducted, it will be posted around the building three to four days before the meeting.

Q: Margarita Knezaurek, Unit 804, commented that there is no question that we need the assessment, and it should be approved already. However, she wanted to be informed about the companies being contracted, and the bidding process; are the companies reputable?

A: Mr. Golberg noted that Mrs. Knezaurek raised some very valid points and would like to address them, but before moving on he wanted to ask if anyone was against the assessment.

Q: Igor Gelman, Unit 1507, commented that he is not against the assessment but wanted to know how much money we have left in the bank from the Pedestrian Bridge and the insurance settlement? He understands that every meeting should have a treasurer's report, and how much money we have in our accounts.

A: Mr. Golberg replied that he was not prepared to answer this question since this was a special meeting to discuss and vote on the special assessment only, but given a couple of minutes he can verify the amount. Upon verifying, Mr. Golberg communicated that we have \$1,709,137.75.

C: Mr. Gelman followed up by commenting that the money in the accounts can be used before placing an assessment. Why are we not using that money first, before placing an \$850,000.00 assessment?

A: Mr. Golberg explained that money is already slated for other repairs already contracted such as the final payment for the HVAC system repair and replacement (\$120,000.00), the garage repairs (\$973,000.00 without taking into account the change orders), and the roof replacement (\$800,000.00). That is all the information he can share at the moment; a meeting to present the finances will be forthcoming.

C: Mr. Igor requested that a meeting to explain the finances be held in the near future, because we have money, but we don't have money because the amount in the bank is already slated for other projects. He recognizes that the money is not being mishandled, but people need to know what we have and where the money is going.

Q: Alan Kaul, Unit 2311, asked if we could separate the assessment into two assessments: one to replenish the insurance shortfall and one for the construction works? That way we are not mixing the two concepts. He suggested that we delay the \$505,000.00 construction deposit assessment since it is not enough money to cover everything needed, and we need more than 3 weeks to start paying that assessment on August 1st. He explained that some of the unit owners may have coverage for the repairs of the building under their homeowners' insurance, and may need time to organize their finances. He suggested we delay the construction assessment until September 1st.

A: Mr. Golberg thanked Mr. Kaul for his comments.

Q: Terry Barkel, Unit 1907, commented that we know that the assessment is not the last one, shouldn't we be assessing and planning for the next repairs to cover the 40 year recertification, so people are prepared? How much will we need to pay over the next couple of years, since this assessment is practically a drop in the bucket? She commented that as homeowners we have to perform repairs and maintenance on our homes, and our maintenance fee is not covering our maintenance of the structure, it covers other water, and other everyday expenses. We are going to need an assessment, but we must be prepared on how much we will have to pay out to cover the 40-years repairs as well the structural repairs we are facing now. She concluded by expressing that she appreciates all the Board is doing, but we need to be realistic about how much this is going to cost.

Q: An unidentified unit owner asked if there was any way Mr. Golberg could provide more details about the assessment considering that the letter said the repairs will be made to the East wall and the balconies? What exactly is it that the assessment is going to cover? Is it the repairs, or just to pay the engineers to review what needs to be repaired? What is the plan? What is going to be done? And what are the other assessments that will follow?

A: Mr. Golberg answered the last two questions by explaining that the Board of Directors had 6 structural engineering companies bid for the works of fixing the walls and the balconies. The Construction and Remodeling Committee analyzed the bids and recommended 2 companies for consideration. The Board of Directors interviewed the 2 companies, and both companies operate the same way: first, they give you a proposal of their charges for creating bidding documents for the contractors and the costs of the workers that will be hanging from the roof to work on the balconies and inspecting each wall, once they write up their findings, they prepare a budget of repairs to present to the city for approval. Before anything is presented to the city, we must pay them a big percentage of money for their services; so we cannot present the amount of money until the engineers have finished their inspection. This is not including the works on the roof, which will be performed by another company (Best Roofing Company) already hired, and are working on presenting a plan to the city, and the structural

engineers (RTI) working on the garage repairs. All this is being done in stages, so the idea that we can get a budget once and that will be the final number is unrealistic. Right now, all we can do is present what the down payments are projected to be, so we need that is what we need the money for.

Q: The unidentified unit owner wanted to confirm that the assessment is only for the engineers to review what repairs are needed?

A: Mr. Golberg answered that the assessment is to pay the 20%-50% down payments for structural engineers, management company, and works to be started. We are currently working with a management company that will supervise and coordinate all the repairs because we have no talent, resources, nor ability to manage this project. We need to have a management company that specializes in this kind of project; they will be around from the beginning to the end of the recertification project, with the exception of the garage project and the roof project.

C: The unidentified unit owner agreed that we need to hire a company to do things the right way and we need to pay to get the building back in shape, because right now she is afraid to go on the balcony with her children.

A: Mr. Golberg explained that we are hiring this company because they have a great reputation and are very respected in their field.

Q: Irina Kizunov, Unit 817, asked what the name of the company we hired?

A: Mr. Golberg explained that the company has not been hired yet, we are still negotiating with LTM Group. He explained that the city is pushing us; the city came in and gave us 3 days to place additional shoring on the East wall and the garage or they would close the garage, so the next day we quickly had it placed to address the city's demands.

Q: Alexis with Perfect Solutions Real Estate, for Unit 1409, asked if the pool and tennis courts are part of the assessment as well?

A: Mr. Golberg explained that we have a violation from the city in regards to the tennis courts. They feel the tennis courts need to be shored up and fixed. If you go to the garage on the side of the tennis courts, you will see that you cannot enter, and the parking spaces had to be moved because that area as well as the pool is all shored up due what they deemed an unsafe situation. They said additional shoring must be placed, and if they went to inspect a balcony and found it was not shored up, they would condemn the building as they have in other buildings in recent days.

Q: Tony Schneider, Unit 1114, first commented that wanted to thank the Board for everything it is doing. Then he commented that we shouldn't have to place an assessment to cover insurance, it should be covered by the maintenance fee; please budget accordingly. He hopes we can get the building fixed, he asked us not to be cheap and let's try not to do a lot of small assessments, but just do one big one, like for \$10,000.00; it is his opinion that it is easier.

A: Mr. Golberg answered that there will be a budget created by the management company we are going to hire; they explained it would take them between two to three months to come up

with said budget. As soon as this budget is created, this assessment will be paid off, and most likely we will have a big one.

C: Timur Miunov, Unit 2103, expressed that the Board is doing a great job. He is new to the building, and is just as concerned as everyone else. He does not live in the apartment, but chose the building because of the location and he understands that it is not in great shape, but we should go ahead and remedy that. He commented that the insurance issue is out of the question, we should unanimously vote to pay for the insurance, we need to have insurance in case something happens to the building. AS for the second issue, if this is the amount we need to ensure that our garage and building is safe, lets go ahead and do it. If we can spread it out over a couple of months it is better than being slapped with one huge bill, which is what is going to happen to all the buildings in the area, and engineering services are going to quadruple. We need to act now, the sooner we do this the cheaper it will be; we need to be ahead of every building in the area. He thanked the Board for all they do and expressed that he is 100% for the assessment, and requested that the Board have the numbers available in the office for people to review, and scrutinize that we are not being taken advantage of by the construction companies.

C: Diego Garcia, Unit 1214, expressed that he totally agrees with Timur's comments; it is urgent and we need to move forward with whatever needs to be done.

Mr. Golberg then moved a motion to approve and adopt the special assessment and payment method, Mr. Puyans seconded the motion. Mrs. Dolores Bolano, Mr. Augustin Puyans, Mr. Samuel Golberg, Mr. Bernard Etheart, Mr. Jeffrey Waxman, Mr. Seymon Peltz, Mrs. Rosana Rodriguez, Mrs. Sophia David and Ms. Virginia Santoni unanimously voted in favor of approving and adopting the special assessment and payment method; the motion carried.

Having completed the agenda, Mr. Golberg moved a motion to adjourn the meeting, Mr. Puyans seconded the motion, all were in favor, the meeting was adjourned at 8:05 PM. Mr. Golberg added that if he decides to hold an in-person town hall meeting on Sunday at 3:00 PM in the lobby conference room, he will post it in the building; he reiterated that it is not a Board Meeting, it is a town hall meeting.

Minutes submitted by the secretary, Virginia Santoni

Virginia Santoni, Secretary of the WT 600 Board of Directors

Samuel Golberg, Treasurer of the WT 600 Board of Directors, Presiding agent

Mrs. Dolores Bolano, President of the WT 600 Board of Directors