

FINAL
5000 BOARDWALK CONDOMINIUM ASSOCIATION
UNIT OWNER'S MEETING
October 9th 2016
MINUTES

THOSE PRESENT:

Ron Cook	President
Stephen Barnett	Vice President
David Meyer	Treasurer
Kenneth Rubin	Assistant Treasurer
Miriam Holzman	Secretary
Philip B. Papier Jr.	Director

VIA TELEPHONE:

David Gold	Director
Sandy Montano	General Manager

President Cook called the Executive Meeting to order at 9:30 a.m.

Closed session at 9:35 a.m.

President Cook called the meeting to order at 11:00 a.m.

President Cook opened the meeting and Vice President Barnett gave the Decorating Committee report. There will be standardization to all the cabanas doors at the pool over time. President Cook discussed the Five-Year Plan and the situation with the chillers. GM Montano gave the Managers and Physical Plant reports. An even more thorough The Five-Year Plan will be derived from two sources; the Becht report and Czar Engineering. The Becht Report is done by an engineering firm who does a boiler plate review of the building. Czar Engineering comes out and physically examines the building, it is the more practical study of the two. According to the Czar Engineering report, the building will need about \$1.67m in capital improvements.

Treasurer Meyer gave the Finance Committee report. There is currently an outstanding loan that will expire in 2020 with a balance of \$1.7m. Due to an interest expressed by a number of unit owners to engage in hallway improvements, Treasurer Meyer and the Board has announced a proposal for a loan of \$4.6m, 1.7m will be used to pay off the existing loan. The remainder of the funds will be used for the capital improvements and hallway improvements.

The principal amount of \$4.6m will be at a fixed interest rate of between 3.55% and 4.2% over a 10-year term. There will be no assessment of any unit owners. There would be an increase of maintenance fees of about 2-2.5%. Dr. Maiese #806 asked Treasurer Meyer to explain the alternative of doing an assessment and financing their own prorated portion in lieu of borrowing through the association. Treasurer Meyer responded by saying that the amount that unit owners would face is a substantial amount of money and would require most unit owners to take out a loan at their own risk and the Board did not believe it was appropriate.

Dr. Maiese asked if he were to take out a loan himself would the condo fees be much less? Treasurer Meyer said it would be about \$12-\$20 a month less depending on the size of the unit.

Mr. Rosenfeld #1402 asked how quickly the building would be repaying the existing loan? Treasurer Meyer responded that the existing loan would be repaid immediately.

Mr. Rosenfeld asked the Board to explain to everyone that the new loan would be paying off the existing loan and the rest of the funds will be used for improvements. Treasurer Meyer explained that the Board is essentially extending the loan for an additional six years at a lower interest rate.

Mr. Rosenfeld questioned when the last time the Board had reviewed the reserve account?

Treasurer Meyer said the Board does review the Reserve account. Mr. Rosenfeld stated that the increase or decrease in value of the Reserve account could be out of line based on new money value. GM Montano stated that our reserves hover around one million dollars. The Reserve account is at 80% in accordance to a Becht report and right on the money with the engineering report, which is more accurate with the building.

Mr. Rosenfeld also asked if the Penthouse hallway would be renovated? Vice President Barnett said it is included and will be done simultaneously along with the rest of the hallways.

Mark Hoffman #801 asked if the reason behind the Board taking out another loan is because there is not enough in the Reserves for the capital improvements?

Mr. Rosenfeld responded to Mr. Hoffman by saying that the value of funds changes and the Board should look at the Reserve account every second or third year in order to figure out if there truly is not enough money.

Jennifer Hoffman #801 wanted to know the size of the interest payment and if we will have enough money in the end. Treasurer Meyer said that the interest payment is at 3.85% fixed rate and Mr. Hoffman said that the interest would be \$81,000 a year.

Jay Shrager #1704 talked about his profession of trading stocks and funds. Mr Shrager stated he could buy chillers and carpeting at a much lower price than the Board. He also mentioned a Freon injection into the existing system which could save the building about \$100,000 a year.

Mrs. Conti #1218 asked if there would be an assessment of Unit owners if the Board needed to borrow more money. Treasurer Meyer said at this moment there is no reason to believe there will be a need for borrowing more money than what is being discussed at the moment. President Cook said that these figures are based on Czar Engineering reports.

Mrs. Koenig #1613 asked if we had a prepayment penalty on the loan. Treasurer Meyer said that on the current loan there is prepayment penalty but on the new loan there would not. GM Montano and President Cook both said that it is 2% for the prepayment penalty on the existing loan or about \$30,000. President Cook and Treasurer Meyer will try to negotiate terms for a new loan with Firstrust Bank from whom the Board borrowed for the existing loan.

Mr. Purdy #1106 commended GM Montano and the Board for the engineering reports and for periodically examining the reserves. Mr. Purdy said that the engineering report didn't recommend the improvements to the hallways and that 1.1m in renovating all the hallways is a large amount of money for which there should be a referendum amongst all unit owners before taking out the loan.

Mrs. Abrahams #1201 said that in 2014 the Board took out an assessment but didn't call it an assessment and that the same thing is occurring again on this loan. President Cook said that the money assessed was for the increase in flood insurance. The Board had to pay it and it was due to a bookkeeping error in 2013

Mr. Raisman #209 said that the Board should go through with this loan while interest rates are low in order to renovate the building and make it the best looking building on the boardwalk.

President Cook stated that the building saved about \$100,000 on the budget due to plugging holes up, and efficiencies done by management, and maintenance. The 2016 budget is in good shape. Treasurer Meyer said that the buildings budget is on plan. President Cook will add some new language to the Rules and Regulations due to the electric car charger, new language to Parking regulations, increase in fines for smoking to \$250, and new language to beach paraphernalia left out in the hallway. The new rules and regulations will be prepared if

anyone wants a packet. President Cook advised residents looking for new windows to notify the front desk because it's getting more difficult to replace them with the same supplier economically.

President Cook opened the meeting up to questions:

Mrs. Weiner #211 told the Board about repeated smoke odor in her unit and she cannot put up with it any longer. Mrs Weiner's husband has a lung condition and it is affecting their way of life. GM Montano told her that she has vetted out all but two problems. The building staff cannot break into units but they can try and locate where the smell is coming from. Mr. Papier also mentioned to Mrs. Weiner that the fine was raised.

Mr. Raisman #209 asked if there is appropriate signage through the building that it is a non-smoking building. President Cook said it would be included it in every newsletter.

Dr. Corson #1117 asked if the Board is going to follow up on Mr. Shrager's discussion. Vice President Barnett told Mr. Shrager any input would be welcomed. Treasurer Meyer also said if Mr. Shrager could connect the Board with a lender who can give more favorable terms then the Board would certainly listen.

Mrs. Gordon #1805 had a question about the city requiring the building to shut off the air conditioning. GM Montano said that the ordinance is based on temperature retainage in which the coldest room of a building or housing unit has to be kept at a minimum of 68 degrees.

Mrs. Bogash #1604 commented about her smoking problem and how GM Montano and the staff have been working to help resolve this issue. Mrs. Bogash is in favor of putting a letter under each unit along with an added increase to the fine.

Mr. Hoffman #801 asked if the fine pertaining to smoking remained the same and never increased? GM Montano said that the fine goes up to a \$1,000 and there is no limit to the number of times of being fined.

Mr. Hoffman also asked if the budget for 2017 is in balance. Treasurer Meyer said that it is in balance.

Mr. Shrager #1704 praised the Board and GM Montano for their work. Mr. Shrager mentioned that his father built the wooden 5000 sign outside of the building and asked if he could have permission from the Board to restore the wood and paint it with a sealant. Mr. Shrager also recommended placing solar powered lights along the 5000 building to better illuminate it. Vice President Barnett said he would follow up with Mr. Shrager.

Mrs. Koenig #1613 asked if instead of sending out a notice about smoking in the newsletter, to put signage in the communal areas, and bathrooms around the building? President Cook and the Board will review it.

Mrs. Conti #1216 mentioned that she was once told that because condominium units are private property that it is illegal to tell residents they cannot smoke. GM Montano said that there was a technical provision that depending on the year you purchased the unit, the enforcement of “no smoking” in your specific unit would correspond to the rules in place at the time of purchase.

Mr. Purdy #1106 told GM Montano that in the newsletter it mentions turning the thermostat to 58 degrees. GM Montano said that it was a typo and should read “ Turn off thermostats.” Mr. Purdy asked if the railing above the front pool wall could be changed to plexi glass? GM Montano said that it could be reviewed by the decorating committee and the Board. Mr. Purdy also asked if it were possible to only replace the lighting in the hallways rather than renovating the whole hallway and if there could be certain options on the referendum to include not renovating anything, or to renovate only the lighting? President Cook said that upgrading the lighting would be a great idea.

Mrs. Glassman #1202 seconded the idea of doing a referendum and wanted to figure out how much Unit owners would pay in doing an assessment as opposed to a 2% increase in fees. Mrs. Glassman also said that she has been in the restaurant and it is very cold and if the building could adjust the thermostat. GM Montano said she would look into the temperature issue.

Mrs. Mendelsohn #1813 asked what would the number be if the Board decided to assess instead of increasing the maintenance fees? Treasurer Meyer said it would be between \$16,000 and \$20,000 dollars for a one-time assessment. Treasurer Meyer could not give an exact number off the top of his head but could provide that information out at a later time. Treasurer Meyer made a motion to approve the budget for next year 2017 as presented. Vice President Barnett seconded the motion. All in favor, passed unanimously. President Cook Made a motion to adjourn the meeting. All in favor, passed unanimously.