

HARBORSIDE CONDOMINIUM TRUST

TRUSTEE MEETING MINUTES

SEPTEMBER 2013

The September meeting of the Harborside Condominium Trust Board of Trustees (BOT) was held September 4, 2013. In attendance were Trustees Don Nowland, Joyce Raymond and Jim Walters. A quorum was present.

Also in attendance were homeowners Ron deMoraes, Sally & Roger Plauche, Dianne Reich (via phone).

1. HOMEOWNER ITEMS

Emergency Egress, Building B Fire Escape Redesign:

Architect Walter Jacob has been contracted to finalize the project. The BOT has met with Mr. Jacob and reviewed the proposed fire escape alternatives. The Board has given Mr. Jacob authorization to talk with town Building Commissioner, Bob Ives.

Walter Jacob's contract states that he is responsible for controlled construction.

B1/B4 Porch Enclosure: Owner Raymond has received permission from the BOT to enclose the porch in front of her unit and add handrails to the entry way. The design of this construction has been approved by the OHDC and has been properly permitted.

The project is complete. An Affidavit of Controlled Construction was provided and a final inspection scheduled with the Building Department.

Lighting Trash Room - Management was instructed to follow up with Rick Macomber, the electrician. Rick Macomber is working on changing fixture and understands job is to change to motion, with a timer that keeps light on for 5-7 minutes; Wiring extends from trash room, through car port, through enclosed garage and to Storage Room in Building A.

Recycling Program: The recycling program has been successful at HCT, although we are not fully through the learning curve.

- Management was instructed to follow up with Hiltz disposal to see "how we are doing with our recycling" and can we remove the small blue totes and add more barrels to free up space in the trash room.

All owners can sign up for Health Department's emails, which provide updated information on trash removal, recycling, and other important dates. Questions can be directed to Board of Health at 781-631-0212 or recyclepro@hotmail.com.

Pine Tree Bldg C: Justin Epstein Masonry has reviewed the area under the pine tree and has reported back the walls are in overall good condition; there is one joint that shows a bend. It appears this existed at the time the deck was constructed and has not changed significantly.

Prepared and submitted by Lesley Management, Inc.: 9/22/13 9:54 PM ~~9:53 PM~~

Management was instructed to follow up with Justin Epstein on the area specifically along the Bldg C foundation where it appears the small cement wall surrounding Pine Tree has been pushed away from foundation.

Building A/C Walkway and Building D Roofs:

Reminder: There is to be absolutely no walking or keeping of any storage items on any roofs where membrane roofing exist.

Deck replacement D-2/D-3:

Owners Bert & Liz Michaud presented a proposal to BOT for consideration to replace the common area decking with composite materials.

As the deck outside units D2/D3 is common area, the job must be conducted by the Trust. All applications and permits must be taken out in the HCT name. As such, the BOT must approve contracts and agreements with the construction company, the architects, and any other vendor working on the project.

Owners Bert & Liz Michaud will select the architect and contractor and be financially responsible for all costs associated with the replacement of the deck; including but not limited to the construction costs, the architectural costs, and permits. Owners Bert & Liz Michaud acknowledge that some unforeseen expenses may unfold during the renovation and they will be responsible for these costs as well.

Trustee Raymond was selected by Liz and Bert as BOT liaison and will oversee the project.

Walter Jacob is expected to finish soon on the drawings. The project requires approval by the Conservation Commission, Old & Historic District Commission and Building Department. The architect will be responsible for Controlled Construction.

Building D – Insulation in Crawlspace:

Some of the fasteners that hold insulation in place beneath Building D corroded, the insulation fell and was washed out by storm water and needs to be replaced.

The cost of the project is based on time and material and will not exceed \$2,000, as per verbal estimate from Richard J. Louf & Co., Inc. It was agreed with the contractor that the conditions call for the use of stainless steel or copper fasteners.

Management was instructed to have project completed.

Building A: Sprinkler System Completion:

Owner Dianne Reich has contacted Metro Swift Sprinklers to complete the installation of the sprinkler system in Building A, both floors. The work is scheduled for September 11, 2013 @ 7:00 AM. The Trust will be responsible for this work. Trustee Raymond will ask if there is any credit on insurance for this completed work.

Management was instructed to install a nozzle on the outside of the building, for the fire department to use in the event of an emergency, as there is currently no outside faucet.

2. INSURANCE

Flood Insurance: Two policies came up for renewal, September 1, 2013. FEMA's new regulations are going into effect on October 1, 2013. The Trust received estimates on Buildings B & C, which were set to renew in October. Because Building B is below base flood elevation levels, the annual premium set by FEMA would be \$294,495 and the premium for Building A would be \$5,806.

Trustee Raymond called FEMA directly and the Trust re-wrote all 4 policies for September 1, 2013, under the "old" FEMA Guidelines. The total cost of renewal for 2013-2014 is \$45,000 as per the 2013 Budget.

Under the new FEMA guidelines, that are in effect October 1, 2013, the renewal premiums for 2014-2015 would be ~\$600,000. The BOT is looking at a number of options for next year; including decreasing the amount of Flood Insurance, going back to Town as the Flood Map does not show the Seawall, and/or Self Insurance.

Trustee Raymond also spoke to the Town of Marblehead and will write letters to the Selectman to address the change in the FEMA map.

Further clarification on this is included in the September 5, 2013 letter to unit owners, attached.

Dock Insurance: Trustee Raymond reviewed the Dock Insurance Coverage. There is coverage for \$59,000 in replacement costs. This amount is adequate for both Docks. The policy expires in October 2013, and alternative insurance is being examined.

3. PAINTING

The Trustees reviewed 5 proposals and found 2 proposals, Neptune Painting and Preserve Services, met the selection criteria for price, schedule, manpower and experience. Neptune has been selected. The painting job will be implemented in stages; expecting to start this fall and continue into next year. The payment plan will be developed by Trustee Nowland.

Railing System – Building B (second floor) - Trustee Raymond will meet with the Old & Historic Commission to seek approval to replace the Unit B3 deck railing system with composite materials.

4. FINANCIAL REPORTING:

Units delinquent more than 60 days are in legal collections with Marcus Errico Emmer & Brooks.

It has always been the BOT's position to not comment on individual delinquent accounts, but confirmed that units that fall behind are being charged late fees according to the HCT Rules and Regulations and legal collection efforts are made when necessary.

5. DOCK

Ron DeMoraes, Chairman of the Harborside Dock Committee, reported the power pedestals and solar lights are being stored under Building A. The kayak racks are to be left on the floats. Traditionally the floats are pulled within 7 days post Columbus Day weekend. Ron will email owners reminders and instructions as it nears the Holiday weekend.

6. PARKING

As summer comes to an end, all residents are reminded that guests are not allowed to park longer than "three hours" without removing their vehicle per the HCT rules and regulations.

With the lack of visibility of the parking lot lines, please be as courteous as possible when parking vehicles.

Management was instructed to pick up and deliver new visitor parking placards to Trustee Nowland.

7. DEFERRED PROJECTS

The Board determined that because of current financial conditions it is appropriate to continue the deferment of the following projects: Repair of the North Retaining Wall between Harborside and the Boston Yacht Club; B Building roof replacement; D-1/D-2/D-3 total deck refurbishment; seal coating and lining of parking lot; composite refurbishment of the north dock; the addition of blue stone at the C Building entry; replace ceiling at entrance to Building C and by Trash Room with bead board or exposed beams; and, replace missing pieces of the Car Port ceiling, which is asbestos.

In addition, the Board has decided to consider a new Infrastructure Review and Report, as follow up to the mid-90's Goddard Report. Trustee Nowland will make copies of the Goddard Report available to the Board.

8. ANNUAL POT LUCK GATHERING:

Thank you to Liz & Bert Michaud for organizing the Annual Pot Luck Gathering and all who were able to attend.

9. LESLEY MANAGEMENT will attend to the following:

- Ensure the gutters are cleaned in the fall.
- Ensure Trash Room closer has been changed and is closing properly.

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- Follow up with Rick Macomber on changing light in Trash Room to be on a motion sensor only.
- Change lights along the sea wall, excluding the light beneath the flag pole, as that one will be replaced at a later date. **Done.**
- Contact tenant of Unit D6 to remove the flower pots off rubber membrane.
- Ensure there are no gas grills with propane tanks on the decks.
- Remind Trustee Nowland to have the painting contractor to review a redesign of water runoff behind Building A. Specifically, the gutter downspout and a diversion of water away from retaining wall.
- Contact Paul Haggett to inspect and report back on the condition of the door, threshold of unit B7.
- Ensure and review the cleaning of common areas, as the carpets do not look like they have been cleaned in weeks.
- Continue to clean the drains in the walkway between the B and D buildings and under steps to unit D2-3. [on-going]
- Continue to secure all outstanding tenants lease information.
- Follow up with Attorney Aronson on the recovery of expenses for services to Unit B9. [on-going]
- Continue to work with Bart Jones to update the website.
- Have the vent in the exterior door to Building B Mechanical Room cleaned monthly.
- Continue to ensure all dryer vents have been cleaned.
- Contact Harbor Landscaping (Bob Storch) and have him call Trustee Nowland re removal of ivy from the north retaining wall under the A Building.
- Determine what is causing the excessive water run-off behind the D Building (coordinate with Michaud's and Nowland's).
- Complete the reinstallation of the insulation under the D Building (ensure instructions from Paul Haggett are clear to Ken Louf).
- Prepare draft financial update letter to owners (for discussion at the October BOT meeting).

10. HARBORSIDE WEBSITE

Tony, Ron deMoraes' son, will be updating the Harborside website to a new more user friendly site. Bart Jones will continue to be the "webmaster" and update the new website with current information. The start cost is \$300, which Ron deMoraes has offered to pay. Thank you, Ron.

For your information, the website is: www.harborsidecondos.net

User Name: owner

Password: peace

11. **ADJOURNMENT**

There being no further business of the Harborside Condominium Trust Board of Trustees, the meeting adjourned at 4:45 p.m.

The next meeting of the Harborside Condominium Trust Board of Trustees will be rescheduled and homeowners will be notified of the new date and location.

Please join us by conference call by calling 1-866-393-8073. You will be prompted to enter the meeting number *1169611*.

If you are the first to arrive at the meeting site, you will be prompted to enter the “moderator code”. The moderator code is *1631*.

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September 5, 2013

Dear Harborside Owners:

This letter is to update you regarding some important developments with respect to changes in flood insurance for our property. Under new FEMA guidelines our flood insurance premiums may significantly increase.

Last week, we were able to obtain four new flood insurance policies on our properties at rates in line with what we have been paying in past premiums. In the past week you may have seen surveyors, engineers and underwriters on the property. They were hired to verify elevation levels of each building and the seawall for flood insurance. Thanks to the efforts of many people, we obtained flood coverage for the next year with an annual premium of approximately \$45,000, close to the amount included in the 2014 budget presented in our recent Annual Meeting.

While we were fortunate to obtain flood insurance for the next year, we are faced with the need to act to minimize significant increases in flood insurance premiums in subsequent years.

On August 19th, we received a bill for \$294,495/per year for flood insurance on Building B and \$5,800/per year for Building A. Our flood insurance policies on Buildings C and D were to renew in September and we expected an additional \$300,000 in premium costs at that time. Needless to say, this came as a sudden and unexpected shock.

The near term solution was to obtain new policies before FEMA's revised insurance regulations go into effect on October 1, 2013. By writing new policies, we obtained flood insurance for the next 12 months under FEMA's old rates. However, next year will be a challenge.

We are looking at all options for reducing FEMA's flood ranking for Harborside including: self-insuring the properties; reducing the level of flood insurance coverage; and, participating in community outreach groups to address the issue.

Another option considered was discontinuing flood insurance. If we were to discontinue coverage, lending institutions would 'force place' insurance upon borrowers. Generally, this is a more expensive option and the reason we are considering other options.

Throughout the year, we will provide regular updates and before any action is taken we will seek the input of the Owners.

Sincerely,

Donald E. Nowland, Chairman
Board of Trustees