

HARBORSIDE CONDOMINIUM TRUST

ANNUAL UNIT OWNERS MEETING

August 27, 2019
5:30 PM
24 Lee Street, Unit A1/A2

AGENDA

APPROVAL OF MINUTES FROM 2018 ANNUAL UNIT OWNERS MEETING

TRUSTEE ELECTION

The Trustee Election has closed and having received an overwhelming owner response, Jay Carty has been re-elected to serve as a member of the Harborside Board of Trustees for another three year Term.

Effective immediately, Jay will assume the role of Chairman of the Board of Trustees.

Trustee Carty has requested to be replaced on the HDC so that he can focus his efforts on the Board to his new role as Chairman. Accordingly, the Harborside Board of Trustees has selected Trustee DiDomenico to be the Trustee member on the HDC for the duration of his term as a Trustee of Harborside Condominiums.

REVIEW OF ACCOMPLISHMENTS – YEAR 2019

2019 FINANCIAL STATUS REPORT

REPORT ON C BUILDING FOUNDATION

REVIEW OF ON-GOING CAPITAL IMPROVEMENTS

OTHER BUSINESS – RESPONSE TO GENERAL QUESTIONS SUBMITTED

OPEN DISCUSSION

ADJOURN

HARBORSIDE CONDOMINIUM TRUST

PROXY

The undersigned, as Unit owner of the Harborside condominium trust, hereby appoints _____ as proxy to attend the 2019 Annual meeting of the Harborside Condominium Trust with full power to vote and act for the undersigned, according to the number of units by which the undersigned would be entitled to vote if personally at said meeting.

UNIT OWNER SIGNATURE

UNIT #

HARBORSIDE CONDOMINIUM TRUST

2018 ANNUAL MEETING MINUTES

The 2018 Annual Meeting of the Harborside Condominium Trust was held Wednesday, August 22, 2018 at the Residence of Jay and Cissie Carty, 24 Lee Street, Unit A1/A2. Eighteen units were represented at the meeting.

The 2018 HCT Annual Meeting of Unit Owners was recorded via FreeConference.com for archival purposes and to assist in preparing the minutes for the meeting. All participants in person and via phone were notified of such recording prior to meeting and as owners joined via conference call, during the meeting.

Trustee de Moraes began with a Thank you to Liz Michaud for serving on the Board of Trustees for a second time and thank you to Bert, for sharing Liz with the Trust. Liz's contributions to the Board and Trust were innumerable; she always came to the table with an open mind; she was honest; she offered her opinions; she asked thoughtful and the best questions; and she came with a sense of fairness. Liz's dedication to Harborside is unmeasurable and the Trust thanks her.

A Welcome and Introduction to new owners opened the 2018 Annual Meeting of Unit Owners.

1. MINUTES OF 2017 ANNUAL MEETING

A motion was made, seconded and approved unanimously, to accept the minutes of the 2017 Annual Meeting as written with no amendments or changes.

2. TRUSTEE ELECTION

Martha Wheeler was the sole candidate for election. With over 76% affirmative vote, Martha was elected to serve as Trustee.

Management will ensure proper recording of Trustee Appointment.

3. B BUILDING RECONSTRUCTION:

The Trust received the CO (Certificate of Occupancy) and the final payment to Paradise Construction has been sent.

4. TOWER EGRESS

The Tower Egress has been completed with the exception of a new lighting design.

5. SEAWALL

GZA has identified the southernmost corner of the Sea Wall, specifically the area under D2/D3 in most need of maintenance. The work has been separated into two phases. North Shore Marine, working with GZA has been contracted to complete this work before the end of the year.

6. FINANCIAL PRESENTATION

Management reviewed the current balance sheets for both the HCT and the HDC (attached to these minutes).

- The HCT Total Cash on hand as of July 31, 2018 was \$ 330,756
- THE HDC Total Cash on hand as of July 31, 2018 was \$35,692

The Year to Date Income and Expenses was compared to the Annual Budget.

The Board of Trustees will be reviewing the current loan with East Boston Savings Bank and take in advisement the possibility of pre-payment on the loan. Management will work with the Board and the three owners who are still participating in the loan.

The Board of Trustees will prepare and forward the final 2019 Budget in November.

7. OPEN DISCUSSION

Trash Removal Services: The current issues with Trash/Recycling were discussed in detail. Current provider, Marblehead Movers, recommended changes which will be in effect going forward. Management will forward reminders and information on proper trash/recycling as well as new procedures with trash/recycling.

Amendments to the Declaration of Trust and By-Laws: The three Amendments to the Declaration of Trust were collected and will be processed and recorded at the South Essex Registry of Deeds. Once filed, the Amendments will be sent to ownership for their records.

- (1) Date of Annual Meeting
- (2) Way of Voting for Trustees
- (3) Frequency of evaluation of unit for insurance values

Drainage Study: In addition the Seawall Maintenance, GZA has concluded a drainage study. An early report has been prepared and the Trust is waiting on the final report. The Board will review suggestions, meet with GZA for full understanding, and implement long and short term suggestions. More information on the report will be forwarded upon receipt.

Painting Services: The Board will begin the process of obtaining bids for painting services of all buildings. The Board will look into the option of staggering painting of buildings. Management will obtain paint color from Paul Haggett and forward to ownership.

Asphalt: The parking lot will be incorporated in with the Drainage Study. In the meantime, immediate repairs to the south east section of the parking lot will be filled, as well as any other sink holes that remain.

Railing Systems: Management will have the railing system outside D2/D3 inspected and secured for safety purposes until such time the railing system can be replaced.

D: Egress System: The process of a new Egress Design for Building D is in very early stages.

Management was instructed to have mesh installed between the BYC and the C Building.

Management was instructed to have the carpets cleaned in all three buildings.

Lawsuit: Trustee de Moraes read statement from Attorney Janet Aronson on what constitutes attorney client privilege.

How much has been spent on legal expenses to date?
~\$44,000

How long will it be before there is a settlement or it goes to court?
Unknown at this time, but there is a pre-trial date set for October.

What is the Trust's attorneys name and contact information?
Marcus Errico, Emmer & Brooks, 45 Braintree Office Park, Suite # 107, Braintree, MA
Tel: 781-843-5000

8. HDC

All chains have been replaced. The floats have been straightened out. Overall the HDC is in good condition.

The Floats are scheduled to come out after Columbus Day.

9. ANNUAL POT LUCK

Thank you to Liz Michaud for planning the Annual Pot Luck Gathering. The Trust hopes that Liz will continue planning this great tradition for years to come.

10. ADJOURNMENT

There being no further business of the Harborside Condominium Trust, the 2018 Annual Meeting adjourned.

Minutes prepared and submitted by Lesley Management, Inc.

Attachments: Balance Sheet, HCT
Balance Sheet HDC
P&L Statement 2018, TYD

Harborside Condominium Trust
Balance Sheet
As of July 31, 2019
Jul 31, 19

ASSETS	
Current Assets	
Checking/Savings	
Operating Account - EBSB	1,941.59
Reserve Account - EBSB	92,117.25
Total Checking/Savings	94,058.84
Accounts Receivable	
Accounts Receivable	309.57
Total Accounts Receivable	309.57
Total Current Assets	94,368.41
TOTAL ASSETS	94,368.41

Harborside Condominium Trust
Profit & Loss Budget Performance
January through July 2019

	Jan - Jul 19	YTD Budget	Anticipated Year - End	Annual Budget	Variance
Income					
Income					
Carry Forward From Prev Year	80,000.00	80,000.00	80,000.00	80,000.00	0.00
Condominium Fee Income	257,051.00	258,330.00	442,850.00	442,850.00	0.00
Condominium Fee Income - Supple	9,618.74	10,000.00	10,000.00	10,000.00	0.00
Interest Income	498.17	87.50	500.00	150.00	350.00
Settlement Income	215,000.00	215,000.00	215,000.00	215,000.00	0.00
Total Income	562,167.91	563,417.50	748,350.00	748,000.00	350.00
Other Income	250.00		250.00		250.00
Reserve Account Contribution	56,000.00	-25,900.00	56,000.00	-44,400.00	100,400.00
Total Income	618,417.91	537,517.50	804,600.00	703,600.00	101,000.00
Expense					
Adminstrative					
Insurance expenses - Flood	0.00	0.00	65,000.00	65,000.00	0.00
Insurance Expenses - Master Pol	59,051.70	38,500.00	66,000.00	66,000.00	0.00
Management Fee	5,775.00	5,775.00	9,900.00	9,900.00	0.00
Postage & Delivery Expenses	105.45	150.00	200.00	250.00	-50.00
Professional Services	13,928.95	13,000.00	14,000.00	20,000.00	-6,000.00
Tax & Tax Preparation	0.00	1,000.00	900.00	1,000.00	-100.00
Total Adminstrative	78,861.10	58,425.00	156,000.00	162,150.00	-6,150.00
Common Services					
Cleaning Expenses	2,640.85	2,916.70	4,500.00	5,000.00	-500.00
Extermination Expense	352.00	750.00	750.00	1,250.00	-500.00
Landscape Service Expense	195.00	4,250.00	6,000.00	8,500.00	-2,500.00
Security Expense	770.00	1,312.50	2,250.00	2,250.00	0.00
Snow Removal Expense	6,985.13	12,000.00	7,000.00	12,000.00	-5,000.00
Trash Removal Expenses	8,391.00	5,250.00	14,000.00	9,000.00	5,000.00
Total Common Services	19,333.98	26,479.20	34,500.00	38,000.00	-3,500.00
Docks					
Dock Contribution	5,400.00	5,400.00	5,400.00	5,400.00	0.00
Insurance - Dock	0.00	0.00	5,000.00	5,000.00	0.00
Total Docks	5,400.00	5,400.00	10,400.00	10,400.00	0.00
Maintenance / Repair					
Capital Improvement Repairs	26,828.90	14,000.00	45,000.00	24,000.00	21,000.00
Drainage Expense	3,150.00	52,500.00	20,000.00	75,000.00	-55,000.00
Maintenance & Repair Expenses	10,320.27	8,750.00	15,000.00	15,000.00	0.00
Maintenance Repair - Bldg C	344,986.64	175,000.00	375,000.00	225,000.00	150,000.00
Sea Wall Maintenance	142,083.91	91,000.00	142,000.00	130,000.00	12,000.00
Total Maintenance / Repair	527,369.72	341,250.00	597,000.00	469,000.00	128,000.00
Utilities					
Electricity Expense	3,089.25	3,000.00	5,250.00	5,000.00	250.00
Natural Gas Expense	198.48	210.00	350.00	300.00	50.00
Telephone Conference Line Expen	0.00	150.00	200.00	250.00	-50.00
Telephone Expense	7,746.12	6,710.00	12,000.00	11,500.00	500.00
Water & Sewer Expense	3,611.70	4,100.00	7,200.00	7,000.00	200.00
Total Utilities	14,645.55	14,170.00	25,000.00	24,050.00	950.00
Total Expense	645,610.35	445,724.20	822,900.00	703,600.00	119,300.00
Net Income	-27,192.44	91,793.30	-18,300.00	0.00	-18,300.00

Note: The Board of Trustees will continue to monitor the expenditures
and may defer maintenance, including gutter and downspouts until next
budget cycle.

Balance Sheet as of 8/18/19
As of 8/18/19

Accounts	8/18/19 Balance
Assets	
Cash and Bank Accounts	
Checking Account	19,082.19
Reserve Account	15,910.81
Total Cash and Bank Accounts	34,993.00
Total Assets	34,993.00
Liabilities	0.00
Net Inflows/Outflows	34,993.00

Category Summary Report
1/1/19 through 8/18/19

Category	1/1/19- 8/18/19
Inflows	
Income:	
Association	5,400.00
Seasonal Renters	15,415.00
Total Income	20,815.00
Total Inflows	20,815.00
Outflows	
Docks:	
Hauling & Splashing	3,124.69
Improvements	5,000.00
Maintenance & Repair	3,410.38
Total Docks	11,535.07
Harbor Float Fee	122.00
Total Outflows	11,657.07
Net Inflows/Outflows	9,157.93

C Building Foundation Review

Everything about the C Building Foundation issues, both from code compliancy and safety viewpoints that were uncovered during the renovation process for C2 have come as a complete surprise to the Trust.

When the demolition for the C2 remodeling project began, it exposed many unexpected code violations and safety concerns to the foundation of C Building, unrelated to the C2 remodel. Following is a list of these issues:

- The framing in the common area crawl space under the subfloor was non-existent in many places. The subfloor over those areas was several inches thick. Apparently it was thick enough to carry the weight of what was on top of it sufficiently enough to mask the lack of support.
 - The columns supporting the steel beams that carry the load of the building were made of wood. This is completely illegal. The exposed parts of the wooden columns needed to be wrapped in steel in order to meet code and safety concerns.
 - Many of the wooden beams supporting the upper units were poorly cobbled together, and all joists and beams were insufficient to carry the load above and meet code. Every joist and beam needed to be sistered and reinforced in order to meet code and safety concerns, and one beam needed to be replaced with a steel beam.
 - The footings for the columns and subfloor support beams were either non-existent or were wholly inadequate. The foundation of the Building was not supported.
 - The support columns were resting on top of concrete poured over the original 1750 wooden beams. The resulting concrete supporting the load was only a few inches thick on top of wooden beams. Wooden beams that could rot.
 - The “footings were poured on top of poor and unsuitable sub-grade flooring and not the required 4’ down.
 - The column footings and the cement that had been dumped decades before had to be completely jackhammered out in order to take bore samples and complete the foundation remediation. Jackhammering was extensive, and that was surprising.
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- The exterior cinder block wall was simply stacked and not reinforced with rebar and filled with concrete.
- The foundational beams holding up the building under the subfloor were resting on stacked wooden blocks or stacked cinder blocks.
- Much of the work in this area had to be done by hand because of the limited head room in the construction area and because the other units were occupied.

● The Trust discovered that the main sewer line for A and C Buildings had several surprising issues which required its replacement.

- The sewer line was cracked in several places releasing raw sewage into the common area.
- The sewer line was not sloped properly and actually ran uphill at one point. This resulted in raw sewage back up into the C1 and C2 bathrooms in past years.
- The clean out for the sewer line was not accessible on the outside of the building, a code requirement.
- The sewer line connected to a very old cast iron line that shattered when touched.

● The Trust was surprised to discover the tidal flow came in under the building all the way to the chimney stack (approximately 20'). This finding exposed several other surprising issues.

- The tidal flow was removing finer foundation particles and leaving behind larger rocks and other materials which created an unstable foundation for the building and was resulting in noticeable settling of the building.
- The tidal flow limited the type of foundation pilings the Trust could utilize because of the salt water and movement of water.
- The materials left behind after the smaller, finer particles were removed created an unstable environment in which the foundation pilings could not be installed without stabilizing the rubble first. Engineered grout was injected into the ground in order to stabilize the building, the chimney column and the foundation around the main columns for the drilling installation of the mini piles.
- The tidal flow created many voids that the engineered grout needed to fill. The original estimate was only 3 palettes of grout would be needed, but the voids were so many that it took 40 palettes of grout to stabilize the foundation around the main columns, the chimney column and building.

- Several options for foundational stabilization/construction were considered. Al Dennis and Tom Jacobs worked closely with Ed Moll, a structural engineer with Structures North. Structures North is one of only a couple of firms in the Northeast that specialize in foundations of buildings close to water elements, particularly sea water elements. They also consulted with Matthew Grosschedl, the GZA engineer who conducted our drainage study and David Smith, the GZA engineer who conducted our sea wall study.

- After extensive research, discussion, test borings and considerations relevant to location, building restrictions, etc..., helical mini piles were determined to be the only way to address the foundation.
- Al and Tom received proposals from two companies; they vetted the proposals and recommended Helical Drilling. The Trust's attorneys reviewed and prepared a contract for the Board's approval.
- Al Dennis, Ed Moll and Paul Yingling, the engineer at Helical Drilling, eventually designated 44 mini piles would be needed, but were able to recalculate the loads to reduce the number of piles needed to 30.

- Stoneworks, Inc. was hired to bend rebar supports, build concrete forms and pour the concrete for the pile caps, grade beams and foundational footings for the two main columns and the lally columns supporting C Building. Stoneworks is one of the only companies in the Northeast that does this extremely specialized work, and it was the only company recommended by Structures North and Helical Drilling for the concrete work.

- Approximately 236,000 pounds of concrete was needed for the foundational grade beams, pile caps and footings.
- Additional grout was needed to shore up the chimney column that extends through the roof of the building. The cinder block foundation was hollow inside except for loose construction material (gravel, rocks), and the grout needed to be put into the hollow to ensure the chimney stack would remain stable.

- Another surprise was the FEMA requirement that sump pumps be put below the subfloor. One will be under C2 and one will be under the common storage area. Both will be operated manually if needed.

Bottom line, everything was a surprise. The Trust was lucky that the experts and contractors were available and we could schedule them to get this done as quickly as we did. Had the Trust not undertaken all the steps we did, the C Building could have been condemned by the Building Department until the foundation was remedied. That would have meant that all C Building residents would have been displaced and homeless until the foundational issues were corrected.

Allan W. Dennis P.E.
8 Wheeler Place
Marblehead, Ma. 01945
allanndennis@comcast.net
781-718-2841

Date: August 6, 2019

To: Tom Jacobs
65 Garfield St.
Marblehead, Ma. 01945

From: Allan W. Dennis, PE, Structural Engineer

Subj: 24 Lee St. Building C, Marblehead, Ma. 01945

Re: Additional Underpinning Costs for Building C.

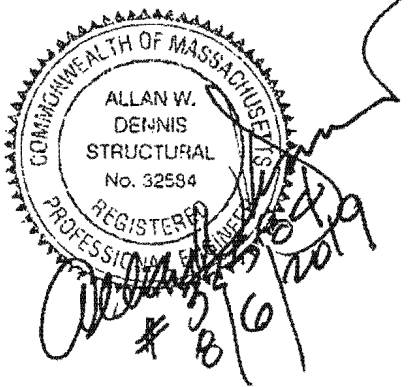
As we had previously discussed, there were some additional costs incurred beyond the original approximated estimate for the underpinning. The original approximated estimates were based on assumed conditions based on available information at that time.

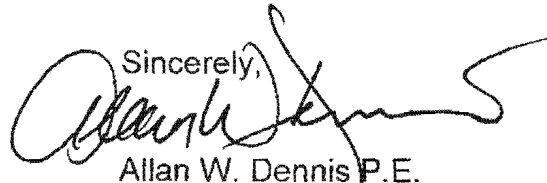
The following items were changes or additions to the project:

1. Spread footings could not be used based on unsuitable sub-grade conditions.
2. Original approximate foundation costs were based on using 10 ton capacity driven pin-piles (2 1/2" dia pipe) approx cost \$1,500.00/pile. There were 45 piles required. Pile caps and grade beams would be an additional cost.
3. Due to site conditions with large boulders and cobbles below grade the pin-piles could not be driven.
4. Drilled 20 ton capacity mini-piles (5 1/2" dia pipe) approx cost \$3,000.00/pile were installed instead. These could be drilled through the boulders and cobbles and socketed into ledge below. There were 30 piles required. Pile caps and grade beams would be an additional cost.
5. Due to the actual depth required to ledge some additional costs incurred based on the average pile being longer than assumed. Pile lengths were estimated based on limited borings.
6. Drilled mini-piles can carry more weight per pile so you use fewer piles. However that results in deeper and more heavily reinforced grade beams which results in higher labor and material costs.
7. Grouting under the existing chimney and columns P4 & P2E used significantly more grout than anticipated due to the magnitude of void space in the sub-grade.

8. Grouting was required before the drilling to minimize potential settlement of the chimney and columns P4 & P2E.
9. Due to limited overhead clearances and occupied Units above the site the majority of the excavation and removal of existing foundations & cobbles had to be done by hand.
10. With the existing site geometry the majority of foundation formwork had to be built in place. There were minimal areas where modular formwork could be used.
11. Underpinning of the existing chimney was simplified due to grouting and the shallower depth down to ledge. Needle beams were not required which was originally estimated at \$25K.
12. Shoring used for new pile cap installation at column P4 & P2E were simplified by using steel channel sections which were supported on new foundations that had already been installed as temporary supports.
13. Shoring for the East wall towards the harbor was simplified. Field installed temporary supports were installed locally as required.
14. Shoring was required to remove the existing W8 steel beam and C12 channel in the ceiling and install a new W14 full length steel beam. This shoring was simplified (see item 12 above).
15. Shoring was required approximately 6' North of the South wall to remove deteriorated wood timber and install new W8 steel beam. This beam was longer than originally anticipated due to the deteriorated condition of the exiting 10" x 12" wood beam.

Should you have further questions, concerns or need additional assistance I can be reached at 781-718-2841.



Sincerely,

Allan W. Dennis P.E.
(Structural- Ma. Reg. No. 32584)