



**Ultimar Three Condominium Association Inc.  
1560 Gulf Blvd. Clearwater, Florida 33767**

## **ULTIMAR THREE Board Meeting Minutes**

**June 4, 2022**

The meeting was called to order at 10:03 am by Board President Rick Coté.

Mr. Reily stated that the meeting notice and agenda were properly posted and mailed on April, 2022 or 38 days prior to the meeting.

The following Board members were in attendance:

**Rick Coté, President**  
**Said Gabriel, Vice-president**  
**Sergei Shishkin, Secretary**  
**Larry Hallas, Treasurer**  
**Barry Cohen, Director**

The quorum was confirmed by roll call.

The minutes of the Board's meeting of April 9, 2022 were presented and approved unanimously.

### **MEETING PROTOCOL**

Mr. Coté presented the following meeting protocol: Board members will present and discuss each agenda topic. If a motion is made and seconded the Board members will discuss and vote on it. After formal conduct of the Board business, there will be an open session for all owners. Owners are requested to limit their comments to 3 minutes each and if needed there will be a second round of comments again limited to 3 minutes.

Due to no objections, this protocol was accepted.

### **MANAGER'S REPORT**

Mr. Reily presented his report for the period from April 9 to June 4, 2022 stating that in addition to routine facility operations, various items had been addressed or scheduled for implementation:

- State elevator inspection is scheduled for late June;
- Elevator call button which malfunctioned was replaced;
- Malfunctioning Jacuzzi pressure gauge was replaced;
- Jacuzzi pool depth sign required by a new code was installed;

- Garage area sprinkler cutoff valve was replaced;
- Fire System pull station and phone jacks were replaced;
- South lobby elevator doors: – Antique finish removed for a brighter appearance. North side was pending;
- Window Cleaning was scheduled for June 6 to 15;
- 4<sup>th</sup> Floor Planter Landscaping was pruned;
- Exercise area men’s bathroom: – Toilet was replaced with new pressure assisted model;
- Lobby level slider door repainting was initiated;
- Three limited use phone lines were canceled;
- Driveway wall stucco refinish: A specialist was secured with work start pending;
- Several owners were assisted with their units lockouts after hours;
- One owner was assisted with medical emergency response;
- Assistance was provided for closing of sale of three units purchased;
- Participation in building valuation appraisal that is in progress;
- Initiated a garage column and stairwell door repairs;
- Glass Tower: Thoroughly reviewed with an engineer and alternative product supplier – Engineer's report is pending;
- Sprinkler System Repairs /Units – A memo will be distributed to affected owners listing the repairs needed for their units. The responsibility for performing these repairs (Owner or Association) and paying for the repairs (Device compromised by simple negligence, or useful life expired) will need to be formally addressed;
- AC System Intake – Included in the original AC replacement contract was a provision for vent optimization to be performed after install and trial observation period. Initially the AC company was considering vent ductwork and fan setup in the loading dock area. Upon further active operational observation it became clear that the best air cross flow would be achieved by using the mechanical room’s west side door entrance. This area provides the CFM requirements for the system. Several options for a louvered vent gate have been reviewed and an architectural professional was identified before a recommendation will be made to the Board (For the AC installer to fill in the door opening with non-hurricane hinged louvers that retain the Daikin CFM & static requirements for equipment will cost approximately \$19,780 - \$21,980 installed. To have a Metal Fabricator provide a “like louver” panel system in the existing framing will cost around \$3K to \$5K. We will need to provide hurricane protection for the entrance which will be a manual ROLL DOWN SHUTTER from *Rollshield* - \$3,987 plus the cost of the permit.)
- Garage area smoke evacuation – Mr. Reily reviewed code and measured the garage entrances focusing on what is classified a “closed garage”. He had seen every indication that measurements and existing fan configurations match what is required for a closed garage area: 1) the entrance measurements appear to be less than required for an open garage design 2) the garage is an emergency exit pathway (stairwell exits). In addition, the existing fan components are also Siemens, the manufacturer of our original fire system.

There were uncertainties about of the code requirements at the time of first occupancy but logically it makes sense that smoke evacuation would be critical in the event of a garage

area emergency. A fire system event in the garage area would trigger the activation of these exhaust fans.

An architectural professional will be retained for a consultation and a formal opinion. If confirmed, the recommendation would be for the board to consider moving directly forward with the system migration install of the fans. The board will be given a proposal from our fire system installer linking two large existing garage area exhaust fans to our fire system. (\$3,468.60).

The information will be shared with HOA and two other buildings. They also have the same unconnected fan configurations.

- Slider doors were stuck open on May 31. HOA management was emailed regarding security directives related to Ultimar 3. There had been an unusual 18-hour delay in response to report that our 1<sup>st</sup> floor lobby doors were stuck open, in addition to a delay in a separate medical response notification.

Mr. Reily also presented the following clarifications on an email of June 1, 2022 that was mass distributed by Mr. Copley to residents titled ‘Why is building 3 falling apart?’:

- The pictures emailed contained cosmetic issues many of which had been addressed months ago. The email contained several photos that were outside of the Ultimar 3 common areas. Also included were pictures of vents that will be replaced when a new generator is installed. The rust on the doors will disappear when the AC intake vent is installed. Some minor stucco work had already been scheduled at the time of this email, after the area was reviewed by an engineer.
- There was false information regarding the first-floor elevator doors being stainless steel which had been painted. The first-floor elevator doors are steel and were always painted. They were professionally electro-statically repainted during the last interior renovation project.
- In a building located in a marine environment such as ours, surface rust and other cosmetic issues are a constant maintenance factor to address. Our staff take an active approach at identifying and correcting these, and sometimes get pulled off certain active cosmetic repairs for other pressing issues. Other such projects, due to size and scope will go beyond in-house capabilities and will need to be done by a contractor. We will continue to take care of these ongoing items and determine if some borderline scope projects be fast tracked to contracted service.

Mr. Coté urged Mr. Reily to continue keeping a record of all maintenance and repair projects including time schedules and progress of their implementation.

## **FINANCIAL UPDATE**

Mr. Hallas presented the research begun last Fall with Mr. Shishkin on the Association receivables and payables with all owners (monitored through the monthly aging study). Dues associated with a unit closing at the Title Company caused most of the problems (i.e., either an

owner thought he had paid first month's dues but had not, or an owner had paid dues even though the closing statement showed they had already been paid. He hopes to have most of these resolved by the closing of the second quarter.

He also noted that two owners have been very erratic in their payments. He reminded that per our association's declaration (section 13.3) we can charge a \$25 late fee 10 days after the due date plus 18% interest. He is in active communication with these owners.

Currently, 30% of the owners pay by checks using coupon book (paid for by the association). He encouraged all owners to pay their dues by Autopay which is more convenient for both the owners and U3 management.

Mr. Hallas also presented the following tables showing Income and Expenditures for January-April 2022 and Balance Sheet as of end-April. Variances with the budget were explainable.

	Through APR '22	YTD Budget	\$ Over Budget	Annual Budget
<b>Income</b>				
<b>Total Income</b>	330,116	329,756	360	990,773
<b>Expense</b>				
Insurance	74,732	65,928	8,804	197,776
Utilities	74,610	79,644	(5,034)	238,930
Payroll & Benefits	49,625	43,449	6,176	152,841
Contracted Services	43,566	20,957	22,609	88,136
Repair & Maintenance	13,043	10,160	2,883	37,400
Professional Services	10,888	6,735	4,153	23,425
Administration	2,246	875	1,371	3,700
Total Reserve Pool	95,695	95,928	(233)	288,070
<b>Total Expense</b>	364,405	323,676	40,729	1,030,278
<b>Net Income</b>	<b>(34,289)</b>	<b>6,080</b>	<b>(40,369)</b>	<b>(39,505)</b>

**YTD Variance >\$1,000**

- Insurance Higher Premiums
- Cooler Spring
- Prepaid Workman's Comp
- 3 Salary periods
- Duplicate Elevator Post
- Owner Maintenance Requests
- Legal consulting
- 2021 Bill payments

<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	OPERATING	RESERVE	TOTAL
1005 · Trust Operating - 0829	164,895	0	164,895
1327 · Bank United MM - 8671	0	254,794	254,794
1331 · Trust Reserve - 8676	0	328,677	328,677
1332 · Trust CDARS	0	501,500	501,500
1333 · TIAA Bank	0	256,117	256,117
<b>Total Funds</b>	164,895	1,341,089	1,505,984
<b>Other Current Assets</b>			
1510 · <b>OWNER DUES RECEIVABLES</b>	22,259	0	22,259
1600 · Prepaid Insurance - Property	125,813	0	125,813
1602 · Prepaid Insurance - General	36,848	0	36,848
1612 · Prepaid Insurance - Flood	6,957	0	6,957
1650 · Due to Reserve - Insurance	0	156,104	156,104
1653 · Due to Operating from Reserves	1	0	1
<b>Total Other Current Assets</b>	191,878	156,104	347,982
<b>TOTAL ASSETS</b>	<b>356,774</b>	<b>1,497,193</b>	<b>1,853,966</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
2005 · BB&T Credit Card	1,817	0	1,817
2037 · Due from Operating to Resv - Insurance	156,104	0	156,104
2053 · Due from Reserves to Operating	0	1	1
2400 · Payroll Liabilities	7	0	7
2550 · <b>OWNER DUES PAYABLES</b>	12,566	0	12,566
<b>Total Other Current Liabilities</b>	170,495	1	170,496
<b>Equity</b>			
<b>Capital Reserves</b>			
3102 · PY Fund Balance	0	1,416,353	1,416,353
3110 · CY Reserve Contributions	0	95,588	95,588
3120 · CY Reserve Disbursements	0	-14,856	-14,856
3130 · CY Interest Earned	0	107	107
<b>Total Capital Reserves</b>	0	1,497,192	1,497,192
3000 · Owners' Equity - Prior Year	220,567	0	220,567
<b>Net Income</b>	<b>-34,289</b>	0	<b>-34,289</b>
<b>Total Equity</b>	<b>186,279</b>	0	<b>186,279</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>356,774</b>	<b>1,497,193</b>	<b>1,853,966</b>

## 2022 AMENDED BUDGET APPROVAL

Mr. Hallas presented a summary chart first shown in February highlighting the dramatic increase in insurance costs. Since 2020, we have had over a \$100,000 increase in 2 years, and a 50% increase over last year. The new insurance premium notices was received in late December and the bill was immediately paid to maintain our coverage. Our dues increase approved in December 2021 in anticipation of higher insurance premiums was 4%. With actual numbers in place, we fell short by half.

<b>U3 INSURANCE PREMIUM TREND</b>			
<b>Increase by:</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Dollars</b>	134,030	157,792	236,744
<b>Per Cent</b>	--	17.9	50.0
<b>Impact on Dues</b>	--	3.0	8.5
<b>Actual Dues Increase</b>	--	2.0	4.0

Last April Mrs. Coté and Mr. Jones helped to scrutinize the budgeted expenditures and we were able to identify some areas with possible savings but, in the end, increasing the dues by 8% on 1 July would be the most effective way to deal with the shortfall generated by the insurance increases. Under the new budget – and without any expense surprises for the year remaining, our net deficit was 10% lower than our original budget.

	<b>2022 Budget</b>	<b>NEW Budget +</b>
	<b>2022 Budget Forecast (new)</b>	<b>8% 1 July</b>
<b>Income Total (\$)</b>	990,777	1,030,335
<b>Expenses (\$)</b>		
<b>Total Insurance</b>	197,776	244,656
<b>Total Utilitie</b>	238,930	238,898
<b>Total Payroll &amp; Benefit</b>	152,841	145,000
<b>Total Contracted Service</b>	88,136	85,500
<b>Total Repair &amp; Maintenance</b>	37,400	37,400
<b>Total Professional Service</b>	23,425	22,925
<b>Total Administration</b>	3,700	3,650
<b>Reserve Poo</b>		
<b>Total Reserve Poo</b>	288,070	288,070
<b>Total Expense</b>	1,030,278	1,066,099
<b>Net Income</b>	-39,501	-35,764

Mr. Hallas made a motion “to increase dues by 8% effective July 1, 2022 to cover the increase in insurance costs above and beyond budget estimate”. After discussion by the Board, the motion was seconded and approved unanimously.

## **CONSTRUCTION COMMITTEE UPDATE**

Mr. Gabriel advised that the Committee conducted several meetings to review the report submitted by Karins Engineer. It approved the report and sent recommendations to the Board. The Committee was informed that the new Florida legislation for condominium inspection was passed, and will reconvene to discuss the details and send recommendations to the Board.

Mr. Gabriel also reported that HOA had implemented the recommendations listed in Karins Engineer report as follows:

- Installed membrane under pavers;
- Reworked the expansion joints;
- Tested the area with several gallons of water with satisfactory results;
- Repaired the column in the breeze way as recommended by Universal Engineers.

All work was completed by the in-house HOA crew.

The following work was performed at Ultimar Three:

- A new door was ordered to replace the rusted one, delivery expected on June 13 and installation will start within one week form delivery.
- A specialized contractor inspected the column in the garage area and indicated it requires a building permit from Clearwater city.
- All paper work for the permit will be completed by June 8 and the approval is expected within 10 days or earlier. The work will start June 20.
- Karins Engineer performed visual inspection of the glass tower on May 27, 2022. Their report is still pending.

Visual inspection will start soon and will be based on the recommendations of the legislation bill that was passed recently.

## **REMODELING PROJECT**

Mr. Coté reported the outcome of the voting at today's owner meeting that canceled the Phase 1 of the remodeling project. He invited input from the owners as to future renovation projects for the building interior. The Board will go forward focusing on areas in need.

## **NEW BUSINESS**

Mr. Coté advised that the new Ultimar Three Owner's Information Guide had been prepared and was now available on the Ultimar Three website. He reminded of leasing and remodeling forms. It is owners' responsibility to complete these forms timely and submit to the building manager. Mr. Coté called on owners to report on the violations of the rules by filing a formal complaint

which will be forwarded to the owner in violation for a reply. This form will be in a future Guide revision.

Mr. Coté also presented the following list of mid-year Board priorities (on a scale from 5 - highest to 1 - lowest):

<b><u>Project</u></b>	<b><u>Board's Rating</u></b>
Glass Tower	4.6
Structural engineer study	4.2
A/C Louvre door	4.0
Back-up generator	3.8
Delineation project	3.6
Updated Reserve study	3.2
New government regulations	3.0
Elevator upgrades	3.0
Exterior railings	2.8
Lightning deterrent system	2.8
Gym remodeling	2.6
Electric charging stations	2.4
Remodeling phase 1	1.0

On the issue of the back-up generator, Mr. Coté advised that attempts to replace the generator's radiator had been unsuccessful for over a year. The cost of that replacement would also be expensive - around \$10-12K. Replacing the generator itself would cost about \$90-100k and is planned in the Reserve Study in 2031. The generator options will be further assessed but the earlier replacement seems to be the best solution. Lead times are 6-9 months, so the Board will make a final decision over the next 30-60 days with a planned replacement in early 2023. Funding will be from the Reserve.

## **OPEN DISCUSSION WITH UNIT OWNERS**

Mr. Bossung suggested that the owners should be instructed on hurricane preparedness since the hurricane season is almost here. Mr. Reily commented that his staff are fully aware of what should be done in terms of hurricane preparedness. Owners will be reminded of how to better prepare for hurricanes. In case of hurricane alert, they should remove all objects from their balconies and take other steps as instructed by authorities.

Mr. Panzarella raised an issue of installing a defibrillator at our premises. Mr. Coté suggested that this issue should be further explored in all its aspects.

Mr. Fleites stated that the issues related to budgeting that he described in his recent email to all owners had not been addressed in the Treasurer's presentation, especially misleading budget figures. He also questioned the frequency of window washing whose quality, in his opinion, was inadequate. Mr. Fleites expressed his concern over expenditures on elevator servicing. He suggested that painting of building's window frames and railings be given higher priority and questioned the adequacy of Reserve funds for all reserve projects. Mr. Reily explained the

window washing arrangements. Mr. Coté responded that the assertions made by Mr. Fleites in his oral and written statements and communications were misplaced and not supported by facts. Funding and priority of the Reserve projects will be discussed during this year's reserve study with independent consultant. The Reserve balance is sufficient for all projects indicated in the Reserve Study.

Mr. Foulds complained about another owner's replacement of his A/C unit on the landing stating that the new unit was higher than the old one and that this change had altered the visual image of the building. Mr. Gabriel asked if the change was visible from the street level to which Mr. Foulds replied that it was enough that he could see it from the balcony walkway at his floor and that there was a legal opinion concerning alterations. He also pointed out that the new owners' guide contained erroneous statements that should be corrected. Mr. Coté commented that the issues of alterations to Ultimar buildings' visual image should be addressed to HOA Architectural Committee and that any mistakes in the owners' guide will be corrected.

Mrs. Hakim made a statement that at one night she found nobody in the security booth. The security arrangements by HOA, in her opinion, were inadequate. Mr. Schryver (HOA Board president) responded that this issue should be presented at the coming HOA owners' and Board meetings, but any tightening of security arrangements would rise the maintenance costs.

Mr. Schryver suggested that financial reports be made available to owners monthly instead of quarterly. He also asked who prepared bank reconciliations of the association's accounts. Mr. Hallas responded that unaudited monthly closings are available for the asking, and quarterly financials will be uploaded to the U3 website. Bank reconciliations were performed by our accountants.

Mr. Schryver also stressed the importance of the building's entrance doors painting to maintain the high standard of its appearance. He suggested that the issue of A/C airflow inlet options agree with the fire code requirements of emergency evacuation.

Mr. Song inquired about financial implications of canceling Remodeling Project Phase 1 that would result in about \$400,000 savings for Reserve Fund. Mr. Coté explained that any savings in the Reserve Fund projects would be spent on other projects according to priorities established in the annual reserve studies.

Mr. Copley (via Zoom) made a comment that private board meetings are illegal, they should always be open to owners. He also inquired about terms for board members. Mr. Copley repeated his earlier request that any attorney's advice made to the Board should be made available to all owners. He stated that the Board has not yet responded to his three requests and suggestions. Mr. Copley repeated his allegation that 'the building is a mess' which he had made when distributing certain photos with his message to all owners.

Mr. Coté assured that no "private meetings" of the Board had been taking place but Board members can communicate among themselves to discuss various issues without making final decisions. He explained to Mr. Copley the order of Board members' election provided for in the

Association's by-laws. The assertion that our building was "a mess" was sufficiently repudiated in Mr. Reily's earlier presentation.

Mr. and Mrs. Gabriel called on all owners to make their statements and presentations in a civil manner so that our meetings could be conducted in a friendly and non-confrontational atmosphere.

Mr. Coté reminded that our next meetings in 2022 are scheduled as follows: October 15 - Board meeting and December 17 (members and Board meetings).

The meeting was adjourned at 11:52 am.

The minutes were prepared by Mr. Shishkin and unanimously approved at the Board's meeting of August 22, 2022.