

The Pierre Condominium Association

MINUTES OF October 19, 2005 BOARD OF DIRECTORS MEETING

I. Call to Order

The Board of Directors meeting was called to order at 7:35 p.m. A quorum was noted. The directors in attendance were: Larry Stotts; Bob Doak; Stu Baker; Janet Fisher; Mary Gootjes (left at 9 pm); Denise Antonucci; Amy Dickinson; and Randy Mehrberg. Absent: Gera-Lind Kolarik. Dan Chalifoux from Wolin Levin. Building Engineer Aaron Jewell did not attend.

II. Approval of Minutes

Mary Gootjes made a motion, which Larry Stotts seconded, to approve the minutes from the September 2005 board meeting. Motion passed unanimously.

III. Treasurer's Report

THE PIERRE CONDOMINIUM ASSOCIATION TREASURER'S REPORT BOARD MEETING 10/19/05

For the nine months ended September 30, 2005, the association has an operating cash surplus of \$22,126.

The current forecast for 2005 shows operating income of \$55,018, approximately equal to the last forecast and \$23,370 below the budget of \$78,388. The major variances recognized at this time are insurance (favorable by \$28,000 to budget and \$21,000 to last year) and gas (unfavorable by \$16,000 to budget and \$21,000 to last year). Other variances to budget include supplies costs (\$11,000 negative), uniforms (new uniforms cost of \$5,000 negative), rental apartment income (\$11,500 negative) and scavenger rebate income (\$7,725 positive). In the non-operating category, new bike racks will cost \$14,000 compared to a budget of \$10,000.

At 9/30/05, The Pierre Condominium Association had cash balances totaling \$980,269 invested in bank money market accounts and bank C/D's. The special projects loan balance is \$329,032. The garage report for September is not yet available.

Respectfully submitted,
Robert Doak,
Pierre Treasurer

IV. Old Business

Roof: Dan Chalifoux reported that the roof project is to begin on October 26, 2005. Bob Doak moved to approve the contract with Raths Raths & Johnson to oversee the roof project for \$25,533. Mary Gootjes seconded the motion. The motion was approved unanimously. Bob Doak moved to approve the contract with CSR, which includes add on costs as needed for brick replacement, for a price of \$212,242. Mary Gootjes seconded the motion. The motion was approved unanimously.

Baker Settlement Resolution: The Association's attorneys have circulated the settlement agreements to the named plaintiffs in the lawsuit. Bob Doak moved to approve the following resolution. Stu Baker seconded the motion. The motion was approved unanimously.

RESOLUTION OF THE PIERRE CONDOMINIUM ASSOCIATION

WHEREAS, The Pierre Condominium Association ("Association") is an Illinois not-for-profit corporation, organized and operating for the purpose of administering and maintaining the common elements at the property commonly known as The Pierre Condominium Association;

WHEREAS, Association is administered by its duly elected Board of Directors ("Board") in accordance with a certain Declaration of Condominium Ownership and of Easement, Restrictions and Covenants ("Declaration") and the Illinois Condominium Property Act ("Act"); and

WHEREAS, the Board of Directors is charged with the responsibility for maintaining the property and acting in the best interests of the members of the Association; and

WHEREAS, pursuant to its authority under the Act and the Declaration, the Association has filed a lawsuit in the Circuit Court of Cook County entitled *Pierre Condominium Association, et al. v. Lincoln Park West Associates, LLC., et al.* (No. 00 L 14319) on behalf of the Association and its unit owners ("the lawsuit");

WHEREAS, the Board of Directors has deemed it to be in the best interests of the Association to settle the lawsuit on the terms stated in the attached documents entitled (1) "Limited Settlement Agreement and Mutual Release With Cause of Action Reserved by Defendants Against Others," and (2) "Release of Claims and Settlement Agreement" ("Documents");

NOW, THEREFORE, BE IT RESOLVED: the Association through its Board hereby approves the settlements stated in the Documents and authorizes the execution of the Documents on its behalf and on behalf of its unit owners by the

Board president and by legal counsel, Matthew J. Piers of Hughes, Socol, Piers, Resnick & Dym, Ltd.

APPROVED THIS _____ DAY OF October, 2005.

The Pierre Condominium Association

By: _____
Its President

ATTEST:

By: _____
Its Secretary

Extermination Plan: Smithereen, the new extermination company, continues to implement the extermination plan.

Storage Lockers: Dan Chalifoux reported on his ongoing efforts to identify which units are occupying which storage lockers

Recycling: Amy Dickinson introduced Mike McNamee from Resource Center, which is a not for profit environmental organization that was started 26 years ago. Mr. McNamee explained why the City's Blue Bag program is not effective. He explained how the Resource Center's recycling program works. Randy Merhberg moved to authorize the Recycling Committee to enter into an agreement for recycling services for the Pierre with the best qualified vendor for a price not to exceed \$150/month. The Recycling Committee is also authorized to develop a written communication plan for the residents and to determine the proper placement of the recycling bins. Bob Doak seconded the motion. The motion was approved unanimously.

Unit 5AS: Dan Chalifoux reported that the unit has not been rented. He will run an ad and if there is no response after 3 weeks he will hire a real estate broker to rent the unit.

V. New Business

2006 Proposed Budget: Treasurer Bob Doak presented a budget for 2006. Discussion ensued regarding the increased expenses (e.g., insurance, gas, cable) resulting in a 3.0% increase in assessments. This proposed budget would generate a \$118,000 contribution to capital and reserves. This proposed budget assumes income from the garage and the rental of Unit 5AS and assumes interest income from a larger reserve balance.

The Treasurer explained that parking rates have not been raised in 4 years, but that garage expenses have increased. In particular, there has been a 148% increase for health and welfare costs. The proposed budget does not increase monthly parking charges to residents. The proposed budget includes \$100,000 for Lobby renovation and \$15,000 for improvements to the Exercise room.

The Board discussed the issue of raising assessments and decided to recommend that the assessments increase by 3.0% for 2006.

Randy Mehrberg made a motion that the proposed 2006 Budget be distributed to all owners. Larry Stotts seconded the motion. The motion was approved unanimously.

Holiday Bonuses: Last year the holiday bonuses for the building staff were \$2850. The Board agreed to distribute holiday bonuses of \$3000 this year. Larry Stotts will tabulate the bonuses based on recommendations from board members.

Rental Requirements: This topic was tabled until Randy Mehrberg gets a legal opinion from attorney Bob Nesbit regarding comments and suggestions from the owner surveys.

Water Issues: The board discussed the problem of replacing old water risers while units are being renovated. Amy Dickinson made a motion that any owner requesting permission to renovate their unit allow the association, at the association's expense, to replace any water riser that is accessible from the unit. Randy Mehrberg seconded the motion. The motion was approved unanimously.

The board discussed the issue of domestic hot water to the ES Tier. Specifically, the owner of Unit 6ES has apprised the board in writing of her ongoing problems with getting adequate hot water in her unit. It was noted that the owner was invited to attend the meeting and discuss these issues and that the owner was not in attendance. Dan Chalifoux will further investigate the problem and discuss the problem with the owner.

Building Newsletter: The Board discussed ideas for a building newsletter.

Proposed Renovation for Unit 11BN: Unit Owner David Alex presented his plans for construction work in his unit. Specifically, he proposes to install a suspended platform for storage space. An architectural review and a stress load study were performed and reviewed by Aaron Jewell and Dan Chalifoux. Engineers from Trane reviewed the proposed relocation of the heating/cooling water line. The proposal was reviewed by John Fodor who recommended it be reviewed by a mechanical engineer. Mark Todd from Trane indicated that this change would not negatively impact the efficiency of the water system.

Stu Baker moved to approve the proposed construction project for 11BN, subject to review and approval by a mechanical engineer and architect of the association's choice, with the costs to be paid by the owner. Dan Chalifoux shall facilitate this review process. Denise Antonucci seconded the motion. The motion was approved unanimously.

VI. Committee Reports

Exercise Room: A survey regarding use of the exercise room will be distributed to owners.

Cable TV: Bob Doak and Stu Baker reported on their ongoing discussions with MDU on satellite TV. Stu indicated that if a switch is made it will mean that residents now getting phone and internet service from RCN will also have to switch to MDU. MDU is putting together a 'choice' internet package which will allow residents to get high speed internet for \$29.95 per month. Dan will get a proposal from RCN for next month's meeting. It is important to make a decision at next month's meeting since the contract with RCN ends in December 2005.

Fire & Life Safety: The Association will buy one fire extinguisher for each unit. If owners want to buy additional units they may do so.

VII. Management Report

The Board reviewed Dan Chalifoux's written management report dated October 19, 2005.

VIII. Unit Owners Comments

None.

IX. Adjournment

The meeting was adjourned at 11:08 p.m. whereupon the board went into executive session.

Owners are reminded that approved Board Meeting Minutes are on the Association's website. (www.thepierre.com)

To send an email to the Board of Directors use: theboard@thepierre.com

To send an email to our Management Company use: mgmtco@thepierre.com

Respectfully submitted by,
Mary Gootjes
Secretary

