



APPROVED MINUTES

THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

Pursuant to notice duly given, a Board of Directors Meeting of the Pierre Condominium Association was held on November 13, 2001 at 7:30 p.m. in the hospitality room.

Attendance was recorded as follows. Directors: Wayne Lau, Stu Baker, Adam Landsman, Gera-Lind Kolarik, Bob Doak, Denise Antonucci; Joe Bright and Jamie Sartin, Wolin-Levin; Debra Russo, Recording Secretary.

I CALL TO ORDER:

The Board of Directors Meeting of November 13, 2001, was called to order at 7:38 p.m., by Board President Adam Landsman. A quorum was noted.

II SECRETARY'S REPORT:

Mr. Lau announced that the Board would be considering approval of minutes from three meetings held during the month of October; October 9, 2001 Board Meeting, October 24, 2001 Unit Owners' Meeting, and the October 24, 2001 Board Meeting. It was noted that the Board has reviewed all three sets of minutes in advance of this meeting, and the recommended amendments have been incorporated. The Board was asked to vote on each set of minutes individually.

a) Minutes of October 9, 2001 Board Meeting

Mr. Lau called for final comments or corrections, there were no additional changes.

Upon motion duly made, Mr. Lau motioned to approve the October 9, 2001 Board Meeting minutes as presented, seconded by Mr. Doak, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the October 9, 2001 Board Meeting minutes.

In Favor: Mr. Lau, Mr. Baker, Mr. Landsman, Mr. Doak, Ms. Antonucci.
Abstaining: Ms. Kolarik.

b) Minutes of October 24, 2001 Unit Owners' Meeting

Mr. Lau called for final comments or corrections, there were no additional changes.

Upon motion duly made, Mr. Lau motioned to approve the October 24, 2001 Unit Owners' Meeting minutes as presented, seconded by Mr. Landsman, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the October 24, 2001 Unit Owners' Meeting minutes.

In Favor: Mr. Lau, Mr. Baker, Mr. Landsman, Mr. Doak, Ms. Antonucci.
Abstaining: Ms. Kolarik.

c) Minutes of October 24, 2001 Board Meeting

Mr. Lau called for final comments or corrections, there were no additional changes.

Upon motion duly made, Mr. Lau motioned to approve the October 24, 2001 Board Meeting minutes as presented, seconded by Mr. Baker, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the October 24, 2001 Board Meeting minutes.

In Favor: Mr. Lau, Mr. Baker, Mr. Landsman, Mr. Doak, Ms. Antonucci.
Abstaining: Ms. Kolarik.

III TREASURER'S REPORT:

a) Finance Report

The Association's Treasurer Bob Doak, presented a 10 month financial review ended October 31, 2001, updating the Board and unit owners on the Statement of Income and Expenses. A current forecast of income and expenses compared to the original 2001 budget and the revised 2001 budget was also reviewed.

b) Statement of Reserves

The Association's reserve balance was \$228,388 as of October 31, 2001, and the separate account for payments from partial insurance settlements from the 2120 Construction Project related insurance claims was \$349,459 as of September 30, 2001.

There were no contributions to or expenditures from either account in the past two months, the changes were due to interest income, and the operating account reflects a positive cash position as of October 31.

c) 2002 Operating Budget

Mr. Doak continued summarizing our cash flow, gas rate usage history, and a thorough review of the proposed 2002 Budget which was presented and will be distributed to unit owners.

Mr. Doak proposed that budgeted regular assessments increase 3% over the total amount billed in 2001 or 10% less than the revised monthly assessment approved on July 10, 2001 that unit owners are currently paying. This budget contains only minor capital expenditures. Separate budgets will be prepared for major capital projects and repairs from the 2120 Construction Project damages; separate bank accounts will be opened and the accounting will be maintained separately.

Parking income was moved from the operating budget to the budget for major capital projects, because those funds in addition to the special assessment will be applied, to paying the costs of these projects.

Mr. Doak reviewed the significant increases in the budgeted operating costs for 2002 compared to 1997 costs, and stated that the budgeted costs for 2002 reflect about a 5% compounded annual increase from 1997. A schedule itemizing the major line item cost increases is attached.

(The Pierre Condominium Association Operating Cost Reconciliation 1997-2002 is attached as part of these minutes.)

d) Questions/Answers

Mr. Doak then addressed questions from the Board and attending owners. Reviewing some of the following line items in the proposed budget: storage locker income, miscellaneous income, engineering expenses, insurance, management, reserve study, printing/copying, engineer's housing allowance, cable, gas, electric, and repair/maintenance expenses. There was also a brief discussion concerning repairs and improvements needed on the roof deck.

Upon motion duly made by Mr. Doak, seconded by Mr. Landsman, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the proposed 2002 Operating Budget for distribution to the unit owners. The budget will be considered for final adoption at the December 11th Board Meeting.

IV MANAGEMENT REPORT:

a) Garage Reconstruction Project

The garage reconstruction project is going very well and the repair work is reported to be on schedule.

I-Floor Drain Repairs

Eskenazi, Farrel & Fodor has determined the need for additional drain work and pipe replacement on the upper and lower levels as recommended by Takao Nagai. Repairs costs were estimated at \$6,000.00 for the additional work on the upper level but firm prices were not available for the lower level repairs.

After discussion regarding the potential repairs for both upper and lower levels, it was determined to proceed with only the confirmed estimated repairs.

THE PIERRE CONDOMINIUM ASSOCIATION
 OPERATING COST RECONCILIATION 1997-2002

OPERATING COSTS- 1997 ACTUAL	566,000		
MAJOR INCREASES 2002 VS. 1997:		<u>1997</u>	<u>2002</u>
INSURANCE	31,000	13,000	44,000
MANAGEMENT COMPANY FEE	26,300	25,700	52,000
ENGINEER'S HOUSING			
(offset by increase in rental income-\$26,000)	10,200	0	10,200
BUILDING PAYROLL (3% compounded increase)	35,000	215,000	250,000
CABLE (expanded service)	14,900	12,700	27,600
GAS	3,500	56,500	60,000
ELECTRIC	5,300	58,700	64,000
REPAIRS & MAINTENANCE (\$118,600 IN 2000)	13,000	49,500	62,500
OTHER- net	<u>13,000</u>		
OPERATING COSTS- 2002 BUDGET	718,200	5% compounded annual increase from 1997	

Upon motion duly made by Mr. Doak, seconded by Mr. Baker, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the additional upper level drain work and pipe replacement as recommended by Takao Nagai for an additional cost of \$6,000.00.

2–Phase I Completed

Management reported that the first payment is due to Takao Nagai, per the garage reconstruction contract in the amount of \$96,210.90.

Upon motion duly made by Mr. Doak, seconded by Mr. Landsman, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve an expenditure of \$96,210.90, payable to Takao Nagai, for the first payment due under the garage reconstruction contract approved August 14, 2001.

3–Garage Painting

The Board reviewed proposals for painting of the garage interior. The scope of work includes scraping all loose paint and repainting with the original colors. All areas currently painted will be repainted, with the addition of the bike room and the wall on the right hand-side leading down to the lower-level.

Upon motion duly made by Mr. Doak, seconded by Mr. Landsman, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the proposal from Janos Csanyi to complete the garage painting for \$4,900.00.

In Favor: Mr. Lau, Mr. Baker, Mr. Landsman, Mr. Doak, Ms. Antonucci.

Abstaining: Ms. Kolarik.

b) Elevator Modernization Project

The Elevator Modernization Project has started, with implementation of the engineering phase. Estimated lead time for materials is approximately 25 weeks, and the anticipated repairs scheduled to begin in April or May of 2002.

Management restated that the time-frame for elevator modernization project will require fifteen weeks per car instead of the ten weeks originally quoted by the alternative source. Bids are being obtained for the supplemental HVAC and electrical work that will be completed in addition to, and in conjunction with the contracted work.

c) Handrail

The Board reviewed a proposal from Adams Street Iron to fabricate and install a steel handrail at the rear (West) stairwell exit leading from the garage to the alley.

Upon motion duly made by Mr. Doak, seconded by Ms. Kolarik, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the proposal from Adams Street Iron, Inc., for fabrication of the steel – wall handrail, brackets, posts and installation for \$795.00.

d) Swimming Pool Resurfacing

The Board discussed a proposal from Rainbow Resurfacing to resurface the swimming pool with a fiberglass structural lining that will never require painting. It was noted that this product carries a fifteen year-limited warranty.

Upon motion duly made by Mr. Doak, seconded by Mr. Landsman, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the proposal from Rainbow Resurfacing Inc., for the preparation and renovation of the interior surface to the steel roof deck swimming pool, consisting of a new reinforced fiberglass compound resurfacing for \$11,750.00.

e) Final Unit Inspections

Management has been working with the Association's attorneys, the Ritter Group and the insurance investigator from Travelers to schedule and complete final inspections in the units affected by the 2120 Construction Project. It was reported that additional units may require floor leveling that had not been previously identified. The Ritter Group will provide a written report to all of the units that have been reinspected for their review before conclusion of the claim.

V OLD BUSINESS:

a) Decorating Project

Management reported that final payment was issued to Darcy Bonner for renovation design work, in the amount of \$5,000.00, as approved at the previous Board meeting.

VI NEW BUSINESS:

a) Special Parking Needs

Ms. Kolarik reported that some owners in the building are experiencing exceptional difficulties because of the garage project. She suggested perhaps an exception could be made for those most adversely affected, such as, senior citizens, mothers with very small children, and residents with disabilities, so that they could park in the garage in an area unaffected by the construction work.

Although sympathetic to inconveniences caused by the garage project, the Board responded that it would not be possible to make exceptions, because the concrete has to cure before it can be coated with the membrane surface, and that needs to set before being driven on.

In addition, there is painting and electrical work to be completed before allowing any parking. At this time it is estimated that the garage reconstruction project should be complete, and parking available to unit owners sometime in January.

b) Parking Fee Increase

A unit owner wished to express her concerns with the increased cost of living at The Pierre and made the following statement, requesting it go on record.

"Due to the major increase in monthly assessments along with the special assessment in 2002, I feel that raising parking fees for unit owners to more than double the amount previously charged is inappropriate. I suggest that the parking fee be raised a more acceptable rate of 10% when the garage reopens. Then, after the first anniversary date of the reopening of the garage, the parking fee could be raised 4% and an additional 4% each year thereafter. Some improvements would have to be delayed. Cost cutting would have to be initiated."

The Board engaged in a lengthy discussion on the Association's financial status, with Mr. Doak, the association's Treasurer responding.

Delay of these projects is not an option as they are all required/necessary maintenance. As I have explained in previous meetings and earlier in this meeting before you arrived, the association's reserves have been depleted by several years of spending over budget without appropriate recovery from operating assessments which had not been increased in several years prior to the increase in 2001. As a result, the association currently does not have adequate reserves to pay for the three major repair projects (garage reconstruction, elevator modernization and facade repairs) that must be completed in the next eighteen months. There are only two sources that the association has available to it to raise the needed funds for these projects; special assessment and increased garage fees. Recognizing that our monthly garage rate to unit owners has been substantially below market, the Board has chosen to roughly double the parking rate to unit owners, in order to minimize the amount of the special assessment. The Board concluded that this is the fairest way to raise the needed money since unit owners without cars were effectively subsidizing unit owners with cars. To accept increasing garage rates only 10% as this unit owner proposes, the special assessment would need to be increased by more than \$400,000.

VII COMMITTEE REPORTS:

a) Renovation Committee

1-Lobby Elevators

Ms. Antonucci reported that estimates are being obtained for refinishing the wood paneling in the lobby elevators and for purchasing new elevator pads.

2-Renovation Committee Presentation

The Renovation Committee will present an update on the windows to unit owners at a special unit owners meeting on Tuesday, November 27, 2001 at 7:30 p.m. in the hospitality room.

VIII OWNERS COMMENTS/QUESTIONS:

The Board addressed comments and questions from attending owners. The following topics were addressed: supervision of the garage reconstruction project, Board members surveying the common areas of the building to better understand maintenance and repairs, recommendations for a handyman to complete repairs inside the units.

a) Repairs within Units

A unit owner mentioned the need to find reasonably priced help for small repairs in one's own unit. Joe Bright said he would make available a list of recommended contractors and handymen that he has used in the past who are willing to do individual unit owner repairs.

IX RECESS/CLOSED SESSION/ADJOURNMENT:

With no further business to come before the regular Board meeting, and upon motion duly made by Mr. Landsman, seconded by Mr. Baker, and carried, the Board recessed into a closed session of the open meeting at 9:50 p.m.

The purpose of the closed session was for the Board to review specific aspects regarding the 2120 Construction Project insurance claim, and implementation of the common element joint repairs.

The closed session of the open meeting concluded and reconvened into open session at 10:25 p.m.

The Board continued in open session with the ratification for the sale of two units.

a) Right of First Refusal

Management reported on the following sales: unit 10AS sold for \$264,900; and unit 12A-CN sold for \$1,350,000.

Upon motion duly made by Mr. Lau, seconded by Mr. Landsman, and carried, the following resolution was unanimously approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, ratify approval for the sale of units 10AS and 12A-CN and waive the Association's right of first refusal.

Upon motion duly made, and unanimously carried, the meeting adjourned at 10:35 p.m.

Respectfully Submitted,



Wayne Lau, Secretary
The Pierre Condominium Association

Debra Russo, Recording Secretary