



APPROVED MINUTES

THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

I CALL TO ORDER:

The Board of Directors meeting of November 20, 2002 was called to order at 7:50 p.m. by Board Vice President Bill Waterston. A quorum was noted. Attendance was recorded as follows: Directors: Wayne Lau, Bob Doak, Barbara Sherman, Randy Mehrberg, Bill Waterston, Denise Antonucci (8:50 p.m.), Adam Landsman (9:50 p.m.), Edward Burnes (9:55 p.m.). Others: Brett Laureys, Wiss, Janney Elstner Associates, Inc.; Joe Bright, Wolin-Levin; Aaron Jewell – Chief Engineer, Pierre.

II WISS, JANNEY, ELSTNER ASSOCIATES:

a) Façade Examination Report and Repairs Mr. Brett Laureys, Senior Architect/Engineer from Wiss, Janney, Elstner Associates, presented the revised scope of work developed by WJE for the majority of steel lintel angles throughout the building. He updated the Board on the revised repair cost estimates and the latest existing conditions on façade repairs. W.J. McGuire Company is nearing completion for this season to the repairs on the first 10 swing stage drops of the 28 total drops around the building.

Mr. Laureys brought a severely corroded steel lintel that was removed from the building, and reviewed shelf angles, improper lintel support, additional deteriorated portions of the parapet walls, and cracked limestone cladding. The balance of the repairs to the building is anticipated to begin next March.

Mr. Laureys presented W.J. McGuire Company's revised costs of \$497,862 for the replacement of all steel lintels (excluding the 2nd and 10th floors on the S and E elevations), \$24,000 for WJE engineering services, completed parapet wall repairs \$28,850 (2002), with additional costs of \$94,600 for the balance of the parapet wall repairs (suggesting they could be deferred for two years but completed by 2007), additional limestone repairs on the East elevation of \$8,350, and \$9,200 for the removal of the protection canopy on the South façade for the winter months and remobilization next spring

Mr. Laureys stated again that it would be necessary for all of the lintels to be replaced prior to any window replacement project being implemented.

The Board asked Mr. Laureys to inspect the vertical joint separation on the west façade, and have W.J. McGuire Company's crew reseal if necessary any faulty portions before they suspend work.

III SECRETARY'S REPORT:

a) Minutes of October 16, 2002 Motioned by Mr. Lau, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the Board of Directors Meeting minutes of October 16, 2002.

In Favor: Mr. Lau, Mr. Doak, Ms. Sherman, Mr. Mehrberg, Mr. Waterston.

Note: Ms. Antonucci, Mr. Landsman, Mr. Burnes were not present for this resolution.

b) Minutes of November 4, 2002 Motioned by Mr. Lau, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the Board of Directors Meeting minutes of November 4, 2002.

In Favor: Mr. Lau, Mr. Doak, Ms. Sherman, Mr. Mehrberg, Mr. Waterston.

Note: Ms. Antonucci, Mr. Landsman, Mr. Burnes were not present for this resolution.

IV TREASURER'S REPORT:

a) Financial Report Board Treasurer Bob Doak presented the Treasurer's Report.

(The Pierre Condominium Association Treasurer's Report Board Meeting 11/20/2002 is attached.)

V MANAGEMENT REPORT:

Joe Bright, the property manager gave a management report including:

a) Elevator Modernization Process Update and Scheduling Lerch Bates notified Management of the delay in having the city inspector approve the second passenger elevator for use and has now indicated that it will not return to service until December 2nd delaying the start-up of the service elevator.

b) Pool Liner Installation This past spring, installation of the fiberglass swimming pool liner had been delayed due to inclement weather. To assure that the work did not interfere with the regular pool schedule, the project was postponed until after the pool closed at the end of the season in October and is currently expected to be completed within a week.

c) Laundry Machines Revenue Laundry revenue was collected with our Chief Engineer present to confirm the audit. The Board reminded Management to diary the date and give the appropriate notice to the Board of the contract expiration date due up in 2004.

d) Engineer Moves On Site Aaron Jewel, and his family have completed their move into the building.

e) Tenants Lawsuit The second floor tenants have moved out of the building and their lawsuit against the Association over their security deposit was dismissed with prejudice. The outstanding rent balance owed by them is still being pursued.

f) Legal Bills The Board reviewed previous outstanding legal bills related to the 2120 Construction Project for \$33,854.96 for the period of 2/1/2002 through 6/30/2002. In light of the settlements received, it was decided to proceed with payment. Motioned by Mr. Doak, seconded by Mr. Waterston, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve payment to Gessler Hughes and Socol for \$33,854.96.

In Favor: Mr. Lau, Mr. Doak, Ms. Sherman, Mr. Mehrberg, Mr. Waterston.

Note: Ms. Antonucci, Mr. Landsman, Mr. Burnes were not present for this resolution.

g) Sensor Panels Otis Elevator Company representatives responded to Management indicating that they were not successful in obtaining an alternative for the sensor panels. Mr. Waterston suggested that both he and Ms. Antonucci will work together to design a recessed wood and smoked glass panel that should be aesthetic and functional, present to the Board for approval and proceed to have it fabricated.

VI OLD BUSINESS:

a) AN/BN Common Element Drywall Joint Repairs Management obtained three proposals for all door/door frame repairs and adjoining drywall repairs around the entry doors for the AN/BN units on the joint line. It was later discovered that the contractors were not bidding utilizing the Wiss, Janney, Elstner specifications for the drywall repairs on the joint line. Management was instructed to get new proposals for the repairs using the WJE specifications and in addition, get proposals for any necessary interior drywall repairs associated with the cracks on the joint line for the AN and BN units.

b) AN/BN Common Element Joint Repairs Berglund Maintenance completed Phase 1 of the common element floor slab joint repairs (excluding floor finishes or coverings) in the AN/BN units earlier this year following approved specifications from Wiss, Janney, Elstner Associates.

In an effort to proceed with Phase 2 and 3 of the AN/BN slab joint repairs, Mr Lau has agreed to help draft and distribute the necessary communications to AN/BN unit owners. It is anticipated that when the service elevator becomes available in February, the Association will begin Phase 2 and 3 of the concrete floor slab and drywall joint repairs for the remainder of the AN/BN unit owners. Both phases are required to be completed by September 2003 under the current contract.

VII NEW BUSINESS:

a) Roof Survey W.J. McGuire Company's crew observed poor preexisting roof conditions (ponding water) upon shifting their scaffolding on the roof and recommended that a survey be conducted next season to insure the integrity of any roofing material before any façade work begins. Our Chief Engineer has been monitoring the roof and confirmed that some portions of the roof as well as the HVAC Cooling Tower are in poor condition and will require partial or full replacement within approximately two years. Costs for these repairs have not been determined at this time.

b) Late Fees Management reviewed the late fee cutoff policy. The Board determined that Wolin-Levin should exercise discretion in applying late fees that are on the cut off date.

c) Proposed 2003 Operating Budget Board Treasurer Bob Doak presented the proposed 2003 Operating Budget and reviewed significant increases in the operating costs for 2003 compared to 2002 costs, and indicated that the proposed 2003 assessment reflects a 4.575% increase. The Board reviewed possible cutbacks in spending and any necessary increases to the proposed budget. Motioned by Mr. Waterston, seconded by Ms. Antonucci, and carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the proposed 2003 Operating Budget for distribution the unit owners. The proposed budget will be reviewed with unit owners comments and considered for adoption at the December 18th Board Meeting.

*In Favor: Mr. Lau, Mr. Doak, Ms. Sherman, Mr. Mehrberg, Mr. Waterston, Ms. Antonucci, Mr. Landsman.
Abstaining: Mr. Burnes.*

d) Special Project Costs Summary Mr. Doak prepared and distributed a Special Project Costs and Related Cash Sources summary. He reviewed the summary and recommended that it be distributed to unit owners along with the proposed 2003 budget. Mr. Doak also proposed that the Board consider a "Capital Improvement Plan" and explained options to cover the costs for the façade repairs and additional lintel replacements that will need to be made next year. He recommended that we devote a portion of the December 18th Board meeting to review with unit owners the options available and set priorities for the necessary repair projects affecting the building over the next several years.

VIII COMMITTEE REPORTS:

a) Garage Contract Committee The garage committee is planning to meet before the next Board meeting to review the two lease proposals received by Pioneer Parking and GO Parking and present their recommendation for the operation of the garage to the Board at the December 18th Board meeting.

b) Halloween Party Committee Mr. Doak noted the annual Halloween Party was omitted from the last Board meeting agenda and no expenditure for the party was approved. Motioned by Mr. Waterston, seconded by Mr. Mehrberg, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve an amount of \$140 in expenses for the Halloween Party.

IX OWNERS COMMENTS/QUESTIONS:

a) Calls from Doormen A unit owner questioned if the doormen are still calling up to the units when guests arrive. She stated that her expected guests arrived and knocked on her door without any call from the doorman. Management will address this issue with the doormen and check the phone system.

b) Christmas Trees A unit owner stated she was planning on getting a natural tree for the holidays and questioned how to remove it while the service elevator is scheduled to be out of service. Management suggested that when she decides to remove the tree, she is to notify Management or the Chief Engineer and the staff will assist her in bagging and removing the tree.

c) Painting in Hallways The unfinished area in one of the hallways due to recent construction was raised. The unit owner was present and agreed to get his contractor to finish painting the drywall area.

d) Resident Parking Rates An owner questioned the current resident monthly parking rate of \$185 (\$99 plus the \$86 surcharge) as being less than the full market rate (\$250) resulting in a subsidy to those who park in the garage. The Board indicated the reduced rate for building parking is at the discretion of the Board and is common practice in condominiums.

X RECESS/CLOSED SESSION/ADJOURNMENT:

The Board recessed into closed session at 11:15 p.m. to review the role of the Recording Secretary and determine holiday bonus' for the staff. The closed session reconvened into open session at 11:30 p.m. Motioned by Mr. Doak, seconded by Mr. Waterston, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve a holiday bonus in the amount of \$250 each net of taxes for each member on the staff.

Motioned and unanimously carried, the meeting adjourned at 11:35 p.m.

*Respectfully Submitted, Wayne Lau
Secretary, The Pierre Condominium Association*

THE PIERRE CONDOMINIUM ASSOCIATION
TREASURER'S REPORT
BOARD MEETING 11/20/02

For the ten months ended October 31, 2002, the association has a net cash deficiency of \$10,708 before consideration of Special Assessments received and Special Project costs paid out. This cash deficiency was caused by a \$65,288.07 payment in August to the attorneys representing us in the Baker litigation. About \$62,000 of this amount was expensed in the year ended 12/31/01 audit report.

Special assessments received through 10/31 totaled \$573,903 and garage revenue totaled \$67,054 against which \$384,195 was expended for garage work, \$210,979 was expended for elevator work and \$51,134 was expended for façade work. The first invoices to the façade contractor have been processed with Harris Bank and resulted in the first draw down on the special project line of credit that we put in place 10 months ago. The loan balance at October 31, 2002, is \$39,111. I am in the process of renegotiating this line of credit to obtain a lower interest rate.

At 10/31, The Pierre Condominium Association had the following cash/ investment balances:

Wolin-Levin	\$ 65,471.24
Harris Bank Special Projects A/C	\$ 3,625.51
Salomon Smith Barney- general reserves	\$225,659.05
Salomon Smith Barney- Baker damage insurance A/C	\$604,980.32
Midamerica Bank- Baker damage insurance A/C	\$ 95,744.15
Invest Financial- Baker damage insurance A/C	<u>\$996,643.12</u>
Total- Cash and Investments	\$1,992,123.39

My current forecast for the year ending 12/31/2002 is that operating income (before capital expenditures and Baker litigation costs) may be about \$101,000, \$12,000 below budget. This is an improvement of \$3,000 from the prior month's forecast. After consideration of (non-special project) capital expenditures and an estimate of \$60,000 for Baker litigation costs (\$30,000 more than budgeted), I am forecasting \$19,000 available for reserves compared to \$59,000 budgeted.

The garage operation reported a net income of \$1,819 in October. After adjusting for deposits and prepaid fees to account for them on an accrual basis, net income would have been \$2,075. After adjustment for deposits and prepaid fees, the year-to-date income from the garage is now \$122, finally offsetting the start-up losses on an accrual basis. For the last four months accrual basis garage income has totaled \$12,000.

Total garage revenue was \$1,342 ahead of budget, driven by \$1,749 higher monthly parking revenue. Total monthly cars have now reached about 112, close to a full garage. Payroll for the month included \$1,500 of vacation pay, which depressed earnings. The electric bill was about \$50 lower than it had been running. There has been a conscious effort made to turn off many of the basement lights at night and hopefully this savings will continue.

Respectfully submitted,
Robert Doak
Pierre Treasurer