



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 December 11, 2001 at 7:30 p.m. in the hospitality room.

Attendance was recorded as follows. Directors: Bob Doak, Wayne Lau, Randy Mehrberg, Bill Waterston, Stu Baker, Denise Antonucci, Bob Zabors (8:55 p.m.), Gera-Lind Kolarik (10:05 p.m.); Bob Milbrandt and James Horski, Ampco System Parking; Joe Bright, Wolin-Levin; Debra Russo, Recording Secretary.

I CALL TO ORDER:

In the absence of Board President Adam Landsman, the Board of Directors Meeting of December 11, 2001, was called to order at 7:32 p.m., by Board Vice President Stu Baker. A quorum was noted.

II PARKING GARAGE MANAGEMENT:

a) AMPCO System Parking Presentation

Mr. Doak the Association's Treasurer explained that Ampco System Parking submitted separate lease and management proposals for the garage operation. Operations manager Mr. Bob Milbrandt and branch manager Mr. James Horski attended the meeting to present background information on their company and the services they provide with their proposals to the Board for their consideration for the new garage operation contract, and to address any questions.

They explained their management philosophy, anticipated expenses for the garage operation, precautions they would take to assure accurate accounting and their initial recommendation of a management agreement versus a lease arrangement, so that revenue and expenses could be substantiated.

Thanks were extended to Mr. Milbrandt and Mr. Horski for their time and information, and they were excused from the meeting.

III SECRETARY'S REPORT:

Mr. Lau announced that the Board would be considering approval of minutes from two meetings held during November and early December; November 13, 2001 Board Meeting, and the December 4, 2001 Special Board Meeting. It was noted that the Board reviewed both minutes in advance of this meeting, and no changes were called for. The Board was to approve each of the minutes individually.

a) Minutes of November 13, 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 November 13, 2001 Board Meeting minutes as presented, 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 November 13, 2001 Board Meeting minutes.

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

Abstaining: Mr. Mehrberg, Mr. Waterston.

Note: Mr. Zabors and Ms. Kolarik were not present for this resolution.

b) Minutes of December 4, 2001 Special 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 December 4, 2001 Special Board Meeting minutes as presented, 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 December 4, 2001 Special Board Meeting minutes.

In Favor: Mr. Doak, Mr. Lau, Mr. Mehrberg, Mr. Waterston, Mr. Baker, Ms. Antonucci.

Note: Mr. Zabors and Ms. Kolarik were not present for this resolution.

IV TREASURER'S REPORT:

a) Finance Report

The Association's Treasurer Mr. Bob Doak updated the Association on the Statement of Income and Expenses from the past 11 months, reflecting a positive cash flow for the second consecutive month.

Previous cash of approximately \$21,000, with an additional \$6,000 from November, for a total of \$27,141 in cash as of November 30, 2001. Management was instructed to transfer \$27,471 from cash to reserves.

Operating income is currently forecasted to be about \$20,000 less than the revised budget for the full year 2001. Gas costs are forecasted to be less than the revised budget by about \$6,000 due to lower usage and rates because of favorable weather.

b) Statement of Reserves

The Association's reserve balance was \$231,802 as of November 30, 2001 with the only activity during November being the crediting of interest. The separate account for payments from partial insurance settlements from the 2120 Construction Project related insurance claims had no activity during November and the statement is sent quarterly, the balance was \$349,459 as of September 30, 2001.

c) Status of Investments

Mr. Doak reported on the status of the Association's current investments, specifically \$64,000 invested in a high yield bond fund and \$62,000 invested in a Xerox note. The remainder of the Association's reserves are currently invested in money market accounts.

He explained that when he had first reviewed the performance of the high yield bond funds about six months ago they had declined more than 20% from original purchase cost. One fund was sold at that time and the plan was to allow time for recovery of the other and then to sell the fund and reinvest the money in a lower risk C/D or money market fund. The high yield fund dropped an additional 20% from June to the post 9-11-2001 market lows and has since recovered to about 7% below June prices.

He then asked the Board for direction on how to proceed. After discussion, the Board acknowledged selling the high yield fund will reduce the interest income budgeted for 2002, however they agreed the investment is more risky than what the association should be invested in. The Board agreed to sell the high yield fund, but retain the Xerox note for the present.

d) 2002 Operating Budget

Mr. Doak reviewed the 2002 Operating Budget that was recently distributed to the unit owners. The 2002 budget contains approximately a 3% increase in the regular assessment over the total of 2001.

If all goes as planned, it should provide for \$60,000 to be added to reserves by the end of 2002.

Mr. Doak then addressed two issues that will need to be modified in the proposed budget. One is the reduction in interest income from \$30,000 to \$20,000, the second is preventative maintenance for the roof deck pool systems which is estimated to cost an additional \$6,500 for replacement of the pool pumps and related chemical equipment.

Emphasis was placed on the fact that the proposed budget was in line with historical costs, even though a significant line item was the increase in our insurance costs.

A new reserve study will be conducted this next year and was taken into account in the 2002 budget.

Upon motion duly made, Mr. Doak motioned to approve the proposed 2002 Operating Budget with the two additional amendments as presented, seconded by Mr. Baker, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, adopt the proposed 2002 Operating Budget as amended.

In Favor: Mr. Doak, Mr. Lau, Mr. Mehrberg, Mr. Waterston, Mr. Baker, Ms. Antonucci.

Note: Mr. Zabors and Ms. Kolarik were not present for this resolution.

(The Pierre Condominium Association 2002 Operating Budget (2 pages) is attached as part of these minutes.)

V MANAGEMENT REPORT:

a) On-Site Building Manager

Joe Bright, the Association's property manager informed the Board and the Association that Jamie Sartin, the part time on-site building manager had chosen to leave Wolin-Levin.

b) Garage Reconstruction Project

The garage reconstruction project is going exceptionally well and the repair work is ahead of schedule, additional drains are being installed, garage painting is nearing completion, the membrane will be applied within the next week and electrical work and pipe insulation will be completed shortly thereafter. Final proposals are being obtained for all new lighting fixtures and any additional electrical repairs.

If all of the remaining work goes as planned, the garage is anticipated to reopen January 1, 2002, providing the garage operator is staffed and ready.

c) Handrail

Management reported that the new steel handrail was installed at the rear (West) stairwell exit leading from the garage to the alley, by Adams Street Iron, as previously approved.

d) Swimming Pool Resurfacing

Rainbow Resurfacing Inc. provided color samples for the new fiberglass structural pool lining. Color selection was made with the consensus of the attending owners, the light aqua blue was the chosen color.

e) Overhead Garage Door Infloor Loop Detector

The Board reviewed a proposal from Door Systems for the reinstallation of two new infloor loops in the concrete floor to automatically release the overhead doors. Management is awaiting an additional proposal and proposals for the replacement of the overhead doors.

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

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve an expenditure for the installation of one interior infloor loop, for a total cost not to exceed \$1,700.00.

Note: Ms. Kolarik was not present for this resolution.

f) Air-Conditioning/Chiller Unit Maintenance

The Board reviewed a proposal from Trane Chicago Service to chemically clean the tubes of the air-conditioning chiller system. The quoted price for labor and materials was estimated to be \$915.00. The Board discussed whether the additional work should be incorporated into the service agreement and asked Management to inquire and get additional information.

g) Garage Fire Hose Replacement

Management reported that the Building Engineer has recommended replacement of the fire hose in the garage. The replacement cost was estimated at \$1,200.00. Management was asked to obtain additional proposals.

THE PIERRE CONDOMINIUM ASSOCIATION
2002 OPERATING BUDGET

	2001 Original Budget	(accrual basis) 2001 Revised Budget	(accrual basis) 2001 Forecast 12/11/01	2002 Final Budget
<u>INCOME</u>				
4000 Assessments	662,817	742,817	742,817	765,000
6180 Less: NSF Checks				
Net Assessments	<u>662,817</u>	<u>742,817</u>	<u>742,817</u>	<u>765,000</u>
4002 Rental Income (Apt.)	39,600	31,400	38,605	39,600
4010 Parking Income	34,000	30,685	23,596	0
4020 Laundry Income	2,000	2,000	2,000	2,000
4026 Storage Income	3,000	3,000	2,600	2,500
4030 Misc Income	1,500	1,500	200	200
4031 Scavenger Rebate	7,620	7,620	7,650	7,650
4040 Maintenance Income	0	0	2,400	1,000
4049 Wolin-Levin Fees	160	160	100	100
4051 Late/Legal Fees	1,500	1,500	1,700	1,000
4056 Keys	0	0	0	0
4060 Interest Income	<u>30,000</u>	<u>30,000</u>	<u>30,400</u>	<u>20,000</u>
Total Income	<u>782,197</u>	<u>850,682</u>	<u>852,068</u>	<u>839,050</u>
<u>EXPENSES</u>				
Administrative:	54,696	62,391	76,774	78,800
Operating:	534,442	588,274	585,243	587,600
Repairs & Maintenance:	31,216	52,927	62,501	59,500
OPERATING INCOME	<u>161,843</u>	<u>147,090</u>	<u>127,550</u>	<u>113,149</u>
Baker claim professional fees:				
6110 Engineer Service-Baker	15,000	15,000	8,000	0
5316 Litigation-Baker	50,000	50,000	65,000	30,000
7165 Baker related repairs	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0</u>
Baker claim related costs	<u>65,000</u>	<u>65,000</u>	<u>77,000</u>	<u>30,000</u>
Net income (loss) available for Capital	96,843	82,090	50,550	83,149
Capital Expenditures:				
6111 Facade consulting & repair	1,500	5,495	5,000	0
7093 Decorating/Design	30,000	36,000	35,449	0
8003 Garage- Structural Engineer	17,000	14,675	23,000	0
7289 Garage- Lights & Fixtures	20,000			
Garage Repairs	10,000		2,000	
Pool resurfacing				12,000
Pool Pumps and Chemical Controller				6,500
Reserve Study				6,000
7068 Elevator Study	2,000	2,000	10,000	0
4480 Fire Safety		0	0	0
6191 Emergency Generator	<u>5,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expenditures	<u>86,000</u>	<u>58,170</u>	<u>75,449</u>	<u>24,500</u>
Net Increase/(Decrease) in Reserves	10,843	23,920	(24,899)	58,649

THE PIERRE CONDOMINIUM ASSOCIATION
2002 OPERATING BUDGET

	2001 Original Budget	(accrual basis) 2001 Revised Budget	(accrual basis) 2001 Forecast 12/11/01	2002 Final Budget
EXPENSES				
Administrative:				
5310	Legal	5,000	5,000	8,000
5311	Audit	3,000	3,000	8,000
5340	Management	34,650	34,650	37,492
5002	R E Taxes	1,886	1,886	6,396
5332	Income Taxes	3,500	3,500	3,591
5349	Misc. W/L Charges	160	160	300
5350	Fees & Permits	1,500	1,500	1,000
5360	Misc. Admin Expense	3,000	8,500	9,000
	Commission to rent Apt.		2,195	2,195
6050	Printing & Copying	<u>2,000</u>	<u>2,000</u>	<u>800</u>
	Total Administrative	<u>54,696</u>	<u>62,391</u>	<u>76,774</u>
Operating:				
5510	Gas	65,000	85,000	79,000
5520	Electric	49,000	59,000	61,500
5530	Water	12,000	14,000	13,800
5610	Janitor	119,758	119,758	115,000
5611	Doorman	120,659	120,659	126,000
5619	Bonus & Gifts	1,600	1,600	1,600
5440	Health & Welfare	18,600	18,600	17,600
5446	Doorman Dues	16,888	16,888	17,000
5620	Payroll (FICA) Taxes	18,392	18,392	18,559
5330	Unemployment Taxes	3,430	3,430	2,900
5320	Insurance	21,300	42,772	42,803
5321	Workmen's Comp Insurance	7,500	7,500	7,500
5324	Uninsured Casualty Loss	3,000	3,000	3,200
5180	Elevator	17,827	17,827	18,282
5410	Exterminating	840	840	1,500
5420	Scavenger	12,000	9,500	9,000
5720	Employee Rent	10,200	10,200	10,200
6130	Window Washing	2,000	2,000	2,000
6195	Fire Extinguishers	500	750	1,400
7010	Landscaping	1,500	4,000	4,000
7021	Lobby	0	110	151
7040	Telephone	5,200	5,200	5,000
7045	Pager	360	360	360
7050	Cable/ Antenna	<u>26,888</u>	<u>26,888</u>	<u>26,888</u>
	Total Operating	<u>534,442</u>	<u>588,274</u>	<u>585,243</u>
Repairs & Maintenance:				
5110	Electric Repairs	500	500	84
5120	Plumbing	1,500	8,000	3,000
5150	Roof Repair	1,000	1,000	1,029
5182	Elevator non-contract	1,200	5,000	11,000
5450	Supplies	10,000	14,000	19,000
6061	Pool Repairs	1,500	1,500	2,348
6080	HVAC	6,016	6,016	14,000
6120	Uniforms	2,000	3,000	3,300
6198	Misc Repairs	5,000	5,000	3,100
7207	Heating Repairs	0	6,411	4,140
7254	Janitorial Equipment	1,000	1,000	500
6156	Painting	<u>1,500</u>	<u>1,500</u>	<u>1,000</u>
	Total Repairs & Maintenance	<u>31,216</u>	<u>52,927</u>	<u>62,501</u>

VI OLD BUSINESS:

a) Vendor Listing

At a previous meeting, a unit owner mentioned the need to find reasonably priced help for small repairs in one's own unit. Joe Bright indicated he would prepare and distribute a list of recommended contractors and handymen that he has used in the past who are capable of doing individual unit repairs who can be contacted directly by unit owners to complete various jobs. If you did not receive the listing you may request one from the management office.

b) Window Replacement Survey Results

It was reported that twenty-six window surveys have been returned to date. In response to an owner's inquiry, the Board explained that window replacement is still being researched, because many unit owners have had concerns and or complaints about the possible water and air infiltration.

Ms. Antonucci reported that Darcy Bonner has recommended good quality replacement windows and has offered to assist with the selection process at no additional cost. Once a selection is made, a sample possibly could be installed in the corridor by the pool entrance to allow owners an opportunity to inspect the window in operation.

VII NEW BUSINESS:

a) Garage Operator

Mr. Doak stated that in reviewing the proposals submitted by Ampco System Parking, he noted several concerns about their estimates. It appears they overestimated the actual income potential of the garage, and they had based their computations on an excessive number of cars. Mr. Doak also believed Ampco's estimations for staffing and overhead expenses were excessive.

The Board reviewed both the lease and management proposals submitted for the operation of the garage, comparing Ampco's proposals to previous proposals submitted.

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

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the management proposal from Standard Parking to manage the garage for a \$15,000 annual management fee.

In Favor: Mr. Doak, Mr. Lau, Mr. Mehrberg, Mr. Waterston, Mr. Baker, Ms. Antonucci, Mr. Zabors.
Opposed: Ms. Kolarik.

b) Garage Parking Fees

Mr. Doak reported that the cost of the garage reconstruction and elevator rehabilitation are running under budget. Therefore, he recommended reducing the proposed first car parking fee from an originally anticipated \$199.00 to \$185.00; second cars would be \$210.00 per month. Mr. Doak said, if other pending capital projects are completed below budgeted costs, a further reduction may be possible. Wolin-Levin, Inc. will be billing unit owners \$86.00 per month for each car with the monthly assessment statements, and the money will be deposited in a separate bank account, earmarked for payment of capital projects. The remaining fee charges will be billed by Standard Parking. Guest parking rates are to be established.

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 garage parking fee for the first car at \$185.00 per month, and the second car at \$210.00 per month effective January 1, 2002 at the reopening of the garage.

c) Employee Holiday Bonuses

Management asked the Board for direction concerning employee bonuses. After discussions regarding past holiday bonuses, the Board reached a conclusion.

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 holiday bonuses for each of the four doormen and three maintenance staff members, who are each to receive \$250.00 (net of payroll taxes).

d) Special Money Market Account

Mr. Doak requested approval to open a new money market account at the Harris Bank to be used as a holding account for special assessment funds and parking revenue that will be used to pay for the three capital projects.

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

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, authorize Board Treasurer Bob Doak to open an account at the Harris Bank/Roselle for any special assessment funds and garage revenue to be used for the garage, elevator and facade capital projects.

e) Common Element Joint Repairs

The Board reviewed the proposal and contract submitted by Berglund Maintenance for the common element concrete joint repairs in the AN and BN units caused by the 2120 Construction Project, per approved specifications from Wiss, Janney, Elstner. The repairs are planned to be implemented in three scheduled stages.

AN / BN unit owners will be contacted by Management to schedule repairs in one of the three stages.

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

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the Berglund Maintenance proposal and contract (as amended by the Association's attorney) for AN/BN common element concrete joint repair work throughout the building for an amount not to exceed \$120,866.

In Favor: Mr. Doak, Mr. Lau, Mr. Waterston, Ms. Antonucci, Ms. Kolarik.

Abstaining: Mr. Mehrberg, Mr. Baker.

Note: Mr. Zabors was not present for this resolution.

VIII OWNERS COMMENTS/QUESTIONS:

The Board addressed comments and questions from attending unit owners. The following topics were addressed. The status of the insurance settlement and the attorneys update is expected with final survey results by February, building maintenance and unit owner work orders; objectionable fumes from the barbeque grills from the patios at 2120 LPW and possible solutions, explanation of the policy for changing of smoke detector batteries, snow load testing which still has not been completed by Baker, the Stairmaster is not functioning and was recommended to be repaired, the intercom repair/replacement possibilities for the future, and unit owner complaints and possible recommendations for the general upkeep of various portions of the building.

ADJOURNMENT:

With no further business to come before the regular Board meeting, and upon motion duly made by Mr. Lau, seconded by Mr. Baker, and carried, the Board the meeting adjourned at 11:35 p.m.

Respectfully Submitted,



Wayne Lau, Secretary
The Pierre Condominium Association

Debra Russo, Recording Secretary