



**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 June 12, 2001 at 7:30 p.m. in the hospitality room.

Attendance was recorded as follows. Directors: Wayne Lau, Gera-Lind Kolarik, Bill Waterston, Stu Baker, Bob Doak, Adam Landsman, Randy Mehrberg, Denise Antonucci, Bob Zabors (8:24 p.m.); John Fodor, Eskenazi, Farrell & Fodor (8:45 p.m.); Michele Cohen, Wolin-Levin, Inc.; Debra Russo, Recording Secretary.

**I CALL TO ORDER:**

The Board of Directors meeting of June 12, 2001, was called to order at 7:30 p.m., by Board President Adam Landsman. A quorum was noted.

**II SECRETARY'S REPORT:**

**a) Minutes of May 8, 2001**

Mr. Lau reported that the Board had been given the opportunity to review the minutes of the Unit Owners Annual Meeting of May 8, 2001 as well as the regular Board of Directors Meeting of May 8, 2001 in advance of the meeting, and noted that no changes were called for.

Mr. Lau asked for a consensus from Board members with regards to the distribution of the Board member attendance records. Following a brief discussion, the Board reviewed a legal opinion provided by the Association's Attorney Mr. Robert Nesbit concerning Board members' attendance at regularly scheduled Board meetings.

Mr. Lau then called for final comments or corrections for each of the May 8, 2001 minutes. There were no additional changes.

Mr. Lau announced that the minutes from the Unit Owners Annual Meeting will be distributed as a draft and considered for approval at the next Annual Meeting. The Board was then asked to consider approval of the minutes of the Board of Directors Meeting.

Upon motion duly made by Mr. Lau, 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 minutes of the Board of Directors meeting of May 8, 2001, as amended.

**III MANAGEMENT REPORT:**

**a) Construction Rules**

Mr. Waterston and Management prepared a first draft of the new "Construction Rules" covering unit renovations. The Board briefly reviewed the document and agreed, because the information was so extensive, a more thorough review would be necessary, as well as additional research, and considerations for specific applications incorporated. Discussion was tabled to the next Board meeting.

After the Board's review, it will be distributed to unit owners for their review, and then a special meeting will be called for unit owners' comments, then presented to the Board in a final document for the Board's vote and ratification.

**b) Dismissal of City Ordinance Violation**

Management reported that the attorneys were able to secure a dismissal for the ordinance violation issued by the City of Chicago for not repairing the cracked walls in the corridors and common areas.

## **c) 2120 Construction Project**

### **1 – Gessler, Hughes and Socol**

The Board reviewed an invoice from Gessler, Hughes and Socol for \$45,048.22, covering the period of November 1, 2000 through April 30, 2001. It was suggested the attorneys provide a payment plan and a precise budget, so the Board could anticipate and budget upcoming expenses.

Upon motion duly made by Mr. Waterston, 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 payment to Gessler, Hughes and Socol in the amount of \$45,048.22, to be paid in equal installments over the next three months, contingent on receiving a budget and payment plan.

### **2 – Traveler's Inspection**

Management reported that Traveler's Insurance and Wiss, Janney, Elstner Associates will be conducting final inspection in the upcoming week for floor leveling issues in the units. The Board suggested, that the costs for Wiss, Janney, Elstner Associates to accompany Travelers should be paid by Travelers since they required a higher level of review.

### **d) Facade Repairs**

Management reported that Wiss, Janney, Elstner Associates has recommended the exterior facade repairs that were approved this year for completion by J. Gill and Company, should be implemented with the exterior facade repairs planned for 2002.

### **e) Garage**

Management reported that Bruce Cohen of Pioneer Parking has been notified of an increase in the garage lease fee. The 4.3% increase will be retroactive to May 1, 2001.

### **f) Elevator Modernization**

Lerch, Bates & Associates is in the process of obtaining bids for the elevator modernization project. In the meantime, Otis Elevator was asked to complete some repairs that were recommended by Lerch, Bates & Associates which should be covered under Otis' full maintenance agreement.

### **g) Pool**

#### **1 – Leak/Repairs**

Management reported that a band and gasket on the pool filter burst, resulting in damage to five units. The clean up and repairs cost the Association approximately \$3,000.

#### **2 – Rules**

The Board had received complaints about unit owners and or guests abusing the pool, pool deck and BBQ rules. The Board will distribute copies of the pool deck area rules with the Briefs as a reminder to all unit owners.

#### **3 – Non-Resident Request**

Management reported that a resident of a neighboring building has requested permission from the Association to use the swimming pool for health reasons. The Board denied the request, based on the liability issue and setting a precedence for other than unit owners and their guests.

### **h) Storage Lockers**

Management reported that while inventorying the storage lockers, nine unit owners were found to be using an extra storage locker that was acquired through the lottery and eight of them have not paid their \$25 monthly rental fees. The Board decided Management should back-bill the owners from January 2001.

#### **IV OLD BUSINESS**

##### **a) Garage Reconstruction Project**

John Fodor of Eskenazi, Farrell & Fodor, joined the meeting at 8:45 p.m. to update the Board on the garage reconstruction project. Mr. Fodor reported that drawings and specifications had been prepared for the required work, and bids were obtained from three competent contractors.

Mr. Fodor recommended the low bidder, Takao Nagai. Mr. Fodor said, he had confirmed the pricing submitted by Takao Nagai because their bid was considerably less than the seconded lowest bidder. Their bid does provide for a 20% contingency fee, however, because they don't know how difficult it will be to remove the top slab until they begin excavation. An additional 10% was included for any structural engineering costs that might be required.

Management is currently investigating parking alternatives with nearby garages. Management will also obtain bids for needed electrical repairs and other upgrades requested by the garage committee, which will be completed in conjunction with the overall garage reconstruction.

The garage work is anticipated to begin as soon as October and is expected to take four to four-and-a-half months to complete. Mr. Fodor will stress to Takao Nagai, the importance of adhering to the schedule and ask if they would be interested in a per day incentive/penalty arrangement. Takao Nagai will also be asked to firm up their price for removing the top slab.

Subject to contractor approval, construction hours could be extended if necessary to the following: Monday through Saturday, 8:00 a.m. – 7:00 p.m. (Jack-hammers, and or other noisy equipment will not be permitted after 5:00 p.m.) Work will not be allowed on Sundays or holidays.

Upon motion duly made by Mr. Landsman, 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 proposal from Takao Nagai, contingent on receiving a revised bid, defining any additional costs for removing the top surface.

Appreciation was extended to Mr. Fodor and he was excused from the meeting.

A Garage Reconstruction Committee was formed to provide the planning for accessibility to and from the building while construction is underway. Board Members Gera-Lind Kolarik, Bob Doak, and Bill Waterston volunteered to serve as the committee.

##### **b) Renovation Committee**

The committee reported that Darcy Bonner Associates is owed \$4,857 for the design phase. On behalf of the Renovation Committee Ms. Antonucci wished to thank all of the unit owners who participated in responding to the "Renovation Survey." The committee had a productive meeting when they recently met to review the initial design concepts, survey responses, feedback from unit owners, and timelines. The overall design concept will be refined to incorporate many of the suggestions presented and will be implemented in stages at a reduced cost. The committee will provide a revised plan at an upcoming Board meeting.

##### **c) Wiss, Janney, Elstner**

Management reported that Wiss, Janney, Elstner Associates has submitted two invoices, one for \$6,623.15 and the second for \$10,496.24.

Upon motion duly made by Mr. Landsman, 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 payment to Wiss, Janney, Elstner Associates in the amount of \$6,623.15. With authority for Mr. Doak to review the second invoice and if approved, will be considered for approval at the next months Board meeting.

## **V NEW BUSINESS**

### **a) Yoga Classes**

Management informed the Board that a unit owner has asked for permission to hold Yoga classes in the hospitality room for residents only. Following a lengthy discussion over the use of the hospitality room and the rules and regulations, the Board failed to pass the motion.

### **b) Fire Extinguishers/Smoke Alarms**

Mr. Lau inquired about the life expectancy of the fire extinguishers and smoke detectors that had been distributed to all owners about five or six years ago. Management responded that, the owners should be changing the batteries in their smoke detectors twice a year and the fire extinguishers should be recharged according to the manufacturer's recommendations.

The Board requested that Management purchase in bulk, new fire extinguishers and smoke alarms for interested unit owners at their own expense. For those interested, please contact Michele Cohen.

### **c) Entry Intercom/Telephone System**

Mr. Mehrberg called for review of the building's policy that door staff should be following, in the event, a resident is unreachable by telephone and a guest arrives in the lobby asking to be allowed upstairs. Management will assure that the door staff and maintenance staff understand the policy, which prohibits access to anyone without authorization from the resident they are visiting.

### **d) Next Meeting Date**

The next Board of Directors meeting will be Tuesday, July 10, 2001 at 7:30 p.m.

## **VI TREASURER'S REPORT:**

### **a) Finance Committee Report on Capital Projects**

The finance committee, comprised of Mr. Doak the Association's Treasurer, Board member Mr. Stu Baker and unit owner Ms. April Koestner, met, discussed and researched financing options for the various capital projects.

Mr. Doak presented the extensive "Finance Committee Report" and financing options for the various projects that are being planned for completion over the next few years. The garage reconstruction, elevator modernization, facade inspections and repairs are all considered priority projects; window replacement and decorating are viewed as less of a priority.

Mr. Doak suggested, the Association should obtain a bank loan to cover the cost of garage repairs, which could be repaid over a three-year term. The \$40,000 annual rental on the garage lease could be used to reduce the loan balance. Another option considered favorably by the Board would be to increase the monthly parking fee by \$100.00 per space, which would raise another \$110,000 annually.

The Board agreed that the current lease agreement with Pioneer Parking will have to be terminated when the garage work begins. And a new agreement will have to be approved once the garage repairs have been completed. Wayne Lau and Randy Mehrberg agreed to review the current lease, draft the termination letter and formalize the new contract or agreement.

The anticipated cost of renovating the elevators is about 500,000. The facade inspection and recommended repairs will cost about \$300,000. Mr. Doak suggested these projects could also be financed and then a special assessment levied according to percentage of ownership. Owners could pay their special assessment in one lump sum or a financing option will also be offered.

### **b) Statement of Income and Expenses**

Mr. Doak reported on his findings in comparing the Association's operating cost history over the past ten years. He noted a substantial variance in budget figures versus actual expenditures and suggested a midyear assessment increase to bring assessments in line with spending.

*(Pierre Condominium Association Treasurer's Report June 12, 2001 and The Pierre Condominium Association Statement of Income and Expenses Summary of Variance Explanations\* are attached as part of these minutes.)*

*\* Variance Explanations were also distributed to the unit owners with the revised budget.*

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 for distribution to unit owners, the revised budget for the year ending December 31, 2001, including a 12% increase in annual assessments from the original budget, totaling \$80,000. Such increase in assessments is proposed to be prorated over the last five months of the year, and beginning August 1, 2001, would be added to the original assessment determined by the budget for 2001 approved in December 2000.

*(Revised Budget for the Pierre for 2001 Letter to unit owners with a Statement of Income and Expenses is attached as part of these minutes.)*

**c) Reserves**

Mr. Doak reported the Association's reserve balance was \$270,016 as of May 27, 2001, and a separate account for payments from the insurance claims was \$250,416 as of May 27, 2001.

**d) Association Investments**

Mr. Doak completed a review of the Association's current investments and questioned what the exact investment policy is and or should be. He offered suggestions and recommended that the funds be transferred into certificates of deposit and money market accounts at the appropriate time.

*(Pierre Condominium Association Treasurer's Report June 12, 2001 Investments In Securities is attached as part of these minutes.)*

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 Robert Doak, Treasurer, to sell all shares of the Association's investment in the Scudder High Income Trust. The Board approves the temporary retention of the Association's investment in the Xerox Credit Corporation note due March 24, 2008.

Furthermore, the Board authorizes Robert Doak, Treasurer, after consultation with and concurrence by Board President Adam Landsman, or Vice President Stu Baker, to sell all shares of the Association's investment in the Salomon Brothers High Income Fund II when they believe it is prudent to do so. It is the Board's objective to liquidate the Salomon Brothers investment sometime in the next six months.

**VII 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 unanimously carried, the the meeting adjourned at 11:45 p.m.

Respectfully Submitted,



Wayne Lau, Secretary  
The Pierre Condominium Association

Debra Russo, Recording Secretary