



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 June 12, 2002 at 8:00 p.m. in the hospitality room.

Attendance was recorded as follows. Directors: Wayne Lau, Edward Burnes, Adam Landsman, Bob Doak, Bill Waterston; Joe Bright, Wolin-Levin, Inc.; Debra Russo, Recording Secretary.

I CALL TO ORDER:

The Board of Directors meeting of June 12, 2002 was called to order at 8:13 p.m. by Board President Adam Landsman. A quorum was noted.

II SECRETARY'S REPORT:

a) Minutes of May 14, 2002

Mr. Lau reported that the Board had been given the opportunity to review the minutes of the Unit Owners Annual Meeting of May 14, 2002 as well as the regular Board of Directors Meeting of May 14, 2002 in advance of the meeting, and presented the Board with copies highlighting amendments, and reviewed the proposed changes that had been requested to the draft minutes. Mr. Lau called for final comments or corrections, 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 2003 Annual Meeting. The Board was then asked to consider approval of the Board of Directors Meeting minutes of May 14, 2002.

Upon motion duly made, Mr. Burnes motioned to approve the minutes of May 14, 2002 as amended, 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 Draft Unit Owners Annual Meeting minutes of May 14, 2002 for distribution to unit owners, and approve the Board of Directors Meeting minutes of May 14, 2002, as amended.

The Board discussed the suggestion from Mr. Burnes to include more detailed information in "The Pierre Briefs" and that they should be forwarded to each Board member for comment before releasing.

III TREASURER'S REPORT:

a) Financial Report

The Association's Treasurer Mr. Doak, presented the Treasurer's Report, indicating that the general operating numbers in total are in line with budget predictions.

b) Garage Operation Report

Mr. Doak continued by reviewing the garage operation report from Standard Parking noting that the garage operation has turned around and is close to operating with a profit. He stated the car count is almost at the maximum point, revenue from nonresident parkers has increased, and although revenue from daytime transient parkers is less than expected, monthly net revenue is now \$523.00 better than budget predictions. It was also noted that insurance costs and utility costs are running over budget, but that the damage claims are still within the forecasted budget.

Year to date the garage operating losses total approximately \$8,000. For five months ended May 31, the garage had an operating loss, as presented in the report, however the most profitable months are during the summer and Mr. Doak indicated we should fully understand the income potential and operating costs of the garage before considering a switch back to a lease agreement.

(The Pierre Condominium Association Treasurer's Report Board Meeting 6/12/2002 (one page) is attached as part of these minutes.)

THE PIERRE CONDOMINIUM ASSOCIATION
TREASURER'S REPORT
BOARD MEETING 6/12/02

For the five months ended May 31, 2002, the association has accumulated a net surplus (cash basis) of \$12,647 before consideration of Special Assessments received and Special Project costs paid out.

Special assessments received through 5/30 totaled \$529,131 and garage revenue totaled \$36,249 against which \$382,101 was expended for garage work, \$87,500 was expended for elevator work and \$2,000 was expended for façade work.

At 5/31, The Pierre Condominium Association had the following cash/ investment balances:

Wolin-Levin	\$ 39,797.04
Harris Bank Special Projects A/C	\$ 57,985.06
Salomon Smith Barney- general reserves	\$304,437.02
Salomon Smith Barney- Baker damage insurance A/C	<u>\$285,675.99</u>
Total- Cash and Investments	\$687,895.11

\$30,000 was transferred into the Harris A/C during May. We have not yet had to borrow against the line of credit established to finance the Special Projects.

My current forecast for the year ending 12/31/2002 is that operating results, in total, may be about \$9,000 below budget.

The garage operation's finances made significant improvement in May. While May's operating loss is reported as \$2,030, May was a 3 pay period month. In addition to payroll costs Standard Parking allocates some of the insurance costs on the same basis. The total cost of this third pay period was \$5,700. This means that if May had been a 2 pay period month, the garage would have reported a profit of \$3,700 for the month. This bodes well for June and future months' results.

Respectfully submitted,
Robert Doak
Pierre Treasurer

c) Garage Agreement/Contract

Mr. Burnes initiated a discussion over a "Lease" agreement versus a "Management" contract and the current garage operation under Standard Parking versus the previous operator Pioneer Parking, questioning the Board's decision to terminate the lease agreement and suggested that notice of cancellation be issued to Standard Parking and that lease proposals be sought.

Mr. Doak explained that neither of the garage management firms that made proposals for the startup in January after the garage had been shutdown for the renovation project would offer a reasonable lease agreement, and that the current management arrangement provides the Association an opportunity to fully understand the costs of operating the garage, and suggested we should give it several more months to fully understand the income potential and operating costs of running the garage and revisit the issue in 60-days, when the Association will be in a better position to negotiate any agreement or contract.

It was noted that we were receiving \$40,000 per year under the lease agreement with Pioneer Parking. Mr. Doak speculated that under a new lease agreement we might receive between \$25,000 and \$30,000.

The Board also discussed a "Lease" agreement versus "Management" contract and the current garage operation under Standard Parking versus the previous operator Pioneer Parking. The Board would possibly consider obtaining a new lease agreement later this year.

d) Tax Liability

Mr. Doak continued by explaining that the Association's tax returns have just been completed and there is an unexpected \$2,000 income tax liability incurred because the capital losses from security sales are not allowed to be used to offset ordinary (interest) income as previously believed by our auditor.

e) Legal Bills

The Board continued with discussions and a summary of the attorneys fees and outstanding legal bills, indicating that invoices received this year have been turned back to the attorneys for payment from Baker as per the contractual agreement. There are currently \$60,000 in outstanding legal fees up to January, and we have not received any bills in 2002.

IV MANAGEMENT REPORT:

a) Roof Deck

Management reported that the canopy has been repaired and installed, a new first aid kit has been purchased, the glass table top has been delivered, and a new vacuum has been purchased for the swimming pool.

b) Garage Doors

Standard parking was informed to not lock off the automatic release on the overhead doors and will be accessible 24 hours, instead of locking them down during the early morning hours as done previously.

c) Recycling Containers

The janitorial staff has been instructed to place additional recycling containers by the trash chutes on each floor. Management will follow up to assure this is done.

d) Security/Door Staff

Management has instructed the door staff to be more diligent in screening and questioning any unaccompanied visitors or anyone who is unfamiliar and to deter them from entering the building.

e) Elevator Modernization Project

The elevator modernization project is progressing smoothly. The repairmen have been instructed to refrain from loud talking before they begin working. Management has scheduled the electrical work that is needed to provide air-conditioning for the penthouses as required by city ordinance.

f) Reserve Study

Management is in the process of obtaining proposals for a reserve study as suggested by Mr. Doak at the previous Board meeting. Mr. Burnes suggested postponing the reserve study until after settlement of claims from the 2120 Construction Project damages and our finances improve. Mr. Doak advised that an accurate reserve study is necessary to better predict upcoming capital expenditures and repairs.

It was suggested that Management should continue in obtaining proposals from Reserve Advisors and Tomacore for the reserve study so that the Board can review the costs for such a study.

g) Landscaping

Ronzanni Landscapers have completed installation of the flower beds in the front of the building.

V COMMITTEE REPORTS:

a) Window Committee

Ms. Ruden reported on behalf of the Window Committee and updated the Board on the third proposal and explained that the committee will be double-checking references and costs, and will conduct a second site visit to neighborhood buildings, where window replacement has recently been completed.

In addition she was requesting that some legal information be obtained and clarified from Mr. Nesbit, the Association's attorney pertaining to common elements and/or limited common elements and to determine whether the cost of window replacement is the responsibility of the unit owners or the Association. And, if the owners are responsible, will the cost be on a per window basis or according to percentage of ownership?

After discussion the Board concluded that any questions should be presented to the Board and they will obtain the answers from the Attorney.

VI OLD BUSINESS

a) Renovation Plans – Unit 12 BN

Mr. Landsman reported that the proposed attorney fees for reviewing the tentative plans to renovate unit 12BN and to construct a (3' x 7') balcony on the courtyard side of the building would cost \$750 which is to be paid by the unit owner. Our Attorney suggested that if any adjoining unit owner disapproved of the plan for the balcony it would not proceed. After discussion, one adjoining unit owner present at the meeting did express disapproval, and suggested against proceeding with consideration of the construction of the balcony.

b) Exterior Facade Inspection and Report

Management reported that the Critical Exterior Facade Inspection Report must be filed with the City of Chicago by November 1, 2002. A pre-bid review meeting for the soliciting of bids for the Façade Repair Work has been scheduled with Wiss, Janney, Elstner and the bidding contractors for the morning of Friday June 14, 2002. The extent of needed repairs will be evaluated during the inspection and a tentative schedule will be prepared for completion of the work.

c) Roof Deck Bar-B-Que Grills

1 – Mr. Waterston stated that he has ordered a replacement starter from the Weber Grill Company and would install it when it arrives and that he had also purchased new brushes for the bar-b-que grills, and requested reimbursement through Management.

2 – Management received letters requesting that the pool area be thoroughly cleaned with the broken tops replaced on tables and the lounge chairs washed.

d) Window and Storage Area Leaks

Several unit owners reported leaks around their windows due to the recent rain storm. Management is having the engineers and facade crews investigate and repair those areas. Management is sending a memo requesting information for repair work to those unit owners.

It was also reported that the second floor storage area ceiling had leakage again due to water infiltration from the courtyard roof. The affected unit owners were notified by building staff and asked to check their personal belongings in the storage areas. Mr. Waterston recommended that the plaza be repaired with a waterproof expansion joint. Management will obtain proposals.

e) Delinquent Assessments and Late Charges

Mr. Burnes stated that late charges were not consistently being applied to delinquent accounts. The Board reviewed for management the procedure for collecting delinquent assessments.

Assessments are due on the 1st of each month, a \$25 late fee is applied to the owner's account if payment is not received by the 15th. Then, a series of three collection letters, the first a reminder letter after 30 days, a second letter requesting final payment after 60 days, and a third letter at 90 days notifying the owner that their account has been referred to the attorney to file suit for collection.

Management was instructed to apply late fees to all accounts with unpaid balances on the 16th of each month. Delinquent owners will be back-billed to January of this year.

VII NEW BUSINESS

a) Storage Locker Charges

In response to Mr. Burnes' inquiry pertaining to the storage locker fees, Mr. Doak confirmed that storage locker rental fees are being assessed.

b) Recording Secretary

Mr. Burnes proposed that the Association discontinue with the recording secretary stating that the Association cannot afford the \$250 in expenses per month, and that other associations have the secretary take all of the minutes. Mr. Burnes volunteered to videotape the meetings and prepare minutes if the Board Secretary had any objection to recording the minutes.

The Board continued with discussions regarding the benefits versus the costs noting that the recording of minutes for our association over the years has been more demanding than other associations and further discussed alternative options for the recording of minutes.

The Association's Secretary Mr. Lau, responded that it would be difficult to participate in the meetings and take accurate notes without a recording secretary. He also stated that, in recent years, the minutes have provided more detailed information, which in some instances the Attorneys found to be useful in the Association's damage claims related to the 2120 Construction Project. An owner commented that when reserves are low it becomes necessary to cut back on expenses, while another owner stated that because of the complexity of the minutes there was the need to have a recording secretary.

Upon motion duly made by Mr. Burnes, seconded by Mr. Landsman, and following a final call for comments, the vote was called, and the following motion was defeated by a vote of three to two.

MOTION – That the Board of Directors of the Pierre Condominium Association, hereby, discontinue the service of the Recording Secretary and have the Board Secretary be responsible for recording and transcribing the minutes.

In Favor: Mr. Burnes, Mr. Landsman.

Opposed: Mr. Lau, Mr. Doak, Mr. Waterston.

c) Document Retention

Mr. Burnes questioned whether the Board and/or Management had copies of all contracts approved by the Association. He suggested that all of the contracts be compiled in a file and maintained by the Association's Secretary. He also suggested that all attorneys' opinions previously obtained should be compiled and also maintained by the Board Secretary for future reference.

The Board discussed the value of important documents such as contracts and legal opinions being retained by the Secretary with a second set kept by Management. Mr. Lau will seek to obtain past legal opinions held by previous Board members.

d) Garage Parking Surcharge for a Second Car

Mr. Burnes stated that the \$30 surcharge assessed to unit owners (having only one unit) who park more than one vehicle in the garage has been double billed. Standard Parking has been billing an additional \$25.00 per month while Wolin-Levin has been billing an additional \$30.00 per month on the statements.

After discussion, the Board decided Management should credit the \$30 charges on the second cars. Management apologized for the error and will credit charges from January 1st for those owners affected.

Mr. Burnes also commented that other local garages offer a discounted parking rate for the second car instead of assessing a surcharge. He suggested discontinuing the parking surcharge for second cars. Mr. Burnes stated that only three unit owners are paying this second car surcharge.

The Board reiterated that the \$86 per month per car charge on the Wolin-Levin statement (for those unit owners electing to park in the garage) is to cover a portion of the capital projects cost (Garage Reconstruction Project, Elevator Modernization Project, and Façade Repair Work).

Upon motion duly made by Mr. Waterston, seconded by Mr. Doak, and following a final call for comments, the vote was called, and the following motion was defeated as a result of a tie vote.

MOTION – That the Board of Directors of the Pierre Condominium Association, hereby, discontinue the second car surcharge for parking in the garage while the special assessment is in effect.

In Favor: Mr. Waterston, Mr. Doak.

Opposed: Mr. Lau, Mr. Landsman.

Abstained: Mr. Burnes.

e) Garage Guest Parking

Mr. Burnes questioned if Standard Parking has anyone overseeing the garage operation on a daily basis and suggested that the garage employees are allowing some owner's guests to park in the garage free of charge. Mr. Doak responded that the daytime attendant is a manager and that there is a monitoring procedure in effect on a daily basis, and that Standard Parking has auditing procedures in place to prevent theft, and if this were true, the employees would be jeopardizing their jobs.

VIII OWNERS COMMENTS/QUESTIONS:

The Board addressed comments and questions from Board members and attending owners.

a) Monthly Day Rate

A question was raised with respect to how baby sitters or housekeepers can park in the garage without getting tickets. Mr. Landsman explained that Standard Parking offers a monthly day rate (at \$100) per month for baby sitters or housekeepers of Pierre unit owners parking in the building weekdays between the hours of (8:00 a.m. and 6:15 p.m.) Garage management later confirmed the monthly rate is actually \$75 – and is available weekdays between the hours of 7:00 a.m. and 7:00 p.m.

b) Party Room/Hospitality Room

1 – A unit owner reported the need for the party room to be inspected after every use and to be thoroughly cleaned on a more regular basis. Management will make a point to have the staff follow through as well as inspect the common hallways throughout the building.

2 – When having a party in the hospitality room (party room) unit owners need to abide by the rules (please refer to the full rules for the hospitality room in the “Rules and Regulations”). Unit owners need to be aware that:

- Reservations for use of the hospitality room will be accepted on a first-come, first-served basis.
- At least 48 hours prior to the date of intended use, a request for hospitality room reservation form must be filed with the managing agent, along with all applicable fees and/or deposits.
- A guest list must be provided for the doorman and the garage 24 hours before the date of intended use. Any person not listed will not be admitted.

c) Kitchen Appliances

Mr. Landsman stated that the kitchen also needed to be cleaned and that the refrigerator did not work properly, and inquired about the installation of the appliances that were donated by Mr. Randy Mehrberg to the Association. Management indicated that they did repair the refrigerator and will contact the Mehrbergs for obtaining the appliances and see that they are installed.

d) Telephone Books

Management was asked to dispose of the extra telephone books, which have been stacked up in the mail area for several weeks.

e) Building Access

An owner reported that one of the doormen allowed access to strangers without prior approval from a resident because they told him they had been invited to a party. The door staff will be reprimanded for allowing access to unannounced guests. Owners will be reminded to leave a guest list with the doorman if they are having a party.

f) Overgrown Trees

Management was asked to have the trees in front of the building trimmed because they are beginning to obstruct the view of the stop sign.

g) Fitness Room

An owner commented that the fitness room has too many personal items that should be removed, and is in disarray because some owners have abandoned their unwanted exercise equipment. It was also reported that the Stairmaster is broken and is in need of repair.

It was indicated that if unit owners see that something in the exercise room or anywhere else in the building in need of repair, they are to fill out a work order in the booklet in the building office.

h) Pool Telephone

An inquiry was made pertaining to why the telephone to the entrance to the pool does not work, Management stated they will investigate.

i) Construction Noises

A unit owner questioned if the building could do something about the construction noises occurring in the early morning hours from the building façade work across the street on Armitage. It was noted that they should call the **311 the non-emergency number** and report the incident, (a City of Chicago ordinance states that construction should not begin until 8:00 a.m).

j) Pool Access

Mr. Landsman suggested that the lock on the door to the pool area be re-keyed to match the common area Medco key. It was also suggested that placement of the lock be raised out of the reach of small children to prevent them from entering without an adult.

IX RECESS/CLOSED SESSION/ADJOURNMENT:

With no further business to come before the regular Board meeting, and upon motion duly made by Mr. Burnes, seconded by Mr. Doak, and carried, the Board recessed into a closed session of the open meeting at 10:20 p.m.

The purpose of the closed session was for the Board to review delinquent accounts.

The closed session of the open meeting concluded and reconvened into open session at 10:28 p.m.

Upon motion duly made, and unanimously carried, the meeting adjourned at 10:28 p.m.

Respectfully Submitted,



Wayne Lau, Secretary
The Pierre Condominium Association

Debra Russo, Recording Secretary