



THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

I CALL TO ORDER:

The Board of Directors meeting of July 17, 2002 was called to order at 7:36 p.m. by Vice President Bill Waterston. A quorum was noted. Attendance was recorded as follows: Directors: Wayne Lau, Bob Doak, Bill Waterston, Edward Burnes, Barbara Sherman, Denise Antonucci, Randy Mehrberg, Bob Zabors (8:25 p.m.); Joe Bright, Wolin-Levin; Recording Secretary, Debra Russo.

II SECRETARY'S REPORT:

a) Minutes of June 12, 2002 Motioned by Mr. Doak, 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 Board of Directors Meeting minutes of June 12, 2002.

In Favor: Mr. Lau, Mr. Doak, Mr. Waterston, Mr. Burnes, Ms. Sherman, Ms. Antonucci.

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

III TREASURER'S REPORT:

a) Financial Report Mr. Doak presented the Treasurer's Report. Adding that after receiving the check from Travelers Insurance, of the total claim remaining to be negotiated there is approximately an additional \$1,700,000 in disputed hard costs. A judgement for punitive damages is also pending in the case against Baker and the other defendants, the next hearing has been scheduled for the middle of August.

(The Pierre Condominium Association Treasurer's Report Board Meeting 7/17/2002 is attached.)

b) Legal Bills The Board reviewed the outstanding legal bills related to the 2120 Construction Project, the first of two outstanding bills is for services rendered through 1/31/2002 for \$65,288.07, and the second for \$33,854.00 from February through 7/31/2002. In light of the settlement received, it was decided to proceed with payment on only the first of the two bills. Motioned by Mr. Doak, seconded by Mr. Mehrberg, and 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 \$65,288.07, subject to final review and approval by Mr. Doak and Mr. Mehrberg. Mr. Doak will ask the attorneys whether legal and engineering expenses incurred as a result of the 2120 Construction Project, should be paid out of settlement funds or the general reserves.

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

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

IV MANAGEMENT REPORT:

Joe Bright, the property manager gave a management report consisting of the following topics:

a) Cooling Tower Status report on the cost of repairs and installation of replacement parts for the HVAC cooling tower. Estimates were obtained and analyzed before the job was awarded to National Heat for approximately \$11,000. A delay in receiving parts left the building with inadequate A/C for several days. Management will have National Heat provide a proposal of potential future repairs.

b) Façade Ordinance / Critical Examination / Repairs The bidding process completed and a proposal was submitted for Board review. The proposal from W.J. McGuire Company was recommended for an estimated cost of \$294,375. Motioned by Mr. Doak, seconded by Ms. Sherman, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, accept the proposal from W.J. McGuire Company to complete the critical examination and exterior façade repairs for \$246,375, with completion of the expansion joint repairs for \$48,000.

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

Management will verify whether the scope of work for the expansion joint repairs includes the expansion joint on the roof of the inner courtyard.

c) Engineering Bills The Board reviewed \$32,118.64 in outstanding invoices from Wiss, Janney, Elstner for evaluating damages related to the 2120 Construction Project. Management will review with the attorneys about forwarding the invoices to Travelers Insurance Company for payment for work performed in determining the cost of repairs.

d) Elevator Modernization Project Update on the elevator modernization project (the first car is almost completed), including the complete scraping and painting of both shafts on all floors, and the A/C system is being installed in the penthouses. Work is on schedule and in accordance with the scope of the project and the approved specifications. The Board directed Management to have Lerch Bates present a status report every month to the Board for their review. The Board reinforced the need for all workmen to sign in with the doormen before beginning work. The Board reviewed bids for the installation of the smoke detector and elevator recall system, as required by city code. Proposals ranged from \$55,000 to \$80,000. 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 the proposal from Elite Special Systems, Inc. for the installation of the City of Chicago approved Smoke Detector and Elevator Recall System and related work for \$55,000, with Lerch Bates reviewing the proposal for code compliance.

e) Window Caulking The window caulking project is nearing completion. The work was performed as a temporary measure to correct the infiltration of water in several units. Attending unit owners raised concerns about the professionalism of the repairs and the method in how the repair work is being completed. Management will investigate and obtain a written report from the contractor.

f) Roofing Repairs Roofing repairs were completed which Aaron Jewell checked and approved.

V OLD BUSINESS:

a) Delinquent Assessments and Late Charges The procedure for collecting delinquent assessments was reviewed again with Management stating that 22 late fees were assessed but did not appear on the June statement to the Board because of the cut off date.

b) Garage Management The Board continued discussions over a "Lease Agreement" for the parking garage with the general consensus that it might be a better alternative and should be researched before the end of the year. A newly formed committee comprised of Bob Doak, Edward Burnes, Barbara Sherman and Stu Baker will investigate possible lease agreements with potential garage management companies and present their findings to the Board at a future meeting.

c) Garage Parking Surcharge for a Second Car Mr. Burnes reiterated a suggestion and motion from the previous board meeting to discontinue the \$30 surcharge assessed to unit owners (having only one unit) who park more than one vehicle in the garage, noting that only three unit owners are paying this second car surcharge. Previously the motion was defeated as a result of a tie vote. Motioned by Mr. Waterston, seconded by Mr. Doak, and carried, the following resolution was approved:

RESOLVED 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. Lau, Mr. Doak, Mr. Waterston, Ms. Sherman, Ms. Antonucci, Mr. Mehrberg, Mr. Zabors.

Abstained: Mr. Burnes.

VI NEW BUSINESS:

a) Pool/Roof Deck Management was asked to purchase a new light to replace a broken fixture on the far south side of the canopy supports on the pool deck. Unit owners are reminded that the "Rules and Regulations" for the rooftop pool deck and bar-b-que areas are in effect and everyone needs to respect the rights of others by only having four guests on the deck for each unit on weekends, (especially the air show weekend). Management was asked to redistribute the pool rules. Unit owners have commented on the condition of the pool water that it was cloudy. Management was asked to have the chemical levels in the pool tested more frequently especially during the high volume activity on weekends, and that the sides of the pool be cleaned twice a day to prevent algae from growing. It was also noted that the lock was changed so that unit owners can access the pool deck using their Medco key.

b) Building Maintenance Discussions over the cleanliness of the building in the past six months led to the Board requesting Management to investigate the possibility of hiring additional general maintenance personnel. It was suggested that funds budgeted earlier in the year for an onsite manager may be better utilized on maintenance. Management will review the need for additional part-time help with Aaron Jewell, the head engineer, and obtain estimates for the additional cost.

c) General Repairs Within Units The building engineer has preformed repairs in the units while on building time and completing repairs that are considered a unit owner responsibility, and charging only for parts. The Board agreed that appropriate charges for both labor and parts should be established and distributed to unit owners.

d) Settlement Funds Mr. Doak reported the most recent settlement check from Travelers Insurance of \$1,461,809.37 was deposited in MidAmerica Bank. Because only the first \$100,000 is FDIC insured, the Board concluded that the Board Treasurer discuss the Association's options with a financial broker. Motioned by Mr. Burnes, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, herby, approve the resolution in the form required for opening an account with MidAmerica Bank.

Motioned by Mr. Burnes, seconded by Mr. Mehrberg, and unanimously carried, the following resolution was also approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, herby, authorize Mr. Doak to invest the \$1,461,809.37 in fully insured \$100,000.00 accounts.

VII COMMITTEE REPORTS:

a) Window Committee The window committee updated the Board on proposals obtained for consulting services to oversee the window replacement project which range in price from \$40,000-\$75,000, and on up and coming site visits as well as any manufacturer's presentations that will occur in the forthcoming months. They will report to the Board their recommendations with proposals for the window project so that a unit owners meeting can be scheduled. Ms. Ruden stated that the legal opinions previously obtained to identify common elements and limited common elements are confusing, she requested further clarification on financial responsibility issues.

VIII OWNERS COMMENTS/QUESTIONS:

a) Additional Monthly Garage Fee Mr. Burnes suggested that a legal opinion be obtained regarding the validity of the additional monthly parking fee. Mr. Doak explained that the parking fees had been significantly lower than market rate for many years, and when the capital improvements were proposed the parking fees were increased to a more competitive market rate to pay for a portion of the approved capital projects over the next few years. Mr. Doak also stated that the increase in parking fees is not a special assessment.

b) Management Communication/Responsiveness Two attending unit owners wished to have an explanation from Management why their calls were not being returned, discussions ensued over the need for better unit owner relationships and the timeliness to return calls from Management. This prompted a suggestion for a committee to evaluate the performance of building staff and Management on an annual basis.

c) Doorman Management was asked to speak with the late shift doorman regarding complaints that he is frequently away from his post and leaving the door unguarded. It was suggested that the sign be posted if the doorman must occasionally step away from his post.

e) Theft Unit owners commented on a theft that occurred, and the Board asked that all unit owners report any suspicious activity to the doormen immediately.

IX RECESS/CLOSED SESSION/ADJOURNMENT:

The Board recessed into a closed session at 11:05 p.m. The purpose was for the Board to review a pending lawsuit and delinquent account balances. The closed session reconvened into open session at 11:25 p.m., motioned and unanimously carried, the meeting adjourned at 11:25 p.m.

Respectfully Submitted,

Wayne Lau, *Secretary, The Pierre Condominium Association*
Debra Russo, *Recording Secretary*

THE PIERRE CONDOMINIUM ASSOCIATION
TREASURER'S REPORT
BOARD MEETING 7/17/02

Due to not receiving the June financial information from Wolin-Levin due to a distribution mix-up, a detailed report of revenue and expenses for the period ending 6/30/02 and an updated forecast for the year ending 12/31/02 is not possible at this time.

At 6/30, The Pierre Condominium Association had the following cash/ investment balances:

Wolin-Levin	\$ 20,693.81
Harris Bank Special Projects A/C	\$ 3,694.57
Salomon Smith Barney- general reserves	\$279,088.90
Salomon Smith Barney- Baker damage insurance A/C	<u>\$285,893.47</u>
Total- Cash and Investments	\$589,370.75

\$43,000 was transferred into the Harris A/C during June. During June a second payment was made from the Harris A/C to Otis Elevator in the amount of \$97,344.00. We have not yet had to borrow against the line of credit established to finance the Special Projects.

On July 9, 2002, the Association received a check from Travelers Insurance in the amount of \$1,461,809.37. This brings the total received from Travelers to \$1,806,809.37. This amount represents the minimum amount that Travelers has agreed is due The Pierre. The remainder of the balance due is still being negotiated with Travelers and with Baker and the other defendants.

The garage operation's finances made further improvement in June. June generated the first operating profit of the year- \$1,412. Unfortunately this was still below budget by \$1,050. Some signage was paid for during the month causing an over budget on the supply line of \$698. In addition, payment of a damage claim incurred in a previous month caused \$348 over budget on that line. There were only 112 monthly parkers in June, so there is still opportunity to improve that revenue line by \$800-\$1,200 per month.

Respectfully submitted,
Robert Doak
Pierre Treasurer