



THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

I CALL TO ORDER:

The Board of Directors meeting of August 21, 2002 was called to order at 7:38 p.m. by Board Secretary Wayne Lau. A quorum was noted. Mr. Landsman assumed the role of chairperson upon his arrival at 7:45 p.m. Attendance was recorded as follows: Directors: Wayne Lau, Bob Doak, Edward Burnes, Barbara Sherman, Denise Antonucci, Adam Landsman (7:45 p.m.), Bob Zabors (8:35 p.m.); Aaron Jewell – Chief Engineer, The Pierre; Joe Bright, Wolin-Levin; Recording Secretary, Debra Russo.

II SECRETARY'S REPORT:

a) Minutes of July 17, 2002 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, hereby, approve the Board of Directors Meeting minutes of July 17, 2002.

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

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

Unit owners wishing to have a topic included at a Board meeting are asked to submit their issue in writing to any Board member at least one week before the meeting. Future Board meeting agendas will seek to specifically state the "New" and "Old Business" topics.

III TREASURER'S REPORT:

a) Settlement Funds Mr. Doak reported the settlement check from Travelers Insurance of \$1,461,809.37 was deposited in MidAmerica Bank. Because only the first \$100,000 is FDIC insured, Mr. Doak discussed the Association's options with a MidAmerica financial representative who recommended opening a corporate account with INVEST Financial Corporation (an affiliate of MidAmerica Bank). Motioned by Mr. Doak, seconded by Mr. Burnes, and unanimously carried, the following resolution was approved:

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, approve the resolution in the form required for opening an account with INVEST Financial Corporation, to invest the amounts from the insurance claim in insured CDs.

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

b) Financial Report Mr. Doak presented the Treasurer's Report, summarizing that Total Cash and Investments was \$2,068,798 at July 31, 2002. The Board also discussed the potential for increasing garage revenue by raising transient parking rates during special events like the Air and Water Show.

(The Pierre Condominium Association Treasurer's Report Board Meeting 8/21/2002 is attached.)

IV MANAGEMENT REPORT:

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

a) Courtyard Deck Expansion Joint The \$48,000 proposal from W.J. McGuire Company for expansion joint repairs does not include the expansion joint on the courtyard deck. One of our roofing contractors was asked to submit a proposal to replace that expansion joint. Discussion over the roofing company making repairs and whether the repairs were within the specifications provided by Wiss, Janney, Elstner Associates. Management indicated that the repairs recently completed on the courtyard deck have been inspected on several occasions and there has been no further evidence of water. Management was asked to have Wiss, Janney, Elstner Associates inspect the repairs to see that they were completed properly, and to ask their advice on whether the expansion joint should be replaced to reduce the likelihood of future problems.

b) Engineering Invoices The Association's attorney forwarded the outstanding invoices from Wiss, Janney, Elstner Associates to Travelers Insurance for payment, but Travelers has not responded.

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

RESOLVED That the Board of Directors of the Pierre Condominium Association, hereby, authorize \$15,000 partial payment to Wiss, Janney, Elstner Associates against invoices totaling \$32,118.64.

c) Elevator Modernization Project The elevator modernization project is a few weeks behind schedule with Lerch Bates/Otis having almost completed the first elevator car. The Board was informed that some unit owners had become trapped in the service elevator during recent weeks. Management was directed to have the alarm button fixed on the service elevator. It was suggested adjusting the schedule so that the service elevator would be worked on next, after discussion it was decided to have Management contact Otis Elevator to evaluate current reliability and investigate costs to change the elevator repair schedule.

The Board agreed to temporarily suspend the rule that forbids dogs in the passenger elevators, and that Management will notify unit owners that dogs will be allowed in the lobby elevators for the next several months until the service elevator repairs are completed. Dog owners are asked to be considerate of others using the elevators.

d) Window Caulking At last month's Board meeting, some unit owners raised questions about the caulking concerning the professionalism of repairs and the method in how the repair work was being completed. Management reported that the contractor was unable to reach all of the problem areas, so McGuire and Company will be asked to caulk those windows when scaffolding is in place for the exterior building façade work.

e) Exterior Facade Repairs The "Facade Work" memo circulated by Management and W.J. McGuire Company was in error advising unit owners not to use their air conditioners during the work. The façade work will be done by in 28 stages starting in the Southwest corner (Dickens and the alley corner) and moving clockwise around the building. Management will post a schedule for the various stages and give individual notice to each unit prior to the work being done in their tier. Unit owners are cautioned to remove items on the walls while this work is being done. The project is estimated to be completed by November 1st. Unit owners do not need to restrict the use of their air conditioning during this period, however, it might be wise to restrict dust from entering windows by installing plastic over windows.

f) Roof Deck/Pool Chemical Reading Management reported that building staff had installed a sign up at the pool displaying the times and results of the chemical level testing. The chief building engineer was asked to install the sign in the staircase entering the pool area.

g) Building Maintenance/Staff Management reported that the union has no objections with the building hiring a temporary, part-time maintenance helper to assist staff with common area cleaning during construction projects and reconstruction. Management suggested another option would be to hire a cleaning service for 4-5 hours per day, thereby, eliminating the responsibilities for staffing, employee benefits and taxes. Mr. Landsman suggested that a notebook be kept in the office so that unit owners can write up requests for common area repairs or cleaning.

The staff is spending several hours a day moving blue bags/trash from the South side of the building to the dumpsters on the North side of the building. The Board asks that unit owners make an attempt to drop their blue bags/trash down chutes located by the service elevator during a one month trial period.

h) Tree Trimming The building engineer trimmed the trees in front of the building but, afterwards, City of Chicago crews came by and "butchered" them trying to make the stop sign more visible. The Association's regular landscaper will be asked to properly trim the trees with their fall cleanup.

i) Building Services The Board is implementing a new policy for services performed by staff within a unit that do not involve common elements. Services will be charged as follows: Cost of materials and parts, plus a minimum of \$15, with any additional time charged at a \$25 hourly rate. All charges will be billed through Wolin-Levin and appear on your monthly statement.

V COMMITTEE REPORTS:

a) Window Committee The window committee presented the Board with a well researched report, proposing the Board engage the services of Klein & Hoffman an engineering firm with architectural expertise as our window replacement consultant. Their cost for the project would be approximately \$58,000 and take about two years. The cost of the windows would be about \$1,200,000 and would be

borne by unit owners and would not come from reserves. The Board decided to survey owners. (Upon further reflection and review with the window committee after the meeting, the Board decided the earlier window survey would suffice).

VI OLD BUSINESS:

a) Reserve Study Proposals The Board reviewed reserve study proposals. Motioned by Mr. Doak, 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 the proposal from Reserve Advisors, Inc. to perform a "Precision 20/20 Reserve Study" for a cost of \$4,550.

b) Pool/Roof Deck – Swimming Pool Maintenance The chief engineer was asked to clean the edge of the swimming pool at the water line more often to eliminate the film that builds-up so quickly. It was also noted that Rainbow Resurfacing Inc. will be installing the new fiber glass pool liner beginning October 1st after the pool closes for the season.

c) Fitness Room/Equipment The Board was reminded that unit owner's exercise equipment remains in the fitness room. The building engineer was asked to place tags on all equipment not belonging to the building. Unit owners are reminded that personal equipment should not be "donated" to the exercise room without Board authorization. The staff has been instructed to removed and discard any personal equipment left in the exercise room and personal items left in common element storage areas.

e) Water Damage An attending unit owner reported on damage she sustained after a building pipe broke and flooded her deck, stating that the building staff repaired the broken pipe but never cleaned up the courtyard deck. Management will investigate further.

VII NEW BUSINESS:

a) Garage Lighting Fixtures Mr. Doak explained that he had requested proposals to install timers and to separate the lines so that the garage lights could be controlled for each level individually. Management advised the Board that a proposal had been obtained for \$2,800. Management was directed to inquire about the cost savings available regarding installation of a manual override disconnect switch so during the late night and early morning hours the majority of the lights in the garage do not need to be on.

b) Garage Floor Drains Mr. Lau questioned if we are to proceed with any additional floor drain work in the lower lever. The chief engineer was asked if there's been any drainage issues in the garage. Aaron Jewell stated that the lower level seemed to be draining fine but the upper level could have an additional drain installed in the Northeast corner to eliminate the ponding water. Management will obtain a bid.

VIII OWNERS COMMENTS/QUESTIONS:

a) Proper Attire Mr. Landsman raised an issue, on behalf of another unit owner who was unable to attend the meeting. The owner had expressed a concern in witnessing a staff member dressed in inappropriate attire while on duty. Management will remind all staff that they are expected to wear their uniforms at all times while on duty.

b) Garage Management An attending unit owner commented that the level of service provided by garage staff has deteriorated under Standard Parking's management and that owners are being asked to retrieve their own vehicles and there has been a general lack of courtesy. Management will address the issue with Standard Parking.

c) Bike Room An owner reported that the bike room has become cluttered and needs to be cleaned, painted, and reorganized. Management will obtain proposals for new bike racks.

IX RECESS/CLOSED SESSION/ADJOURNMENT:

The Board recessed into a closed session at 10:25 p.m. The purpose was for the Board to review possible legal action concerning the second floor rental unit. The closed session reconvened into open session at 10:53 p.m., motioned and unanimously carried, the meeting adjourned at 10:53 p.m.

Respectfully Submitted,

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

THE PIERRE CONDOMINIUM ASSOCIATION
TREASURER'S REPORT
BOARD MEETING 8/21/02

For the seven months ended July 31, 2002, the association has accumulated a net surplus (cash basis) of \$40,106 before consideration of Special Assessments received and Special Project costs paid out.

Special assessments received through 7/31 totaled \$552,759 and garage revenue totaled \$49,078 against which \$382,394 was expended for garage work, \$206,179 was expended for elevator work and \$2,000 was expended for façade work.

At 7/31, The Pierre Condominium Association had the following cash/ investment balances:

Wolin-Levin	\$ 36,273.77
Harris Bank Special Projects A/C	\$ 3,671.90
Salomon Smith Barney- general reserves	\$277,540.07
Midamerica Bank- Baker damage insurance A/C	\$1,464,332.44
Salomon Smith Barney- Baker damage insurance A/C	<u>\$286,980.00 est.</u>
Total- Cash and Investments	\$2,068,798.18

My current forecast for the year ending 12/31/2002 is that operating income, in total, may be about on budget, \$9,000 better than the May forecast. This is due to interest income now expected to be around \$29,000 instead of \$17,000, due to the additional money received on the Baker claim last month. This was partially offset by a cost of \$5,718 for temporary façade repairs due to substantial rainwater leakage in some units.

The current forecast also now assumes approximately \$60,000 instead of the budgeted \$30,000 for attorney's fees in the suits against Baker Development. We have been billed \$36,276 for the six months ended June 30, 2002.

The garage operation's finances continued to make improvement in July with a reported income of \$2,319 compared to \$1,412 in June. Total revenue was slightly ahead of budget, but monthly parking revenue was under budget by \$866. Monthly overnight parkers in July were only about 103 versus a target of 116-120, indicating plenty of revenue potential to improve on the monthly parking revenue number. While the income number was slightly ahead of budget in July, it was depressed by several expense overruns. Liability Insurance and Utilities combined were \$642 over budget which is a continuation of the same trend we have seen all year. Auto damage claims were \$667 over budget from payment of a several month old claim and printing was \$738 over budget because of the purchase of a 1-2 year supply of ticket stock. Despite these costs there were enough savings on other lines notably payroll and repairs to result in total expenses being only \$318 over budget.

Respectfully submitted,
Robert Doak
Pierre Treasurer