



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 March 16, 2000 at 7:30 p.m. in the hospitality room.

Attendance was recorded as follows: Directors: Stu Baker, Wayne Lau, Laraine Spector, Gail Ruden, Barbara Sherman, Gera-Lind Kolarik, Bob Zabors; Mark Friedman and Jay Burris, PM-Vanguard; Recording Secretary, Debra Russo.

I INTERIOR DESIGNER PRESENTATIONS:

It was announced that three designers, who specialize in condominium interiors had made presentations prior to this evening's Board meeting.

a) George Larson Associates

Mr. Larson explained that his company has been in business for 22 years and they specialize in corporate and residential interiors. Mr. Larson identified various properties in the Gold Coast area where they've re-designed lobbies – ranging in price from \$76,000 to \$350,000. They offer expertise in a range of services including: architecture, planning, designing and purchasing and they have access to quality contractors and lighting consultants.

b) Perimeter Builders

David Thomas was introduced from Perimeter Builders. It was noted that Perimeter Builders designed and completed the roof deck project a few years ago and they've also completed remodeling projects for several owners within the building.

Mr. Thomas said that Perimeter Builders provides expertise in construction as well as architectural design. They've done a lot of work on commercial projects in high traffic areas and specialize in projects with budget restraints. He suggested a dramatic improvement could be obtained by adding wood casings and rich elegant trim to the apartment doors. Mr. Thomas said the work would progress in three phases. Preliminary designs and budget goals would be prepared during the first phase; phase two would include preparation of construction drawings and specifications; phase three consists of construction and project management.

c) Gary Lee & Partners

David Grout and Steve Kadlec were introduced from Gary Lee & Partners. The Gary Lee firm stated that they specialize in corporate and residential design – ranging from modern to traditional, based on the needs and personality of the client. The entire project would be designed as a whole and implemented in phases to minimize the inconvenience to residents. Fees would be based on the scope of work and an average hourly rate of \$90.00. Two or three people would work on the project initially, phasing down to one person on an administrative level.

II CALL TO ORDER:

The meeting of March 16, 2000, was called to order at 9:00 p.m., by Board President Stu Baker. Mr. Baker welcomed attending owners. A quorum was noted. Mr. Baker introduced Mark Friedman, President of PM-Vanguard.

III MANAGEMENT PROPOSALS:

a) PM-Vanguard

Mark Friedman proposed a one-year extension of the management agreement with a “shift in focus” to on-site management. Mr. Friedman suggested the Association would be better served by adding a part-time customer service person to assist the property supervisor with daily tasks and inquiries. He offered to keep the increase in management fees to a minimum) PM-Vanguard in order to off-set the additional cost. Mr. Friedman also volunteered the expertise of his staff to help assess financing options to pay for some of the major projects under consideration.

Mr. Friedman was informed that several owners have reported difficulties in working with PM-Vanguard’s accounting department. Mr. Burris interjected that many of the complaints are based on late charges that are incurred when assessment payments are received in the Schaumburg office after the 15th of the month. He said that some owners leave their checks in the building’s lock-box on the 15th, when they should actually be processed by then.

IV SECRETARY’S REPORT:

Mr. Lau reported that the Board had been given the opportunity to review the minutes of February 17, 2000 in advance of the meeting, and reviewed the proposed changes. Mr. Lau called for final comments or corrections to the suggested amendments for the minutes of February 17, 2000. Amendments were noted accordingly.

Upon motion duly made, Mr. Baker motioned to approve the minutes of February 17, 2000 as amended, seconded by Ms. Ruden, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the minutes of February 17, 2000, as amended.

The vote was recorded 6 in favor, 1 abstention.

*In Favor: Mr. Baker, Mr. Lau, Mrs. Spector, Ms. Ruden, Ms. Sherman, and Ms. Kolarik;
Abstaining: Mr. Zabors.*

V TREASURER’S REPORT:

a) Financial Statement

Mr. Zabors reported reserves at just under \$700,000. Insurance premiums were paid directly from the Smith Barney account. The accountant discovered some double payments made in 1999, which Management has been asked to address.

Discussion ensued regarding payment options for the renovation project. Mr. Zabors suggested that an amount equal to one year’s total assessments is a benchmark for what is considered adequate reserves, but that a reserve study is the right way to determine the appropriate amount. Based on that, reserves could probably be reduced by about \$100,000. Financing and/or special assessments are other options to be considered.

b) Rental Unit/5AS

Management reported that the Pierre owned unit 5AS, has still not been rented and the real estate agent has recommended lowering the rental rate. The Board agreed to a monthly rental of \$1,300.

Mr. Zabors was asked to further explain his thoughts on why selling the Association’s rental unit is not a favorable option. He said that a large portion of the proceeds would go directly to taxes. The balance would likely be invested in a CD, but, the interest on the CD would be less than the income received from the monthly rent.

Mrs. Spector reiterated her interest was in eliminating renters from the building and emphasized her feeling that increasing ownership with a commitment to the Pierre is more beneficial.

Mr. Zabors acknowledged that renters may be a concern to some owners, but, selling the unit would require approval from two-thirds of the owners and he stressed that financially it would be a bad decision. It was also stated that it would require a reassessment of all units to establish new ownership percentages.

VI MANAGEMENT REPORT:

a) Laundry Reimbursement

Management reported that a check was received from Coin-O-Matic for \$825.01 for the period July 31, 1999 – December 31, 1999.

b) Elevator Repair

Management reported that a resident recently became trapped in one of the elevators. Repairs have been made and the phone line was adjusted so that it rings at the door station.

c) Unit Remodeling

Management explained that a 4" mainline pipe that runs along the baseboard throughout the building, was not properly insulated at the time of conversion, and, it's believed to be the cause of many excessive heat complaints. Management suggested that for a minimal cost to the Association, the pipes could be insulated as the units are renovated.

1-8CS

Management reported that the prospective purchaser for unit 8CS has asked the Board to approve their remodeling plans prior to purchase. The Board posed no objection for submitting the plans to the building's architect for approval before the sale of the unit.

2-4CS/4DS

Management reported that the plumbing work in unit 4CS/DS was stopped because the plumbers had cut into a common area wall. The owners were informed that their plans have to be approved by the Association's architect before work can resume.

d) Fire Inspection

Management reported that the fire pump test was recently completed and now the fire department is recommending that the stand pipe system be extended to the roof. Complete Pump Company has estimated the work at about \$5,000. The Board believes the fire department may have misjudged the percentage of occupied space on the roof and therefore, decided not to act on the request at this time.

e) Doorman Injured

Management reported that one of the doormen fell in front of the building on February 13th, scraping his fingers and knuckles and bruising his ankle. Management will submit the information to the Association's insurance company as a precaution.

f) Pool Deck Specifications

Management reported that the architect has completed the pool deck specifications; bids are expected by the end of the month. The recommended membrane surface is "Neo-Guard", which comes in several different colors and finishes. Architect Alan Yore will be asked to attend the next Board meeting to answer questions about the product and process. It was said that the first priority is to seal the building from the elements and the aesthetic appearance of the pool area is secondary.

g) Boiler Repair

Management reported that one of the boilers started leaking and had to be repaired on an emergency basis. Management recommended that the second boiler be re-insulated to avoid future problems.

Upon motion duly made by Ms. Ruden, 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 a proposal from Hayes Boiler to re-insulate the second boiler for \$1,378.00.

VII OLD BUSINESS:

a) Cornice Repair

Management reported that the J. Gill Company, while working on cornice replacement, noted loose mortar along the east wall of the stair penthouse and the parapet wall along the southwest corner of the pool area. Additional tuckpointing was recommended. The J. Gill Company has been asked to provide a quote.

b) The Ritter Group

The Ritter Group reported that there's still seven units they haven't been able to inspect due to scheduling difficulties with the owners, thus delaying the insurance settlement. The attorney will be asked to notify the owners that the inspection is mandatory and the Association has a legal right to enter the units to complete the inspections.

VIII NEW BUSINESS:

a) Right of First Refusal

Management reported that a new tenant moved into unit 9EN without Board approval and the paperwork submitted by the owner is incomplete. Management will contact the owner for additional information.

b) Near North Association

Management will issue payment for the annual dues to the Near North Association in the amount of \$125.00.

IX OWNERS COMMENTS/QUESTIONS:

a) Construction Damage

An owner asked about plans to repair the damaged concrete flooring in the AN-tier apartments. While sympathetic to the inconvenience being experienced by these owners, the Board must evaluate the best method and most cost efficient way to complete these major repairs even though the lines of responsibility have not yet been clearly defined.

Although the Board was advised to postpone repairs until the architects are sure that the building has stopped moving, preliminary prices and recommended methods of repair are currently being obtained. Once the proposal process is complete, the attorney will be asked to clarify the lines of financial responsibility.

Wiss, Janney, Elstner Associates inspected the damaged floors on two occasions and although some existing cracks have widened or lengthened, few additional cracks have developed. Architect Alan Yore was asked to verify the numbers provided by The Ritter Group.

X RECESS/ADJOURNMENT:

With no further business to come before the regular Board meeting and upon motion duly made, seconded, and unanimously carried, the meeting recessed into executive session at 10:50 p.m.

The executive session concluded and reconvened into open session at 11:18 p.m.

Upon motion duly made, seconded, and unanimously carried, to adjourn the meeting at 11:18 p.m.

Respectfully Submitted,



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