

Park Tower CONDOMINIUM ASSOCIATION

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Board of Directors Meeting Monday May 11, 2009 Minutes

In Attendance George Pauley, President; Carlos Vargas, 1st Vice President; Lorraine Meyers, 2nd Vice President; Sandra Goldberg, Secretary; Laura Cossa, Treasurer; Steve Hanna, Property Supervisor; Tim Patricio, Property Manager; Mavis Mather, Assistant Manager Business Operations;

Absent Jacquie Smith, Assistant Manager Security Operations

Call to Order: (8:59 p.m.)

Topic/Report	Information
<p>ASCO Report: Lorraine Meyers</p>	<p>I think that all of you received the proposals for the legislation. This is from ASCO and includes the legislation that is in Springfield for all of our representatives to vote on. ASCO has made some recommendations on some of the things, and some of them they have opposed. I made notations on your copies for you to read on the information from the ASCO lawyer, Michael Kim. Some of the items are marked approved by ASCO, some opposed, and some we need more information on or a better explanation. I'm not going to go through everything that is here, you can go ahead and review it and know what is going on.</p> <p>The other update is that there is a movement to try and have the dumpster tax repealed. Most of the condo associations think that it is illegal because it is a special taxation for a special population. They made some changes in the dumpster tax but most of your haulers began charging the tax in March. It was supposed to be effective the first of January, but the condo associations have been fighting about it and calling their Aldermen. Our Alderman has not responded at all to the dumpster tax. Joe Moore has done a great job and has reduced the tax, but the ones that are really complaining are Joe Moore and Tom Tunney. They want everybody who lives in a condo to write a letter to the Mayor and to their congressman to try and get this changed. I don't know how successful they are going to be, but I don't know.</p> <p>I was asked about the Elargo's wind tunnels for energy. They only warned the committee that they are just starting to work on it but as of right now it doesn't look like it will be worth the effort.</p> <p>There are centennial bus tours of the lakefront being offered. The first one is May 16th the second one is June 20th and the last one is July 18th. I have gone on these before, this is how I got to the top of City Hall and saw the natural garden up there with the bees and the honey hives. It was really something to see a garden up there on top of City Hall with all the high-rise buildings around it. This lake front tour is to see what the whole program is for, what they have planned, and what they have right now. I think it is well worth while.</p>

	<p>Lastly, when an apartment goes into receivership and is foreclosed, Afna is trying to get all the owners to immediately contact their state representatives and state senators asking them to support language that would require lenders to pay assessments once the foreclosure process begins and until the unit is sold. Right now we can only collect six months of bad assessments, but the financial industry is fighting it. They don't want to have to have to pay any part of that. State Representative Harry Osterman has been asked to spearhead - this effort, which he is going to do. He can be contacted at 217-782-8088. ASCO now has 7,082 units which is the equivalent to 47 blocks, but each condo only gets one vote at the Planning and Zoning Commission. Therefore, we don't have a lot of clout because there are many other block clubs. Hopefully we can go on and do better with the individual clubs and individual voting. At the Planning and Zoning meeting they had, they voted in Dominick's just as it is with their plans. They are still going to have the entrance and exit on Foster and Sheridan. The vote was approximately 17-3, but a lot of people abstained. They also voted to use part of our TIF money to buy out the people who have an option on the Uptown Theater in order to buy it. It was approved by a vote of 13-0, all the others abstained.</p> <p><i>George Pauley asked why they would want the owners out, they were planning to remodel it and open it as a venue for entertainment.</i></p> <p>The Alderman doesn't like it.</p> <p><i>George Pauley asked if she would rather it sat empty.</i></p> <p>She would rather it sat empty than have it reopened by the owners with the option to buy it.</p> <p>There will be a Memorial Day Parade. The Edgewater Historical Society is holding a memorial at the Rosehill Cemetery. They will be marching down Clark street and will enter at Rosehill Drive and hold services. They all dress up in Civil War Uniforms and are on the horses. They have the undertaker's carriage. They used to unload the bodies there on the train station. It is great.</p>
<p>Health Club Committee Report: Sandra Goldberg</p>	<p>There will be a Health Club Committee Meeting on Wednesday night. We got a new scale, and to prevent people from weighing their luggage Jacquie came up with a great idea and the scale is now in the pool area.</p>
<p>Budget and Finance Committee Report: Paul Groeninger</p>	<p>I have a Committee report, the only reason I am doing this is because there are two items that the Board needs to take action on before the audit is completed with the financial statements. April 28th the Budget and Finance Committee met and discussed year end financial statements. We want to make two recommendations to the Board. We currently have, without the audit, a potential for an income at the end of the fiscal year 2009. The Finance Committee has recommended that we use this money to create an operating reserve account and transfer this money to the operating reserve account as opposed to the capital reserve account as was done in the past. This does require Board action as you would have to create the account and put the monies, whatever it is, into that account rather than transferring it into the capital reserve account.</p> <p><i>George Pauley asked if that was something they would vote on at the end of the fiscal year.</i></p> <p>The end of the fiscal year was February 28, 2009.</p> <p><i>George Pauley stated that he thought that Paul was speaking of the current fiscal year, you are talking about the previous year in which we had a surplus?</i></p> <p>I am talking about the fiscal year that just closed. You have to make a vote no matter what. Whether it goes to the capital reserve or to an operating reserve. The Finance Committee is recommending that you put it in an operating reserve, which would be a first for Park Tower. The second thing is that back in 2004/2005 the auditor created an entry that is still haunting us, the \$659,000 in</p>

	<p>the due to from column in the financial statements. The Finance Committee is recommending that we reverse this entry, writing it off the books. This requires a Board vote. If you want more information about it I can give you that, I can also give you reasons why this should be done. The reason for setting it up in the first place was that we were making the assumption that we were going to pay it back. That is 17% of your assessments if you want to figure it like that, but the better option is to write it off. The next meeting of the Budget and Finance Committee is June 23rd at 4:30PM.</p> <p>Upon due motion by Carlos Vargas and seconded by Lorraine Meyers, the Board voted unanimously to set up an operating reserve account for any surplus funds from the 2008/09 fiscal year.</p> <p>Upon due motion by Lorraine Meyers and seconded by George Pauley, the Board voted unanimously to forgive the \$659,000 debt created by the 2004/05 journal entry from the approved audit.</p>
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Topic/Agenda Item	Result/Action Item
Approval of Motions from Closed Session	<p>A. No Action. B1. Upon due motion by George Pauley and seconded by Lorraine Meyers, the Board voted unanimously to approve insurance violation fines in the amount of \$100.00 per unit. B2. Upon due motion by George Pauley and seconded by Carlos Vargas, the Board voted to approve a \$200.00 fine for noise violations. George Pauley, Carlos Vargas, Lorraine Meyers, and Sandra Goldberg voted in favor; Laura Cossa abstained; the motion passed. B3. Upon due motion by George Pauley and seconded by Lorraine Meyers, the Board voted unanimously to approve a \$1,000 fine for abusive behavior. B4. Upon due motion by George Pauley and seconded by Lorraine Meyers, the Board voted unanimously to approve a \$350.00 fine for a move violation. B5. Upon due motion by George Pauley and seconded by Lorraine Meyers, the Board voted unanimously to approve a \$250.00 fine for a smoking violation. C. Upon due motion by George Pauley and seconded by Carlos Vargas, the Board voted to not waive the 30 day required notice for a garage parker. George Pauley, Carlos Vargas, Sandra Goldberg, and Laura Cossa voted in favor; Lorraine Meyers abstained; the motion passed. D. Upon due motion by George Pauley and seconded by Carlos Vargas, the Board voted unanimously to deny a request for waiving a lockout charge. E. No Action. F. No Action.</p>
Minutes April 13, 2009 Board Meeting	Upon due motion by Laura Cossa and seconded by George Pauley, the Board voted to approve the April 13, 2009 Board Minutes with corrections. George Pauley, Carlos Vargas, and Laura Cossa voted in favor; Sandra Goldberg voted against; Lorraine Meyers abstained; the motion passed.
Minutes April 27, 2009 Special Board Meeting	Upon due motion by Lorraine Meyers and seconded by Laura Cossa, the Board voted to approve the April 27, 2009 Board Minutes with corrections. George Pauley, Lorraine Meyers, and Laura Cossa voted in favor; Sandra Goldberg voted against; Carlos Vargas abstained; the motion passed.
Security Camera Upgrade	Upon due motion by Carlos Vargas and seconded by George Pauley, the Board voted to approve the proposal submitted by J&R Video System to install new cameras in the existing security system, as submitted, in the amount of \$5,938. George Pauley, Carlos Vargas, and Laura Cossa voted in favor; Lorraine Meyers voted against; Sandra Goldberg abstained; the motion passed.

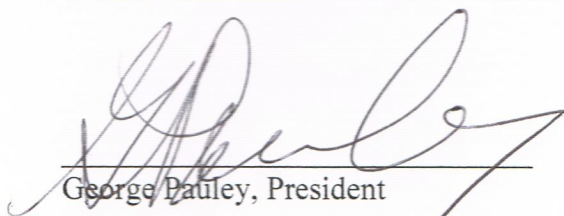
Topic/Agenda Item	Result/Action Item
Summer Landscaping	Upon due motion by Carlos Vargas and seconded by George Pauley, the Board voted to approve Brickman to perform the proposed enhancements to the circle planter, as submitted, at a cost of \$585.00. George Pauley, Carlos Vargas, Lorraine Meyers, and Laura Cossa voted in favor; Sandra Goldberg abstained; the motion passed.
Election Judges	Upon due motion by Carlos Vargas and seconded by Lorraine Meyers, the Board voted unanimously to appoint Marian Shaw, Lorraine Alexander, Georgie Nowak, Paul Groeninger, Nancy Ledvina, and Homer Longoria to the election committee for the 2009 annual election.
Election Chairman	Upon due motion by Carlos Vargas and seconded by Lorraine Meyers, the Board voted unanimously to appoint Paul Groeninger as the election committee chairman.
Management Office Hours	Upon due motion by Carlos Vargas and seconded by Sandra Goldberg, the Board voted to change the management office hours to 8AM until 5PM Monday through Friday, and 8AM to 6PM on Thursdays. Carlos Vargas, Lorraine Meyers, Sandra Goldberg, and Laura Cossa voted in favor; George Pauley voted against; the motion passed.
Construction Requests	Upon due motion by Sandra Goldberg and seconded by Laura Cossa, the Board voted unanimously to approve the remodeling of unit 911 as submitted by the owners, following the recommendations of the chief engineer as outlined in their written specifications and in accordance with the Rules and Regulations and remodeling guidelines of the Park Tower Condo Association.

Topic/Report	Information
Treasurers Report: Laura Cossa	<p>As of March 31, 2009 the total operating funds were \$105,282.02. The total replacement reserve funds were \$1,108,752.34. The total of all cash and investments was \$1,215,548.03.</p> <p>Upon due motion by George Pauley and seconded by Carlos Vargas, the Board voted to ratify the purchase of a CD from Republic Bank for 16 months in the amount of \$100,000.00 at a rate of 2.72%. George Pauley, Carlos Vargas, Lorraine Meyers, and Laura Cossa voted in favor; Sandra Goldberg abstained; the motion passed.</p> <p>Upon due motion by Lorraine Meyers and seconded by George Pauley, the Board voted to ratify the purchase of a CD from Park National Bank for 12 months in the amount of \$100,000.00 at a rate of 2.70%. George Pauley, Carlos Vargas, Lorraine Meyers, and Laura Cossa voted in favor; Sandra Goldberg abstained; the motion passed.</p>
Board Report: George Pauley	The 2009 Annual Meeting of the Homeowners Association will be held on June 8, 2009 at 7:30PM. The Meet the Candidates Night has been scheduled for May 20, 2009 at 7:00PM. We encourage all homeowners to attend both these events and to participate in the annual election. The four candidates are Laura Cossa, Carlos Vargas, myself, and William Fortuna.
Management Report:	A few updates for you. You will probably see, within the next week, the filter

Topic/Report	Information
Tim Patricio	<p>change notices going out.</p> <p>The garage power washing is underway and will hopefully be continued by the end of this week. So far we are impressed with this vendor over last years. They spend a great deal of time, more than the last vendor, on the oil spots. They did a very impressive job, some of them that were still there a little bit from the past power washing are now gone. They have done a great job so we are happy thus far with the vendor. They are taking a little more time so there might be an additional notice from Jacquie asking you to move your car again. Also we had a bit more stragglers when it came to moving their cars than we did last time. We are coordinating around that as best as possible.</p> <p>At the last couple of meetings we talked about the forced place insurance. We have a seminar tomorrow at 1PM. A couple of us in the office are going to take a look at the software and the interface with the accounting program that they talked about in their presentation. In a future report you will see an assessment about how that is and whether management is going to recommend that.</p> <p>The exterior project, I know you were specifically waiting for an update, and I do have a question that I will ask the Board based on the information that I will share with you. We had a status report update from Wiss Janney and I had several questions based on things that they had been reporting to me in person and based on questions that I had received from various Board members and owners who stopped by the office. I'm just going to share those questions and answers with you, and I will try to do so quickly. I asked them some obvious questions, I know they sound obvious but it will fill you in.</p> <p>I asked what has been completed so far; the engineers have completed inspecting the 05 and 06 tiers, and two drops on the 11 tier, one drop on the north face and one on the south face.</p> <p>What has been the primary cause for the delay, which several unit owners have asked due to the notices that have gone out sometimes multiple times for the same tiers. The primary cause has been wind conditions; it has been unsafe to have not only the equipment, but also people's lives hanging from your roof.</p> <p>What are the conditions that you have observed; they have observed in numerous occasions a debonding of the sealant. Basically the sealant is at the end of its useful life, it has been out there on these tiers for 15 or more years without a reasonable amount of maintenance. Meaning there were recommendations at the time the window project was done to develop a maintenance program. What that would be, and based on what they told me from their research of what was done in the past, at the time, the consultants suggested that every five years you do drops and based on those drops you would decide in the future how long the sealants have before they start failing. They had decided at that time that every five years do drops and start the regular maintenance. They may have said after those five years, on the 11 tier in three years go on there and have workers look at areas where it is debonding or looks like it is weakening and do basic repairs. Why that wasn't done, or followed up on, there is no answer.</p> <p>Have they discovered any imminently hazardous conditions, imminently hazardous would be anything that they find up there and have to fix immediately; no they have not found any hazardous conditions.</p> <p>Have you found any leaking conditions that you cannot explain; in general the leakage has been due to debonding sealant that has been observed. There has been one instance, when during water testing they were unable to recreate the leaking observed by the unit owner. They have been following the surveys that were sent out last year, especially the serious conditions and they have actually sprayed water at a couple of locations. In the one place they were</p>

Topic/Report	Information
	<p>unable to reproduce what was reported by the unit owner. However, they are confident that based on the observations they have so far, the four drops that were done, that it is due to the condition of the sealants. Since I got this answer we have had one more report where the leaking was not due to debonding. The window could not close all the way because of the weather stripping on the inside. There is a repair there that needs to be made on the interior to prevent this serious condition.</p> <p>Of the conditions that they have seen, what is the gut recommendation for improving or repairing the condition; removal and replacement of the existing sealants, they also recommend an alternative weather stripping and sealing for the operable portion of the window. This will be documented in a report once they finish all the drops.</p> <p>If we so chose could a repair program begin this summer; yes. Previously they had given us budgetary figures and now they are working on actual estimates. I have asked them to provide, without consulting you first, estimates for having all the work done in one year, over two years, and also the cost for phasing the project over three years. The workers on the building right now, Triumph Restoration, are going to give me those three options so that between now and the next meeting you should be able to see what those numbers will be to repair the condition. This is just to give you some idea so you know what to expect when waiting for specs.</p> <p>Where are we right now with the inspections; at the time, which was Friday, they were performing the final drop on the 11 tier.</p> <p>What is your recommendation for proceeding; right now they are recommending that they do no further inspections. There was one more drop scheduled, and that was the 03 tier. They are saying that based on their observations from the ground level, they are not going to find any differences. In the 05, the 06, and both drops in the 11 the conditions have been identical except for a couple of the anomalies like the window that needed weather stripping. They are saying that it will be a complete waste of your money; right now based on the conditions they feel that this is a building wide issue. They have also said to me, and this will likely be in the report, that if you think about the drops that have been done, those are where the prevailing winds and prevailing weather movement impacts the building the most. This is why the survey resulted in those locations having more leaking reported. At this time if you did phased sealant repairs, it would make sense to begin with those tiers. In that case, why inspect 03 since we know that is one of the drops that are reporting so much leaking. It would save about \$15,000 to cancel the drop on 03. There really is no impact from canceling this drop. When they are looking for imminently hazardous conditions, they are looking for what the City wants to see and all that you owe them is an ongoing exam. Essentially, with what they have already dropped, they can produce an updated critical exam which is going to be due next year. Since the original intent was to complete the 03 tier, I am asking the Board to cancel this drop and have Wiss Janney proceed with the reporting.</p> <p>Upon due motion by George Pauley and seconded by Lorraine Meyers, the Board voted unanimously to cancel the 03 tier exterior window inspection and to direct WJE to proceed with creating their report on their findings from the inspection.</p>

Topic/Agenda Item	Result/Action Item
Adjournment	Upon due motion by Sandra Goldberg and seconded by Lorraine Meyers, the meeting adjourned at 10:34PM.



George Pauley, President

Sandra Goldberg, Secretary

*The Board Secretary has indicated that she will not be signing the minutes