

**2500 LAKEVIEW ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, OCTOBER 16, 2002**

A regular meeting of the Board of Directors of the 2500 Lakeview Association was held on Wednesday, October 16, 2002, at 7:00P.M. in the Hospitality Room, pursuant to notice. The following directors were present:

Mr. Gatz
Mr. Gould
Mr. Hall
Ms. Tama Oblander
Mr. Schneiderman

Also present at the invitation of the Board was:

Wallis Weinper, Property Supervisor, LaThomus Property Services, LLC. and Lottie Bell, Property Manager, LaThomus Property Services, LLC.

There were 2 Unit Owners present.

CALL TO ORDER

Ms. Tama Oblander, President, noted that there was a quorum and called the meeting to order at 7:10 P.M.

OPEN FORUM

There was some discussion regarding the remodeling of the hallways and second floor. This item was addressed further during Old Business.

APPROVAL OF MINUTES

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to approve the Board of Directors Meeting Minutes of September 17, 2002.

TREASURER'S REPORT (attached)

Mr. Gatz reported that the balance in the operating account as of August 31, 2002 is \$57,792.04. The balance in the reserve account is \$372,905.29. A Certificate of Deposit will mature on 12/23/02 in the amount of \$141,000.00. The Association's total funds are \$571,697.33. More financial information followed during the 2003 Proposed Budget discussion. The complete Treasurer's Report is attached to, and forms a part of, these minutes.

2003 PROPOSED BUDGET

LaThomus presented a draft budget to the Board, with the observation that most items in the Operating Budget are fixed as a result of contracts and predictable levels of expense. The Board reviewed each account.

After consideration of potential capital projects, the Board determined that budgeted improvements projected for 2003 in the proposed budget will include: (i) renovation of the changing rooms and related areas on the second floor, (ii) update of the reserve study, (iii) replacement of hallway carpeting and

painting of the hallways, and (iv) replacement of emergency lighting fixtures. Upon consideration of the Association's operating and capital expenses for 2003, and the need to maintain reasonable reserves, the Board determined that the proposed budget should include a 3% increase in Unit Owner assessments for 2003. It was determined that no increase in garage parking rates will take place in 2003.

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, to approve the 2003 Budget as modified in this meeting for distribution to Owners as the Proposed Budget.

MANAGEMENT REPORT

The Management Report is attached and is included as part of these Meeting Minutes.

At the last meeting, it was suggested that a land survey of the Association's building would be needed, showing the exact location of the building. This information was needed in negotiations regarding the Columbus Hospital Development project in order to protect the interests of the Association and its Unit Owners.

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, that the Board approve an invoice from United Survey Service, Inc. in the amount of \$750.00 for a Plat of Location survey needed for the Columbus Hospital Development project.

The ongoing window repair program along with the critical facade inspection is winding down. Invoices from all contractors have been presented to management through September and have been reviewed for payment by Construction Technology Laboratories. All work should be completed by the end of October. Management has scheduled all last minute details with respective residents so that all items are addressed.

Kroeschell Engineering Company completed installation of the spring isolators for the chilled water piping to reduce noise and vibration on the 2nd floor. Shiner + Associates who was hired to test the sound level in Unit 204 will perform another test to verify that this work does remedy the problem.

The Decorating Committee will review new samples of flooring and counter tops for the laundry room from our new contractor. Once these items are completed, a date for remodeling will be scheduled.

Recycling bins for newspapers were purchased for 5 floors as a test sample. Although these containers helped in the disposal of newspapers, the Board asked management to purchase and install a larger container to see if it would fit while providing larger capacity.

The balance of the report was informational.

OLD BUSINESS

Columbus Hospital "Ad Hoc" Committee - Mr. Berberian reported on the outcome of negotiations for the building on the Columbus Hospital site. Mr. Berberian noted that the Association will have to continually monitor demolition and construction on the site to make sure the Association's interests are protected, and that monitoring may require use of professional services, either under contract to the Association or with the Diversey Harbor Lakeview Association.

On motion duly made and seconded the following motion was unanimously approved:

RESOLVED, that the Board authorize the expenditure of \$5,000 for professional services to monitor the development of the building on the Columbus Hospital site.

The Board thanked Mr. Berberian for his untiring hard work over two years in dealing with this project,

and particularly appreciated his successful efforts in reducing the impact of the project on the Association.

Mr. Gatz reviewed the Fire & Safety Study for 2500 Lakeview and has forwarded this information with his changes to management. Management will review the changes and revise the document. This information should be available to Unit Owners early next year.

The Association's website is in the final stages. Once everything is finalized, a notice will be distributed to all residents. All future information pertaining to the building should be saved in word format so that it can be transferred to the web site. The Board thanked Mr. Scott Oblander, a building resident, for his efforts implementing this project.

Western Waterproofing is scheduled to do the coping stone replacement on the garage roof. CTL will set up this schedule before winter weather.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 10.00P.M. and enter into Executive Session. The Executive Session adjourned at 10:15P.M. The next Board meeting is scheduled for Wednesday, November 20, 2002 at 7:00P.M.

Respectfully submitted:

Michael Schneiderman, Acting Secretary

THE OCTOBER 17, 2002, BOARD OF DIRECTORS MEETING TREASURER'S REPORT

As of September 30, 2002, 2500 Lakeview Association had \$57,792.04 in the operating account, \$372,905.29 in a money market account and \$141,000 in a certificate of deposit. Thus, the Association had total funds of \$571,697.33.

Account Number (No.) 3201-0000, Total Income – Positive variance of \$1972, or .2%. This positive variance should be greater. While the Comparative Income Statement indicates that there are still unpaid special assessments of \$9207, the Aging Report only identifies four outstanding Special Assessment payments totaling \$4998.69. Management should resolve this discrepancy. Also, the Scavenger Rebate of \$11,850 has not been paid. Management should advise of the status of collecting the unpaid special assessments and the scavenger rebate. These two items should be resolved by the end of the year.

Account No. 7299-0000, Total Payroll Expenses – Positive variance of \$3366, or 1.31%, even with the negative variance in Doormen's Salaries and Workmen's Compensation.

Account No. 7399-0000, Total Utility Expense – Positive variance of \$63,196, or 32.77%, due to significant positive variances in both gas and electricity.

Account No. 7591-0000, Total Building Services – Positive variance of \$2773, or 5.20%, mainly due to positive variances in Scavenger and Landscaping Exterior. The Scavenger positive variance is due to timing of payments. The Landscaping Exterior positive variance will probably be reduced by the end of the autumn season.

Account No. 8499-0000, Total Repairs and Maintenance – Negative variance of \$18,188, or 20.32%, due to several negative variances including HVAC Repairs, Compactor/Incinerator Repairs, Doors/Keys & Locks, Metal Maintenance and Refinishing, Plumbing, and Swimming Pool Furniture and Repairs. The negative variance in Window Repairs is incorrect because Management has not allocated the full expenditure of \$18,360 as the Year to Date (YTD) budget. Management should advise the Board of Directors of a plan to monitor and control future expenditures so that the annual amount budgeted for this category will not be exceeded.

Account No. 9391-0000, Total General and Administrative – Positive variance of \$5480, or 1.65%, mainly due to Legal Fees – Regular, which reflects the fact that we have not yet contributed to the Diversey Harbor Lakeview Association (DHLA), and timing on Repayment of Loan No. 1. This category may be on budget this year if the Association does not make a contribution to DHLA.

Account No. 9499-0000, Total Taxes – Positive variance of \$695, or 31.59%, is immaterial.

Account No. 9591-0000, Total Reserve Contributions – Negative variance of \$4721, or 20.31%, due to a reserve fund interest income entry. Management should explain this entry. Nevertheless, this is a good negative variance because the Association put more money in the reserve fund than budgeted.

Account No. 9900-0000, Total Operating Expenses – Positive variance of \$52,601, or 5.53%, due to the positive variances discussed hereinbefore.

Account No. 9902-0000, Net Operating Income – Through September 30, 2002, the Association collected \$96,634 more than it spent (\$68,664 + \$27,970 Reserve Fund Contribution).

Account No. 9990-000, Total Extraordinary Expense – The YTD Budget for Locker Room/ Toilet Renovation should be shown as \$125, the YTD Budget for Garage Coping Stones should be shown as \$255, The YTD Budget for Car Wash Heating System should be shown as \$12,542, the YTD Budget for Sprinkler System should be shown as \$7000 and the YTD Budget for Building Façade Inspection /Repair should be shown as \$10,437. Several previous Treasurer’s Reports have given similar guidance to Management but they have not yet made these corrections. With these corrections, the negative variance for this category would be \$44,936, or 148.26%, due to unanticipated expenditures related to the garage and “Elevator Comp;” the car wash heating system and the sprinkler system being higher in cost than budgeted; and, no budget shown for the exhaust fans. Management should explain why no budget was shown for the exhaust fans, because this work was clearly contemplated last year, and what are the expenditures for “Elevator Comp.”

As stated in the previous Treasurer’s Report, in the Construction Technology Laboratories, Inc. (CTL) September 13, 2002, 2002 Façade Inspection, Concrete Maintenance and Leakage Repairs Report, CTL estimated that the total project expenditures will be \$165,800. In an October 15, 2002, telephone conversation, CTL stated that they still estimate that the total project expenditures will be \$165,800. That amount would be \$75,800 above the \$90,000 budgeted for Window Repairs and Building Façade Inspection/Repair. That negative variance should be covered by postponing the renovation of the second floor common elements until next year as currently planned.

Submitted by James G. Gatz, Treasurer, 2500 Lakeview Association