

BOARD OF DIRECTORS MEETING
2500 LAKEVIEW ASSOCIATION
Chicago, Illinois

MINUTES
7/20/05

Of a regular Board of Directors Meeting held on Wednesday, July 20, 2005, at 7:00 p.m. in the Hospitality Room. Present were Board Members: Cheryl Tama Oblander, President; Gregory Angelopoulos, Vice President; James Gatz, Treasurer; Darlene Chansky, Secretary; and Sanford Klein, Director. Representing Management was Ron Heilbrunn, Property Supervisor, and Eileen Tardy of Wolin-Levin, Inc. Property Manager.

CALL TO ORDER

There being a quorum of Board Members present, the meeting was called to order by Cheryl Tama Oblander, Board President, at 7:05 p.m.

OWNERS COMMENTS

Owners present commented on a situation where damage could occur because a car must park too close to the bike rack, exit or directional signs in the basement area, polishing the new floor by the back door, the upcoming nomination process for the annual election to the Board of Directors, and the audit for the garage.

MINUTES

Upon a motion duly made by Cheryl Tama Oblander, seconded by Greg Angelopoulos, and carried by unanimous vote, it was:

Resolved: To approve the minutes of the 6/16/05 meeting as written.

TREASURER'S REPORT

Mr. Gatz, Treasurer reported on the June 2005 Financial statement noting that as of June 30, 2005 there was \$17,913.26 in the Wolin-Levin, Inc. operating account, \$536,656.67 in the money market funds for a total of \$554,569.93 cash available. Of the \$536,656.67 in the money market funds, \$100,000 was deposited into a 3 month CD at LaSalle Bank at 3.35%, \$100,000 in a 6 month CD at Fifth Third Bank at 3.40%, and \$100,000 in a 12 month CD at 4.10% at Corus Bank.

MANAGEMENT REPORT

A management report prepared by Eileen Tardy, Building Manager, and distributed to the Board prior to the meeting was reviewed.

Life Safety Evaluation

A draft copy of the Life Safety Evaluation as required by the City of Chicago, was prepared by Schirmer Engineering and forward to the Board for review. Approval of the evaluation was deferred to allow more time to review it and until Greg Angelopoulos can contact Schirmer to confirm what would constitute adequate proof of smoke detectors in individual units.

OLD BUSINESS

Exit Signs

Greg Angelopoulos will investigate if directional or exit signs are necessary in the basement area, and if so, where and how many.

2004 Audit

Mr. Gatz finished his review of the 2004 audit as prepared by Schneider Cupuro and found it in order.

Upon a motion duly made by Cheryl Tama Oblander, seconded by Sandy Klein and carried by unanimous vote, it was:

Resolved: To approve the 2004 Association Audit dated March 8, 2005, and prepared by Schneider Cupuro for distribution to unit owners.

Window Leak Survey

An updated window leak survey was reviewed by the board. It was noted that all owners had not responded. Management will contact those who have not yet responded.

Rules Committee

The Rules Committee continues their work on revising the building's rules and regulations. They plan to meet Monday, July 25.

Fire Hoses

Due to the fact that neither Schirmer Engineering nor the City Fire Department could state definitely that the current building fire hoses should be replaced, no action was taken at this time.

Window Mock Up Project

Upon a motion made by James Gatz, seconded by Cheryl Tama Oblander, and carried by a vote of 4 Yes, and 1 No (Darlene Chansky), it was,

Resolved: To approve the window mockup contracts from Horvath Reich, CTL, Burglund, and Softer Light, at a cost not to exceed \$55,000 in total for all four contracts pending approval of these contracts by the Association attorney and further negotiations to lower cost. The final contracts should include clauses regarding a 10% cap over agreed cost, and regarding responsibility of the contractors for damage to units. The attorney will also be asked to send a letter to the unit owner regarding responsibility for payment of redecorating after the project is completed.

Shade Removal Fee

A \$15 removal and installation fee charged to a unit owner to remove and install shades will be refunded because the work was ordered by the painter not the owner.

NEW BUSINESS

Newsletter

Discussion regarding an Association newsletter was deferred.

Lease Unit 2003

Upon a motion duly made by James Gatz, seconded by Cheryl Tama Oblander, and carried by unanimous vote, it was,

Resolved: To approve the lease submitted by unit 2003.

Lease Unit 2702

Upon a motion duly made by James Gatz, seconded by Cheryl Tama Oblander, and carried by unanimous vote, it was,

Resolved: To approve the lease submitted by unit 2702.

Sale Unit 1904

Upon a motion duly made by James Gatz, seconded by Cheryl Tama Oblander, and carried by unanimous vote, it was,

Resolved: To waive the right of first refusal and approve the sale of unit 1904 for \$266,000.

Construction 503

Upon a motion duly made by James Gatz, seconded by Cheryl Tama Oblander, and carried by unanimous vote, it was,

Resolved: To approve the construction plans as submitted by unit 503 pending receipt of the necessary documents including contractor licenses, pictures, and certificate of insurance. The approval of the construction does not imply that the Association is accepting responsibility for or agreeing to the extent of the alleged damage in the unit or the repairs.

Tile in Back Lobby

Management will contact the manufacturer of the new back lobby tile to find out if polishing is necessary and what is the proper way to clean it.

Parking Waiting List

A self-parking space which is due to come open soon will be held until the Board can make a decision on how to appropriately conduct the waiting lists.

Unit Owner Alert

Owners will be made aware of possible problems with old HVAC units and reminded to have them checked to avoid any problems.

Trees

The Alderman's office will be called to ask for assistance in making sure the trees on the opposite side of Lakeview get enough water in the dry weather.

Landscape Fence

It was suggested that a low wrought iron fence be installed around the landscaped areas of the building. This has been reviewed before and Board members continue to agree that it would be expensive and would not be aesthetically appealing.

Balcony Wood Strips

A request was made to have the wood strips on the balcony railings removed to enhance the view. It was pointed that this could not be done without compromising safety.

Parking Space

A unit owner has indicated that due to the size of her vehicle, her car gets scratched by people coming in and out of the bike room with their bike. The board instructed management to ask another owner who seldom used their car if they would be agreeable to switching spaces. A full disclosure of the problems with the former space must be made.

Adjournment

There being no further business, the meeting was adjourned at the call of the Chair at 8:40 p.m.

TREASURER'S REPORT FOR PERIOD ENDING JUNE 30, 2005

The Financial Report issued by Wolin-Levin, Inc. for the period ending June 30, 2005, indicates that the 2500 Lakeview Association had \$17,913.26 in the operating account and \$536,656.67 in a Money Market Account. Thus, total funds available to the Association were \$554,569.93 as of June 30, 2005. Note that subsequent to the report date, the Association invested \$300,000 in the following three separate certificates of deposit (CD):

- LaSalle Bank – 3 month CD opened 07/12/2005, \$100,000 opening balance, 3.35% interest rate
- Fifth Third Bank – 6 month CD opened 07/13/2005, \$100,000 opening balance, 3.40% interest rate
- Corus Bank N.A. – 12 month CD opened 07/12/2005, \$100,000 opening balance, 4.10% interest rate

The following comments were noted concerning the Financial Report for the period ending June 30, 2005:

Total Income – Positive variance of \$14,216.51, or 2.12%. This positive variance is mainly due to Assessments and Parking Income being greater than budgeted and receipt of the Scavenger Rebate, which is no longer included in the budget due to the irregular payment history of the Chicago. Note that the Wolin-Levin, Inc. report continues to incorrectly show that Total Income has a negative variance and should try to correct this reporting error.

Total Administrative – Positive variance of \$3557.35, or 5.19%, mainly due to expenditures for Legal and Promotion and Goodwill being lower than budgeted.

Total Building Services – Positive variance of \$35,732.02, or 9.67%, mainly due to expenditures for Electricity, Water, Doorman, Engineer, Bonus & Gifts, Payroll Taxes, Insurance, Workers Comp Insurance, Scavenger and Window Washing being lower than budgeted.

Total Repairs and Maintenance – Negative variance of \$53,750.83, or 115.48%, due to negative variances in Electric Repairs, Plumbing, Carpet Cleaning, Supplies, Key Expense, Pool Repairs, HVAC, Sewer and Drains, Smoke Check Unit and Garage. Management should monitor expenditures for Total Repairs and Maintenance so that this Account is within budget for 2005.

Total Operating Expenses – Negative variance of \$14,461.46, or 2.98%, due to the negative variance in Total Repairs and Maintenance.

Total Income of \$686,096.51 exceeded Total Operating Expenses of \$499,098.46 by \$186,998.05. This amount was available to offset Capital Expenditures with the remainder, if any, available for transfer to Reserves.

Total Capital Expenditures – Excluding transfers to and from the Reserve Account, the Total Capital Expenditures of \$71,800.23 were below the budgeted amount of \$88,210 by \$16,409.77. This is mainly due to expenditures for Air Conditioning, Capital – Pool Repair, Pipe Replacement, Window Maintenance, Capital – Fire Safety, Capital – Clubhouse, and Capital – Equipment being lower than budgeted. Note that most of these positive variances are not accurate because of the manner in which Management determines the Year to Date budget for Capital Expenditures.

Total Reserve Fund Contributions – Year to date reserve fund contributions are \$153,187.50, which is basically the amount budgeted to be contributed through June 2005. Subtracting Total Operating Expenses, Total Capital Expenses and Total Reserve Fund Contributions from Total Income results in \$37,989.68 in excess expenditures.

Finally, the audit has been reviewed and found to be acceptable.

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