

Condominium of Parker Plaza Estates, Inc.

Special Meeting of the Board of Directors

September 9, 2009

At 7:30 p.m. in the Plaza Room

Call to Order:

Don Pinkus, President of the Board called the meeting to order at 7:31 p.m.

Roll Call:

Present were: Don Pinkus, Herb Shamlan, Sy Kessler, Alan Goran, Carmine Tufano, Angela DiGiovanni, Homero Duque and Manny Lagonikos.

Absent was: Johnny Pekats.

This special meeting was called in order to inform all residents about the contracts we want to vote on and award for the fire sprinklers and for the fire alarm system. We received 2 bids for the sprinkler system and 5 bids for fire alarm system.

For the fire sprinkler system we like Caribbean Sprinkler Systems whose competitive bid came in at \$453,437.00. We would pay them \$141,122.75 the first year and for the next 3 years we would pay \$104,104.75. They are charging us no interest. We believe that this will be a good deal for us and we can squeeze this out of our budget and not need to assess for it. The Fire Marshal of Hallandale Beach, Miguel Aleman, assisted us in writing the specs for this project and before we were finished with the specs we checked with the State Fire Marshal, Michael Long, who approved our specs and told us if the requirements in any way change by 2014 we will be “grandfathered” in. The sprinklers will be installed in all common areas, the hallways, the lobby, the parking garage and the shops.

The City of Hallandale Beach put us on notice stating that our fire alarm system was not up to speed and if we did not replace it we would need to go on “fire watch” and that would cost a fortune. They did concede however that we could use the old system if we immediately present them with a contract for the installation of a new system. The new system would have a panel which would monitor the entire building and show us exactly where the fire alarm is being pulled. The new system would also have an “annunciator” which is a loud speaker that will be installed in each bedroom of every unit. At 75 decibels, which could wake the dead, the annunciator will broadcast the fire alarm and give directions to the residents as to where to go and how to proceed. If anyone is totally deaf a strobe light would take the place of the annunciator but we don’t believe that any resident at Parker will need that. For the installation of the annunciator, they will come into each apartment through the hallway wall and through the dropped ceiling in the bathroom and install the annunciator into each bedroom. Three bedroom units will have 2 to 3 annunciators,

Two bedroom units will have 1 to 2 annunciators and the 1 bedroom and 1 ½ will have 1 annunciator. Wires for the fire alarm system will run down the hallways concurrent to the pipes that are running along where the cables runs. When installation is complete we will camouflage the sprinkler head coming out of each doorway by creating a soffit of drywall and installing an attractive crown molding to hide it. This part will be done in house by our carpenters. The total cost for fire alarm project is \$435,000 including permits etc. It will be paid incrementally \$196,000 for the first year and \$239,000 the second year.

A third project, the injection wells, is on the boards and we are now in the process of getting bids for them. These two wells will take the run off water from the property and put it back into the aquifer. It is a large project and will cause us to rip out our parking lots, the center driveway, and one of the coral walls. We will need plumbing work in order to bring the water forward to the new wells. In the end the driveway will be pitched so the water will run down to the wells or out to the street. The total cost of this project will be approximately \$619,000.

Let me now explain how we are saving money and how we can cover these costs. We started to follow the maintenance men around to see just how the work was being done and how long each task took. Thanks to Herb who did most of this investigation and was assisted by Emil, discovered we could easily let 4 men go and still keep the department up to par. The cost of cutting the department is a staggering \$143,000 per year, our cost for salary, taxes, insurance, vacation time etc. We called 4 companies and received bids from 3 regarding outsourcing our maintenance department but keeping the same people doing the same work. Our cost for the 7 man department is \$348,000 a year versus a cost of \$276,000 if we outsource which creates a savings of \$72,000. We believe we will award this contract to Service Keepers which is the company we use for housekeeping and which has a maintenance division as well. They can run a leaner machine than we since they have the ability to purchase in group rates worker's compensation and health insurance, etc. Because of the mitigation form we have saved \$36,000 in our insurance for this year. For our telephone service we have installed magic jack which means we can call all of the USA, Puerto Rico and Canada free and overseas for 2 cents a minute. This has decreased our telephone service \$2000 from \$7,200 to \$5,200. Because of the new gas furnaces we have realized a savings of \$48,000 and so far this year our electricity has decreased by \$20,000. We are saving \$20,000 with the new valet company and we receive the revenue unlike the other contract. These items have given us a total savings of approximately \$303,000. We therefore believe we can pay the first year of the sprinklers and fire alarm from within our budget and not borrow from our rainy day fund of \$505,000. For the next fiscal year we will have the \$239,000 for the fire alarm and \$104,000 for the next 3 years. So that is why we believe that this is definitely do-able within our budget.

We have selected Premier Fire for the fire alarm system not only because of price but because they have done other buildings in our area such as La Mer. They have no open permits which mean all the jobs they contracted for have been completed. The City and La Mer are completely satisfied with the work and this company has a pristine record. We considered ADT but found they have 103 open permits which indicate they have not completed jobs they contracted for. We chose Caribbean Fire & Associates for the sprinklers using the same criteria we used for the fire alarm company. Here again we have an excellent company. These contracts are locked in at today's prices.

Mr. Kessler made a motion that we accept the Premier contract for the fire alarm system as outlined by Mr. Pinkus, this was seconded by Mr. Tufano and passed unanimously.

Mr. Tufano made a motion that we accept the Caribbean contract for the sprinkler systems as outlined by Mr. Pinkus, this was seconded by Mr. Goran and passed unanimously.

Mr. Pinkus then asked that a motion be made to award the maintenance contract as discussed earlier to Service Keepers, this motion was made by Mr. Duque, seconded by Mr. Kessler and was carried unanimously.

Mr. Pinkus then adjourned this special meeting.

Respectfully submitted,

Sy Kessler
Secretary, Board of Directors
Parker Plaza Estates