

# **Condominium Association of Parker Plaza Estates, Inc.**

## **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS TO CONSIDER NON-EMERGENCY SPECIAL ASSESSMENT WEDNESDAY, JUNE 21, 2006 7:30 PM IN THE PLAZA ROOM**

### **CALL TO ORDER**

The meeting was called to order at 7:35 PM by Robert Fisher.

### **ROLL CALL**

Present: Robert Fisher, Max Silberman, Sy Kessler, Donald Pinkus, Herb Shamlan, Marilyn Perlman

Absent: Bob Ortiz, Alan Goran, Johnny Pekats

### **PROOF OF NOTICE OF MEETING OR WAIVER OF NOTICE**

Robert Fisher said written notice of this meeting was posted in the building and showed Proof of Notice that written notice of this meeting was also mailed to all unit owners.

### **MINUTES**

Robert Fisher said that copies of completed minutes, including those for April 19, 2006, are available in the office and can always be accessed at [www.parkerplaza.org](http://www.parkerplaza.org).

The minutes for the May 24, 2006 meeting are not complete.

Herb Shamlan made a motion to waive the reading of the minutes, the motion was seconded by Sy Kessler, and unanimously approved.

### **TREASURER'S REPORT**

Connie Catarineau, our CPA from the accounting firm of Catarineau & Givens, P.A., gave a brief overview of the financial report for the fiscal year ending September 30, 2005 (Exhibit A). Our former accountant did not prepare a financial report for 2005 and our new accountant had to go back to October 1, 2004 to compose her report, as no one had been properly preparing financial statements or making necessary adjustments on a monthly or quarterly basis. As of September 30, 2005 we had approximately \$50,000.00 in cash on hand and payables in excess of \$200,000.00. We had an overall fund deficit of \$10.040 million dollars with our operations being funded by loans. We pay approximately \$900,000.00 per year in loan repayment, including both principal and interest, for the next 29 years. For the year ending 2005, we had a deficit of \$4.820 million, primarily in building renovations. Our accountant made a recommendation that in the future, if our actual expenditures exceed the approved budget by a realistic material variance, the Board should go back to the unit owners for some sort of approval of a revised budget before obtaining a line of credit or some other means of financing. This would be advisable from an accounting point of view, but we should also seek legal counsel. Our budget was increased by approximately 100% and unit owners should have been made aware of that. The former accountant did not file a tax return for the period ending September 30, 2005 and our new accountant is trying to get our

previous tax returns from the former accountant and the IRS. If necessary, she will file the preliminary paperwork and amend our filing when more information becomes available.

In the absence of Bob Ortiz, Connie Catarineau presented the Treasurer's Report. As of May 31, 2006 we had operating funds available of \$359,927.00. As of this date our balance is approximately \$63,000.00, the decrease primarily due to our loan payment of \$214,000.00. The funds in the Hurricane Wilma account total approximately \$373,000.00; however, there may be some things from the current year that have not yet been taken into consideration. Also, this figure includes approximately \$23,000.00 in funds that were inappropriately transferred in excess from the Wilma Account to the Operating Account. The loan balance as of May 31, 2006 was \$10,914,000.00. As of May 31, 2006 our receivables, representing uncollected payments from unit owners, totaled \$30,744.00. As of this date the figure is \$7,774.00, of which \$4,854.00 is in lien status.

#### HURRICANE PREPAREDNESS COMMITTEE

Marilyn Perlman attended a hurricane preparation meeting presented by the City of Hallandale and reminded everyone how to get ready for the hurricane season. One of the most important things that we can do is REMOVE ALL FURNITURE AND ITEMS FROM OUR BALCONIES! Flying debris is a dangerous problem and causes a lot of damage and all residents should look at their neighbors' terraces to confirm that everything has been removed. Anything that is left outside should be reported to the office or security and arrangements will be made to have those things brought inside. The building will assist and we are all here to help each other.

Robert Fisher said that the emergency generator is now connected to the elevators and one elevator on each side of the building should be operational during a power failure.

#### LANDSCAPING COMMITTEE

Robert Fisher thanked Carmine Tufano and Manny Lagonikos for helping with the landscaping and sprinklers and for watering the plants and flowers every day by hand when the sprinklers were broken. Manny Lagonikos has been sick and we all wish him a speedy recovery. They planted beautiful flowers and plants in front of our building and they were able to get our sprinklers working.

#### GRIEVANCE COMMITTEE

Sy Kessler explained that the purpose of the Grievance Committee, headed by Linda Shamlian, is to find an amicable solution when problems arise between neighbors or between residents and the building. Residents can express themselves to a non-biased group composed strictly of unit owners; there are no members of the Board of Directors on the committee.

#### WELCOMING COMMITTEE

Sy Kessler announced the following sales:

Unit 2222 - from Greenbaum to Gerardi for \$435, 000.00

Unit 808 - from Lopez to Barrientos for \$510,000.00

Currently pending are five sales and three leases.

**UNFINISHED BUSINESS**  
**INSURANCE RENEWAL**

Robert Fisher said our building insurance came due on June 1, 2006. Last year we were insured with QBE and our premium was \$556,000.00. QBE would not renew our policy because we do not have hurricane protection on all of our windows. This year our insurance is provided by Citizens, the state-backed insurance company of last resort, and our premium is \$954,000.00. This is just for our building alone and does not include other insurance such as Workers' Compensation or health insurance for our employees. Insurance is the single largest line item in our entire annual budget, even more than our loan. We asked our insurance agent how much we could have saved if we had hurricane protection. Our agent said that our insurance would have gone up anyway and that he couldn't commit or run a quote, but he estimated that we could have saved \$200,000.00 this year, and every year in the future, if we had hurricane protection.

**NEW BUSINESS**

**DISCUSSION OF NON-EMERGENCY SPECIAL ASSESSMENT IN THE AMOUNT OF \$5,547,600.00 FOR HURRICANE IMPACT GLASS WINDOWS AND EXTERIOR SLIDING DOORS**

Robert Fisher read the results of the voting on hurricane protection:

- 397 ballots were returned
- 289 voted "YES" for hurricane protection on all windows and exterior doors
- 108 voted "NO" for hurricane protection on all windows and exterior doors
- 255 voted for impact glass on all windows and doors
- 101 voted for accordion shutters on all windows and doors, the one exception being those units that have a floor-to-ceiling fixed glass window that, due to accessibility constraints, will have impact glass on that one window.

Discussion between unit owners and members of the Board of Directors:

Protective film is a good product, but it is not recognized or approved as hurricane protection by insurance companies or the Building Department.

The condition of the window and door openings is a legitimate concern and restoration work that is needed will be done.

The windows will have a warranty from the manufacturer and installer; however, the warranty is only up to a certain strength and pressure.

Impact glass could crack or shatter but it is designed so that it will not fail completely. Impact glass consists of two pieces of glass held together by a layer of film in the middle, so that even if the glass is broken, the glass will remain in place and not allow wind to get into the building. If the impact glass breaks we will have to replace it and it is an expense, but if it helps protect the building from really serious damage then that is something that we may have to accept.

The impact glass on all windows and doors will be 9/16" thick and will be composed of two pieces of 1/4" tempered glass with a layer of film sandwiched in the middle. Tempered glass offers extra

**strength and protection; it is stronger than heat strengthened or annealed glass. Every effort is being made to help minimize the possibility of breakage.**

**Regarding water intrusion, the windows and doors are tested to withstand driving rain up to around 90 or 100 mph, but that's just barely a Category One or Two hurricane, so above that we can expect that there will be some water infiltration at the sills. All windows and doors with Dade County product approval have been checked and there is not a perfect solution; all windows and doors will have some water penetration if the hurricane is strong enough.**

**The Association has a standard for hurricane shutters and that standard does not include plywood. There is not a way to install plywood panels on the outside of all windows and doors. In addition, plywood doesn't meet hurricane strength code and could become dangerous to all of us if it starts flying around. Before allowing plywood to be installed we would have to check with the Building Department.**

**The window and door installation will be accomplished from both the inside and outside of the unit. The windows will be unscrewed from the inside and then pushed out.**

**Unit owners are responsible for the interior of their apartment. The contractor will finish the drywall around the openings, but the unit owner is responsible for all decorative finishes. It is possible that anything on the return by the window could be damaged.**

**The contractor will remove and reinstall roll-down shutters.**

**We are basing our decision on what the unit owners have voted for and the recommendations of the Hurricane Protection Committee, structural engineers and an architect and building official for the City of Hallandale.**

**Every window or door that is removed will be replaced or closed up the same day. Individual unit owners will probably be inconvenienced for several days and it will most likely take more than a year to complete the entire building**

**Requiring unit owners to install both impact windows and shutters would make us attractive to more insurance companies; however, we're trying to protect the building but still be sensitive to the need for assessments. We brought the price for windows and doors down from \$14 million to \$5.5 million, plus we still have our \$11 million loan. If the need or desire is there, we can consider shutters once we've completed this project, but right now we're concentrating on impact glass.**

**Our contract is with the manufacturer and installer so we'll try to tie them together on their warranty.**

**Whether or not there are any insurance companies that remain in business, or if we have to rely on Citizens alone, we will still have the security and strength of our windows to protect our own property.**

**We have looked at a lot of window manufacturers including PGT, Glasswall, Gamma and Continental. Continental quoted \$8,363,594.00 to the former Board, quoted \$6,993,000.00 to this**

Board, and would like the opportunity to bid again. RC Aluminum was recommended to us but when we contacted them they told us they were only interested in new construction; however, they recently called us back and quoted \$4,978,702.00 for the typical floors. This price does not include the common areas or concrete work.

The advertised amount of the assessment is the budget that we have created and we're going to try to work within it. Any money collected for a special assessment must go to a separate account for that special assessment. If any money is left over from a special assessment the Board has the right to vote on how they want to use it. It could go back to the unit owners, it could go toward another assessment, it could go to the Operating Account, it could go to reduce our debt.

Our goal is to have everything complete in an entire apartment at one time. We want to accommodate unit owners who are not full-time residents and who plan to come into town to watch over the work in their own apartment. Work will start on the east side but we're not certain if it will proceed from there to the north or south. Unfortunately, there isn't a way to do everything all at once and some people will be unprotected. The former Board hired an engineer who did not complete the necessary specifications and drawings. He has not produced any more work and we will probably have to hire a new engineer. In addition, we will need shop drawings, a permit, and the manufacturer will have to fabricate the windows and doors. We don't expect the actual installation to start until October or November. Also, this is a big job, and very few jobs go exactly as planned. We will pay the contractor as the work is being done. As long as people are working full time on the project and producing good work, even if it takes longer, we are not going to rush them because we want to make sure we get a quality job. We have not prepared or signed a contract; however, it is unlikely that we would include either a penalty or incentive clause, but we will discuss this with our attorney and determine the best way to write a contract. We are looking for a good job at the best price.

Payment can be made in four equal installments, probably over seven months. Everyone has to pay at the same time, but someone will have to be the last to receive their windows and doors. We can't stretch out the payments over more time because there may be problems with collecting and the job may go more quickly than expected and we can't risk being caught short.

RC Aluminum is interested in doing one demonstration apartment. A lottery will be held to select a convertible apartment on either the north or south side. The unit owner must be living here and also be willing to pay in full. Members of the Board will not be allowed to enter the lottery.

The color of the glass is light gray. We have to comply with certain requirements regarding the sea turtles and this color will also help with heat gain and will make our building more energy efficient. The color of the frame is white.

**VOTE ON NON-EMERGENCY SPECIAL ASSESSMENT IN THE AMOUNT OF \$5,547,600.00 FOR IMPACT GLASS WINDOWS AND EXTERIOR SLIDING DOORS**

Donald Pinkus made a motion that we accept the \$5,547,600.00 assessment to replace all windows and doors, including the ground floor, for hurricane protection.

The motion was seconded by Sy Kessler.

**Robert Fisher clarified that Donald Pinkus made a motion for a special assessment for hurricane impact windows and glass doors and the assessment amount is \$5,547,600.00**

**A roll call vote was taken.**

**Members in favor:**

**Herb Shamlian  
Sy Kessler  
Max Silberman  
Marilyn Perlman  
Donald Pinkus  
Robert Fisher**

**Members opposed:**

**None**

**The motion was passed unanimously.**

**Robert Fisher discussed the expenses and our budget for the job and prefaced his remarks by reviewing the bids that we had received for impact glass.**

**RC Aluminum bid \$4,978,702.00 and quoted an additional \$248,000.00 to take care of the common area. Continental bid \$6,993,907.00 and asked for the opportunity to bid again. Three companies specified PGT windows and doors with 7/16" glass and the prices quoted were \$9,172,448.00 from Marathon Construction, \$5,022,991.00 from Unity Windows with Hemar Construction, and \$5,000,000.00 from Barbat Development. For the common area Barbat would charge an additional \$210,000.00 to provide and install impact glass or \$70,000.00 for shutters.**

**Other expenses include pouring concrete columns on both sides of the doors on the east and west side of the building and around 80 windows. Hemar Construction quoted \$309,000.00 and Advanced Concrete Cutting and Drilling, Inc. quoted \$250,000.00. A concrete permit would be about \$5,000.00. Another expense is the paint finish on the windows and doors. There are three finishes available; ESP or electrostatic paint which typically has a one year warranty, powder coating that typically has a three year warranty, or Kynar that has a ten year warranty. Most developers specify ESP; however, we are the end user so we want the most durable finish. Most contractors were willing to upgrade us to powder coating at no charge but there will be an additional expense of approximately \$200.00 per window or door if we want to specify Kynar. The Kynar finish may be a good investment on the sliding doors because they get so much use. We will also have to consider the cost of extra security with so many workers in our building. The contractor is setting the door in concrete but any additional concrete restoration under the doors is our responsibility and we don't know how much or how little will be required, but whatever it is, we have to do it. Robert Fisher said that he and the other board members have been running this project so far, and that he is confident in his own talent and abilities as an architect with over twenty years of experience to supervise, but we should not be penny-wise and pound foolish and should be prepared to hire a superintendent to watch the job. As a result of the concrete restoration there may be some touch-up paint or finishing and we do not want to burden the unit owners with that as long as it's our standard exterior paint or interior white paint.**

Pre-installation preparation, such as removing shutters or drapes, is the responsibility of the unit owner but we concede that some people will either be away or physically unable to do this on their own so we will have to assist. It will be more cost-efficient to help these unit owners than to hold up the job or skip a unit or reposition the scaffolding. We may also have to hire an engineer. Our special assessment is for \$5,547,600.00 and we have expenses of \$5,541,702.00 consisting of \$4,978,702.00 for impact glass for the typical floors, \$210,000.00 for impact glass for the common area, \$250,000.00 for poured concrete columns, \$5,000.00 for the concrete permit, and \$98,000.00 for Kynar on the sliding doors. This leaves very little to cover any additional items. A suggestion was made to save approximately \$140,000.00 by installing shutters on the common area. Some people felt that because we voted for impact glass we should install impact glass on the common area. By a raise of hands 20 unit owners wanted impact glass on the lobby level and 27 wanted shutters.

Herb Shamlian made a motion to install windows on the common area.

The motion was seconded by Max Silberman.

A roll call vote was taken.

**Members in favor:**

Herb Shamlian  
Marilyn Perlman  
Robert Fisher

**Members opposed:**

Sy Kessler  
Max Silberman  
Donald Pinkus

There was a tie so the matter will be discussed with all nine members of the Board.

**VOTE TO CREDIT EXCESS HURRICANE WILMA SPECIAL ASSESSMENT FUNDS TO THE NON-EMERGENCY SPECIAL ASSESSMENT FOR ANCILLARY EXPENSES RELATED TO HURRICANE IMPACT GLASS WINDOWS AND EXTERIOR SLIDING DOORS**

Our Hurricane Wilma repairs are almost complete. There is some electrical work on the roof and the awnings on the pool deck will be ready in August but we'll wait until after the hurricane season and install them in November. There will be approximately \$340,000.00 left in the Hurricane Wilma Special Assessment Account. The Board has the right to vote but Robert Fisher asked for a raise of hands by the unit owners to see how they felt about granting permission to hold this excess money and use it, if needed, for additional expenses related to the impact glass project. By a raise of hands the majority of unit owners granted their permission.

Sy Kessler made a motion to give the Board the ability to go ahead and make the decision to use the excess funds that are left over from the Wilma Account for ancillary services that may be required in the installation of glass, if needed.

**The motion was seconded by Max Silberman.**

**Robert Fisher called for a vote by hand and there was unanimous approval.**

**ADJOURNMENT**

**Marilyn Perlman reminded everyone to pick up hurricane information on their way out.**

**Sy Kessler thanked the unit owners who have been such a tremendous help in the office.**

**Robert Fisher said copies of the Financial Statement for 2004-2005 are available, as well as brochures about the windows and doors.**

**Herb Shamlian made a motion to adjourn the meeting at 9:33 PM. The motion was seconded and unanimously approved.**

**Respectfully submitted,**

**Sy Kessler, Secretary**