

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

## **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, AUGUST 2, 2006 7:30 PM IN THE PLAZA ROOM**

### **CALL TO ORDER**

The meeting was called to order at 7:30 PM by Robert Fisher.

### **ROLL CALL**

**Present:** Herb Shamlian, Alan Goran, Sy Kessler, Robert Fisher, Max Silberman, Bob Ortiz, Marilyn Perlman, Donald Pinkus

**Absent:** Johnny Pekats

### **MINUTES**

The minutes for May 24, 2006 are available and are also posted on our website, [www.parkerplaza.org](http://www.parkerplaza.org). The June 21, 2006 minutes are not complete but will be available on the website and in the office as soon as they are finished.

Sy Kessler made a motion to waive the reading of the minutes of June 21, 2006, Alan Goran seconded the motion, and the motion was unanimously approved.

### **MEMORIAL MESSAGE**

Sy Kessler announced the deaths of Larry Rudolph and Joseph De Classis and everyone stood to observe a moment of silence in their honor.

Robert Fisher took out of order the agenda item from New Business regarding the presentation by SunTrust Bank for those unit owners who are interested in financial assistance for the impact glass project. Several representatives from SunTrust Bank made a brief presentation and described some of the products, including lines of credit, equity lines and mortgages, that they have available to assist unit owners who would like help paying for the assessment. The branch is located at the corner of Hallandale Beach Boulevard and Golden Isles Drive. Parker Plaza banked with SunTrust for many years and our Window and Door Assessment Escrow Account is deposited with them in a Signature Advantage account currently earning 4.66%.

### **REPORTS**

#### **TREASURER'S REPORT**

Bob Ortiz presented the Treasurer's Report as of June 30, 2006.

General Ledger:

June Expenses	\$338,988.11
June Income	\$13,447.88
Outstanding Maintenance and Assessments	\$7,079.42
Liens (One Unit)	\$4,704.94

**Bank Account Balances:**

Money Market	\$11,590.07
Wilma Account	\$52,827.80
Operating Account	\$5,699.71
Payroll Account	\$4,119.36
Escrow Account	\$30,790.15
Wilma Account (Securities)	\$301,491.57
<b>TOTAL</b>	<b>\$406,518.66</b>

We're staying within budget and managing, even with the increase in insurance, and all of our bills are paid and current.

**LANDSCAPING COMMITTEE**

Manny Lagonikos reminded everyone to be kind to the landscaping. He thanked unit owners for donating plants and asked them to please not be offended if they don't see them front and center. Robert Fisher said we pay \$300.00 per month for a service to water and care for the plants in the lobby and office. The Landscaping Committee has offered to look after these plants and save us this expense, so we're going to take them up on this and thank them for the good idea.

**POOL COMMITTEE**

Max Silberman presented some information reminding everyone that children in diapers are not allowed in the pool. Diapers and swim pants are not leak-proof and they could contaminate the pool with cryptosporidium, a parasite found in human feces. Cryptosporidium can not be controlled by average levels of chlorine and it could infect everyone who uses the pool, especially anyone with a weakened immune system who in fact may not be able to survive the infection. People have to understand and comply with this important rule and realize that it has been established simply to protect and maintain a healthy pool environment. Nevertheless, people seem to ignore this rule and we're not sure how far we should go to enforce it. Unit owners suggested having a separate kiddy pool but Alan Goran said that according to the Health Department any pool on our pool deck would have to have the same type of constant chlorination, filtration and circulation as our main pool. The Health Department advised putting a kiddy pool on the beach and filling it with fresh water or seawater.

A suggestion was made to review our rules and regulations, make tenants and owners sign for them, and then enforce them.

**WELCOMING COMMITTEE**

Sy Kessler announced the following leases and sales:

- Unit 602 - Sher leased to Kramarovsky
- Unit 611 - Adams leased to Brito
- Unit 1115 - Copoloff leased to Gordon
- Unit 1225 - Levitis leased to Bradley
- Unit 2018 - Pogrebitsky leased to Cardoza
- Unit 307 - Filler sold to Vega for \$375,000.00
- Unit 1119 - Pekarsky sold to Tseitlin for \$440,000.00
- Unit 1520 - Seidman sold to Deutsch for \$450,000.00
- Unit 1625 - Kishinevsky sold to Cruz for \$335,000.00

Unit 1901 - Mozen sold to Gonzalez for \$290,000.00  
Unit 1923 - Kirschner sold to Glazer for \$400,000.00  
Unit 2222 - Greenbaum sold to Gerardi for \$435,000.00

Prices are going up, values are there, and our building is in demand.

We don't know the percentage of renters to owners but we can find that out. We have a cap on how often people can rent their unit but there is no cap on the total amount of renters permitted in the building.

### OLD BUSINESS

#### STATUS OF INSURANCE SETTLEMENT - HURRICANE WILMA

After Hurricane Wilma we were all assessed for the full amount of our deductible and told that we would collect millions from insurance. The former Board and management hired Lesser and Company, Inc., insurance adjusters, to provide and collect our claim. Robert Fisher read letters from Lesser and Company, Inc., dated August 1, 2006, and Interclaim, Inc., dated June 19, 2006, stating that they are closing our file because our loss will not meet our deductible (Exhibit A). As it turns out we never spent our deductible and we still have \$350,000.00 in the Hurricane Wilma Account, and even this should be more because the damage was not so great and the work could have been done for much less.

Sy Kessler informed the unit owners about some facts that have come to our knowledge. The original contract that was presented to us for the windows and doors was \$14.3 million and this work is now being done for \$5.5 million, including all common areas. Every piece of glass in the building will be replaced with 9/16" glass and we are using heavier aluminum material. The former Board made a prepayment of \$17,500.00 to Hillman Engineering on a quote of \$30,330.00 for specifications for the windows and doors. The work we received was never finished and we will have to hire another engineer for \$7,000.00 to prepare the required engineering reports. Closed Circuit Design, Inc. was paid \$550,000.00 for a security system that was never completed and still not working satisfactorily; furthermore, we have only been able to locate contracts totaling \$220,000.00. A prepayment of \$22,400.00 was made on a contract of \$29,400.00 for doors for the garbage collection area by the south exit gate. The doors were never installed and when we contacted the supplier in February they refused to complete the job or return our money; we are now doing the same work for \$6,000.00. We were previously paying for fourteen telephone lines and we are now paying for the six that we use and need. South Florida Hydraulic, a trash compactor service company, received payment of \$100.00 per month going back to November 1, 2002; however, they could not or would not show us any documentation of ever being here. A beeper company was paid \$823.68 on February 9, 2006 for eleven beepers; a week later they went out of business after being paid in full for the entire year. Blessing Construction received a prepayment of \$330,000.00 on a contract amount of \$660,000.00 for a roof; they never performed any work and are out of business. A payment of \$19,500.00, plus \$320,000.00 on a contract amount of \$635,000.00, was made for wells and nothing has been done to date. Payment was made to a crane service to remove a tar kettle from the roof; however, the kettle was still up there and we had to pay to have it cut up and hauled away in preparation for the hurricane season. All along we have been paying sales tax to FPL on our gas transmission bills even though we are a condominium and are exempt from this tax, yet nobody ever bothered to challenge this charge until now. For over five years they were paying for the wife of an employee to have

insurance. Additional irregularities are being investigated and they will be presented so that we will all have a better understanding of what has been happening over the last few years.

Don Pinkus said that after the auditor's report came in, the 2004-2005 budget was \$3,571,000.00 and \$8,458,737.18 was spent, so the budget was overspent by \$4,887,000.00. The 2005-2006 budget was \$3,910,000.00 and \$5,140,244.40 was spent for an overage of \$1,230,244.40. After the new Board was elected in February we were faced with the Shortfall Assessment. Our \$214,000.00 loan payment was due; however, there wasn't enough money in our account to cover this because the former Board had just paid the roofing contractor \$330,000.00. We're still paying off insurance for 2005-2006. This gives some idea of the fiscal position that we were left in and we're trying to tie up the loose ends, save money, and dig our way out.

Boris Moroz referenced the Auditor's Report of September 30, 2005 which states, "We were unable to locate sufficient documentation and contracts to satisfy our expense testing regarding the disbursements for building renovation. The Association's records did not include appropriate contracts or invoices for all expenditures."

Don Pinkus said that our attorney and law enforcement are in constant communication with the Board regarding our civil and criminal case. They have asked us to sit tight so that nothing impedes the criminal investigation and when we're told the facts we will be able to share that information. We have been assured that the case is moving forward and for now we must have patience.

A unit owner asked how we can prevent this from happening in the future. Robert Fisher said that what we have learned from this experience is that unit owners should stay vigorously involved, attend meetings, ask questions, be a part of what's going on, and agreed that it would be a good idea to review our by-laws. Regarding our operational budget, Don Pinkus said that we should stick to our budget, be informed monthly, and question if we go over. Boris Moroz said that there is nothing in our by-laws or state by-laws except that we're permitted to shift between line items, provided we don't spend more; and that if we have to exceed the budget we have to have a special assessment or whatever else we decide to do. Very few people spoke out about what the Board agreed to do and now the problem is what happened to the money. Robert Fisher said we have Directors and Officers insurance and an Employee Theft policy, claims have been submitted, and this relates to our civil complaint and the investigations.

Bob Ortiz suggested that board members have a three or four year term limit and that the time is staggered so that there is some continuity.

The former accountant has been interviewed by our attorney and we don't know exactly where things stand, other than he is no longer our accountant.

#### **STATUS OF IMPACT GLASS WINDOW AND DOOR PROJECT**

The contractor measured every window and door on two floors and determined that the measurements were consistent and typical for the building. They have started shop drawings showing how every window and door will be built. Shop drawings should be finished next week and will be submitted to the engineer. The engineer will do the work to ensure that the windows and doors meet all applicable building codes and hurricane standards including wind pressure

and speed. When the engineering is complete the fabrication can begin. The contractor has ordered the aluminum, but not the glass. The expected start date is November; however, we are uncertain how long it will take to conduct the testing process. We pay for material delivered and work completed and prior to that we will be paying for permits. The engineer takes into consideration the weight of the windows and doors. After December 15, 2007, the contractor will not receive another payment until all the work is finished. The work will start in a location and proceed vertically, but we're not sure if it will be from top to bottom or bottom to top.

**NEW BUSINESS**

**BUDGET COMMITTEE RECOMMENDATION AND CONSIDERATION AND APPROVAL OF MAILING OF PROPOSED ANNUAL BUDGET FOR 2006/2007**

Boris Moroz presented the Budget Committee's recommendations to the Board of Directors (Exhibit B).

Robert Fisher thanked Boris Moroz and the Budget Committee for their hard work. The proposed budget is more than we want to spend but we still have to be realistic. We are spending less for every item than what was actually spent last year, except those items that are out of our control such as insurance and utilities. Our insurance increased \$427,000.00 and our windstorm alone is over \$550,000.00. Sy Kessler has been researching how to save money on our insurance and there is something called insurance mitigation that could result in a deduction of 40% on our windstorm. We will be able to apply for this once we have completed our impact glass project; however, this does not help us this year. We should also be able to shop more competitively for insurance once we have impact glass. Electric has increased \$164,000.00 and the impact glass will help decrease this expense as the impact glass is more energy efficient and we will use less air conditioning. Unit owners should also see some savings on their insurance as well as their individual electric bill because the air conditioning fan in each apartment will not have to run as often. Gas, waste removal, water and sewerage, cable, and pool chemicals have all gone up. Accounting has gone up \$1,000.00, but is well worth it. Licenses, fees and permits have gone up \$1,000.00. Security and valet have gone up \$5,000.00 and \$15,000.00 respectively, but the maintenance category has gone down \$120,000.00, because we are using our security and valet employees to perform some maintenance tasks. Consequently, our payroll taxes are down \$8,000.00 because we are making better use of our employees. We are saving \$69,000.00 on employee health insurance by selecting the best policy at the best price for all employees, as opposed to the previous arrangement where we were not only paying more for coverage but also paying extra for management and their family members to have separate high-end coverage. The telephone expense is down \$10,000.00 as a result of decreasing the amount of phone lines and eliminating cellular phones. In prior years there was a category called "Miscellaneous Administrative" and that has been deleted since nobody knew what it was. The Budget Committee originally presented a budget of \$4,731,000.00 and we have brought it down to \$4,601,000.00 for a small savings of \$130,000.00. This is just under a 15% increase as compared to last year. The loan payment does not affect the calculation because we are correcting what was previously underestimated. Sy Kessler said that unit owners can expect to receive a discount on their personal condominium policy after we have completed the impact glass project. Bob Ortiz said that damage throughout the building should be minimized after the installation of the glass and that this should help control expenses related to our insurance deductible.

Bob Ortiz made a motion to approve the mailing of our proposed annual budget.

Sy Kessler seconded the motion.

A roll call vote was taken.

**Members in favor:**

**Herb Shamlian  
Alan Goran  
Sy Kessler  
Robert Fisher  
Bob Ortiz  
Max Silberman  
Marilyn Perlman  
Donald Pinkus**

**Members opposed:**

**None**

The motion was passed unanimously.

Robert Fisher said that the Board will vote on the budget next month and all unit owners will receive thirty days notice of the meeting. As required by law, the notice will include information on reserve funding; however, we voted to waive reserves at the Annual Meeting and reserves are not a part of our budget.

A unit owner asked about the high cost of insurance, what it covers, and if there are some alternatives. Robert Fisher said that we will probably never collect on our insurance but we are mandated by state law to carry insurance and it is also required by any lender that holds a mortgage on a unit. Other condominiums have talked about establishing a consortium and self-insuring; the problem is what would happen if there really was a catastrophic loss. All the condominiums in one area could conceivably be damaged and then how would you equitably determine a settlement and would there even be enough money in the pool to go around?

Robert Fisher said that legislation was just passed providing for the electronic transmission of notices and encouraged all unit owners to return the consent form that will be included with the notice about the Budget Meeting so that we can save some money on our mass mailing. Notices are always available at [www.parkerplaza.org](http://www.parkerplaza.org).

Many unit owners have expressed a desire for a Wi-Fi hotspot so we are establishing one in the Green Room for the use of all residents and guests who would like to use their wireless laptops and access the internet. This project will cost approximately \$200.00 and Robert Fisher thanked Veyssel Naranjo for setting it up and the unit owners for making the good suggestion.

**BIKE STORAGE AND UTILIZATION OF STORAGE SPACE THROUGHOUT THE BUILDING**

We have space to build an additional 3'x5'x8' storage bin in many of the laundry rooms and we also have a Bicycle Room in the garage that has finally been cleaned up that can accommodate bikes at two per unit and kayaks as long as the kayaks are placed against the wall. All of this

space is common area but there is a limited amount available so the only fair way to distribute it is to offer it to everyone and rent it out. As part of this discussion a unit owner asked about increasing the valet parking fee. Right now guests pay \$2.00 and unit owners can buy discount coupons for \$1.00; however, we know that many buildings charge more for parking. The beauty salon would not be affected because they pay for their customers and they have a set price and we're not trying to hurt their business. Robert Fisher asked the unit owners to show by a raise of hands how they felt about these issues. The unit owners showed unanimous support for charging rent for the storage bins and also to store bikes and kayaks in the Bicycle Room and the majority felt \$300.00/year was an appropriate amount to charge to rent the bins and \$30.00/year/bike was appropriate for the bicycles and kayaks.

Sy Kessler made a motion that we allow space to be rented for \$300.00 per year and bicycles and kayaks at \$30.00 per year with a maximum of two bicycles per unit.

The motion was seconded by Max Silberman and unanimously approved by a raise of hands.

Marilyn Perlman made a motion that we keep the parking fee as is. There was no second.

Robert Fisher asked the unit owners to show by a raise of hands how they felt about the valet parking fee and the majority felt we should raise the parking fee for guests to \$3.00 and coupons should stay at \$1.00.

Marilyn Perlman made a motion to raise the guest parking to \$3.00 and that we keep the coupons at \$1.00.

The motion was seconded by Herb Shamlian and unanimously approved by a raise of hands.

Alan Goran said that we should pay for Jeanette Hernandez, our pool attendant, to get her CPR and lifeguard license recertification and that the cost shouldn't be that much. He noted that people who are illegally dumping things in our dumpster should be reported and reminded everyone to turn the lights off in the rest rooms and fitness center. He thanked Carmine Tufano, Manny Lagonikos, and also everyone who helped clean up the storage rooms and took the care to properly load the dumpsters. He requested again that two lights be installed to properly illuminate the flag so that we can fly the flag 24 hours a day.

#### ADJOURNMENT

Sy Kessler made a motion to close the meeting at 9:30 PM. Alan Goran seconded the motion and the motion was unanimously approved.

Respectfully submitted,

Sy Kessler, Secretary