

RIVER PLACE EAST  
BOARD OF DIRECTORS MEETING

WEDNESDAY, DECEMBER 19, 2012

<b>Present:</b>	Mr. Hiranya Maru	President (arrived at 6:08 p.m.)
	Brian Fredericks	Director
	Ms. Carol Jackson	Director (arrived at 6:17 p.m.)
	Mr. Jeff Walyus	Treasurer
	Harry Lawrence III	Secretary
	Ms. M. J. Schmelzer	OA Representative
<b>Not Present:</b>	Rob Vignato	Vice President
<b>Management:</b>	Mr. Andre Baker	Building Manager
<b>Others:</b>	Mr. Nick Szakelyhidi	FEA
	Sandra Pickron	Recording Secretary, MBM

**I. CALL TO ORDER:**

Mr. Baker called the meeting to order at 6:08 p.m.

**II. SHAREHOLDER PARTICIPATION:**

There was no shareholder participation.

**III. APPROVAL OF MINUTES:**

**MOTION:** Ms. Schmelzer moved, Mr. Fredericks seconded, to approve the minutes of November 28, 2012 as presented. The motion passed (4-0-0).

**IV. OFFICER'S REPORT:**

PRESIDENT'S REPORT: There was no report.

TREASURER'S REPORT: Mr. Walyus reported that the Association is currently over budget on salary, with utilities being relatively light likely due to the mild temperatures. He requested that going forward, bonuses be reflected as a separate line item. Concerning the utilities, Mr. Baker added that in addition to the mild temperatures, utilities are light due to the functionality and operation of the boilers, as Management continues to ensure the boilers are serviced regularly as well as reducing the temperature of the heat to accommodate the mild weather.

In addition, Mr. Baker stated that Densel has been diligent in the work they've done for the Association, as well as being thorough in their inspections. The Board addressed the issue of why there are so many bills/statements from Hess, as well as why the coding on some of the line items is incorrect. Mr. Baker stated that as a result of canceling the contract with Hess, the Association had to pay residual amounts, which are the equivalent of more bills. With regard to the erroneous coding, Mr. Baker indicated that he would talk with Zalco Realty to determine what the issue is and ask them to resolve it.

OA REPORT: There was no report.

MANAGEMENT REPORT: Mr. Baker stated that Nick Szakelyhidi of FEA was present to address concerns and provide clarity on the Window Bid Contract. He asked Mr. Szakelyhidi to clarify the specifications and asked why the bottom line has increased, as the original quote was \$723,000, but has since increased to \$1 million dollars. Mr. Szakelyhidi stated that since the original bid of \$720,000, Advanced Windows' responses to FEA's recent solicitation for the face bid system was \$1 million. He said he spoke with the Vice President of Advanced Windows and discussed the difference in cost with him. One difference in particular was \$156,000 for the premium 3 part paint system that was specified by FEA and is in line with what was specified in the 2005 study by WJE. Mr. Baker asked if the Association decided not to proceed with the 3 part paint system how long would paint hold up on the windows. Mr. Szakelyhidi stated that its difficult to put a time line on it; however he believes another paint other than the 3 part paint system would last approximately 10 years verse that of 50 years with the 3 part paint system, as it is the best and is highly recommended for longevity, fading, caulking and deterioration. Alternatively, Mr. Szakelyhidi stated that the Association may want to consider proceeding with a 1-coat or 2-coat Knar finish, which is considered a mid-grade paint and increases the cost by approximately \$50,000 per coat.

Mr. Maru expressed concerns that FEA was not fully knowledgeable of the Study and asked if FEA had reviewed the Study. Mr. Szakelyhidi responded that he had not. Mr. Maru stated that it's very inappropriate for FEA to assume the needs of the Association without first knowing their needs, as it reflects the cost. Further, the Board inquired whether there was a process that would make a lesser paint stronger; or options for lowering the cost, such as negotiating other areas instead of reducing the type of paint and when the contractors will be ready to begin work once a decision has been reached. In conclusion, the Board asked FEA to provide documentation so the Board can review and then vote off-line. Mr. Szakelyhidi agreed and added that he would check to determine if Advanced Windows would be available to come in and provide a best and final number. The Board requested the meeting be scheduled for the first week in January, preferably the 2<sup>nd</sup> or 3<sup>rd</sup> of January 2013.

ENGINEERS REPORT: There was no report.

INCIDENT REPORT: There was no report.

FINANCIALS: There was no report.

**V. UNIT TRANSFERS:**

The Board didn't discuss unit transfers.

**VI. UPCOMING BOARD DATES:**

Upcoming Board meetings will be held on January 16, 2013, February 20, 2013 and March 20, 2013.

**VII. ADJOURNMENT:**

The meeting was adjourned at 7:09 p.m. There were no objections.