

Galaxy Towers Condominium Association

MINUTES OF THE MEETING Of the Board of Directors Thursday, May 17, 2007

Directors in Attendance:

Allan Ellinger, President
Steffanie Haase
John Kaehler, Vice President
Harlin Blank, Secretary
Lisa Bolasco
Steven Braitman
Bijan Marjan (arrived 7:47pm)
Slava Lerner
Fini Strumza

Absent:

Also Present:

Susan Fitzpatrick, General Manager
Mary Ellen Saks, Comptroller
Matthew Sheehy, Project Manager
Robert Buckalew, Esq. – Buckalew, Frizzell & Crevina
Christina Rioux – Administrative Assistant (taking the minutes)

A meeting of the Board of Directors was held on May 17, 2007 in accordance with the By-laws of the Association. The following business was conducted as indicated:

Call to Order

Mr. Ellinger called the meeting to order at 7:04pm. The meeting proceeded to the Executive Session.

Open Session – 9:00 PM

Resolution # 05-07-069

Minutes: Meeting of the Board of Directors April 19, 2007

On a motion made by Mr. Blank and seconded by Mr. Marjan the minutes of the meeting of April 19th were unanimously approved. Mr. Lerner abstained as did Ms. Haase because she had not been present at that meeting.

Minutes: Meeting of the Board of Directors May 3, 2007

The matter was tabled so that Board members could have some additional time to review these minutes.

Working Session – Open Session Protocol: Procedure for allowing Unit Owners to address the Board during Open Session

Mr. Ellinger introduced the topic and reviewed the prior discussion that had taken place at the last Board meeting. Mr. Lerner opined that there should be a 2.5 minute allowance per person who wishes to address the Board. Two homeowners can address the Board at each meeting, and the Board will have the option to respond to the inquiry either that night or to respond within 30 days (typically, two Board meetings thereafter). Homeowners must reserve their space to speak by delivering a request to the concierge to be date and time stamped and will be permitted to speak in the order that the reservation was received.

SF to write a memo, CR to distribute same, advising homeowners about the new process, and how it will work.

Resolution # 05-07-070 Working Session – Refinancing

Mr. Ellinger began a report on the status of the refinancing. He started by stating that the blended rate, for purposes of the conversation will be 6.80%. He re-iterated that there is no request for any additional monies, and explained that the refinancing is merely an extension of the repayment time. He advised the Board that the total additional cost in interest will be approximately \$1,025,000. He recapped the Board's commitment to prioritize, to review the scopes of work and to carefully review the operating budget of the GTCA.

In response to an inquiry by Mr. Marjan, Mr. Ellinger confirmed that there is no pre-payment penalty. He stated that it will also give future Boards the opportunity to re-evaluate future maintenance increases at the GTCA.

Mr. Ellinger asked for a motion to refinance, primarily so that discussion could continue. Mr. Kaehler motioned to approve the refinancing as set forth by Mr. Ellinger. Ms. Bolasco seconded the motion.

Discussion ensued:

Ms. Strumza opined that the yearly “standard of living increase” is roughly 3% and that maintenance increases in the 7% or 8% range are difficult for Unit Owners to bear. She called for cuts in the budget and in the level of maintenance increases and for a plan to be developed that will make Unit Owners comfortable.

Mr. Ellinger reminded the Board that it had previously authorized both Mrs. Saks and himself to negotiate these terms with Banco Popular. Mr. Kaehler confirmed that such a decision had been made.

Mr. Lerner opined that the Board is not ready to accept responsibility for the refinancing because it does not seem to know how to address issues, procedures and does not have a plan to go forward.

Ms. Bolasco stated that Mr. Ellinger’s presentation last night echoed Mr. Lerner’s sentiments by outlining considerations that would be made in connection with the refinancing. Mr. Blank reminded Mr. Lerner that he is part of the process now.

Mr. Ellinger stated that this is a business matter, that projects need to be finished, that the pension un-funded liability needs to be dealt with, that a new generator needs to be installed and that the bills need to be paid.

Mr. Kaehler read the commitment that the Board made at the last Board meeting, in connection with the consideration of the refinancing;

- 1) to do a very thorough review of our operating budget.
- 2) to revisit any project that has not been started and review what has to be done.
- 3) to make sure future projects are planned and within the budget parameters.

Mr. Braitman spoke to the matter. He pointed out several issues starting with the financing projections of the refinancing rationale. He stated that the revenue projections seem to remain at a constant, and that without an increase in revenue projections, he fears that not enough examination of the refinancing has been done to move forward, without a cash flow problem in 2008. He went on to state that projections in both the revenue and expense line items require attention and adjustment.

Mr. Braitman recounted a meeting that he had had with a local real estate sales person who had told him that the apartment values are seemingly very low. He stated that he does not believe that it is the state of the physical plant that is lowering the values, but rather, the cost of the maintenance. He added that he is not in favor of cutting services, but that he is more concerned with getting more out of the services that are offered – i.e. “more bang for the buck”. He further commented that the incremental revenue of the fees and not increasing the maintenance will have a detrimental effect by 2009, and subsequently we could run out of cash in 2008.

Mr. Ellinger stressed the importance of accepting this particular offer, as it included a “roll back” of the loan to January 1, 2007; and if we miss this window of opportunity, our interest rates will go up again.

Board members sincerely made a commitment to revisit the budget and look to make significant cuts to it. Ms. Bolasco called for the vote again.

Bolasco, Blank, Braitman, Ellinger, Haase, Kaehler, Marjan, for; Lerner and Strumza; opposed.

A sub-committee consisting of, Ms. Saks, Mr. Braitman, Mr. Ellinger, Mr. Lerner, Ms. Strumza, and Mr. Blank was formed with Mr. Braitman as the Chair of the Sub-Committee.

Resolution 05-07-071

R and R Subcommittee Charter– adding Ms. Strumza as a member

Mr. Ellinger stated that the Ms. Strumza wanted to join the R and R Subcommittee. On a motion made by Mr. Blank and seconded by Ms. Haase, Ms. Strumza was unanimously placed on the R and R Committee. Ms. Strumza abstained from the vote.

Resolution 05-07-072

Consideration of the Repair and Restoration Sub-Committee Charter

A lengthy review of the Charter as proposed by the Sub-Committee and as written by Mr. Blank was conducted. Changes were made to the Charter as they were proposed. Mr. Sheehy stated that he had written a charter as well, and that he had not heard back from anyone about his Charter. At the request of the Board, he distributed same. After it was distributed, all agreed that it could not be done at this immediate time and the issue was tabled pending consideration in between the two meetings.

On a motion made by Mr. Blank and seconded by Mr. Lerner, the Board voted unanimously to adopt the Charter as proposed by the sub-committee and set forth by Mr. Blank, subject to the changes made during the aforementioned review. A copy of the charter is appended to these minutes.

Consideration of Engineering Proposals for the Tower II Roof

Mr. Sheehy distributed copies of three bids that he had procured for the replacement of the Tower II roof. Discussion ensued. Mr. Sheehy suggested that the sub-committee take on the task of evaluating the proposals with him. Mr. Lerner requested that Mr. Sheehy provide a written report explaining how the numbers were derived and spread-sheeted. Other members of the Board opined that Mr. Sheehy could explain the discrepancies in a meeting, and that providing a written report may not be the best use of his time. It was agreed that the written report by Mr. Sheehy will be produced at the Board's request.

Contract with Corporate Environments (Ellen Weiser)

Ms. Haase spoke to this issue, beginning with a summary of the evolution of the process that occurred in the last year that led to the drafting of the contract. Since the contract was only received very recently, the Board temporarily tabled the issue until the first meeting in June so that the other Board members can have time to read the contract and make comments.

North and/or South Lot Development Update

Mr. Braitman advised the Board that a hearing that had been previously scheduled for earlier in the week had been cancelled due to the fact that notice had not been properly given as it and other meeting notices may not have met the statutory requirements for sending such notices.

Mr. Braitman explained that as Unit Owners, Mr. Marjan, Mr. Greenberg and Ms. Ng had been in the forefront of leading the development opposition. He proposed that a development opposition committee be formed consisting of Mr. Braitman, Mr. Greenberg (Jeremy Robin), Ms. Ng and Mr. Bijan Marjan. It was immediately noted by all that Mr. Greenberg and Ms. Ng are married, and that if there is to be voting, they get one vote, not two. All others agreed that the committee is a working committee and that contact between the attorney representing the GTCA can only be made through the Chair, Mr. Braitman. He re-iterated that the members other than the Chairperson are not allowed to contact the attorney. The committee will be named the **Regional Property Development Response Committee**.

Manager's Report

Tower III Fire repairs and renovations – **pending and status and dates**

Tower II Gas – Mrs. Fitzpatrick reported on the progress that had been accomplished earlier in the day, by confirming that four contractors had visited the building today (including Bogush who had already been working on repairs and pressure testing at the GTCA) and bid on changing the individual valves in the apartments. She also informed that two risers had been isolated and pressure tested and had failed the test. All professionals resported back to ms. Fitzpatrick that the riser tests indicated that the apartment valves were the cause of the pressure test failure. She presented a spreadsheet indicating the bids of the respective plumbers.

Ms. Haase made a motion to approve the hiring of JT O'Brien as the company to replace all of the valves in Tower II at a cost of \$98.50 per apartment with an additional charge of \$35.00 for work on Saturdays Mr. Kaehler seconded the motion. It carried unanimously.

Before the Open Session ended, Mr. Braitman asked Mr. Ellinger to talk to the matter of the schedule of the lobby. Mr. Ellinger stated that the time frame for the lobby

completion seems to have increased and that he personally will take the responsibility of talking to the contractor to clarify the matter and to speed up the process.

Open session concluded at 11:25PM.

Adjournment:

There being no further business to come before the meeting, and on a motion made by Allan Ellinger and seconded by John Kaehler the meeting adjourned at 11:43pm.

Respectfully submitted,

Harlin Blank,
Secretary

RESOLUTIONS CONTAINED IN THESE MINUTES

May 3, 2007

(REFER TO THE MINUTES FOR DETAIL)

Resolution # 07-05-069

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Resolution # 05-07-070

Working Session – Refinancing

After several weeks of review and many hours of discussion, a sub-committee was formed to make a serious commitment to revisit the budget and look to make significant cuts. Mr. Kaehler motioned to approve the refinancing as set forth by Mr. Ellinger. Ms. Bolasco seconded the motion.

Bolasco, Blank, Braitman, Ellinger, Haase, Kaehler, Marjan, for; Lerner and Strumza; opposed.

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Repair and Restoration Sub-Committee Charter

I. Charter

- 1) To act as a liaison to our Project Manager
- 2) To be available to respond to the Project Manager's questions/issues.
- 3) The committee (in lieu of the full Board) is empowered to make any "emergency" decisions that may arise on projects. Minimum of three committee members must agree.
- 4) The committee (in lieu of the full Board) is empowered to approve any "emergency" change orders up to a total of \$10,000.00. A minimum of three committee members must agree.

II. Process

- 1) To become further acquainted in detail with all ongoing restoration projects. Committee members must obtain and familiarize themselves (to the best of their ability), with all pertinent contracts, plans, and or drawings, by visiting the Management office. Copies will not be made and/or circulated outside the office.
- 2) The Project Manager has agreed to report to the Board (through the committee), any significant deviations, or changes to existing project "timelines".
- 3) Any meetings must be arranged with an attempt to establish all committee members' availability.
- 4) Any disagreement between the contractor, the Projects Manager and the Committee must cause the work to cease while the entire Board is consulted.