

**JAMES/KILMER CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
April 22, 2014**

A meeting of the Board of Directors of the James/Kilmer Condominium Association (the "Association"), an Illinois not-for-profit corporation, was called to be held on Tuesday, April 22, 2014, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

**CALL TO ORDER**

Judy Barnes, President of the Association, called the meeting to order at 7:18 p.m. A quorum was present in that the following directors were present:

Judy Barnes  
David Beck  
Lynn Conner  
Peter Cremer  
Susan Geffen  
Betty Latson  
Barbara Mueller  
Dorsey Ruley (by telephone)  
Nancy Slattery

Also present were Thomas Kristufek, Property Manager, James Losik, Property Supervisor, and Regina Gubic, Property Supervisor, of DK Condo, A Draper & Kramer Company. Barbara A. Roberts acted as Recording Secretary.

Ms. Barnes introduced Regina Gubic of Draper and Kramer, who will take Mr. Losik's place as the Property Supervisor for James/Kilmer. At Ms. Barnes's request, Ms. Gubic addressed the Board with some remarks about her previous experience in property management. Ms. Barnes and the Board thanked Mr. Losik for his service to the Association.

**UPDATE ON REDEVELOPMENT AT CLARK AND NORTH**

Ms. Barnes reported that she and Ms. Mueller met with both 2<sup>nd</sup> Ward Alderman Robert Fioretti and 42<sup>nd</sup> Ward Alderman Brendan Reilly and his zoning consultant during the previous week. She stated that Alderman Fioretti met with the Village Theater Redevelopment Project developer, Howard Weiner, and that the alderman acknowledged receipt of over 450 petitions from residents of James/Kilmer and other Sandburg Village associations, but that he did not provide many answers to the questions from herself and Ms. Mueller about his position regarding the project. Ms. Barnes also described the meeting with Alderman Reilly and the discussions with him about the down-zoning ordinance, Mr. Weiner's purchase of the Clark-LaSalle buildings' air rights, and the traffic study. She stated that the down-zoning ordinance sponsored by both aldermen is currently on the agenda of the Zoning Commission's April 24 hearing, as well as Mr. Weiner's up-zoning proposal, which is expected to be deferred; she added that the zoning consultant advised that the resident petitions be entered at the hearing. Ms. Barnes stated that Mr. Kristufek will post information about the hearing on the 24<sup>th</sup>. Ms. Mueller reported that she showed both the aldermen photos of the potholes on Germania Place and that Alderman Reilly stated that he will deal with the problem. She added that Alderman Reilly stated that as many residents as possible should attend the Zoning Commission hearing.

## **OPEN FORUM – RELATED TO THE AGENDA**

There were no comments from unit owners regarding agenda items.

Mr. Ruley suggested that a bus be engaged to convey residents to the Zoning Commission hearing on April 24. A lengthy discussion ensued about the best way for residents to get to the hearing location, including traveling via public transportation or sharing cabs, with Ms. Mueller providing information about the procedure and costs for engaging a private bus. It was agreed that as soon as definitive information about the hearing is obtained, the information will be relayed to residents via door drops.

In response to a unit owner's question about the Board's position regarding the Village Theater Redevelopment Project, Ms. Barnes stated that there are still too many unknown elements, and that the Board is still waiting for the "latest and best" proposal from Mr. Weiner before coming to a decision about its position based on residents' responses to the proposal. The Board was polled about engaging a private bus to convey residents to the hearing; the majority of Board members voted in favor of the idea if a sufficient number of residents were to indicate their interest in using the bus.

## **MANAGEMENT REPORT**

Mr. Kristufek reported on the following:

- DKCondo's corporate training representatives' excellent onsite service training session with the Door staff and the three Maintenance staffers who routinely relieve the Door staff was held recently.
- The Roof Deck Paver and Railing Project: The project is nearing completion. The pavers need to be sealed, after which the diamond lock-down corners and the transition pavers will be installed. The installation of the railings is almost completed, and a mock-up of the LED lighting will shortly be presented for approval, after which the remaining LED lights will be installed. The utility lights and wall sconces will be delivered in about five weeks, after which it will take about two days to install them.
- Wiss Janney Elstner has completed its structural investigation of the garage, and the senior engineer plans to present the findings at the May 27 Board meeting.
- Elara Engineering expects to begin its air pressurization study on Thursday, April 24.
- Management continues to notify the City every week about the Germania Place potholes.
- Management has requested that HOA repair the leak into the James/Kilmer garage.
- The opening of the northeast Penthouse room will take place on Saturday, April 26.
- The severed conduit insurance claim in the amount of \$34,864.00, which includes the \$10,000.00 deductible, has been approved.

Mr. Beck remarked about the high temperatures in units and hallways during the past winter and asked whether the temperature of the heating system water was decreased because of the expectation that units would be warmer owing to the new windows. Mr. Kristufek stated that he will consult with Elara about the matter, that it is difficult to maintain optimum temperatures at all times throughout the entire building, and that the Chief Engineer stated that he did reduce the boiler temperature during the winter.

## **APPROVAL OF MINUTES**

After discussion, **Susan Geffen moved that the minutes of the Board of Directors meeting held on March 25, 2014, be approved as amended. David Beck seconded the motion, and it passed, with Peter Cremer and Betty Latson abstaining.**

## **TREASURER'S REPORT**

Ms. Latson delivered the Treasurer's Report, as follows:

The 2012 audit has been finalized. For 2012, the James/Kilmer Association reported a surplus of operating revenues over expenses of \$214,212.00. The operating surplus rebuilds J/K's operating fund, which was depleted by expenses related to the HVAC lateral pipe leaks in both the James and Kilmer buildings. At the end of 2012, the operating fund had a healthy balance of \$534,723.00.

The Association is in the process of completing the 2012 annual cost allocation study. This study provides unit owners with information on the costs that each building incurs compared to the assessments collected from that building. The study was initiated several years ago as a result of the many questions raised by J/K unit owners about whether one building was subsidizing the other in the Association.

Upon completion of the 2012 cost allocation study, the James/Kilmer Management Office will mail the 2012 audit, the 2012 cost allocation study, and the 2012 tax letter to each unit owner. The Association's auditors will begin work on the 2013 audit in May 2014.

With regard to the 2014 first quarter financial statements, it appears that the Association is reporting a deficit of expenses over revenues of \$201,017.00, primarily caused by higher than budgeted gas and maintenance expenses. Though the Association locked in its gas costs at very low rates, the extremely cold winter resulted in the Association having to purchase additional therms at very high rates. For the first quarter, the Association exceeded its budgeted gas expense by \$127,000.00 and its budgeted maintenance expense by \$56,000.00. The first quarter budget called for a deficit of expenses over revenues of \$56,000.00, resulting in the Association generating a negative variance of \$145,000.00 of expenses over revenues.

## **COMMITTEE REPORTS**

### **Finance Committee**

Ms. Latson reported that the first Finance Committee meeting will take place upon receipt of the draft of the 2013 audit for review before submission to the Board. Notices of the meeting will be posted.

### **HOA Report**

Mr. Beck reported that a new liner is to be installed in the North Pool.

### **Communications Coordinators**

Ms. Conner reported that the new newsletter was distributed in April, and asked that residents continue to use the suggestion box to convey ideas about items to include in the newsletter. She thanked Administrative Assistant Melissa Jones for her assistance with the newsletter. Ms. Barnes thanked Ms. Conner for her work on the newsletter.

### **Website Committee**

Ms. Barnes reported that the Committee held its latest quarterly meeting in April, and that Mr. Kristufek will add a new "Capital Projects Update" section to the site.

### **Roof Deck Task Force**

Mr. Cremer reiterated Mr. Kristufek's remarks in the Management Report about the installation of the pavers and railings and the upcoming installation of the lighting. He noted that approval of the furniture selections is an action item on the evening's agenda.

### **Rental Restriction Task Force**

Ms. Mueller reported that the Task Force needs volunteers to contact unit owners about the proposed changes to the Declaration in order to achieve a two-thirds affirmative vote to change the Declaration. Ms. Slattery reported that the Task Force met and that Juliet Beriou's request for volunteers met with a poor response. Discussion ensued about the purpose of the Task Force, about verifying support for changing the Declaration before actually doing so, and about obtaining information about rental-versus-owner-occupancy trends in other associations. Mr. Losik noted that while many new buildings have high numbers of renters, James/Kilmer's owner-occupancy rate is good.

### **Penthouse-Hallway Remodeling Task Force**

Ms. Conner reported that the Task Force did not meet and that assistance is needed from Draper and Kramer to find a designer for the project. Mr. Kristufek stated that he can provide a list of designers.

### **Welcome Task Force**

Ms. Mueller reported that the Task Force's first welcome packet was given to a new Kilmer renter, who was offered the opportunity for a meeting with the Task Force. Ms. Geffen stated that if several people move in, the Task Force could schedule a meeting with all of them at once, and Ms. Mueller noted that the Management Office staff do meet new residents and give them information about the building and the Association. Mr. Beck stated that other associations require a meeting with new residents and that James/Kilmer should follow suit, especially with renters. After discussion, the Board agreed. Mr. Kristufek pointed out that if meetings with new residents are made mandatory, this will have to be added to the Rules and Regulations, and that he will include a new rule setting out this requirement in the proposed revisions to the Rules and Regulations.

## **ACTION ITEMS**

### **Approval of 2012 Audit**

Upon motion duly made by Betty Latson and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve the audited Financial Statements for the fiscal year ended December 31, 2012, as prepared by Picker and Associates, the Association's auditors. The motion passed unanimously.**

### **Approval of Bad Debt Write-Offs**

Upon motion duly made by David Beck and seconded by Nancy Slattery, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve writing off bad debt, in the amount of \$17,550.77, related to the foreclosures of units #415J and #2911. The motion passed unanimously.**

### **Approval of Remodeling Applications**

Upon motion duly made by Nancy Slattery and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve the remodeling of units #2411, #1605, #501K, and #309K, according to the requests submitted by the unit owners that have been reviewed and found to be in compliance with the Associations rules, regulations and conditions, the work to be subject to ongoing inspection by the Association's Assistant Chief Engineer. The motion passed unanimously.**

### **Approval of Roof Deck Furniture Purchase**

Upon motion duly made by Peter Cremer and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve an expenditure not to exceed \$9,000.00 for the purchase of roof deck furniture, to be paid from the Reserve Fund. After discussion, the motion passed, with Dorsey Ruley opposed.**

The discussion included a description of the furniture and a display of samples given by Mr. Cremer, the ability to easily replace any damaged furniture, the number of pieces of furniture ordered, the ability of the furniture finishes to withstand exposure to sun and rain, instructions to Maintenance to check the furniture every evening and to protect the furniture in the event of a weather emergency, how the furniture can be stored during the winter, possible liability issues if any of the furniture is blown into the penthouse windows, and how the furniture will be weighted.

### **Approval of Rules Violation Fine**

Upon motion duly made by David Beck and seconded by Peter Cremer, the following resolution was made:

**BE IT RESOLVED, that the Board approve levying a fine in the amount of \$200.00 upon the owner of Unit #2707 for a rules violation, as discussed in Executive Session, the fine to be waived in the event that certain circumstances occur, also as discussed in Executive Session. The motion passed unanimously.**

**Approval of Association Spokesperson for Zoning Commission Hearing**

**Upon motion duly made by Barbara Mueller and seconded by Susan Geffen, the following resolution was made:**

**BE IT RESOLVED, that the Board approve the appointment of Judy Barnes to act as spokesperson for the Association at the Zoning Commission hearing scheduled for April 24, 2014. The motion passed unanimously.**

**OWNERS' OPEN FORUM**

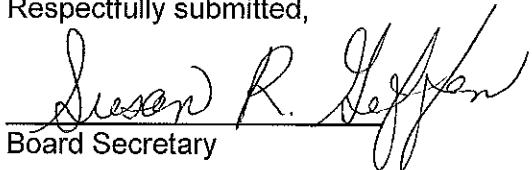
Unit owners and Board members discussed the following:

- Kilmer House front entrance security system upgrade.
- Replacing the garage mats in front of the Kilmer House elevator doors.
- Replacing the Penthouse Hospitality Room chairs when the room is remodeled, and the availability of good, inexpensive chairs from the Association's regular suppliers.
- Installing headset jacks on the workout room equipment, or including them on new equipment when old equipment is replaced.
- Reserving the northeast penthouse room for a party.
- A retirement party for Athen White ("A.W.").
- Installing a generator to run the elevators in the event of a power outage, in addition to the existing generator which provides electricity for lighting only.
- Concerns about the quality of the window washing.
- The current status of the proposed legislation requiring sprinkler systems in high-rise buildings.
- Realigning a unit's patio doors to prevent the formation of ice on the doors.
- Encouraging resident attendance at the Zoning Commission hearing even if the down-zoning proposal is not presented, but only the developer's up-zoning proposal.
- Reducing the time that each freight elevator is out of service during the upgrade project by scheduling six ten-hour work days each week, because second teams of workers cannot be added, owing to safety and cost concerns.
- The adjustment that will soon be made to stagger the floors on which the elevators rest when not in use.

**ADJOURNMENT TO EXECUTIVE SESSION**

There being no further business to come before the Board in Open Session, upon motion duly made by David Beck and seconded by Barbara Mueller, the meeting was adjourned to Executive Session at 8:40 p.m.

Respectfully submitted,

  
Board Secretary