

**JAMES/KILMER CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
August 26, 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, August 26, 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 7:14 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  
Nancy Slattery

Also present were Thomas Kristufek, Property Manager, and Regina Gubic, Property Supervisor, of DK Condo, A Draper & Kramer Company; Paul Gaudette of Wiss Janney Elstner Associates; and Adam Sanders of Elara Energy Services. Barbara A. Roberts acted as Recording Secretary.

**REPORT ON GARAGE STRUCTURAL CONDITIONS: PAUL GAUDETTE, WJE ASSOCIATES**

Mr. Gaudette reported that his firm performed trial repairs and made inspection openings in the James/Kilmer garage and found nothing unexpected. He further reported that upon opening up the garage ramp, it was confirmed that the snow-melt system does not function and that the ramp does require some repair. Mr. Gaudette then stated his recommendation that, because less repair work on the ramp is needed than was originally expected, it would be less costly and more efficient to include the ramp repairs in the garage repair project. He stated that his estimate of the total project cost was approximately \$1 million, not including fees, with the ramp repair portion accounting for approximately \$100,000.00 of that amount. In response to questions from Board members, Mr. Gaudette stated that James/Kilmer and HOA will be billed separately for repairs to the garage columns for which each association is responsible, that the ramp repairs should last 10 to 20 years if the membrane is maintained, that speed bumps will be installed on the repaired ramp, and that the garage repairs will include replacing pipes and drains.

Ms. Barnes thanked Mr. Gaudette, and he left the meeting at 7:25 p.m.

### **AIR BALANCING AND PRESSURIZATION STUDY: ADAM SANDERS, ELARA ENERGY SERVICES**

Mr. Sanders directed the Board's attention to the "Building Pressurization Study Update" performed by his firm and reviewed the Executive Summary and the five Recommended Actions. Including where possible the estimated budgetary investment, annual energy cost savings, and payback period. He noted problems such as negative building pressure and noise and odor complaints, in part stemming from the tighter building envelope caused by the new windows and seals. Mr. Sanders then reviewed the Recommended Actions in detail, especially RA #5, "Implement Demand-Controlled Ventilation," calling for the installation of Variable-Frequency-Drive-controlled dampers on kitchen and bathroom exhaust fans, which activate the exhaust system in a room when someone enters the room, and explained the advantages of such a system. Mr. Sanders also stressed the importance of RA #1, installing a carbon monoxide monitoring system and demand-controlled ventilation in the garage. Discussion ensued between Mr. Sanders and various Board members about phasing the project over time, duct cleaning, the effect of the "stack effect," unbalanced building mechanical ventilation systems and wind on air balancing and pressurization, and the amount of time needed to implement each of the recommended actions.

Ms. Barnes thanked Mr. Sanders, and he left the meeting at 7:45 p.m.

### **UPDATE ON CLARK AND NORTH DEVELOPMENT**

Ms. Barnes reported that the Association worked with John Lawlor – an attorney acting for the Association – and with Howard Weiner and his attorney and reached a development agreement based on the amended Planned Development for the Clark and North Development. She stated that the Board provided a letter of support for the proposed development to 2<sup>nd</sup> Ward Alderman Robert Fioretti, 42<sup>nd</sup> Ward Alderman Brendan Reilly, Chicago Plan Commission Chairman Martin Cabrera, Jr., and Zoning Committee Chairman Daniel Solis. Ms. Barnes stated that the development agreement will be voted on by the Board this evening and is consistent in supporting the results of the early July owner survey, wherein 61% of the owners voted, with 70% of them voting "Yes" to support, and 30% voting "No" to reject. She further stated that Mr. Weiner removed the PD from the Plan Commission's voting agenda at the August Plan Commission meeting, so that another public meeting, requested by Alderman Fioretti, could be held on September 9 to allow Mr. Weiner to present his current proposal, approved by James/Kilmer, to a wider neighborhood audience. Ms. Barnes added that unit owners will be notified both about the specifics of the public meeting and about when the PD will next appear on the Plan Commission agenda. She listed the series of meetings and presentation events that have taken place with regard to the proposed development, as well as the neighborhood organizations that have shown support for the project.

### **MANAGEMENT REPORT**

Mr. Kristufek reported on the following:

- Management's intention to obtain bids for improvements in the appearance of several common areas.
- The upcoming James House Ongoing (Short Form) Façade Inspection to be performed by Klein and Hoffman.
- Considering adding the door to the first-floor garbage chute room in Kilmer House to the key fob lock system.

- The completion of the final punch list items for the roof deck.
- Scheduling garage ramp repairs as part of the garage repair project, if the Board approves Action Item #5 on the meeting's agenda.
- Approving engineering services for one or more of the Recommended Actions listed in the air balancing and pressurization report from Elara, included as Action Item #6 on the meeting's agenda.
- The freight elevator modernization project, scheduled to begin on Monday, September 8, including an additional 20 hours of work per week during the first three weeks of the project.
- The new waste removal vendor to begin serving the Association on September 4. Installing the new compactors will require that residents not use the trash chutes for one or two days.
- The Planned Development Application included under Action Item #2.
- In response to a question from Mr. Ruley, Mr. Kristufek stated that it is not anticipated that security guards will be needed on the roof deck for the remainder of the summer.
- In response to another question from Mr. Ruley, Mr. Kristufek stated that Association employees are required to sign a "no gossip" consent form in an effort to prevent gossip or remarks about employees, management staff or residents. Discussion ensued.

Discussion ensued about security guards on the roof deck and about skateboarders on the malls and staircases; Mr. Beck agreed to bring up the latter issue at the HOA Board meeting.

#### **RECESS TO UNIT OWNERS' OPEN FORUM**

The Board recessed to a Unit Owners' Open Forum at 8:14 p.m.

#### **RECONVENE TO REGULAR SESSION**

The Board reconvened to its regular session at 8:37 p.m.

#### **APPROVAL OF MINUTES**

**Lynn Conner moved that the minutes of the Board of Directors meeting held on July 22, 2014, be approved as presented. Susan Geffen seconded the motion, and it passed, with Dorsey Ruley abstaining.**

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

Ms. Latson reported that for the month of July 2014, the Association experienced a loss of approximately \$24,000.00 owing to higher utility, legal and repair costs, partially offset by greater-than-budget garage and transfer fee revenue. She stated that for the first seven months of the year, there has been a loss of \$124,000.00, which is \$94,000.00 over budget. In response to a question from Mr. Ruley, Ms. Latson noted that the year's losses are not expected to be recovered because the need for repairs can occur at any time, although the effect of utility expenses might lessen somewhat. She also noted that the \$70,000.00 bad debt write-off for 2013 and 2014 combined appears in the 2014 financial statements.

## **COMMITTEE REPORTS**

### **Finance Committee**

Ms. Latson reported that the 2013 cost allocation study has been completed and that the 2013 tax letter should be completed shortly, after which unit owners will receive a package consisting of the 2012 and 2013 audited financial statements, tax letters and cost allocation studies. She stated that Management is working on the 2015 budget and that it will be reviewed at Finance Committee meetings in September and October, after which the proposed budget will be distributed to unit owners, with a final vote of acceptance by the Board in December. Mr. Beck noted that the Board is considering three major projects totaling approximately \$3.2 million – garage repairs, hallway and penthouse renovation, and air balancing and pressurization – and suggested that they be prioritized. Ms. Latson responded that capital projects will be discussed at the first Finance Committee budget meeting. Discussion ensued about project priorities and when to seek bids, with Ms. Latson pointing out that knowing the amounts of the project bids as well as the scope of work will assist the Board in prioritizing the projects.

### **Rules Committee**

Ms. Slattery stated that Mr. Kristufek is close to completing his revisions to the rules, and that the Committee will meet when he has completed his proposed revisions.

### **Garage Coordinator**

Mr. Beck reported that the garage continues to bring in healthy revenues and is currently \$25,000.00 to \$30,000.00 in the black.

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

Ms. Conner reported that she has composed a proposed Request for Proposal letter, copies of which she distributed to the Board, and that she and Ms. Slattery plan to send the RFP to 11 or 12 designers. In response to a question from Mr. Cremer, she stated that renovating the HVAC system that serves the Hospitality Room is being considered.

### **Communications Coordinators**

Ms. Conner stated that the next newsletter will be published and distributed in September. Ms. Geffen reported that she and Ms. Conner have received many suggestions, questions and comments via email and the Management Office suggestion box, all of which are greatly appreciated.

### **HOA Report**

Mr. Beck stated that HOA's Budget Review Committee will meet on September 4. He stated that in response to a letter from Mr. Kristufek, Alderman Reilly has agreed to send rat patrols to the Village. Ms. Johnson stated that pool issues will be discussed at the HOA Board's September meeting, and that there is nothing new to report about the Fifield development at Clark and Division.

### **Management Search Committee**

Ms. Barnes reported that the Committee has met and has begun to review a few property management companies preparatory to sending out an RFP.

### **Rental Restriction Task Force**

Ms. Mueller reported that she and Ms. Slattery have composed a cover letter and fact sheet to be distributed to the unit owners, along with a request for volunteers.

### **Welcome Task Force**

Ms. Mueller reported that since mid-April, 35 renters have moved in, and 14 unit owners, and that 38% of the units sold since 2000 have been purchased by investors.

## ACTION ITEMS

### Approval of Clark and North Planned Development

Upon motion duly made by David Beck and seconded by Barbara Mueller, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the Zoning Agreement dated August 20, 2014, between Carl Sandburg Village Condominium Association No. 7 and 1546 N. Clark LLC by Chicago Development Partners LLC, relative to the amended Planned Development at the southwest corner of Clark Street and North Avenue in Chicago, Illinois. After discussion, the motion passed, with Dorsey Ruley opposed.

### Approval of Roof Drainpipe Repair

Upon motion duly made by Susan Geffen and seconded by Peter Cremer, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve a not-to-exceed amount of \$6,000.00 to replace a section of eight-inch cast iron drainpipe in the James House laundry room, to be paid from Operating Account GL#764600 Plumbing/Sewer. The motion passed unanimously.

### Approval of Freight Elevator Car #4 Panel Replacement

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 proposal submitted by Otis Elevator Company on July 29, 2014, to reclad the inner door of freight elevator car #4, the work to be performed on a time-and-materials basis, in the amount of \$14,233.00, to be paid from Operating Account GL#761600, Elevator Repairs. The motion passed unanimously.

### Approval to Authorize Preparation of Garage Repair Bid Documents

After discussion, upon motion duly made by David Beck and seconded by Barbara Mueller, the following resolution was made:

BE IT RESOLVED, that the Board of Directors authorize Wiss Janney Elstner Associates to develop specifications and prepare bid documents for repairs to the James/Kilmer garage. After discussion, the motion passed unanimously.

### Approval of Air Balancing Project Engineering Services

Upon motion duly made by Nancy Slattery and seconded by Lynn Conner, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Elara Energy Services on February 12, 2014, to provide engineering services related to building pressurization upgrades in James House and Kilmer House, and for engineering services for the development and installation of a garage carbon monoxide system, in the amount of \$37,300.00, to be paid from the Reserve Fund. After discussion, the motion was withdrawn.

**Approval of Remodeling Applications**

Upon motion duly made by Lynn Conner and seconded by Dorsey Ruley, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve the remodeling of units #1106, #2110, #3810, #3909 and #309K, according to the requests submitted by the unit owners that have been reviewed and found to be in compliance with the Association's rules, regulations and conditions, the work to be subject to ongoing inspection by the Association's Assistant Chief Engineer. The motion passed unanimously.

**RECESS TO EXECUTIVE SESSION**

Upon motion duly made by David Beck and seconded by Lynn Conner, the Board recessed to Executive Session at 9:25 p.m.

**RECONVENE TO OPEN SESSION**

The meeting was reconvened to Open Session at 9:55 p.m.

Upon motion duly made by David Beck and seconded by Lynn Conner, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors authorize Management to take the course of action discussed in Executive Session with regard to Unit #203K. The motion passed unanimously.

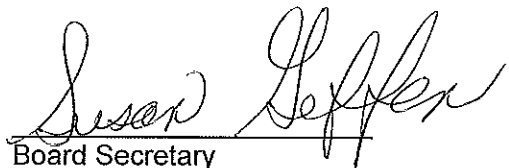
Upon motion duly made by David Beck and seconded by Lynn Conner, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve fining the owner of Unit #4202 the sum of \$50.00 for a rules violation, as discussed in Executive Session. The motion passed, with Nancy Slattery recusing herself.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 10:00 p.m.

Respectfully submitted,

  
Board Secretary