

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
October 28, 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, October 28, 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 7:03 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
Dorsey Ruley (by telephone at 7:59 p.m.)
Nancy Slattery

Barbara Mueller was not in attendance.

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

After discussion, Ms. Barnes moved the action item dealing with selection of a property management company to the end of the agenda.

UPDATE ON CLARK AND NORTH DEVELOPMENT

Ms. Barnes stated that the Clark and North Planned Development was approved at the latest Chicago Plan Commission meeting, as reported at the September meeting, but that it was deferred from the Zoning Commission's October 28 meeting agenda to the agenda for the Commission's November meeting.

MANAGEMENT REPORT

Mr. Kristufek reported on the following:

- The flood in the laundry room, caused when a domestic water line burst on September 26, that was dealt with by the staff immediately. The total cost for replacing drywall and installing an access panel for future access to the water line was \$5,034.00. No insurance claim was filed, as the insurance deductible is \$10,000.00.
- The October 7 repair of the roof drain that periodically leaked into the laundry room. The total cost for plumbing and wall demolition was \$5,662.41.
- The completion of painting in the James House basement and receiving room. Painting the Kilmer House service doors has been scheduled, but painting the Kilmer House steps has been delayed because preparation of the steps was delayed owing to inclement weather.

- Cleaning the James House and Kilmer House air handling units, related ductwork and corridor grills, scheduled for James House between October 27 and November 4, and for Kilmer House on November 13 and 14.
- Our new electronic recycling vendor, Vintage Tech LLC, which provides the service at a lower cost than Waste Management, and which includes hard drive data wiping in its services.
- The Proposed 2015 Budget showing a 2.97% assessment increase, included in a packet for consideration by the Board as one of the meeting's action items, along with a revised Five-Year Capital Expenditure Projection, a revised Fee Schedule reflecting increases in the Condo Lease Fee, Pet Fees and Late Fees, and a letter to unit owners regarding liability for damages caused by use or operation of a unit caused by a unit owner's conduct.
- The Life Safety Evaluation scheduled for November 25. Because the city official will inspect all unit doors to make sure that they close properly, all unit doors were recently checked by the building engineer and many were found not to close properly. Owners of these units will be notified that Maintenance will check the doors again and will make any needed adjustments to the door closers, at a cost of \$25.00 each, in preparation for the inspection.
- The Ongoing Façade Inspection by Klein and Hoffman scheduled for November 1. Jim Swint has been asked to provide updated capital expense budget figures for any façade repairs found to be necessary following the inspection.
- Proposals to install auto-door openers at Kilmer House and James House back entrances as well as a card reader for the Kilmer House first floor garbage chute room door. A proposal was also obtained to install a card reader on the roof deck door and one other 44th floor door.
- The anticipated completion on November 7 of the Freight Elevator Modernization Project by Otis Elevator. Otis submitted a new proposal for door panel replacement for \$9,733.00 less than originally proposed.
- The review of the James House and Kilmer House air handlers by Superior Test & Balance, Inc., to determine the feasibility of refurbishing the air handlers rather than replacing them; its report is included in the Board packet. For Kilmer House, professional cleaning and refurbishment including a new fan would increase the cubic feet per minute of air flow to some degree. The same appears to be true for James House, although it is not yet known whether filter quality would be improved by refurbishing the James House air handling units as opposed to replacing them. Questions remain as to whether the housing can last at least five to ten more years, and how much more time refurbishment rather than replacement will allow.
- The response to RFPs for corridor and penthouse renovations from four design firms. A walk-through is scheduled for the week of October 27 with these firms and any others that respond by October 24.
- Credits for the roof deck work totaling \$4,335.50. A leak found during the leak test was repaired under warranty by Riddiford, the roofing contractor. The general contractor, Bulley and Andrews, is preparing the final close-out documents, including warranties, to be approved by Klein and Hoffman. The final contract sum, including change orders and credits, is \$335,405.50.

Following the Management Report, discussion ensued about posting a revised electronics recyclables list; using a fob to open the James House rear inner door; possibly obtaining results of the air handling units this week, including how much time refurbishment rather than replacement of the air handlers will provide, possibly the anticipated increase in CFMs, and whether a higher quality filter can be used; designers' responses to the RFPs, including proposals, estimates and fees, following the walk-through; problems with the roof deck door opener; and closing the roof deck and storing the roof deck furniture on November 1.

APPROVAL OF MINUTES

Ms. Geffen asked if there were any changes to the minutes of the September 23 Board meeting. There being none, **Susan Geffen moved that the minutes of the regular Board of Directors meeting held on September 23, 2014, be approved as presented. David Beck seconded the motion, and it passed unanimously.**

TREASURER'S REPORT

Ms. Latson stated that the financial statements have not been received and that therefore she had no Treasurer's Report to present.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee met two weeks ago to review the operating and capital expenditure portions of the budget, after earlier reviewing both portions separately, and recommended the 2.97% assessment increase, and that therefore the budget is ready to be voted on at this meeting.

Penthouse-Hallway Remodeling Task Force

Ms. Conner and Ms. Slattery stated that a Task Force meeting will be held after the designers who responded to the RFP have completed their walk-through.

Garage Coordinator

Mr. Beck reported that garage revenues are \$51,000.00 ahead of budget, owing to increased monthly parking as well as transient, event and nonresident parking.

Website Committee

Ms. Barnes reported that the Committee met in September and that Association information provided to her and to Webmaster Ron Miller continues to be posted on the website. She thanked Mr. Kristufek for his posting of capital project information.

Welcome Task Force

Ms. Geffen reported that there was one new move-in a week ago at Kilmer House, and that new residents have expressed appreciation of the information available on the Association website. She confirmed with Ms. Barnes that announcements posted in the buildings are also posted on the website.

Rental Policy Task Force

Ms. Slattery reported that a revised letter and information sheet is being reviewed by the Committee co-chairs, after which the material will be distributed to unit owners. She added that there will be tables in the lobby with information about the rental policy, and that a survey will later be distributed soliciting unit owners' opinions on the rental policy.

HOA Report

Mr. Beck reported that the HOA Board will hold its last meeting of the year on November 19, at which it will approve HOA's proposed 2015 budget, which includes no assessment increase. Marcie Johnson reported that there is no new information available about the developments at Clark and Division.

Employee and Garage Holiday Funds and Party

Ms. Barnes stated that collection for the funds will begin in late November or early December. She reported that the employees are planning to hold their holiday party on December 17.

Management Search Committee

Ms. Barnes explained that the Committee consisted of herself as chair, Mr. Beck, Ms. Latson and Ms. Mueller, and that the Committee interviewed six management companies, narrowing the final group down to three – Community Specialties, Sudler, and Draper and Kramer – to be interviewed by the other five Board members, which was completed last week. She stated that results of the interviews will be discussed as part of an action item later in the meeting.

Communications Coordinator

Ms. Geffen reported that the next newsletter will be published on November 9 or earlier.

RECESS TO UNIT OWNERS' OPEN FORUM

After discussion about whether or not to include unit owner comments in the minutes, the Board agreed to continue not to do so, and recessed to a Unit Owners' Open Forum at 7:42 p.m.

RECONVENE TO REGULAR SESSION

The Board reconvened to its Regular Session at 7:54 p.m.

ACTION ITEMS

Approval of Otis Elevator Maintenance Contract

Upon motion duly made by Nancy Slattery and seconded by Peter Cremer, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the proposal submitted by Otis Elevator Company on September 15, 2014, for elevator maintenance for a period of one year beginning November 1, 2014, in the amount of \$60,600.00, to be paid from Operating Account GL#745190. The motion passed unanimously.

Approval of Agreement with Tax Law Firm for Triennial Period 2015-2017

Upon motion duly made by David Beck and seconded by Susan Geffen, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the proposal submitted by Worsek and Vihon LLP, on September 11, 2014, to represent Carl Sandburg Village Condominium Association No. 7 for the tax triennial period of 2015 through 2017, for a contingency fee of 12% of the first year's tax savings. The motion passed unanimously.

Approval of Auditor

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

BE IT RESOLVED, that the Board of Directors hereby approve the proposal submitted by Picker & Associates, LLC, on August 26, 2014, to provide audited financial statements for 2014, in the amount of \$9,700.00, to be paid from Operating Account #GL730220. After discussion, the motion passed unanimously.

Approval of Distribution of Proposed 2015 Budget to Ownership

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 hereby approve the distribution of the Proposed 2015 Budget to James/Kilmer unit owners for their 30-day review, pursuant to the requirements of the Illinois Condominium Property Act. After discussion, the motion passed unanimously.

Mr. Ruley joined the meeting by telephone at 7:59 p.m. during the discussion of the proposed 2015 budget.

Approval of Trane Fan Coil Unit as Building Standard

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 hereby approve the Trane-manufactured UniTrane Fan-Coil unit as the exclusive building standard for replacement, subject to approval of its specifications. After discussion, the motion passed unanimously.

Approval of Remodeling Requests

Upon motion duly made by Susan Geffen and seconded by Nancy Slattery, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #1007, #2303, #3612 and #402K, 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.

Approval of Agreement with Property Management Company

Ms. Gubic and Mr. Kristufek left the meeting at 8:12 p.m. After lengthy discussion, upon motion duly made by Dorsey Ruley and seconded by Lynn Conner, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the proposed property management agreement submitted by Community Specialists for a period of five years beginning January 1, 2015, in the amount of \$93,600.00 per year, with a 90-day opt-out period at the beginning of each year, to be paid from

Operating Account #GL730205. A roll-call vote was requested, the results of which were as follows: Dorsey Ruley–Yes, David Beck–No, Susan Geffen–Yes, Betty Latson–No, Lynn Conner–Yes, Nancy Slattery–Yes, Peter Cremer–No. The motion passed.

Mr. Ruley left the meeting at 8:59 p.m.

Approval of Fine

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

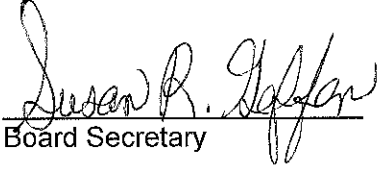
BE IT RESOLVED, that the Board of Directors hereby approve levying a fine in the amount of \$50.00 on the owner of unit #502K for reasons discussed in the Executive Session that preceded the meeting. The motion passed unanimously.

Ms. Barnes announced that Mr. Cremer will not be running for reelection to the Board, and thanked him for his service on the Board and his contributions to the Association. Her remarks were met with applause.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Peter Cremer and seconded by Nancy Slattery, the meeting was adjourned at 9:02 p.m.

Respectfully submitted,


Board Secretary