

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
April 25, 2017**

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 25, 2017, 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 7:05 p.m. A quorum was present in that the following directors were present:

Judy Barnes
David Beck
Patty Culbertson
Jacque Ehrlich
Susan Geffen
Barbara Mueller
Nancy Slattery (by telephone)
Bill Winter

Also present were Thomas Kristufek, Property Manager, and Andy Warner, Property Supervisor, of Community Specialists, Inc. Barbara A. Roberts acted as Recording Secretary. Betty Latson was not in attendance.

There were no changes to the agenda. Ms. Barnes stated that there would be no committee reports or open forum during the meeting.

APPROVAL OF MINUTES

Susan Geffen moved that the minutes of the regular Board of Directors meeting held on March 28, 2017, be approved as presented. David Beck seconded the motion, and it passed unanimously.

MANAGEMENT REPORT

Mr. Kristufek presented the Management Report, reporting on the following items:

- Horizontal Domestic Pipe Replacement Project: The project began last week and is proceeding well. Water shut-downs are anticipated for the weeks of May 8 and May 15, with advance notices during the weeks of April 24 and May 1.
- Freight Elevator Modernization Project: The project is scheduled to begin on June 26 and to be completed in early September. Notices to residents, including the temporary halt to Saturday morning moves, will be posted and e-blasted in advance of the project.
- J/K Corridors and Kilmer Lobby: Task Force meetings with Gooch Design Studio will take place on May 4 and May 31 to review three, then two, schematic designs for both buildings. According to the plan, presentation boards showing two designs for each building will be on display beginning June 14. A meeting of the Task Force alone will be held on June 22 to decide on the final design, and the Task Force will make a recommendation to the Board at its June 27 meeting

- HVAC Preventive Maintenance Program: As of April 19, 213 coils have been flushed and 189 new insulating panels installed, with a total, to date, of 140 units serviced by Assurance and 216 drip pans replaced. It is anticipated that the program will be completed in two more weeks.
- HVAC Filter Changes: Maintenance is preparing to begin the spring HVAC filter changes around the second week of May.
- Cooling Tower Repairs: The repairs have not been completed but the air conditioning can be started up before the completion if it is needed.
- Turnover to Air Conditioning: The buildings will be ready to turn over to air conditioning by the second week of May. Management is reviewing the weather forecast regularly, and the weather is still too cool to turn over to air conditioning this week.
- Kilmer Air Balancing: The damper was installed and the system was operating well for about two weeks, but the CFM rate has now returned to its former low level. Management will check with the Chief Engineer tomorrow morning.
- Electrical Panel: The panel was replaced today with no difficulties.
- Electrical Switchgear Room Ventilation Improvements: This is the last life safety requirement from the City of Chicago inspector. The damper was shipped without the proper insulation and thus has had to be reordered. Once it is installed, Management will schedule a follow-up inspection.
- HVAC Riser Leak: The pinhole leak has been repaired.
- Low Zone Heat Exchanger: The new heat exchanger is expected to be delivered by the end of April and then will be installed as soon as possible.
- Roof Anchorage System: The provider of the rooftop anchors expects delivery within three weeks of the date of this report. The work is planned to be performed in conjunction with work performed by the roofers and to be finished by the end of May, after which the windows can be washed.
- Proposed Restoration of Lobby Travertine Marble Walls: The Board has been given a proposal for polishing the travertine marble walls in the lobby of James House, and a sample area has been polished. Management will attempt to obtain other proposals for the work. Discussion ensued about whether this would be an unbudgeted operating expense, or, at Mr. Warner's suggestion, a capital expense because a worn surface is being replaced. Mr. Warner advised discussing this with the auditor. Mr. Kristufek stated that the polishing will not be done until the plumbing work is completed.

In response to a question from Ms. Mueller, Management provided further details about the water shut-downs mentioned in the report, and indicated that they are not expected to conflict with the elevator modernization and HVAC filter change projects.

- North Mall Phase Plan: The updated phase plans as of April 19 are included in the Board packet. About half of Phase 6, in the vicinity of the fountain, is being put on hold until the City determines how improvements on Germania and Sandburg Terrace related to the Clark and North development, will proceed. Therefore, the work will include only improvements to the ADA ramp and the expansion joint that allows leaks into the J/K garage. Mr. Beck reported that the 2nd Ward Superintendent and WJE engineer Paul Gaudette inspected the area, and found interconnected drains in the area but insufficient drains in front of James House, which, along with the raised street surface, are responsible for the ponding in front of James House. He also reported on other aspects of the work taking place in the area between James House and Kilmer House, and stated that the North Mall will be turned over to HOA on May 10. Mr. Beck stated that the North Pool will be made ready to open on the Memorial Day weekend. He then announced that the HOA Property Manager, Steve Habib, has resigned, and that the Assistant Property Manager, Melissa Goodwin, has been promoted to Property Manager.
- Meeting with Door Staff: The meeting was held on April 11 and focused on job duties and expectations, safety concerns and building rules regarding common areas. The Board commented that the meetings appear to be having a good effect on the way the staff behaves.

- 2016 Audit and Cost Allocation Study: The first drafts will be made available in early May.
- Scheduled Opening of the Sundeck: The deck furniture will be put out and the deck will be officially opened the weekend of May 19. Discussion ensued about the roof deck guards.

TREASURER'S REPORT

Mr. Warner presented the Treasurer's Report for the period ending March 31, 2017, as follows:

As of March 31, 2017, the J/K checking account contained \$64,656.00, the Capital Replacement Reserves totaled \$4,792,386.00, and special assessment funds totaled \$397,652.00, for total cash and investments of \$5,255,195.00.

Building operations are at negative approximately \$30,000.00 for the month. Income in March totaled \$530,886.00, which reflects a positive variance to budget of about \$15,000.00. Operating expenses for March were \$561,215.00, which includes the \$30,000.00 over budget mentioned earlier. The reason is that there was approximately \$43,000.00 in maintenance expenses that covered the preventive maintenance process ordered by individual unit owners. All of that amount will be charged back to the unit owners who requested the service. The charge-back will appear in the statements the following month.

Year-to-date totals are as follows: total income is \$1,518,809.00, and total operating expense is \$1,625,839.00, which amounts to approximately \$57,000.00 over budget, of which \$43,000.00 is the maintenance charge previously mentioned. Gas expense was slightly over budget, payroll and building expenses are under budget, and maintenance is over budget, as mentioned earlier.

Ms. Barnes added information provided by Eddie Main, the Garage Manager, to the effect that garage net operating income for the month was approximately \$3,300.00 under budget owing to reduced revenue from transient parking and coupon purchases. She stated that Mr. Main is working on additional revenue streams through various parking services such as Spot Hero, and that as soon as the North Mall Project is completed and the garage is returned to its full use, the revenue aggregators will target both transient and monthly parking. Ms. Barnes added that Mr. Main expects that the revenue generators being discussed will provide an opportunity to alleviate the current deficit position, and that he and the garage crew are doing well in the face of numerous parking challenges caused by the North Mall Renovation Project construction.

ACTION ITEMS

Approval of Window Washing Company

Mr. Beck suggested that the number of window washings be reduced from three to two for the year, to partially make up for the over-budget cost of washing the windows, which is due to the new regulations from OSHA that require the use of swing stages on James House rather than bosun's chairs. Mr. Kristufek offered some details about the OSHA regulation and its effect on exterior work on high-rise buildings. The Board agreed with Mr. Beck's suggestion and also agreed on one spider abatement treatment rather than two. **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 Service One, Inc. on April 18, 2017, for two window washing services in 2017, in an amount not to exceed \$44,000.00, to be paid from Operating Fund GL#6544, Window Washing. The motion passed unanimously.

Approval of Remodeling Requests

Upon motion duly made by Jacque Ehrlich and seconded by Barbara Mueller, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #509J, #3608, and #114K, 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.

NEW BUSINESS

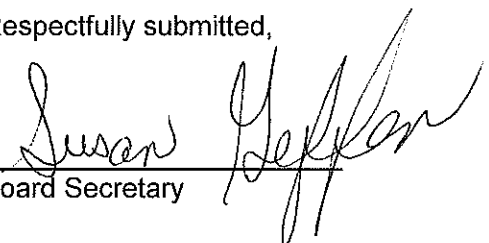
Ms. Barnes announced that 2nd Ward Alderman Brian Hopkins will address the Board at 6:30 p.m. on May 23, prior to its regular meeting. She stated that the alderman has requested that any topics or questions that residents have be forwarded to him in advance, and that the Management Office will collect the topics from the suggestion boxes and she will forward them to the alderman and his staff during the week prior to the meeting. Ms. Barnes also reported that the closing on the Clark and North project will take place on Wednesday, April 26. She reported that the next quarterly Website Committee meeting will take place on May 10 at 6:30 p.m.

Ms. Ehrlich stated that the wallpaper around the mailboxes in Kilmer House is bubbling, and asked if work on the wallpaper will be part of the Kilmer Lobby Project; she added that the mailbox area is on the north wall of the lobby. Ms. Slattery responded that work on that area might be part of the refurbishment project, and Mr. Kristufek stated that it is. Discussion ensued about ways to deal with the bubbling in the meantime, and about conveying requests to Management in writing, including email, to maintain a record of the requests. Ms. Ehrlich also mentioned that the tops of the mailboxes are chipped.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by David Beck and seconded by Barbara Mueller, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,



Board Secretary