

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
December 12, 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, December 12, 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 7:38 p.m. A quorum was present in that the following directors were present:

Judy Barnes
David Beck
Patty Culbertson
Jacque Ehrlich
Bruce Kaminsky
Betty Latson
Barbara Mueller
Nancy Slattery
Bill Winter

Also present were Thomas Kristufek, Property Manager, and Andy Warner, Property Supervisor, of Community Specialists, Inc. Janine Hodes acted as Recording Secretary.

There were two additions to the agenda: Action Item 16 Authorization to Mail and Action Item 17 Loan Payoff.

Ms. Barnes welcomed Bruce Kaminsky as a new Board Member.

NOMINATIONS, ELECTION AND APPROVAL OF BOARD OFFICERS FOR 2018

Ms. Barnes called for nominations for the position of President of the Board. Barbara Mueller nominated Judy Barnes for the position of President, and Bill Winter seconded the nomination.

Ms. Barnes called for nominations for the position of Vice President of the Board. Patty Culbertson nominated Barbara Mueller for the position of Vice President, and Jacque Ehrlich seconded the nomination.

Ms. Barnes called for nominations for the position of Treasurer of the Board. Ms. Mueller nominated Betty Latson for the position of Treasurer, and Ms. Ehrlich seconded the nomination.

Ms. Barnes called for nominations for the position of Secretary of the Board. Ms. Mueller nominated Jacque Ehrlich for the position of Secretary, and David Beck seconded the nomination.

Mr. Beck moved to elect Ms. Barnes to the position of President by acclamation. Ms. Ehrlich seconded the motion, and it passed with Ms. Barnes abstaining.

Mr. Beck moved to elect Ms. Mueller to the position of Vice President by acclamation. Mr. Winter seconded the motion, and it passed with Ms. Mueller abstaining.

Mr. Beck moved to elect Ms. Latson to the position of Treasurer by acclamation. Mr. Winter seconded the motion, and it passed with Ms. Latson abstaining.

Mr. Beck moved to elect Ms. Ehrlich to the position of Secretary by acclamation. Ms. Mueller seconded the motion, and it passed with Ms. Ehrlich abstaining.

MANAGEMENT REPORT

Mr. Kristufek presented the Management Report.

2017 CAPITAL PROJECTS

- Freight Elevator Modernization Project: Since the last Management Report, this project has been completed with the City passing all 5 James House elevators after the fire recall safety test performed overnight October 26-27, and the completion of all punch list items.
- Corridor Renovation Project: GDS is currently attempting to finalize the lighting and door hardware selections for James and Kilmer design schemes.
- Kilmer Freight Cab Upgrade: Included as an action item for this meeting, the remaining 2017 project to update the Kilmer House freight cab (only) to look very similar to the James House freight cabs.

2018 CAPITAL PROJECTS

- Chiller Replacement: Elara Engineering has provided a proposal to engineer replacement chillers, also included as an action item for the 12/12 Board meeting.
- Door Entry (fob) System: An upgrade to the JK door entry system is required in 2018. 3 security vendors were asked to provide proposals for this upgrade included as an action item for the 12/12 Board meeting.

BUILDING MECHANICAL or OPERATIONAL MATTERS

- Lobby Travertine Wall Restoration: The project was successfully completed about a week prior to Thanksgiving, according to schedule.
- Elevator Audit Update: Urban Elevator submitted the safety test reports.
- Window Washing: Window washers to return on Monday, 12/11.
- Replacement HVAC Riser Valve: Management awaits a proposal from AMS to replace an HVAC riser valve that serves the 15 tier.
- Boiler Room: Early Tuesday, December 5th, the low water alarm for boiler #1 was somehow triggered. The alarm did not actually sound; however, it shut the boiler down. The building engineer re-set the boiler and heating water temperature was restored. The HVAC contractor investigated the matter and did not find any faults.

ADMINISTRATIVE

- Proposed Rules: The proposed rules have been edited and will be provided to all Board members for their review once the Property Manager has reviewed them. It is intended to complete this full review by December 22nd.
- Request for Exception to Rental Restriction Amendment: A request for exception was received and presented to the Board of Directors. (The request was not approved.)

APPROVAL OF MINUTES

Ms. Ehrlich moved that the Board of Directors approve the minutes from the October 24, 2017 regular Board of Directors meeting as drafted. Mr. Beck seconded the motion, and it passed with Ms. Mueller and Ms. Slattery abstaining.

Ms. Ehrlich moved that the Board of Directors approve the minutes from the October 3, 2017 special meeting of the Board of Directors as drafted. Mr. Beck seconded the motion, and it passed unanimously.

TREASURER'S REPORT

Ms. Latson presented the Treasurer's Report for the period ending November 30, 2017, as follows:

For the month of November 2017, the James/Kilmer Association reported a surplus of revenues over expenses of \$52,464, primarily the result of lower than budgeted expenses. Looking at the year-to-date results, the James/Kilmer Association reported revenues of \$5,819,000 which were \$146,000 above budget. Specifically, HVAC preventive maintenance revenue was higher than budget by \$210,000 but was offset by the James/Kilmer garage net revenue which was under budget by \$62,000.

Year-to-date operating expenses were \$5,688,000 and were \$11,000 over budget driven primarily by HVAC preventative maintenance costs, an expense category reimbursed by residents, and garage repairs. HVAC preventative maintenance was \$190,000 over budget and garage repairs were \$26,000 over budget. Several expense categories were below budget including administrative expenses, payroll, and utilities. As a result, at the end of November 2017, the James/Kilmer Association reported a year-to-date operating surplus of \$131,000.

On the capital side, the James/Kilmer Association reported a year-to-date deficit of \$294,000 as the James/Kilmer capital reserve revenue, through November, amounted to \$1,069,000 while capital expenditures were \$1,363,000. 2017 capital expenditures include elevator modernization costs, heat exchanger costs, pipe replacement costs, the davits & tie-offs, and minor costs related to the James/Kilmer corridor project. At the end of November 2017, the James/Kilmer operating fund cash balance, excluding garage cash, was reported at \$433,899 and the James/Kilmer capital fund cash balance, excluding direct charge funds, was reported at \$4,311,993. The bank loans were reduced to \$240,000.

So far we're having a very good year.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee held a Unit Owner's Meeting on December 5 with the Committee and one unit owner attending. There was not very much feedback received on the budget. She also reported we are looking to pay off the James loan for funds borrowed to help unit owners who could not pay their direct charge in full. These unit owners will continue to pay the Association, but we have now accumulated enough funds to pay off the loan so you will see a motion tonight to that affect.

Rules Committee

Ms. Mueller reported that the draft is currently being reviewed by Mr. Kristufek. Following his review they will go to the Board and then to the Association attorney, David Sugar. Mr. Beck will draft a letter detailing what changes have been made prior to sending revised rules to the ownership. Discussion was held relative to timing and process. A vote to send to the ownership is anticipated at the February 2018 Board meeting.

Community Activities Committee

Mr. Winter reported that 18 months ago was the first Committee meeting. Since then there have been two rooftop events, two Cubs events, two surveys taken, two Holiday Extravaganzas, and they are about to have their third Canasta meeting. It is a goal to grow the Canasta and Bridge groups with better communication and promotion. Mr. Winter also commented on some additional events proposed for 2018. Discussion ensued regarding activities on the deck at completion, around the pool, or on the Mall.

Corridor Renovation Task Force

Ms. Slattery reported that approval of Kilmer House design and James House design is expected to occur at this meeting. She also reported the Task Force met on November 9 looking at a mock-up of the proposed carpet with proposed lighting and wallpaper. It was found the proposed ceiling lighting did not allow for a change of bulb but required the entire fixture be changed. GDS will be providing recommendations for different ceiling lighting. Patty Culbertson commented that ComEd has a lightbulb program that is first-come-first-served, and could benefit the building.

HOA Report

Mr. Beck reported that CSV HOA is installing the last of the fence, and will be installing the grates soon. Both Mr. Beck and Ms. Culbertson commented on the large amount of salt around the buildings. Mr. Beck also commented on the sidewalk on North Avenue between Clark St. and Sandburg Terrace being covered in ice. Lastly, Mr. Beck reported the CSV HOA budget was approved at the last meeting held November 15.

Website Committee

Ms. Barnes requested input on updating the website and reported that the next Website meeting is scheduled for May 1, 2018. Ms. Mueller suggested posting a request for input from the residents. Discussion ensued regarding professionalism and consistency in the website.

Communications Committee

Mr. Beck requested the Board let Sherie Presta know what a good job she did on formatting the new News Brief. The next News Brief will come out the end of January/early February, and continue to be produced quarterly going forward.

RECESS TO UNIT OWNERS' OPEN FORUM

The meeting was recessed at 8:23 p.m. for the Unit Owners' Open Forum.

RECONVENE TO REGULAR SESSION

The Board reconvened to its Regular Session at 8:27 p.m.

ACTION ITEMS

Approval of HOA Representatives and Alternates

After voting by ballot, 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, by secret ballot vote, hereby appoint the following Representatives and Alternates to the Sandburg Village Homeowners Association Board of Directors for 2018:

Representative #1: David Beck
Representative #2: Jacque Ehrlich
Representative #3: Barbara Fiacchino
Alternate #1: Judy Barnes
Alternate #2: Patty Culbertson

The motion passed unanimously.

Approval of Board Meeting Schedule for 2018

After needed correction was noted, upon motion duly made by Jacque Ehrlich and seconded by David Beck, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the proposed Board of Directors Meeting Schedule for 2018. The motion passed unanimously.

Vote on Adopting Proposed 2018 Budget

Upon motion duly made by Betty Latson and seconded by Barbara Mueller, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby adopt the proposed 2018 Budget, which includes a 3.20% increase in total assessments, defined as operating, capital, and CSV HOA assessments, and which was distributed to ownership November 15, 2017, pursuant to the IL Condominium Act. The motion passed unanimously.

Approval of Carpet Selection for James House Schematic Design Option #1

After discussion, 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, having considered feedback from unit owners and the recommendation of the Corridor Design Task Force, which is based on the unit owner feedback, hereby adopt the recommendations of the Task Force to move forward with the design created by Gooch Design Studio, LLC, based on Scheme 1 for James House. The motion passed unanimously.

Approval of Window Washing Company for 2018

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

BE IT RESOLVED, that the Board of Directors approve Corporate Cleaning Services for 2018 window washing services, in the amount of \$38,840, which includes three (3) washes and one (1) insecticide application, to be paid from Operating Fund GL#6544, Window Washing. The motion passed unanimously.

Ratification of Installation of Replacement Ground Grates in front of Kilmer House

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 ratify the \$6,817 expense incurred to replace corroded grates in front of Kilmer House, to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Proposal from Elara Engineering to Specify a Replacement Chiller

Upon motion duly made by Barbara Mueller and seconded by Nancy Slattery, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve Elara Engineering to design and oversee the installation and testing of replacement chillers, in the amount of \$85,700, to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Proposal for Keri Door Entry System Upgrade

After discussion, 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 approve M&R Electronic Systems to provide and install an upgraded door entry system, in the amount of \$36,485, to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Auditor's Engagement for 2017 Audit and Cost Allocation

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 FSB&W to perform the 2017 audit and prepare the 2017 tax returns in the amount of \$9,700 to be paid from Operating Fund GL#6340 Auditing Fee, and

BE IT RESOLVED that the Board of Directors approve FSB&W to prepare the 2017 cost allocation report, in the amount of \$2,900 to be paid from Operating Fund GL#6350 Professional Fees. The motions passed unanimously.

Approval of Proposal for New Kilmer Freight Cab

Upon motion duly made by David Beck and seconded by Jacque Ehrlich, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve Urban Elevator to provide an upgraded cab to the Kilmer freight elevator, according to Vertex's specification, in the amount of \$38,355 to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Community Specialists' 2018 Corporate Holiday Schedule for JK Management Office

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 approve Community Specialists' corporate holiday schedule for the James/Kilmer Management Office. The motion passed unanimously.

Approval of Remodeling Requests

Upon motion duly made by Nancy Slattery and seconded by Patty Culbertson, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #1102, #1606, #3407, and #316K, 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 to Proceed with Mailing

Upon motion duly made by David Beck and seconded by Jacque Ehrlich, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby authorizes Community Specialists, Inc. to proceed with mailing of a Request for Information, as required by the IL Condominium Act and as written by David Sugar, Association attorney. The motion passed unanimously.

Approval to Pay Off James Loan

Upon motion duly made by Betty Latson and seconded by Nancy Slattery, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby authorizes Community Specialists to pay off the James Loan in full, currently in the amount of \$225,583.70, with proceeds from the James account ending in 8826 with BMO Harris, before the end of 2017. The motion passed unanimously.

NEW BUSINESS

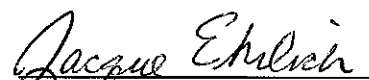
Ms. Barnes reported the deadline for contributing to the Building and Garage Employee Holiday funds is December 20, 2017 with the Employee Holiday Party being held December 22.

Construction Update: 1550 N. Clark – You will see more work related to the demolition toward the end of January when they attack interior remediation and stabilization of the Village Theatre façade. The main task right now is getting various options priced so they can complete a final set of drawings for the construction contract to be executed against. The Sales Center on Wells is finished and a formal launch will be scheduled for February. Appointments are limited to a select small group of people with previously-expressed interest to the project owners.

ADJOURNMENT

There being no further business to come before the Board, David Beck moved that the meeting be adjourned. Judy Barnes adjourned at 9:04 p.m.

Respectfully submitted,


Board Secretary