

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
February 28, 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, February 28, 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 7:10 p.m. A quorum was present in that the following directors were present:

Judy Barnes
David Beck
Patty Culbertson
Jacque Ehrlich
Susan Geffen
Betty Latson
Nancy Slattery
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. Barbara Mueller was not in attendance.

There were no changes to the agenda.

APPROVAL OF MINUTES

Susan Geffen moved that the minutes of the regular Board of Directors meeting held on January 24, 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:

- Time Frame for Replacement of Horizontal Domestic Water Pipes Above 43rd Floor and Above Lobby, if the contract is fully executed by March 10: Start date 3/20, Completion date 5/19 for 43rd floor only; Completion date 7/21 for both 43rd floor and Lobby/2nd floor. The contractors have agreed that these dates are feasible.
- Revised Time Frame for James House Freight Car Modernization Project, if the contract is fully executed by March 15: Start date 7/27, Completion date 11/29.
- J/K Corridors and Kilmer Lobby: Restart/kick-off date for J/K corridors scheduled for a date in March to be determined.
- Window Washing and OSHA Regulations: OSHA regulations require that buildings install a certified roof anchorage system, which James House and Kilmer House do not have, by November 20, 2017, and also require that buildings over 300 feet in height can no longer employ bosun's chairs for window washers but must use a swing stage operation except under certain conditions. Sky Climber and Klein and Hoffman, in conjunction with Pro-Bel, will provide proposals for the

installation of an appropriate roof anchorage system for James House and Kilmer House. Riddiford Roofing will be engaged to shore up the roof and patch it properly after the installation of the roof anchorage system. Additional information will be conveyed to the Board as it becomes available.

- HVAC Preventive Maintenance Program: There are 28 units on the list to be serviced during the period beginning February 28, bringing the total of units serviced or to be serviced to 56 as of February 23.
- Kilmer Air Balancing: Cubic-feet-per-minute air flow is still lower than the system is designed for. Replacing a pulley to provide greater air flow produced too much noise. Management met with Murphy & Miller on February 27, and it was decided to install a second damper in the 2nd floor air duct, which will increase air flow while decreasing noise. Discussion ensued.
- Fitness Room Lighting: Management has signed off on a proposal to use soft-white LED bulbs in the Fitness Room.
- Clearing Main Condensate Drain Lines: Maintenance is working on these with a plumber. The 03, 05-07 and 09 tiers are finished and work is still being done on the 11 tier.
- HOA North Mall Project Phase Plan for Garage Work: The main drive lane is back in service, and BACR has begun removing the membrane on the pool deck in advance of Phase 3. This phase is slightly ahead of schedule.
- Meeting with Door Staff: The meeting is scheduled for March 9, and meetings will be held quarterly this year.
- Potential Gas and Electricity Purchases: Purchase information is included in the Board packet, Management has briefly discussed the pricing with Ms. Latson, and Brad Cesario will be available tomorrow to discuss locking in prices four years out. Currently, gas prices are locked in through 2019, effectively ending in 2020, and electricity prices are locked in through April 2020.

Discussion ensued about replacing the HVAC drip pans in some units. Mr. Warner pointed out that the buildings' windows cannot be washed until the OSHA requirements are met. He stated that the new law went into effect on January 1, 2017, and that November 20 is the date on which buildings will begin to be fined if the proper equipment is not in place. Discussion ensued about the use of various types of window-washing equipment.

TREASURER'S REPORT

Ms. Latson presented the Treasurer's Report for the period ending January 31, 2017, as follows:

For the first month of 2017, the James/Kilmer Association reported revenues of \$484,000.00, which were below budget by \$32,000.00 primarily due to lower-than-budgeted garage net income.

Operating expenses were less than budget by \$21,000.00 due to lower maintenance and administrative costs, partially offset by higher utility expense. As a result, at the end of January 2017, the Association reported operating expenses of \$503,000.00, causing the Association to report a deficit of \$19,000.00 for the month of January 2017.

On the capital side, the Association reported net income of \$102,000.00 in January 2017 as capital reserve income amounted to \$102,000.00 and there were no capital expenditures for the month.

At the end of January 2017, the operating fund cash balance was reported at \$175,509.00, and the capital fund cash balance was reported at \$5,017,798.00. The bank loans have now been reduced to \$398,755.00.

The special reserve balances are at \$400,000.00, so the two bank loans could be eliminated. Discussion ensued about December invoices that were paid in January.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the official Committee membership has been posted on the website, and stated that all Board members are invited to all Finance Committee meetings. She stated that the Committee will meet to review the draft of the 2016 audit in April, and that Marcum plans to begin its work on the audit next week and to finish by the end of March or the beginning of April.

Rules Committee

In Barbara Mueller's absence, Ms. Barnes reported that the Board will meet for working sessions on the rules on Monday and Tuesday, March 6 and 7. She urged the Board members to review the rules before attending the working sessions, noting that the focus of the sessions will be on content.

HOA Report

Mr. Beck stated that the next HOA Board meeting is scheduled for March 29.

Community Activities Committee

Mr. Winter reported that the Committee met on February 27, with a total attendance of 12, that meeting dates – usually the evening before a Board meeting – will be posted in future, and that all interested J/K residents are welcome to attend. He stated that the Committee will shortly begin to form common-interest groups, that he plans to consult with Mr. Kristufek and Mr. Warner, and that the next hosted event will be to meet in the Hospitality Room to watch the first Chicago Cubs regular season game against the St. Louis Cardinals on April 2. Mr. Winter added that the Committee intends to host two Association-funded events each year, and that it also plans to host activities to benefit Ronald McDonald House and the Greater Chicago Food Depository. He referred to an event to be sponsored in April by Wintrust Bank about Internet security. Ms. Barnes mentioned a Wintrust-sponsored event promoting home safety, and Mr. Winter stated that he intends to publicize the Wintrust events.

Website Committee

Ms. Barnes reported that the Committee will meet in April when Webmaster Ron Miller returns to Chicago.

Hallway Renovation Task Force

Ms. Slattery stated that the Task Force will be reassembled and will meet with designer Wendell Gooch on March 27 or 29 to begin the hallway renovation design phase.

DISCUSSION ITEM: The Role of the Newsletter Within the Context of Overall Building Communications: Newsletter, E-Blasts, Postings, Website

Ms. Geffen reported that she met with Ms. Barnes, Mr. Kristufek and Mr. Warner to discuss the Association's various communication vehicles and their mission. She stated that their discussion focused on the newsletter: whether it should continue as is; be shorter, like a bulletin, but be published more frequently; or be more like some other association newsletters, which tend to be more compact and more frequently published but with less human interest material and more information that residents need. Ms. Geffen noted that if the J/K newsletter were smaller, it would contain less in the way of committee, engineer and garage manager reports. She stated that the group discussed a

possible survey to help determine what residents want in the newsletter, and also discussed whether the newsletter was even necessary, given that information is also conveyed to residents by way of Management Office e-blasts, postings in various places in the buildings, and the website. Discussion ensued about various directions that the newsletter could take and the information that it could convey, during which the Board agreed that a resident survey would be helpful in guiding decisions about the newsletter. Further discussion ensued about the Association's website and about the Community Specialists website.

RECESS TO UNIT OWNERS' OPEN FORUM

The meeting was recessed at 7.57 p.m. for the Unit Owners' Open Forum.

RECONVENE TO REGULAR SESSION

The Board reconvened to its Regular Session at 8:10 p.m.

ACTION ITEMS

Approval of New Heat Exchanger for Low Plumbing Zone

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 approve the proposal submitted by AMS Mechanical Systems, Inc., on February 3, 2017, to supply and install a new domestic water heat exchanger which will serve the low plumbing zone, in the amount of \$77,836.00, to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Contractors to Replace Horizontal Domestic Water Pipes

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 engaging LS Contracting Group, Inc., to act as General Contractor, and AMS Mechanical Systems, Inc., to act as Plumbing Contractor, for replacement of the horizontal domestic water piping above the 43rd floor and the lobby, in the amount of \$452,332.00, including a 15% contingency, to be paid from the Reserve Fund. After discussion, the motion passed unanimously.

Approval of Freight Elevator Floor Replacement

Upon motion duly made by Susan Geffen and seconded by Patty Culbertson, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the proposal submitted by Urban Elevator Service, LLC, on January 25, 2017, to supply and install new diamond plate flooring in freight elevator cars #4 and #5 as part of the freight elevator modernization project, in the amount of \$9,910.00, to be paid from the Reserve Fund. The motion passed unanimously.

Approval of Electrical Switchgear Room Ventilation Upgrades

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 a not-to-exceed amount of \$17,550.00 to install a fire-rated ventilation system in the basement electrical switchgear room, as required by the City of Chicago, to be paid from Operating Account GL#6489, Fire Protection. The motion passed unanimously.

Approval of Remodeling Requests

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

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #1611, #2004, #2111, #2303, #3009, and #615K, 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. After discussion, the motion passed unanimously.

NEW BUSINESS

Mr. Kristufek stated that the use of dry ice to kill rats has been reported to be effective. Mr. Beck advised checking with the 2nd Ward Alderman's office to ensure that there are no environmental problems arising from the use of dry ice. He also responded to the suggestion of using stainless steel mesh below the topsoil in the landscaped areas to discourage burrowing by stating that doing so would require uprooting landscaping, and that the landscaped areas are HOA's responsibility. Discussion ensued about problems with rats and about using feral cats or rat birth control measures.

Ms. Barnes announced that some streets in the area will be closed periodically by a film crew between 9:00 a.m. and 2:00 p.m. on March 1. She announced that free paper shredding service will be offered between 9:00 a.m. and 12:00 noon on April 22 at 1245 North State Parkway. Ms. Barnes also announced that Wintrust bank will offer a free safety seminar conducted by the Chicago Police Department at 5:30 p.m. on March 15.

RECESS TO EXECUTIVE SESSION

Upon motion duly made by David Beck and seconded by Susan Geffen, the meeting was recessed to Executive Session at 8:35 p.m.

RECONVENE TO OPEN SESSION

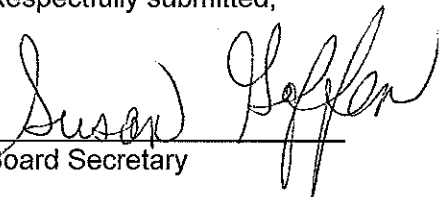
The meeting was reconvened to Open Session at 9:00 p.m. **Upon motion duly made by David Beck and seconded by Susan Geffen, the following resolution was made:**

BE IT RESOLVED, that the Board of Directors approve fining the unit owner discussed in Executive Session in the amount of \$150.00, and further that, pending legal review, the Board require the owner to fire-caulk all openings including plumbing and electrical openings that are adjacent to other units. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Patty Culbertson and seconded by Jacque Ehrlich, the meeting was adjourned at 9:15 p.m.

Respectfully submitted,


Board Secretary