

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
June 27, 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, May 23, 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 7:11 p.m. A quorum was present in that the following directors were present:

Judy Barnes
Patty Culbertson
Jacque Ehrlich
Susan Geffen
Betty Latson
Barbara Mueller
Nancy Slattery

Also present were Thomas Kristufek, Property Manager, and Andy Warner, Property Supervisor, of Community Specialists, Inc. Barbara A. Roberts acted as Recording Secretary. David Beck and Bill Winter were 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 May 23, 2017, be approved as presented. Patty Culbertson seconded the motion. After discussion, Susan Geffen moved that the minutes of the regular Board of Directors meeting held on May 23, 2017, be approved as amended. Patty Culbertson seconded the motion, and it passed unanimously.

MANAGEMENT REPORT

Mr. Kristufek presented the Management Report, as follows:

- Horizontal Domestic Pipe Replacement Project: Plumbing work is now taking place north of the laundry room and is on schedule for completion around July 24. There will be one more water shut-down scheduled for July 12. Ceiling insulation is being installed above the 43rd floor. The installation is expected to be completed by June 29 or June 30, after which the ceiling openings will be closed.
- Freight Elevator Modernization Project: The project has begun and is expected to be substantially completed by mid-September. The number 4 freight elevator car will be taken out of service on June 28.
- J/K Corridor Renovation: On June 21, the Hallway Renovation Task Force reviewed the schematic designs for both buildings. Displaying the design boards was postponed until after the Task Force met with Gooch Design Studio designers on June 25 to better understand what the design boards represent.
- HVAC Filter Changes: Maintenance completed changing the filters on June 1.
- Cooling Tower Maintenance: Minor work was performed.

- Boiler Preventive Maintenance: Boiler #2 will be shut down for annual preventive maintenance following the last water shut-down.
- Roof Anchorage System: The roof anchors on the Kilmer House roof are scheduled to be tested and certified on June 28. James House roof anchor installation is scheduled to begin on July 5. Window washing is scheduled for the last week in July, after the roof anchors are installed on James House and before the Air & Water Show.
- Proposed Restoration of Lobby Travertine Walls: Management is reviewing two proposals and will have a recommendation for the Board before its July meeting. The work is expected to be performed in late August and will consist of cleaning and polishing the travertine and making repairs as needed. Discussion ensued about the wall in the door staff area, including the installation of a fire panel, and about other matters.
- Sidewalk Repairs: Minor repairs were made to portions of the sidewalk in front of Kilmer House on June 21. Discussion ensued.
- HOA North Mall Renovation Project, Phase 6: Bulley & Andrews expects to complete the ADA-compliant ramp around July 24, after which the stairs at Germania Place will receive a membrane coating. The scope of work was expanded to include repair of an expansion joint to stop leakage into the basement entrance of James House. The Board agreed that HOA should be informed about BACR's responsibility to monitor the job site on Fridays and Mondays to ensure that it is kept clean and secure, that fencing and other barriers are in good condition and that construction materials are stored appropriately. Further discussion ensued about the basement entrance to the garage.
- Rules: Association attorney David Sugar expects to complete his review of the proposed rules this week, and recommends that he review the rules again after corrections are made.
- Garage and Building Security: Following the attempted car theft on May 14, Standard Parking Senior Manager Eddie Main has suggested a number of security measures, most of which Management recommends implementing. Discussion ensued about Mr. Main's suggestions, and Management will discuss the Board's comments with him.

Mr. Warner reported that Community Specialists has added a new account to its portfolio, Plaza 440 at 440 North Wabash Avenue, and that Christine Friend will be the property supervisor on the account.

TREASURER'S REPORT

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

For the month of May 2017, the Association reported a surplus of revenues over expenses of \$17,000.00. Lower utility costs were the main reason for the May surplus, which slightly reduced the year-to-date operating deficit.

Looking at the year-to-date results, the Association reported revenues of \$2,635,000.00, which were \$56,000.00 over budget as a result of higher HVAC preventive maintenance revenue. Operating expenses were \$2,762,000.00, and were also \$164,000.00 over budget due to higher HVAC preventive maintenance costs, garage repairs, and gas expense. As a result, at the end of May 2017, the Association reported a year-to-date operating deficit of \$127,000.00. Once the audit is finalized, it is expected that the year-end audit adjustments will reduce some of the interim 2017 deficit.

On the capital side, the Association reported a year-to-date surplus of \$80,000.00 as the capital reserve revenue through May amounted to \$490,000.00 while capital expenditures were \$410,000.00. Year-to-date capital expenditures included elevator modernization, heat exchanger and pipe replacement costs, as well as minor costs related to the Hallway Renovation Project.

At the end of May 2017, the operating fund cash balance, including garage cash, was reported at \$156,090.00 and the capital fund cash balance, excluding direct-charge funds, was reported at \$4,701,947.00. The bank loans were reduced to \$341,931.00.

COMMITTEE AND TASK FORCE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee held its first meeting on June 22 to review the first draft of the 2016 audit and the draft 2016 cost allocation study. She stated that some further changes will be made before these reports are presented to the Board for its approval to finalize and distribute. Ms. Latson added that the next Finance Committee meeting will likely take place with the review of the 2018 budget later this summer.

Community Activities Committee

In the absence of the Committee Chair, Ms. Barnes reported that the James/Kilmer Summer Fest, including a barbecue, will be held on Friday, July 21, and that details will be forthcoming.

Rules Committee

Ms. Mueller reported that Association attorney David Sugar has conveyed his corrections to the Rules draft and will review the draft again once his corrections are incorporated, after which the draft will be presented to the Board for its approval, and then distributed to unit owners. Discussion ensued about the procedure to be followed.

HOA Report

HOA Board Representative Marcie Johnson reported that the HOA Board does not meet in June. Ms. Mueller mentioned the proliferation of rats on the property. Ms. Johnson responded that HOA is aware of the problem and is dealing with it as well as possible. Discussion ensued about possible ways of dealing with the increased rat population, and Mr. Kristufek stated that he will meet with HOA Property Manager Melissa Goodwin to discuss the situation.

Hallway Renovation Task Force

Ms. Slattery reported that the Task Force met on June 21 to review the schematic design presentation boards for each building. She stated that Task Force members will act as docents when the presentation boards are displayed, and that a questionnaire will be provided for residents to express their opinions of the designs. Ms. Slattery added that the Task Force met with Karen Stowell of Gooch Design Studios on June 25 and that a communication piece is being created that will be given to all of the Task Force members acting as docents, as well as a communication piece that will be disseminated to unit owners. She stated that the design boards will be on display for 10 to 12 days. Mr. Kristufek clarified with Ms. Slattery the procedure that will be followed with regard to the design displays and the survey forms. Discussion ensued.

Communications Committee

Ms. Geffen reported that the August issue of the newsletter will launch a new tighter, smaller format, concentrating on news, and that this will be an experiment to determine the efficacy of a more telegraphic form of the newsletter. She stated that there will be an update meeting on June 28 with Mr. Kristufek and Ms. Barnes, and that residents' opinions about the new format will be sought. Ms. Geffen then reported on the Committee's communications consistency campaign, stating that there are some residents with marketing or branding and design backgrounds interested in contributing to this effort, including Ms. Slattery, who will assist with the project. She stated that the goal of this effort is to develop communications media – including the newsletter, letterhead, signage, postings and the website – with a similar appearance and “feel,” conveying the spirit of the community and improving its image as a valuable property. Ms. Geffen reported that three designers have been approached to provide proposals to the Board, and that if the Board agrees, funds for the design effort can be included in next year's budget. Ms. Slattery noted that James/Kilmer is part of Sandburg Village and that this should be reflected in the look and feel of the Association's communications.

Website Committee

Ms. Barnes remarked that the website format and ways to navigate the website need to be improved. Ms. Slattery commented on Community Specialists' website, remarking on its simple, clean, easy-to-navigate format. Mr. Warner stated that Jim Friedrichsen, Community Specialists' Director of Administration and Information Technology, would be available to advise the Website Committee. He also reported on new software that Community Specialists is using. The Board discussed limiting various areas of the website to different types of community members – renters versus owners, for example – with Mr. Kristufek noting that an open format places less administrative burden on the Management staff, and Mr. Warner mentioned a free documents website used by Community Specialists, Homewise Docs, which unit owners can use to request documents. Further discussion ensued about improving the Association's website.

Rental Task Force

Ms. Barnes reported that John Zissis has informed her that currently, 28% of the Association's units are rented, down from 181 units to 173 units.

CAPS

Ms. Mueller commented that Jay Owens, the Association's CAPS representative, is not able to attend beat meetings very frequently and suggested that one or more representatives who could be more actively involved should be sought. Ms. Barnes agreed, particularly in light of increased crime in the area. Ms. Slattery suggested posting a notice asking for volunteers to attend the CAPS beat meetings, and Ms. Barnes stated that she will discuss the situation with Mr. Owens. Mr. Warner mentioned a presentation about safety, security and crime in the area at a recent meeting of S.O.A.R. – the Streeterville Organization of Active Residents – that he found very impressive and informative, noting that the speakers included a member of the FBI, and that 2nd Ward Alderman Brian Hopkins, a high-level police official and a member of Northwestern's security team attended as well. He provided some examples of safety advice given at the meeting. Ms. Mueller offered a tip mentioned at a women's self-defense meeting presented by Illinois State Representative Sara Feigenholtz that she and Ms. Barnes attended. Mr. Warner suggested that HOA be approached about sponsoring a safety meeting.

RECESS TO UNIT OWNERS' OPEN FORUM

The meeting was recessed at 8:30 p.m. to the Unit Owners' Open Forum.

RECONVENE TO REGULAR SESSION

The meeting was reconvened to Regular Session at 8:37 p.m.

ACTION ITEMS

Approval of 2016 Audited Financial Statements

Ms. Latson reported that the statements are not yet available, so this action item was tabled. Ms. Latson stated that the statements will be available for the July meeting.

Approval of Workers Compensation Insurance Renewal

Upon motion duly made by Jacque Ehrlich and seconded by Nancy Slattery, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve renewal of the Community Specialists' Workers Compensation Master Policy for the period July 2017 through June 2018, in the amount of \$30,975.00, to be paid from Operating Fund GL#6807, Workers Compensation Insurance. The motion passed unanimously.

Approval of SP Plus Garage Management Renewal Agreement

Mr. Kristufek explained the two renewal options offered by SP Plus, formerly Standard Parking. After discussion, upon motion duly made by Barbara Mueller and seconded by Susan Geffen, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the five-year renewal agreement, Third Amendment of Parking Facility Management Agreement, with SP Plus Corporation, in the amount of \$21,855.00 per year. The motion passed unanimously.

Approval of Garage Pedestrian Door Proximity Card Reader

Upon motion duly made by Jacque Ehrlich and seconded by Patty Culbertson, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Titan Security Group on June 14, 2017, to supply and install a proximity card reader for the garage pedestrian door, including applicable door hardware and doorbell, in the amount of \$7,975.47, to be paid from Operating Account GL#6478, Security Equipment. After discussion, the resolution was tabled.

Several Board members agreed to attend a working session with the garage Senior Manager Eddie Main at 6:00 p.m. on July 11, 2017, to discuss the use of the card reader as well as other garage security issues previously raised by Mr. Main.

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 #411J, #1707, #2104, #403K, #511K, 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.

There was a brief discussion about adjusting the move-in schedule during the period that the number 4 freight elevator will be out of service.

NEW BUSINESS

Ms. Barnes announced that Illinois 12th District State Representative Sara Feigenholtz will speak to the Board and unit owners starting at 6:30 p.m. before the Board's August meeting.

Ms. Barnes reported that she sent an email to Tom Arnold, Project Manager of 1550 North Clark, and to Lee Golub about James/Kilmer residents' wishes concerning the Germania Place median, and stated that they are still discussing a number of other green areas on that property. She also announced that Elly's will close at the end of August and that demolition of the restaurant is scheduled to begin in September. Ms. Barnes further stated that at some point, the Board will arrange a meeting with the new developer of the property.

ADJOURNMENT

There being no further business to be brought before the Board, the meeting was adjourned at 9:12 p.m.

Respectfully submitted,


Board Secretary