

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
January 23, 2018**

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, January 23, 2018, 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 8:28 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. Barbara A. Roberts acted as Recording Secretary.

There were no changes to the agenda.

APPROVAL OF MINUTES

Jacque Ehrlich moved that the minutes of the regular Board of Directors meeting held on December 12, 2017, be approved as presented. David Beck seconded the motion, and it passed unanimously.

MANAGEMENT REPORT

Mr. Kristufek presented a summary of the Management Report, as follows:

- Kilmer Freight Elevator Cab Upgrade: There is approximately a 12-week lead time for materials, and Urban Elevator expects that the work will begin in April and take four days to complete.
- Door Entry Fob System Upgrade: M&R Electronics has received the needed equipment and has scheduled the upgrade to begin on February 7, with completion by February 9.
- Chiller Engineering: Elara Engineering has begun drafting the specifications for a new chiller system. They will be fine-tuned once Elara takes readings and measures capacity when the buildings are in cooling mode later this year. It is anticipated that the project will be bid out to qualified contractors by the end of the summer or early in the fall.
- Corridor Renovation Project: Gooch Design Studio will provide some samples of carpeting that look like the approved carpet sample, but are from two other manufacturers that have a greater presence in Chicago. The samples are expected shortly, and the Task Force will need to meet to look at the samples.

- Façade Inspection and Repairs: A proposal from Klein and Hoffman for the 2018 ongoing façade inspection is included on this meeting's agenda as an action item. Klein and Hoffman will perform a close-up inspection on each of the four elevations this year, including in the vicinity of water infiltration reported last fall.
- Garage Painting and James House Receiving Room Floor Tile Replacement: Management will obtain proposals for these two projects for Board approval at either the March or the April Board meeting. The garage would need to be painted during the summer.
- Common Area Plumbing Repairs and Improvements, December-January: There are a number of leaks that Management has reported to the Board.
- 2018-2020 Triennial Tax Period Representation: At the February Board meeting, Management will present additional proposals, besides the proposal from Worssek and Vihon included in the current Board package, for contingency fee agreements from tax law firms to represent the Association for the 2018-2020 triennial tax period. It is anticipated that the Cook County Assessor's Office will begin the reassessment process as early as this coming spring, with notices for the North Township properties to be distributed in August or September.
- Audit Engagement: Representatives from FSB&W, the Association's auditors, will be on site on February 21, and have already been provided with much of the information that they have requested.

Discussion ensued about solicitations by additional tax law firms, replacement at no cost to the Association of an elevator relay that failed, the new garage fob entry system, and the recent blower failure at Kilmer House caused by the electrical panel sensing a voltage surge.

Mr. Warner reported that Community Specialists is in the process of revamping its informational computer system to integrate all existing informational systems. He also stated that a letter from 2nd Ward Alderman Brian Hopkins may result in the Chicago ordinance regarding self-reported owner information taking precedence over the requirements of the January 2018 amendment to Section 19 of the Illinois Condominium Property Act.

TREASURER'S REPORT

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

For the month of December 2017, the James/Kilmer Association reported a deficit of expenses over revenue of \$21,011.00, primarily the result of unexpected plumbing repairs and also the delayed window washing that was completed in December.

For the year, the Association reported a full year surplus before the auditors' year-end adjustments. Total 2017 revenues were reported at \$6,334,000.00, which was \$145,000.00 over budget. Specifically, HVAC preventive maintenance revenue was over budget by \$213,000.00, but was offset by garage net revenue, which was under budget by \$62,000.00.

Year-to-date operating expenses were \$6,224,000.00, and were \$33,000.00 under budget, driven primarily by lower utility and payroll costs that more than offset higher HVAC preventive maintenance costs – an expense category reimbursed by residents – and garage repairs. Utilities were under budget by \$102,000.00 and payroll was under budget by \$69,000.00, while HVAC preventive maintenance expense was \$190,000.00

over budget and garage repairs were \$24,000.00 over budget. As a result, at the end of December 2017, the Association reported a year-to-date operating surplus of \$110,000.00, while also replenishing its operating reserves.

On the capital side, James/Kilmer reported a year-to-date deficit of \$260,000.00, as the capital reserve revenue through December amounted to \$1,168,000.00 while capital expenditures were \$1,427,000.00. The most significant 2017 capital expenditures include elevator modernization costs, heat exchanger costs, pipe replacement costs, the davits and tie offs, travertine wall repairs, and costs related to the corridor project.

At the end of December 2017, the Association's operating fund cash balance excluding garage cash was reported at \$321,131.00, and the capital fund cash balance excluding direct charge funds was reported at \$4,458,211.00. The remaining James House bank loan balance was paid off from James House unit owner direct charge proceeds at the end of December 2017.

COMMITTEE AND TASK FORCE REPORTS

Finance Committee Report

Ms. Latson stated that the Finance Committee will not meet until the draft audit is complete.

Community Activities Committee

Bill Winter reported that the group plans to hold a canasta get-together every Wednesday at 1:30 p.m. He stated that future plans include continuing canasta, adding one or two evening groups to play bridge or mah jongg, scheduling speakers to make presentations, and sponsoring community gatherings at least twice a year.

Rules Committee

Ms. Mueller reported that the Committee met last week, and that the final rule review session will take place on Wednesday, February 7, at 6:00 p.m.

Communications Committee

Mr. Beck reported that he plans to publish the next issue of the news brief during the last week in February, and that in a week or two he will solicit contributions from Board members.

Corridor Design Task Force

Ms. Slattery reported that the Task Force will meet on a date to be determined once Gooch Design Studio makes available new lighting fixtures, door hardware and another carpet sample. She stated that work on the bid documents has begun, and that the group hopes to begin the corridor renovation in August 2018. In response to questions from Ms. Latson and Mr. Beck, Mr. Kristufek stated that the AIA contract document will include all of the costs associated with the project.

HOA Report

Mr. Beck stated that the next HOA Board meeting will take place on Wednesday, January 24, in HOA's Alcott Hospitality Room, and that he has asked the HOA Property Manager to ensure that the Germania Place fountain will be repainted and functioning by spring.

Website Committee

Ms. Barnes reported that there will be a working session on Thursday, January 25, to discuss information technology matters. She added that there will be a meeting of the Committee in May, when Webmaster Ron Miller returns.

RECESS TO UNIT OWNERS' OPEN FORUM

The meeting was recessed at 8:52 p.m. for the Unit Owners' Open Forum.

RECONVENE TO REGULAR SESSION

There being no comments or questions from unit owners present, the meeting was reconvened to Open Session at 8:53 p.m.

ACTION ITEMS

Approval of an Allowance for Contractor Costs and Structural Engineering Services

Upon motion duly made by David Beck and seconded by Barbara Mueller, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve a total allowance of \$40,575.00 for anticipated contractor costs for rigging and miscellaneous concrete repairs on James House, and for engineering fees for Klein and Hoffman to perform the City-mandated ongoing façade examination as well as for leak investigations, repair specifications and oversight. The motion passed unanimously.

Approval of Remodeling Requests

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

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #1708, #2710 and #202K, 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, with Jacque Ehrlich abstaining.

Mr. Kristufek reported that the contractor's estimate for the pipe replacement above the lobby and in the laundry room is approximately \$13,780.00. After discussion, **upon motion duly made by David Beck and seconded by Bill Winter, the following resolution was made:**

BE IT RESOLVED, that the Board authorize payment to AMS Mechanical Systems, Inc., for main kitchen drain pipe repairs, in an amount not to exceed \$15,000.00. The motion passed unanimously.

NEW BUSINESS

Ms. Barnes reported on the 1550 North Clark development, stating that the Village Theater marquee has been removed and a mat slab will be poured in the enclosed sidewalk area to stabilize the theater façade, which will eventually be the pedestrian entrance to the new building. She stated that asbestos abatement measures in the theater began during the week of January 15, that the balance of the job site will continue to take shape in February, that full building demolition is scheduled to begin around March 7, that the project will take over the North Avenue sidewalk and safe access will be provided for pedestrians, and that a portion of Sandburg Terrace will be fenced off. Ms. Barnes added that ComEd will be on site beginning on January 23 to move the electrical supply lines to the west side of Sandburg Terrace, expecting to complete that work by February 15, with no interruption of power to James House or Kilmer House. Ms. Mueller and Mr. Warner stated that several local magazines have published articles about the development.

Mr. Kaminsky provided details about the development, including unit sizes, number of units and parking spaces, unit pricing and amenities. He stated that the building site is expected to be leveled by April, and that occupancy is scheduled to begin in December 2019, adding that two units have been sold so far, and that the development is being marketed by @Properties.

RECESS TO EXECUTIVE SESSION

The meeting was recessed to Executive Session at 9:05 p.m.

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 9:39 p.m. After discussion, **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 authorize Management to take the necessary action with regard to a pet behavior issue raised by a unit owner, as discussed in Executive Session. The motion passed unanimously.

ADJOURNMENT

There being no further business to bring before the Board, upon motion duly made by David Beck and seconded by Jacque Ehrlich, the meeting was adjourned at 9:50 p.m.

Respectfully submitted,


Board Secretary