

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
June 26, 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, June 26, 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 7:19 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 May 22, 2018, be approved as presented. David Beck seconded the motion, and it passed unanimously.

MANAGEMENT REPORT

Mr. Kristufek presented the Management Report, as follows:

- Door Staff Meeting: Management met with the door staff on June 14 to review reports, fobs, unit keys and permissions to enter.
- Chiller Engineering: Elara Engineering took readings over the past hot weekend to assist with the specifications for the new chillers.
- Corridor Renovation Project: A pre-mock-up meeting was held with Wendell Gooch and Oliver Aguilar of Gooch Design Studio and a representative from Leopardo on June 25 to finalize details of the mock-ups to be constructed on the second floor of Kilmer House and the 31st floor of James House beginning on July 9.
- Façade Inspection, Leak Investigations and Concrete and Repairs: Klein and Hoffman have completed repairs to unit 3301 and have proceeded to combine leak investigations with the ongoing façade inspections on the south and west elevations. Funds for repairs were approved, the contractor has applied for a permit, and the Board is being asked to approve an allowance for

additional repairs as an action item at this evening's meeting. Discussion ensued about repairs and about the Critical Façade Examination scheduled to take place in 2020. A façade repair projection will be requested from Klein and Hoffman.

- Garage Painting Project: Ascher Brothers has completed painting most of the garage, and the G1 and G2 ramp will be power-washed on June 27 so that area can be painted. Management has requested a change order from Ascher Brothers pertaining to the bathroom and the southwest stairwell. Discussion ensued about painting the ramp at the entrance area.
- Semiannual Infrared Survey of Electrical Distribution. The technician from Thermographic noted the improvements made to the chiller room switchboard and the new ventilation system.
- Standpipe Repair: Management is awaiting scheduling of this repair for a proposed amount of \$17,545.00. The Board approved \$20,000.00 for the repairs.
- Window Washing: This is scheduled to begin on July 23.
- Laundry Room Plumbing Repairs: Repairs to the James House laundry room drain vent lines were performed on July 19 in the amount of \$3,852.00.
- 43rd Floor Ceiling: The cracks in the 43rd floor ceiling were repaired by LS Contracting, and were probably the result of normal building movement. If cracks occur in the winter, it is a thermal problem.
- 2017 Audit and Cost Allocation Report: The audit being performed by FSB&W will be ready soon.

Mr. Warner remarked on the extremely clean condition of the buildings, more than has previously been the case. Discussion ensued.

TREASURER'S REPORT

Ms. Latson presented the Treasurer's Report for the period ending May 31, 2018, as follows:

For the month of May 2018, the J/K Association reported a surplus of \$126,000.00 related to the collection of unit owner charges for previously expensed HVAC filter changes as well as to higher garage net income.

For the period ending May 31, 2018, total year to date revenue was reported at \$2,647,000.00, which was \$12,000.00 over budget largely due to higher garage income.

Year-to-date operating expenses were \$2,521,000.00 and were under budget by \$144,000.00. Expenses were under budget in all areas. As a result, the Association reported a \$126,000.00 year-to-date operating surplus through May 2018.

On the capital side, the Association reported a year-to-date deficit of \$40,000.00 as the capital reserve revenue through May amounted to \$522,000.00 while capital expenditures were \$562,000.00, related largely to the corridor project and also to the Kilmer House elevator cab project and the security system upgrade.

At the end of May, 2018, the operating fund cash balance, excluding garage cash, was reported at \$484,096.00, and the capital fund cash balance, excluding direct charge funds, was reported at \$4,448,514.00.

COMMITTEE AND TASK FORCE REPORTS

Finance Committee

Ms. Latson reported that there have been no Finance Committee meetings since the April 26 meeting, which was scheduled to review the 2017 audit with the J/K auditors. She stated that the Finance Committee's next task will be to review the Association's 30-year cash flow projections and capital expenditure plans and that she anticipates setting a mid-August date for the next Finance Committee meeting. Additional updates that Ms. Latson reported included the following:

- Brad Cesario, J/K's contact for utility price hedging, has recommended that the Association look into extending the rate locks for both electricity and gas. Mr. Cesario has been asked to present the Association with pricing for the Board to consider for locking in utility costs for several additional future years. The Association is locked in for 2018, 2019 and part of 2020.
- The Finance Committee will begin discussing plans for the limited common element direct charge for refurbishing James/Kilmer unit owners' hallway doors. The Committee is waiting for pricing and door options to be finalized before beginning the planning. It is anticipated that there will be a direct charge once firmer figures for this project are presented to the Association.
- The 2017 Audit, Cost Allocation Study, and Investment Tax Basis letter have been completed. The package of financials will be ready to mail to unit owners shortly.
- The Association received notice that the final calculation for the Association's payment for the withdrawal liability related to leaving the doorman and receiving room pension plan has been finalized, and the Association will be receiving a refund in the amount of \$53,214.03.

Community Activities Committee

Bill Winter thanked the Board for the freedom to plan and conduct Committee activities in the manner that he prefers. He reported on recent activities such as the get-together on Friday, June 22, and the excursion to Second City, and mentioned that the canasta games might be moved to a new day and time. Discussion ensued about how Committee activities are conducted, learning how other associations handle their community activities, the event-based nature of the Committee, whether to revise the previous activities committee's mission statement, and the role of a social director for community events. Ms. Barnes suggested soliciting emails from residents for their thoughts about possible activities.

Communications Committee

Mr. Beck reported that the next news brief will be published at the end of August or the beginning of September.

HOA Report

Mr. Beck reported that the next HOA Board meeting will take place on Wednesday, July 25.

Corridor Renovation Task Force

Ms. Slattery stated that the mock-ups will be created on half of the 2nd floor of Kilmer House and on all of the 31st floor of James House, will remain in place for one and a half weeks following July 9, and that if everyone approves of the mock-ups, the project will move forward beginning on August 20, after the Air and Water Show. She added that charts will be displayed in the lobbies indicating which floors are being worked on. In response to a question about staining both sides of unit doors, Ms. Slattery stated that unit owners can have the insides of their doors stained at their own expense and after work on their floor is complete. Discussion ensued about keypad lock systems, including offering them as an option to owners who do not currently have one. Mr. Kristufek agreed to obtain pricing for keypads.

Website Committee

Ms. Barnes reported that she, Ms. Culbertson, Ms. Slattery and Mr. Winter plan to work on the website with Jim Friedrichsen, Community Specialists' Director of Administration and Information Technology.

Ms. Slattery reported that she and Susan Geffen will meet with designers who have submitted proposals for the Association's branding.

DISCUSSION ITEM

Proposed Rules and Remodeling Guidelines

Ms. Mueller reported on feedback from the unit owner meeting held to discuss the proposed Rules and Remodeling Guidelines, specifically with regard to suggested changes to the rules about lights and portable heaters on balconies, door decorations, Management entry into units in emergencies, parking in the driveway at the east entrance, the correct type of lease for an owner to use who is renting out a unit, engaging staff members to perform side jobs outside of their work hours, and door staff hours. Mr. Beck suggested that the document be entitled "Rules and Procedures." Ms. Mueller stated that she would incorporate the changes agreed to by the Board, and it was noted that the revised document must be sent to unit owners and that another unit owner meeting regarding the document should be held before the Board vote to approve the proposed Rules and Remodeling Guidelines.

RECESS TO UNIT OWNERS' OPEN FORUM

The meeting was recessed at 8:54 p.m. for the Unit Owners' Open Forum.

RECONVENE TO REGULAR SESSION

The meeting was reconvened to Regular Session at 9:05 p.m.

ACTION ITEMS

Approval of Workers Compensation Insurance Renewal

Upon motion duly made by David Beck and seconded by Betty Latson, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the Community Specialists' Workers Compensation Master Policy for the period of July 2018 through June 2019, in the amount of \$29,591.48, to be paid from Operating Fund GLL#6807, Workers Compensation Insurance.

The motion passed unanimously.

Approval of Additional Allowance for Façade Repairs

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

BE IT RESOLVED, that the Board of Directors approve an additional allowance in the amount of \$80,000.00 for anticipated repairs to the James House façade, to be paid from the Reserve Fund.

The motion passed unanimously.

Approval of Remodeling Requests

Upon motion duly made by Jacque Ehrlich and seconded by Bruce Kaminsky, the following resolution was made:

BE IT RESOLVED, that the Board of Directors hereby approve the remodeling of units #306K, #411K, #515J and #2612, 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. Ehrlich noted that only one of the Kilmer House west side patio doors needing repairs has been repaired. Mr. Kristufek responded that other owners have committed to making repairs, but that new pricing is needed from Stanley Decorating, upon receipt of which he will update the Board.

RECESS TO EXECUTIVE SESSION

Upon motion duly made by David Beck, seconded by Jacque Ehrlich and unanimously approved, the meeting was recessed to Executive Session at 9:10 p.m.

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 9:50 p.m. 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 hereby approve taking no further action with regard to matters considered during a hearing in Executive Session.

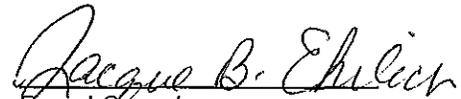
The motion passed unanimously.

The Board further recommended that the two unit owners contact each other to avoid further confrontations.

ADJOURNMENT

Upon motion duly made by David Beck, seconded by Barbara Mueller and unanimously approved, the meeting was adjourned at 9:55 p.m.

Respectfully submitted,


Board Secretary