

Fifth Draft
JAMES/KILMER CONDOMINIUM ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
DECEMBER 6, 2011

At the Regular Meeting of the Board of Directors of the James/Kilmer Condominium Association, held on Tuesday, December 6, 2011, in the Hospitality Room at 1560 N. Sandberg Terrace, Chicago, Illinois, at 7:00 P.M., the following Directors were present:

Frances Andrews
Judy Barnes
David Beck
Barbara Fiacchino
Barbara Grodzins

Betty Latson
Tom Meyers
Dorsey Ruley
Nancy Slattery

Also present: Richard Vicens, Property Manager, Draper & Kramer, Jim Losik, Property Supervisor, Draper & Kramer and Sharyl Lenhard, Recording Secretary.

I. CALL TO ORDER

Judy Barnes called the Meeting order at 7:10 P.M. following the Executive Session reporting there was a quorum. One additional item was added to the Agenda, the HOA Budget.

II. ELECTION AND APPROVAL OF OFFICERS FOR 2012

- A. David Beck moved to approve the following slate of Officers: President, Nancy Slattery, Vice President, David Beck Treasurer, Betty Latson, and Secretary, Dorsey Ruley. Seconded by Tom Meyers.**

Barbara Grodzins nominated Judy Barnes for President. David Beck responded that there was a motion/slate of Officers made and seconded. If that fails, nominations can be made per "Robert's Rules".

Vote was taken on the motion and it was approved with Frances Andrews, Barbara Grodzinis and Barbara Fiacchino opposed and Judy Barnes abstaining.

"Be it resolved that the Board of Directors of the James/ Kilmer Condominium Association ratifies the approval of the Slate of Officers as President, Nancy Slattery, Vice President, David Beck Treasurer, Betty Latson, and Secretary, Dorsey Ruley."

Nancy Slattery took over as Chair of the Meeting.

III. PROJECTS UPDATE – MANAGEMENT REPORT

Richard Vicens reported on the following:

- Nichelle Meadors recently underwent surgery for a complication following her donation of a kidney. She is expected back at work tomorrow.
- Proposed 2012 Budget has been finalized and will be discussed later in this Meeting by Betty Latson.
- Five-Year Capital Plan, the Fee Schedule and the Cash-Flow Sheet have been updated.
- The Audit has been finalized and will be discussed later in this Meeting.
- Window Project: Only six (6) more floors need to be completed in Phase IV. Weather permitting, this is planned to be completed by Monday, December 12th. Punch list work will continue up until the holiday week and then resume on January 2nd. Judy York and Paulette Demers will be away on vacation; if any issues arise, please bring them to the Management Office.
- Mast Climbers: The east and west mast climbers will be taken down beginning with the east on December 19th. The north mast climber will remain in place in order to bring up the Penthouse Windows to the roof in March or April.

- Kilmer Façade Work: Work will cease on December 9th as it was uncertain if weather would allow for any additional drops. There will be five (5) Unit Owner drops to do in 2012, as well as the two (2) entrances and two (2) on the north end of the building.
- HOA Mall Repair: This work is finished for the year. The expansion joint in front of James House and on the south side of the building will be done in 2012.
- Building Painting & Maintenance: Golf Construction will resume balcony membrane and façade painting in Spring of 2012. The plan is to do the balconies of Units 2, 4, 6, 8 and 10, and then paint the building and be done there in June so most units on the east side will have full use of their balconies next year.
- Lateral Pipe Replacement: This will be discussed during this Meeting.

IV. OPEN FORUM

Specific Unit Owner questions are included at the end of these Minutes.

V. ACCEPTANCE OF THE MINUTES FROM THE OCTOBER 25, 2011 REGULAR BOARD MEETING

- A. **David Beck moved to accept the Minutes from the October 25, 2011 Regular Board Meeting. Seconded by Tom Meyers and unanimously approved with Barbara Fiacchino and Betty Latson abstaining.**

“Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the Minutes from the October 25, 2011 Regular Board Meeting.”

VI. TREASURER’S REPORT

Betty Latson reported that through ten months ending October 2011, the Association reported excess of revenues over expenses of \$4,464. These positive results reflect a strong month in October. During October, the Association experienced continued higher than budgeted garage net income and legal reimbursement collections. The Association also recast certain expenses from operating costs to capital expenditures, and experienced lower utility costs as a result of a mild October.

Through October 31, 2011, our Association reported total revenue of \$5.2 million including the direct charge revenue, and \$4.5 million excluding the direct charge revenue. Revenues were \$81,000 higher than budget. Operating expenses were \$3.3 million, which were \$112,000 higher than budget. The provision for capital reserves was \$1,108,000. As a result, the Association reported excess revenues over expenses for the first time this year of \$4,464 though these figures are below budget by \$31,000. At October 31st, 2011, our operating reserve fund stood at \$266,167. Our capital reserve fund stood at \$6,457,616, and the loan balance stood at \$2,642,948.

VII. COMMITTEE REPORTS

A. Finance Committee

Betty Latson reported that the Finance Committee concluded its work on the Budget. During the budget process, the Finance Committee was faced with a number of uncertainties related to the City’s budget actions in the areas of water, scavenger rebate, and day parkers. The Finance Committee chose to delay distributing the budget until there was more clarity on the City’s actions in these areas.

On November 21st, the Finance Committee met to finalize the JK budget. We are pleased to present a budget that increases unit owner assessments by an overall 1.90% comprised of the following: the JK operating budget reflects a 2.33% increase, the HOA budget reflects a 5.14% increase, and the Reserve Assessment budget reflects a 0% increase. Increases to the JK budget are primarily related to higher repairs and maintenance costs. The Association was successfully able to reduce cable, utility, and insurance costs. We also are benefiting from renewal of certain union contracts with very favorable costs to the Association. The Finance Committee is submitting the proposed budget to the Board for distribution to Unit Owners. A Unit Owner meeting will be scheduled shortly to review the budget and discuss and questions from Unit Owners before the budget is officially approved in January. Because of the delay in distributing the budget, assessment increases will not be seen on unit owner invoices until the March payment. The net effect of the increase to unit owners will appear slightly higher in the month of March as the Association catches up in March for the increase in assessments not charged to unit owners in January and February.

I am also pleased to inform the Board, that we have concluded our review of the 2010 audit, and will be asking the Board to vote on distributing the Audit to unit owners. The delay in 2010 related to addressing the classification of costs and revenue related to the James Direct Charge. With the conclusion of the audit, the Association should be receiving the final draft of the 2010 cost allocation study for review by the Finance Committee.

As the Finance Committee concludes its work on the budget, audit, and the cost allocation study, the Finance Committee will be meeting shortly to begin work on the Direct Charge for the JK HVAC pipe replacement project. A date will be posted shortly.

B. Garage Committee

Frances Andrews reported that the Holiday Fund for Garage Personnel is a separate holiday fund from that of the James/Kilmer personnel. Information has been posted on how to donate to this fund if you wish. The deadline for donations is December 19th.

Frances Andrews reported that Standard Parking has been working with the County and the City to try and determine the possible impact on monthly parkers. Standard gets a chart from both the County and the City regarding taxes. As of today it appears that the City will be changing the tax structure for monthly parkers. It is hoped to have an extension until February 1, 2012 in order to keep the current rates. More information will be forthcoming from Standard once they do their analysis. They will also provide information on what to do about the transient parkers in order to keep them here as well as maximize revenue. This information will go to the Finance Committee.

C. Technology Task Force

Nancy Slattery reported the report from the Task Force was what she gave regarding the results of the Survey during the Unit Owner's Forum (Page 8).

D. Pet Committee

No report presented. Judy Barnes did comment that at the last meeting she had been asked to check on the number of pets that are registered; there are 126. There may be a few outstanding; when Nichelle Meadors returns, this can be checked again.

E. Recycling Task Force

Judy Barnes reported that recycling is now operational and it is no longer necessary to have a Task Force.

F. IC Committee

No report Presented

G. Website Committee

Ron Miller reported that the website is being used with the numbers being consistent throughout the year. There are some who visit often and some log on occasionally. Since the Window Project is coming to an end, this information will be removed.

H. Communications Committee

Judy Barnes reported that articles for the December Newsletter are due in by the end of this week. It is planned to have the Newsletter out early next week. Next year's schedule for the Newsletter will be February, April, June, August, October and December with articles due in by the end of the first full week of that month.

Regarding the Employee Holiday Fund, Judy Barnes reported that contributions are due in by December 13th. The donations can be placed in the Suggestion Boxes or dropped off in the Management Office. All donations are anonymous. The Employee Party will be on Thursday, December 15th at Uncle Julio's.

I. HOA Report

David Beck reported that at tomorrow evening's HOA Meeting the Board will be voting on the Budget. There is going to be a 5.14% proposed increase. This is the first increase since 2004; in 2005 and 2006 there was a decrease. All of the other years since 1999 there was a 0% increase/decrease. This 5.14% HOA increase affects Unit Owners' assessments by about 0.44% (about \$2.50 per month on a \$600.00 per month assessment). The proposed increase in James/Kilmer's assessment of 1.9% includes the increase in the HOA assessment.

David Beck reported that Faulkner House has questioned a number of expenses: Landscaping as the budget went up because the contract was re-bid; yes, there were two or three bids submitted (this includes maintenance, watering as needed, trimming, pruning, etc.). Whether or not certain expenses should be paid from Reserves such as ballast repairs for lighting in the Village (not a reserve expense, it is a repair), plumbing repairs are "repairs"; fence painting for \$21,000.00 is going to James/Kilmer to paint from Burton on the LaSalle Street side and in front of Kilmer and James. They also complained about the amount being spent on plantings coming out of the Reserve Fund with most of this work being done around James House. (In 2004 & 2006 a lot of work was done around Kilmer House.) A written response has been requested and will be done.

David Beck reported that the Reserve Contribution was not decreased. Of note, the pool revenue has decreased for some reason.

Jack Vedra added that how things are categorized at HOA have been checked with the auditor. The response from the auditor is that these things have been correctly categorized. Regarding the food that is served at the HOA Meetings, there has been discussion and the reasoning is HOA members do not have the opportunity to socialize/connect; they don't have the opportunity to run into each other in the elevator

since members are coming from many locations/buildings. Interaction between people is important, and there is limited time to get to the meeting coming home from work. For next year it is planned only to hold a Meeting every other month. Food is a line item on the "proposed" Budget; this will be discussed at tomorrow's Meeting.

All Unit Owners are invited to attend the HOA Meeting. These items will be discussed.

VIII. ACTION ITEMS

A. Approval of Draper & Kramer Holiday Schedule for 2012

David Beck moved to approve the Draper and Kramer Holiday Schedule for 2012 (as presented in the Board Packet). Seconded by Judy Barnes and approved with Dorsey Rule abstaining.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the Draper and Kramer Holiday Schedule for 2012."

B. Approval of Board/Operations Meeting Schedule for 2012

Judy Barnes moved to adopt the Board/Operations Meeting Schedule for 2012 (as presented in the Board Packet). Seconded by Betty Latson and unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval to adopt the Board/Operations Meeting Schedule for 2012."

C. Approval of HOA Representatives and Alternates

David Beck moved to approve the following slate of Representative and Alternated to HOA: Representative #1 – Jack Vedra; Representative #2 - Marceline Johnson; Representative #3 – David Beck; Alternate #1 – Barbara Grodzins; Alternate #2 – Judy Barnes . Seconded by Tom Meyers. Vote was taken on the motion and it was unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the slate of Representatives and alternates to HOA: Representative #1 – Jack Vedra; Representative #2 – Marceline Johnson; Representative #3 – David Beck; Alternate #1 – Barbara Grodzins; Alternate #2 – Judy Barnes"

D. Approval of the FY 2012 Proposed Budget Distribution

Frances Andrews moved to send the Proposed 2012 Budget to Unit Owners for their review. Seconded by Tom Meyers. Vote was taken on the motion and it was unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval to send the Proposed 2012 Budget to Unit Owners for their review."

E. Approval of Direct Charge Assessment Charge for Unit 314K

David Beck moved to approve a Direct Charge assessment for Unit 314K in the amount of \$1,825.00 for window resealing, balcony repair and railing repairs. Seconded by Tom Meyers. Tom Meyers asked to amend the motion to include that any overage of this amount would be covered by

the Unit Owner. David Beck accepted the amendment. Vote was taken on the motion as amended and unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of a Direct Charge assessment for Unit 314K in the amount of \$1,825.00 for window resealing, balcony repair and railing repairs and that any overage of this amount would be covered by the Unit Owner."

F. Approval of Direct Charge Assessment Charge for Unit 105K

David Beck moved to approve a Direct Charge Assessment for Unit 105K in the amount of \$12,921.00 for exterior wall repairs for their patio, for window resealing and balcony repairs. Any overages would be the responsibility of the Unit Owner. Seconded by Dorsey Ruley and unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of a Direct Charge Assessment for Unit 105K in the amount of \$12,921.00 for exterior wall repairs for their patio, for window resealing and balcony repairs. Any overages would be the responsibility of the Unit Owner."

G. Approval of Bad Debt Resolution

Frances Andrews moved to approve writing off bad debts in the amount of \$16,300.00. Seconded by Barbara Fiacchino. Frances Andrews withdrew her motion as this was the incorrect amount.

Frances Andrews moved to approve writing off the bad debt for 2010 in the amount of \$8,300.00. Seconded by Barbara Fiacchino. Vote was taken on the motion and it was unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of writing off the bad debt for 2010 in the amount of \$8,300.00."

H. Approval of 2010 Audited Financial Statements

David Beck moved to approve the Audited Financial Statements for the years December 31, 2010 as prepared by Picker and Associates. Seconded by Dorsey Ruley and unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the Audited Financial Statements for the years December 31, 2010 as prepared by Picker and Associates."

I. Approval of Contractor for Lateral Pipes

David Beck moved to approve a contract with Fettis, Love and Sieben to replace all HVAC lateral pipes at a price of \$1,224,144.00 for James House and \$364,252.00 for Kilmer House for a total price of \$1,918,396.00 in accordance with their proposal dated October 6, 2011. Seconded by Dorsey Ruley. Discussion followed. The motion was withdrawn as the project's scope may change based on the vertical riser tests being done.

J. Approval of Remodeling Applications

David Beck moved to approve the remodeling requests of Units 1015, 1207, 2008, 2306, 2903, 3505 and 4309. These requests have been submitted by the Unit Owners, have been reviewed, and are in compliance with the Association's Rules, Regulations and Conditions. The Association's Assistant Chief Engineer will perform ingoing inspections. Seconded by Tom Meyers and unanimously approved.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the remodeling requests of Units 1015, 1207, 2008, 2306, 2903, 3505 and 4309. These requests have been submitted by the Unit Owners, have been reviewed, and are in compliance with the Association's Rules, Regulations and Conditions. The Association's Assistant Chief Engineer will perform ingoing inspections."

K. Approval of Vendor to Supply Bulk TV Services

David Beck moved to approve awarding a contract with RCN to provide bulk TV service to the Association for a five (5) year tem, in accordance with their proposal previously sent to the Association. Seconded by Tom Meyers. Discussion followed.

Frances Andrews: She commented she still has concerns. One concern is that the Technology Task Force voted for AM3 with one abstention. This was subsequently changed to a unanimous vote. This Task Force included "experts" and she values their opinion highly. As far as the survey, she has concerns because things were left out.

Nancy Slattery asked Karen Flannery to present an overview of the survey:

Karen Flannery reported that when she reviewed the data, there were 33 completed surveys that appeared to be the "same"; the same errors consistently. There is no way that 33 people made this exact same error. Then the surveys were compared to units and it was found that 11 of these 33 units were unoccupied; for one unit the person is dead. One item on the survey that these 33 had, was a conflicting response; they said "switch" and then "stay" in the same question. Then the same question was skipped. None had comments. And then every other question was exactly the same. This brought her attention to these particular surveys. Once her suspicions were raised, she found out that these 33 units were non-owner occupied (rented), and 11 units are unoccupied; nobody lives in them. These surveys were not left out of the count because they were completed by renters; they were not valid because it was felt they were all completed by one individual. When faulty information is found, it is discarded. There were 223 responses that are deemed "valid".

Nancy Slattery commented that unfortunately the Board was not able to get more detailed information before tonight's meeting as far as what were some of the comments.

There are 616 units.

Karen Flannery reported that the Board did receive all of the numbers from the survey – these were easy to calculate. There were 138 comments that had to be read, coded and sorted. That took a long time and was just completed last night. She would be happy to present all of this information at another time.

Barbara Grodzins: She commented that the RCN letter that went to every Unit Owner said "please be sure to complete the green survey sheet provided to you by the Board...prior to 11-29-11." Did RCN see the survey results?

Nancy Slattery responded both RCN & AM3 saw the survey results. People came down to the Open Houses with their packets. She saw both companies looking at surveys.

Barbara Grodzinis: Also in the letter, it says that with the new contract RCN plans to do a refresh of the wiring in the building. It is her understanding that this is a very expensive undertaking.

Nancy Slattery responded that she understands that RCN would be checking every unit – making sure that the wiring within a unit is “correct”, connections are correct. They will not be doing any actual wiring.

David Beck commented on some of his concerns: raffling a TV off by AM3 – he felt this was like trying to buy votes. Then approaching Board Members and asking them to participate in the raffle. He felt this was inappropriate. But something more inappropriate was that at 5:00 P.M. last night the Board got a last minute proposal to give 3 months of free TV. That should have been a part of the original proposal; not the night before a meeting. He does not personally like at the last minute having his vote “bought”.

David Beck commented that Karla did raise a very good point about the boxes; HD has been discussed back and forth, how many people have HD, etc.. Under the RCN plan you won't have to pay for an HD box (\$9-10.00 per month). As he understands, RCN will supply each unit 2 free boxes (1 being HD if you want). So if you want HD and don't have it now is the time to get a HD box for free. With AM3, if you have more than one (1) box there is a charge for the 2nd box (\$6.00). There are a significant amount of Units that have more than one cable box. When he looks at the two proposals, the price difference is really pretty much a wash. Yes, you can talk about free telephone service; but this is a small percentage of the five year contract. One reason the suggestion was made to ask the Unit Owners about their opinion about the cable, was this is something that certainly is not as expensive as the windows, but in many ways it affects people's lives in an important way. There have been comments from people who don't like RCN and you can find comments from those who don't like AM3. If there is a change to AM3 there will be people who don't like AM3. But look at the survey.

David Beck continued, Barbara earlier commented that perhaps people are afraid of change, perhaps they are happy with what they have. There have now been 2 surveys where people have responded they are happy with RCN. Also take into consideration that residents have been through quite a bit of change; there were new windows installed, there are going to be new pipes, a lot of aggravation. Plus if a decision is not made, the Association is losing money as RCN is currently charging \$3,000-\$4,000.00 per month more instead of the new rate. And people won't get free HD. So it is close. His view is that there are also a lot of personal costs to Unit Owners that have to be considered. The free HD can be something significant. When you have the polarity of owners telling the Board “don't change”, he doesn't feel this should be ignored. He also understands what the Committee did and respects that; if nothing else, this brought about negotiations. The Committee did a great job in getting the price down for both proposals. The Association is could have an RCN contract that is 20% lower than what is currently being paid. So kudos to the Committee; they did a great job. If the Board chooses not to accept the Committee's recommendation, that doesn't mean that what the Committee did was a waste; it wasn't. He personally would like to thank the Committee.

Tom Meyers commented on a couple of things. He has had experience with both satellite TV and RCN. There are differences. With satellite you may not get certain channels because they don't pay for those channels. RCN pretty much covers everything because they are competing with Comcast & AT & T. There are also a lot of people in the building who have Tivos and who bought the lifetime service. You throw money out the window with a new service. RCN versus AM3; there are known's and unknowns. About the Management Office Phone service, it would be run on the internet so it will go down. Nobody has internet that doesn't go down. When you need to call the Management Office for a water leak and

they can't answer because the internet is down you will have to physically go downstairs to report an emergency. He would never go to internet service for something as critical as phone service in the Management Office. He agrees with Dave that AM3 is trying to "buy" us. So the nature of their product/service is not good enough so they have to buy you. You get what you pay for. The Board got an indication from the results of the survey what Unit Owners want. 66% want RCN. And yes, with the same exact answers on those 33 surveys, they get thrown out. There has been all of this construction the past 4-5 years, now there will be the pipes.

Barbara Fiacchino commented she is a little afraid of change. She likes RCN because she knows what it is. But she has not been happy with their service. The internet will go down, the internet will be slow, the TV blinks off and on, perhaps it is her wiring, but the service has not been good. A lot of times you don't get answers. She maybe agrees to not make a change right now, but she would like to see strong wording in the contract about service, and an out for the Association if it isn't provided.

David Beck commented there is an "out".

Karen Flannery reported on the survey:

- 6/10 who responded to the survey want to keep RCN.
- 7/10 who have internet choose to stay with their current provider (RCN or other).
- 9/10 who have no internet will still have no internet.
- 6/10 of those who have RCN phone service would stay with RCN.
- 8/10 who do not have RCN for phone service will stay with their current provider.

So the conclusion of this survey is that people do not want to change. Regarding comments, there were comments about everything – positives for some things along with negatives. All of these comments are available and can be presented.

Judy Barnes commented that people will change when the risk of not changing is greater than the risk of changing. The contract is for basic TV. So given that only 34% of the Unit Owners responded to the survey, I would have hoped for the ability to try "new technology" with the basic cable TV and allow the internet/phone service to stay with the current provider if folks felt that was where the risk lay. The Task Force has been meeting since March; this discussion has gone on for a long time. There have been two (2) Open Houses. Information has gone out to all Unit Owners. Many of the people who came up to her commented that the internet was the most critical thing. People work by the internet; their kids get their homework, etc.. There is the coaxial wiring in place. Is there a way for people to stay with RCN for internet but try AM3? There were people on the Task Force who really know about the technology and she looks to their opinions. The Task Force did a nice job. Perhaps when the Board sets up a Task Force, there should be some defined milestones or accountability requirements so the appropriate information and input can be presented before to the Board before the 11th hour.

Tom Meyers reported that he had gone down to see what the box would look like and find a place on the wall for it. He said he had bad phone wires and the TV is in the living room. He was told this is all hooked up through the cable that is in the wall. Frank Sokol was standing there and he commented that this wasn't the deal – you weren't using cable. AM3 then said they would be using the cable in areas where there is a weak signal on the telephone.

Nancy Slattery said she sent an e-mail to Frank Sokol to confirm that this conversation – AM3 did respond that the plan was for them to use the copper phone lines (AT & T), however, when they get into a situation, and they can't replace the twisted pairs, or the wires are not near an outlet, they will then use the coaxial cable to receive a signal. For the most part the plan is to use the phone lines.

Tom Meyers commented that they never said this; they always said they were using the phone lines. But what he figured out later, by their using the cables, they are getting RCN out of the building. So you can't have RCN phone service, RCN internet, etc.

Dorsey Ruley commented that it comes down to the fact that the overwhelming percentage of people in the building favors keeping RCN on the survey. Even if the results were 51%, it is the majority. There needs to be a clause regarding service.

Karen Flannery confirmed the percentage: 64% of the 34% who responded wish to stay with RCN.

Betty Latson commented she has reviewed the information, has reviewed the results of the survey. She is still trying to figure out the benefit of switching. She looked at the economics and didn't see a benefit. She looked at technology and didn't see an overwhelming benefit; in fact, she thought she saw that RCN is faster on the internet. She didn't see an improvement on the cable. She is still trying to figure out a benefit. And she has heard what the Unit Owners have said. She understands what the Task Force recommended. For her, RCN seems to be the right option.

The motion was restated: to approve awarding a contract with RCN to provide bulk TV service to the Association for a five (5) year term, in accordance with their proposal previously sent to the Association. Vote was taken on the motion and it was approved with Judy Barnes, Frances Andrews and Barbara Grodzins opposed.

"Be it resolved that the Board of Directors of the James/Kilmer Condominium Association ratifies the approval of the contract with RCN to provide bulk TV service to the Association for a five year term, in accordance with their proposal previously sent to the Association"

L. Utilities

Betty Latson reported that Utility Rates are being followed closely. There has been some discussion regarding locking in a rate for 2013. Current rates are lower now than when looked at in October. It may be approaching the time to consider locking in a rate, but some more reading and research needs to be done. If the information appears favorable after review by the Board, an e-mail vote could be taken.

IX. ADJOURNMENT

David Beck moved to adjourn the Meeting at 9:18 P.M. Seconded and unanimously approved.

X. EXECUTIVE SESSION

Executive Session continued.

Submitted by:

Sharyl Lenhard
Recording Secretary


Secretary

President

Unit Owner's Forum
Tuesday, December 6, 2011

Marcie: She commented she didn't hear about balconies/painting on Tier 12; when will they be done? How long does this take?

Richard Vicens reported that Tiers 12 to 15 will be done after the others are completed. It is expected this would be sometime in May. It takes about a week and a half for a drop.

Female: She is not aware that anybody has received the results of the survey that was done regarding Cable.

Nancy Slattery reported that the results of this survey had been planned to be presented this evening, however earlier today it was decided there would not be enough time. The Unit Owners do have the right to hear the results of this survey before the Board makes a decision. Karen Flannery, who did the survey, is not present, however.

Ron: He asked if the survey was a vote by Unit Owners to determine the provider.

Nancy Slattery reported that it was a "survey". At the October Board Meeting the Board chose not to vote on the Task Force's recommendation and asked that the Task Force go back and get input from Unit Owners via a survey. This was done by Karen Flannery. The survey was sent out to all Unit Owners and there were two (2) informational Open Houses held in the James Lobby for residents to come and ask any questions they may have. There then was another week following these meetings for residents to complete the survey. The surveys were then tabulated, the Task Force met last week to review the results. It had been planned to present the results to the Board in a presentation tonight.

Nancy Slattery gave a summary of the survey results:

- 36% of the Unit Owners responded to the survey (230 +/- of 616)

Of those Unit Owners who responded:

- For Cable TV: 64% wanted to stay with RCN. 36% wanted to switch to AM3.
- For Phone Service: 24% are current RCN users, 76% do not use RCN. 61% of RCN users would stay with RCN, 25% would switch to AM3 and 14% would switch to other. Non-RCN users, 8% would switch to RCN, 9% would switch to AM3, and 83% would stay with their current provider.
- For Internet : 62% currently have RCN, 36% have other, 8% have none. For those who have RCN, 71% would stay with RCN, 29% would switch to AM3. Non-RCN users, 7% would switch to RCN, 20% would switch to AM3 and 73% would stay with their current provider. Those who have no internet service, 7% would get service with RCN, 7% with AM3 and 87% would continue with none.

Peter: He commented it is December; people are looking to purchase new TVs. From the results of the survey that were just given, it is not even close. There have been two (2) Open Houses to discuss this. There have been fliers placed under unit doors. What is the question; it is not like the results were 50/50 or even close.

Nancy Slattery responded that there is an Action Item on tonight's Agenda regarding these providers.

Ron: He asked if all of the responses were from only Unit Owners or Unit Owners and Residents.

Nancy Slattery responded that the survey was sent to all "units"; people who live in the building as it is the person who lives in the unit's responsibility for these services. The survey was done to try and gain information on what the preferences are of those who use the services. Karen Slattery would have the specific information regarding who actually responded to the survey.

Frances Andrews: She commented that one of her concerns about this survey was that not all of the surveys were counted. Why?

David Beck responded that this would be discussed by the Board when this subject is brought up later tonight.

Frances Andrews: She commented that this is the "Open Forum"

David Beck responded that this is the "Open Forum" for the Unit Owners.

Ron: He asked if Frances Andrews was a Unit Owner.

Frances Andrews responded, yes.

Nancy Slattery responded that this was a part of the larger presentation. However, of the "valid" surveys that were returned, the results are as stated above.

Max: He commented that only 30% of residents bothered to respond to the survey. The Board should use their best judgment and get this done.

Nancy Slattery responded that this is on tonight's Agenda. The Board had just wanted more information before they made their decision.

George, #4302: He asked that when the Action Item comes up regarding the lateral pipes, will there be discussion, will there be a number discussed of how much this may cost.

Marcie: She asked about the lateral pipes; when these are installed what will be the process to check to be sure they are installed properly, that there are no leaks, etc. Who does that and how is it done? What was done in the past?

Richard Vicens reported that it is planned to have an engineer do this which is included in the pricing and allocation that has been done for each Unit Owner in both buildings. This included oversight by engineers, and a Project Coordinator. Previously work has been done in house on an emergency basis. The work is checked when the riser is re-charged for any leaks. A hydrostatic test or anything like that cannot be done as it would "blow" the pipes in the building. This is the problem with this whole system.

Ron: With the lateral pipes, will there be a shut-off valve installed.

Richard Vicens reported that there will be valves installed at the risers and then the lateral pipes will be run in copper to the convactor units and then insulated. There will be an access panel where the valves are installed. So if a coil breaks in a unit's convactor, you can shut it down with a valve.

Female: Will there be a warranty and if so what is it.

Richard Vicens reported this is a part of the contract negotiations.

Ron: Is there an estimate for this work.

Richard Vicens reported that there is an estimate; however he does not have this with him tonight. Please come to the Management Office.

Betty Latson added that bids have just come in and the next step, getting the Direct Charge and figuring out what that will be has not been reached; there are some rough figures only. Hang in there, it won't be much longer. It is hoped that the Finance Committee will be able to meet shortly and they will try their best to get this information available. This will be a per unit charge.

Karla: Two things; she did send the Board a note regarding the request that the Board discuss whether cable billing should be charged to Unit Owners on the percentage of ownership basis or on a per unit cost basis. In the past this has been done on the percentage of ownership. There is a big difference in the cost with the larger units (two bedrooms) and higher up units paying much more than the \$22.00 per unit cost and the smaller units and the lower units pay substantially less. The contractor will be charging a per unit cost bases on 616 units. This was discussed in the Finance Committee in the past; whether this billing is really equitable. She would like this discussed. Secondly, she would like the Board to discuss the issue that a contract with either RCN or AM3 is very challenging; it is multi-service (TV, Internet and Phone), but even with basic TV there is basic, HD, DVR. Everyone has a different size home. She feels it is important that the Board look at this in a simple manner in terms of the contract; for the "basic" service. With either service there has to be a box for any TV service. What is the cost for everybody to have a basic box for TV basic service (excluding HD, DVR, etc.)? When she looks at the two proposed contracts, there is a substantial difference in this basic box price. So please look at this.