

**JAMES/KILMER CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
JANUARY 24, 2012**

A meeting of the Board of Directors of James/Kilmer Condominium Association (the "Association"), an Illinois not-for-profit corporation, was called to be held on Tuesday, January 24, 2012, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to By-Laws.

**CALL TO ORDER**

Nancy Slattery, President of the Association, called the meeting to order at 7:05 p.m. A quorum was present in that the following directors were present:

Frances Andrews  
Judy Barnes  
David Beck  
Barbara Fiacchino  
Betty Latson  
Tom Meyers  
Dorsey Ruley  
Nancy Slattery

Barbara Grodzins was not in attendance.

Also present was Richard Vicens, Property Manager, of DK Condo, A Draper and Kramer Company. Barbara A. Roberts acted as Recording Secretary.

**PROJECT UPDATE AND MANAGEMENT REPORT**

Mr. Vicens reported on several items:

- Drain Repairs: Emergency work was performed on drains in the James House Laundry Room on January 19; residents were notified by postings and door drops. Both of the laundry rooms will open on January 25; residents have been notified by postings.  
RCN Contract: The amended contract has been approved by David Sugar, the Association's attorney, and will be signed following this meeting. After RCN receives the signed contract, it will arrange for representatives to be stationed in the James House lobby to provide information to residents as well as to offer additional or different services to residents if wanted; in addition, the new pricing structure on the current array of services will commence. Discussion ensued about contacting the customer service representatives, which Mr. Vicens stated that he will deal with after the contract is signed; about a recent outage caused by a unit owner moving a cable during redecorating; about using existing wiring rather than a "home run" wiring system; and about RCN technicians "refreshing" or checking each unit for proper signal reception. Mr. Vicens stated that the customer service representative's personal cell phone number should be used only in the event of a major outage.
- 2012 Budget: The 2012 Budget has been presented to the Board for approval at this meeting, and the Board will decide whether to spread the approved additional assessment charges for January and February, which were not included in the January and February assessment invoices, over the remaining ten months of the year, or to include them in the March assessment invoices, which will reflect the increased assessment for March.

- **Windows Replacement Project:** The project is essentially complete. Four replacement windows will be installed this week, the punch list will be completed this week, the trailer has been removed from the north side of the building, and the north mast climber will be dismantled after the Penthouse windows are delivered in the spring.
- **HVAC Lateral Pipe Replacement:** Problems with vertical pipes were discovered in Kilmer House, so foot-long samples of vertical pipes from both Kilmer House and James House will be cut out and the pipe structure examined by the mechanical engineering firm of Cosentini Associates; the samples will then undergo metallurgical testing at a Northbrook laboratory. New pipe will be welded in place to replace the cut-out samples in order to maintain the stability of the vertical pipe structure.
- **Roof Replacement Planning:** The roof replacement will be bid separately from the deck, railing and windscreen work.
- **James House and Kilmer House Concrete Project:** This work has ceased for the winter and will resume in the spring.
- **Fire Report:** Despite its best efforts, Management has been unsuccessful in obtaining a final report from the Chicago Fire Department on the cause of the recent James House fire, but an interim report provided to the Board will also be distributed to unit owners for their information.
- **Window Washing:** The scheduled window washing dates for 2012 are March 6, June 5, August 7 and November 6.
- **Laundry Rooms:** The equipment in both facilities has been installed and will be usable as of January 25, with just some minor additional work to be done in the rooms. Starting in a month, debit cards can be used, and the old cards can continue to be used as well.

The lengthy discussion that ensued among Board members and unit owners about the Association's fire safety procedures and instructions included comments, questions and statements about:

- having a Chicago Fire Department representative or other authority deliver a presentation to residents about fire safety and emergency procedures
- residents' concerns for their safety; about promulgation of the Association's emergency procedures to residents by means of the Association website, hand-outs and the newsletter
- the battalion commander's confusion as to the operation of the James House annunciator system
- the Association's compliance with the City of Chicago's Life Safety Evaluation requirements
- the addition of annunciator speakers on the tops of the elevators in both buildings for the use of passengers if an elevator stalls
- the annunciator speakers in the stairwells
- how Chicago Fire Department firefighters take control during a fire situation
- keeping the door staff's list of residents needing assistance in an emergency updated
- the Management staff's excellent response during the James House fire.

### **REGULAR OPEN FORUM**

Unit owners, the Board and Mr. Vicens discussed the following:

- Ensuring that door-closing mechanisms are in place on all unit front doors in both buildings.
- Association employee training in emergency procedures, and the emergency procedures manual.
- Placing a recycling bin near the mailboxes for discarded paper.
- The battalion chief's difficulties in operating the annunciator system during the recent James House fire, and the variations among alarm systems in different buildings.
- The commendable actions of the Management and Maintenance staffs during the fire and the clean-up that followed.
- Firefighters' requirements for instructions about how to operate the annunciator system.

- The acceptable audibility of the battalion chief's announcements during the fire in some parts of the building and residents' correct response to the announcements.

- The possibility that an Emergency Medical Technician living in James House can offer advice to residents about emergency procedures.
- Information about the fire in door drops, and door drops in general.
- The December 6 election of the slate of officers, whether or not the Board followed *Robert's Rules of Order* at the time or has done so in the past, and the intention to set officer election ground rules in the future.
- The availability to unit owners of Board meeting minutes, which is after they are approved at a subsequent Board meeting.
- The commendable actions of the staff in preventing flooding in the storage lockers after the fire.
- A rusted sewage pipe hanger in the garage that should be repaired or replaced.
- Surveying work in the area, which has nothing to do with the Association.
- The excellent appearance of the remodeled laundry rooms, and the need for utility tubs rather than sinks.
- The need to move on from the officer election situation, and the importance of the process moving forward.
- Poor cell phone reception in some parts of the James House following the installation of the new windows, which varies by service provider and may be alleviated by the use of a signal booster, and which may not have been caused by the new windows.
- The absence of drafts following installation of the new windows and insulation, except for some drafts coming through the bottom of a sliding balcony door, and the advisability of reporting any problems as soon as possible so they may be taken care of while the window installers are still on site.

Mr. Vicens stated that he will investigate all concerns brought up by the unit owners.

### **APPROVAL OF MINUTES**

**Dorsey Ruley moved that the draft of the minutes of the Board of Directors meeting held on December 6, 2011, be approved as presented. Tom Meyers seconded the motion. After discussion and the Board's decision to correct the minutes further before approving them, Mr. Ruley withdrew the motion.**

### **COMMITTEE CHAIR ASSIGNMENTS**

Mr. Beck suggested that each committee have a vice-chair or a co-chair. Ms. Slattery designated the committee chairs for 2012 as follows:

- Finance Committee: Betty Latson, Chair.
- Pet Committee: Carol Abrioux, Chair. Barbara Grodzins, Board Liaison.
- Garage Committee: Barbara Grodzins, Chair.
- Infrastructure Committee: Duane Hickling and Jim Ehrlich, Co-Chairs. Nancy Slattery, Board Liaison.
- Website Committee: Ron Miller, Chair, pending his agreement. David Beck, Board Liaison.
- Communications Coordinator. To be determined. Ms. Barnes has stated that she will no longer produce the Association newsletter but that she will help with the February issue, and that a template has been established for the newsletter that is easy to use.
- Employee Holiday Fund Committee: Frances Andrews, Judy Barnes and Barbara Grodzins, Co-Chairs. This Committee will also collect and distribute the Garage Employee Holiday Fund. Ms. Barnes explained how the fund is collected, recorded and distributed. Mr. Ruley commented on the

2011 Holiday Party and offered to help plan the 2012 Holiday Party. Mr. Beck suggested that Ms. Fiacchino and Mr. Ruley observe how the 2012 Committee works to prepare them for possible future participation. Mr. Ruley acknowledged the efforts of the Winter Fest organizers.

- Social Committee: Dorsey Ruley and Barbara Fiacchino, Co-Chairs. Ms. Andrews suggested the establishment of the Social Committee; Ms. Slattery added that such a committee has existed before and that the other Village condominium associations have parties and other social events. Ms. Fiacchino remarked that the Penthouse refurbishment could include creating a card room or a game room.

Ms. Slattery stated that the list of committees will be posted and unit owners will be encouraged to participate in committee work.

### **TREASURER'S REPORT**

Ms. Latson presented the Treasurer's Report for the year ending December 31, 2011, as follows:

The Association reported positive preliminary results for 2011. The preliminary financials do not reflect year-end audit adjustments, including write-offs of any uncollectable receivables and the full 12 months of utility bills. There is the possibility that after the adjustments, the Association may in fact post a deficit of expenses over revenues for 2011.

For 2011, the Association reported total revenue of \$6.2 million including the Direct Charge revenue, and \$5.3 million excluding the Direct Charge revenue. Revenues were \$72,000.00 higher than budget primarily from higher garage income, legal reimbursements, transfer fee income, and construction fee income.

Operating expenses were \$3.9 million, which were \$64,000.00 higher than budget due primarily to higher uninsured losses and building interior repairs related to the HVAC pipe leaks as well as higher elevator repairs. Lower than budget utility expenses offset some of the higher repair costs. However, the utility costs may be understated, as previously mentioned. The provision for capital reserves was \$1,330,000.00. As a result, the Association is currently reporting excess revenues over expenses of \$7,930.00.

At December 31, 2011, the Association's Operating Reserve Fund stood at \$301,135.00, the Capital Reserve Fund stood at \$6,006,449.00, and the loan balance stood at \$2,569,886.00.

### **COMMITTEE REPORTS**

#### **Finance Committee**

Ms. Latson reported that at the December 2011 Board Meeting, the Finance Committee submitted the proposed budget to the Board for distribution to unit owners. She stated that a unit owner meeting was held on January 10, 2012, to review the budget and discuss any questions from unit owners before official approval of the budget at the January Board Meeting.

Ms. Latson announced that the Finance Committee will meet shortly to review the draft Cost Allocation Study for 2010 and to move forward with the Direct Charge to Kilmer House unit owners for the Kilmer House exterior limited common element capital expenditure costs. She added that Finance Committee work on the Direct Charge for the James/Kilmer HVAC pipe replacement project is being delayed as further investigative work is being conducted regarding the breadth of the HVAC project.

There was some discussion of apparent decreases in energy usage shown on recent utility bills, possibly attributable to the new windows.

### **Communications Coordinator**

Ms. Barnes reported that the December newsletter was distributed. She reiterated that she will assist with the February newsletter, and stated that the newsletter is planned to be published every other month.

### **Garage Committee**

Ms. Andrews reported that she e-mailed the recommended garage parking fee increases to the Board members. She added that the Garage Manager, Eddie Main, will monitor the results of the fee increase. Ms. Latson stated that the increased fees are not included in the 2012 Budget, and Mr. Beck stated that the increases will have to be approved in a motion separate from the budget approval motion.

### **Pet Committee**

Carol Abrioux expressed concern about residents not realizing that the pet rules have been changed. Mr. Beck stated that the new rules were disseminated to residents after they were approved. Ms. Abrioux stated that she was also referring to the revised pet policies, which should be distributed along with the rules, especially for new residents. Ms. Slattery noted that the pet rules are included in the welcome packet that new residents receive, and added that pertinent information can be published in the next newsletter.

### **Other**

Ms. Barnes made two announcements:

- A box for collecting electronic equipment to be recycled has been placed in the garage, with a list of what sorts of equipment may be placed in that box.
- The Holiday Fund, to which there were about 260 contributors, was distributed to employees at the Holiday Party. Additional funds that were received after the party will be held in the fund account to add to the December 2012 distribution.

Ms. Latson asked about the Garage Employees Holiday Fund. Ms. Andrews responded that she will ask Mr. Main about the distribution, and added that at the garage staff's request, \$500.00 from the fund was sent to the family of garage employee Joe Neely, who passed away in October.

### **HOA Report**

Mr. Beck reported that at its January 24 meeting, the HOA Board approved the 2012 HOA Budget, which includes \$180,000.00 for James House landscaping restoration, noting that planting will have to wait until various exterior projects on the building are completed. Ms. Johnson stated that the HOA Board will now meet every other month to cut costs, and that food will no longer be served at the meetings. Mr. Ruley asked when HOA will paint the garage. Discussion ensued about first finishing work on the expansion joints in the spring; about the need to prioritize several necessary large projects such as work on the drains and expansion joints; about interference from scaffolding; and about the need to first complete all necessary repairs in the garage. Ms. Latson added that \$155,000.00 has been budgeted to paint the garage, but that additional costs to deal with the HVAC pipe leaks, now including vertical pipes, will add to overall repair costs and also must take priority.

## **ACTION OR DISCUSSION ITEMS**

### **Adopt the 2012 Operating Budget**

Upon motion duly made by Judy Barnes and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors adopt the proposed Fiscal Year 2012 Operating Budget. After discussion, the motion passed unanimously.**

In the discussion, Ms. Latson explained that the increased laundry and lease fees are in a separate schedule that was distributed to the Board and are included in the budget, and that the garage fee increase will be voted on separately.

### **Ratify Approval of Exelon Gas Contract Extension**

Upon motion duly made by Judy Barnes and seconded by Tom Meyers, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors ratify its previous approval to extend the Exelon gas contract through December 31, 2013, at the rate agreed upon in its approval vote. The motion passed unanimously.**

### **Approve Installation of Life Safety Speakers on Seven Elevators**

Upon motion duly made by David Beck and seconded by Frances Andrews, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve awarding a contract to Otis Elevator Company to supply and install life safety speakers on the tops of seven elevators, in the amount of \$12,254.98, in accordance with its proposal dated January 4, 2012. After discussion, the motion passed unanimously.**

In the discussion, Mr. Vicens explained that the speakers are mandated as part of the City of Chicago life safety requirements.

### **Approve Installation of New Door Operators on James House Elevator Cars 1, 2 and 3**

Upon motion duly made by Judy Barnes and seconded by Tom Meyers, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve awarding a contract to Otis Elevator Company to supply and install closed-loop door operators on James House passenger elevator cars 1, 2 and 3, in the amount of \$54,420.00, in accordance with its proposal dated January 16, 2012. After discussion, the motion passed unanimously.**

In the discussion, Mr. Vicens explained that the door operators were not installed when the elevators were remodeled in 2000 or 2001. In response to a question from Ms. Latson, he stated that he will investigate whether or not the installation was paid for at the time of the remodeling but not performed.

### **Approve Connection of Water Flow Alarm Devices to the Fire Alarm Panel**

Upon motion duly made by David Beck and seconded by Tom Meyers, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve awarding a contract to Fox Valley Fire & Safety to connect existing water flow alarm devices to the fire alarm panel, in the amount of \$6,065.00, in accordance with its proposal dated January 12, 2012. After discussion, the motion passed unanimously.**

In the discussion, Mr. Vicens stated that the Association's new insurer, Admiral Indemnity, noted that the water flow alarm devices were not connected and so must be connected. He explained that the devices activate if water is detected flowing when it should not be, as with a sprinkler malfunctioning.

**Approve Upgrade to the Fire Alarm System**

Upon motion duly made by Judy Barnes and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve awarding a contract to Fox Valley Fire & Safety to upgrade the fire alarm panel, in the amount of \$7,680.00, in accordance with its proposal dated January 12, 2012. After discussion, the motion passed, with Dorsey Ruley abstaining.**

In the discussion, Mr. Vicens explained that the upgrade will increase power to the alarm speaker system to increase the speakers' volume, and will also include adding heat detectors. He added that an attention-getting warble tone will sound before an announcement, and that the speakers are tested floor by floor annually – and were tested after the recent fire – to make sure that they are audible on each floor. He stated that information about the warble tone will be disseminated to residents.

**Approve Remodeling Applications**

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

**BE IT RESOLVED, that the Board of Directors approve the remodeling of Units #310J, #1702, #2602, #2604, #2709 and #3111, 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, and that will be subject to ongoing inspection by the Association's Assistant Chief Engineer. After discussion, the motion passed unanimously.**

In the discussion, Ms. Barnes suggested that a record of the results of the Assistant Chief Engineer's inspections be created. Mr. Vicens stated that he will discuss this with the Chief Engineer.

**Approve Increase in Transient Parking Fees**

Upon motion duly made by Frances Andrews and seconded by Dorsey Ruley, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve an increase in transient parking fees to pass along the increase in city and county parking taxes, as follows: 2 to 3 hours, \$17.00 increased to \$19.00; 3 to 4 hours, \$18.00 increased to \$20.00; 4 to 12 hours, \$23.00 increased to \$25.00; 12 to 24 hours, \$24.00 increased to \$26.00, Germania special event parking, \$20.00 increased to \$22.00. The motion passed unanimously.**

After the vote, Mr. Vicens left the meeting.



## OTHER BUSINESS

Noting that the Executive Committee consists of the four Board officers, the Board discussed the past and current function of the Executive Committee. The Board also discussed how many of its members should review the drafts of minutes and suggest changes to them before they are distributed to the entire Board for its review before the motion for approval, including any additional amendments, at a subsequent meeting.

Ms. Latson asked the Board for a decision as to how to charge unit owners for the budgeted increase in assessments for 2012 that was not included in their January and February assessment invoices. After discussion, including acknowledgement of DK Condo's preference in the matter, the Board agreed and directed that the 1.86% assessment increase for January and February be included in the March assessment – which will also include the increase for March – and that from April through December, the assessments will include only the 1.86% increase for each month.

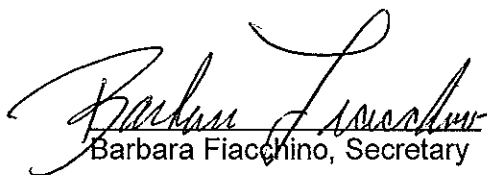
There was some discussion as to whether – and, if so, how – Mr. Hickling's past service on the Board was acknowledged with the thanks of the Board. Mr. Beck noted that he thanked Mr. Hickling for his service at the Annual Meeting in November.

Ms. Fiacchino asked about any additional costs associated with the upgrade to the Management Office's telephone system following the fire that was mentioned in the Management Report. Other Board members stated that the additional cost was within Mr. Vicens's spending limit.

## ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Barbara Fiacchino and seconded by Judy Barnes, the meeting was adjourned at 9:35 p.m.

Respectfully submitted,

  
Barbara Fiacchino, Secretary