

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

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, July 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 7:06 p.m. A quorum was present in that the following directors were present:

Frances Andrews  
Judy Barnes  
David Beck  
Barbara Fiacchino  
Dorsey Ruley  
Nancy Slattery

Barbara Grodzins, Betty Latson and Tom Meyers were not in attendance

Also present were Richard Vicens, Property Manager, and James Losik, Site Supervisor, DK Condo, A Draper & Kramer Company. Barbara A. Roberts acted as Recording Secretary.

**PROJECTS UPDATE – MANAGEMENT REPORT**

Mr. Vicens reported on the following:

- The James House Life Safety Evaluation has been received and approved by the City, and this is posted on the City website.
- The audit of the 2011 financials was received on July 20 and forwarded to Betty Latson and Nancy Slattery for their review before distributing it to the Finance Committee.
- Fox Valley Engineering finalized the bid package and it was sent to five contractors on July 23. Mr. Vicens listed the dates of various scheduled bidding, analysis and recommendation activities, including an Infrastructure Committee meeting to interview contractors and choose one to recommend to the Board. The proposed September 17 start date for the work is for planning purposes only. Further, the Infrastructure Committee recommends engaging Cotter Consulting as the Project Manager; this will be voted on by the Board at this meeting.
- Façade work on James House balcony tiers 8 and 10 is scheduled to end on the projected date of August 1. The west side of the building will then be completed. .
- Replacement of all the operable windows on tiers 12 and 15 will be completed by the end of next week.
- All residential drops have been completed for the Kilmer House façade work and the punch list is being addressed. There is a project meeting every Wednesday for both buildings, during which units with reported problems are inspected. The remaining drops are for the entrance and the exit; they have been delayed because of severely deteriorated I-beams, and detailed drawings from Klein and Hoffman were required in order to order new I-beams. Those drops are expected to be completed on August 1.

In response to a question from Ms. Barnes, Mr. Vicens stated that the type of permit for which the Association will apply for the Lateral HVAC Pipe Replacement Project will be a maintenance permit, which does not take as long to obtain as a construction permit.

## REGULAR OPEN FORUM

Ms. Slattery opened the floor to comments and questions from unit owners, reminding them that once the Board moves forward with its meeting agenda, discussion will be limited to Board members. The following items were discussed:

- Cleaning up the south end of the Kilmer House property outside the brick walls when all work in the area is completed.
- Issues with the system used by the Management Office to receive calls from residents when the staffer that one is trying to reach is not available. There was then a discussion of the reasons a staffer might not be available to take a call, and the difference between a "tree" system, which the Management Office uses, and a "hunt" system, in which calls can be taken by anyone available but which can often result in misdirected calls. There was also a suggestion that the doorman be called in an emergency.
- Poor cell phone reception in the building following the installation of the new windows. Tests have been performed and various solutions were suggested. Management will continue to try to determine the cause of the problem and find a solution for it.
- How the direct charges for the work on the Kilmer House patio walls were calculated and how much work was performed on various areas of Kilmer House. Owners were reminded of the efforts made by Management and the Board to fully inform unit owners about the scope and cost of the work through discussions at committee and Board meetings as well as the special informational meeting for unit owners. In addition, Mr. Vicens offered to create a spreadsheet that will break down costs, including costs for intangibles associated with the project.
- Informing Management about perceived shoddy workmanship so it can be addressed by the contractors.
- The weepholes in bricks beneath the patio windows on the east side of Kilmer House.
- Committee meetings being open to all unit owners and posted as such, although non-members of a committee may not participate in the committee's discussion, and the summaries of committee meeting minutes that are posted on the Association's website.
- The installation of the penthouse windows after the Air & Water Show in August, bringing materials into the building through the lobby after removing the east side lobby windows, the start of the landscaping on the west side, and the use of the mast climbers to transport roofing material.
- How long it took to do the concrete painting and balcony work because of the excessive heat, winds, and rain.
- The door to the roof near the ladies' room not being locked.

Mr. Vicens stated that he will deal with all of the issues that were raised.

## APPROVAL OF MINUTES

Ms. Fiacchino asked if there were any additions or corrections to the minutes of the Board meeting held on May 29, 2012. There being none, **Barbara Fiacchino moved that the draft of the minutes of the Board of Directors meeting held on May 29, 2012, be approved as presented. David Beck seconded the motion, and it passed unanimously.**

## TREASURER'S REPORT

Mr. Losik delivered the Treasurer's Report for the period ending June 30, 2012, as follows:

The cash and investments in the Operating Fund totaled \$294,429.00, the cash and investments in the Reserve Fund totaled \$5.5 million, and the cash and investments in the Special Assessment Reserve Fund totaled \$574,000.00.

All of the major expense categories were under budget in June, and instead of the budgeted end-of-month deficit of \$34,000.00, there was a surplus of \$21,000.00.

In response to a question from Mr. Beck, Mr. Losik stated that the Special Assessment Reserve Fund is held in a separate account, and that any funds unspent at the end of the project will be returned to the Reserve Fund.

## **COMMITTEE REPORTS**

### **Infrastructure Committee**

James Ehrlich, Co-Chair of the Committee, stated that the Committee approved awarding the contract for Project Manager of the Lateral HVAC Pipe Replacement Project to Cotter Consulting. There was some discussion about limiting the term of the contract, which Ms. Slattery suggested be continued at the time that the Board considers the motion to approve the proposal from Cotter.

### **Garage Committee**

Ms. Andrews reported that the Standard Parking contract expires at the end of this year and that Mr. Vicens has been investigating various parking management firms. Mr. Vicens stated that there will be four bidders from among which to choose, adding that he has asked the current garage manager, Eddie Main, for certain information that the bidders will need, and that he will request a response from the bidders within two weeks from the time he conveys the needed information to them. Mr. Ruley asked if Mr. Vicens has considered self-managing the garage. Mr. Vicens stated that he has not, and that someone will still be needed to act as manager of the garage, adding that if the proposals do not meet the Committee's expectations, self-management could be considered at that time. He also stated that Standard Parking has offered to renew its contract at the current contract rate.

### **Website Committee**

Mary Occhipinti stated that any questions should be addressed to Ron Miller, the Committee Chair.

### **HOA Report**

Marcie Johnson stated that the HOA meeting will take place on July 25. Ms. Slattery asked that HOA be thanked for fixing the dog run. Ms. Andrews asked if the HOA Board will approve a darker color for the James House address number on the building, and Mr. Beck responded that it probably will.

### **Finance Committee**

Ms. Fiacchino stated that the Committee has not met recently.

## **ACTION ITEMS**

### **Approve Awarding a Contract for Replacement of the Intercom/Entry System for James House and Kilmer House**

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 M&R Electronic Systems, Inc., to replace the existing six-location intercom annunciation system for contacting residents, in the amount of \$58,750.00, in accordance with its proposal dated July 10, 2012. After discussion, the motion passed unanimously.**

During the discussion, in response to a question from Ms. Fiacchino, Mr. Vicens stated that the proposed system is used in other buildings. He added that the Chief Engineer has carefully researched available systems, and that the existing system must be replaced immediately owing to inferior service from the existing vendor, Titan. In response to questions from Mmes Slattery, Barnes and Andrews, Mr. Vicens stated that the proposed system is somewhat different from the existing system but is easy to learn, that it is guaranteed for one year, and that he will ask M&R about the cost of a maintenance contract after the one-year warranty.

**Approve Awarding a Contract to Upgrade Machinery for the James House Service Elevators**  
Upon motion duly made by Judy Barnes 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 upgrade cars #4 and #5 in James House, in the amount of \$186,000.00, in accordance with its proposal dated July 7, 2012. After discussion, the motion passed unanimously.**

During the discussion, in response to a question from Mr. Beck, Mr. Vicens stated that the upgrade will include an increase in speed to 500 feet per minute, and that with regard to the impact on the Lateral HVAC Pipe Replacement Project, the upgrades can be performed any time or on one car now and the other later with no increase in price. He further stated that the door-operating mechanisms on the passenger elevators will be replaced after the Air & Water Show and before the HVAC and freight elevator projects. In response to questions from Ms. Andrews and Ms. Fiacchino, Mr. Vicens stated that the work must be done by Otis because it holds the existing contract on the elevators, that work on the freight elevators will take one month for each one, during which time the passenger elevators will be used for moves and transporting pets, and that the freight elevator upgrades will carry a one-year warranty. Discussion ensued about work on the elevators performed ten years ago. Mr. Vicens added that there will be TV cameras installed on the freight elevators.

**Approve Awarding a Contract for Replacement of James House Canopy Lighting**  
Upon motion duly made by Frances Andrews and seconded by David Beck, the following resolution was made:

**BE IT RESOLVED, that the Board of Directors approve awarding a contract to Green Power solutions to install 64 James House canopy light fixtures, in the amount of \$10,730.00, in accordance with its proposal dated July 12, 2012. After discussion, the motion passed unanimously.**

Prior to the vote, Mr. Vicens showed the Board a sample of the proposed light fixture, noting that it uses cooler, self-ballasted CFL lamps that require less power and are also easier for the Maintenance staff to replace, that the lenses are non-yellowing, and that the lamp color can be decided on after the canopy is painted and the fixtures are installed.

**Approve License Agreement for Combined Units**

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 license agreement for the use of common area hallway space to provide a new entrance to combined units #3712 and #3715, for a one-time fee of \$30.00. The motion passed unanimously.

**Approve Remodeling Applications**

Upon motion duly made by Judy Barnes and seconded by Frances Andrews, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve the remodeling of units #2405, #3101 and #4204, according to the requests submitted by the unit owners that have been reviewed and found to be in compliance with the Associations rules, regulations and conditions, and that will be subject to ongoing inspection by the Association's Assistant Chief Engineer. The motion passed unanimously.

**Approve Hiring Project Manager for Lateral HVAC Pipe Replacement Project**

Upon motion duly made by Frances Andrews and seconded by Judy Barnes, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve awarding a contract to Cotter Consulting to provide project management services for the Lateral HVAC Pipe Replacement Project, in an amount not to exceed \$200,000.00, in accordance with its proposal dated July 12, 2012. After discussion, the motion passed unanimously.

During the discussion, Mr. Ehrlich suggested approving a 90-day contract, with a longer term contract after the project contractors are chosen. Mr. Beck objected to the fact that the proposed action was not discussed at the Infrastructure Committee meeting, stated his opinion that no contractor would agree to the conditions suggested by Mr. Ehrlich, with which Ms. Barnes agreed, and suggested including a cancellation clause if the project does not go forward. Ms. Slattery stated that a project plan cannot be devised without a project manager involved to assist in the planning and work with the engineering and plumbing contractors. Mr. Vicens agreed and repeated that the schedule that he provided earlier in the meeting was for bidding purposes only. Mr. Beck provided details about how the project manager would bill the Association. Mr. Vicens mentioned that owing to a large project under way in Indiana, no pipefitters are currently available to staff the Association's project, so it is not known when the project can begin or how long it will take to complete. Mr. Beck repeatedly suggested that a not-to-exceed figure greater than that used in the Cotter Consulting proposal be approved to avoid having to obtain successive approvals if the project runs longer than anticipated. Ms. Slattery stated that it is the project manager's job to keep the project on budget and to inform the Board well in advance if any issues with timing or expenses arise.

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 8:28 p.m.

**RECONVENE TO OPEN SESSION**

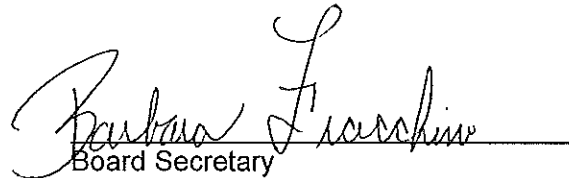
The Board reconvened to Open Session at 8:35 p.m. Upon motion duly made by Judy Barnes and seconded by Dave Beck, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve fining the unit owner cited in Closed Session \$50.00 for violation of a move-in rule. The motion passed, with Dorsey Ruley opposed.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion duly made by David Beck and seconded by Frances Andrews, the meeting was adjourned at 8:45p.m.

Respectfully submitted

  
Board Secretary