

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
December 10, 2013**

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, December 10, 2013, 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. She welcomed the new members of the Board: Lynn Conner, Susan Geffen and Barbara Mueller. A quorum was present in that the following directors were present:

Judy Barnes
David Beck
Peter Cremer
Lynn Conner
Susan Geffen
Betty Latson
Barbara Mueller
Dorsey Ruley
Nancy Slattery

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

Two items were added to the agenda: increasing party funds by \$500.00, and a discussion about service dogs.

ELECTION OF OFFICERS FOR 2014

Ms. Slattery announced that each Board position would be voted on separately by secret ballot, the ballots to be counted by Mr. Losik.

Board President

Ms. Slattery called for nominations for the office of Board President.

Ms. Latson nominated Nancy Slattery for the office of Board President. Mr. Cremer seconded the nomination.

Ms. Mueller nominated Judy Barnes for the office of Board President. Ms. Geffen seconded the nomination.

Mr. Ruley nominated David Beck for the office of Board President. Ms. Slattery seconded the nomination.

After counting the votes, Mr. Losik reported that there was a tie between two of the candidates, Judy Barnes and Nancy Slattery, with four votes each and one abstention. A run-off vote was conducted. After counting the second round of votes, Mr. Losik announced that there was still a tie between Ms. Barnes and Ms. Slattery, and that therefore, with no new Board President elected, Ms. Slattery will remain the Board President until she or another Board member is elected President for 2014. It was

agreed that the Board will vote again for the office of Board President at a future Board meeting. In response to a question from a unit owner, Mr. Losik declared that the Board President should vote on every Board decision.

Board Vice President

Ms. Slattery called for nominations for the office of Board Vice President.

Mr. Cremer nominated David Beck for the office of Board Vice President. Ms. Slattery seconded the nomination.

Ms. Geffen nominated Barbara Mueller for the office of Board Vice President. Ms. Barnes seconded the nomination.

After counting the votes, Mr. Losik announced that Barbara Mueller was elected to the office of Board Vice President.

Board Treasurer

Ms. Slattery called for nominations for the office of Board Treasurer.

Ms. Conner nominated Dorsey Ruley for the office of Board Treasurer. Mr. Ruley seconded the nomination.

Mr. Beck nominated Betty Latson for the office of Board Treasurer. Mr. Cremer seconded the nomination.

After counting the votes, Mr. Losik announced that Betty Latson was elected to the office of Board Treasurer.

Board Secretary

Ms. Slattery called for nominations for the office of Board Secretary.

Ms. Conner nominated Susan Geffen for the office of Board Secretary. Ms. Mueller seconded the nomination.

Mr. Cremer nominated David Beck for the office of Board Secretary. Ms. Slattery seconded the nomination.

After counting the votes, Mr. Losik announced that Susan Geffen was elected to the office of Board Secretary.

PROJECTS UPDATE – MANAGEMENT REPORT

Mr. Kristufek reported on the following:

- The Association Holiday Party/Winter Festival to be held on Wednesday, December 18.
- The Employee Holiday Party to be held on Friday, December 20.
- The meeting between Management and the door staff on Thursday, December 5.
- The Development Committee's distribution to unit owners of a questionnaire regarding the development plans for the property at North Avenue and Clark Street.

- The Lateral HVAC Pipe Replacement Project, which is completed except for some punch list items that will be addressed by the contractor on Wednesday, December 11.
- The James House Metal Panel Installation Project, preparation for which was completed by the week of December 2, and resumption of which will begin when Management receives an updated installation schedule.
- The Roof Deck Paver Project, which is scheduled to begin following the holidays and which is expected to be completed by March 1.
- The Engineering Study of the Garage, which will be submitted by Klein and Hoffman following its receipt of the mechanical plumbing portion from Bailey and Edwards, the plumbing engineers, and which will be used for general specifications and a budget guideline for the garage renovation project currently planned for 2014.
- The installation of an electrical outlet in the garage to be used for charging electric and dual-fuel automobiles.
- The approval by Klein and Hoffman of the final bill submitted by Softer Lite for the replacement windows.
- An insurance claim in the amount of \$42,227.23 submitted by the Association to cover damage caused by the pump failure on October 31 due to the inadvertent severing of an electrical conduit in preparation for the James House metal panel installation.
- Cell phone reception: Management will inform residents about reception improvement options available to them, such as boosters and other solutions offered by cell phone service providers, although there have been very few complaints about poor reception since August. Discussion ensued about cell phone reception, with some reporting problems and others reporting no problems at all. It was pointed out that because the Association is under contract with Softer Lite and is legally bound by the terms of the contract, Softer Lite's final invoice must be paid.

Further discussion ensued about the Lateral HVAC Pipe Replacement Project including open issues such as remote digital thermometers, two-way valves, and noisy fan coil units.

REGULAR OPEN FORUM

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

- The meeting between Management and the door staff, and the need for improved door staff demeanor and service such as door staff announcing visitors, as well as uniforms for Maintenance staffers manning the door desk during door staff breaks, and various other issues.
- The employee Holiday Fund.
- The Development Committee – consisting of Ms. Barnes, Ms. Slattery, Mr. Beck, and unit owner James Young, an architect – and the survey that it distributed to unit owners about development plans for the property at North Avenue and Clark Street, including the design of the survey and who will tally the results, the zoning variance application process, whether or not to engage a zoning attorney at this time, how legal fees would be paid, and various options for any new building on the property.
- Ensuring that the HOA Maintenance staff uses pet-friendly salt on the malls and sidewalks in the winter. Mr. Beck stated that HOA is aware of this and uses salt that balances efficacy for pedestrians' safety with pet sensitivity.

APPROVAL OF MINUTES

Ms. Geffen asked if there were any additions or corrections to the minutes of the Board meeting held on October 22, 2013. There was one correction. **David Beck moved that the minutes of the Board of Directors meeting held on October 22, 2013, be approved as amended. Peter Cremer seconded the motion, and it passed, with Betty Latson abstaining.**

TREASURER'S REPORT

Ms. Latson delivered the Treasurer's Report for the period ending October 31, 2013, as follows:

Results through the ten months of 2013 reflect revenues of \$7,340,000.00 including direct charge income, and \$4,592,000.00 excluding direct charge income. Revenues were over budget by \$108,000.00 due primarily to strong transfer fees and garage net income. Transfer fees were \$22,000.00 over budget, and garage net income was \$52,000.00 over budget.

Operating expenses year to date were reported at \$3,313,000.00 and have been well controlled, coming in \$3,000.00 below budget. This reflects lower operating and payroll expenses offset by higher maintenance expenses. After the capital reserve provision of \$1,142,000.00, the Association reported revenues over expenses of \$137,000.00, which compares favorably to the budgeted amount of \$29,000.00.

At October 31, 2013 the Association reported an operating fund balance of \$735,000.00 and a capital reserve fund balance of \$5,629,000.00. This fund balance includes the collection of the HVAC direct charge. The loan balance was \$2,579,931.00.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the Finance Committee completed its work on the James/Kilmer 2013 operating budget, that the proposed budget was mailed to unit owners in October, and that a unit owner budget review meeting was held for unit owners on November 18. She stated that at tonight's meeting, the Board will vote on the approval of the 2014 budget.

Ms. Latson also reported that the 2013 Reserve Study was recently completed, and that the updated Reserve Study assisted the Finance Committee in determining the necessary level of funding needed to meet the Association's future capital expenditures, and ultimately enabled the Finance Committee to lower unit owner assessments for 2014 owing to the healthy Reserve Fund balance and payment for repairs to or replacement of limited common elements by unit owners themselves.

Ms. Latson further reported that the Finance Committee is finalizing the 2012 audit. In response to a question from Mr. Ruley, Ms. Latson stated that the figures in the current Reserve Study are "placeholders" only and have not yet been voted on by the Board.

Social Committee

Mr. Ruley reported that the Committee will meet on December 11 and will make use of Ms. Fiacchino's purchasing spreadsheet from last year as it plans the December 18 Association Holiday Party. He said that expenses for the party have come to less than \$1,000.00 per year, and noted his request for an action item later in the meeting to increase the party fund by \$500.00. Ms. Latson reported that there was a budget of \$1,500.00 allotted for the J/K Holiday Party, so an increase would not be necessary.

Communications Committee

Ms. Barnes reported that she sent out a request by email for articles for the newsletter a week ago and needs to receive responses by December 12, and that she and Melissa Jones plan to distribute the newsletter by December 13.

Roof Deck Task Force

Mr. Cremer referred to the Management Report's statement that the pavers are scheduled to be delivered on January 7, and that Management will hold a preconstruction meeting with the engineers and the contractor, with completion of the paver installation expected by March 1, depending on the weather. He stated that the Task Force will then proceed to investigate options for furnishings for the deck.

Garage Committee

Ms. Barnes reminded those present about the "Toys for Tots" donation box in the garage. She stated that donations to the Holiday Fund for the garage staff are due by December 17 and for the office staff by December 18. Ms. Barnes stated that the employee holiday party will be held at Marcello's on December 20, and that leftovers will be brought back to the building for those working on the late shift.

Website Committee

Ms. Barnes reported that the Committee's quarterly meeting will be held in January, and she thanked Draper and Kramer and Melissa Jones for correcting the information about James/Kilmer on D&K's website.

HOA Report

Mr. Beck reported that the HOA Board approved the 2014 HOA Budget with no increase in assessments. Marcie Johnson reported that a meeting was held with Fifield about development plans still in progress for the Jewel Food Store property; Mr. Beck reported that the plans for the high-rise rental building on the property have been altered, removing three floors, so that it will be the same height as James House.

ACTION ITEMS

Approval of Board Meeting Schedule for 2014

Upon motion duly made by David Beck and seconded by Lynn Conner, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the Board of Directors Meeting Schedule for 2014. The motion passed unanimously.

Mr. Beck explained that the meetings are scheduled for the fourth Tuesday of each month except for November and December, when the meetings will be held on the second Tuesday.

Appointment of HOA Representatives and Alternates

Upon motion duly made by David Beck and seconded by Peter Cremer, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the following Representatives and Alternates to the HOA Board of Directors: Representative #1 – David Beck, Representative #2 – Marceline Johnson, Representative #3 – Jack Vedra; Alternate #1 – Judy Barnes, Alternate #2 – Barbara Fiacchino. The motion passed, with Dorsey Ruley opposed.

Approval of Fiscal Year 2014 Proposed Budget

Upon motion duly made by Judy Barnes and seconded by Lynn Conner, the following resolution was made:

BE IT RESOLVED, that the Board of Directors adopt the Proposed Fiscal Year 2014 Budget as distributed to Unit Owners on October 25, 2013. The motion passed unanimously.

Approval of Chiller Maintenance Contract

Upon motion duly made by David Beck and seconded by Susan Geffen, the following resolution was made:

BE IT RESOLVED, that the Board approve the chiller maintenance renewal proposal submitted by AMS Mechanical Systems, Inc., for the 2014 chiller maintenance agreement and eddy current test, in the amount of \$19,269.00, to be paid from the Operating Fund GL account #745200. The motion passed unanimously.

Approval of Vendor to Replace Cooling Tower Transmission

Upon motion duly made by Susan Geffen and seconded by David Beck, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by J&L Cooling Towers, Incorporated, dated November 18, 2013, to replace the south cooling tower transmission, in the amount of \$18,355.00, to be paid from the Reserve Fund GL account #788130. The motion passed unanimously.

Approval of Picker & Associates to Conduct 2013 Audit

Upon motion duly made by Judy Barnes and seconded by Peter Cremer, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Picker & Associates, LLC, dated November 18, 2013, to conduct the audit of the Association's 2013 financial statements, in the amount of \$9,700.00, to be paid from the Operating Fund GL account #730220. The motion passed unanimously.

Approval of Not-To-Exceed Amount for Balcony Repairs

Upon motion duly made by Barbara Mueller and seconded by Judy Barnes, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve the expenditure of an amount not to exceed \$35,000.00 to make repairs to eight remaining balconies identified by Klein and Hoffman as subject to excessive ponding, to be paid from the Special Assessment Concrete Project Fund GL account #790145. The motion passed, with Peter Cremer abstaining.

Approval of Remodeling Applications

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 the remodeling of units #607J, #1808, #2311, #3107, #3504, #3706, and #4002, 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.

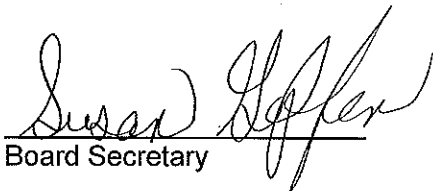
Discussion About Service Dogs

At Mr. Ruley's request, the Board discussed the question of whether certain dogs in the building are actually service dogs or "companion" dogs and how the Association should require that they be so identified. The Board agreed to Ms. Slattery's suggestion that Management request an opinion on the matter from its legal counsel.

ADJOURNMENT TO CLOSED SESSION

There being no further business to come before the Board in Open Session, upon motion duly made by David Beck and seconded by Peter Cremer, the meeting was adjourned to Closed Session at 8:55 p.m.

Respectfully submitted,


Board Secretary