

**JAMES/KILMER CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
January 22, 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, January 22, 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. A quorum was present in that the following directors were present:

Frances Andrews  
Judy Barnes  
David Beck  
Peter Cremer  
Barbara Fiacchino  
Barbara Grodzins  
Betty Latson  
Dorsey Ruley (via telephone)  
Nancy Slattery

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

The agenda was changed to include a second Executive Session following the Open Meeting to discuss a personnel matter.

**PROJECTS UPDATE AND MANAGEMENT REPORT**

Mr. Vicens reported on the following:

- Mobile Phone Signal Investigation: The firm of 360RF has been engaged to investigate the attenuation of cell phone signals in James House; the testing equipment will be delivered to the Management Office on January 25, after which the testing process will begin.
- FHA Recertification: The present certification expires on February 9 and, because there have been no changes, no problems with recertification are anticipated. In addition, the Association will apply for VA certification so unit owners can obtain VA mortgages.
- Reserve Study: A proposal from Reserve Advisors is expected on January 28, with the completed Reserve Study expected between March 4 and March 18.
- Lateral HVAC Pipe Replacement Project: The Finance Committee will meet on January 29, at which time it is hoped that the Committee can finalize the individual costs of the project for the direct charges. The fan coil unit piping has been tested and has been found to be in good condition, such that the Infrastructure Committee has recommended that the fan coil units not be replaced in conjunction with the lateral HVAC pipe replacement.
- James House Façade: Concrete work has been completed except for some touch-up painting on some roof structure areas and corrective stone work on the capstones on the planters on the west and north sides of the building to be done in the spring. The "ongoing" façade report for James House was filed with the City of Chicago on November 1, 2012.
- James House Penthouse Windows: All of the Penthouse windows have been installed. There are outside doors in the north room that need to be replaced as they are the wrong size; the replacements are ordered and are expected to be installed soon.

- James House Ground Floor East Entry: The metal threshold for the swing door between the two revolving doors will be put in place when the Penthouse doors are installed toward the end of the month.
- Management Office Replacement Windows: The windows will be replaced on January 26.
- James House Roof Deck: Bids for construction will be sought this winter, with work to begin in early spring.
- James House Metal Sheathing: The sheathing will be installed in the spring.

Ms. Latson asked about the design of the roof deck. Ms. Slattery stated that this will be discussed later in the meeting, and Mr. Vicens stated that he will send the concept design out to Board members on January 23.

### 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 discussed:

- Signs on the storage room doors across from the elevator doors on all of the Kilmer House floors except the laundry room that should be placed on the storage room side of the doors.
- Work on the doors in Kilmer House.
- The dull appearance of the elevator call button metal panel on several floors in Kilmer House.
- A report from a Kilmer House resident about a method used by Maintenance staffers to clear clogged master bathroom and wash machine pipes using forced air pressure, resulting in damaged pipes and sludge from the pipes spraying all over the bathroom. The unit owner asked why the Maintenance staffers used high air pressure to clear her pipes. Others reported similar situations and their use of various drain cleaners, and it was suggested that pipes be rodded, as recommended by Lake Cook Plumbing. Mr. Vicens stated that he will investigate the methods used by the Maintenance staffers to clear pipes. The unit owner also wanted to know what constituted the sludge in the pipes. It was recommended that Chief Engineer Kurt Kruger contribute an article to the newsletter about how residents should properly clear clogged drains and pipes.
- Mr. Cremer asked what methods are used to deal with plumbing in vacant units so the J-bends do not dry out. Mr. Vicens responded that, with the permission of the unit owners whose units will become vacant, the Maintenance staff pours an oil solution into the traps in vacant units so they do not dry out and allow sewer gas to back up into the unit.

### APPROVAL OF MINUTES

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on December 4, 2012. There were a few corrections. **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on December 4, 2012, be approved as amended. David Beck seconded the motion, and it passed unanimously.**

### TREASURER'S REPORT

Ms. Latson delivered the Treasurer's Report for the period ending November 30, 2012, as follows:

Through eleven months of 2012, the James/Kilmer financials reflect strong operating results. The Association reported total revenue of \$5.7 million. Revenues net of direct charge payments totaled \$4.9 million, and were higher than budget by \$74,000.00. Higher garage income was the primary reason for the higher J/K revenues.

Operating expenses of \$3.6 million were \$68,000.00 less than budget. Utility savings of more than \$138,000.00 more than offset higher maintenance, repair and payroll expenses. After the provision for capital reserves of \$1,124,000.00, the Association generated excess revenues over expenses of \$167,127.00. These results exceeded budget by \$143,572.00.

The Association continued to have healthy reserve levels. At November 30, 2012, the operating reserve fund stood at \$587,429.00. The capital reserve fund stood at \$5,894,801.00, and the loan balance stood at \$2,156,190.00.

## **COMMITTEE REPORTS**

### **Finance Committee**

Ms. Latson reported that the Finance Committee met on January 16 to continue its work on determining the costs of the Lateral HVAC Pipe Replacement Project and to work toward calculating the direct charge. She stated that with the fan coil test results indicating that the fan coil units appeared to be in overall acceptable condition, the Infrastructure Committee was in a position to recommend proceeding with the Lateral HVAC Pipe Replacement Project, and that any repair or replacement of fan coil units by unit owners would be voluntary. Ms. Latson reported that the Finance Committee was able to review a number of questions that had arisen about the costs and to discuss bank financing and ways to finance the direct charge and possibilities for unit owners who want to replace their fan coil units, as well as the effect of the project on the Association's 30-year cash flow. She noted that the next Finance Committee meeting is planned for January 29, at which the Committee will be very close to knowing what the direct charge will be, after which all the necessary information will be conveyed to unit owners.

Ms. Latson stated that as the Association now has more information about the Lateral HVAC Pipe Replacement Project, it would be helpful to summarize the information to enable unit owners to prepare for the upcoming direct charge:

1. The Lateral HVAC Pipe Replacement Project is proceeding, with an expected start date of April 2013 and a completion date of December 2013.
2. The fan coil unit repairs will be voluntary. Discussions on the condition of the fan coil units and methods for unit owners to maintain, repair or replace their fan coil units will be provided at an upcoming Town Hall meeting.
3. The Town Hall meeting is expected to be scheduled during February 2013. The Lateral HVAC Pipe Replacement Project, financing options, and a discussion about the fan coil units will be covered at this meeting.
4. The Association expects to survey unit owners about their direct charge financing plans and about their interest in voluntarily replacing any of their fan coil units.
5. The Association will provide a financing option to unit owners for the Lateral HVAC Pipe Replacement Project if needed. No financing will be available through the Association for any fan coil replacement costs, which will need to be financed directly by the unit owner.

6. The Association expects to levy a direct charge for the Lateral HVAC Pipe Replacement Project in the next month or two. The intention of the Board is to give unit owners as much time as possible to plan for the direct charge payment. Though the due date of the direct charge has not been finalized, unit owners will be given at least four months or more from the date the Board approves the direct charge before direct charge payments will be due. Look for more information at the Town Hall meeting.
7. The Town Hall meeting date should be determined in the next two weeks.

Mr. Beck asked what is being done about locking in utility costs. Ms. Latson stated that she has discussed this with Brad Cesario, whom she expects to provide her with reports on projected costs soon because the moment for locking in costs is approaching; she further stated that Mr. Cesario has advised waiting a little longer. Ms. Latson mentioned the possibility of putting in place a stop-loss order, and that currently the utility rates are extremely low and may get lower.

During the Finance Committee report, Mr. Ruley left the meeting at approximately 7:45 p.m.

#### **Garage Committee**

Ms. Grodzins reported that Eddie Main, the Garage Manager, is concerned because dog walkers are taking their dogs through G2 and are allowing their dogs to relieve themselves in the garage and then neither clean up after their pets themselves or let Mr. Main know so the staff can clean up. Ms. Slattery suggested an item in the newsletter as well as notices asking dog walkers not to do this and also asking residents who notice this behavior to report it. Ms. Fiacchino suggested also posting such notices in the garage itself. A unit owner noted that many dog walkers go through the garage because the back door is very difficult to open on windy days. Ms. Grodzins responded that Mr. Main understands this but does not understand why dog walkers leave their dogs' messes without reporting them so they can be cleaned up. Ms. Abrioux stated that she will make note of the situation in her newsletter article.

#### **Pet Committee**

Ms. Abrioux reported that she continually urges residents to report infractions of pet rules, especially dog walkers allowing their dogs relieve themselves outside the back door and not cleaning up after them, and that she will now also address the garage situation. She also stated that she will talk to the HOA Property Manager about replacing the gravel in the dog runs in the spring. Mr. Cremer asked if Management has a list of email addresses of dog owners in the Association. Ms. Andrews responded that this information is not currently requested on the dog registration form, and Ms. Abrioux added that only unit numbers and phone numbers are collected. Mr. Vicens stated that the Management Office can use a "Call-Em-All" phone communication system, and also stated that currently an "email blast" cannot be sent to such a large number of people. Mr. Cremer suggested that from now on, the email addresses of dog owners should be collected so they may be used in the future. Ms. Abrioux commented that there is a new "email blast" program available; Mr. Vicens responded that he will investigate it.

### Website Committee

Ms. Slattery reported that Ron Miller, the Committee Chair, has updated his page on the website. Ms. Andrews stated that Mr. Miller has asked about posting photos of Board members and JK staff on the website, and has also mentioned that there are discrepancies in information between the James/Kilmer website and the Draper & Kramer website, with some information on the D&K website needing to be updated.

### Infrastructure Committee

Ms. Slattery reiterated that the Infrastructure Committee recommends that fan coil unit replacements need not be mandatory, but that information about ways to maintain, clean, refurbish or voluntarily replace fan coil units is being assembled to be discussed at the Town Hall meeting. Ms. Grodzins stated that the minutes of the January 9 Infrastructure Committee meeting are posted on the website and are very informative.

### HOA Report

Ms. Johnson stated that the HOA Board meeting will take place on January 23 in the Alcott Hospitality Room and that it will include a presentation from representatives from Fifield Development about their proposed plans for the Jewel Food Store site redevelopment, at which they will also seek feedback from Village residents. Mr. Beck added that the presentation will take place between HOA's Annual Meeting of Unit Owners and its regular Board meeting. Ms. Johnson stated that Fifield's original development plans are disallowed under current zoning regulations, so that the corporation may be seeking a zoning variance. She also reported that Sandburg Village is now part of the 2<sup>nd</sup> Ward. Discussion ensued about how this would affect zoning issues. Ms. Andrews noted that there was discussion, as well as confusion, within the City government as to whether the new ward boundaries and associated Alderman were effective now or will be in 2015.

### COMMITTEE CHAIR ASSIGNMENTS

Ms. Slattery noted that there has been some discussion in the past about whether committee chairs must be Board members. She noted that in some cases committees should be chaired by unit owners who are not Board members, owing to their expertise in the areas addressed by the committees, with Board members as Board liaisons or co-chairs. She then listed the proposed committee chairs, as follows:

Website Committee – Ron Miller, Chair; David Beck, Board Liaison.

Finance Committee – Betty Latson, Chair.

Garage Committee – Frances Andrews, Chair, who will also handle the Garage Employee Holiday Fund.

Infrastructure Committee – Barbara Grodzins and Duane Hickling, Co-Chairs.

Social Committee – Barbara Fiacchino and Dorsey Ruley, Co-Chairs.

Employee Holiday Fund – Judy Barnes, Chair.

Communications Coordinator position – Judy Barnes.

Pet Committee – There was some discussion about the continuing need for this Committee, now that the Pet Rules have been completed, the charter requirements have been fulfilled, and the Management Office handles pet registration and rule enforcement. Ms. Abrioux stated that at this point the Committee largely acts only to inform Management of observed infractions of rules and to compose articles for the newsletter. Ms. Barnes stated that she and Melissa Jones, the Administrative Assistant, will focus on pet issues as needed in the newsletter. Ms. Slattery concluded that the Committee could be disbanded at this point, and could be revived later if needed.

Ms. Slattery suggested that an Infrastructure Committee Task Force be formed to look into designs or furnishings for the sundeck, and asked that Mr. Cremer lead it, to which he agreed. Mr. Beck suggested that Mr. Cremer meet with the firms who will be bidding on the decking materials.

Mr. Beck suggested also assembling a Task Force to develop ideas for the use of the North Room on the Penthouse level. Ms. Barnes agreed to head it, and Mr. Cremer volunteered to join it.

Ms. Slattery stated that she will post the list of committees and chairs, and suggested that unit owners who are interested in participating in the committees or who would like to offer ideas for the committees to consider should contact the Management Office. Ms. Latson asked that such ideas be discussed by the Board. Discussion ensued about the Penthouse rooms and about whether or not to rehang the window treatments in the lobby; with regard to the latter, it was decided not to reinstall them at this time.

Ms. Slattery asked about the status of the Association rules, noting that the Pet Rules were separated from the general rules, that rules were separated from policies, and that it was decided some time ago that Management would update the rules as needed, although nothing further has been done. After discussion, Mr. Vicens stated that the Management team will work on the rules with the help of Draper & Kramer.

#### ACTION ITEMS

##### Ratification of Previous Approval of 2011 Audit

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 ratify its previous approval by email poll on December 10, 2012, of the Audit of Financial Statements for the Years Ended December 31, 2011 and 2010, as prepared by Picker & Associates, LLC. The motion passed unanimously.

##### Acceptance of Infrastructure Committee Fan Coil Recommendation

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

**BE IT RESOLVED**, that the Board of Directors accept the recommendation of the Infrastructure Committee that the replacement of fan coil units not be mandated as part of the Lateral HVAC Pipe Replacement Project. The motion passed unanimously.

##### Approval of Bad Debt Write-Off

Upon motion duly made by Frances Andrews and seconded by Barbara Fiacchino, the following resolution was made:

**BE IT RESOLVED**, that the Board of Directors approve writing off \$15,560.28 in assessments previously due from a unit that were extinguished by a Judicial Sale Deed on January 24, 2012, as discussed in Executive Session. The motion passed unanimously.

**Approval of 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 #812, #2806, #2612, #3711, #3910 and #301K, 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. After discussion, the motion passed unanimously.**

In the discussion, Ms. Grodzins asked that in future, any remodeling involving a variance not be started until the Board has approved the variance. Ms. Barnes suggested that the Assistant Chief Engineer perform an initial inspection before the remodeling begins as well as progress and final inspections, to which the Board agreed. It was also agreed that descriptions of variances should be included in the Remodeling Approval List submitted to the Board and that when something is checked in the "Other" category, detail be provided as to what that is being requested.

**RECESS TO EXECUTIVE SESSION**

The meeting was recessed to Executive Session at 8:32 p.m.

**RECONVENE TO OPEN SESSION**

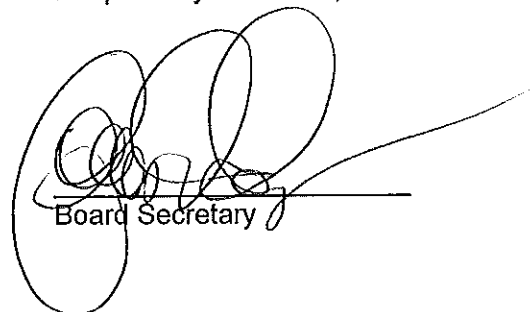
The Board reconvened to Open Session at 10:29 p.m. Upon motion duly made by Barbara Grodzins and seconded by Barbara Fiacchino, the following resolution was made:

**BE IT RESOLVED, that the Board direct Management to act on a personnel matter in accordance with the Board's discussion of the matter in Executive Session. The motion passed, with Judy Barnes and David Beck opposed, and Betty Latson abstaining.**

**ADJOURNMENT**

There being no further business to come before the Board, upon motion duly made by Barbara Fiacchino and seconded by Frances Andrews, the meeting was adjourned at 10:30 p.m.

Respectfully submitted,



Board Secretary