

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
July 23, 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, July 23, 2013, in the James House Hospitality Room, 1560 North Sandburg Terrace, Chicago, Illinois, pursuant to the By-Laws.

CALL TO ORDER

Nancy Slattery, President of the Association, called the meeting to order at 7:53 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
Nancy Slattery

Also present were James Losik, Property Supervisor, of DK Condo, A Draper & Kramer Company, and David Sugar of Arnstein and Lehr, the Association's attorney. Barbara A. Roberts acted as Recording Secretary.

Ms. Slattery announced that Item VI on the agenda would be dealt with first, and asked Mr. Sugar to explain the Illinois State Fire Marshal's proposed legislation.

STATE FIRE MARSHAL ENFORCEMENT OF LIFE SAFETY CODES

Mr. Sugar explained the two sets of laws that pertain to life safety issues: those from the City of Chicago Department of Buildings, with which James/Kilmer is in compliance, and those from the Office of the Illinois State Fire Marshal, which is proposing legislation requiring sprinklers in all residential high-rise buildings unless they meet certain State standards, which are different from the City's standards. He noted that owing to a recent fire in James house, the Fire Marshal inspected the building and issued an order calling for the installation of sprinklers throughout the building, which would cost unit owners a great deal of money. Mr. Sugar stated that the Fire Marshal has indicated to Mr. Sugar and Mr. Losik a willingness to work with James House regarding the order. He noted that the crux of the matter is a determination about which rules apply to James House: the City's or the State's. Discussion ensued, during which Mr. Beck stated his opinion that the matter will almost certainly be subject to litigation. Mr. Sugar concluded by stating that the Apartment Building Owners and Managers Association (ABOMA) has become involved in the situation and is urging condominium and co-op boards of directors to write letters to the members of the Illinois Joint Committee on Administrative Rules protesting the proposed sprinkler requirement. Further discussion ensued about the situation and about the letter-writing campaign.

Mr. Sugar left the meeting at 8:46 p.m.

PROJECTS UPDATE AND MANAGEMENT REPORT

Mr. Losik reported on the following:

- Resident Commitment Letters: This week letters were mailed to all James/Kilmer residents informing them about the direct charge for the Lateral HVAC Pipe Replacement Project and asking them to choose between a lump-sum payment or a 36-month financing option; Management is receiving responses from residents.
- Garage Rehabilitation Report: Klein and Hoffman has submitted a proposal to update its garage study from 2011. Approval of the proposal is an item on this meeting's agenda.
- Lateral HVAC Pipe Replacement Project: The project continues to be ahead of schedule. August 8 is the anticipated completion date for James House, and the anticipated completion date for Kilmer House is September 17.
- James House Roof Deck: This project is proceeding. The proposal from Bulley and Andrews has been reviewed by Mr. Sugar, whose comments have been forwarded to Bulley and Andrews; Management expects that the amended contract will be returned this week for full execution.
- Staff Vacation Schedule: Nichelle is on her honeymoon and will return on July 29, and John Zissis will be on vacation starting July 29 and returning on August 9.

APPROVAL OF MINUTES

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on June 25, 2013. There was one correction. **Barbara Fiacchino moved that the draft of the minutes of the Board of Directors meeting held on June 25, 2013, be approved as amended. Peter Cremer seconded the motion. After a brief discussion, the motion passed, with Judy Barnes and Dorsey Ruley opposed.**

TREASURER'S REPORT

Ms. Latson delivered the Treasurer's Report for the period ending June 30, 2013, as follows:

Results through the first six months of 2013 reflect revenues of \$3,039,000.00 including direct charge income, and \$2,693,000.00 excluding direct charge income. Revenues were on budget. Higher transfer fees, miscellaneous income, garage net income, and condominium lease fees offset lower service recoveries, legal reimbursements, and health club income. Operating expenses were reported at \$2,017,000.00 and were also on budget. Higher plumbing, sewer expenses and uninsured losses were offset by lower maintenance supply expenses and electricity costs. After the capital reserve provision of \$685,000.00, the Association reported a deficit of expenses over revenues of \$9,000.00, which was essentially on budget.

At June 30, 2013, the Association reported an operating fund balance of \$589,000.00 and a capital reserve fund balance of \$4,510,000.00. The loan balance was \$1,881,300.00.

COMMITTEE REPORTS

Finance Committee

Ms. Latson reported that the direct charge commitment letters were sent out to unit owners last week, stating that the commitment letters ask unit owners to commit to pay their direct charge for the Lateral HVAC Pipe Replacement Project in either one lump sum cash payment or to use the Association's three-year financing plan. She stated that unit owners have been asked to return the completed and signed commitment letters to the James/Kilmer Management Office by July 31, 2013, adding that if the Management Office does not receive the commitment letter by July 31, 2013, the unit owner will automatically be placed on the Association's three-year payment plan. Ms. Latson stated that the direct charge lump-sum cash payment will be due to the Association on September 1st, 2013, and that the first installment under the Association's three-year payment plan will also be due on September 1, 2013.

Ms. Latson reported that work continues on the 2012 audit, with some follow-up work needing to be done, and that the Committee and Management is pushing for completion of the audit because it ties into other projects under consideration. In response to a question from Mr. Beck, Ms. Latson stated that work on the budget generally begins at the end of August.

Garage Committee

Ms. Andrews reported that net income for the garage was \$188,653.00, which was \$12,067.00 under budget. The month of June showed strong revenue gains owing to more monthly parkers. The revenue deficit at the end of May was \$16,021.00.

Website Committee

The Webmaster, Ron Miller, reported that the Association's website continues to be well used in almost all of its features. In response to a question from Ms. Slattery, Mr. Miller stated that anything emanating from the Management Office, such as notices and door-drops, is also available on the website, noting that occasionally items may be posted by the Management Office that do not immediately appear on the website. He explained that as soon as the Management Office prepares an item – for instance, a notice – the staff can post it on the website, where it can be seen in the "Bulletin" or the "Document" or the "Maintenance" tab section. Mr. Miller also explained in detail the procedure to be followed to post items, and how this posting depends on actions taken by those creating the notices.

Infrastructure Committee

Ms. Grodzins reported that Klein and Hoffman has provided a proposal for updating its investigation of the garage from 2011, and that a mechanical engineer and/or plumbing consultant is needed so that work can start on the garage. She stated that the Lateral HVAC Pipe Replacement Project will be completed in James House three weeks ahead of schedule, and that work in Kilmer House will begin in the one-bedroom units and will then continue in the two- and-three bedroom units.

Communications Committee

Ms. Barnes reported that according to the bimonthly publication schedule, the next newsletter is due in August, most likely in the first week of August, and that there could be a special edition devoted to the sprinkler issue, to which the Board agreed.

James House Roof Deck Task Force

Mr. Cremer reported that Klein and Hoffman is producing a matrix, and that members of the Task Force will make field trips to buildings with similar roof decks to evaluate the various deck surfaces and configurations, after which the Task Force will review its findings and make a recommendation to the Infrastructure Committee and then to the Board.

HOA Report

Marcie Johnson reported that the next HOA Board Meeting will be on July 24 and that 2nd Ward Alderman Robert Fioretti will make a presentation to the HOA Board. She added that the HOA Board has prepared questions about his views on various issues and to acquaint him with Sandburg Village and its particular needs. Ms. Johnson and Mr. Beck stated that Alderman Fioretti has been invited to speak at other Sandburg Village association board meetings, notably that of Eliot House owing to its residents' concerns about the planned development on the Jewel Food Stores property on Division Street between Clark and LaSalle streets.

ACTION ITEMS

Approval of Remodeling Requests

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

BE IT RESOLVED, that the Board of Directors approve the remodeling of units #302J, #3205, #2903, #2007, #1615, and #1404, 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 inspections by the Association's Assistant Chief Engineer. The motion passed unanimously.

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 the purchase and installation of a balcony deck and ramp for unit #302J, owing to the disability of one of its residents, at a cost not to exceed \$3,000.00, the deck and ramp to conform to the specifications of the decks and ramps previously installed in units #1201 and #1512. After discussion, the motion passed unanimously.

Approval of Klein and Hoffman's Proposal to Update Its 2011 Evaluation of the Garage.

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

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Klein and Hoffman on June 24, 2013, to update the Parking Garage Rehabilitation Study originally prepared on October 7, 2011, in the amount of \$5,500.00. After discussion, the motion was withdrawn.

OPEN FORUM

Ms. Slattery invited the unit owners present to offer comments. The matters raised by unit owners were as follows:

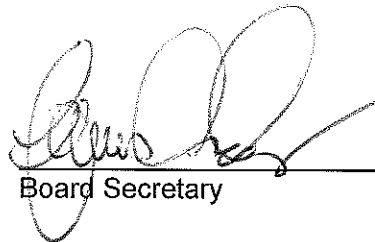
- The status of the search for a new Property Manager, to which Mr. Losik responded that the search is ongoing, and that he is acting as the interim Property Manager while the search progresses.
- Publicizing in the newsletter the proper way to water balcony plantings so as not to douse those on balconies below.

- Improving the ability of those in the Management Office to know when the Kilmer House security camera is not operating.
- The pick-up schedule for recycled electronic items.
- Mention of Kilmer House safety issues in the newsletter, and HOA's involvement in them.
- Problems with potholes on Germania Place, and whether that and other neighborhood matters are to be handled by Alderman Fioretti's office or that of 42nd Ward Alderman Brendan Reilly.
- The inability of veterans to rent units in James House or Kilmer House owing to the Declaration's leasing restrictions.
- Whether benches should be installed in front of James House.

ADJOURNMENT TO EXECUTIVE SESSION

There being no further business to come before the Board in Open Session, upon motion duly made by Peter Cremer and seconded by Judy Barnes, the meeting was adjourned to Executive Session at 9:50 p.m.

Respectfully submitted,



Board Secretary