

**JAMES/KILMER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
October 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, October 22, 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 7:08 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
Dorsey Ruley
Nancy Slattery

Betty Latson was not present.

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

Ms. Slattery asked if there were any additions or changes to the agenda. Ms. Andrews added one item to the agenda: establishing a new garage rate for parkers from the Weil clinic.

PROJECTS UPDATE AND MANAGEMENT REPORT

Mr. Kristufek reported on the following:

- Upcoming Meetings/Events: Ballots and candidate forms were mailed to the ownership on October 21; work was begun on the Kilmer House Tier 7 final phase of the Lateral HVAC Pipe Replacement Project on October 21; the James House Metal Sheathing Replacement Project will begin on October 24 or 25; Candidates Night will be held on November 6; and the Annual Meeting will be held on November 12.
- Personnel: A new Cleaning Janitor, Jakeena Garrett, started work on October 18.
- Ponding on the Balconies: Klein and Hoffman has provided additional information about this problem, and the Board and Management will address it as soon as possible.
- Lateral HVAC Pipe Replacement Project: The Kilmer House Tier 7 final phase will begin on October 21; plans are in place for dealing with the temporary lack of access to the chute room, and heating will not be available in the living rooms of the six units on the tier. The work is expected to be completed by November 8.
- James House Metal Panel Project: The removal and replacement of the metal sheathing, including repair of underlying concrete, will begin on October 24 or 25 and continue until mid-November.
- Kilmer House Miscellaneous Concrete Repairs: This project, including portions that were performed by HOA, was completed on October 11.
- Roof Deck Paver Project: Klein and Hoffman and Bulley and Andrews have taken measurements to prepare for the paver installation, and Management is asking the Board to approve payment of an additional expense for the border paver, paver color and finishes, and additional railing work.

- Engineering Survey of Garage: The survey of the garage structural concrete and drainage system by Klein and Hoffman and Bailey Edwards began today, the reports from which will be used as general specifications for next year's garage renovation project.
- Turnover to Heat Mode: The buildings were converted to heat mode on October 15.

In response to a question from Mr. Ruley, Mr. Kristufek stated that no failures were reported after the switch to heat mode.

OWNERS' OPEN FORUM

At Ms. Slattery's invitation, the unit owners present offered comments on the following topics, and discussion among owners and Board members ensued:

- When the air balancing project will take place.
- The Village Theater property development; discussion ensued about a questionnaire that a unit owner proposed to have distributed to all residents to collect their opinions about the future development of the property, and about the Board's and others' actions with regard to addressing issues pertaining to the development. It was noted that the developer will make a presentation about the property at a neighborhood meeting to be held at the Latin School on October 29, which everyone is urged to attend, and that if the questionnaire is distributed before the meeting, it should include a reminder about the meeting. Further discussion ensued about whether the questionnaire should be distributed before or after the October 29 meeting.
- Concerns about conditions in general at the corner of North Avenue and Clark Street and the developer's responsibility to deal with them.
- When the problem with balcony ponding will be dealt with, how and by whom, taking into account that it is a problem inherent in the construction of the balconies and that the contract with the concrete contractor does not include dealing with the pitch of the balconies on which ponding occurs.
- An explanation of an action item on the agenda dealing with an increase in parking fees for owners of electric cars who utilize an outlet in the garage to charge their cars.
- Dealing with water damage in units caused by the condensate pipe break, and the circumstances under which damage is covered by the resident's or the Association's insurance according to the terms of the Declaration. It was noted that the Association itself has no requirement that residents be covered by homeowners or renters insurance.
- Problems with residents not returning carts to the garage, and the need for a review of the procedure to borrow the carts.
- The date and time of Candidates Night.
- The Board members' oath.
- A previous discussion by the Board about requiring unit owners to occupy their units for a year before renting them out, which would require amending the Declaration by a vote of two-thirds of the ownership, including a necessary provision according to which all current resident and investment owners would be exempt. Discussion ensued about information on the subject provided by Draper and Kramer and by the Association's legal counsel, about the effect of rentals on the Association, and about the actions of other nearby condominium associations to limit rentals.
- An illegal move-out on a recent Sunday.

APPROVAL OF MINUTES

Ms. Andrews asked if there were any additions or corrections to the minutes of the Board meeting held on October 1, 2013. There being none, **Frances Andrews moved that the draft of the minutes of the Board of Directors meeting held on October 1, 2013, be approved as presented. David Beck seconded the motion, and it passed, with Barbara Fiacchino and Barbara Grodzins abstaining.**

TREASURER'S REPORT

Mr. Losik delivered the Treasurer's Report for the period ending September 30, 2013, as follows:

Through September 30, 2013, the Operating Fund cash and investments balance was \$1.7 million, including approximately \$900,000.00 in Lateral HVAC Pipe Replacement Project direct charge receipts, to be moved into a separate Harris Bank account. The Reserve Fund cash and investments balance was almost \$3.9 million. Through the first nine months of the current fiscal year, there is an Operating Fund surplus of approximately \$109,000.00, due primarily to additional nonassessment revenue, including a \$47,000.00 scavenger rebate from 2011; numerous transfer fees in excess of \$20,000.00 over budget; garage income at \$39,000.00 over budget, and a positive payroll variance of over \$40,000.00. Approximately two-thirds of the unit owners opted to pay for the Lateral HVAC Pipe Replacement Project in a lump sum, with the remaining third opting for the 36-month payment plan. This resulted in about \$830,000.00 in funds that will be borrowed from Harris Bank. The Line of Credit is being converted to a term loan per the agreement with Harris Bank. The evening's agenda includes the Board's consideration to distribute the proposed 2014 Operating Fund Budget, which at this point includes a 3.5% reduction in assessments. The reduction is due to a decrease in contributions to the Reserve Fund recommended by Reserve Advisors based on the current Reserve Fund balance and the projects anticipated to be performed in 2014.

COMMITTEE REPORTS

Website Committee

Ms. Barnes stated that the Association's Webmaster, Ron Miller, is preparing a report. She stated that the Draper and Kramer website contains some outdated information about the Association that needs to be corrected. Ms. Barnes announced that the next quarterly Website Committee meeting will take place in early January 2014.

Infrastructure Committee

Ms. Grodzins reported that the Lateral HVAC Pipe Replacement Project work in Kilmer House is proceeding very well, with less noise and dust than anticipated, and with provision made for collecting garbage while the chutes cannot be used. She further reported that she and Mr. Kristufek did a walk-through at Kilmer House and noted several items that needed to be addressed, some of which she enumerated and most of which she reported have now been taken care of to the satisfaction of the Kilmer House residents.

Social Committee

Ms. Fiacchino stated that she will meet with Mr. Ruley to plan the Holiday Party and that they will propose a choice of dates for the party to the Board. Ms. Barnes reported that the employees are reviewing plans for their Holiday Party with Mr. Kristufek.

Communications Committee

Ms. Barnes reported that the December issue of the newsletter will be published following the Board meeting in early December, probably on December 13, and that she will distribute requests for articles by email a week to ten days before the planned publication date.

HOA Report

Mr. Beck reported that the next HOA Board meeting will be held on November 20, at which the proposed 2014 budget that has been mailed out to all Village unit owners is expected to be approved. He further reported that HOA Management plans to increase its rat abatement efforts, most likely with more traps. Discussion ensued about rats and abatement efforts in the area.

ACTION ITEMS

Ratification of Approval of Allowance for Kilmer House Tier 7 Lateral HVAC Pipe Replacement Project

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

BE IT RESOLVED, that the Board of Directors ratify its previous approval by email on October 14, 2013, of an allowance in an amount not to exceed \$70,000.00 for EMCOR to proceed with and complete the Lateral HVAC Pipe Replacement Project in Tier 7 of Kilmer House. The motion was unanimously approved.

Approval of Window Washing Vendor

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

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Corporate Cleaning Services, to perform window washing services in 2014, in the total amount of \$24,825.00. After discussion, the motion passed, with Frances Andrews recusing herself.

Discussion ensued about having the screens cleaned.

Approval of Distribution of Proposed 2014 Budget to the Ownership

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 distribution of the Proposed 2014 Budget, which includes a 3.51% decrease in assessments, to the James/Kilmer unit owners for a 30-day review, pursuant to the provisions of the Illinois Condominium Property Act. The motion passed unanimously.

Approval of Vendor to Replace Garage Sprinkler Heads

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

BE IT RESOLVED, that the Board of Directors approve the proposal submitted by Fox Valley Fire & Safety, dated January 29, 2013, to replace 194 garage sprinkler heads, in the amount of \$6,715.00. After discussion, the motion passed unanimously.

Approval of Additional Amount for Roof Deck Project

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

BE IT RESOLVED, that the Board of Directors approve the additional cost proposed by Klein and Hoffman on October 17, 2013, of the Roof Deck Paver and Rail Installation Project, in the amount of \$10,555.00. After discussion, the motion passed unanimously.

In the discussion preceding the vote, Mr. Cremer explained the specific charges that resulted in the additional \$10,555.00 cost. Mr. Losik advised that Draper and Kramer can provide assistance in the selection of deck furnishings. Ms. Slattery stated that the Association has also budgeted funds for work on the other Penthouse areas.

Approval of Parking Fee Upcharge for Electric Car Charging in the Garage

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

BE IT RESOLVED, that the Board of Directors approve a \$35.00 increase in the monthly parking rate for James/Kilmer parkers who utilize a garage electrical outlet for charging plug-in electric-powered vehicles. After discussion, the motion passed unanimously.

Approval of Remodeling Requests

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 #804, #1803, and #1906, 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.

Approval of Parking Rate

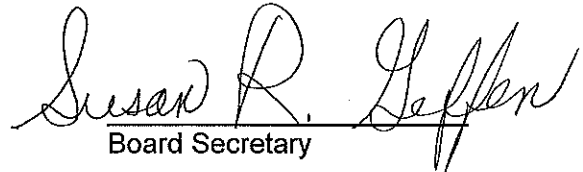
Ms. Andrews reported that four of the physicians from the Weil Foot & Ankle Institute would like to park in the James/Kilmer garage and that the Institute has requested a reduced "bulk" parking rate, noting that many of the Institute's patients park in the garage using the Association's discount coupons. She provided details about the arrangement proposed by the Standard Parking Garage Manager, Eddie Main. In response to a question from Mr. Ruley, Ms. Andrews stated that the proposed parking rate is lower than any other rates in the area. After discussion, upon motion duly made by David Beck and seconded by Judy Barnes, the following resolution was made:

BE IT RESOLVED, that the Board of Directors approve a special package parking rate for physicians and staff of the Weil Foot & Ankle Institute of \$100.00 per vehicle per month for four or more cars, effective for one year beginning December 1, 2013, and further, that the Board of Directors approve an increase in the special rate to \$125.00 per vehicle per month if the number of physician or staff vehicles parked in the garage drops below four. After discussion, the motion passed, with Dorsey Ruley opposed.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Frances Andrews and seconded by David Beck, the meeting was adjourned at 8:07 p.m.

Respectfully submitted,


Board Secretary