

James/Kilmer

Condinium Association Newsletter

Editors: Judy Barnes, Diana Cardenas, Karla Ross



COM ED VAULT FLASHBACK AND QUICK RESPONSE BY A COURAGEOUS GARAGE EMPLOYEE

Judy Barnes, JK Association Vice President

On the evening of July 6, 2010, during a very heavy electrical thunderstorm, the Com Ed Vault under the circle drive in front of James House experienced an ARC which resulted in several flashovers. Here is resident Jay Owens' account as well as his photos (provided above):

"I heard a noise that sounded like an empty dumpster had just been dropped onto the pavement from the third floor. I didn't think anything about it until I heard it again at which time we went to the window to look out--probably not the safest thing to do in

case there had been an explosion. We watched the North end of the electrical vault glow from dim to very bright which was then followed by another very loud sound that echoed from within the vault giving it the properties of the falling dumpster.

Amin Khamo, JK Garage Hiker, was the first person on the scene. He arrived very

Continued on **2**

President's Corner

Page 2

Finance/
Treasurer's Corner

Page 4

Property Manager's
Corner

Page 5

shortly after the first couple of flashovers, and began directing traffic and pedestrians away from the vault. It was raining hard at the time and he was getting soaked, but he stayed on the scene until the fire department arrived. Even after the fire department arrived, Amin was the one who was getting things done. While the firemen stood around, Amin brought traffic cones from the garage to place around the vault to warn traffic away."

The James Kilmer Association and Standard Parking highly commend Amin for his quick thinking and courageous action. He is being rewarded with a special commendation and a monetary gift. Thank you again, Amin.

From a JK capital budget perspective, the upgrade of the Com Ed Vault had been planned and was in our JK Capital Budget.

Previously, HOA paid Meade Electric (a Com Ed approved supplier) \$12,000 to conduct the initial design survey and the calculations and drawings for the vault. HOA then received a repair proposal from Meade. HOA is responsible for 3 percent of the repair costs and the JK Association is responsible for 97 percent (according to our Declaration).

The JK Board approved at its August 24, 2010 meeting, the capital repair of the walls and ceiling of the electrical vault to protect the transformers that provide electricity to the Association and surrounding areas. When repair work begins, we will experience shifts in the traffic pattern in this area and the garage entrance. The project is expected to begin in September. We thank you in advance for your patience for this important project.

Presidents Corner

Duane Hickling, JK Board President

Future Implications of the James Kilmer Lawsuit Resolution

With the dismissal of the requests for rehearing on the both of the appeals of the lawsuit the Appellate Court sent a clear signal that they wished to spend no more time considering the issues raised by the suit. So, it is incumbent upon the James Kilmer Board of Directors to move forward in the management of the association in the fairest and best manner for the unit owners. It will be the responsibility of the residents to also move forward in restoring the sense of community that is desirable for condominium living to be enjoyable. What does this mean and how do we do it?

Although the suit was specifically about whether Kilmer owners should contribute to James owners' windows, the suit has raised two key issues:

- A) How should the Association fund limited common elements (LCEs) given the current assessment level that funds capital and operating budgets
- B) How are we certain that there is a fair allocation of costs between the Kilmer and James buildings based on respective building owner assessment contributions?

[Note: An LCE is a component of the building which is specific to each unit as opposed to *common elements (CEs)* building elements which benefit everyone. Examples of LCEs are unit doors, unit windows, patios or balconies, railings and HVAC lines and plumbing, which are inside each specific unit. Examples of CEs are utility systems, which serve the entire association, roofs, elevators, exterior walls, etc.]

How to Fund Capital Improvements

At a minimum, the courts' ruling has brought an increased scrutiny to how LCEs should be funded in the future. The challenge that the Association now faces is creating a capital budget-funding plan which will keep the buildings appropriately maintained without having to direct charge individual unit owners every time repair work is done to LCE's (balconies, railings, doors, etc.)

When an owner buys into a condominium there is an expectation that much of the ongoing maintenance and operations cost of the building(s) is being addressed through the monthly assessments. Doing a direct charge to owners every four years for balcony repairs, for example, could give a significant pause to a perspective buyer in our association.

How to assure fair distribution of investments between buildings

The second issue, regarding cost allocation between the buildings has been raised because the Kilmer unit owner windows were previously replaced (2001) and paid for with the Association's capital reserves. Even before the suit there had been 'hallway discussions' about whether one building or the other was receiving fair value for the money that was being contributed to the association's funds. The questions fell broadly into two categories:

1. Kilmer owners often felt they were paying unfairly because projects and repair in James House were more expensive because the building was so much bigger
2. James owners often expressed concern that they were paying unfairly because they contributed 83.3% of the cost of all projects – including those done on Kilmer House.

Fact based Audit Process

Last year, the Board commissioned the association's financial auditor to perform a *Cost Allocation Study* to determine how capital and operating funds were being spent between the buildings. The result of the cost allocation study was presented to the Board and is displayed on the James Kilmer website at:

http://www.jameskilmercondo.org/minutes_JKboard/jkboard2010/JKCostAllocationSplRpt.pdf.

The results of this cost allocation study showed that Kilmer was currently benefitting over James House in both the operating and capital funds spent.

Moving forward

Developing and recommending to the Board an appropriate funding strategy for the association operating funds and capital projects will be an important task for the Association's Finance Committee. This is work that the Board is taking seriously.

As we go through these discussions, I would urge both Board members and owners to make sure these issues are discussed from a basis of factual information. By understanding the facts and focusing on the long-term fair management of our community, we can successfully put any lingering acrimony of argument about injustice to either building behind us. Having high quality well maintained buildings will benefit both Kilmer and James owners with a safe livable environment while sustaining the value of all of our units.

Finance/Treasurer's Report

Betty Latson, JK Association Treasurer

Direct Charge Update:

James House unit owners reached a significant milestone with the levy and collection of the Direct Charge. Thank you to the James House unit owners who have been so responsive throughout this process. **The final numbers reflect 70% of the James unit owners elected to pay the Direct Charge in a lump sum (over \$9 Million).** 156 unit owners elected to use the Association's payment plan. As a result, the Association has borrowed \$3,137,682 or 26% of the total direct charge. The loan breakdown is as follows:

Length of Loan	Amount of Loan	Percent of Total	Number of Unit Owners
3 year loan	\$ 490,579	15.6%	31
5 year loan	\$ 631,494	20.1%	29
7 year loan	\$ 143,260	4.6%	7
10 year loan	\$1,872,349	59.7%	89

Financials:

The Board approved the JK audited financial statements for the fiscal year ended December 31st, 2009 at the July Board meeting. The 2009 audit reflects an operating loss of \$191,000

resulting from uninsured losses from water damage related to James window failures and lower garage income. Unit owners will receive the 2009 audit results in the next few weeks. We are happy to report that for the first 7 months of July 2010, JK reported positive results with revenues exceeding expenses by \$16,000. The results compare very favorably to both the 2010 year to date budget and last year's comparable interim results.

The Cost Allocation Study will be continued and applied to the 2009 audited financial results. The Cost Allocation study allocates the operating and capital costs of the JK Association to each JK building. The results of the initial Cost Allocation Study can be found on the JK web site. The JK Association will continue to track operating and capital expenses by building annually and share those results with unit owners.

2011 Budget:

The Management Office and Draper and Kramer have begun the 2011 budget process. The proposed budget schedule calls for Finance Committee meetings on September 20, October 6, October 12, and October 19. We have received a draft of the 2010 Reserve Study which is currently being reviewed by Management and the Treasurer for our Capital Budget process.

Property Manager's Corner

Richard Vicens, JK Association Property Manager

James House Windows Project

Mock-Up

The project mock-up will be installed starting on Tuesday, August 31. The assemblage will then undergo testing and we will have the results by September 10. Shop drawings for the main installation will not be released by our Engineers, Klein and Hoffman, until everything operates properly and meets the prescribed standards for the prevention of air and water infiltration. Once the shop drawings are released and the manufacturer, TRACO, begins fabrication it will be possible to give out more accurate and firm installation schedules.

Information Sessions

The first of a number of information Town Hall meetings was held on Monday, August 23 and was attended by about 100 persons. The next meeting is scheduled for September 30 at 7:00 p.m. It would be very helpful to us if you would submit questions to the Management Office before that date. I would ask that you respect the persons who would be in attendance for windows information and not bring up other topics. If you would like to discuss other matters just come into my office and meet with me.

Project Coordinator

Our Project Coordinator, Paulette Demers, will be out of town until Monday, September 27. I

have taken over her responsibilities until then and I can be reached at 312-654-1560, ext 4. When Paulette returns she will be here full-time in her office located in the penthouse. Shortly we will be giving you Paulette's email and building system phone information, as additional ways to contact her.

James House Concrete Project

Progress

Concrete work on tiers 1, 2, 3, 5, 7, 9, 11 and non-balcony tier 15 has been completed. The estimated completion date for this phase of the project will be November 5 for the last work to be done on Tier 12 balconies. The latest drop schedule (dated August 25, 2010) may be found on the tables in the mail area or in the Management Office.

Safety

Scaffolds have been rigged on the north side of the building for tiers 12 and 15. Inspection work has already begun and demolition will follow soon afterward. A new protection bridge has been installed restricting pedestrian traffic to the sidewalk at the north side of the building for persons wishing to travel from the rear of the building to the east side. No pedestrian traffic will be allowed in the drive area. Once demolition starts on these two drops there will be concrete pieces that will fall in the drive area. No vehicles will be allowed as they almost certainly would be damaged by falling concrete.

Building Painting

Starting in the spring of 2011 the entire building will be power washed and painted. Additionally, balcony railings will be repaired and painted and new balcony membranes will be installed. Details and schedules for this work will be supplied to you in early 2011.

Electrical Vault

Per the cover article, the Board approved the repair of the walls and ceiling of the electrical vault just east of the fountain at its August 24, 2010 meeting. The transformers located there supply electricity to James House, Kilmer House, the Town Homes and to other areas of the north end campus. There is concern that a vault structural failure would damage the transformers and cause an extended electrical outage to the areas supplied. Once the work begins, no vehicular traffic would be allowed in that area and garage access and egress would be via the west side of the fountain. The work should begin in late September and we do not have a completion time yet. Further information will be posted when it is available.

Engineer's Corner

Kurt Kruger, JK Association Chief Engineer 2 Important Condo Safety Reminders

1. The living experience at the James/Kilmer Condominium has been improved over the last twelve months by the addition of 7 automatic doors, bringing our total to ten. These doors are so convenient, greatly helping anyone who is handicapped, carrying packages, using a cart, or merely getting a little older and moving a little slower.



There is a price to pay for this convenience. The longer 'stay open' time of the doors, which is required by law, makes it easier for someone to "tailgate" behind you after you have opened the mechanism. These are "*fob-actuated doors*" which means they are Security Doors. Therefore extra care must be given at these junctures. *If you do not know the person behind you, no need to confront them, but please report it immediately to the doorman on duty. We will take it from there.*



2. Starting on April 22, 2010, new EPA rules kicked in for renovating, repairing or painting more than six square feet indoors or 20 square feet outdoors on buildings constructed before 1978. Per these rules, the *contractor must be certified* for working on lead-containing paint and a brochure must be distributed to residents. Copies of this EPA ruling were distributed at the Windows Town Hall Meeting this past week, as it may impact any painting/work needed following new window installations. Also copies of this ruling are available in the office and on the JK Website, under "Maintenance".

Owners should be aware that this change has been made in our construction/renovation package as well, and you acknowledge this when you sign off on it.

An EPA or state-certified lead inspector can be hired to test for lead and if none is in the area to be painted or renovated, the rules do not apply. If there were lead in paint in buildings constructed in the 60's or 70's, it may be in the doors and doorframes, where a durable paint is needed, and less in the corridor walls. The older the building is, the greater the chances for lead containing paint.

Direct Vote Information

Judy Barnes, JK Association Vice President

REMINDER: NEW DIRECT VOTING RULES IN EFFECT FOR JK BOARD MEMBER ELECTIONS AT THE NOVEMBER 2010 ANNUAL MEETING

This is to remind all JK owners that for the election of new board members at the Annual Meeting on November 9, 2010, *there are new Direct Vote/Secret Ballot rules in effect*. All owners will receive a preliminary notification of the annual meeting in September. In early October, or approximately 21 days prior to the annual meeting, you will receive a packet with notification of the annual meeting, your owner ballot, and copies of biographical and background information on the board candidates. The lower portion of each Ballot will be marked with a *unique Ballot identification number*.

There are a *few simple rules to remember in our new Direct Vote process*:

- 1) You **MUST VOTE AND SUBMIT YOUR OWN BALLOT**. If someone other than you submits your ballot, it will be invalidated. You may submit your ballot as follows:
 - a) in person at the Annual Meeting
 - b) deposited by you directly into the locked Ballot Box located in the JK office OR handed to one of the office persons who will deposit it into the locked Ballot Box during regular office hours. No ballots will be accepted if they are slid under the office door.
 - c) for non-resident owners or those traveling, you may deliver it to the JK Office by U.S. Mail, over-night delivery service, messenger, fax or electronically, if the Ballot is received at the JK office by the close of business (6pm) the day of the election/annual meeting.
 - d) if you are incapable of physically getting to the office, contact the office and they will assist in picking up your ballot.
- 3) Your **BALLOT MUST BE SIGNED BY YOU, THE OWNER, OR IT WILL NOT BE VALID**.
- 4) Candidates (or their representatives) **MAY NOT SOLICIT 'signed or unsigned ballots'** by going door to door or by any other means.
- 5) The Secret Ballot forms will identify each unit number and the percentage ownership interest of the unit whose votes are being cast and incorporates a tear-off section that (a) identifies the unit number and the name of the unit's Voting Member(s); and, (b) requires the signature of the person casting the ballot. Any Ballot submitted for tabulation without an intact tear-off section or without a signature will not be counted. After all ballots have been tabulated, the tear-off section of each Ballot will be removed and kept by Picker for use by any subsequent third party auditor. All ballots will be retained by Picker for 1 year after the election.

Kilmer Lawsuit Update

David Beck, JK Board Secretary

At its August 24, 2010 meeting, the JK Board of Directors unanimously voted to take no further action relative to the lawsuit filed by Dan McNamara and Suzy Ridenour against the Association. Dan McNamara was not present at the meeting and took no part in the decision.

This decision was made after consulting with the Association's attorneys. The attorneys advised:

1. That it was unlikely, at best, that the Illinois Supreme Court would even accept the appeal;
2. That even if the Supreme Court took the appeal, the process would be lengthy and expensive with little likelihood of success;
3. Even if the Supreme Court reversed the Circuit and Appellate Court orders, it could lead to several additional years of expensive litigation with no guaranty that the Association's position would ultimately prevail.

In addition, the Board considered the fact that the ongoing litigation has adversely affected owners' ability in both buildings to sell their units or to refinance their mortgages.

Penthouse Update

Diana Cardenas, JK Association Administrative Assistant

As you all may know, there have been some refreshing changes to the Penthouse. It has been repainted and re-carpeted to give it a very presentable feel. The Penthouse is now available to rent for the **private social use by James/Kilmer residents only, for such events as baby showers, parties, etc..**

If you are interested, please contact Diana in the JK Management Office to check for room availability, event rules and rental fees. The Penthouse is available 7 days a week. All reservations require a \$200 deposit. The deposit is returned if the room is undamaged and cleaned after the event. Reservation costs vary with the day reserved: \$100 - Weekday (Monday thru Thursday); \$200 - Weekend (Friday thru Sunday). Guest Lists **MUST** be submitted with reservation documents, as well as room set up requirements. Use of the penthouse for private events must be respectful of the resident units directly below in terms of noise. If door staff or management receives complaints, security will notify the host of the party and any subsequent complaints will result in the immediate termination of the event.

If you have any questions, please contact Diana at (312) 654-1560 x 1 for further details.

Recycling Update

Judy Barnes, JK Board Vice President

At the July, 2010 Board meeting, Gail Gill was appointed to lead an effort to examine the direction that the JK owners would like to take regarding recycling--now that the city's Blue Bag system is purported to possibly be 'defunct and ineffective'. However, according to our JK Association Waste Management representative, "the blue bags at JK do get picked out and recycled". So Kurt Kruger, JK's Chief Engineer reminds all residents that until further notice, the blue bag system is still in effect at James Kilmer. We don't want to quit using our blue bags, just because Chicago's system is questionable.

Waste Management is a leader in the updated "Single Stream Recycling" process, which means that you can put all recyclables in one container--no more sorting! Waste Management has 2 'high tech' centers for "Single Stream Recycling" which are located in Grayslake and Chicago Ridge. If JK moves to 'Single Stream Recycling', recyclables must be deposited in separate containers at JK and serviced/transported by Waste Management to their recycling centers--which will be an additional charge to our JK Association, should we decide to use "Single Stream Recycling".

The 'acceptable items' for Single Stream Recycling has expanded and now includes:

- Flattened cardboard
- Magazines and catalogs
- Office paper and file folders
- Junk mail
- Phone books
- Paperboard (e.g. Kleenex boxes, soda and beer wrappers)
- Brown paper bags
- Newspapers and inserts
- Plastic bottles and containers
- Plastic's #1,#2,#3,#4,#5, and #7
- Glass bottles and jars
- Aluminum cans, foil and pie tins
- Steel cans and empty aerosol cans

The 'unacceptable items' still includes:

- Plastic bags (grocery/trash bags) – Note: Jewel has begun using #5 plastic bags, which are recyclable!
- Plastic (saran wrap)

Plates or dishes
Cardboard contaminated w/food (e.g. pizza containers)
Food waste and liquids
Wood
Carbon paper
Carpet and cloth material
Glass (windows and non bottle or jar)
Styrofoam
Waxed paper and waxed cardboard

Gail will soon begin seeking unit owner input on 'if and how' they would participate in recycling and will subsequently share this information with JK Management and Board in an effort to determine how we might approach recycling in the future.

Neighborhood Article

Judy Barnes, JK Board Vice President

I. Alderman Reilly Landmarks Historic Germania Club

After almost two years of meetings and negotiations, Alderman Reilly was pleased to finally testify in support of designating the historic Germanic Club a city landmark at the Chicago Commission on Landmarks hearing earlier this month. Alderman Reilly worked closely with the current owner of the Germania Club and the city Landmarks Division to present a final designation report to the Landmarks Commission. The grandly-scaled Germania Club Building is located at the corner of Clark Street and Germania Place in the 42nd Ward's Gold Coast/Near North Neighborhood. The final designation was unanimously approved by the Landmarks Commission and their recommendation will be submitted to the full City Council for consideration at the September meeting.

Currently, Germania Club's ground floor is home to several businesses and the large main rooms are still intact and are rented for special occasions. This historic building remains one of the strongest links to Chicago's German-American cultural history. Many other landmarks such as the Red Star Inn, German Building from the World's Columbian Exposition (demolished, 1925), and the German Opera House/Garrick Theater (demolished 1961), were all identified with Germans in Chicago, but the Germania Club remains - a rare and distinguished touchstone to German heritage.

II. Pedestrian Safety Prevails in Illinois: New Law Requires Drivers to Stop for All Pedestrians

Earlier this month, Governor Pat Quinn signed into law HB 43, offering further protection of pedestrians' rights and safety in Illinois. HB 43 requires drivers to come to a complete stop for pedestrians in all crosswalks - even those that don't have a stop sign or traffic light. Chicago Police have been conducting sting operations at Germania and Clark to honor the pedestrian walk way to protect our safety when crossing Clark Street.

III. Weil Foot & Ankle Institute Clinic is Opening at North Avenue & LaSalle Street

The podiatric physicians and staff of the Weil Foot & Ankle Institute are opening a clinic at this location shortly. Providing foot and ankle services at 12 other locations, the list of services provided include reconstructive foot and ankle surgery, diabetic wound care, pediatric foot disorders, sports medicine, and general foot care.

IV. Elly's Pancake House has "New" Offerings

Ellys would just like to let the JK Residents know that they will be giving them *free delivery* on all delivery orders until the end of September. Elly's new daily specials have some 'light dinner options' and new dessert menus, which certainly give customers a reason to have dinner there.

V. Art of Hair Design

This salon is located at 1550 N. Clark Street. The stylists are Lina and Bona and they are highly skilled in hair cuts for both men and women, as well as a host of other hair salon services. They are open 7 days a week, (Monday – Friday 9:30am – 7pm; Saturday 9:00am – 5pm; Sunday 10:00am -2pm). They welcome walk-ins, but you can also call for an appointment at 312-587-7955.

Garage Update

Germania Place Event Listing - September and October 2010

Sat. Sep 5, 2010 - Wedding, 145 guests
Sat. Sep 18, 2010 - Wedding, 150 guests
Fri. Sep 24, 2010 - Wedding, 200 guests
Sat. Sep 25, 2010 - Wedding, 150 guests

Sat. Oct 2, 2010 - Wedding, 225 guests
Sat. Oct 9, 2010 - Wedding, 200 guests
Fri Oct 15, 2010 - Yoga Class, 70 guests
Sat Oct 16, 2010 - Wedding, 350 guests
Sat Oct 23, 2010 - Wedding, 175 guests



Germania Club – Historic Landmark Status

Pet Committee Update

Carol Abrioux, JK Pet Committee, Co- Chairperson

The Pet Committee is grateful for the tremendous response to the Pet Survey by J/K owners. Almost 30% of owners have responded as of today. If you have not yet completed your survey, you may still do so until the end of the month. Just bring it to the J/K Management Office or drop it in the Kilmer suggestion box. We also appreciate the time many of you took to make additional comments, and these will be considered at a future Pet Committee meeting. The results of the survey will be tabulated and presented to the Board next month.



RCN Reminder

Judy Barnes, JK Board Vice President

RCN REMINDER FOR ALL SERVICE ISSUES

This brief note is to remind unit owners *how to handle all RCN service issues*:

- 1) FIRST, CALL RCN YOURSELF AND ATTEMPT TO RECTIFY YOUR PROBLEM;**
- 2) Then notify the JK office to inform them of your problem if it has not been resolved and determine if it is a building-wide problem (affecting 4+units). The building can then contact RCN directly as RCN gets involved differently, if it is a building-wide problem.**

This process allows the most efficient resolution and also helps our office understand the variety of RCN issues our owners are encountering and provides the information base necessary for leverage at contract renewal time.