

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
December 19, 2016**

HOA's Alcott House Hospitality Room, 1460 North Sandburg Terrace, Chicago, Illinois 60610

Present: Mary Murtaugh – Association 1  
Mario Rizzo – Association 1  
John S. Santoro – Association 1  
Robert Connor – Association 2  
David Guilbert – Association 2  
Kim Ruhlander – Eliot  
Gabrielle Thronson – Eliot  
Leslie Deitch – Faulkner  
John Berchem – Lowell  
Judith Barnes – Association 7  
David Beck – Association 7  
Marcie Johnson – Association 7

Also present were Steve Habib, HOA Property Manager, Melissa Goodwin, Assistant Property Manager, and David Barnhart, Assistant Vice President, of Draper and Kramer Incorporated; and Paul Gaudette, of Wiss Janney Elstner Associates, Inc. Barbara A. Roberts acted as Recording Secretary.

**CALL TO ORDER and AGENDA REVIEW**

Mr. Connor declared that a quorum was present and called the meeting to order at 6:30 p.m. There were no changes to the agenda.

**UNIT OWNER COMMENTS AND QUESTIONS REGARDING THE PROPOSED 2017 BUDGET**

There were no unit owner comments.

**APPROVAL OF MINUTES**

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on September 21, 2016. There being none, ***Ms. Murtaugh moved that the minutes of the regular Board of Directors meeting held on September 21, 2016, be approved as presented. Mr. Beck seconded the motion, and it passed, with Mr. Guilbert and Mr. Santoro abstaining.***

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the special Board meeting held on November 2, 2016. There being none, ***Ms. Murtaugh moved that the minutes of the special Board of Directors meeting held on November 2, 2016, be approved as presented. Mr. Beck seconded the motion, and it passed, with Mr. Santoro abstaining.***

**PRESIDENT'S REPORT**

Mr. Connor remarked that this would be the last HOA Board meeting before the Annual Meeting in January 2017, and stated that the 2017 meetings would be held every other month, with an additional meeting in the spring, if needed, and also definitely an additional meeting in October, specifically to deal with any questions raised after the proposed 2018 budget is presented in September 2017.

## FINANCIAL REPORT

### Financial Summary

Mr. Berchem reviewed with the Board the Financial Summary for the period ended November 30, 2016, as follows:

Operating Fund net income, current month:	\$6,715
Operating Fund net income, year to date:	\$129,492
Operating Fund balance:	\$122,702
Ratio of Operating Fund balance to one month's operating expenses:	1.0
Replacement Fund interest income, year to date:	\$40,809
Replacement Fund average CD yield:	1.00%
Replacement Fund expenses, year to date:	\$833,471
Replacement Fund balance:	\$5,586,827

Mr. Berchem commented specifically on the figure for FFC pool income year to date. Mr. Barnhart added that a number of the Association's CDARS certificates of deposit will be maturing shortly, such that HOA will be able to pay upcoming Bulley & Andrews invoices for work on the North Mall, in the amount of approximately \$300,000.00.

## ACTION AND DISCUSSION ITEMS

### Security Contract

In response to a question from Ms. Barnes about the specific services offered by HOA's security firm, Mr. Habib explained the guard patrol check-in system and also stated that the guard logs daily activity and writes special incident reports. He added that the 12-hour guard shifts – 5:00 p.m. to 5:00 a.m., seven days per week – are split between two guards. Discussion ensued about security coverage in the Village, historically and at present, possible ways to reduce security expenses, and additional detail in the incident reports. **Mr. Beck moved to approve the security service agreement for unarmed security guard services submitted by Universal Protection Service for the period January 1 through December 31, 2017, in the amount of \$80,338.00. Ms. Barnes seconded the motion.** After discussion, **Mr. Beck moved to approve the security service agreement for unarmed security guard services submitted by Universal Protection Service for the period January 1, 2017, through December 31, 2017, in the amount of \$80,338.00, contingent upon the inclusion of a rider setting forth the specific duties and obligations of the security guards. Ms. Murtaugh seconded the motion, and it passed, with Ms. Johnson opposed.**

### Management Agreement

Mr. Barnhart explained that the proposed one-year extension of the current management agreement with DKCondo includes no increase in fee. Discussion ensued about a no-fault cancellation clause, which is included in the original agreement to which the current document is an amendment. In response to a question from Ms. Barnes, Mr. Barnhart stated that the scope of service is also included in the original agreement. **Mr. Berchem moved to approve the proposed extension of the condominium management agreement between the Carl Sandburg Village Homeowners Association and DK Condo, A Draper and Kramer Company, for the period January 1, 2017, through December 31, 2017, for a monthly management fee of \$4,775.00. Ms. Johnson seconded the motion. After discussion, the motion passed unanimously.** The discussion covered dealing



with the management agreement much earlier in the year in 2017, including additional meetings in the spring, if necessary, and possibly soliciting bids from several management companies, including Draper and Kramer.

#### **2017 Budget Approval**

Mr. Berchem stated that the proposed 2017 budget was distributed to all Village unit owners; Mr. Habib noted that the Management Office received comments from only three unit owners, none of whom was opposed to the assessment increase included in the budget. ***Mr. Berchem moved to adopt the proposed Carl Sandburg Village Homeowners Association Operating Fund and Replacement Fund Budget for 2017, which includes a 3.98% assessment increase. Ms. Johnson seconded the motion. After discussion, the motion passed unanimously.***

#### **North Mall Renovation**

Mr. Gaudette reported that the project is going well and provided details about what work has been completed throughout the Village, including driveway, sidewalk, ramp and stair repairs and water tests. He stated that in the North Mall, repairs to the planter east of James House, the Kilmer House terraces and drains, and the walkway west of Kilmer House are complete and new lights have been installed on the south portion of the Mall. Mr. Gaudette stated that additional repair work on the underside of the pool is required, but that work on the James/Kilmer garage has decreased. He further stated that the project is still within budget and is expected to be completed in August 2017, noting that the North Pool will be able to be opened on time. Mr. Gaudette stated that Germania Place elevations must be restored to their original configuration, and that documents relating to the Schiller Mall garage stairway canopy will be sent out at the end of December. Following explanations from Mr. Gaudette and Mr. Habib, ***Mr. Berchem moved to approve Change Order Request No. 006, which covers the relocation of the Peoples Gas Light and Coke Company – Peoples Gas – gas service, which is buried below the sidewalk at the location of the new stairway at the southwest corner of the North Mall, in the lump-sum amount of \$9,385.00. Mr. Beck seconded the motion, and it passed unanimously.***

During Mr. Gaudette's presentation, Ms. Deitch left the meeting at 7:03 p.m.

Ms. Murtaugh asked about line items for painting railings in the current Reserve Study. Mr. Beck commented that such painting should be considered a Reserve expense. Mr. Habib stated that he plans to meet with Building Technology Consultants, Inc. – BTC – early in 2017 with regard to an updated Reserve Study with a new calendar of projects, and that the Board can designate fence painting as a Reserve expense if it wishes to. The Board agreed to further discussions of the matter in January 2017.

Mr. Gaudette then referred to the vertical foundation wall repairs in the James/Kilmer garage and stated that he will forward sketches to Mr. Habib for distribution. Mr. Habib noted that the garage walls are the responsibility of the James/Kilmer association, and that he has discussed this with the James/Kilmer Property Manager, Thomas Kristufek. Mr. Gaudette responded to questions from Ms. Barnes about work being performed in the James/Kilmer garage.

The Board thanked Mr. Gaudette, and he left the meeting at 7:21 p.m.

#### **2017 Holiday Schedule**

***Mr. Santoro moved to adopt the 2017 Draper and Kramer Holiday Schedule for use by the HOA Management Office. Mr. Guilbert seconded the motion, and it passed unanimously.***

**Any Additional Business of the Board**

Ms. Johnson stated that 2<sup>nd</sup> Ward Alderman Brian Hopkins would like to meet with the HOA Board or with the Village as a whole in the near future, to provide information about what is happening in the ward and what is expected to occur in the near future. Mr. Connor advised that it would be best if Mr. Hopkins addressed the HOA Board, and that the dates could be discussed in January.

**DIRECTORS-MANAGEMENT FORUM**

There were no items to discuss.

**RECESS TO EXECUTIVE SESSION**

Upon motion duly made by Mr. Santoro and seconded by Ms. Murtaugh, the meeting was recessed to Executive Session at 7:25 p.m.

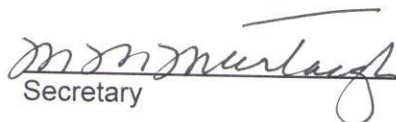
**RECONVENE TO OPEN SESSION**

The meeting was reconvened to Open Session at 7:47 p.m. ***Mr. Beck moved to approve the action of the Board with regard to the matter discussed in closed session. Mr. Berchem seconded the motion, and it passed unanimously.***

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 7:52 p.m.

Respectfully submitted,

  
Secretary