

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
JULY 27, 2016**

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

Present: Mary Murtaugh – Association 1
Mario Rizzo – Association 1
Robert Connor – Association 2
Mary Beth Wheeler – Association 2
Tom Tiegler – Association 3
Gabrielle Thronson – Eliot
Leslie Deitch – Faulkner
John Berchem – Lowell
Judy Barnes – Association 7
David Beck – Association 7
Marcie Johnson – Association 7

Also present were Steve Habib, HOA Property Manager, Melissa Goodwin, Assistant Property Manager, David Barnhart, Assistant Vice President, Martin Kennelly CPA, Vice President, Property Management Accounting, and Henry Jones, Accounting Manager, Condominium Management Services, of DK Condo, A Draper and Kramer Company; Chris Nyborg of Nyborg & Company, Ltd.; 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.

UNIT OWNER COMMENTS

Ms. Murtaugh introduced Rosalie and Barry Zaransky, new Kilmer House unit owners, who gave a presentation about a paddle-and-ball game called "pickleball" which can be played on a tennis court with the addition of a few court lines, noting that the game is easy for all ages to learn and play and has become very popular in other parts of the country, and asking that the Board consider adapting one of the tennis courts to allow the game to be played at Sandburg. The couple responded to questions from Board members. Unit owners then commented on the plantings on the Clark Street side of Kilmer House, the numerous non-resident children misbehaving at the pools and whether or not to raise the non-resident pool fee, and a damaged tree in the area of the Tot Lot. Discussion ensued.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on May 25, 2016. There being none, ***Ms. Murtaugh moved that the minutes of the regular Board of Directors meeting held on May 25, 2016, be approved as presented. Mr. Beck seconded the motion, and it passed, with Ms. Deitch abstaining.***

PRESIDENT'S REPORT

Mr. Connor announced that RCN will provide cable service to the Alcott House Hospitality Room and will maintain WiFi service in the room for the remaining four years of its contract with Alcott-Bryant.

FINANCIAL REPORT

Financial Summary

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

Operating Fund net income, current month:	(\$17,737)
Operating Fund net income, year to date:	\$220,527
Operating Fund balance:	\$165,938
Ratio of Operating Fund balance to one month's operating expenses:	1.3
Replacement Fund interest income, year to date:	\$19,315
Replacement Fund average CD yield:	0.87%
Replacement Fund expenses, year to date:	\$243,861
Replacement Fund balance:	\$5,792,443

ACTION AND DISCUSSION ITEMS

2015 Audit Review

Mr. Barnhart introduced Martin Kennelly and Henry Jones from Draper and Kramer, who explained an accounting error made by Draper and Kramer that resulted in a substantial decrease of net income from the pools for the 2015 pool season. Mr. Kennelly stated that D&K is now using a better method of recording revenue. Mr. Jones added that Fitness Formula Clubs, the firm that manages the pools, provides accurate monthly income statements and balance sheets, and that D&K will base its statements on FFC's going forward to avoid errors in the future. Discussion ensued.

Ms. Nyborg then reviewed with the Board her firm's audit of HOA's 2015 financial statements, noting in particular that the Schedule of Expenditures shows actual totals that coincide very closely with budgeted totals, owing to good cost control on the part of Management and the Board. Mr. Berchem and Ms. Nyborg explained that when the 2015 cabana income is added to the pool income, the result is total pool revenue of about \$9,000.00 over expenses, noting, however, that this income is considerably lower than the projected amount of income for the year. Ms. Nyborg stated that there have been no significant changes to the Notes that accompany the audit. In response to Ms. Nyborg's statement that HOA needs a new reserve study, Mr. Habib stated that he is working on a reserve study with Building Technology Consultants. Ms. Nyborg then remarked that nothing new is currently forthcoming from the Illinois legislature or the City of Chicago that directly affects condominium associations, but did note that property taxes are increasing, and that a 30% increase is expected in water and sewer charges.

The Board thanked Ms. Nyborg and Messrs Kennelly and Jones, and they left the meeting at 7:51 p.m.

Various Village Projects

Paul Gaudette of Wiss, Janney, Elstner Associates, Inc., reported first on the examination conducted by himself, Mr. Habib and a contractor of the Eliot House, Cummings-Dickinson, Alcott-Bryant and Lowell House driveways and the resulting categorization of proposed work as "planter base repairs," "urgent" and "non-urgent." He referred to the summary of expenses provided by WJE and recommended that the Alcott-Bryant slab repairs be performed early in the spring of 2017, and the "urgent" repairs to various driveways and sidewalk areas be performed in 2016.

During Mr. Gaudette's remarks, Ms. Wheeler left the meeting at 7:55 p.m.

Mr. Beck moved to approve the proposal submitted by Zera Construction Company, Inc. on June 15, 2016, to perform repairs to the Alcott-Bryant planter bases, in the lump-sum amount of \$7,890.00. Mr. Berchem seconded the motion, and it passed unanimously.

Mr. Beck moved to approve the proposal submitted by Zera Construction Company, Inc. on June 15, 2016, to perform urgent repairs on various sites throughout Sandburg Village, in the lump-sum amount of \$25,280.00. Mr. Berchem seconded the motion, and it passed unanimously.

Mr. Connor advised Board members to walk through the Schiller Mall to see the planters that have been installed, in preparation for a review in September. Mr. Tiegler reported that the old Schiller Mall concrete planters have been relocated along LaSalle Street. Mr. Gaudette reported that the Tennis Court 4 surface membrane is in good condition but that the court needs to be restriped; it was decided that this can be done when the pickleball striping is done.

Mr. Gaudette stated that, with regard to work on Germania Place that is part of the North Mall Project, WJE, HOA, James/Kilmer, 2nd Ward Alderman Brian Hopkins and Chicago Development Partners have been in communication with each other, and that the alderman's office is assisting with the necessary coordination with the Chicago Department of Transportation. He further reported that the Burton Place bypass is now in place and that work has begun on the James/Kilmer garage ramp doors. Mr. Gaudette then reported that, again with regard to the North Mall, the gas line that is situated under the stairs in the southwest corner of the North Mall and that serves the townhouses will need to be moved.

Mr. Gaudette then passed around samples of the suggested colors for the membrane that will be installed on the top surface of the North Mall, with the grey membrane proposed for the pool area and the beige membrane proposed for the terraces. Discussion ensued.

The Board thanked Mr. Gaudette, and he left the meeting at 8:26 p.m.

HOA Planters

Mr. Habib stated that the color of the planters bought by HOA to be placed in front of the North Mall townhouses will be mocha. He and the Board discussed the planting rotations and costs for 2016 and 2017, and the pricing proposed by Christy Webber for either four or three seasonal rotations, and further discussion ensued about whether to continue to engage Jacobs/Ryan Associates Landscape Architects for the planter rotations or to seek the services of another landscape architect and landscaping firm, with the Board agreeing to review the planter rotation expenses during the budgeting process and further discuss landscaping design services in September. Discussion ensued.

Mr. Rizzo left the meeting at 8:36 p.m.

Nyborg & Company 2016 Audit Proposal

Mr. Berchem moved to approve the proposal submitted by Nyborg & Company, Ltd. on May 20, 2016, to perform audit services for HOA for the year ended December 31, 2016, in the amount of \$8,500.00. Ms. Thronson seconded the motion, and it passed unanimously.

Cummings-Dickinson Request for Concert

Mr. Berchem moved to approve the request from CSVCA #1 for permission to conduct its annual concert on the 1300 Mall on September 17, 2016, from 7:00 to 9:30 p.m. After discussion, Ms. Murtaugh seconded the motion, and it passed unanimously. Further discussion ensued.

During the discussion, Ms. Deitch left the meeting at 8:39 p.m.

Mr. Rizzo rejoined the meeting at 8:40 p.m.

Pickleball

Mr. Berchem asked about the HOA Declaration's rules about the use of the tennis courts. Mr. Beck advised informing the Zaranskys that the Board is interested in and favorably inclined toward their suggestion to add striping to the tennis courts for pickleball, and Ms. Murtaugh suggested considering in November how to publicize the modification of the tennis courts for pickleball in 2017.

ADDITIONAL BUSINESS

Ms. Thronson commented that the new lighting installed near the Tot Lot has been helpful, and that the security guard who patrols the Village is doing a good job.

Mr. Beck pointed out that HOA's contract with Draper and Kramer expires at the end of the year and asked about soliciting bids for HOA property management, or establishing a committee to draft a Request for Proposal. Mr. Connor suggested discussing the matter at the September meeting, and also pointed out the possible wisdom of extending the contract with Draper and Kramer for at least one year, until the completion of the North Mall Project, instead of the normal two years. Discussion ensued.

During the discussion, Mr. Berchem left the meeting at 8:44 p.m.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Ms. Johnson and seconded by Ms. Murtaugh, the meeting was adjourned at 8:47 p.m.

Respectfully submitted,


Secretary