

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
MARCH 30, 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 (arrived 6:58 p.m.)
Robert Connor – Association 2
David Guilbert – Association 2
Mary Beth Wheeler – Association 2
Keith Olsen – Association 3
Sean Murnane – Eliot
Gabrielle Thronson – Eliot
Leslie Deitch – Faulkner
Margery Ryan – Faulkner
John Berchem – Lowell (arrived 6:36 p.m.)
David Beck – Association 7
Barbara Fiacchino – Association 7
Marcie Johnson – Association 7

Also present were Steve Habib, HOA Property Manager, Melissa Goodwin, Assistant Property Manager, and Margaret Shamberger, Vice President and Director, of DK Condo, A Draper and Kramer Company; Paul Gaudette of Wiss Janney Elstner Associates, Inc.; and Bernard Jacobs and Lauren Polhamus of Jacobs/Ryan Associates Landscape Architects. 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 two additions to the agenda: Faulkner fence approval request, and Association 3 patio walls request.

UNIT OWNER COMMENTS

A unit owner asked if the Kilmer House patio doors will be painted as part of the North Mall Renovation Project. Mr. Habib responded that the doors are limited common elements and as such are the responsibility of the unit owners, adding that most of the doors are failing and should be replaced. He suggested raising the subject at a James/Kilmer Board meeting first before bringing it up at a HOA Board meeting. After discussion, Mr. Connor agreed that the matter could be included on the May HOA Board meeting agenda.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on January 27, 2016. There being none, ***Ms. Murtaugh moved that the minutes of the regular Board of Directors meeting held on January 27, 2016, be approved as presented. Mr. Beck seconded the motion, and it passed, with Mr. Guilbert, Mr. Olsen and Ms. Thronson abstaining.***

PRESIDENT'S REPORT

Mr. Connor introduced Margaret Shamberger, Vice President and Director of DKCondo, a Draper and Kramer Company, stating that she will assist in the process of selecting a new Property Supervisor for HOA. Ms. Shamberger stated that Tom Taylor, long a Vice President at D&K, has retired and that she has taken his place. She further stated that she will be working with HOA Management and the Board to acquaint herself with HOA's needs in order to select an appropriate person to replace Julie McCracken as the HOA Property Supervisor.

FINANCIAL REPORT

Financial Summary

Mr. Berchem reviewed with the Board the Financial Summary for the period ended February 29, 2016, as follows:

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|--|-------------|
| Operating Fund net income, current month: | \$9,577 |
| Operating Fund net income, year to date: | \$30,564 |
| Operating Fund balance: | \$319,227 |
| Ratio of Operating Fund balance to one month's operating expenses: | 2.5 |
| Replacement Fund interest income, year to date: | \$5,911 |
| Replacement Fund average CD yield: | 0.684% |
| Replacement Fund expenses, year to date: | \$62,009 |
| Replacement Fund balance: | \$5,670,891 |

Mr. Berchem noted that interest rates have slowly been increasing over the past several months.

ACTION AND DISCUSSION ITEMS

Faulkner House Fence Approval Request

Ms. Deitch presented a description and drawings of a fence that Faulkner House wishes to install to surround and hide the air conditioner condensing units for the Faulkner House lobby and the Tennis Center, to prevent their being stolen, and asked that HOA approve installation of the fence, noting that it will not be visible from the street. After a brief discussion, ***Ms. Deitch moved to approve the installation of a custom-made steel security fence on the east side of Faulkner House to protect the air conditioner condensing units serving the Faulkner House lobby and the Tennis Center. Mr. Berchem seconded the motion, and it passed unanimously.***

North Mall Renovation

Paul Gaudette of Wiss, Janney, Elstner Associates, Inc., reviewed with the Board the "Summary of General Contractor and Landscape Contractor Low Bids" provided by his firm for the North Mall Renovation Project, stating that RFPs, including specifications and drawings, were distributed in February and that, of the four contractors responding, WJE recommends engaging Bulley & Andrews Concrete Restoration. Mr. Olsen presented the request from the townhouse association that its preferred contractor, TIL Masonry, be engaged to work on the removal and reinstallation of the townhouse patio fences, including masonry and capstone repairs, noting that TIL's quoted cost for the work is lower than that proposed by Bulley & Andrews. Discussion ensued, during which Mr. Gaudette pointed out that, while he has no personal objection to HOA engaging TIL Masonry, (1) there appear to

be errors in some of the numbers supplied by the townhouses, upon which TIL's quote is based, (2) because TIL is a non-union firm, WJE's union contractors would not be able work on the property at the same time that TIL's workmen are present, and (3) TIL Masonry consists of only one employee, the owner, such that his workmen would all be subcontractors. Points were also raised about the need for consistency in the project work, responsibility for inspections, and HOA's approval and oversight throughout the project. ***Mr. Beck moved to approve the engagement of TIL Masonry for work on the townhouse patio walls in the vicinity of the Burton Artist Studios, including designs, inspections and engineering oversight. Mr. Olsen seconded the motion, and it was defeated, with Mr. Olsen and Mr. Rizzo in favor.***

During the discussion, Mr. Santoro joined the meeting at 6:58 p.m.

Further discussion ensued about the portion of the project costs to be borne by townhouse residents, and the issue of using contractors other than those approved by HOA. ***Mr. Beck moved that, with regard to the North Mall Renovation Project, Carl Sandburg Village Association III be required to use only the contractors chosen by HOA for the project. Ms. Fiacchino seconded the motion, and it passed, with Mr. Olsen and Mr. Rizzo opposed.***

Bernard Jacobs of Jacobs/Ryan Associates reported that he has received bids for North Mall landscaping from three landscaping firms, all of which have worked in the Village in the past, as follows: Christy Webber – \$128,265.00, Moore Landscapes – \$107,235.00, and Damgaard – \$125,307.00. He added that Old Town Fiberglass has submitted a proposal to supply the new planters for the North Mall in the amount of \$38,043.00. Following a brief discussion, ***Mr. Beck moved to approve the proposal submitted by Moore Landscapes for landscaping services as part of the North Mall Renovation Project in the amount of \$107,235.00. Mr. Santoro seconded the motion, and it passed unanimously.***

Mr. Beck moved to approve the quotation submitted by Old Town Fiberglass on March 16, 2016, to supply and install 47 planters in the North Mall area as part of the North Mall Renovation Project, in the amount of \$38,043.00. Ms. Wheeler seconded the motion, and it passed unanimously.

Mr. Santoro moved to approve the quotation submitted by MPD Painting Experts, Inc. on August 12, 2015, to prepare, power grind, prime and paint the Kilmer House iron planter fence along Clark Street, and the entry handrails, in the amount of \$6,310.00. Ms. Johnson seconded the motion, and it passed unanimously.

The Board discussed the "Potential Cost Reduction Options" offered by WJE, after which ***Ms. Wheeler moved to approve the base bid for the North Mall Renovation Project submitted by Bulley & Andrews Concrete Restoration in an amount not to exceed \$2,809,000.00. Ms. Murtaugh seconded the motion, and it passed, with Mr. Olsen opposed and Ms. Deitch abstaining.***

During the discussion, Ms. Ryan left the meeting at 7:55 p.m.

South Pool Resurfacing Proposal

Mr. Gaudette described the concrete work needed on the South Pool deck following minor repairs performed since 2012, and explained his firm's recommendation that Zera Construction be engaged to perform the work. He noted that the work can be started as soon as both day- and night-time

temperatures are warm enough for the concrete and epoxy coating to cure properly, and that the work will include repairs to the surface-mounted junction boxes in the area. ***Ms. Wheeler moved to approve the proposal submitted by Zera Construction on March 23, 2016, to perform South Pool area topside and vertical concrete repairs, prep and paint the pool, and repair junction boxes as needed, in the total amount of \$21,275.00. Ms. Johnson seconded the motion, and it passed unanimously.***

During the discussion, Mr. Murnane left the meeting at 8:02 p.m.

Townhouse Resident Architectural Approval Request

Dan Sachs, owner of the townhouses at 64 West Schiller, explained to the Board that he wishes to perform a modified version of the work on his townhouses originally proposed to and approved by the HOA Board in 2008, and briefly described the scope of the work, which will include window, door and storm door replacements. ***Ms. Wheeler moved that the Board reaffirm its approval of the renovations to the Sachs residence on Schiller Street as set forth in plans submitted to the HOA Board of Directors. Ms. Thronson seconded the motion, and it passed unanimously.***

During the discussion, Mr. Murnane returned to the meeting at 8:08 p.m. Following the Board vote, Mr. Sachs left the meeting at 8:11 p.m.

Attorney's Opinion Regarding Change Orders

Mr. Habib described the previous change order approval process and stated that it can no longer be used because of the "Palm II" court decision that forbids Board approval of change orders outside of a public Board meeting. After discussion during which the Board considered the opinion of attorney Patricia A. O'Connor of Levenfeld Pearlstein on the matter and Mr. Gaudette explained how change orders are generated and executed, the Board agreed to grant Mr. Habib the authority to approve change orders up to a certain amount without requiring Board approval. ***Mr. Beck moved that, with regard to the North Mall Renovation Project, the Board authorize the Property Manager to execute change orders in amounts up to and including \$25,000.00 per change order, in an aggregate amount up to \$100,000.00, without the approval of the Board, with the proviso that any change orders that taken together constitute an aggregate amount greater than \$100,000.00 will require full Board approval to execute. Ms. Johnson seconded the motion, and it passed unanimously.***

During the discussion, Mr. Murnane again left the meeting at 8:16 p.m., and Mr. Jacobs and Ms. Polhamus left the meeting at 8:25 p.m.

2016 Sandburg Pool Season

Lisa Gregorich, Max Tolbert and Elroy Young of Fitness Formula Clubs joined the meeting for a discussion about the 2016 pool season, including the membership application. Mr. Gaudette noted that work on the pool area as part of the North Mall Renovation Project must cease by November 15, so it should begin no later than October 1. The Board agreed that to allow for end-of-season activity such as emptying and cleaning the pool, the North Pool will be closed for the season at 8:00 p.m. on Monday, September 5, and that this information will be included on the pool membership application.

Mr. Gaudette left the meeting at 8:30 p.m.

The Board discussed the pool rules and added several items, including a rule that only pool personnel may move the umbrellas. The Board also discussed disagreeable behavior by some pool members and the extent to which FFC staffers are expected to discipline members. The FFC staffers remarked on attempts by those breaking rules to intimidate the pool staff with threats. Mr. Habib thanked Ms. Gregorich, Mr. Tolbert and Mr. Young for a very good season in 2015, and Mr. Connor noted that he received no complaints about the pool staff. Ms. Gregorich mentioned a problem with cabana owners bringing guests to the pool and refusing to pay the guest fee. Mr. Habib responded that this issue will be addressed in the upcoming season's letter to cabana owners.

During the discussion, Ms. Deitch left the meeting at 8:45 p.m. Mr. Connor thanked the FFC staffers, and they left the meeting at 8:54 p.m.

2016 Sandburg Tennis Season

The Board reviewed the draft of the 2016 Sandburg Tennis Center application and waiver sheet, and approved them as presented.

Additional Business

There was no additional Board business to discuss.

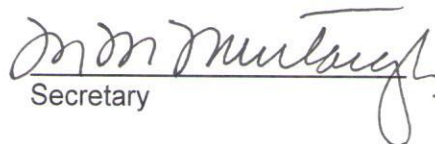
DIRECTORS / MANAGEMENT FORUM

- Ms. Johnson provided details about opportunities to volunteer at the Lurie Children's Hospital and asked Board members to inform their respective associations about the volunteer programs.
- Mr. Beck announced that demolition for the 101 North development project at North and Clark is expected to begin in June or July.
- Ms. Fiacchino announced that she and James/Kilmer Board President Judy Barnes will meet with representatives of the Tree House no-kill shelter about the feasibility of using cats from the shelter to help deal with the Village's rat population.
- Ms. Murtaugh raised the issue of cracked driveways and collapsing concrete in the Village, asking that it be included on the next meeting's agenda. Mr. Habib agreed to investigate the problem.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Ms. Fiacchino and seconded by Ms. Wheeler, the meeting was adjourned at 9:02 p.m.

Respectfully submitted,


Secretary