

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
September 21, 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  
Robert Twickler – Association 2  
Mary Beth Wheeler – Association 2  
Stan Smith – Association 3  
Gabrielle Thronson – Eliot  
Kim Ruhlander – Eliot  
Leslie Deitch – Faulkner  
John Berchem – Lowell  
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, David Barnhart, Assistant Vice President, and Margaret Shamberger, Vice President and Director, of DKCondo, A Draper and Kramer Company; Nancy Ayers, of Alliant/Mesirow Insurance Services; Phil Anello, of Atlas Bobcat; 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 6:31 p.m. There were no changes to the agenda.

**UNIT OWNER COMMENTS**

Unit owners present brought up tree inspections, trimming and pruning; methods of dealing with rats; and the North Mall Renovation Project. 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 July 27, 2016. There being none, ***Ms. Murtaugh moved that the minutes of the regular Board of Directors meeting held on July 27, 2016, be approved as presented. Mr. Beck seconded the motion, and it passed, with Mmes. Fiacchino, Ruhlander and Wheeler and Mr. Smith abstaining.***

**PRESIDENT'S REPORT**

Mr. Connor congratulated the Finance Committee for reducing the coming year's assessment increase to 3.35% – from the original, much higher figure – in its 2017 Budget deliberations, and suggested considering income items such as pool fees before next year's budget meetings.

## **FINANCIAL REPORT**

### **Financial Summary**

Mr. Berchem reviewed with the Board the Financial Summary for the period ended July 31, 2016, as follows:

Operating Fund net income, current month:	(\$46,975)
Operating Fund net income, year to date:	\$173,552
Operating Fund balance:	\$141,095
Ratio of Operating Fund balance to one month's operating expenses:	1.1
Replacement Fund interest income, year to date:	\$23,548
Replacement Fund average CD yield:	0.93%
Replacement Fund expenses, year to date:	\$247,998
Replacement Fund balance:	\$5,865,039

Mr. Berchem noted that the figure for Replacement Fund expenses year to date does not include North Mall Renovation Project expenses, which are approximately \$96,000.00 to date. Discussion ensued about when Draper and Kramer closes its books for any given month, the increase in pool income in 2016, and the meaning of "unearned pool fees" in the Financial Summary. Mr. Barnhart noted that, with regard to the points brought up by Mr. Kennelly and Mr. Jones of Draper and Kramer at the last HOA Board meeting, the firm is able provide a restatement of financials from summer through fall 2015.

## **ACTION AND DISCUSSION ITEMS**

### **2015 Audit Approval**

*Mr. Berchem moved to accept the Audit of the Financial Statements and Supplementary Information for the year ended December 31, 2015, with comparative totals for 2014, conducted by Nyborg & Company, Ltd. Ms. Fiacchino seconded the motion, and it passed unanimously.*

### **Ratification of All Seasons Proposal Approval**

*Ms. Wheeler moved to ratify the previous approval by the Board of Directors on August 9, 2016, of the proposal submitted by All Seasons Pools and Spas to supply and install two sets of Bozeman 5-Tread steps, one set in each pool, along with associated costs related to design concept and permit application, in the amount of \$28,385.00. Mr. Rizzo seconded the motion. After discussion, the motion passed unanimously.*

### **Insurance Proposal**

Ms. Ayers reviewed with the Board the insurance policies for HOA proposed by Alliant/Mesirow Insurance Services, noting that the premium is slightly lower than last year's, liability coverage is the same as last year's, the property limit was increased two percent to allow for inflation, and the Association's current insurance carriers have provided the most competitive quotes. *Mr. Beck moved to approve the proposal submitted by Alliant/Mesirow Insurance Services on August 19, 2016, for renewal of the Carl Sandburg Village Homeowners Association insurance coverage for the period September 30, 2016 through September 30, 2017, as follows: Property, General Liability and Equipment Breakdown – Admiral Insurance, Fidelity Bond/Crime – The Hartford, Directors' and Officers' Liability – Liberty Mutual, and Umbrella coverage – Greenwich, in the amount of \$76,638.00. Mr. Berchem seconded the motion. After discussion, the motion passed unanimously.*



The Board thanked Ms. Ayers, and she left the meeting at 7:02 p.m.

#### **New Snow Removal Equipment**

Mr. Habib explained the need to upgrade the machinery being used for snow removal throughout the Village, and provided details about the current equipment and the Maintenance staff's recommendations about which machines to keep and which to replace. Phil Anello of Atlas Bobcat explained the rationales for the suggested new equipment purchases, and stated that the salt used to melt ice and snow as well as the moist conditions under which the machines are stored increase corrosion and contribute to the machines' breakdowns. After discussion, during which HOA's legal obligation to keep the Village malls and sidewalks clear of snow and ice was noted, ***Ms. Wheeler moved to approve the proposal submitted by Atlas Bobcat on September 2, 2016, for the purchase of a new S70 Bobcat Skid-Steer Loader with a 2,000-hour, 36-month protection warrantee and foam-filled tires, in the total amount of \$29,875.73. Mr. Beck seconded the motion, and it passed, with Ms. Deitch, Ms. Thronson and Mr. Twickler opposed.***

***Ms. Wheeler moved to approve the proposal submitted by Atlas Bobcat on September 2, 2016, for the purchase of a new S-450 T4 Bobcat Skid-Steer Loader with a 2,000-hour, 36-month protection warrantee and foam-filled tires, in the total amount of \$44,789.25. Mr. Beck seconded the motion, and it passed, with Ms. Deitch, Ms. Thronson and Mr. Twickler opposed.***

***Ms. Wheeler moved to approve the proposal submitted by Atlas Bobcat on September 2, 2016, for the purchase of two new SP5 Salt Spreaders and one 54-inch utility blade, in the total amount of \$7,322.57. Mr. Beck seconded the motion, and it passed, with Ms. Deitch, Ms. Thronson and Mr. Twickler opposed.***

The Board thanked Mr. Anello, and he left the meeting at 7:28 p.m.

#### **North Mall Renovation Project**

Mr. Gaudette directed the Board's attention to the letter from his firm updating the repair work at various projects in the Village, noting that he will meet with the various building managers on September 22 to discuss all of the proposed driveway repairs, most of which are scheduled to begin on October 3. He reported that work on the North Mall will begin on September 30, most of the work on Burton Place is taking place inside the James/Kilmer garage, the mall repairs south of the North Mall townhouses are complete, and work on the stairway slab will begin soon. Mr. Gaudette added that all of this work is expected to be completed before the end of the year. He and Mr. Habib reported that the Alcott-Bryant Mall will be closed again in mid-November for a concrete pour. Mr. Gaudette concluded by stating that work continues on the North Mall planter: waterproofing will be completed by the end of September, and the addition of soil and trees, shrubs and bulbs will begin in October and be completed by November 1. He added that the equipment staging area east of James House will be cleared by Thanksgiving, work on the handicap ramp will begin in the spring, and the curbing on the east side of James House will be dealt with once the 101 North developer, the Chicago Department of Transportation, and 2<sup>nd</sup> Ward Alderman Brian Hopkins reach some conclusion about the street configuration.

#### **Change Order Requests**

Mr. Gaudette explained the reasons for the Change Order Requests. After discussion, ***Mr. Beck moved to approve Change Order Request #003 for additional soil at Burton Place in the amount of \$4,483.00, Change Order Request #004 for a temporary James/Kilmer garage office in the***



*amount of \$13,240.00, and Change Order Request #005 for new conduit through the North Mall slab at the light fixtures in the amount of \$13,060.00, for a total of \$30,783.00. Ms. Johnson seconded the motion, and it passed unanimously.*

#### **Distribution of Proposed 2017 Draft Budget**

*Mr. Berchem moved to approve the distribution to all Sandburg Village unit owners of the proposed Sandburg Village Homeowners Association Operating Budget for 2017, which calls for a 3.35% increase in assessments and includes the 2017 Schedule of Fees. Ms. Fiacchino seconded the motion. After discussion, the motion passed, with Ms. Murtaugh and Mr. Rizzo opposed. Prior to the vote, Mr. Habib enumerated the changes to the budget and explained the increases and decreases in various revenue and expense line items discussed and requested by the Finance Committee. Among the items that the Board discussed in detail were the decisions to increase the 2017 pool fees and decrease security coverage. Mr. Smith moved to amend the proposed 2017 draft budget by increasing the proposed budgeted amount for security from \$40,169.00 to \$58,169.00. Mr. Berchem seconded the motion, and it was defeated, with Mr. Berchem and Mr. Smith approving the motion and Ms. Wheeler abstaining.*

During the budget discussion, Mr. Gaudette left the meeting at 7:55 p.m.

Ms. Wheeler left the meeting at 8:40 p.m.

#### **Any Additional Business of the Board**

Ms. Murtaugh suggested that HOA consider sponsoring two mall parties, such as concerts, in late spring and in the fall.

#### **DIRECTORS-MANAGEMENT FORUM**

- Ms. Thronson asked about sending out Requests for Proposal to property management companies. Ms. Connor advised that it is too late to conduct a search for a new management company between now and the end of the calendar year, but that he has discussed the issue with the representatives from Draper and Kramer, and that they have agreed to bring to the Board a one-year renewal contract to cover completion of the North Mall Renovation Project, adding that if the Board wishes to discuss a change in management, it can be done early next year.
- Mr. Connor encouraged those present to advise their individual associations about what the increase in HOA assessments actually amounts to in terms of the expense to unit owners.

#### **RECESS TO EXECUTIVE SESSION**

Upon motion duly made by Ms. Wheeler and seconded by Ms. Johnson, the meeting was recessed to Executive Session at 8:48 p.m.

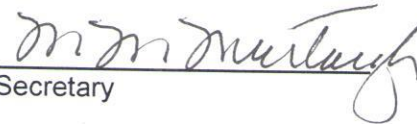
#### **RECONVENE TO OPEN SESSION**

The meeting was reconvened to Open Session at 9:01 p.m.

**ADJOURNMENT**

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

Respectfully submitted,

  
Secretary