

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
February 28, 2018**

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

Present: John Hoppesch – Association 1
 Mary Murtaugh – Association 1
 John S. Santoro - Association 1
 Robert Connor – Association 2
 Eva Haussner – Association 2
 Scott Lennox – Association 2
 Keith Olsen – Association 3
 Gabrielle Thronson – Eliot
 Margery Ryan – Faulkner
 John Berchem – Lowell
 Judy Barnes – Association 7
 David Beck – Association 7
 Jacque Ehrlich – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Cassandra Juarez, Administrative Assistant, and David Barnhart, Vice President and Senior Property Supervisor, of Draper and Kramer, Incorporated; Fergus McCallan of Wiss Janney Elstner Associates; and Ryan Oswald and Sharon Staves of Fitness Formula Clubs.

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. He made a change to the agenda: Action Item 2, South and North Pool Chaise Lounge Chair Replacement Proposal, and Action Item 3, Pool Preopening Discussion, will switch places.

UNIT OWNER COMMENTS AND QUESTIONS

Two residents commented on noise from snow removal equipment.

In response to a request from Mr. Connor, Ms. Barnes reported the following about the Golub development at North and Clark:

- The name of the development has been changed to Fifteen Fifty on the Park.
- Cleaning continues on the inside of the theater building.
- A sales office has been opened on Wells Street.
- The theater, which has landmark status, has been secured so it will not be damaged during the mid-March demolition.
- Excavation is expected to begin in April, and the project is expected to take 19 months to complete.
- The electricity wiring for the North and LaSalle building has been transferred from the east to the west side of Sandburg Terrace.
- HOA and James/Kilmer are awaiting Golub's landscape plans, which will have an impact on both associations.

Discussion ensued about how the position of the building entrance will affect pedestrian and vehicular traffic.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on January 24, 2018. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on January 24, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with Mr. Lennox, Ms. Murtaugh and Mr. Santoro abstaining.***

PRESIDENT'S REPORT

Mr. Connor reported that Association 2 had no Board meeting in January so that its choices for representatives to HOA were not included in the list distributed at the Annual Meeting. He stated that the representatives chosen at the February meeting were himself, Eva Haussner and Scott Lennox, with David Guilbert and Holly O'Mara chosen as alternates. He also stated that he does not intend to unilaterally change any Board policy or Management activities, but that the matter would be discussed by the Board. Mr. Connor also stated that in the event any association engages an attorney with regard to a matter involving HOA, it is not his function to communicate with that attorney or with the association that hired the attorney, but that such communication would take place between the individual association's attorney and HOA's attorney.

FINANCIAL REPORT

Financial Summary

Mr. Berchem reviewed with the Board the Financial Summary for the period ended January 31, 2018, as follows:

Operating Fund net income, current month:	\$65,686
Operating Fund net income, year to date:	\$65,686
Operating Fund balance:	\$288,711
Ratio of Operating Fund balance to one month's operating expenses:	2.2
Replacement Fund interest income, year to date:	\$1,888
Replacement Fund average CD yield:	1.00%
Replacement Fund expenses, year to date:	\$133,678
Replacement Fund balance:	\$3,618,325

Mr. Berchem noted that for the fourth month in a row, there were no delinquencies, and that the North Mall Project is not yet completed but is proceeding well. He added that a mechanism has been put in place at the bank at which the Replacement Fund is held to reduce the amount of the funds held in money market accounts, and that overall, HOA's finances are in good shape. In response to a question from Mr. Beck, Ms. Goodwin reported that the amount still owing on the North Mall Project is approximately \$336,000.00. Discussion ensued about totals for each item on the summary.

ACTION AND DISCUSSION ITEMS

North Mall Renovation and Village Projects and 2018 Updated Capital Projects Schedule

Mr. McCallan reported on the following:

- South Mall water leakage – Weather has prevented completion of the water testing of areas where leakage has been reported, but with improved weather expected, it is hoped that the work can continue in the next couple of weeks.
- South Mall electrical box leakage – WJE performed a water test and is taking steps to move forward with a solution, which is expected shortly. Ms. Goodwin provided more details about a site meeting with the manufacturer of the membrane.
- Schiller Mall northeast corner stairway – once the weather is favorable, Zera Construction will install sealant around the stairway.
- Weather permitting, WJE will continue water testing of the expansion joint on the Alcott-Bryant Mall in locations where leakage has been reported.
- Some additional leaks were reported from the Tennis Court. WJE will water test the areas when weather allows, and is creating a repair program for Ms. Goodwin to present to the Board.
- The North Mall Renovation Project is complete except for some documentation to be obtained from the contractor, and repair of the membrane near the drain outside of Kilmer House as soon as the weather improves. Discussion ensued about damage to the membrane.
- Kerrigan Plumbing Company has completed its mapping of the piping system in the North Mall to determine areas of responsibility between HOA and James/Kilmer, and WJE is awaiting completion of Kerrigan's drawings.

Ms. Goodwin directed the Board's attention to the list of capital projects created by WJE, including the estimates of project costs that she added to the list, and noted the three main projects that HOA would like to schedule for 2018: the 1300 Mall expansion joint and masonry wall repairs, the 1400 Mall expansion joints and masonry walls, and remodeling the North Pool men's and women's locker rooms. Discussion ensued about noise and the duration of the projects.

The Board thanked Mr. McCallan, and he left the meeting at 6:53 p.m.

Pool Preopening Discussion

Ms. Goodwin introduced Mr. Oswald and Ms. Staves of FFC, and directed the Board's attention to a list of topics for the Board to discuss, including pool rules, the pool membership form, ideas from FFC to promote membership, and FFC policies and procedures. She noted that items on the list are based on discussions that took place at the October 2017 HOA Board meeting about the past two pool seasons and on concerns that were brought up to both HOA Management and FFC. Discussion ensued about the suggested new and revised rules. The Board agreed to charging half price for all membership categories starting August 1, 2018. Discussion ensued about effective ways to promote pool membership and to contact potential members. Mr. Oswald and Ms. Staves described a targeted, customizable survey system developed by Medallia that FFC uses in its clubs that could be used to collect data from pool users to optimize pool users' experience and attract more members. Discussion ensued about the survey system and also about marketing the pools more aggressively in the surrounding neighborhoods. Further discussion ensued about other types of membership, including daily passes, and their effect on pool revenue. Ms. Staves agreed to provide more information about the Medallia system for the March Board meeting.

The Board thanked Ms. Staves and Mr. Oswald, and they left the meeting at 7:30 p.m.

South and North Pool Chaise Lounge Chair Replacement Proposal

Ms. Goodwin presented a proposal from Admiral Outdoor Furniture, the supplier that HOA has used in the past, to supply vinyl chaise lounges for the pools to match the existing ones. ***Mr. Beck moved to approve the proposal submitted by Admiral Outdoor Furniture on February 13, 2018, to supply***

and deliver 53 classic lounge chairs for use at both the North Pool and the South Pool, in the total amount of \$10,042.36. Mr. Berchem seconded the motion, and it passed unanimously. Ms. Goodwin stated that after the new chaise lounges are delivered, the old ones will be discarded. She also agreed to ensure that the lifeguards regularly wash the pool furniture.

Snow Removal Procedure Discussion

Ms. Goodwin reminded the Board about complaints this year from a few residents about noise from the HOA Bobcats and the Everest snowplow during snow-clearing operations, and presented a request received by email from an Association 3 resident, noting in particular that it would be illegal and a liability issue to silence the beeping that the equipment emits when it is backing up. Discussion ensued about the importance of clearing snow for the safety and convenience of residents, the rarity of occasions on which plowing is required several days in a row, the number of residents walking through the Village to work or public transportation early in the morning, the City of Chicago snow removal ordinance and the heavy fines imposed for noncompliance, HOA's agreement with the Village commercial enterprises to clear the snow from in front of their places of business on the malls, and the liability to be incurred for failing to clear the snow having more weight than noise complaints. Further discussion ensued about appreciation for the service to residents and about ways to mitigate the noise. The Board agreed to maintain the current snow-clearing procedures, but to revisit having Everest begin plowing when the snow reaches two inches in depth rather than only one inch.

Jewel-Eliot Fencing Update Discussion

Ms. Goodwin presented a revised proposal from Zera Construction to build a masonry wall only in the Eliot House loading dock area for \$65,000.00 and informed the Board about another proposal that Wiss Janney Elstner received from Mark One for a masonry wall in the amount of \$40,000.00. She noted that WJE also confirmed that the composite wall proposed by Fifield would be a plausible option. Discussion ensued. Ms. Goodwin agreed to obtain a sample of the composite wall material to present to the Board, and to obtain information about the useful life of the composite material compared to brick. Further discussion ensued about using brick to complement the extensive use of brick in the Village, and about deteriorating brick walls surrounding the fee-simple townhouse patios on Clark Street.

Early Learning Foundation HVAC Unit Upgrade and Replacement Discussion

Ms. Goodwin directed the Board's attention to a chart comparing bids to replace the heating and air conditioning system in the Early Learning Foundation space and explained her recommendation to engage Kirwan Mechanical Service after she and HOA Chief Engineer Cliff Farmby reviewed all of the bids. She explained that ELF is responsible for paying for the new system but cannot afford to do so and suggested that HOA pay for the HVAC replacement and bill the amount back to ELF through its rental agreement with HOA, including wording in ELF's lease that it would become liable for the full balance if it breaks its lease with HOA. Discussion ensued, after which the Board agreed that ELF should make a lump-sum down payment to HOA, with the remainder to be billed as part of the lease.

Additional Business

There was no additional business brought before the Board.

DIRECTORS-MANAGEMENT FORUM

Management Report

Mr. Beck asked that Christy Webber clean the planters at the James House entrance, and establish a regular cleaning schedule for the planters. In response to a question from Ms. Thronson, Ms. Goodwin stated that the equipment in the Tot Lot is scheduled to be replaced in 2019.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Mr. Beck, seconded by Mr. Santoro, and unanimously approved, the meeting was adjourned at 8:01p.m.

Respectfully submitted,


Secretary