

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
July 25, 2018**

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

Present: John Hoppesch – Association 1
 Mary Murtaugh – Association 1
 Mario Rizzo - Association 1
 Robert Connor – Association 2
 Eva Haussner – Association 2 (arrived 6:55 p.m.)
 Scott Lennox – Association 2
 David Alexander – Eliot (arrived 6:32 p.m.)
 Kimberly Ruhlander – Eliot (arrived 6:32 p.m.)
 Leslie Deitch – Faulkner
 John Berchem – Lowell
 David Beck – Association 7
 Jacque Ehrlich – Association 7
 Barbara Fiacchino – 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; Ryan Oswald, General Manager, of Fitness Formula Club Old Town; 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. No changes were made to the Agenda.

UNIT OWNER COMMENTS AND QUESTIONS

Numerous unit owners commented unfavorably on conditions at the North Pool, focusing largely on dirty pool facilities and furnishings, and remarking on lack of staff, poorly trained staff, not keeping the lap swim area clear during aerobic exercise periods, staff allowing users to bring glass containers onto the pool deck, ineffective management, insufficient exercise equipment, failing to vacuum the pool, and other problems. They agreed that lack of training seems to be the crux of the problem. One Board member commented that the South Pool is fine. Mr. Oswald responded that he has taken note of unit owner complaints, will follow up to improve the condition of the facilities, has provided an excellent staff, reviews all comments and complaints and discusses them with staff members, and has hired two new housekeepers. Mr. Connor stated that HOA has requested that for next year's pool season, FFC create a manual for pool staff providing information and procedures for cleaning the pool and adding chemicals, as well as pool usage rules. He also suggested that the assistant manager should deal with pool users who are breaking the rules, rather than the lifeguards. Further discussion ensued. Mr. Connor thanked the unit owners for coming to the meeting.

Mr. Oswald left the meeting at 6:58 p.m.

APPROVAL OF MINUTES

Approval of the March 21, 2018, Board meeting minutes was postponed until the next Board meeting.

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on May 23, 2018. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on May 23, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with four abstentions.***

PRESIDENT'S REPORT

Mr. Connor stated that work on the 2019 budget will take place in September and asked that those Board members interested in participating in the Budget Committee inform Ms. Goodwin of this by Monday, July 30. He noted that five or six Committee members will be needed, and that there will be one or possibly two meetings in September to discuss the budget.

TREASURER'S REPORT

Financial Summary

Mr. Berchem reviewed with the Board the Financial Summary for the period ended June 30, 2018, as follows:

Operating Fund net income, current month:	\$59,195
Operating Fund net income, year to date:	\$86,335
Operating Fund balance:	\$191,464
Ratio of Operating Fund balance to one month's operating expenses:	1.4
Replacement Fund interest income, year to date:	\$13,087
Replacement Fund average CD yield:	1.00%
Replacement Fund expenses, year to date:	\$671,664
Replacement Fund balance:	\$3,566,070

Mr. Berchem noted that the Operating Fund balance dropped considerably from the previous month's balance owing to adjusting journal entries, and that the number of delinquencies returned to zero, as it was in January. He stated that there are still some minor payments yet to be made for the North Mall Project, but that the project has been completed under budget. Ms. Goodwin added that there remains a retainage of approximately \$34,000.00

ACTION AND DISCUSSION ITEMS

North Mall Renovation and WJE Village Projects Update

Mr. Gaudette reported on the following:

- South Mall
 - South Mall Water Leakage: The leaks have been repaired, but WJE recommends that work on the South Mall pool area begin next year, with a review of conditions to be conducted following the close of the 2018 pool season. He reminded the Board that major work performed on the South Mall in 2010 did not include the pool area.

- A-B and C-D Malls
 - LaSalle Street Masonry Wall: WJE has completed an initial investigation of the masonry walls, has developed a repair scope of work, and will bid out the needed repair work to three contractors.
 - A-B Mall Expansion Joint Repair: Beginning on July 31, the leaking expansion joints will be repaired.
- Tennis Court
 - Leakage: WJE found leakage at the Tennis Center door caused by wind-driven rain and advises reinstalling the awning over the door to deflect the rain. The recommended new awning, which will cost \$950.00, is wind resistant and can be removed for the winter.
- North Mall Restoration Project: The retainage is being held because there are a few minor punch list items to be completed, some of which cannot be completed until after the North Pool closes.

Mr. Gaudette presented the Chicago Department of Transportation In-House Construction's schedule of work to remove the Germania Place median, including the trees, and install concrete pavement, as well as to perform other concrete work on the sidewalks and around the fountain. Discussion ensued about work on Sandburg Terrace and in the fountain area, including the need to slope the surface away from James House and reestablish the curb on the east side of James House.

The Board thanked Mr. Gaudette, and he left the meeting at 7:19 p.m.

Discussion ensued about remodeling the North Pool men's and women's locker rooms. Ms. Goodwin stated that she met with three designers and that their estimates of the costs involved ranged from \$250,000.00 to \$1 million for both locker rooms. She provided details about the work that the designers recommended, including making both locker rooms ADA compliant, and suggested that a committee be formed to choose a designer, create a design plan and present a realistic budget. Mr. Beck noted that there is leakage from the locker rooms into the James/Kilmer garage, which Ms. Goodwin stated occurs only when the locker rooms are power washed. He also stated his opinion that no designer is needed, with which some other Board members agreed. Further discussion ensued about basic remodeling, and Ms. Goodwin agreed to solicit bids for the basic work.

Village Drains Rodding Proposal

Ms. Goodwin explained the work to be done on the courtyard floor drains, noting that it can be performed for less than the budgeted amount, and explained her recommendation of a contractor. ***Mr. Berchem moved to approve the proposal submitted by All City Environmental Waste Services, Inc. on July 5, 2018, to rod Village drains in designated areas, in the amount of \$11,800.00. Mr. Beck seconded the motion, and it passed unanimously.*** Discussion ensued about contacting Chief Engineer Cliff Farmby about a missing drain cover.

Village Fence Proposal

Ms. Goodwin explained her recommendation of a contractor to repair and paint the Village fences. ***Mr. Beck moved to approve the proposal submitted by The Fence Doctors, Inc. on July 19, 2018, to prepare, repair as needed and paint James House, Kilmer House and Schiller Mall fencing, in the amount of \$28,480.00. Ms. Fiacchino seconded the motion, and it passed unanimously.*** Discussion ensued about covering the fences in winter to prevent salt damage to the fences and the landscaping.

Jewel-Eliot Fencing Proposal

Ms. Goodwin directed the Board's attention to a mock-up of the fencing that HOA proposes to erect on the south end of the South Mall and along the driveway between Eliot House and the Jewel Food Store. Ms. Ruhlander confirmed that the Eliot Board is not in favor of a metal fence and has sought bids for a brick wall at a reasonable cost. She stated that Chicagoland Concrete has submitted a bid for a brick wall with a concrete footing at a cost of \$45,000.00, and that with Fifield offering to pay \$15,000.00 and HOA willing to contribute \$10,000.00, the Eliot Board has agreed to contribute \$20,000.00. Mr. Beck suggested that Paul Gaudette review the entire proposal from Chicagoland Concrete, including blueprints and plans, and that, if he approves it, the proposal can be brought before the HOA Board again at its next meeting, noting that the wall will, in fact, belong to HOA. Mr. Berchem confirmed that HOA would pay for Mr. Gaudette's services. Ms. Ruhlander provided details about the proposed wall's dimensions and agreed to Mr. Beck's suggestion.

Gold Coast Wellness Signage Change Request

Ms. Goodwin presented a depiction of the new sign that Dr. Sargon Odisho wishes to affix to the door of his facility in Cummings House. After discussion, ***Ms. Fiacchino moved to approve Dr. Odisho's proposed change of his practice's window sign and blue hanging sign at his expense. Mr. Beck seconded the motion, and it failed, with five in favor and seven opposed.*** Further discussion ensued.

Always Great Smiles Lease Renewal Request

Ms. Goodwin explained the changes to the terms of Dr. Reena Shah's lease renewing on September 1 that HOA Management recommends, based on Dr. Shah's requests. She noted that Draper and Kramer's legal counsel has advised that HOA's leases include clearer language as to which party is responsible for repair and maintenance of the air conditioning units serving the commercial premises, and that language specifying Dr. Shah's responsibility for the air conditioning could be added to her lease. After discussion, ***Ms. Ehrlich moved to accept HOA Management's recommendation for a five-year lease renewal for Always Great Smiles, with a one-year hold at the current lease rate and a two-percent increase for each of years two through five, with no concessions, and that language be added to the lease to the effect that lessor shall maintain and repair the HVAC unit serving the premises. Ms. Haussner seconded the motion, and it passed unanimously.***

Additional Business

In response to Ms. Fiacchino's request about the masonry wall behind James House on LaSalle Street, which is bowing slightly, Ms. Goodwin stated that she would ask Mr. Gaudette to look at it. Ms. Fiacchino also asked whether the Saturday and Sunday morning lap swim pool hours could be extended. Ms. Goodwin responded that this can be considered for next year's pool season.

DIRECTORS-MANAGEMENT FORUM

Ms. Goodwin asked if there were any questions from the Board arising from the Management Report. In response to a question from Ms. Fiacchino, Ms. Goodwin stated that she will ask FFC if it can provide marketing material announcing that the pool fees are now half-price, noting that the half-price Tennis Court membership fee has already been publicized. Mr. Connor stated that pool statistics will be discussed at the end of the year.

Ms. Ruhlander asked if all of the commercial spaces are leased out. Ms. Goodwin responded that they are, that the C-D dry cleaner's lease ends on December 31, the Burton-Clark Salon lease ends on September 30, and Dr. Shah's lease ends on August 31, and that all of them are expected to renew their leases. Discussion ensued.

RECESS TO EXECUTIVE SESSION

The meeting was recessed to Executive Session at 7:55 p.m.

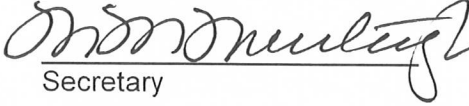
RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 8:09 p.m. The Board agreed that Mr. Hoppesch and two volunteers from Eliot House be asked to join the Board's Hearing Panel. ***Ms. Fiacchino moved to fine a unit owner \$250.00 for failure to comply with HOA's pet rules. Mr. Berchem seconded the motion, and it passed unanimously.***

ADJOURNMENT

There being no further business to be brought before the Board, upon motion duly made by Mr. Lennox and seconded by Ms. Deitch, the meeting was adjourned at 8:11 p.m.

Respectfully submitted,


Secretary