

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
September 26, 2018**

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
Robert Connor – Association 2
Scott Lennox – Association 2
Holly O'Mara – Association 2
Diana Levin – Association 3
Kristina Lynn – Eliot
Gabrielle Thronson – Eliot
John Skor – Faulkner
John Berchem – Lowell
David Beck – Association 7
Jacque Ehrlich – Association 7
Barbara Fiacchino – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Melendez, Administrative Assistant, and David Barnhart, Vice President and Senior Property Supervisor, of Draper and Kramer, Incorporated; Paul Gaudette of Wiss Janney Elstner Associates, Inc.; and Nancy Ayers of Alliant/Mesirow Insurance. 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

A few unit owners commented unfavorably on conditions at the North Pool, focusing largely on dirty pool facilities and furnishings, and remarking on staff not keeping the pool deck clean and free of litter, ineffective management, failing to vacuum the pool, and other problems. It was noted that the lifeguards are doing a much better job monitoring the pool than they did last year, that Fitness Formula Clubs is hiring another cleaner, that HOA will renegotiate the pool management contract next year, and that FFC will create a policies and procedures manual for use next year. Mr. Connor thanked the unit owners for their comments.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on March 21, 2018. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on March 21, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with one abstention.***

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on July 25, 2018. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on July 25, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with five abstentions.***

TREASURER'S REPORT

Financial Summary

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

Operating Fund net income, current month:	(\$33,581)
Operating Fund net income, year to date:	\$198,125
Operating Fund balance:	\$202,521
Ratio of Operating Fund balance to one month's operating expenses:	1.5
Replacement Fund interest income, year to date:	\$15,462
Replacement Fund average CD yield:	1.00%
Replacement Fund expenses, year to date:	\$710,277
Replacement Fund balance:	\$3,674,832

Mr. Berchem noted that the Pool Net Income to date is less than it was in the same period in 2017, and that there is one delinquency that should be resolved shortly. He stated that work on the North Mall Project will be completed after the North Pool is closed. In response to a question from Ms. Lynn, Mr. Berchem stated that the "Assessment Delinquencies" line item for August is a running balance.

ACTION AND DISCUSSION ITEMS

North Mall Renovation and WJE Village Projects Update

Mr. Gaudette reported on the following:

- South Mall
 - South Mall Screen Wall: The plans for the wall are fairly complete but flashing must be placed beneath the coping stone on the top of the wall, and WJE can approve the plans subject to that addition.

Discussion ensued about the agreement with Fifield to contribute \$15,000.00 to the cost of the wall, and Mr. Connor suggested getting a letter of agreement from Fifield to HOA stating what it will pay toward the wall and that Fifield will pay the vendor directly. It was agreed to finalize the arrangements at the October HOA meeting. Further discussion ensued about WJE's approval of the wall, transferring the warranty to HOA, and supervising the construction of the wall.

- South Mall Water Leakage: WJE's investigations of water leakage into the Eliot garage from the South Pool area are ongoing.
- A-B and C-D Malls
 - Zera Construction has completed installation of the expansion joint seals on both plazas.
 - LaSalle Street Masonry Wall: WJE has completed the construction documents for repair of the masonry walls along LaSalle Street and they have been sent out for bids.

- Building Expansion Joints: WJE finished water testing the expansion joint where leakage has been found and will report on results in October.
- Mall Concrete Cleaning: The trial power washing was effective, including cleaning out joints that were opened up, and should be performed throughout the malls. Dirt and debris build up in the joints, enter the drains, and also lock up the slabs so that drainage is impeded. It is recommended that, following any construction on a building, the malls around the building be pressure-washed and the drains in the area be rodded.

Mr. Santoro moved to approve the proposal submitted by Ace of Spray on September 4, 2018, to power-wash the Village malls, in an amount not to exceed \$9,075.00. Mr. Berchem seconded the motion, and it passed unanimously.

- Tennis Court
 - Tennis Court Leakage: The leakage appears to have been resolved.

Mr. Rizzo asked Mr. Gaudette about termites in one of the townhouse units. Mr. Gaudette explained that exterminators drilled through the membrane, injected insecticide which landed on cars in the garage beneath, and then mortared the top and bottom of the hole, which they should not have done

- North Mall Restoration Project: The project is substantially complete.
- North Pool Benches: It was discovered that the wrong primer was used on the benches, so after the pool season they must be stripped, recoated and reinstalled, after which the retainage will be released.

PRESIDENT'S REPORT

At Mr. Connor's request, Ms. Goodwin introduced Tahalia Melendez, HOA's new Administrative Assistant.

Mr. Gaudette left the meeting at 7:02 p.m.

2019 Insurance Proposal

Ms. Ayers reminded the Board that the coverage formerly with Admiral was moved to Fireman's Fund, resulting in significant savings. She stated that Alliant/Mesirow received the Reserve Report after the insurance renewal and, upon review of the report, allocated all the property and concluded that the property limit must be increased based on the allocation. Ms. Ayers noted that there is just one limit for all of HOA's property, and that it has been increased from \$1.5 million to \$2.8 million. She described several of the types of coverage offered, which companies are offering the coverages, and the various deductibles, and directed the Board's attention to the premium comparison in the proposal, noting that the premium was increased owing to the limit increase. ***Mr. Beck moved to approve the proposal submitted by Alliant/Mesirow Insurance Services on September 14, 2018, for renewal of property, general liability, fidelity bond/crime, cyber liability, directors and officers liability and umbrella coverage for the period September 30, 2018 through September 30, 2019, in the amount of \$57,093.00. After discussion, Ms. Fiacchino seconded the motion, and it passed unanimously.***

Mr. Connor thanked Ms. Ayers, and she left the meeting at 7:10 p.m.

2019 Proposed Budget Distribution Approval

Ms. Goodwin reported that the Finance and Budget Committee met and recommends a 1.86% assessment increase for the 2019 Operating Budget, and a 15% increase for all categories of pool fees to support increased pool expenses for 2019. Discussion ensued about increased expenses, lifeguard hours, late-season pool hours, liability exposure if swimming is allowed with no life guards present, cabana fees, and ways to control costs. Ms. Goodwin explained the 2019 budgeted amount for payroll expense. ***Mr. Beck moved to approve the distribution to the Sandburg Village unit owners of the proposed 2019 Carl Sandburg Village Homeowners Association Operating Budget, which calls for a 1.86% increase in assessments and includes the 2019 Schedule of Fees. Mr. Berchem seconded the motion, and it passed unanimously.***

Snow Removal Contract

Ms. Goodwin explained her request for seasonal rather than per-push pricing from the three snow removal firms from which she requested bids, and her recommendation to continue to engage Everest. Discussion ensued about the snow removal service. ***Mr. Santoro moved to accept the proposal submitted by Everest Snow Management, Inc., on September 21, 2018, for a one-year contract to plow and salt the Association drive lanes, turnarounds and dock areas, in the amount of \$11,560.00. Ms. Thronson seconded the motion. After discussion, the motion passed unanimously.***

A-B Rental Cap Vote Request

Mr. Connor explained the request from Association 2 to request that HOA provide proxies reflecting the Association's percentage of ownership for the approval of the 7th Amendment – Rental Cap. After discussion, the motion to approve the request was withdrawn.

C-D Dry Cleaner Rent Request

Mr. Rizzo explained the agreement between Association 1 and HOA and between Association 1 and the dry cleaner in Dickinson House with regard to the dry cleaner's commercial space, and the Association's request to HOA for a reduction in the rent for the commercial space. Discussion ensued, after which the matter was tabled, to be reconsidered at the October HOA Board meeting.

Always Great Smiles Lease Renewal Counter-Offer

After a brief explanation by Ms. Goodwin, ***Mr. Beck moved to accept Dr. Reena Shah's counter-offer and add the following specific language to her renewal lease: "Lessor agrees that if the cost of maintenance and/or repair of the air conditioning unit is over \$1,000.00, then Lessor will pay for it, but that anything less than that will be at Lessee's expense." Mr. Lennox seconded the motion, and it passed unanimously.***

Jewel/Eliot Fencing Proposal

This matter was tabled until the October HOA Board meeting.

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. Thronson about the garage vent openings in the mall west of Eliot House, Ms. Goodwin stated that they are being painted and will be closed.
- Ms. Ehrlich asked that the Village garbage can near the back door of Kilmer House be cleaned and relocated rather than being moved around, and Ms. Goodwin agreed to look into the matter.
- In response to a question from Mr. Berchem, Ms. Goodwin stated that pickleball was a very popular activity on the tennis courts this summer.

- Ms. Fiacchino thanked Ms. Goodwin for having the Village benches cleaned, repaired and refurbished.
- Ms. Murtaugh asked that on Monday mornings, HOA maintenance workers clear away the trash that accumulates over the weekend in the gardens on the Clark Street side of the Village, to which Ms. Goodwin agreed.
- The Board discussed whether or not the Village security guard should spend time asking dog walkers to keep their dogs off the grass in the malls.
- Ms. Thronson explained the legal process by which Animal Care and Control will fine people whose dogs are not leashed.

RECESS TO EXECUTIVE SESSION

Upon motion duly made by Mr. Santoro and seconded by Ms. Fiacchino, the meeting was recessed to Executive Session at 7:59 p.m.

Ms. Thronson left the meeting at 8:10 p.m.

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 8:12 p.m. ***Mr. Santoro moved to adopt the Hearing Panel's recommendation to increase the fine to a unit owner to \$500.00 for repeated pet rule violations. Ms. Fiacchino seconded the motion, and it passed unanimously.***

Mr. Santoro moved that the Hearing Panel conduct a hearing regarding a unit owner's violation of the rule requiring that all dogs on Sandburg Village property be leashed, in consideration of the attack by the unit owner's dog, while off its leash, on another unit owner's dog, causing injury. Ms. Lynn seconded the motion, and it passed unanimously.

Mr. Santoro moved to authorize the Hearing Panel's actions and findings between HOA Board meetings and to report such actions and findings to the HOA Board at its next subsequent meeting. Mr. Lennox seconded the motion, and it passed, with one opposed.

ADJOURNMENT

There being no further business to be brought before the Board, upon motion duly made by Mr. Santoro and seconded by Ms. Fiacchino, the meeting was adjourned at 8:17 p.m.

Respectfully submitted,


Secretary