

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

HOA's Eliot House Hospitality Room, 1255 North Sandburg Terrace, Chicago, Illinois 60610

Present: Mary Murtaugh – Association 1
Mario Rizzo – Association 1
John Santoro – Association 1
Robert Connor – Association 2
David Guilbert – Association 2
Kristina Lynn – Eliot
Gabrielle Thronson - Eliot
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; and Paul Gaudette of Wiss Janney Elstner Associates, Inc.

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 no changes to agenda

UNIT OWNER COMMENTS AND QUESTIONS REGARDING THE PROPOSED 2019 BUDGET

A unit owner asked if any Board members had received questions about the Lincoln Yards project and its possible effect on the quality of life at Sandburg Village. The Board members indicated that they had not received any such questions. Discussion ensued about the project and whether or not Sandburg Village residents should attend any meetings about the project to voice their opinions about it, particularly with regard to traffic in the area.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on October 24, 2018. ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on October 24, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with two abstentions.***

PRESIDENT'S REPORT

Mr. Connor congratulated the Board on a productive year and conveyed best wishes for the upcoming holiday season. He commended the HOA Management and Maintenance teams on their excellent work during the year.

TREASURER'S REPORT

Financial Summary

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

Operating Fund net income, current month:	\$36,169
Operating Fund net income, year to date:	\$209,118
Operating Fund balance:	\$183,806
Ratio of Operating Fund balance to one month's operating expenses:	1.4

Replacement Fund interest income, year to date:	\$22,177
Replacement Fund average CD yield:	1.00%
Replacement Fund expenses, year to date:	\$767,962
Replacement Fund balance:	\$3,768,862

Mr. Berchem commented on delinquencies and the Reserve Fund. In response to a question from Mr. Berchem, Ms. Goodwin stated that, with regard to the North Mall Project, HOA Management has just received the warranties and the closing documents, which Wiss Janney Elstner is reviewing, but that a final payment of approximately \$33,000.00 will be made only after the WJE review is complete. Mr. Berchem commented further on the Reserve Fund balance and noted that the Association will see higher interest income when each of the certificates of deposit matures. Discussion ensued.

ACTION AND DISCUSSION ITEMS

North Mall Renovation and WJE Village Projects Update

Mr. Gaudette reported on the following:

- South Mall
 - South Mall Screen Wall: Next week WJE will complete schematic details for the screen wall for the permitting process, which should not take more than four to eight weeks so that it is expected that the project can begin in the spring. Ms. Goodwin added that she is waiting for the updated proposal from Eliot House.
 - South Mall Water Leakage: WJE will issue a report in December on the leak from the South Mall into the Eliot garage, noting that the engineers will address the areas of leakage next spring and fall. He stated that the townhouses along Goethe Street will be addressed in January with regard to which entity is responsible for water leakage in the area.
- A-B and C-D Malls
 - LaSalle Street Masonry: The repair of the masonry walls along LaSalle Street has gone well, with three days' worth of work remaining, except that recent unseasonably cold weather has delayed its completion. Anything that cannot be completed this year can be taken up next spring. All the work will be finished in the A-B mall, with only some panels of the wall on the C-D mall on LaSalle Street needing to be finished.
 - Building Expansion Joints: WJE has completed water testing of the expansion joints at locations of reported leakage on the A-B mall, and recommends that work be performed similar to what was done in the C-D mall four or five years ago.
 - Townhouse 1328: Repair work is complete, and the invoice has been forwarded to the insurance company.
 - Mall Minor Repairs: Zera Construction performed some minor concrete repairs on a sample area on the C-D Mall which went well.

- Tennis Court
 - Tennis Court Leakage: The light poles will be dealt with in the spring.
- North Mall
 - North Mall Restoration Project:
 - The North Mall project is substantially complete, including reinstalling the perimeter benches.
 - The final payment will be made once the correspondence and warranties have been compiled and submitted to HOA Management along with the close-out manual.

The Board thanked Mr. Gaudette and he left the meeting at 6:50 p.m.

2019 Budget Approval

Ms. Goodwin reported that the Budget Committee recommends a 1.86% increase in assessments for the Operating Budget, and a 15% increase in all pool membership categories on the Schedule of Fees. She noted that she has received no questions or comments from unit owners regarding the proposed budget. ***Mr. Berchem moved to approve the proposed 2019 Carl Sandburg Village Homeowners Association Operating Budget which includes a 1.86% increase in assessments and the 2019 Schedule of Fees as presented. Mr. Beck seconded the motion, and it passed unanimously.***

Pool Management Contract Renewal

Mr. Beck provided details about the history of Fitness Formula Clubs' management of the pool, its management fee, and changes in the management arrangement. Ms. Goodwin noted that the management fee had not been increased since 2010, but that for the coming year the fee will be increased from \$35,175.00 to \$45,027.00 with a renewal for three years and the option of two two-year extensions with a 2.5% increase each year. She stated that she attempted to locate another company that could manage the Village pools and found only one that might have been capable of doing so but that refused the engagement. Ms. Goodwin also stated that she did find a second management company but that its fees were higher than FFC's and it did not include pricing for a computer system like FFC's for membership fee collection. Discussion ensued about previous unsuccessful attempts at self-management. ***Mr. Beck moved to approve the proposed renewal contract with Fitness Formula Clubs to manage the North and South pools, in the amount of \$45,027.00 for 2019, and to continue through 2021 with a 2.5% increase each year and an included renewal option for two two-year extensions, with modifications to sections 5.4 and 7.8 of the contract as discussed. After further discussion, Ms. Fiacchino seconded the motion, and it passed unanimously.***

Alcott-Bryant Façade Special Payout

Ms. Goodwin explained CSVCA No. 2's Board of Directors' approval of a \$3,000,000.00 special assessment to fund its façade project, and the consequent charge to HOA's six Alcott-Bryant commercial spaces in the amount of \$20,730.00, which was originally to be paid in installments over five years. She stated her recommendation that the amount be paid off in full to avoid further interest charges, noting that if it is paid in full before the end of December 31, 2018, the total owed will be \$10,798.17. After discussion about missing leases and about whether or not HOA should pay this amount and, if so, whether and how it should be charged back to the tenants. Ms. Goodwin agreed to consult the Association's legal counsel about the matter. After further discussion, ***Mr. Beck moved to accept Management's recommendation to pay off the remainder of the special assessment with no interest for the six Alcott-Bryant commercial spaces in the amount of \$10,798.17, with the proviso that Management is to determine if any portion of that amount can be reimbursed by the HOA tenants. Ms. Fiacchino seconded the motion, and it passed unanimously.***

Ombudsperson Policy

Ms. Goodwin referred to the Illinois Condominium and Common Interest Community Ombudsperson Act, stating that HOA must develop and approve a written formal dispute resolution policy before January 1, 2019, and referred to the policy and the Unit Owner Complaint Form included in the Board packet. ***Mr. Berchem moved to adopt the Illinois Condominium and Common Interest Community Ombudsperson Act policy and Unit Owner Complaint Form for resolving owner complaints against the Sandburg Village Homeowners Association as presented. Mr. Santoro seconded the motion, and it passed unanimously.*** Mr. Connor provided more details about the Act, and further discussion ensued.

2019 Draper and Kramer Holiday Schedule

Mr. Beck moved to accept the 2019 Draper and Kramer Holiday Schedule as presented for use by the HOA Management Office. Mr. Santoro seconded the motion. After discussion, the motion passed unanimously.

2019 HOA Board Meeting Dates

Mr. Berchem moved to accept the 2019 Board Meeting dates as presented. Mr. Beck seconded the motion, and it passed unanimously. Ms. Goodwin informed the Board that she confirmed that the auditor, Chris Nyborg, will be available for the May 22, 2019, audit review.

Jewel/Eliot Wall Proposal

Ms. Goodwin stated that Chicagoland Community Management has not yet provided her with the updated proposal but that she has asked Wiss, Janney, Elstner to begin creating the drawings to be provided to the contractor so that the permit will be in place by spring. She added that the HOA Board is to review the three-way agreement between HOA, Eliot House and Fifield. Ms. Lynn stated that the Eliot House Board approved the proposal at its most recent meeting, and Ms. Goodwin added that Fifield will review it and respond by next week, and that HOA's attorney and Eliot's attorney have discussed the agreement. ***Mr. Santoro moved to accept the three-way agreement between HOA, Eliot and Fifield, subject to Fifield's approval. Ms. Lynn seconded the motion, and it passed unanimously.***

Additional Business

There was no additional business brought before the Board.

DIRECTORS-MANAGEMENT FORUM

Management Report

Ms. Goodwin and Mr. Beck discussed types of fencing installed in various areas in the Village in the winter to protect plantings against salt.

Discussion ensued about details to be included in the monthly Security Report and about security guards spending time writing up incidents of dog owners breaking HOA's rules concerning dogs.

Ms. Ehrlich commented on the poor appearance of the landscaping in front of Kilmer House and other areas. Ms. Goodwin responded that a walk-through with representatives from Christy Webber is planned for the spring.

RECESS TO EXECUTIVE SESSION

At 7:30 p.m., ***Mr. Santoro moved to recess the meeting to Executive Session for purposes of discussing matters related to rule violations, litigation and personnel. Mr. Rizzo seconded the motion, and it passed unanimously.***

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 7:59 p.m. ***Mr. Santoro moved to issue staff holiday bonuses as discussed in Executive Session. Ms. Murtaugh seconded the motion, and it passed unanimously.***

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:02 p.m.

Respectfully submitted,


Secretary