

## DRAFT FOR MEETING

### SANDBURG VILLAGE HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS MEETING January 23, 2019

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  
Eva Haussner – Association 2  
Mary Schneider – Association 2  
Diana Levin – Association 3  
Kristina Lynn – Eliot  
Kimberly Ruhlander – Eliot  
Leslie Deitch – Faulkner  
John Berchem – Lowell  
Marc DeMoss – Lowell  
Judy Barnes – Association 7  
David Beck – Association 7  
Barbara Fiacchino – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Melendez, Administrative Assistant, David Barnhart, Vice President and Senior Property Supervisor, and Ian Novak, Property Supervisor and Director of Condominium Management Services, of Draper and Kramer, Incorporated; Asa Sherwood, President of FirstService Residential in Illinois; 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 6:40 p.m. There were no changes to the agenda.

#### **APPROVAL OF MINUTES**

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on November 28, 2018. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on November 28, 2018, be approved as presented. Mr. Beck seconded the motion, and it passed, with four abstentions.***

#### **ELECTION OF BOARD OFFICERS FOR 2019**

Mr. Connor announced that all of the officers who served in 2018 have volunteered to serve in those positions again in 2019, and he introduced those officers, as follows: President–Robert Connor, Vice President–Barbara Fiacchino, Treasurer–John Berchem, and Secretary–Mary Murtaugh. He then opened the nominations for Board President. Mr. Berchem nominated Robert Connor for the position of Board President for 2019. Barbara Fiacchino seconded the motion. There being no further nominations, Mr. Connor declared the nominations closed. Mr. Beck suggested voting for all four officers at once.

With the agreement of the Board, ***Mr. Beck moved to elect Robert Connor to the position of Board President, Barbara Fiacchino to the position of Board Vice President, John Berchem to the position of Board Treasurer, and Mary Murtaugh to the position of Board Secretary, for 2019, by acclamation. Ms. Barnes seconded the motion, and it passed unanimously.***

#### **PRESENTATION: FIRSTSERVICE RESIDENTIAL**

Mr. Novak introduced himself, stating that he heads DKCondo, the condominium division of Draper and Kramer. He then introduced Asa Sherwood, President of FirstService Residential in Illinois. Mr. Novak stated that at the direction of its shareholders and Board of Directors, Draper and Kramer will sell its condominium management division to FirstService Residential, with the purchase to close on May 1. He provided details about the transition, including that there will be no changes in personnel or operations. Mr. Novak further stated that if the HOA Board chooses to sign its agreement with Draper and Kramer over to FirstService Residential, the terms of the agreement will remain the same through its original expiration date. Mr. Sherwood then provided background information about FirstService Residential, stating that its current Chicago portfolio consists of 160 properties, including Cummings-Dickinson in Sandburg Village. He repeated Mr. Novak's assurances that contract terms with current DKCondo properties will remain the same and that the current DKCondo staff will become FirstService Residential employees on May 1. Mr. Sherwood also stated that the software platform transition, including the transition to the Jenark property management software and accounting system, will take place over 12 months from May 1. He noted that FirstService Residential will provide manager training and development, support and resources, and intends to merge its best practices with Draper and Kramer's best practices. Mr. Santoro remarked that FirstService Residential manages many homeowners associations across the country, and also commented favorably about the Jenark system.

Mr. Connor thanked Mr. Novak and Mr. Sherwood, and they left the meeting at 7:03 p.m.

#### **UNIT OWNER COMMENTS**

Unit owners and the Board discussed the possibility of using pet-friendly salt on Village sidewalks, conducting water aerobics classes at the South Pool this year, and providing shade at the North Pool.

#### **PRESIDENT'S REPORT**

Mr. Connor thanked the Board for reelecting the officers from 2018 to serve in 2019, and stated that he anticipates a good year ahead. He noted that the North Mall Project has been completed, and that, while there will be a few projects this year, overall it should be a lighter year for the Village. Mr. Beck reminded the Board members that they should not contact Village vendors directly, and Mr. Connor stated that all issues should be referred to HOA Management, not dealt with by HOA Board members. He also reminded the Board members that all discussions that take place and documents that are considered in Executive Sessions are strictly confidential.

## **TREASURER'S REPORT**

### **Financial Summary**

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

Operating Fund net income, current month:	\$28,198
Operating Fund net income, year to date:	\$296,699
Operating Fund balance:	\$352,912
Ratio of Operating Fund balance to one month's operating expenses:	2.7
Replacement Fund interest income, year to date:	\$26,998
Replacement Fund average CD yield:	1.11%
Replacement Fund expenses, year to date:	\$1,014,069
Replacement Fund balance:	\$3,574,050

Mr. Berchem commented on various line items, noting that the North Mall Project was completed under budget. He stated that at December 31, there were no accounts receivable, a demonstration of excellent management practices. Mr. Barnhart and the Board congratulated Ms. Goodwin and Ms. Melendez. Discussion ensued about how to deal with any year-end excess of revenue over expenses following the annual audit, according to the requirements of the HOA Declaration.

## **ACTION AND DISCUSSION ITEMS**

### **2019 Village Capital Projects Update and Schedule**

Mr. Gaudette reported on the following:

- South Mall
  - South Mall Screen Wall: Wiss Janney Elstner has completed its drawings for the South Mall Screen Wall. Ms. Goodwin stated that neither she nor the Eliot House Property Manager has been able to contact the contractor who was originally chosen, and that therefore there is as yet no signed agreement with Fifield. Mr. Connor suggested sending a letter to the contractor requesting a response and stating that if he does not respond by a certain date, other bids will be sought. After discussion, Mr. Gaudette suggested contacting another contractor for the job.
  - South Mall Water Leakage: WJE has completed its investigation of areas of water leakage from the South Mall into the Eliot House garage, and work could be performed on the leak after Labor Day.
  - Goethe Townhouse Wall: It is difficult to tell to whom the wall belongs. The area at the base of the wall along Goethe Street is deteriorated, causing leakage into the Eliot House garage. Discussion ensued.
- A-B and C-D Malls
  - LaSalle Street Masonry: JLJ Construction has completed repair of the masonry walls along LaSalle Street and the project has been closed out, finishing on budget.
  - Building Expansion Joints: Zera Construction has installed new expansion joint top seals at the mall entrances to Bryant House and Dickinson House to reduce the expansion joint gap.
- North Mall
  - North Mall Restoration Project:
    - The North Mall project is complete and closed out.

Ms. Goodwin directed the Board's attention to the proposed North Pool locker room remodeling scheme and the summary of the proposals received for the work, and explained her recommendation to choose Van Arc as the contractor based on its proposed charges and capabilities. She reviewed the scope of work. Discussion ensued. Ms. Goodwin stated that when the locker rooms are power washed, water flows down into the James/Kilmer garage because the vinyl baseboard in the locker rooms has become separated from the wall. She described the solution to this problem proposed by Van Arc and stated that she and Mr. Gaudette will review the suggested solution if Van Arc is approved by the Board to remodel the locker room, and she described an alternative solution proposed by Mr. Gaudette if Van Arc's solution is not acceptable. Discussion ensued. ***Mr. Beck moved to approve the proposal submitted by Van Arc Corp. dba Van Arc Contractors on October 19, 2018, including recommended materials and color selection, for remodeling the North Pool men's and women's locker rooms, in the amount of \$47,590.00. Ms. Murtaugh seconded the motion. After discussion, the motion passed, with one opposed.***

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

#### **Lowell House Exterior Painting Request**

Ms. Goodwin stated that the Lowell House Board of Directors requests the HOA Board's approval of the exterior paint color chosen by Lowell, and described the paint. ***Mr. Berchem moved to approve the request from the Lowell House Board of Directors to paint the Lowell House exterior in "Monument White" #581 Modac paint manufactured by Sherwin Williams. Ms. Fiacchino seconded the motion, and it passed unanimously.***

#### **Approval of Association Entrance Planters Spring Plant Rotation**

Ms. Goodwin stated that the flowers and colors chosen for the associations' entrance planters are the same as those used last year, noting that they were widely approved last year. Discussion ensued. ***Ms. Schneider moved to accept the renderings provided by Christy Webber Landscapes for the 2019 spring flower rotations as presented. Mr. Santoro seconded the motion, and it passed unanimously.***

#### **Additional Business**

There was no additional business brought before the Board.

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

The Board discussed activity involving buildings on the south side of Division Street west of Clark Street.

#### **Management Report**

Ms. Goodwin stated that three new volunteers are needed for the Hearing Panel. After discussion, Mr. DeMoss, Ms. Schneider and Mr. Beck agreed to join the panel as members or alternates.

Ms. Goodwin announced that the next HOA Board meeting is scheduled for Wednesday, February 27.

**ADJOURNMENT TO EXECUTIVE SESSION**

The meeting was adjourned to Executive Session at 7:40 p.m. to discuss matters relating to litigation.

Respectfully submitted,

  
Secretary