

**SANDBURG VILLAGE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
May 22, 2019**

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

Present: James Lothe – Association 1
Mary Murtaugh – Association 1
Robert Connor – Association 2
Eva Haussner – Association 2
Scott Lennox – Association 2
Kevin Sido – Association 3
Kimberly Ruhlander – Eliot
Gabrielle Thronson – Eliot
Leslie Deitch – Faulkner
John Berchem – Lowell
Marc DeMoss – Lowell (arrived 6:37 p.m.)
Judy Barnes – Association 7
Barbara Fiacchino – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Menendez, Administrative Assistant, and Marla Jackson, Regional Director, of FirstService Residential Illinois; Chris Nyborg of Nyborg & Company, Ltd.; 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 6:34 p.m. There were no changes to the agenda.

UNIT OWNER COMMENTS AND QUESTIONS

There were no comments or questions from unit owners present.

APPROVAL OF MINUTES

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meeting held on March 27, 2019. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on March 27, 2019, be approved as presented. Ms. Barnes seconded the motion, and it passed unanimously.***

PRESIDENT'S REPORT

At Mr. Connor's request, Ms. Jackson introduced herself as a Regional Director with FirstService Residential Illinois, citing her previous position as a property supervisor and Assistant Vice President with Draper and Kramer. Also at Mr. Connor's request, Mr. Sido introduced himself as an alternate representative of Association 3.

TREASURER'S REPORT

Financial Summary

Mr. Berchem reviewed with the Board the Financial Summary for the period ended April 30, 2019, as follows:

Operating Fund net income, current month:	\$6,760
Operating Fund net income, year to date:	\$26,643
Operating Fund balance:	\$369,928
Ratio of Operating Fund balance to one month's operating expenses:	2.6
Replacement Fund interest income, year to date:	\$10,549
Replacement Fund average CD yield:	1.35%
Replacement Fund expenses, year to date:	\$55,986
Replacement Fund balance:	\$3,806,128

Mr. Berchem explained the two current delinquencies, and also referred to the modest year-to-date Reserve Fund expenses and the healthy Reserve Fund balance

ACTION AND DISCUSSION ITEMS

2018 Financial Statements Audit Review

Ms. Nyborg directed the Board's attention to the "Statements of Revenue, Expenditures and Changes in Fund Balances" and the "Schedule of Expenditures," commenting that the HOA Board and Management have performed very well in budgeting and controlling expenses. She stated that the Notes accompanying the audit have not changed substantially from last year's Notes. Ms. Nyborg then advised the Board that because of the City of Chicago's need for revenue, permit and license fees are increasing greatly and sewer rates will increase another 30% in 2020. She also remarked on increases in interest rates on reserve funds, noting that such rising interest rates could result in a tax on associations' interest income, and explained ways to avoid having to pay tax on nonmember income. Ms. Nyborg concluded by stating that HOA's financials are very clean, and Mr. Berchem noted that this is due to a solid, realistic budget created by Management.

Mr. Berchem then stated that while there is once again an Operating Fund surplus, he recommended that the Board not follow the usual practice of transferring the surplus to the Reserve Fund but rather leave it in the Operating Fund to deal with rising expenses, especially because there are no large capital projects anticipated in the near future. Mr. Berchem also noted that HOA is not required to return surplus funds to unit owners, and Ms. Nyborg added that if the money remains in the Operating Fund, use of it is unrestricted. The Board agreed to Mr. Berchem's suggestion. Ms. Nyborg then stated that she will revise the audit to reflect the Board's decision. ***Mr. Berchem moved to approve the audit of financial statements and supplementary information for the year ended December 31, 2018, with comparative totals for 2017, conducted by Nyborg & Company, Ltd., as amended. Mr. DeMoss seconded the motion, and it passed unanimously.***

The Board thanked Ms. Nyborg, and she left the meeting at 6:56 p.m.

Audit Services Proposal

Mr. Berchem referred to the proposal from Nyborg & Company, Ltd., for 2019 audit services, noting that the fee is the same as it has been for several years. ***Mr. Berchem moved to accept the proposal submitted by Nyborg & Company, Ltd., on May 22, 2019, to provide the Sandburg Village Homeowners Association with audit services for the year ended December 31, 2019. Ms. Fiacchino seconded the motion, and it passed unanimously.***

2019 Village Capital Projects Update

Mr. Gaudette reported on the following:

- South Mall
 - South Mall Screen Wall: Four bids were reviewed by HOA and WJE, and North Shore is the low bidder for construction of a brick wall to be built only on the mall itself, even with the addition of the \$10,000.00 allowance advised by WJE. Ms. Goodwin confirmed that Fifield and HOA still agree to pay their proposed portions of the cost of the wall, but that Eliot House will pay the remainder only if North Shore is selected as the contractor. Discussion ensued. The Board agreed that HOA approval is contingent upon Fifield and Eliot House paying their shares of the \$48,140.00 total, and that HOA will pay the fee from WJE. ***Mr. DeMoss moved to approve the proposal submitted by North Shore Brickwork & Windows, Inc., on March 29, 2019, to build a brick wall at the Eliot House loading dock, for an amount not to exceed \$48,140.00, contingent upon Eliot House, Fifield and the Sandburg Village Homeowners Association paying their agreed-upon shares of the total. Mr. Lennox seconded the motion, and it passed, with one opposed.***
 - South Mall Water Leakage: WJE provided a report to HOA on March 27, 2019.
 - South Mall/Pool Repair Project: WJE has provided a draft schedule for the South Mall renovation, the work to be performed in the fall of 2019 and the spring and fall of 2020 so as not to interfere with the pool season. Bids should be received by mid-July so as to be conveyed to the HOA Board for discussion at its July meeting. Landscaping plans will be much the same as those developed in 2010.
- A-B and C-D Malls Building Expansion Joints: Three contractors bid on the project, all of whom have previously performed expansion joint work on the malls, and WJE recommends accepting the proposal from Zera Construction Company, Inc., which worked on the malls in 1996 and 1997, as well as performing some of the repair work along the C-D mall about eight years ago, and is the low bidder. WJE also recommends including the stairs on the northeast corners of the A-B and C-D malls, at no additional charge. ***Mr. Berchem moved to accept the proposal submitted by Zera Construction Company, Inc. on May 17, 2019, as recommended by Wiss Janney Elstner Associates, Inc., for the A-B and C-D malls expansion joint project, in the amount of \$245,690.00. Ms. Fiacchino seconded the motion, and it passed unanimously.***
- Schiller Mall Northeast Stairway Walls: Quality Restorations, Inc. is the low bidder for repairs to the concrete wall at the north end of the Schiller Mall and is recommended by WJE. ***Mr. DeMoss moved to accept the proposal submitted by Quality Restorations, Inc., on April 9, 2019, as recommended by Wiss Janney Elstner Associates, Inc., for the Schiller Mall northeast stairway wall repair project, in the amount of \$25,075.00. Ms. Murtaugh seconded the motion, and it passed unanimously.***
- North Mall
 - North Pool Locker Room Leakage: The masonry wall repair was successfully performed by JLU Contracting. The locker room roofs are in good condition.
 - Germania Street: There have been two meetings involving Jeff Werstak of Golub, 2nd Ward Alderman Brian Hopkins, and representatives of HOA, James/Kilmer, the Chicago Department of Transportation, and WJE on April 4 and May 4, 2019, minutes of which have been provided to HOA, regarding Germania Place paving and slope, and specifically where to locate the manhole. Ms. Goodwin and James/Kilmer Property Manager Tom Kristufek have also been

meeting to discuss the issue. The area has been surveyed and measured, and consideration is being given to installing a second manhole, which WJE recommends. Discussion ensued, and Mr. Gaudette urged keeping up pressure on the 2nd Ward alderman and CDOT to ensure that the water management work is completed. Ms. Goodwin stated that the city temporarily repaved Germania Place, Sandburg Terrace and the area around the fountain, and Mr. Gaudette added that permanent paving will be done in the fall. Discussion ensued.

- South Mall: WJE examined the cabanas at the South Pool and noted that the roofs are old but are generally in good condition. One section needs to be done as part of the South Mall work.

The Board thanked Mr. Gaudette, and he left the meeting at 7:20 p.m.

A-B Air Conditioner Condenser Placement

Ms. Goodwin reported that the A-B Property Manager informed her that RCN wishes to place an additional air conditioning condenser on the northwest corner of Alcott House, in an area that is HOA property, to help cool the RCN hub room. She noted that HOA uses that area to store snow that is removed from the mall, and that she asked the Property Manager to learn from RCN if another air conditioning unit can be placed on the same wall that the two current condensers are located. Ms. Goodwin stated that she is waiting to learn RCN's response from the Property Manager. Discussion ensued.

Rodding Village Drains

Ms. Goodwin stated that the Village drains are rodded every year and that this year the project will include the North Mall drains that were not included last year because that work was performed during the North Mall renovation Project. She conveyed her recommendation to engage the same contractor that has performed the work for the past two years and that submitted the lowest bid. After discussion, ***Mr. Berchem moved to accept the proposal submitted by All City Environmental Waste Services, Inc., on May 7, 2019, to rod Village courtyard floor drains in designated areas in the amount of \$11,025.00. Mr. Lennox seconded the motion, and it passed unanimously.***

Village Fence Painting and Repairs

Ms. Goodwin presented a summary of bids submitted to repair and paint the Village fences, and conveyed Management's recommendation to engage Inside-Out, noting that the company performed the work two years ago. After discussion, ***Mr. Lennox moved to accept the proposal submitted by Inside-Out Painting Company, Inc., on May 7, 2019, for the Village fence painting project at specified locations, in the amount of \$31,496.00. Ms. Fiacchino seconded the motion, and it passed unanimously.***

Jewel-Eliot Wall Project

This item was already discussed earlier in the meeting.

Additional Business

There was no additional business to discuss.

DIRECTORS-MANAGEMENT FORUM

Ms. Goodwin announced that the next Board meeting is scheduled for July 24, 2019. She provided information about FirstService Residential's IT technician, with whom she has worked before, and discussion ensued about her request for the new computer suggested by the technician.

RECESS TO EXECUTIVE SESSION

The meeting was recessed to Executive Session at 7:31 p.m.

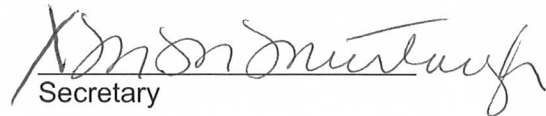
RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 7:42 p.m.

ADJOURNMENT

There being no further business to be brought before the Board, upon motion duly made by Ms. Fiacchino and seconded by Mr. Berchem, the meeting was adjourned at 7:43 p.m.

Respectfully submitted,


Secretary