

**SANDBURG VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
September 23, 2020**

The meeting was conducted by video conference.

Present:       Dianna Callahan – Association 1  
                  James Lothe – Association 1  
                  Mary Murtaugh – Association 1  
                  Robert Connor – Association 2  
                  David Guilbert – Association 2  
                  Mary Schneider – Association 2  
                  Diana Levin – Association 3  
                  Bruce Kaminsky – Eliot  
                  Gabrielle Thronndson – Eliot  
                  Beth Murphy – Faulkner  
                  John Berchem – Lowell  
                  Judy Barnes – Association 7  
                  Jacque Ehrlich – Association 7  
                  Nancy Slattery – Association 7

Also present were Melissa Goodwin, HOA Property Manager, and Marla Jackson, Regional Director, of FirstService Residential; Paul Gaudette of Wiss Janney Elstner Associates, Inc.; Nancy Ayers of Alliant/Mesirow Insurance Services; and Julia Groves, General Manager, of Fitness Formula Clubs.

**CALL TO ORDER and AGENDA REVIEW**

Mr. Connor called the meeting to order at 6:33 p.m. Ms. Goodwin called the roll and declared that a quorum was present.

**UNIT OWNER COMMENTS**

There were no unit owner comments.

**APPROVAL OF MINUTES**

Ms. Murtaugh asked if there were any additions or corrections to the minutes of the regular Board meetings held on August 19, 2020. There being none, ***Ms. Murtaugh moved that the minutes of the Board of Directors meeting held on August 19, 2020, be approved as presented. Ms. Barnes seconded the motion, and it passed, with David Guilbert and Gabrielle Thronndson abstaining.***

**PRESIDENT'S REPORT**

Mr. Connor stated that he had nothing to report at this time.

## **TREASURER'S REPORT**

Mr. Berchem reviewed with the Board the Financial Summary for the period ended August 31, 2020, as follows:

Operating Fund net income, current month:	\$3,635
Operating Fund net income, year to date:	\$87,209
Operating Fund balance:	\$25,054
Ratio of Operating Fund balance to one month's operating expenses:	1.8
Replacement Fund interest income, year to date:	\$33,044
Replacement Fund average CD yield:	1.47%
Replacement Fund expenses, year to date:	\$1,535,663
Replacement Fund balance:	\$3,121,525

Mr. Berchem attributed the relatively high delinquency numbers to timing and stated that they will be resolved. commented on a few line items and asked if there were any questions. There were none.

## **ACTION AND DISCUSSION ITEMS**

### **2020 Village Capital Projects Update**

Mr. Gaudette reported on the following:

- South Mall
  - South Screen Wall: This project is substantially complete, and sealant will be applied after the masonry work has dried. WJE and the contractors are working on the punch list, and a punch list walk is scheduled for September 24.
  - South Mall/Pool Repair Project: Items previously reviewed remain the same. The project is nearly closed out and was a success. Some work is being performed at the rear door of Eliot House. Eliot House decided to do some work in conjunction with the expansion joint, which will begin on September 28 and should take about five to seven days to complete, depending on the weather.
  - South Mall Pool Building: A leak was found in the door and repair plans are being made.
- Tennis Facility
  - One of the courts, which is striped for pickle ball, was repaired in 2013, and the membrane on courts 1 through 3 is beginning to leak slightly. Zera has just submitted its price for repairs. The project will be bid out to three bidders, and the same system that was used in 2013 will be used again because it worked very well. Pooling on the tennis courts will be addressed, although drains cannot be installed on the courts. More details will follow. The tennis courts will be restriped after the new membrane is installed.
- North Mall
  - Germania Street: The driveway repair project is complete except for a few sealant issues. Work is scheduled for Thursday and Friday of this week, and on Monday and Tuesday of next week the curbs in front of James House will be painted.
  - North Mall Expansion Joint: Mark 1 Restoration Company, which did work on top of the mall, will work on debonded expansion joints.
  - The drains in front of James House seem to be performing well. Rich Mullins of SP+, the garage manager, and the HOA Maintenance staff also state that the drains are performing well.

The Board thanked Mr. Gaudette, and he left the meeting at 6:48 p.m.

### **2021 Insurance Proposal**

Ms. Ayers of Alliant/Mesirow Insurance Services referred to the insurance proposal in the Board packet and noted the following:

- The property insurance was increased by three percent to keep up with reconstruction costs and inflation.
- The insurance was bid out to Nationwide, QBE and Admiral, none of which could compete with the current pricing from Fireman's Fund, which was \$48,130.00 and which includes the additional property insurance as well as \$1,000,000.00 in general liability insurance, with a \$25,000,000.00 limit above the general liability and the directors and officers policy.
- A statement of values was put together with all of the Sandburg Village property included as well as the rental income from the commercial units.
- A renewal quote was obtained from the current crime insurance company, and the current directors and officers coverage is carried by Philadelphia Insurance.
- The umbrella coverage remained the same. Currently there are significant premium increases in the market, especially for umbrella coverage, but Greenwich is maintaining its rates.
- Alliant/Mesirow has included a quote for Workers Compensation insurance from Employers Insurance Company for \$4,455.00, based on payroll of \$232,928.00, as an option in the proposal.
- Cyber Liability coverage is provided by Travelers Insurance, which will cover privacy breaches as well as investigation and notification resources, in the amount of \$100,000.00.

In response to remarks from Board members and Ms. Goodwin, Ms. Ayers agreed to include the Sandburg Village addresses on the east side of Clark Street in the proposal's property description. Ms. Goodwin noted that the existing Workers Compensation policy is with A. J. Gallagher, as it has been for the past couple of years, and that she had asked Ms. Ayers to obtain bids for the policy as well as the five other policies that are bid out with Alliant/Mesirow, but that all of A. J. Gallagher's carriers declined to provide quotes. She added that A. J. Gallagher's quote for Workers Compensation was \$9,781.00, so she has directed Ms. Ayers to cancel the A. J. Gallagher policy and place the coverage with Employers. ***Mr. Connor moved to approve the proposal submitted by Alliant/Mesirow Insurance Services for property and general liability, crime, cyber liability, directors and officers liability, workers compensation and umbrella coverage for the period September 30, 2020, through September 30, 2021, in the amount of \$64,771.00. Ms. Slattery seconded the motion, and it passed unanimously.***

The Board thanked Ms. Ayers, and she left the meeting at 6:59 p.m.

### **Proposed 2021 Budget Distribution to Unit Owners**

Ms. Goodwin stated that she asked Julia Groves of FFC to join the meeting in case there were questions regarding pool fees. She then directed the Board's attention to the cover letter that she proposes to send to unit owners along with the proposed 2021 budget summary, the proposed Schedule of Fees, the projected HOA capital expenditures for the next five years, and the historical list of HOA assessments. Ms. Goodwin thanked the Finance and Budget committees for taking the time to meet with her to review all of this material, and stated that the Budget Committee recommends a 3.8% assessment increase for the 2021 Operating Budget, as well as increases in the pool fees. She then led the Board members through the budget summary page by page and solicited questions. Ms. Goodwin noted the following:

- A slight increase in “Janitor Salaries” in the Payroll section owing to the promotion of a “C” janitor to an “A” janitor.
- The union-mandated increases in Employee Benefits.
- A 3% increase in the Landscaping line item owing to the expiration of the landscaping, irrigation and tree maintenance contracts at the end of 2020 and so must be sent out for bids.
- A 3% in the amount budgeted for Security Services, which will also expire at the end of 2020 and will be sent out for bids.
- An increase from \$870,000.00 to \$900,000.00 in transfers from the Operating Fund to the Reserve Fund, based on the 2017 Reserve Study and the capital projects that are planned for 2021, and taking into account that the last such increase was made nine years ago.

In response to a question from Ms. Thronsdon about the proposed increases in pool fees, Ms. Groves explained that there will be increases in payroll costs. Discussion ensued. In response to Ms. Thronsdon's suggestion that Tennis Club membership be extended to non-Village residents, Ms. Goodwin and several Board members cited safety and security concerns because entry to the tennis courts is possible only through Faulkner House, which limits entry to the building to Sandburg Village residents, as well as the lack of an on-site tennis court manager. There was further discussion about an automated sign-up system for Tennis Club members, including FirstService Residential's technology for auto sign-up and payment. Ms. Jackson mentioned FirstService's "Connect" system. Ms. Goodwin noted that currently only commercial enterprises are included on HOA's "Connect" program, but that she would work with Ms. Jackson to determine if the program could be used for an automated sign-up system. Ms. Schneider mentioned the possibility of insurance liability concerns if nonresidents are permitted to join the Tennis Club, which Ms. Goodwin agreed to investigate. **Mr. Connor moved to approve the distribution to Sandburg Village unit owners of the proposed 2021 Sandburg Village Condominium Homeowners Association Operating Budget, which calls for a 3.8% increase in assessments and includes the proposed 2021 Schedule of Fees. Ms. Schneider seconded the motion, and it passed, with one opposed.** Mr. Berchem expressed his appreciation for Ms. Goodwin's and Ms. Groves's capable handling of budget matters.

The Board thanked Ms. Groves, and she left the meeting at 7:13 p.m.

#### **Snow Removal Contract Approval**

Ms. Goodwin presented a summary of bids submitted to HOA from Acres Group, Chicago Service Source, Everett Snow Management and Tricon Snow Control for the November-to-April snow removal contract, noting the seasonal pricing in the bids rather than “per push” pricing. She recommended continuing with Chicago Service Source, which has had the contract for the past two years and which has confirmed that the same staff will serve the Village as did last winter. Ms. Goodwin stated that the budgeted amount is high in case there is more snow than is accounted for in the bids, which would result in HOA being billed the per-push charge. **Mr. Kaminsky moved to accept the proposal submitted by Chicago Service Source, Inc., on September 23, 2020, for a one-year contract to plow and salt the Village drive lanes, turnarounds and dock areas, in the amount of \$17,500.00. Ms. Thronsdon seconded the motion, and it passed unanimously.**

#### **CSVCA No. 1 Cummings-Dickinson Signage Request**

Ms. Murtaugh explained Association No. 1's need for a “No Smoking” sign to be installed on its property as needed in an exterior common element area where people have been smoking. She noted that the requested sign will be 12 inches wide and 18 inches high, and will be printed in the HOA colors of blue

and white. ***Ms. Murtaugh moved to approve the request from CSVCA No. 1 Cummings-Dickinson to install a 12"x18" "No Smoking" sign on either the east or the west Cummings building breezeway wall, expense and maintenance of the sign to be the responsibility of CSVCA No. 1. Ms. Thronson seconded the motion, and it passed unanimously.***

#### **Additional Business**

Ms. Goodwin referred to a concern voiced by David Alexander about light projecting upward from the LED lights on the South Pool Fitness Formula wall and stated that the manufacturer does not provide an "eyelid" that can be fastened on top of the light, so that new fixtures would have to be purchased, but that the lights could be placed on a dimmer, at a cost of approximately \$1,500.00. She noted that there have been no other complaints about the lights.

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

Ms. Goodwin stated that she has sought advice from HOA's legal counsel in response to requests to use the Hospitality Rooms, which have been closed since the beginning of the COVID-19 pandemic. She reported that the Habitat Company, the new property management firm for Eliot House, has asked to use the Eliot Hospitality Room for staff training sessions, pledging to clean the room before and after the sessions, to keep attendance at the sessions to 10 people and under, and to follow CDC guidelines. Ms. Goodwin stated that she was seeking the Board's approval for such use of the rooms, possibly including board meetings, but not for any private events. She noted that there would be a \$50.00 charge for the use of the room, which includes cleaning before and after the meeting, plus possibly an additional \$25.00 for deep cleaning and sanitizing. Discussion ensued. Ms. Goodwin stated that HOA's legal counsel does not recommend opening any of the Village amenities and has stated that waivers provide HOA no protection from liability. Mr. Connor advised determining if HOA's insurance policy would cover such liability.

Ms. Goodwin announced that there is a new tenant for the former Burton Clark Salon space, Nails by Liz. She stated that the owner, Elizabeth Sima, has signed a three-year lease with an option to renew for three years, has agreed to pay the current rental rate, with a hold for year two and an increase for year three, is currently doing some light remodeling, and plans to open the salon in the next month or two.

#### **RECESS TO EXECUTIVE SESSION**

The meeting was recessed to Executive Session at 7:32 p.m.

#### **RECONVENE TO OPEN SESSION AND ADJOURMENT**

The meeting was reconvened to Open Session at 7:40 p.m., and, upon motion duly made by Ms. Barnes, seconded by Ms. Levin and unanimously approved, was immediately adjourned.

Respectfully submitted,

  
Secretary