

**SANDBURG VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS POOL-TENNIS MEETING
June 23, 2020**

The meeting was conducted by telephone.

Present: Dianna Callahan – Association 1
 James Lothe – Association 1
 Mary Murtaugh – Association 1
 Robert Connor – Association 2
 Scott Lennox – Association 2
 Mary Schneider – Association 2
 Diana Levin – Association 3
 Bruce Kaminsky – Eliot
 Gabrielle Thronsdon – Eliot
 Leslie Deitch – Faulkner
 Beth Murphy – Faulkner
 John Berchem – Lowell
 Judy Barnes – Association 7
 Barbara Fiacchino – Association 7
 Nancy Slattery – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Menendez, Administrative Assistant, and Marla Jackson, Regional Director, of FirstService Residential; and Julia Groves, General Manager, and Sharon Staves, Director of Management Services, of Fitness Formula Clubs.

CALL TO ORDER AND AGENDA REVIEW

Mr. Connor called the meeting to order at 6:30 p.m. Ms. Goodwin called the roll and declared that a quorum was present.

UNIT OWNER COMMENTS AND QUESTIONS

In response to a question from a unit owner, Ms. Goodwin declared that the purpose of the meeting was to discuss the 2020 pool and tennis season.

ACTION AND DISCUSSION ITEMS

Pool Discussion

Ms. Goodwin asked the representatives from Fitness Formula Clubs to present the results of the pool season survey distributed to all Village residents, renters as well as unit owners. Ms. Groves reported that her focus was on whether there was a strong demand for a pool season in light of the necessary increase in the membership fee. She stated that only 31% of the respondents were willing to pay the increased fee, while 68% were not. Ms. Groves added that many respondents disliked the possibility of there being no refund if they bought a membership now but the pools later could not be opened, and that 61% of respondents did not like the idea of a possible assessment increase next year to cover any expenses not covered by the sale of memberships. She stated that all in all, the financial risk is too high to justify opening the pools. Board members and the representatives from FFC discussed the response rate of well over 1,000, or slightly less than half of all Village units, which was very good, and Ms. Groves added that the resident membership number is normally around 900. Discussion ensued. Ms.

Groves noted that it was estimated that membership for 2020 would have to be between 700 and 900 members at the higher fee, and that in the survey responses, only 347 respondents were willing to join at the higher fee. Discussion ensued.

Mr. Connor read from the list of reasons given by HOA's legal counsel not to open the pools, as follows:

- The risks outweigh the rewards.
- Legal counsel does not recommend opening the pools.
- A waiver will not prevent HOA from being sued. If someone who signs the waiver contracts the disease and passes it to a family member or friend, HOA is not protected from being sued by a third party that did not sign the waiver.
- There is a better chance of finding defense coverage for a unit owner that might sue if the pool is not opened. This type of nonmonetary claim could be covered under HOA's Directors and Officers insurance coverage.
- There could be a high expense for lawsuits or defense. Legal fees could run from \$100,000.00 up to \$300,000.00. If HOA's insurance does not cover that expense, HOA would have to pay attorney fees and possibly a judgment out of pocket.
- The insurance policy currently does not cover COVID-19.
- There are specific guidelines for Phase 3, such that pools could only be used for lap swims, some group activities and classes, and no lounging at poolside would be allowed. There are as yet no specific guidelines for Phase 4. Social distancing and masks would still be required.
- There would still be a severe risk to the pool staff and to residents using the pool as well as to their families.
- The HOA Board must fulfill its fiduciary duty to Village residents and thus should not open the pools.

Ms. Goodwin read from a list of reasons given by HOA's insurance representatives not to open the pools, as follows:

- The insurance representatives do not know at this time how coverage for a COVID-19 claim will be handled by any insurance carriers.
- Having pool users sign a waiver will not prevent HOA from being sued.
- As with the legal opinion, if a person who signs the waiver passes the disease to a family member or a friend, HOA is not protected from being sued by such a third party that did not sign the waiver.
- Again as with the legal opinion, there is a better chance of finding coverage for defense against a unit owner that might sue if the pool is not opened.
- HOA's current insurance does not cover communicable disease contracted from any amenity such as the pools.
- The insurance representatives do not recommend opening the pools.

Ms. Goodwin added that currently the City of Chicago is in Phase 3 and is still not allowing pools to be opened. She added that as of June 11, 2020, the Chicago Park District pools will remain closed. Discussion ensued. Ms. Groves expressed her satisfaction with the unequivocal response from the survey. Ms. Goodwin described how different the pool experience would be if the pools were opened, with time slots for members and with the pools shut down for half an hour between the time slots to allow for a thorough cleaning of the pool area, chairs, locker rooms and so on, according to guidelines received from the Centers for Disease Control and Prevention and the Chicago and Illinois health departments. Further discussion ensued. **Mr. Connor moved to approve keeping the North Pool and the South Pool closed for the 2020 season due to the severity of the COVID-19 pandemic, the inability to abide by City of Chicago, State of Illinois and Illinois Department of Public Health guidelines, the consensus of Village residents from the pool survey, the uncertainty of insurance liability, and the fiduciary duty of the Board to ensure the fiscal health of the Village. Ms. Slattery seconded the motion, and it passed unanimously.**

Ms. Goodwin thanked Ms. Groves and Ms. Staves for their assistance in the matter and their attendance at the meeting. Mr. Berchem expressed his satisfaction with the actions of Fitness Formula Clubs in its relationship with HOA, and with the presentation from Ms. Groves and Ms. Staves. Ms. Goodwin explained that no additional preventive maintenance will be needed if the pools are not filled. In response to a question about a survey for next year's pool season, Ms. Staves stated that FFC will begin planning for the 2021 pool season in January and will consider it at that time.

The Board thanked Ms. Groves and Ms. Staves, and they left the meeting at 6:55 p.m.

Tennis Discussion

Ms. Goodwin referred to an expense and income summary report distributed to the Board members which showed the cost to follow the stringent cleaning guidelines from the City of Chicago and the Illinois Department of Public Health. She also referred to the necessity to reach the tennis courts through Faulkner House, with many objects such as door handles, handrails, locks and gates that have to be touched, as well as the two restrooms in the Tennis Center itself, all resulting in the need for extra cleaning and an extra employee to do it for four hours a day. Ms. Goodwin stated that this would add approximately \$12,000.00 to the season's expenses. She added that the normal membership fee is about \$120.00 and that the usual number of memberships is 65 to 70, but that 200 memberships would be needed in order to cover the cost of operating the courts in 2020. Ms. Goodwin stated that she received the same opinions from HOA's legal counsel and insurance representatives as were given with regard to the pools: that there are liabilities and that the risks of opening the Tennis Center outweigh the rewards. Ms. Slattery noted that the Tennis Center is never profitable and would be even less so with the anticipated extra expense, with the possible need to charge more for Tennis Center memberships if opening the Center were to be considered. Discussion ensued. ***Mr. Connor moved to approve keeping the Tennis Center and courts closed for the 2020 season due to the severity of the COVID-19 pandemic, the inability to abide by City of Chicago, State of Illinois and Illinois Department of Public Health guidelines, the consensus of Village residents from the pool survey, the uncertainty of insurance liability, and the fiduciary duty of the Board to ensure the fiscal health of the Village. Ms. Barnes seconded the motion, and it passed unanimously.***

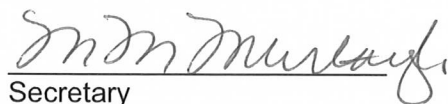
ADDITIONAL BUSINESS

Ms. Goodwin stated that there was no additional business to be discussed. She added that she is trying to obtain bids to have the tennis courts repainted and restriped, which would be a capital expenditure. Ms. Goodwin also agreed to work on setting up an automatic sign-up system for the tennis courts, to be added to the HOA website. Discussion ensued.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Ms. Barnes, seconded by Mr. Connor and unanimously approved, the meeting was adjourned at 7:14 p.m.

Respectfully submitted,


Secretary