

**SANDBURG VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
May 19, 2021**

The meeting was conducted by Zoom videoconference.

Present: Andrew Baglini – Association 1
Dianna Callahan – Association 1
James Lothe – Association 1
Robert Connor – Association 2
David Guilbert – Association 2
Mary Schneider – Association 2
Diana Levin – Association 3
Bruce Kaminsky – Eliot
Jonathan Tshiamala – Eliot
Beth Murphy – Faulkner
John Berchem – Lowell
Louise Pauly – Lowell
Judy Barnes – Association 7
Barbara Fiacchino – Association 7
Nancy Slattery – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Melendez, Assistant Property Manager, and Marla Jackson, Regional Director, of FirstService Residential; Paul Gaudette of Wiss Janney Elstner Associates, Inc.; Chris Nyborg of Nyborg & Company, Ltd; Dik Mueller of Dix Design Group; and Mike Lamanna, 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 6:32 p.m. He stated that the purpose of the meeting is to reconsider the Board's previous decision not to open the swimming pools this year, at the request of several of the Board members. Ms. Goodwin called the roll and declared that a quorum was present.

UNIT OWNER QUESTIONS AND COMMENTS

Because a major agenda item was to be about the pools, Ms. Goodwin and Mr. Connor asked that questions and comments about the pools and the tennis courts be postponed until after the pool presentation. Unit owners, Management and the Board discussed accessing Zoom links for meetings, possible timing of future outdoor events, days that landscapers are working in the Village, the condition of the wooden benches in the malls, and contacting the new manager at Cummings-Dickinson.

APPROVAL OF MINUTES

Ms. Levin asked if there were any additions or corrections to the minutes of the regular Board meeting held on March 24, 2021. There being none, ***Ms. Levin moved to approve the minutes of the HOA Board of Directors meeting held on March 24, 2021, as presented. Ms. Barnes seconded the motion, and it passed, with Mr. Guilbert abstaining.***

PRESIDENT'S REPORT

Mr. Connor stated that because this is a special meeting, he has no report.

FINANCIAL REPORT

Mr. Berchem reviewed with the Board the Financial Summary for the period ended March 31, 2021, as follows:

Operating Fund net income, current month:	\$9,157
Operating Fund net income, year to date:	\$75,087
Operating Fund balance:	\$237,973
Ratio of Operating Fund balance to one month's operating expenses:	1.6
Replacement Fund interest income, year to date:	\$4,568
Replacement Fund average CD yield:	0.61%
Replacement Fund expenses, year to date:	(\$14,266)
Replacement Fund balance:	\$3,641,181

ACTION AND DISCUSSION ITEMS

2020 Village Capital Projects Update

Mr. Gaudette reported on the following:

- South Mall:
 - South Mall Pool Building: The leak has been dealt with.
- A-B Mall:
 - Repair of Drains: Some of the drains were opened and, while the drains themselves are in good condition, some deposits were found in them. They should be cleaned more thoroughly.
- HOA Management Office:
- Leakage at Management Office Door: There is nothing further to report.
- Tennis Facility:
 - Tennis Court Leakage: There has been a delay of one week in opening the tennis courts. The shipment of walnut shells that are part of the court surface has been delayed, but they should arrive shortly, and work is expected to begin next week. Courts 1 through 3 should be ready for play next week. Court 4 has been cleaned off and looks good, and installation of the membrane on the perimeter of the courts is completed.
 - Bridge between Faulkner House and Tennis Courts: Work will be performed on the bridge is complete and the scupper has been modified to take water off the court more quickly. The area has been cleaned up, including some of the organic matter that had accumulated, and work should be completed next Friday.
 - Potash Grocery Store Entrance Overhead Repair: The repair work has been completed.
- North Mall: Tomorrow WJE will examine the North Mall expansion joint along with representatives from HOA and Bulley & Andrews.

Discussion ensued.

The Board thanked Mr. Gaudette, and he left the meeting at 6:56 p.m.

2020 Audit Review

Ms. Nyborg reported on the following:

- The Statement of Revenue, Expenditures and Changes in Fund Balance, Revenue Over (Under) Expenditures – \$217,500.00 was transferred from the Operating Fund to the Replacement Fund because (1) only \$100,000.00 to \$200,000.00 is needed to remain in the Operating Fund to cover normal monthly expenses, (2) HOA's operating expenses are minimal compared to what it needs to spend on capital projects, and (3) HOA is not bound by the Illinois Condominium Property Act, so the transfer of more than just the amount of year-end revenue over expenses is permissible.
- Changes to the Notes that were anticipated at the time of the last audit review because of expected actions by the AICPA and the Financial Accounting Standards Board were not made because the actions were suspended owing to the COVID-19 pandemic but will probably be made in 2022. Therefore, the notes to HOA's audit have not changed substantially but are much the same as the notes for the past couple of years.
- HOA's last Reserve Study was performed in 2017, so an update is due for 2021 and it would be wise to build that expense into the budget. Ms. Goodwin stated that she has already noted that.
- The Accounts Receivable amount of \$86,147.00 for "Pool" represents an amount that Fitness Formula Clubs retains each year for future pool season start-ups as part of its contract with HOA. The line item will be renamed "Pool Contractor."
- Replacement Fund Interest Income of \$51,655.00 is that sizable because of certificates of deposit at Metropolitan Capital Bank that were purchased a few years ago when interest rates were higher.

Mr. Berchem moved to accept the audit of the Sandburg Village Condominium Homeowners Association Financial Statements and Supplementary Information for the Year ended December 31, 2020, with comparative totals for 2019, conducted by Nyborg & Company, Ltd. Ms. Fiacchino seconded the motion, and it passed unanimously.

The Board thanked Ms. Nyborg, and she left the meeting at 7:07 p.m.

Alcott Hospitality Room Remodeling Concept Review

Dik Mueller of Dix Design Group presented his recommendations for remodeling the Alcott Hospitality Room, referring to a floor plan and an architectural model, including the color palette, flooring, appliances, lighting, furniture, kitchen cabinets and counters, sink and faucet, various rooms, storage area, ADA-compliant restroom, seating areas, galley-style kitchen with a three-foot by six-foot island, a 55-inch TV monitor, ceiling can lights and ventilation. Mr. Mueller also suggested the use of copies of works by the mid-20th-Century artists Jackson Pollock and Victor Vasarely to brighten the room. Discussion ensued about lighting, large screens on two sides of the room as well as cameras in the room to facilitate Zoom participation in meetings as needed, plumbing in the utility room and ensuring that there will be a sufficient number of chairs for meetings and that the furniture will be comfortable and movable. ***Mr. Berchem moved to approve the design recommendations submitted by Dik Mueller of Dix Design Group for remodeling the Alcott Hospitality Room, including the flooring, build-out, color scheme and lighting. Ms. Schneider second the motion, and it passed unanimously.***

The Board thanked Mr. Mueller, and he left the meeting at 7:33 p.m.

Pool Season Discussion

Sharon Staves, Regional Director of Operations of Fitness Formula Clubs, and Mike Lamanna, the new General Manager of the Old Town FFC who also oversees pool operations at Sandburg Village, joined the meeting. Ms. Staves referred to very recent changes in regulations and guidelines regarding the use of the pools, and spoke about COVID-19-related limitations on pool capacity, announcements on Monday, May 18, lifting mask-wearing and social distancing restrictions for those who have been vaccinated – which does not apply to children – and seeking guidance from legal counsel about how to validate vaccination status. After discussion, Mr. Connor noted that HOA's insurance does not cover claims arising from contracting a communicable disease, and that HOA's legal counsel has stated that signing a waiver will not prevent HOA from being sued and has also given the opinion that the pools should not be opened. Further discussion ensued about the legal and insurance aspects of use of the pools.

Ms. Staves recommended that, if HOA does open the pools, there be no "early bird" membership rates because the pools would open so late in the season. She provided information about pool revenue and losses based on various levels of pool membership. Ms. Staves stated that about one-third of HOA's pool revenue comes from guest fees and resident and nonresident children, that not permitting children at the pools would be considered discriminatory, that there is already a shortage of lifeguards, that there are considerable up-front expenses with regard to opening the pools, that it makes financial sense to allow nonresidents or guests to use the pools, and that the earliest the pools could be opened would be the first week in July.

Mr. Berchem stated that the pools will not make money this year but that the HOA Board will just have to deal with the financial loss. Mr. Lothe noted that only about 30% to 35% of Sandburg residents join the pool, but that next year all unit owners will have to support the loss. Discussion ensued about the possible financial loss. Mr. Lothe stated that all Sandburg Village amenities are open or closed at the discretion of the Board. Further discussion ensued.

Further discussion ensued about the value of the pools as an amenity and the effect on property values of closing the pools, how to go about opening the pools, the need for the Board to make financially responsible decisions, the rates to be charged, opening the cabanas, and the date that Phase V is expected to begin. Ms. Goodwin noted that the legal liability regarding opening the pools would be less or nonexistent if the pools were opened in Phase V because so many – if not all – restrictions would then be lifted. ***Ms. Pauly moved that the Sandburg Village North Pool and South Pool be opened for the 2021 summer season. Ms. Barnes seconded the motion, and it passed, with Ms. Schneider opposed.*** Ms. Goodwin stated she will work with Ms. Staves on guidelines for pool use, and that another Board meeting will be scheduled for a discussion of pool use guidelines and rates.

The Board thanked Ms. Staves, and she and Mr. Lamanna left the meeting at 8:55 p.m.

Tennis Center Discussion

Ms. Goodwin referred the Board to the information in the Board packet regarding legal and insurance ramifications of opening the tennis courts, recommended that the Center not be opened until Phase V. She reminded the Board that, as reported by Paul Gaudette of Wiss Janney Elstner, work is being performed on the court surface at this time and that three days without rain are required for the membrane to be installed. Ms. Goodwin also noted that it will take three to five days for the HOA Maintenance staff to set up the courts and clean the interior of the Tennis Center. In response to a question from Ms. Pauly, Ms. Goodwin stated that the extra cleaning is required during the "bridge" phase for all the touchable surfaces in the restrooms as well as on the route to the tennis courts through Faulkner House, and would be performed in the morning, in the middle of the day and at night

after the courts are closed. She also noted that extra cleaning will not be required if the courts are not opened until Phase V has begun. A unit owner contended that anyone playing tennis or pickleball would surely be willing to wipe down surfaces as needed.

Ms. Goodwin announced that she will schedule a special Board meeting in June for discussion and approval of the pool and tennis center membership materials. She also stated that she will have the Maintenance staff begin preparations for opening the pools, will work with FFC on guidelines and membership materials, and that July 1 will be the soonest that the pools can be opened. Ms. Goodwin also stated that tennis membership will also be on the agenda for the special Board meeting. ***Ms. Pauly moved that the Sandburg Village tennis courts be opened for the 2021 summer season as soon as possible. Ms. Barnes seconded the motion, and it passed unanimously.***

Village Drains Rodding Proposal

Ms. Goodwin stated that she sought three bids for rodding and cleaning 83 drains in the 1300 and 1400 malls, noting that Mr. Gaudette mentioned in his report the necessity to do so because of the build-up of calcium in the drains that interferes with drainage, possibly owing to the use of more salt during the past winter. She noted that one of the bidders, Jack Chlimon, performed extra work to remove calcium from the drains three years ago. ***Ms. Barnes moved to accept the proposal submitted by Jack Chlimon on April 24, 2021, to rod and clean 83 drains in the Schiller, Alcott-Bryant, Cummings-Dickinson and Eliot malls, in the amount of \$11,850.00. Ms. Levin seconded the motion, and it passed unanimously.***

Village Fence Proposal

Ms. Goodwin referred the Board to the bids received to repair, weld as needed, and paint fencing on the Kilmer House and Faulkner House blocks. She stated that this work is a Reserve item for which \$25,000.00 was budgeted and that she recommends accepting the bid from Inside-Out for \$14,210.00, noting that she has engaged Inside-Out for the past two years and that it has performed work satisfactorily. ***Ms. Pauly moved to accept the proposal submitted by The Inside-Out Company on May 4, 2021, to repair, weld as needed and paint the low perimeter iron fencing along Clark Street on the Kilmer House and Faulkner House blocks, in the amount of \$14,210.00. Ms. Slattery seconded the motion, and it passed unanimously.***

Additional Business

Ms. Goodwin stated that there was no additional business to be brought before the Board.

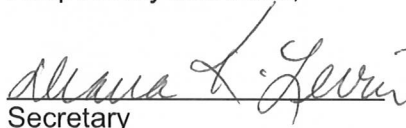
DIRECTORS-MANAGEMENT FORUM

There was no Directors-Management Forum at this meeting.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Mr. Connor, seconded by Ms. Pauly and unanimously approved, the meeting was adjourned at 9:19 p.m.

Respectfully submitted,


Secretary