

**SANDBURG VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION
SPECIAL BOARD OF DIRECTORS MEETING
June 29, 2022**

The meeting was conducted by Zoom videoconference.

Present: Andrew Baglini – Association 1
Jim Lothe – Association 1
Robert Connor – Association 2
Mary Schneider – Association 2
Diana Levin – Association 3
Bruce Kaminsky – Eliot
Gabrielle Thronson – Eliot
Amy Lorms – Faulkner
Beth Murphy – Faulkner
John Berchem – Lowell
Jacque Ehrlich – Association 7
Barbara Fiacchino – Association 7
Nancy Slattery – Association 7

Also present were Melissa Goodwin, HOA Property Manager, Tahalia Melendez, Administrative Assistant, and Isela Morris, Property Supervisor, of FirstService Residential; Todd Walter of Reserve Advisors; and Kim Lis of Wiss Janney Elstner Associates, Inc. Barbara A. Roberts acted as Recording Secretary.

CALL TO ORDER

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

ACTION AND DISCUSSION ITEMS

Reserve Study Presentation – Todd Walter, Reserve Advisors

Mr. Walter presented the following remarks:

- The three sources of funding for major repair or replacement projects are: the reserves, by means of which all owners pay for the use of a property component, and loans or special assessments, which can place the cost burden on those who may not use the results of the project, depending on the timing of the project.
- A decision must be made about how much should be set aside in the reserve fund. The Illinois Condominium Property Act just calls for a “reasonable amount,” without defining “reasonable.” Other states attempt to tie a percent of the annual operating budget to an appropriate contribution to the reserve fund, which might or might not be enough in any given year.
- A Reserve Study is the tool that determines the appropriate reserve contribution and allows a board of directors to make an informed decision about the contribution, such as possibly paying 50% of the cost of a project from the reserves and levying a special assessment to pay the remainder.
- Reserve Advisors recommends obtaining an independent opinion about the remaining useful lives of the elements of the property and the cost to repair or replace them.
- The timing of reserve expenditures is based on Reserve Advisors’ experience as well as on input from HOA’s structural engineer, Paul Gaudette, about when various projects should be considered.
- Reserve contributions are targeted toward low points in reserve fund balances over time.
- An association should not target the same reserve balance regardless of its expenditure time line.

- Reserve studies require periodic updating. Illinois does not require such updates. Reserve Advisors favors updating Sandburg Village's reserve study every two to three years owing to the age and complexity of the Village infrastructure, and also taking into account higher inflation and lower interest rates, as well as other variables.
- The reserve study takes into account the rate of deterioration as well as the complexity of various physical elements and the effects of preventive maintenance, which at Sandburg Village is good. Preventive maintenance increases physical elements' useful life.
- The fiduciary responsibility of the Board of Directors is to maintain the value of unit owners' investments, not to save money. Associations that have reserve funds available to pay for projects are better managed, taking on projects in a timely manner, with scope of work that does not cut corners.

Mr. Walter then commented extensively on the Schiller Mall as well as the 1300 and 1400 malls and their waterproofing systems. He noted that the exact condition of the waterproofing systems that are beneath the malls is not known but that they will require replacement eventually, and that Mr. Gaudette recommends starting with the Schiller Mall within five to ten years. Mr. Walter stated that the work will be costly because of the concrete structures and landscaping on the upper surfaces of the mall. He then commented approvingly on the completed restorations of the North Mall and the South Mall, and on the Faulkner tennis court, beneath which there might be a waterproofing system but that there is a waterproof coating on the tennis court surface. Mr. Walter also commented on the Village fencing, which varies considerably in age and condition from area to area, noting that the landscape planter fences on the west perimeter are significantly corroded and require a systematic preventive maintenance program, with entire malls to be worked on at a time.

With regard to the Village funding plan, Mr. Walter stated that in 2005, the funding contribution recommended by Reserve Advisors' was \$2 million annually. He then referred to the most recent reserve study, performed by Building Technology Consultants – BTC, which called for restoration of the Schiller Mall at a cost of \$2 million. Mr. Walter stated that if the Board were to fund the projects under consideration from the reserves, the funds would be built on the current budgeted amount of \$932,000.00, and that this would result in increases from 2023 through 2028 of eight percent, or \$7.00 per unit owner per month. He then advised that the Board should plan now for how to pay for upcoming large projects.

In response to questions and comments from Board members, Mr. Walter recommended proper surface preparation and more frequent, less piecemeal painting of the Village's perimeter fencing and especially factory-finished systems in the future, stated that blistering on the tennis court is probably not the result of the waterproofing system and that the only way to determine if there is a waterproofing system beneath the tennis court would be to take a core sample of the concrete topping, and that the condition of and work on the 1300 mall was basically the same as for the 1400 mall, and that the \$8 million cost included both malls.

The Board thanked Mr. Walter, and he left the meeting at 7:08 p.m.

Ms. Goodwin asked that Board members with additional questions for Mr. Walter email them to her. Ms. Slattery stated that James Kilmer has a reserve study performed every three years, with the results conveyed to the Association's Finance Committee, and Ms. Goodwin stated that the HOA does the same. In response to a question from Mr. Lothe, Ms. Goodwin stated that only one lender has asked her for the HOA reserve study, about five years ago, but that she has conveyed the reserve studies conducted by BTC and Reserve Advisors in the past to the individual association management offices. She added that the reserve study should be considered only as a planning tool and a guideline for the

Board in its budgeting efforts, that preventive maintenance is important, and that a more moderate planning approach is appropriate for HOA, with which Mr. Berchem agreed, noting that the reserve fund contributions are reviewed during the budgeting process and that the Finance Committee will modestly increase the reserve fund contributions each year to meet current demands. Ms. Goodwin mentioned that Mr. Gaudette and Ms. Lis of WJE have been very helpful with planning in the past. Mr. Berchem emphasized that the reserve study is a guide for funding to support assessments, not a funding requirement, and that WJE determines which projects should be undertaken and when. Discussion ensued. The Board thanked Ms. Goodwin, Mr. Gaudette and Mr. Berchem for their service.

The Board thanked Ms. Lis, and she left the meeting at 7:23 p.m.

Village Drain Rodding Proposal

Ms. Goodwin explained that the 239 Village drains are rodded annually as part of a preventive maintenance program, that three bids were received to perform the work this year, and that Management recommends engaging Jack Chlimon for the work, stating the areas that will be covered, and mentioning that Mr. Chlimon has previously performed Village drain rodding as well as other miscellaneous work on leaks and drains. ***Ms. Slattery moved to approve the proposal submitted by Jack Chlimon on June 20, 2022, for 2022 Village drain rodding services, in the amount of \$11,090.00. Ms. Schneider seconded the motion, and it passed unanimously.***

Village Fence Painting and Repairs

Ms. Goodwin listed the firms from which she sought bids and explained her request that each include a line item for welding repairs if needed. She added that the work will begin in late July or early August will take approximately two weeks to complete, weather permitting, and will cover the 1400 Mall, the Bryant planter fences, and the Tot Lot fence. Ms. Goodwin stated that the Reserve Fund budget amount was \$50,000.00, and that Management recommends engaging Inside-Out for the work, noting that Inside-Out would be using the same product that it used last year, which has lasted well. Discussion ensued about how the fence painting work is done. Ms. Goodwin voiced her agreement with Mr. Walter, suggesting that the fence painting budget be increased and additional sections be painted each year, noting that some areas of the fencing require repainting sooner than others. Discussion ensued. ***Ms. Fiacchino moved to approve the proposal submitted by The Inside-Out Company on June 22, 2022, for the Village fence repairs and painting at the 1400 Mall and the Tot Lot, in the amount of \$24,864.00. Ms. Schneider seconded the motion, and it passed unanimously.***

Additional Business

Request for James Kilmer Summer Party: Ms. Slattery presented a request from James Kilmer to hold an outdoor summer barbecue party, with the party to be moved into James House in the event of rain. She stated that there will be a grill master and also possibly music, that James Kilmer Management will communicate with Ms. Goodwin regarding the proper insurance, and that the caterer will be insured, as well. ***Ms. Slattery moved to approve the proposal submitted by the James Kilmer Condominium Association for an outdoor party on the property between Kilmer House and the North Pool on July 28 between the hours of 5:00 and 9:00 p.m. Ms. Schneider seconded the motion, and it passed unanimously.***

Request for Cummings-Dickinson Social Event: Mr. Lothe described a social event that Cummings-Dickinson wishes to hold on July 23 from 6:00 to 9:00 p.m. in its mall, stating that there will be live music but no grilling, and that the proper insurance coverage will be obtained. ***Mr. Lothe moved to approve the request from Association No. 1 to hold a social event on the CD Mall on July 23 between the hours of 6:00 and 9:00 p.m. Mr. Connor seconded the motion, and it passed unanimously.***

Ms. Thronson remarked on the following:

- Graffiti on the wall of a townhouse on Goethe, which it is not HOA's responsibility to deal with. Ms. Levin stated that members of Association 3 conducted a walk-through of the townhouse area, informed its management of the graffiti, and that on request, City of Chicago workers will remove the graffiti. Ms. Goodwin assured Ms. Thronson that if a HOA staffer notes such matters, she brings it to the appropriate management's attention.
- South Pool staff playing music. Ms. Goodwin noted that she did address this in her last email to the Board and that the staff members been informed that neither they nor pool users are permitted to play loud music. Ms. Slattery confirmed that this does not apply to the music used for water aerobics, and Ms. Goodwin stated that she has received no complaints about that music nor about noise in general from the pool areas. Discussion ensued.

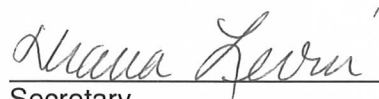
In response to remarks from Mr. Baglini about poolside lounge chairs with broken webbing, Ms. Goodwin stated that she has already ordered new lounge chairs for both pools, with delivery expected soon.

Ms. Goodwin then mentioned the donated refrigerator in the storage room at the North Pool, stating that it has been used by a few pool members even though it is in an area used by FFC that is supposed to be off limits to pool users. She stated that the area is now locked off because water on the floor poses a slip-and-fall hazard and that an "Employees Only" sign has been posted, and asked if the Board would like to have the refrigerator made available to pool users. Ms. Slattery noted that some people do use the refrigerator and suggested moving it, possibly to the vending machine area. Discussion ensued about ways to make the refrigerator as well as the lockers safely available to residents who want to use them, with guidelines or rules for doing so and possible fees as well. Ms. Goodwin advised not making the lockers available in the middle of this pool season and suggested discussing use of the lockers with FFC for next year, to which the Board agreed.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Mr. Connor, seconded by Ms. Schneider and unanimously approved, the meeting was adjourned at 8:00 p.m.

Respectfully submitted,


Secretary