

SANDBURG VILLAGE HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

JUNE 24, 2009

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

Present: Marilyn Hartman - Association 1

Mary Murtaugh - Association 1

John S. Santoro - Association 1

Robert Connor - Association 2

David Guilbert - Association 2

Mary Beth Wheeler - Association 2

Tom Tiegler - Association 3

Sally Coupland - Eliot

Thais Hayum - Eliot

Margery Ryan - Faulkner

Debbie Adasiak - Lowell

John Berchem - Lowell

Dave Beck - Association 7

Darwin Spurling - Association 7

Jack Vedra - Association 7

Also present were Steve Habib, Property Manager, and Julie McCracken, Site Supervisor, of Draper & Kramer, Inc., and Paul Gaudette of Wiss, Janney, Elstner Associates, Inc. Barbara A. Roberts acted as Recording Secretary.

CALL TO ORDER / AGENDA REVIEW

Mr. Vedra declared that a quorum was present and called the meeting to order at 6:31 p.m. Two items were added to the Agenda: Association 1's request to hold its summer party, and miscellaneous repairs.

UNIT OWNER COMMENTS

Mr. Vedra asked if there were any comments from unit owners in the audience; there were none.

APPROVAL OF MINUTES

Ms. Hartman asked if there were any additions or corrections to the minutes of the regular Board meeting held on May 27, 2009. There being none, Ms. Hartman *moved that the minutes of the regular Board of Directors meeting held on May 27, 2009, be approved as presented.* Mr. Beck seconded the motion, and it passed unanimously.

PRESIDENT'S REPORT

Mr. Vedra, joined by the Board, wished Mr. Habib a very happy birthday.

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FINANCIAL REPORT

Mr. Berchem reviewed the HOA Financial Summary. The Association's financial condition at May 31, 2009 was as follows:

Operating Fund net income, current month:

Operating Fund net income, year to date:

Operating Fund net income, YTD, adjusted for unearned pool income:

Operating Fund balance:

Replacement Fund interest income, year to date:

Replacement Fund balance:

\$194,756

\$166,506

-\$56,357

\$344,220

\$16,928

\$1,454,156

\$24,911

\$2,793,518

Village Mall Fund interest income, year to date:

Village Mall Fund balance:

Mr. Berchem explained that the current month Operating Fund net income includes pool fees for the current season, and that he routinely deducts estimated unearned pool income to arrive at a more realistic figure for adjusted net revenue year to date. He noted that the Operating Fund balance is three and a half times the average amount for monthly expenses, in line with the recommendation from HOA's auditor. Mr. Berchem then went on to explain the current Assessment Delinquencies balance.

ACTION AND DISCUSSION ITEMS

South Mall Analysis

Mr. Vedra introduced Paul Gaudette, a Project Manager from Wiss, Janney, Elstner Associates, Inc., who was engaged to survey and analyze various elements in the South Pool mall area that have shown signs of deterioration or damage leading to failures and leaks. Mr. Gaudette gave a short history of the original construction, the renovation, and previous investigations of the South Pool mall. He stated that for the current assignment, he surveyed for leaks, sounded the underside of the slab, and examined elements of the slab membrane and drain system through inspection openings. He named the major areas of investigation as follows: the cabanas, the pool house and pool deck, the townhouse planters, the Eliot House garage ramp, and the large mall planters.

Mr. Gaudette then gave a slide presentation during which he showed and explained areas and types of damage in the concrete slab, the mall areas, the pool deck and house, the small and large planters, the terraces, various expansion joints, the garage ramp, and the mechanical equipment ventilation fixtures on top of the cabanas.

After the presentation, Mr. Gaudette presented three repair options to the Board - Short-Term Repair, Long-Term Repair, and Hybrid Repair, explained that costs could only be estimated after an option was chosen, and stated that repair costs would involve Eliot House, the Goethe artist studios, and HOA.

Discussion ensued about the major areas of damage, about which option to choose - with the Hybrid Repair Option finding favor - and about the estimated duration of the repair project. Mr. Gaudette stated that he would talk to contractors to get estimates for pricing.

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Other Damage and Repair Investigations

Discussion then turned to four proposals from Wiss, Janney, Elstner Associates to investigate and analyze deterioration and leaks in other parts of the Village, as follows:

- Cummings Expansion Joint Leakage - \$4,000.00.
- Cummings-Dickinson Utility Tunnel Leakage - \$4,000.00.
- Cummings-Dickinson Garage Ramp Wall Concrete Deterioration - \$3,000.00.
- James/Kilmer Garage Leakage - \$10,000.00.

Mr. Berchem *moved to approve the four proposals submitted by Wiss, Janney, Elstner Associates, Inc. on June 24, 2009 to investigate deterioration and leaks in various areas in the vicinity of Cummings-Dickinson and James/Kilmer, in the total amount of \$21,000.00.* Mr. Beck seconded the motion, and it passed, with Ms. Ryan abstaining.

Mr. Vedra thanked Mr. Gaudette for his presentation.

South Mall Security

Mr. Vedra directed the Board's attention to letters from Heidi Walton, the Eliot House Property Manager, reporting on increasing numbers of drug dealers in the South Pool mall area, and requesting that HOA install two additional security cameras, to be monitored on the Eliot House security camera system, and additional lighting in the area, and also requesting that HOA security be directed to patrol the area more frequently, especially between 10:00 p.m. and 12:00

midnight. Discussion ensued about whether Eliot House or HOA should pay for installation of the cameras. In addition, it was noted that additional patrols in the South Pool mall area would reduce the number of patrols in the North Pool mall area. Further discussion ensued about the responsibility for common elements and limited common elements borne respectively by HOA and by the individual associations. The consensus was that A&R Security should be directed to assess the lighting in the area, that Eliot House should pay for additional cameras, that extra security could be added to perform random patrols in the area, and that previous legal opinions concerning HOA's and the individual associations' responsibilities should be reviewed.

Requests from Association 1 and Association 2 to Hold Summer Parties in the Malls
Mr. Santoro *moved to approve the request from Association 1 to hold its summer party in the 1300 Mall on September 12, with a rain date of September 19, and the request from Association 2 to hold its Beer and Brats Party on the 1400 Mall on July 31, with a rain date of August 7, and to permit alcoholic beverages to be served at the parties.* Ms.

Wheeler seconded the motion, and it passed unanimously.

Repair Proposals from LS Contracting Group Inc.

Mr. Habib presented a proposal from LS Contracting Group, Inc. dated May 20, 2009, covering various repairs throughout the Village, as follows:

- 1355 North Clark Street Emergency Exit Door Repairs - \$2,637.00 total.
- James House Driveway Expansion Joint Repairs - \$691.00 total.
- 1460 North Clark Street Pedestrian Stair Concrete Spall Repair - \$872.00 total.
- 1360 North Clark Street Waterproofing Membrane and Flashing Repairs - \$2,410.00.

Discussion ensued about whose responsibility each of these repairs is, with the suggestion once again that the aforementioned reviews of legal opinions should be conducted, and that the repairs should be performed and then paid for by HOA, with reimbursements from the individual associations to be arranged later if necessary. It was noted that the cost of each repair is within Mr. Habib's spending limit.

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Sandburg Terrace Island Fence Repairs

Mr. Habib presented a proposal from Fence Doctors, Inc. dated April 29, 2009, covering repair and replacement of a fence on the large island in the street leading from the James House driveway to North Avenue, including installation of concrete bollards, and repairs to the fence on the small parkway island in the area, for a total cost of \$3,800.00, which is within Mr. Habib's spending limit. The Board agreed that the work should be performed.

DIRECTORS/MANAGEMENT FORUM

- Mr. Beck asked about the status of the Village-wide fence painting project, and was informed that the work has begun.
- Mr. Connor thanked Mr. Habib for having the 1450 mini-mall reflecting pool cleaned and refilled.
- Mr. Santoro asked about reimbursement to Association 1 for water used on the landscaping. Discussion ensued about whether the matter is covered in the relevant declarations and by-laws, and it was once again agreed that a review of previous legal opinions should be performed.
- Ms. Hayum conveyed complaints that there is excessive noise from the South Pool, that children appear to be left unattended, and that the lifeguards do not appear to be enforcing the pool rules; she asked that the pool managers see that the rules are enforced more rigorously.
- Ms. Ryan commented on the concrete debris along Clark Street where light poles have been removed. Mr. Vedra remarked that it will wash away eventually.
- A unit owner asked why the street lights on Clark Street are frequently out at night and on all day. Discussion ensued about how the lights operate. Ms. Ryan stated that the city is addressing the problem.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:15 p.m.

Respectfully submitted,

//signed//

Marilyn Hartman

Secretary