

James/Kilmer

Condorminium Association Newsletter

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Lateral Pipe Replacement Update

Richard Vicens, JK Association Property Manager

General

We have received two final bids from very qualified contractors to replace all lateral pipes that have not already been replaced in James House and Kilmer House. The Board was prepared to select one of the contractors or both--one for James House and one for Kilmer House at the December 7, 2011 Board meeting. A few days before that there was a lateral break in James House. During the emergency repair work the welders determined that a short section of vertical riser pipe had an unusually thin wall. Based upon this, a recommendation was made to the Board to seek the advice of a mechanical engineering consultant to determine the need, if any, to replace some sections of the vertical riser pipes. We will be hiring a consultant during the week of December 12 to begin an investigation. Once the findings are in hand, a recommendation will be made to the Board for action. The riser pipes are "Common" elements and any expense to replace portions of them would be paid for from reserve funds.

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Upcoming Meetings and Events

- **JK Employee Holiday Party**
December 15th, 5 p.m.
Please note that the office will close at 4:30 for this event.
- **Salvation Army Pickup**
December 28th
8 a.m. – 5 p.m.
James House Lobby
- **January 2012 Board Meeting**
January 24th
7 p.m., Penthouse

REMINDER:

LAST DAY TO CONTRIBUTE TO EMPLOYEE HOLIDAY FUND IS Tuesday, DECEMBER 13!!

You still have time to participate this year. Please bring your check, made payable to: J/K Employee Holiday Fund to the Management Office, or drop it in the suggestion box.

Thank You and Best Wishes for a Happy and Healthy Holiday Season!

The James/Kilmer Holiday Fund Committee

HVAC Piping System

Having mentioned the riser piping it may be instructive to once again have an overview of the HVAC piping system. This Association has a central boiler and central chiller plant that is located in rooms adjacent to Chief Engineer, Kurt Kruger's office. A set of horizontal pipes runs from these locations to the vertical riser pipe locations at the base of James House and Kilmer House. There are 16 riser pipes in James House and 25 riser pipes in Kilmer House. These pipes run the height of the building. At each floor, lateral pipes are attached to these risers and supply water to the convectors in a unit. In the summer, chilled water is made by the chiller plant and pumped through the system. The temperature of the chilled water is adjusted according to outside conditions. In the winter, hot water is made in the boiler plant and pumped through the system. Like the chilled water, hot water temperatures are adjusted according to outside conditions. Since there is only one set of pipes feeding each building, it is not possible to have both heating and cooling at the same time. We have what is known as a two-pipe system.

Project Timing

Given the need for an engineering analysis of the vertical piping, the replacement of the lateral piping will probably be delayed. If no problems are detected with the vertical risers then the project can move forward fairly quickly. On the other hand, if there are problems, then it will be necessary to obtain prices for the additional work and the project might not start before April.

Pipe Breaks and Insurance

Since the massive lateral pipe break earlier this year at Kilmer House, the response plan has been thoroughly reviewed and modified to minimize subsequent damage. Because of this, damage has been greatly reduced with recent failures. Some reasons for this are 1) New riser shut off valves have been installed at Kilmer House; 2) All riser shut

off valves in James House have been tested, exercised and found to be fully operational; and
3) All water leaks are treated as a potential lateral pipe failure and the riser in the leak area is shut down.

Notwithstanding the above discussion there will be damage from lateral pipe failures. Additionally, even after all lateral pipes have been replaced, there will be leaks from other sources. This is simply the nature of things in high-rise buildings. When a leak occurs and your unit is involved, *it is your responsibility to notify your insurance carrier as soon as possible*. Doing this allows the insurance company to marshal outside forces to begin mitigation work in concert with steps being taken by Association staff.

If a leak occurs in your unit, you are not responsible for any damage to other units unless there has been negligence on your part. Similarly, if a leak occurs because of the failure of a “Common” element, the Association is not responsible for damage to units unless there has been negligence on the part of staff. All of this is delineated in the Association Declaration in Section 5.08 Insurance in subsections (h), (i) and (j) on pages 25 and 26.

Property Manager's Corner

Richard Vicens, JK Association Property Manager

Windows Project

The James House unit owner window installation project was finished on Monday, December 12. Punch list work will end on Friday, December 16 and then resume on Monday, January 2. The northeast and northwest mast climbers will be dismantled beginning Monday, December 19. The north climber will remain in place to lift the penthouse windows to the roof in March. The north passageway will remain open at all times during the winter.

James House Painting and Balcony Repair

By way of a refresher, in this project all balcony railings will be repaired and painted and then a new waterproofing membrane will be applied to each balcony. Concurrent with this work, the entire building façade will be power washed and painted. This project will resume in March, weather permitting. The balconies for tiers 2, 4, 6, 8 and 10 will be done first. In June balcony tiers 12 and 15 will be started. It is anticipated that the entire project will be completed by the end of June.

Kilmer Façade Project

Phase I of the Kilmer House façade project ended on Friday, December 9. It was anticipated

that the project would have been completed this year; however, this was not possible due to weather conditions and the amount of masonry work that was required. The project will resume on Monday, April 2. There are nine drops to be completed and these are tiers 3, 6, 9, 15, 18, front entrance, rear entrance and two drops for the north façade. In addition to this, all east side terrace walls will be worked on.

Laundry Room Renovations

The Kilmer House laundry room has the new machines and the facility is operational. There are a number of things to be completed including lighting, a new ceiling and the installation of new counter material. The James House laundry room will be closed for renovation Monday, January 9 and re-open on Wednesday, January 25. Once both rooms have been finished, a debit card payment system will be installed in both locations. The existing card system will remain.

HOA Mall Repair

Most all of the HOA mall repair work has been completed. Remaining work for James House will be the replacement of an expansion joint that runs along the south and northeast edges of the building. This work should start in April.

2012 James Kilmer Board Officers and HOA Reps

Judy Barnes, JK Association Board of Directors and Communications Committee Chair

At the December 6, 2012 Board of Directors meeting, the following Board Officers and HOA Reps were elected:

<u>Board Officers</u>	<u>HOA Reps</u>	<u>HOA Alternates</u>
Nancy Slattery, President	David Beck	Judy Barnes
David Beck, Vice President	Marcie Johnson	Barbara Grodzins
Dorsey Ruley, Secretary	Jack Vedra	
Betty Latson, Treasurer		

JK Committee chairs will be appointed at the January 24 Board meeting.

Finance/Treasurer's Report

Betty Latson, Treasurer, JK Association Board of Directors

The Finance Committee concluded its work on the 2012 Operating Budget. During the budget process, the Finance Committee faced a number of uncertainties related to the City of Chicago's budget in the areas of water, scavenger rebate, and day parkers. The Finance Committee chose to delay concluding its work on the budget until there was more clarity on the City's actions in these areas.

The Finance Committee met on November 21st, shortly after the City voted its budget, to finalize the JK Budget. We were pleased to present a budget to the Board that ***limited the increase to unit owner assessments by an overall 1.86%*** comprised of the following: a 6.73% increase to the JK operating budget, a 4.72% increase to the HOA budget, and a 9.77% decrease to the Capital Reserve budget.

The increase in the 2012 JK Operating Budget is primarily related to the replenishment of the operating reserves depleted by the 2011 HVAC pipe leaks, and to also budget for other maintenance and repair costs that are expected to arise in 2012. The good news is that the Association was successfully able to reduce cable, utility, and insurance costs. The Association will also benefit from the renewal of certain union contracts at a zero increase, helping us to keep our payroll cost increases at lower levels than we have historically experienced. At the same time, we lowered our contribution to the capital reserve in 2012 to partially fund the replenishment of the operating reserve and to keep the increase in our assessments at a minimal level. We expect to resume contributing to our capital reserves at our historical levels in future years.

On Tuesday, December 6th, the Board voted to distribute the 2012 Proposed Budget to Unit Owners. Unit Owners should be receiving the budget in the next ten days. A Unit Owner meeting will be scheduled shortly to review the proposed budget and to discuss any questions before the Board votes to officially approve the Budget in January. Because of the delay in approving the 2012 budget, assessment increases will most likely not be seen until the January or February invoices are mailed out. The net effect of the assessment increase to Unit Owners will appear slightly higher than the 1.86% proposed because the 2012 assessment increase will be absorbed in 10 or 11 months rather than the regular 12 month calendar year.

Also in your budget mailing, you will be receiving a copy of the 2010 audit. The Board voted to distribute the audit to Unit Owners at the December 6th meeting. The delay in distributing the 2010 audit was caused by the need to address certain classification issues related to the James Direct Charge.

With the conclusion of the 2012 budget and the 2010 audit, the Finance Committee will be turning its attention to passing the Direct Charge to Kilmer Unit Owners in early 2012, and to determining and charging the Direct Charge to James and Kilmer Unit Owners for the JK HVAC pipe replacement project also in early 2012.

Meanwhile, I am pleased to report that through ten months ending October 2011, the Association reported excess of revenues over expenses of \$4,464. These results reflect a strong month in October. During October, the Association experienced continued higher than budget garage net income and legal reimbursement collections. The Association also recast certain expenses from operating costs to capital expenditures, and experienced lower utility costs as a result of a mild October.

Through October 31, 2011, our Association reported total revenue of \$5.2 million including the direct charge revenue, and \$4.5 million excluding the direct charge revenue. Revenues were \$81,000 higher than budget. Operating expenses were \$3.4 million, which were \$112,000 higher than budget. The provision for capital reserves was \$1,108,000. As a result, the Association reported excess revenues over expenses of \$4,464, though these figures are below budget by \$31,000. At October 31, 2011, our operating reserve fund stood at \$266,166. Our capital reserve fund stood at \$6,457,616, and the loan balance stood at \$2,642,948.

President's Corner

Nancy Slattery, President, JK Association Board Of Directors

As the new President of the JK Association, I'd like to share with you just a few things. First, I have lived in James House for 23 years and I am very happy to serve on this Board. I care deeply about the Association and its future. And I am looking forward to getting to know as many residents as I can. I am always open to hearing your thoughts and ideas.

I have recently been the Chair of the Technology Task Force and we worked diligently to familiarize ourselves with the technology used by various companies. We looked at a multitude of providers and were able to narrow our choice down to RCN (our current provider) and Access Media 3.

The Task Force was successful in garnering a great proposal from both companies, resulting in the significant per unit cost reductions for basic cable service.

At its most recent meeting, December 6th, the Board voted to retain RCN. Several factors contributed to the Board's decision: *Results of residents' surveys; Price of equipment from both companies; Comparison of cost from both companies*

Watch for additional information and lobby sessions where RCN will be here discussing equipment, upgrade packages and pricing.

I'd like to thank the entire Technology Task Force for its diligence, passion and dedication.

Nancy Baltus	Ron Miller
Fran Copeland	Dorsey Ruley
Mary Occhipinti	Frank Sokol
Jay Owens	Richard Vicens
Tom Meyers	Gina Zehr

For those of you who are interested in the survey results, they are currently available on the J/K website and available in the Management Office.

And last, but by no means least, for those of you who were not in attendance at the November Board meeting, Duane Hickling, our past JK President, has chosen to step down from the Board after several years of service. We want to thank him and wish him well in his future endeavors.

As I said, I look forward to meeting you all. Please accept my heartfelt wishes for a healthy and happy Holiday Season.

JK Garage Employee Holiday Fund

Frances Andrews, JK Board of Directors and Garage Committee Chair

If you wish to contribute to the JK Garage Employee Holiday Fund, which is separate from the JK Employee Holiday Fund, please drop off a check in the garage office or send a check payable to:

James-Kilmer Garage Employee Holiday Fund
1560 N. Sandburg Terrace (JK Garage office)
Chicago, IL 60610

In order to distribute these funds to all garage employees before the holidays, ***please drop off or mail your check so it is received in the garage office by Friday, December 16, 2011.*** All contributor names and the amounts contributed are kept confidential and anonymous.

From all of the Garage employees and the members of the Garage Committee, best wishes for a very safe and Happy Holiday Season.

HOA Update

Jack Vedra, HOA Representative

At its December 7 meeting, the HOA Board approved its budget for 2012. HOA assesses its seven member associations; the HOA assessment becomes a line item in each association's budget and thus is passed on to their unit owners. Some of the Sandburg associations, such as J/K, call out the HOA assessment as a separate item on their monthly invoices. When the 2012 HOA budget was originally proposed and sent to the unit owners, it included an assessment increase of 5.14%. However after feedback and discussion, the HOA Board reduced its meeting expense category and *approved the HOA budget with an assessment increase of only 4.72%*.

The *HOA Board also approved the expenditure of over \$180,000 for new landscaping around James House*. It is hoped that installation of the new plantings will start in spring, but that depends on the progress of the building painting project and the timing of the lobby windows and metal siding installations. The landscaping plan was displayed in the James lobby for a month before HOA's approval. As a point of interest, other than the recent redesign of the South Mall, the front of Kilmer House was the last area of Sandburg Village to receive a new landscape design.

Engineer's Corner

Kurt Kruger, JK Association Chief Engineer

Sewer Gas Challenges

Sewer gases emanating from vacant apartments are a nuisance to come home to after an extended time (*3 days or more*) both for the residents--and because of the vagaries of high rise building envelopes--their neighbors.

We now offer the service of pouring Propylene Glycol down the traps for the owners who can't maintain a wet trap at their plumbing fixtures i.e are away for a few days or an extended period of time.

Obviously if the residents come home every three weeks and use the fixtures the Propylene Glycol would be washed down the drain.

Propylene Glycol is better than Ethyl Glycol as it is less toxic, is better than cooking oil as it cannot go rancid and is better than mineral oil as it mixes with water and won't coat the pipes.

We are charging \$25.00 for the service, which is the \$25.00 it costs us for parts.

The labor is free as we do with Christmas tree removal or replacement of ballcocks, etc.

Seasonal Reminders

Christmas tree bags for live trees are available in the Receiving Room, and as mentioned above, our staff are happy to remove your Christmas tree after the holidays at NO CHARGE. Also use caution when running extension cords for holiday lights. Check for worn spots. Make sure they are of the proper gage for the length you desire. For longer runs, you must use a thicker gage.

Pet Committee Update

Carol Abrioux, JK Association Pet Committee Chairperson

Some J/K owners and residents have not yet registered their pets at the J/K office despite the September 16 cutoff date. We would like to remind you that the rules require registration for all cats and dogs residing in the J/K buildings each year. Failure to register your pet could result in a substantial fine and possible removal of the pet from the buildings. If you have misplaced your registration form, copies may be obtained at the J/K office. If your pet no longer resides in the J/K condos, please advise the office.

Website Update

Ron Miller, JK Association Website Committee Chairperson**JamesKilmerCondo.org . . . A Handy Reference Every Day**

Your association website - JamesKilmerCondo.org - contains handy reference information. Site visitor data indicate all features are viewed and used; have you visited lately?

We encourage you to visit and explore. From extensive James House window project information, committee information, HOA minutes, and James/Kilmer board meeting minutes, to posted notices, downloadable documents and forms, giving feedback to the office and maintenance department, and much more . . . all available 24/7. And, a reminder, the Maintenance and FAQ sections have information that should be reviewed periodically.

New website entries include: **Cable Survey** has been posted to the Documents Section: <http://jameskilmercondo.org/documents.htm>. Also with the James House window project concluding, and the Kilmer window project recent maintenance work, this is a good opportunity to remind everyone that routine self-help maintenance can extend the proper working order of many unit systems.

Here is the link to **Owner/renter recommended periodic self-help maintenance page that includes window maintenance procedures:**

<http://jameskilmercondo.org/maintenance.htm#self>. And if you have any questions, please contact our maintenance department for assistance.

We encourage you to visit your official James/Kilmer website and explore its features. Website feedback and suggestions are always welcome. Website Committee meetings are held quarterly and everyone is welcome to attend. Contact our webmaster, Ron Miller, webmaster@JamesKilmerCondo.org