



111 East Chestnut Condominium Association
Board of Directors
Meeting Minutes
January 17, 2014

A meeting of the Board of Directors of the 111 East Chestnut Condominium Association (“The Association”), an Illinois not-for-profit corporation, was called to order on Friday, January 17, 2014 at 12:35pm in the Chestnut Room, 111 East Chestnut Street, Chicago, IL, pursuant to the By-Laws.

Directors Anthony Milazzo, Mike Fish, Glen Greene, Ann Marie Del Monico, Asia Gajderowicz, and Serap Brush were present. Also present were Sudler Property Management employees Robert Graf, Account Supervisor and Executive Vice President and Sara Rudnik, Property Manager. Approximately 3 homeowners were in attendance.

President Milazzo made a motion to approve the meeting agenda. Treasurer Fish seconded the motion. The agenda was approved unanimously.

President Milazzo made a motion to approve the meeting minutes from December 6, 2014. Vice President Del Monico seconded the motion. President Milazzo asked Management to update the Board on any outstanding units for the inspections that were performed in December. The motion was approved unanimously.

Treasurer Fish presented the Treasurer’s report. The operating income for December 2013 was \$311,109 and our operating expenses were \$193,849, creating a surplus before reserves of \$117,259. We had an operating surplus before reserves budgeted of \$102,898, so we had a \$14,361 favorable variance for December. Our reserve income amounted to \$86,802 and was comprised of reserve contribution and interest income. Reserve expenses paid or incurred during the month amounted to \$553,813 resulting in a net decrease of reserves \$467,012. Operating accounts fell \$171,735. The replacement reserve account held \$38,461. (We were in the process of making a draw on our line of credit at the end of the year.) The Barrington Bank Loan outstanding balance is \$975,307. Unit owner accounts receivable balance was \$266,321 less an allowance of uncollectable accounts of \$155,301 resulting in a balance of \$111,020. Prepaid assessments total \$99,192. Year end net operating surplus was \$1,055,042 which is an unfavorable budget variance \$53,690. Year end reserve revenue was \$1,154,500 and reserve expenses totaled \$1,956,255 resulting in a reduction in reserves of \$801,755. President Milazzo

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made a motion to approve the Treasurer's report, seconded by Vice President Del Monico. The motion was approved unanimously.

Property Manager Sara Rudnik presented the management report.

- The Conference Room will be closed the majority of next week while 111 staff repaints the room.
- Our door staff members have been signed up for the upcoming door staff training classes conducted by SEIU Local 1.
- Our maintenance staff has received the jackets to match their new uniforms.
- Recycling use at the building has increased, so Waste Management is now picking up our recycling container three days a week instead of two.
- The marketing director of Pizzeria Uno reached out to Management about having a tasting at our building and to advertise their "Hungry Neighbor" discount program for homeowners in the area. Management asked for the Board's opinion of having this as a social event for the building. The Board agreed it would be a nice opportunity for the residents and to go ahead with scheduling the event.
- Phase II of the window caulking project is complete and equipment is being removed.
- Window washing for the entire building will start on Wednesday, January 22.
- Management requested direction from the Board on issuing a second check run for the employees from the funds remaining in the Holiday Fund. Discussion was held. The Board approved.

President Milazzo made a motion to approve the 22.1 disclosure. Treasurer Fish seconded the motion. The motion was approved unanimously.

President Milazzo made a motion to approve the management report. Vice President Del Monico seconded the motion. Discussion was held. The motion was approved unanimously.

President Milazzo made a motion to approve all closed session decisions and fines. Vice President Del Monico seconded the motion. The motion was approved unanimously.

President Milazzo discussed the smoking by-law amendment that KSN has prepared for our review and consideration. Further discussion was held. Additional research will be conducted on this topic and we will revisit this next month.

President Milazzo, Vice President Del Monico and Director Gajderowicz reviewed information prepared on the Fitness Center renovation and new strength equipment purchase. Discussion was held. The Board determined that the new strength equipment would be ordered due to its 5-6 week lead time and would further investigate construction proposals for the potential sauna removal and flooring replacement. President Milazzo made a motion to approve Life Fitness' proposal for the equipment, but to exclude the adjustable decline bench and switch the bicep/tricep machine for a pectoral/ fly. Their proposal is for \$17,089.36, but with these changes, the cost should be approximately \$600 less, so about \$16,500. Vice President Del Monico seconded the motion. Additional discussion was held. The motion was approved unanimously

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President Milazzo reviewed the proposal from Althoff Industries for installation of a VFD (variable frequency drive) on the north rooftop make up air unit. We had Elara Engineering review this proposal and verify the proposed cost was reasonable. Discussion was held. President Milazzo made a motion to approve the proposal from Althoff Industries for the installation of the VFD for \$4,776. Treasurer Fish seconded the motion. The motion was approved unanimously.

President Milazzo reviewed the proposals for the purchase of a new carpet extractor. Bids were received from PCS Industries (\$3,787.15), AmSan (\$3,347.65) and Grainger (\$3,927.19). AmSan offers the product for the lowest price and also their proposed model includes a hand tool for cleaning upholstery. Discussion was held. President Milazzo made a motion to approve the proposal from AmSan for purchasing the Advance Aquaclean 18FLX for \$3,347.65. Treasurer Fish seconded the motion. The motion was approved unanimously.

The meeting adjourned at 1:40pm.