

## **BOARD MEETING**

May 23, 2019 at 6:15pm

### **ATTENDEES**

- Board: Tony, Jane, Valerie, Samantha, Carolann, Serap
- Management: Graf, Sara, Kat, Jon
- Homeowners: Ken Hubbard, Brian Connolly, Stanley Richard, Joann Dobbie

### **APPROVAL OF PRIOR MEETING MINUTES**

- March 14, 2019 Closed Session Meeting
- March 14, 2019 Open Session Meeting
- April 18, 2019 Officer Election Board Meeting

### **TREASURER'S REPORT** — Carolann Randall

For 2019 we budgeted \$4.2 million of income and \$3.3 million of expense, leaving about \$900,000 for reserve spending and overages.

Through April we are tracking at 99% of our revenue budget and 12% favorable on our expense budget, mostly due to timing.

We have made 3 1/2 % of our normal 4 monthly contributions to reserves totaling \$264,000. We postponed 1/2 of the April monthly reserve contribution to make certain expense prepayments, but we expect to catch up before year-end.

Reserve expenses through April have primarily been 2018 items for which billing had been delayed, such as pool concrete, roof anchors and concrete repairs. In addition, we spent \$15,000 on the boilers. Reserves are currently \$1,152,000. In response to a homeowner question, the Board is not discussing, considering or anticipating a special assessment.

### **MANAGEMENT REPORT** — Sara Rudnik, Property Manager

- result expected in days re: 2018 Tax Appeal
- next board meeting is Thursday, June 13
- Canopy glass expected to be installed next week (Sara said she had secured permits but none appear on the DoB web portal)
- Sara announced that she would provide weekly updates re: the facade project
- Sara expects to check re: pool planters next week
- Tony volunteers to check air cooler options re: the rooftop air handlers; they are apparently loud in the penthouse Units
- Serap asked for an update as to the boilers; Sara said she'd keep her posted
- 22.1 Disclosure Statement APPROVED

### **NEW BUSINESS & ANY OTHER BUSINESS THAT MAY COME BEFORE THE BOARD**

- 2019-5-3 PLA filing RATIFIED (contrary to condo law, this was decided and approved by the Board in closed session)
- Increase of spending allowance for management from \$4K to \$5K as a "matter of convenience" APPROVED

- FHA Application DENIED. Of note: According to Jane, "we are not set up as an age in place building." Will reconsider in a year.
- Review and Discuss Rules & Regulations updates: VERY preliminary. Items discussed include: Rule S1 Advertising and Communication as it relates to Buildinglink; making Chestnut Room Policies separate; updating the rule regarding cooktops; delete various smoking references as we are now globally non-smoking; update Garage phone numbers; expand expressly prohibited short-term rentals; better define "reasonable accommodation" re: service pets in the lobby; update receiving room logistics and Unit delivery service; update the rule regarding canvassing; increase the occupancy limitation on the Chestnut room.

### **HOMWOWNER Q&A**

Q: Since the March 26, 2019 Litigation Summary, can you provide the status of any litigation the Association is involved in currently, or that's pending?

A: No idea. Expecting an update from corporation counsel.

Q: On January 17, 2019, the Treasurer reported an accounting reclassification that wrote off the interfund receivable/payable, and effectively paid the full \$99,475 pension liability from the Reserve Fund. As use of the Reserve Fund is strictly limited for replacement expenditures, has that been corrected?

A: No. We were told by our Auditor and attorney that we don't need to do that.

Q: Per the 2017 Reserve Study, 111's Reserves are approximately 95% underfunded. What are the Board's plans to correct that? Why isn't the Board following the 2017 Reserve Study at to reserve contributions per the Board's fiduciary duty?

A: The Board has no plans on correcting that. We are in good shape financially. The Reserve Study is only an estimate.

Q: What is the "practicable" reason the 2018 audit, due March 31 per our Declaration, has been delayed?

A: The "practicable" reason is cost. It cost less later in the year.

Q: On May 9, 2019, the Association filed a Joint Action to collect \$7,674.23 from a homeowner. As has been asked in the past, why is the Board letting monies due go past 60 days? What is our present policy and are we following it?

A: Our policy is 60 days. We do follow it but that are various other reasons that sometimes come into play.

Q: What were the 2018 property taxes for Unit 11C?

A: We don't know.

Q: Who ordered corporation counsel to file the PLA before it was approved by the Board?

A: The PLA was approved by the Board in closed session.

Q: What is the estimated cost/benefit of the PLA to the Association? What are the chances the Illinois Supreme Court will grant the PLA and what is the estimated total cost to file it? If the Supreme Court grants the PLA, how much will that litigation cost and what are the ultimate chances the Supremes will override the Illinois Legislature?

A: The PLA cost about \$5,000. It is a benefit to our association and every association in Illinois.