

**LOWELL HOUSE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
July 11, 2023**

A meeting of the Board of Directors of the Lowell House Condominium Association (the "Association"), an Illinois not-for-profit corporation, was held at 6:30 p.m. on July 11, 2023, via Zoom videoconference, pursuant to notice duly given to all unit owners.

Present: Dave DeVries, President
 Phil Niedziela, Vice President
 John Berchem, Treasurer
 Ann Marie Calacci, Secretary
 Angela Chereso, Director
 Marc DeMoss, Director
 Louise Pauly, Director

Also present were Kathleen Dormin, Property Manager; and Milena Radjenovich, Property Supervisor, of Chicagoland Community Management, Inc.; and Hans Herrmann of Alternative Utility Services, Barbara A. Roberts acted as Recording Secretary. Board directors Karen Doornebos and Stephen Rossi were not present.

CALL TO ORDER

There being a quorum in attendance, Mr. DeVries called the meeting to order at 6:31 p.m.

APPROVAL OF MINUTES

Ms. Calacci asked if there were any additions or corrections to the minutes of the May 2, 2023, Board meeting. There being none, ***Ms. Calacci moved to approve the minutes of the regular Board of Directors meeting held on May 2, 2023, as presented. Ms. Pauly seconded the motion, and it passed unanimously.***

NATURAL GAS PRESENTATION: HANS HERRMANN, ALTERNATIVE UTILITY SERVICES

Mr. Herrmann informed the Board that the Association's current natural gas contract ends in October, and that he has been shopping for rates, stating that the Association's current contract rate is \$0.30 per therm but that the market has shifted considerably. He referred to a list of gas prices for the last 24 months that he sent to Ms. Dormin and noted that in July, the cost of gas was \$1.25 per therm. Mr. Herrmann also reminded the Board that all of the contracts that it has had over the years have been "100% swing," which means that the contracted rate per therm stays the same no matter how much gas is used, and he advised that the Board's new contract also be a 100% swing contract, with which Mr. Berchem agreed. Mr. Herrmann referred to the pricing from Direct Energy for 12-, 24- and 36-month terms, and advised the Board to accept a 12-month contract with Direct Energy with 100% swing, for \$0.4003 per therm, and watch the market for that 12-month period, noting that this will lock in the rate that will begin in October when the current contract ends. Discussion ensued about energy pricing in general. Mr. Herrmann advised the Board as to what terms to approve. ***Mr. Berchem moved to approve a 12-month contract with Direct Energy for natural gas at a price of \$0.405 per therm maximum or lower. Ms. Calacci seconded the motion, and it passed unanimously.*** Mr. Herrmann then provided information about credits that the Association is receiving on its electricity bill until 2025 owing to the Community Solar Program that it has joined.

The Board thanked Mr. Herrmann, and he left the meeting at 6:50 p.m.

TREASURER'S REPORT

Financial Summary

Mr. Berchem reviewed the Financial Summary. The Association's financial condition at May 31, 2023, was as follows:

Operating Fund net income, current month:	(\$18,171)
Operating Fund net income, year to date:	(\$13,123)
Operating Fund available cash:	\$443,890
Ratio of Operating Fund cash to one month's operating expenses:	1.74

It is the Board's goal that this ratio should range from 1.5 to 3.0

Reserve Fund expenses YTD:	\$164,544
Reserve Fund balance:	\$1,607,064
Reserve Fund average CD yield:	2.61%
Window Project Loan Balance:	\$498,791

Assessment delinquency amount, total:	\$2,582
Number of assessment delinquencies over 30 days:	7
Assessment delinquency percent, over 30 days:	1%
Percentage of units occupied by owners:	65%

Mr. Berchem stated that the Replacement Reserve Fund stands at \$2,500,000.00, that Reserve expenses so far this year are \$164,500.00, and that delinquencies are \$2,582.00, which is not worrisome. He stated that, all in all, the Association is in fine shape, with which Mr. DeVries concurred. Ms. Pauly commented on the Window Project Loan balance, now less than \$500,000.00.

MANAGEMENT REPORT

ACTION AND DISCUSSION ITEMS – OLD BUSINESS

22.1 Disclosure Form

Mr. Berchem moved to approve the standardized template dated July 2023 for the Association's 22.1 Disclosure form. Mr. DeMoss seconded the motion, and it passed unanimously.

Fannie Mae Form 1076/Freddie Mac Form 476

Mr. Berchem noted that there is no provision for a date on the Federal government's Fannie Mae and Freddie Mac forms. ***Mr. Berchem moved to approve the standardized template for the Association's current Condominium Project Questionnaire. Mr. DeMoss seconded the motion, and it passed unanimously.***

Common Area Doorways

Ms. Dormin explained that this item was previously tabled to afford time to obtain additional prices, and that the only reduction in pricing that she could obtain would require that the painter not paint the entire door but would only touch up each door, for \$150.00 per door instead of \$300.00. She stated that the painter provided a sample of such touch-ups on the doors for units 904 and 905, and suggested that Board members look at those doors and express their opinions. Ms. Dormin added that she prefers that the entire door be painted, for a better appearance. Ms. Calacci asked when all of the doors are going

to be painted, rather than just those facing the elevators, and added that the last time the doors were painted, the job was not performed as professionally, noting that the doors were not removed to be painted. She suggested that if the plan is for the doors to be painted in a year or two, they should not be painted now. Mr. DeMoss countered that the expense to paint just the doors that are seen when the elevator doors open is justified for two years, and advised moving ahead with the project. Ms. Calacci recalled that previous work on the doors across from the elevators that did not require removing the doors or sanding them improved their appearance, but that the other doors on the floor have a poor appearance. Ms. Dormin suggested performing the work in phases – ten doors this year, ten doors the next year, and so on. Mr. Berchem stated his preference for Mr. DeMoss's suggestion, and Ms. Pauly added that the location of the doors across from the elevators is such that their appearance is important. In response to Ms. Calacci's questions about when work on the hallways is planned, Mr. DeVries suggested repainting just the ten remaining doors at this time. ***Mr. DeMoss moved to approve the proposal submitted by Monte United on May 8, 2023, to refinish ten unit doors in the amount of \$330.00 per door, for a total of \$3,300.00. Mr. Berchem seconded the motion, and it passed, with Ms. Calacci opposed.***

Smoking

Ms. Dormin advised the Board that she has received numerous emails complaining about smoking in the building, but that it is very difficult to identify the smokers, and she stated that the results of the survey on smoking were not sufficient to put the matter to a vote. She noted that the Association's rules do call for fines related to smoking and that she has attempted to identify the smokers based on reports from complaining residents – normally about two per week – but that, despite her efforts, she has been unable to do so. Ms. Calacci asked whether it is permissible to ask residents if they smoke, Ms. Radjenovich responded that a Board member or the Property Manager doing so directly would be ill-advised. Mr. DeVries stressed the importance of assuring residents that the Board is doing its best to identify the source of the smoking nuisance in order to be able to take appropriate action, and that the Association's guidelines should be consulted with regard to the ramifications of smokers causing other residents' discomfort. Discussion ensued about various possible ways to deal with the problem, including actions that Ms. Dormin takes at this time. Mr. DeVries stated that the problem will continue until such time as a majority of unit owners vote to make the building smoke-free. He also noted that opening doors and windows just pushes the smoke up into the kitchen and bathroom vents.

Laundry Room

Ms. Dormin reported that work on the Laundry Room is partially completed, stating that all of the machines have been installed, but that there are still problems with humidity and condensation that Bogot has been trying to alleviate. She stated that the folding table that she ordered arrived damaged and that a new one will be delivered, and that Miguel Cruz and Marc DeMoss will be looking at chairs and a table for the room. Ms. Dormin announced that using the cards and the app has been very successful, with considerable positive feedback from residents. Mr. DeMoss stated that he and Mr. Cruz will be working on wall decorations. Ms. Dormin stated that there have been a few complaints about the pricing but that for the most part, residents are happy with the room. Mr. DeVries commented favorably on the functionality of the app, and noted that the Association's laundry room facilities were underpriced for many years with the old quarter system and that they are more appropriately priced now. Mr. DeMoss thanked Ms. Dormin for her efforts in coordinating the project.

ACTION AND DISCUSSION ITEMS – NEW BUSINESS

Parking Restrictions on Clark Street

Mr. Berchem described the problems with unruly after-hours behavior on Clark Street – loud noise, drinking, occasional gunfire – especially on the weekends, and the lack of response from the police even when they are called to the scene, largely because much of the activity is not actually unlawful. He stated that a proposal has been put forth to deal with the problem by enlarging the area where

parking permits are required from 10:00 p.m. to 8:00 a.m. for Residential Parking Zone 74, which includes Clark Street from Division Street to North Avenue, such that cars without parking permits can be ticketed and towed. Mr. Berchem acknowledged that the miscreants will simply move elsewhere, but that this is the best that can be done at this time and should be put into action. He explained that 2nd Ward Alderman Brian Hopkins has asked the various Sandburg associations for their support by having the various board directors sign a petition requesting the additional tow zone, and encouraged the Lowell Board members to do so. Discussion ensued. The Board members agreed to sign the petition.

Ratify Roof Deck Paver Repairs

Mr. DeVries commented on the poor condition of the pavers on the roof deck, including some that are loose or missing altogether, and stated that repairs have been made. He added his opinion that some furniture should be supplied, as well, and referred to the drawings that Mr. DeMoss provided. Discussion ensued about methods to secure the furniture, the presence of a camera on the roof, and storing the furniture in the penthouse in the winter. Mr. DeMoss described the furniture in detail, including the use of durable and weather-resistant materials, the suggested placement of the furniture, planters with faux greenery, and sources for reasonably priced furnishings. Ms. Pauly noted that creating this recreational space will put Lowell House on a par with other high-rise buildings in the area. Ms. Dormin displayed the layout suggested by Mr. DeMoss, who provided additional details about the furnishings, and stated that the cost for seating for 20 people would be approximately \$18,000.00. Discussion ensued about the various suggested furnishings, fixtures, outdoor carpeting and décor items. Mr. Niedziela noted that the roof deck is not handicap-accessible, and also suggested installing new carpeting for the 30th floor to replace worn and dirty carpet. Ms. Dormin stated that she will research ADA requirements, noting that what is being suggested is an enhancement, not an alteration. After discussion, ***Mr. Berchem moved to allocate \$25,000.00 from the Reserve Fund for rooftop recreation area furnishings. Mr. DeMoss seconded the motion, and it passed unanimously.***

During the discussion, Ms. Radjenovich left the meeting at 7:25 p.m.

UNIT OWNER COMMENTS

Unit owners, the Board and Ms. Dormin discussed the following:

- The area of the proposed permit parking to be approved by the Chicago City Council.
- Additional building security personnel on weekends, including the new cameras, and possibly locking the front doors during certain periods.
- Proposed rooftop hours of 8:00 a.m. to 10:00 p.m., monitoring activity on the rooftop, possibly equipping the door to the rooftop with fob-activated locks, and reviewing and adjusting the existing rooftop rules, locking the rooftop door at 10:00 p.m., and greater use of the rooftop as an amenity.
- The new theft-proof mailbox outside the building.
- Reinstalling a mirror above the sink in the laundry room for security.
- Unit-owner occupancy, currently 67%.
- Whether rental activity has increased and auditing the owner-occupancy percentage, to be provided upon request in writing.
- Suggestions regarding rooftop furnishings and activities.
- Door banging on the sixth floor.
- Keeping the rooftop open until 10:30 p.m. on Wednesday and Saturday nights for viewing the Navy Pier fireworks.
- Continuing to have Maintenance personnel verify that no one is on the deck when they arrive to lock the door to the deck.
- The new intercom box in the garage, acting as a placeholder until all of the existing intercoms are replaced.

RECESS TO EXECUTIVE SESSION

The meeting was recessed to Executive Session at 7:55 p.m.

RECONVENE TO OPEN SESSION AND ADJOURNMENT

The meeting was reconvened to Open Session at 7:59 p.m. ***Mr. Berchem moved to authorize a bonus, grossed up, to be paid to Chief Engineer Frank Janecek for his 50th anniversary, as discussed in Executive Session. Ms. Pauly seconded the motion, and it passed unanimously.*** There being no further business to be brought before the Board, the meeting was adjourned at 8:00 p.m.


Ann Marie Calacci, Board Secretary