

LOWELL HOUSE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
October 24, 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 October 24, 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
Marc DeMoss, Director
Karen Dournebos, Director
Louise Pauly, Director

Also present were Kathleen Dormin, Property Manager, Suada Karastanovic, Assistant Property Manager, Frank Janecek, Chief Engineer, and Milena Radjenovich, Property Supervisor, of Chicagoland Community Management, Inc. Ms. Dormin acted as Recording Secretary. Board directors Angela Chereso and Stephen Rossi were not present.

CALL TO ORDER

There being a quorum in attendance, Mr. DeVries called the meeting to order at 6:32 p.m. He added an item to the Agenda under New Business: discussing installation of electric vehicle charging stations in the garage. Ms. Dormin also added under New Business the proposal from Kovitz Shifrin Nesbit to represent the Association with regard to appealing the next triennial tax reassessment.

APPROVAL OF MINUTES

Ms. Calacci asked if there were any additions or corrections to the minutes of the regular September 13 Board meeting and the special September 29 Board meeting. There being none, ***Ms. Calacci moved to approve the minutes of the regular Board of Directors meeting held on September 13, 2023, and the minutes of the special Board of Directors meeting held on September 29, 2023, as presented. Ms. Dournebos seconded the motion, and it passed unanimously.***

TREASURER'S REPORT

Financial Summary

Mr. Berchem reviewed the Financial Summary. The Association's financial condition at September 30, 2023, was as follows:

Operating Fund net income, current month:	(\$11,322)
Operating Fund net income, year to date:	\$76,065
Operating Fund available cash:	\$504,795
Ratio of Operating Fund cash to one month's operating expenses:	1.98

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

Reserve Fund expenses YTD:	\$284,606
Reserve Fund balance:	\$1,597,823
Reserve Fund average CD yield:	3.42%
Window Project Loan Balance:	\$352,383

Assessment delinquency amount, total:	\$4,660
Number of assessment delinquencies over 30 days:	6
Assessment delinquency percent, over 30 days:	1%
Percentage of units occupied by owners:	67%

There were no comments or questions about the financial summary. Mr. Berchem then directed the Board's attention to the Lowell House Reserve Funding Plan covering the years 2019 through 2040, noting that the items on lines 1 through 41 are taken entirely from the Reserve Study, and that the entries below them show how the items are being funded, the most important one being the end-of-year Reserve Fund Balance for each year. He stated that the entries show that the Association will be well in the black through 2040, but cautioned that there will be unanticipated projects in that period, but that the Reserve Fund should support them. He reminded the Board of the Association's auditor's recommendation that a Reserve Study be conducted every three years, which Lowell will do, and that the Reserve Study Funding Plan will be reviewed again next year following receipt of the current-year audit of financial statements and noted that the Association is in fine condition and can replace what needs to be replaced without any special assessment. Discussion ensued.

MANAGEMENT REPORT – OLD BUSINESS

ACTION AND DISCUSSION ITEMS

Office Renovation and Freight Elevator Walls and Flooring

Mr. DeVries referred to the office renovation plan created by former Property Manager Christina Briskovic-Roland before she left that was bid on by three different contractors. He noted that the project had never been approved in a Board meeting but that the approval will be sought at this meeting. Ms. Dormin provided a description of the major items in the Pro Design & Build proposal, as follows:

- Doubling the office space, including demolition, new flooring, new paint, new plaster and drywall, new sliding doors and a new sliding window, as well as new flooring for the freight elevator. Discussion ensued about the sliding window between the office and the hallway, which is difficult to open.
- Installing new office furniture, including desks, drawers and a console, as well as new wiring.

Discussion ensued about various items in the proposal, including new flooring and wall coverings in the freight elevator. Ms. Dormin stated that the proposed prices have been updated since the plans were first created, and that the contractor work will cost \$19,500.00, the furniture will cost \$4,281.00, the wiring will cost \$5,297.00, and the elevator wall carpeting will cost \$1,590.00. She added that the cost of the new elevator flooring is included in the contractor work total. ***Mr. Berchem moved to approve remodeling of the Management Office, including a contract with Pro Design & Build dated February 17, 2022, in the amount of \$19,500.00, and a contract with National Business Furniture dated September 26, 2023, in the amount of \$4,281.12, and a contract with MyNet Security dated October 20, 2023, in the amount of \$5,297.80. Mr. DeMoss seconded the motion, and it passed unanimously.***

Mr. Berchem moved to approve the proposal submitted by Mathew Klujian & Sons, Inc., on July 17, 2023, for renovation of the freight elevator interior, in the amount of \$1,590.00. Ms. Pauly seconded the motion, and it passed unanimously.

MANAGEMENT REPORT – NEW BUSINESS

ACTION AND DISCUSSION ITEMS

2024 Proposed Budget and Fee Schedule

Mr. DeVries stated that the proposed 2024 budget was reviewed at the last Board meeting and was distributed to the ownership. Mr. Berchem stated that the budget proposes an assessment increase of 2.6%, which includes a small increase to the Reserve Fund assessment. He noted a number of changes to the parking charges in the Fee Schedule, and that he discussed with Ms. Dormin a proposal to leave the parking coupon rates the same for the next year because parking is an important amenity for residents. Discussion ensued about garage rates and expenses, about the contribution to the Reserve Fund. The Board and unit owners also discussed the assessment increase and other budget items such as office personnel and relief personnel duties and salaries, as well as other expenses. ***Mr. Berchem moved to approve the 2024 Lowell House Proposed Budget, with a 2.6% assessment increase, and Fee Schedule as presented. Ms. Pauly seconded the motion, and it passed unanimously.***

2024 Board of Director Meetings

Ms. Pauly moved to approve the 2024 schedule of Board of Directors Meeting dates as presented. Ms. Dournebos seconded the motion, and it passed unanimously.

Election of Officers

Mr. Berchem moved to nominate Dave DeVries for President. Ms. Pauly seconded the motion, and it passed unanimously.

Mr. Berchem moved to nominate Phil Niedziela for Vice President. Ms. Pauly seconded the motion, and it passed unanimously.

Mr. Berchem moved to nominate Ann Marie Calacci for Secretary. Mr. DeMoss seconded the motion, and it passed unanimously.

Mr. DeMoss moved to nominate John Berchem for Treasurer. Ms. Pauly seconded the motion, and it passed unanimously.

Appointment of Representatives to HOA

After discussion, ***Mr. DeVries moved to appoint John Berchem as the Association's representative and Louise Pauly as the Association's alternate representative to the Sandburg Village Condominium Homeowners Association for 2024. Mr. DeMoss seconded the motion, and it passed unanimously.***

22.1 Disclosure Form

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

Fannie Mae Form 1076/Freddie Mac Form 476

Mr. DeMoss moved to approve the standardized template for the Association's current Condominium Project Questionnaire. Ms. Dournebos seconded the motion, and it passed unanimously.

Triennial Property Tax Reassessment – Legal Representation

Mr. DeVries informed the Board that the Association can expect significant increases in property taxes, and stated that the Association's legal counsel for other issues has submitted a proposal to represent the entire Association in attempting to lower those increases. He stated that legal counsel's payment for the service would be four percent of the savings that legal counsel succeeds in obtaining for the Association, and explained that it is a contingency payment. ***Mr. Berchem moved to approve the proposal submitted by Kovitz Shifrin Nesbit on October 23, 2023, to represent the Lowell House Condominium Association for the 2024 triennial reassessment appeal. Ms. Dournebos seconded the motion, and it passed unanimously.***

Electric Vehicle Charging Stations

Mr. Berchem noted that currently the garage has no charging stations for electric vehicles, but that more electric vehicles are being used, and that the Illinois General Assembly passed legislation, effective on January 1, 2024, that will probably result in the emergence of some new charging equipment. He advised that Management consult with Elara Engineering regarding what it would propose as a way for Lowell House to accommodate electric vehicles. Mr. DeVries agreed with Mr. Berchem's assessment and advice, mentioned various set-ups and ways of charging for the service, and asked Ms. Dormin to research the matter. Discussion ensued. Ms. Dormin stated that although there are some electric vehicles now parked in the garage, no one has asked her about charging stations, and described her previous experience with garage charging stations.

UNIT OWNER COMMENTS

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

- Black mold discovered in an apartment, problems and costs resulting from it, and the Association's responsibility in the matter. Further discussion was moved to Executive Session.
- The number of ESA dogs in the building, possibly eight, and an ESA cat.
- Whether only unit owners and registered tenants can have ESA animals.
- Unit owners paying fines incurred by their tenants.
- Locking the front and side doors.
- Not allowing visitors to bring pets into the building unless they have undergone the Association's pet-approval process.

RECESS TO EXECUTIVE SESSION

The meeting was recessed to Executive Session at 7:41 p.m.

RECONVENE TO OPEN SESSION AND ADJOURNMENT

The meeting was reconvened to Open Session at 8:15 p.m., and, there being no further business to be brought before the Board, upon motion duly made by Ms. Pauly, seconded by Mr. DeMoss and unanimously approved, the meeting was immediately adjourned.


Ann Marie Calacci, Board Secretary