

**BOARD OF DIRECTORS MEETING
ONE EAST SCOTT CONDOMINIUM ASSOCIATION
WEDNESDAY, JULY 13TH, 2011**

A meeting of the Board of Directors of the One East Scott Condominium Association, an Illinois Not for Profit Corporation (the "Association"), was called to order by Jay Hinshaw at 6:05 pm.

Present were board members, Jay Hinshaw, Kay Dembski Michael Schwanderlik, Tricia Fergusson and Ron Yehl. Also present were Debbie Elsasser, Property Manager and Ron Hickman supervisor from Community Specialists. Jay Hinshaw acted as Chair of the meeting and Debbie Elsasser kept the Minutes.

The first order of business was the approval of the Minutes from the Board of Directors meeting held on May 11, 2011. On a motion duly made (Ron Yehl) and seconded (Michael Schwanderlik) the Minutes of the May 11, 2011 Board Meeting were unanimously adopted.

The next order of business was the financial report. There was brief discussion on this. Costs are generally running at or below budget. The following is from our latest monthly financial report:

CASH & INVESTMENT BALANCES as of May 31, 2011 are as follows:

Lakeside Bank Operating Cash	\$87,579
Lakeside Bank Money Market	105,554
PNC Bank Money Market	233,010
Northside Community Bank	234,479
Max Safe Reserve	456,239
Certificates of Deposit	1,336,571
Total	<u>\$2,453,433</u>

Replacement Reserve Funds as of May31, 2010 were:

GL# 7074 Elevator Reserve	33,336
GL #3076 - Façade Repairs Reserve	\$ 216,652
GL #3077 - Window Replacement Reserve	758,352
GL #3078 - Garage Reserve	183,348
GL #3080 - Capital Replacement Reserve	666,346
Net Reserve Fund Income/Loss	300,312
Total Reserve Balance	<u>\$2,158,346</u>

The first order of "Old Business" was a report on the Fan Coil Units. The Board had asked management to keep a record of those units that were most problematic, and the list consists of 6 units so far this season. It appears that the coils in the units are fine, but the condensate water does not stay on the coils and in the pans. The root cause of this is usually not obvious and is difficult to fix. On some units the problem is with the pan, on other units water is getting onto the unit housing before it reaches the pan. Maintenance is addressing each problem by improvising different approaches to "manage the leak", since a real fix is usually not possible, short of replacing the unit. Replacing a unit is disruptive and very expensive; we just received a \$6,700 quote to replace one unit, not including the drywall work. The only cost-effective way to replace the units is to do whole tiers at one time, but this would have to be done over a number of years, would cost about one million dollars to do the entire building, would be dirty and disruptive to the occupants, and individual unit owners would have to do their own re-finishing of walls and floors after the major work is done.

The Board asked management to continue to monitor this. Maintenance staff will keep a vigilant watch on the situation and management will continue to keep a record of units that need attention. The anti-clog tablets that were purchased and placed in each pan have had a positive affect on the water and sludge build up in the pans.

The first order of "New Business" was the renewal of the Trane HVAC contract. Debbie told the Board that Trane had asked for a two year renewal with a slight increase the first year and a slight increase the second year. Debbie is negotiating with Trane to waive the second year increase. In a motion made by Ron Yehl and seconded by Kay Dembski the Board agreed to renew the contract with Trane for two years.

RESOLVED: The Board agrees to extend the contract with Trane for two years.

The elevator audit was the next order of business. Jay explained that our elevator contract will be expiring on January 30, 2012. Management had asked Community Specialists for a few vendors to bid out the contract and Jim LaChapelle from Community Specialists suggested having an audit of the elevators done by a professional elevator consultant. An audit will tell the building if our present vendor has lived up to its contractual agreement, and if not, put together a punch list of items that need to be addressed. The consultant chosen for the audit will also draw up specifications for a new contract and assist with bidding and contract negotiations. They will have the knowledge as to which companies are qualified to work on our elevators.

Management received three proposals for the elevator audit and bidding, and turned them over for Board approval. Donnelley had the lowest cost proposal, and comes with good recommendations from Community Specialists. In a motion made by Ron Yehl and seconded by Tricia Fergusson the Board agreed to hire Donnelley at a cost of \$3,400.00

RESOLVED: The Board agrees to contract with Donnelley to perform an elevator audit, prepare a punch list, if needed, of work to be done per our present contract and assist in bidding and negotiations for a new contract for the elevators at a cost of \$3,400.

The next order of business was the Sundeck Repairs. Management told the Board that KGH Engineering was out to look at the pool sundeck because there were areas leaking below into the storage locker room. KGH sent over a crew to take core samples of the deck and sent in a report of their findings. It was determined that the deck is in need of repairs. In order to determine a price for these repairs the type of membrane needs to be determined. Jay Hinshaw suggested meeting with Howard Ladin from KGH to determine the best plan of action. Jay solicited Ron Yehl from the Board to help with this. Management will be setting up a meeting. The first draft of next year's budget carries a \$50,000 "guestimate" for anticipated pool deck repairs.

The final order of business was the budget review for the 2011-2012 fiscal years. The Board had reviewed the draft of the budget and was in agreement that the budget seems in order. The Board then had much discussion on the need for an increase in assessments; while operating costs have not gone up, there is some concern about the level of reserves needed to cover the many future capital improvement/repair projects. Michael motioned for a 0% increase, but there were insufficient votes for approval. A motion was then made by Tricia Fergusson and seconded by Kay Dembski for a 2% increase. The Board approved this increase. It was then also agreed to allocate \$50,000 of reserves contributions from the general reserve category to the dedicated window reserve category.

RESOLVED: The Board approves the proposed 2011-2012 budget with a 2% increase in assessments, which will be issued to Owners for the required review period before final budget action at the next Board Meeting.

The next meeting was set for Wednesday September 14th at 6:00 p.m.

There being no additional business, the meeting was adjourned at 8:15 p.m.

Secretary of the Meeting