

Association of Condominium,
Townhouse, and
Homeowners Associations



11 E. Adams, Ste. 1107 • Chicago, IL 60603 • 312-987-1906 • actha@actha.org • www.actha.org

MARCH 2013

Inside this issue:

Tip the Month	3
Furnace Efficiency Standards	3
Question of the Month continued	4
Welcome New Members	5
ACTHA Spring Conference:	6
Conference Registration Form	7
Question of the Month	8

2013 PLATINUM SPONSORS

*3eReserves • AAA Painting Contractors
 ACM Community Management
 Adams Roofing Professionals
 Bral Restoration
 Caruso Management Group
 CertaPro Painters
 Community Advantage
 Community Association Banking
 CRC Concrete Raising
 Dickler Kahn Slowikowski & Zavell
 Erwin & Associates
 F M & J Asphalt & Paving
 Frost Ruttenberg Rothblatt PC
 Fullett Rosenlund Anderson
 Law Office of Sima Kirsch
 Keough & Moody • Kovitz Shifrin Nesbit
 Penland and Hartwell • Pro-Home Services
 Rosenthal Bros.*

EDUCATION

for

TODAY'S ISSUES

See page 7

NUTS AND BOLTS OF TAKING MINUTES

By: David Buetow of Fuchs & Roselli

Meeting Minutes

Proper meeting minutes are an essential ingredient of a well-run Association.

First, they help preserve the corporate formality of the Association. Second, they can be reviewed once requested by a given owner (the types of records produced and nature of that request being beyond the scope of this article) and third, they reflect the fundamental operation of the Association by virtue of motion passage and serve as the record for the same. In no other way can a record of the operation of the entity itself be established.

Meeting minutes are not the place for a novella on the meeting operation, drama or tone. They are a mechanical description of what occurred. They should be short and sweet, and not the place for descriptive prose. Moreover, they should be kept in centralized repository like a binder or corporate meeting minute book in chronological order with the meeting agenda attached. This creates a chronological, clean and “easy on the eyes” reference.

What, then, must be included in the minutes?

Meeting Opening and Start Time, and Quorums

Each set of meeting minutes should record the meeting start time, the presence of a quorum, and a notation as to who is present (i.e., Board members, community managers, vendors, Association counsel). Most often, a meeting will open with the reading and adoption of the minutes from the prior meeting; this is a giant incentive to keep those minutes short and to the point such that the audience and participants are not asleep before the first agenda items of the meeting are even addressed. Once those meeting minutes are read, a motion to approve those minutes should be offered, then seconded, and then voted upon. Its passage should be one of the first entries in the current meeting minutes.

Continued on page 4

CONDOMINIUMS • TOWNHOMES • HIGH RISES • MULTI-TENANT



www.csr-roofing.com

We see more than just a roof above...



We see the people and the property it serves to protect.

- New Roofing
- Repairs
- Maintenance Programs
- Tapered Insulation
- Reflective Coatings
- Modified Bitumen
- Hot Asphalt
- Coal Tar Pitch
- P.V.C.
- EPDM
- T.P.O.
- Shingles
- Skylights
- Sheet Metal
- Gutters
- Drainage Improvements

CSR Roofing Contractors – providing superior service to greater Chicagoland for over 30 years. PHONE: 708.848.9119 FAX: 708.848.8947

EVERGREEN LANDSCAPE ASSOCIATES

DESIGN • CONSTRUCTION • MAINTENANCE



99 Boulder Drive
Lake in the Hills, IL 60156
847 854-1195

521 W. Main Street
St. Charles, IL 60174
630 584-1989

www.evergreenlandscape.net info@evergreenlandscape.net

HOMEWISEDOCS.COM INNOVATION AT WORK

Karen Lea Corral
Midwest Regional Manager

4773 Mangles Blvd.
Fairfield, CA 94534

Chicago, IL
(773) 936-3270

kcorral@homewisedocs.com
www.homewisedocs.com



Board of Directors

Officers

President: Beth Lloyd **Vice President:** Diane Pagoulatos **Treasurer:** Bob La Montagne **Secretary:** Jacqueline Fanter

Directors

Julie Cramer

Joe Fong

Mike Matthews

Jeff Schmitt

Executive Director: Gael Mennecke

Lobbyists: John Carr and Richard Lockhart, Social Engineering Associates, Inc.

Legal Advisors: Rob Kogen, Kovitz, Shifrin Nesbit / Charles VanderVennet, Attorney in private practice

Accountant/Advisor: Garry Chankin, Frost Ruttenberg & Rothblatt, C.P.A.

Note: Materials in this publication may not be reproduced without the written permission of ACTHA. The statements and opinions in this publication are those of individual authors and ACTHA assumes no responsibility for their accuracy. ACTHA is not engaged in rendering legal, accounting or other expert assistance. If required, the services of a competent professional should be sought. Acceptance of advertising in the ACTHA newsletter does not constitute an endorsement by ACTHA or its officers of the advertised products or services. The publisher reserves the right to reject any advertising.

TIP OF THE MONTH

Fiscal Cliff Extends Energy Efficiency Tax Credits

Passed at the beginning of the New Year to avoid tax increases for most Americans, as well as significant, across-the-board spending cuts, the **American Taxpayer Relief Act of 2012** is bringing back energy efficient tax credits for windows, doors and skylights.

Specifically, the bill reinstates the 25c tax credits that expired at the end of 2011 and extends them through the end of 2013. The 25C homeowner tax credits have been reinstated at the 2011 levels of up to 10 percent of the cost of building envelope improvements with a maximum deduction of \$500.

The credits, in place retroactively for 2012 and in effect through the end of 2013, also include a maximum credit of \$200 for windows. Those maximums are well below those in place for 2009 and 2010. Under the 2009 stimulus bill, homeowners could receive a tax credit of up to \$1,500 for those two years.

Although information about the reinstatement of the tax credits is **not yet posted** (as of press time) on the Energy Star website, the recent changes are reflected in the 2012 Residential Energy Credits Form 5695 from the Internal Revenue Service.

Kathy Manz

Condo CPA ^ 188 Industrial Dr, Elmhurst 60126 ^ 630-832-2222 ^ brad@condocpa.com ^ www.condocpa.com

CLARIFICATION

After ACTHA went to press with its February newsletter with the lead article "Energy Efficiency Requirements for Furnaces," an update was released. John Hershey of J. Hershey Architecture and author of the article provided this clarification:

The original law impacts the installation of all new gas furnaces effective May 1, 2013 in the entire country. In the northern region, gas furnaces will need to be at least 90% energy efficient. ACCA published an article in June 2012 regarding this new law. To meet this criteria, gas furnaces would need to be condensing furnaces, which has caused havoc in the multiple-dwelling industry because furnace rooms were not designed for condensate lines and new drain lines would need to be installed inside all units in a tier if even one owner would need to have a new furnace installed. Condensing furnaces in non-weatherized furnace rooms are especially problematic because lines would freeze and crack since the drain line would be outside, causing water backups and possible flooding.

There has been a tentative settlement regarding at least non-weatherized furnaces, but there have been no rulings as yet until this matter is up in court, which will be in a few weeks. Currently a furnace located in a unit would still have to comply with the 90% efficiency furnace.

There are also other joint motions which have been submitted, but no rulings have been made until they are also argued in court. We are monitoring this situation closely and will update you on any further developments.

MAKE SURE ACTHA HAS ENOUGH BREAKFAST!!!

Even if you are planning on attending only the FREE Trade Show, Ask the Expert booths and maybe even win \$100 (three cash drawings!), we ask that you pre-register by 5 p.m. on Wed., March 13. If you don't register and you don't get a FREE breakfast, don't blame ACTHA!

SEE PAGE 7

Meeting Parrots Agenda

A meeting, regardless of whether of owners or of the Board, should parrot the agenda for the meeting as this will create a unified set of records for easy reference. Most importantly, however, a streamlined agenda that is synonymous with the minutes shows a well-run Association that is much easier to defend if need be. Therefore, try to remain on point and address the items on the agenda in order in the minutes themselves.

Operation

The meeting minutes will most often be a method to show how the Board acted upon a certain topic, and, therefore, the minutes should reflect crystal clear motions to do a certain item, a second of that motion, a vote, and the outcome of that vote. After that, the minutes should reflect the motion passage or denial and the vote count. Do not include floor debate in the minutes; the minutes are there to tell the mechanical story of the Board and Association, not a summary that would rival a short story. However, do note if a Board member leaves or arrives late, as the presence or absence of the same can have implications in Board operation. Moreover, do not entertain another motion while one is on the floor or has yet to be reflected in the minutes. Be deliberate, do one thing at a time and consider your writing an extemporaneous outline that someone can read and understand later – and who can do so quickly.

What to Omit

We have already discussed resisting the temptation to editorialize the minutes. However, there are other items that should be omitted as a rule, among which are private or executive session discussions with counsel and certain types of records and information considered confidential by

the Illinois Condominium Property Act and the Common Interest Community Association Act. It is imperative to omit a private or executive session discussion with counsel, as that could be used offensively by an adverse party later on to fuel an argument that the Board waived attorney-client privilege on a given issue.

Executive Session

When Boards meet amongst themselves in “Closed” or “Executive” session it is not appropriate to pass motions. Matters that are later passed upon in open Board meetings may be discussed. For this reason, best practice would include an antiseptic description of what was discussed in Executive Session (for example, one that does not discuss privileged matters or confidential information) and a bland motion referring to whatever was discussed reflected as passed in an open Board meeting minute passage. In this way, privileged or confidential information can remain sacrosanct but the Board can still operate as a going concern in the manner anticipated by law.

Conclusion

Best practice is to keep meeting minutes short and devoted to the nuts and bolts of the Association’s operation. Remember that someone may need to read, understand and pull information on what occurred during that meeting later on to either sustain or challenge the activity set forth therein. Moreover, meeting minutes are a key ingredient of corporate formality. As always, if you have questions or want a checkup on your meeting minute practices, consult your Association counsel, or dive into an ACTHA seminar or webinar that can more fully explain the key ingredients of quality meeting minutes.

440 W. Randolph, Ste. 500 ^ Chicago 60606
312-651-2400 ^ dbuetow@ffrltd.com ^ www.frltd.com

The first example here may be a problem. The payment of compensation to collect and record assessments probably makes the person a “Community Association Manager” as defined in the Community Association Licensing Act, which applies to associations having more than 10 units. If a director or officer is being paid to perform manager functions, which may include simply collecting funds, they must be licensed as a community association manager pursuant to the law. Performing services without a license is a violation of the law, which may subject the person to penalties. The directors and officers of the association who are not paid any compensation are not required to be licensed.

Also, any time a director, officer, owner or other person provides a service, particularly for compensation, liability and insurance questions arise in the event the person is injured, or the person causes injury to others or other damage, while performing the task. The Association should have liability and workers compensation insurance, but this should be discussed with your insurance professional.

WELCOME NEW COMMERCIAL MEMBERS

BATH FITTER, THE

Laurie Wiley
1150 N. Main St., Lombard,
60148
T: 630-424-1340
F: 630-424-1220
Email: lwiley@bathfitter.com
Web: www.bathfitter.com

FIRST ASSOCIATIONS BANK

Alan Seilhammer, SVP
12001 N. Central Expressway,
#1165, Dallas, TX 75243
T: 877-593-8406 x1
F: 877-389-4661
Email: aseilhammer@fabank.com
Web: www.fabank.com

GIRARD LAW GROUP, THE P.C.

Andrew Girard
4311 N. Ravenswood, #202,
Chicago, 60613
T: 773-598-2040
F: 773-598-2040
Email: agirard@girardlawgroup.com
Web: www.girardlawgroup.com

KNUTTE & ASSOCIATES, P.C.

(Accounting)
Kathy Hays
7900 S. Cass Ave., Darien,
60561
T: 630-960-3317
F: 630-960-9960
Email: kathyh@knutte.com
Web: www.knutte.com

†OAK PARK MEDIATION

(Attorney support services)
John Cabral
110 S. East Avenue, #2S, Oak
Park, IL 60302
T: 708-524-1230
Email: cabral@oakparkmediation.com
Web: www.condoconflict.com

SAISI, JOHN L./FARMERS INSURANCE

John Saisi
520 W. Northwest Highway,
Arlington Heights, 60004
T: 847-398-7608
F: 847-398-3928
Email: saisiins@aol.com
Web: www.farmersagent.com/jsaisi

SCG MAINTENANCE, INC.

(Concrete Resurfacing)
Sergio Chavez
491 S. Irmen Dr., Addison, 60101
T: 630-330-6598
F: 630-790-1614
Email: sergio@scgmaintenance.com
Web: www.scgmaintenance.com

VINTECH

(Safety and Security)
Mun Wong
1836 W. Belmont Ave, Chicago,
60657
T: 773-388-1208
F: 773-880-6698
Email: mun@vintechology.com
Web: www.vintechology.com

ZENITH LANDSCAPE GROUP, LLC

Wesley Peete
38579 N. Arbor Ct., Wadsworth,
60083
T: 847-360-1010
F: 847-360-1011
Email:
wpeete@zenithlandscapegroup.com
Web:
www.zenithlandscapegroup.com



BDK Quality Services
Specialists In Cleaning Services

142 W. Home Ave
Villa Park, IL 60181
Phone (630)782-6191
Fax (630)782-6188
Brad Kummer
b.kummer@bdkqs.com

**24 HR
EMERGENCY
SERVICE**

WATER
DETECTOR



(847) 247-4400
www.CedarRoofingCompany.com
REPAIR * RESTORE * REPLACE

Roofing | Gutters | Siding | Sheet Metal | Windows
Skylights | Carpentry

FULL LINES OF STEEP SLOPE AND FLAT ROOF SERVICES
RAPID RESPONSE MAINTENANCE SERVICES

27820 N. Irma Lee Circle, Lake Forest, IL 60045

ACTHA's Spring Conference Program

A DAY OF EDUCATION DESIGNED FOR TODAY'S ISSUES

For more detailed information as well as who will be exhibiting, visit
ACTHA's website: www.actha.org and click on "Spring Conference & Trade Show"

This year's educational seminars have been chosen for their importance, timeliness and necessity. The programs are specifically designed for board members, owners and managers although others in the industry can benefit as well. *What is being offered?*

- **FRAUD**—It is not only policies and procedures Boards put in place for handling receivables and payments, but also the protections necessary as we progressively move to being more online with a number of activities - including *money*.
- **LEASING**— Distress for Associations continues as units/homes are foreclosed on and remain vacant. Owners seek to rent and associations consider policies related to same as well as the pro's and con's of becoming landlords.
- **FORECLOSURES, SHORT SALES, BANKRUPTCIES**—Every action cited has repercussions for the individual owner as well as for the association. Associations do have some protections under the law but knowing the process, procedures and the timeline is a necessity for anyone involved in community association living.
- **INSURANCE**—Without a doubt, knowing the basics of coverage for the association, board and owners is one of the most important issues someone in a community association should be knowledgeable about.
- **BUDGETING**—Never has financial planning for associations been more important. Costs go up, owners' homes are lost to foreclosure, they object to assessment increases, disagreement ensues regarding on-going daily maintenance or the need for capital projects. Knowing how to keep revenue stable while dealing with escalating expenses is a necessity for all associations.
- **COMMUNITY**—Does your association have owners who bought because they liked the granite countertops in the kitchen? How do you build the community that has residents involved and committed not only to their home but to the community as a whole? This two-part session looks at maintaining the property for those looking in from the outside as well for those on the inside. It then takes you to the next step—creating an environment where most everyone wants to live in this community
- **RAPID FIRE**—ACTHA has asked this panel of experts to share their inner most secrets and tips for their particular discipline. The tips are guaranteed to help you.
- **ARE YOU NEW**—Whether new to community association living or new to the Board, this session will provide the essentials you need to know. Believe us, this session will make your life easier if you understand the responsibilities of being a board member/owner or being an owner/resident

ASK AN ATTORNEY and ASK THE EXPERT BOOTHS

ACTHA will conclude the day with its most popular offering—Ask an Attorney! The opportunity to ask your question and hear what other associations are dealing with! Take advantage of our free morning Ask the Expert booths—a one-on-one opportunity to explore an issue your association is coping with



Question of the Month

*By: Jim Slowikowski of Dickler Kahn Slowikowski & Zavell, Ltd.
85 W. Algonquin, Arlington Hgts. 60005 ^ 847-593-5595
jim@dicklerlaw.com ^ www.dicklerlaw.com*

Q. We are a small self-managed condo association. We pay our president a monthly stipend to handle day-to-day responsibilities for the association such as collecting and recording assessments. We also pay another board member a stipend to handle light janitorial services. We have been advised that this is inadvisable. Could you comment on this, keeping in mind we have only 12 units and limited financial resources.

A. The question posed asks about compensation for services provided that are beyond the scope of a director's regular responsibilities (and not for service as a director). A director may be paid for such additional services. For example, a licensed and insured plumber may provide plumbing services and be paid. NOTE, however, that both the Condominium Property Act, and the Common Interest Community Association Act, provide that the board may not enter into a contract with a board member, or the member's immediate family, or their company (if they have at least 25% interest) unless notice of the intent to enter into the contract is given to the unit owners within 20 days after the board decision is made to enter into the contract. The owners then have 20 days to file a petition signed by 20% of the owners to call a meeting to vote to approve or disapprove the contract. So, to enter into an agreement with a director to pay for light janitorial services or any services, the procedure must be followed. There should be transparency, as owners may be suspicious as to whether the compensation is appropriate. In the interest of transparency, in addition to the notice, some boards may find it prudent to call a special meeting to discuss the board's intentions.

Continued on page 4

SPRING IS AROUND THE CORNER!

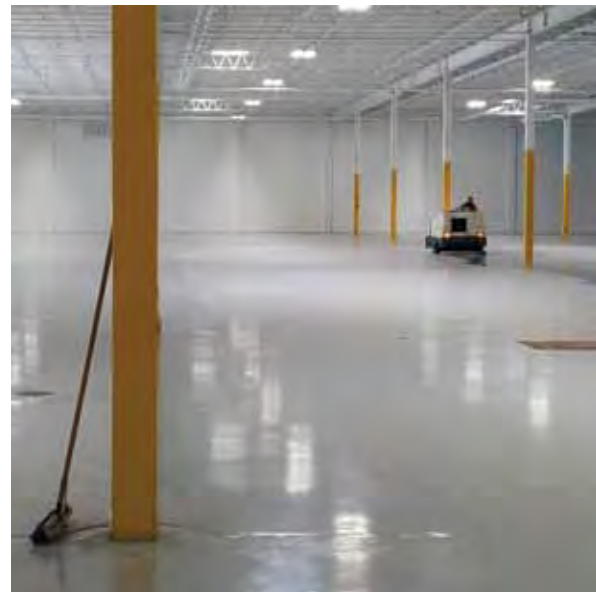
**DOES YOUR PARKING GARAGE
NEED TO BE CLEANED?**

WE CLEAN PARKING GARAGES

Going To Extremes for more than Two Decades!

Superior Equipment

Extreme Power Cleaning uses only the most advanced equipment in the power cleaning and snow removal industry. From using the latest in liquid deicing technology, to using the most environmentally friendly cleaning products, and maximizing on the use of alternative fuels to power our equipment Extreme Power Cleaning has truly become a Green company leaving the least invasive environmental footprint it can. Whether it comes to general surface cleaning, pressure washing, power sweeping or snow removal...EPC goes to Extremes to be Green. When you need it clean call Extreme!



Keeping Your Image Clean!

Experienced Operators & Cleaning Crews

What good is having the most advanced equipment and techniques in the world if you don't have the best-trained, certified and experienced staff? Extreme Power Cleaning only uses the most experienced and seasoned operators and hand selected cleaning crews who not only know how to get the best out of their equipment but know precisely what works best and when. It is EPC's two-decades of knowledge and experience that further insures that customers get the highest quality job on each and every job site or project...satisfaction guaranteed!



Some Other Noteworthy Specialties

- Parking Garages, Parking Lots and Roadways
- Pre and Post Construction Cleanup / Prep
- Hot Water Pressure Washing / Surface Cleaning
- Brick Paver Cleaning
- Asphalt Striping and Marking Pre Cleaning and Preparation
- Building & Warehouse Cleaning
- Tenant Vacancy Building Restoration
- Building Clean Outs / Junk Removal

Customers & Clients Served

See back page...



Call 630.532.0345

or visit us at...

www.extremepowercleaning.com



A Leader in Power Surface Scrubbing, Sweeping, Washing and Snow Removal in the Midwest!

Introduction

Extreme Power Cleaning, Inc. is an "Elite" full service power cleaning contractor, specializing in power scrubbing, power sweeping, pressure washing, and snow removal. EPC has been an authority in "Flat Surface" power cleaning for over 15 years. Some of the types of projects include warehouse floors, post construction clean-up, flood water extraction, and snow removal. Whether the project is interior or exterior, we have the specialized machinery and experienced personal to insure the integrity of service that we will always provide, without compromising the high standards that our customers demand.

Primary Services

- Power Sweeping
- Power Scrubbing
- Pressure Washing
- Snow Removal
- Flood or Storm Water Removal
- Property Management Problem Solving

Extreme Power Cleaning's Executive Management Team...Has The Right Stuff!

Extreme Power Cleaning's management team has over 50 years of "Field" experience combined. Whether your power cleaning project is simple or difficult, we have to expedite the most efficient and cost effective solution without compromising the respect and awareness to our environment.

About Lou Rotella, EPC President

It's been two-decades now since EPC President, Mr. Lou Rotella Jr. started the journey that has lead to what EPC

is today. Lou got his start working for his family's fork lift service business Lectro-Lift. Learning from his father about business ethics, integrity, and with an investment from Lou's parents, Lectro-Sweep, Inc. grew with the forward vision, ingenuity and strong work ethic of Lou Rotella, and his business partner Tom Peters, the organization grew to what it is today, Extreme Power Cleaning.

Contact: Mr. Lou Rotella, 630-532-0345 office, 847-361-6240 cell, lrotella@extremepowercleaning.com

Tom Peters, EPC Vice President

Tom Peters, much like Lou himself is committed to bringing customer service excellence, business management, and corporate leadership. Tom's main responsibility is for the day-to-day balancing of customers needs and selecting the equipment and talent for the job. Uniquely, Mr. Peter's business management experience in the construction industry and two decades in the snow removal business has given him the know how and skill that has given shape to all of EPC's training, sales and marketing programs, giving EPC that competitive and professional edge in their industry.

Contact: Tom Peters, 630-532-0345 (office), 847-344-4750 (cell), tpeters@extremepowercleaning.com

Extreme Power Cleaning is Here For You

EPC serves commercial, industrial, government and residential property managers and maintainers all around the Midwest. So when you need it clean, call Extreme!

Customers and Clients Served

Extreme Power Cleaning has served more than several hundred satisfied customers over the years and cleaned and cleared millions square feet of surface. Below please find a partial listed of customers.

- Anheuser-Busch, Inc. (City Beverage)
- CenterPoint Properties
- Double Tree Hotel
- FedEx Group
- Grand Victoria Casino
- McShane Construction
- Northeastern Illinois University
- Prologis
- Robinette Demolition Inc.
- Sheraton Chicago Hotel & Towers
- Tellabs
- Walsh Construction
- Waste Management

A complete list of references available upon request.

Extreme Power Cleaning, Inc.

195 Garden Avenue, Unit D
Roselle, IL 60172

847-532-0345

info@extremepowercleaning.com
www.extremepowercleaing.com



Power Scrubbing, Sweeping, Washing & Snow Removal



Call Us At 630.532.0345