

Association of Condominium,
Townhouse, and
Homeowners Associations



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Inside this issue:

2016 Legislative Roundup	1, 4-5
A Guide to Smoke-Free Housing	3
Welcome New Members	5
South Expo Updates	6-8

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INVEST IN YOUR BOARD!

As budget season arrives, remember to set aside some dollars for ACTHA membership and educational activities in 2017.

2016 LEGISLATIVE ROUNDUP Affecting Condominium and Common Interest Community Associations

By: Michael C. Kim

Michael C. Kim & Associates

ACTHA Legislative Committee Co-Chair

Chicago, IL

As in past years, the Illinois General Assembly ultimately passed legislation affecting the operations of condominium and common interest community (a/k/a townhome and homeowners) associations. Having been passed by the Legislature, the bills have now been signed into law by the Governor.

A synopsis of these bills is set forth below:

HOUSE BILL 4658 (HB 4658) (now Public Act 0776, effective August 12, 2016) amends the Condominium and Common Interest Community Ombudsperson Act (the “Ombudsperson Act”) by changing the definition of “condominium association” in accordance with Section 2(o) of the Illinois Condominium Property Act (as well as a similar reference for the definition of a “master association”); placing the Ombudsperson’s office within the Real Estate Division of the Department of Financial and Professional Regulation; precluding the Ombudsperson from having any authority to consider matters subject to the Illinois Human Rights Act or brought before the Department of Human Rights or the Illinois Human Rights Commission or comparable local governmental body or a federal agency or commission; changing the date on which the Ombudsperson can offer outreach and educational courses to July 1, 2017 (originally July 1, 2018); including in the Ombudsperson’s website information concerning alternative dispute resolution programs and contacts; permitting use of a statewide toll-free number to provide information and resources; specifying that the association’s policy for resolving complaints by unit owners must include a requirement that the determination of the dispute be made within 180 days after receipt of the original unit owner’s complaint; extending the deadline for establishing and adopting the unit owner’s complaint resolution policy to January 1, 2019 (if the association is created after January 1, 2019, it must establish and adopt its policy within 180 days after its creation);

Continued on page 4



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Protecting Residents and Their Investment A Guide to Smoke-Free Housing

By: Kristina Hamilton, Senior Manager, Tobacco Control
American Lung Association
Chicago, IL

If someone smokes in your property, you know how serious the damage can be: burned carpet, stained walls, and the residual smell. Secondhand smoke is hard on your investment, so imagine what it does to your residents.

In a multi-unit building, 35 to 65 percent of the air in any given unit is shared from other units and common areas. That means if just one resident smokes, all other residents in that building share the consequences, including an increased risk of heart attacks, stroke and lung cancer. Children exposed to secondhand smoke will have an increased risk of asthma attacks, infections, and SIDS (crib death).

You can protect your residents' health and your investment by making your properties smoke-free. Going smoke-free doesn't mean that you don't accept residents who smoke. Simply put, a smoke-free building is one in which smoking is not permitted indoors, including in any units or common areas. Adopting a smoke-free policy is legal, profitable and easy.

Smoke-free policies are legal. Just like your policies regarding noise and pets, you can enact policies to prohibit smoking to create a better, safer living environment for your residents. In fact, the U.S. Department of Housing and Urban Development is in the process of transitioning all of its properties to smoke-free and strongly encourages private property owners and managers to do the same.

Smoke-free policies are profitable. Compared with a unit where smoking is allowed, smoke-free units can cost two to six times less to turn over. In addition, a poll commissioned by Cook County Department of Public Health found that more than two-thirds of suburban Cook County renters would be more likely to rent in a smoke-free building than a building that permitted smoking in units. One out of five renters even said they would be willing to pay more to live in smoke-free housing.

Smoke-free policies are easy. Developing and implementing a smoke-free policy takes minimal effort and produces maximum results for you and your residents. Once implemented, smoke-free policies are generally self-enforcing and require little staff time. The website www.healthyhotspot.org offers a step-by-step guide to implementing smoke-free housing for rental properties.

Community associations who wish to become smoke-free would require a bylaws update.



Led by Cook County Department of Public Health, Healthy HotSpot works with property owners and managers, public housing agencies, private developers and community organizations to transition properties to smoke-free. **It provides free assistance, including help with sample lease language, resident surveys, smoke-free signage, smoking cessation resources and fact sheets.**

For more information, visit www.healthyhotspot.org or contact Aesha Binion at the Cook County Department of Public Health: abinion@cookcountyhhs.org or 708-633-8342. Property owners/managers outside of Cook County may find resources on the ALA's website: www.lung.org/local-content/Illinois

eliminating the potential penalty of an association's not being able to enforce its common expense/assessment lien rights for failure to adopt a complaint resolution policy (note that the statutory reference to Section 65(g) is probably erroneous); postponing until July 1, 2020 (and subject to appropriation of funds), the Ombudsperson's assisting a unit owner in resolving that owner's dispute with his/her association involving either the Condominium Property Act or the Common Interest Community Association Act; providing that the Department shall establish rules describing the time limit, method and manner for dispute resolution by July 1, 2020; stating that a request for information to the Department of Ombudsperson is not a request under the Freedom of Information Act; stating that the confidentiality provisions of the Ombudsperson Act do not extend to educational, training and outreach material, statistical data or operational material maintained by the Department under the Ombudsperson Act; requiring the Department to submit its first annual report to the General Assembly by July 1, 2018 and thereafter by October 1 of each year, which reports shall include the number of requests for information, the training, education and other information provided, the manner in which education and training was provided, and the time required to provide training, education or other information, and analysis of concerns within condominium and common interest communities; and providing a new effective date of January 1, 2017 (previously July 1, 2016) for the Ombudsperson Act, as well as a "sunset" (repeal) date of July 1, 2022 (previously July 1, 2021).

COMMENT: The Ombudsperson Act is a "work in progress" with good intentions but hampered by lack of state funding.

HOUSE BILL 5696 (HB 5696) (now Public Act 99-0612, effective January 1, 2017) amends the Common Interest Community Association Act and Condominium Property Act to expand the definition of "acceptable technological means" to include "any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability."

COMMENT: Essentially a restatement and reorganization of previously stated concepts in the statutes. No material changes.



SENATE BILL 2354 (SB 2354) (now Public Act 099-0567, effective January 1, 2017) amends the Condominium Property Act and Common Interest Community Association Act and represents a significant "push back" against the 2014 Palm II appellate court ruling. SB 2354 confirms that an executive session can be held either as a part of an open meeting OR as a "stand alone" event "separately from a noticed meeting". Presumably, as a "stand alone" event, there would not be a notice requirement. Also, SB 2354 expands the subject matter of executive session to include discussion with or about independent contractors, agents or other providers of goods and services. Thus, the board can interview and meet with contractors or other third party providers in private. In addition, SB 2354 expressly acknowledges that the board's consultation with association legal counsel can be had in executive session.

COMMENT: SB 2354 does not amend Section 18.5 of the Illinois Condominium Property Act which applies to master associations; so master association board meetings are NOT affected. Note that SB 2354 did NOT amend either the Illinois Business Corporation Act or General Not for Profit Corporation Act, both of which corporation statutes have "open board meetings" sections. It is likely that the overlooked Section 18.5 and the corporation statutes will be addressed in future legislation to make them all alike in this aspect.

SENATE BILL 2358 (SB 2358) (now Public Act 99-0567), effective January 1, 2017) amends the Condominium Property Act and the Common Interest Community Association Act to state that any assignment of a developer's interest in the property to a successor is not effective until such a written assignment is recorded (presumably with the local recorder of deeds).

COMMENT: Good idea.

New ACTHA Members (August 2016)

WELCOME!

SENATE BILL 2359 (SB 2359) (now Public Act 99-0569, effective January 1, 2017) amends the Condominium Property Act to expressly allow the board of directors to pledge the association's future income (assessments and other sources) and to mortgage other association assets to secure a loan.

COMMENT: Those declaration/by-laws that require unit owners' approval of pledge of income (assessments) and other association assets are overridden by this statute, making it much easier to effectuate association borrowing.

SENATE BILL 2741 (SB 2741) (now Public Act 99-0627, effective January 1, 2017) amends the Common Interest Community Association Act to allow correction of errors, omissions or inconsistencies in the governing documents in order to conform with the Common Interest Community Association Act or other applicable law, by only a vote of 2/3 of the board of directors, and negates any provision that requires vote by or notice to the membership.

COMMENT: Assumes that the board of directors is acting properly, but why eliminate notice to the owners?

Overall, the passed legislation is positive and helpful. Of course, legislation is a continuing process year after year. Some good and bad ideas from the past sessions may come back in 2017.

Upcoming Legislative Dates

Election Day: Nov. 8

Veto Session: Nov. 15-17 and Nov. 29-30 and Dec. 1



Association Members

Carillon Club in Naperville Condo Assn
Naperville

Edgewater Beach Apartments Corp
Chicago

Hills of Palos Condo Assn
Palos Hills

Park Tower Condo Assn
Chicago

Piers II
Woodridge

Roger Williams Condo Assn
Highland Park

St. James Condo Assn
Arlington Heights

Steeple Town Homes
Lemont

Twin Gables Condo Assn
Chicago

Commercial Members

Signal 88 Security – Provides a full suite of world-class, industry-leading and budget-friendly security services for homeowner associations and multi-family residential communities
Contact: Joshua Mailey, 815-261-0110
jmailey@signal88.com

Connected Property Management – Located in the Lakeview neighborhood of Chicago, a stellar team of 30+ professional managers dedicated solely to the management of condominiums.
Contact: Paul Houillon, 773-913-2569
paul.houillon@connectedmanagement.com

The Habitat Company – As one of the largest multi-family property developers and managers, Habitat provides an array of services including project management, master insurance program, volume purchasing, budget program and preventative maintenance
Contact: Diane White, Senior Vice President, 312-527-7453, dwhite@habitat.com

Making the Most of Your Fall Expo Experience

Whether you're a first-time attendee or a seasoned regular, small preparations make for an effective use of your time at ACTHA's fall expo events. Below are 3 easy tips for both association and commercial attendees to help maximize their event experience, courtesy of ACTHA's Events Committee:

Association Attendees—Divide & Conquer. Savvy associations register multiple people and assign each to attend various education sessions or meet with specific vendors. Since sessions run concurrently, this allows associations to experience all aspects of the event, and then regroup and exchange notes.

Think about your Association's Needs. Make a list of the top 5 needs for your association in the near future. Then review the exhibitor list prior to the event and identify which companies offer products/services that may meet your needs.

Keep the Big Picture in Mind. Although you may not need a new roof anytime soon, it doesn't hurt to develop a relationship with a roofing company now. You'll be able to identify potential companies the association could work with once a need arises.

Commercial Attendees—Promote Your Support. Let your customers know you're exhibiting at our event. It allows you to maintain relationships with the ones that attend, and your best customers will provide positive word of mouth to other attendees during the event!

Think About Your Customer's Needs. Nobody wants to hear the same canned sales pitch. With ACTHA, the relationship comes first—then the sale. Take time to understand your customer's specific needs and describe how you can help. The sale may not come today, but establishing strong relationships will benefit your business in the long-term.

Learn about the Industry. The world of community living is ever-changing, and successful vendors understand and adapt to our unique needs. Aside from participating in the trade show, attend the education sessions too. Not only will you learn more about the industry, you may meet potential customers!



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- EPDM
- T.P.O.
- Shingles
- Skylights
- Sheet Metal
- Gutters
- Drainage Improvements

South Expo to Feature Stellar Education and Networking Opportunities

In less than two weeks, the first of two ACTHA fall events will commence bringing together board members and unit owners with quality vendors who serve community associations as well as leading industry experts addressing topics impacting today's condo, townhome and homeowners associations.

Exchange ideas with association board members

Find Solutions to the biggest issues impacting community associations

Meet representatives from legal, financial services, construction firms and more

South Expo | Saturday, September 24 | 8am-1pm | Tinley Park Convention Center

Schedule of Events

- 7:30 a.m. Registration and Breakfast
- 8:00—9:00 a.m. Concurrent Education Sessions
CICAA for Dummies—*Doug Sury, Attorney, Keay & Costello*
Palm Today: It's Still a Hot Topic—*Dawn Moody, Attorney, Keough & Moody*
Martin Stone, Vice President, HSR Property Services
- 9:00—11:30 a.m. Trade Show
- 10:00—10:20 a.m. Mini Education Sessions (on trade show floor)
Navigating the Tax Appeal Process
Top 5 Things for Boards to Consider When Reviewing Vendor Contracts
- 10:45—11:05 a.m. Mini Education Sessions (on trade show floor)
Disaster! Preparation, Response and Aftermath
How to Kill a Tree
- 11:30 a.m.—1:00 p.m. Concurrent Education Sessions
Don't Be a Fool: Declarations & Bylaws—*Bill Chatt, Attorney, Chatt & Prince*
Collecting Assessments: Money Matters—*Jim Arrigo, Attorney, Chuhak & Tecson*

Register by 9/21 and save \$\$!

Visit www.condoeducation.org, or refer to the insert included with this newsletter.

**Visit www.condoeducation.org for full information on the
North Expo on Saturday, October 15
at the Renaissance Chicago North Shore (Northbrook)**



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Look Who's Exhibiting at the South Expo (as of 9/8/16)

Commercial Members

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ACM Community Management
Acres Group
Advanced Property Specialists
Bartlett Tree Experts
Calumet Painting & Restoration, LLC
Candos Insurance Agency
CAU of America
CenterPoint Energy
Chatt & Prince, P.C.
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Community Advantage
Countryside Bank
CRC Concrete Raising & Repair
Dickler, Kahn, Slowikowski & Zavell, Ltd.
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