

Association of Condominium,
Townhouse, and
Homeowners Associations



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April 2015 Inside this issue:

Tip of the Month	3
Insurance continued	4
Conference Program	6
Conference Registration Form	7
Question of the Month	8

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EDUCATIONAL CONFERENCE & FREE TRADE SHOW

Sat., April 18 - Oakbrook Terrace
Register before 4-16: SAVE \$

Insurance Changes to the Illinois Condominium Property Act

By Karyl Dicker Foray, CIRMS, CRIS of Rosenthal Bros.

Public Act 98-0762 (S. B. 3014) was signed into law by Governor Quinn last year. This important statute requires that insurance policies which renew on or after June 1, 2015 must include the following provisions:

Increased Cost of Construction coverage – Insurance policies will provide you with funds to rebuild your association building(s) to the same like, kind and quality that you had prior to a covered loss. Increased Cost of Construction coverage gives you insurance dollars to bring your building up to current building codes rather than to codes that were in place when your building was first built. Without this endorsement you will not have insurance dollars to install newly required items (such as wider doorways or sprinkler systems) after a loss. Associations will be required to purchase a minimum limit of Increased Cost of Construction coverage equal to 10% of each building limit or \$500,000 – whichever is less.

Directors' & Officers Liability coverage – All Directors and Officers liability policies must include coverage for defense of non-monetary damages, defense of breach of contract and defense of decisions related to the placement or adequacy of insurance. Also, policies need to include coverage for all past, present and future board members, employees of the Board of Directors and the managing agent. While it is not required by the change, please don't forget that including libel, slander and discrimination coverage is also a "must" to adequately protect your Board and your Association.

Continued on page 4

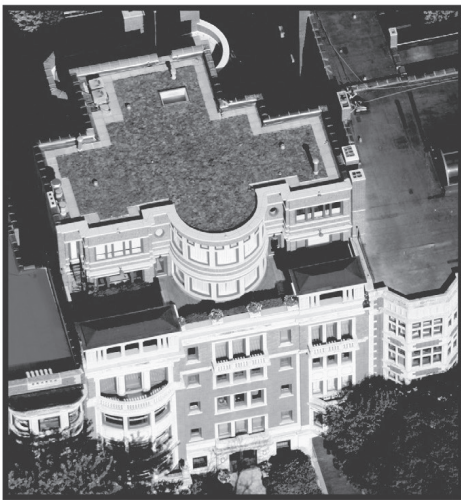
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TIP OF THE MONTH

All property located in Chicago will be reassessed by the Cook County Assessor for tax year 2015. Successful appeals made in the first year of the “triennial reassessment period” generally result in the new values remaining in place for the remaining two years of the reassessment period (2016 and 2017), unless appealed further. It is important to appeal in the first year of the reassessment period in order to establish the correct “base” assessment for the entire three year period.

Appeals are accepted by the Assessor on a rolling basis throughout the tax year. These dates are based on the township in which the property is located. Once a Township is “opened” for appeals by the Assessor, there is a 30 day window in which to file. After this 30-day window expires, the township is considered “closed” for appeals and the Assessor will thereafter review those appeals that have been received by his Office. This process can take from several weeks to several months to complete.

The Assessor’s Office will issue a formal decision letter when they complete the appeals for that township. At that time, a further appeal may be made to the Cook County Board of Review.

The Board also accepts appeals and makes decisions on a rolling basis, depending on the township. It is therefore not possible to provide a definite date by which a final decision will be made for your property. The Board anticipates finishing the entire 2015 assessment session sometime in April 2016, so all assessments for all townships will be finalized by that date. As with the results issued by the Assessor’s Office, the Board will issue a formal written decision which can thereafter be further appealed to the state tax board or circuit court, depending on the final outcome.

The reassessment process can be a somewhat complicated process, with indefinite timing and uncertain results. It is therefore necessary to aggressively pursue assessment relief once the assessment is published. While the outcome is never guaranteed, a well-constructed appeal with a strong argument and persuasive documentation will usually carry the day.

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Continued from page 1

HO-6 policies – The insurance industry recognizes many types of insurance policies. An HO-3 or HO-5 policy will insure a single family home. An HO-4 will provide renters with insurance coverage. An HO-6 policy provides condominium unit owners with insurance on their unit. Currently, the Act allows Association Boards to purchase an HO-6 policy on behalf of a unit owner who refuses to buy coverage and provide evidence that they have purchased this important policy. The new law deletes this provision that has been in the ICPA since 2002.

The majority of insurance companies will not sell an HO-6 policy to an Association Board as the Board doesn't have an insurable interest in specific units.

One last item to note – while there are hundreds of agents who can sell you insurance – there are only a handful of those that specialize in insuring condominium, townhome, homeowner associations and co-ops. When selecting an insurance agent to bid on what might be your Association's largest budget item, please look through the ACTHA or CAI Membership Books and identify those agencies and individuals who have taken the time to further their education and have experience in insuring Associations. I am sure you will find that working with a specialist will better serve your Association and your community.


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checked out ACTHA's website: www.actha.org?

You can find information on

- *Upcoming educational programs including offerings from other sources*
- *Past newsletters and articles that address questions the office gets regularly*
- *Legislation that has been introduced and its status*
- *Vendors who specifically work with community associations*
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ACTHA's Educational Conference Program

For more detailed information, including speakers and exhibitors, visit ACTHA's website: www.actha.org and click on "Educational Conference & Trade Show"

Your choice! Pick one program from each of the time slots offered!

8:00 a.m.—9:30 a.m.

1) Nuisances & Disputes

- Issue, solution, resolution
- Enforceable v. unenforceable
- Violation persistence

Presenters: Kelly Elmore of Kovitz Shifrin Nesbit and Jack Mancione of Werk Management

2) Roles: Officers, Directors, Owners, Professionals

- Roles, functions, rights, responsibilities
- Legal and fiduciary foundations
- Ensuring a smooth working relationship

Presenters: Mark Rosenberg of Fischel Kahn, Michael Rutkowski of First Community Management and Steve Silberman of Frost Ruttenberg Rothblatt

3) Insurance – Risk Management: Covering Your (Ass)ets

- Frequent pitfalls / common errors of omission
- Assessing types of insurance and its coverage
- Bid comparison
- Owner coverage, loss of use, replacement

Presenters: Dawn Moody of Keough & Ron Sirotzki of Hollinger Insurance

11:30 a.m.— 12:30 p.m.

1) Expectations of a Professional Team

- Manager, attorney and CPA expectations
- Communication and operating standards
- Working as a team v. positive critical feedback

Presenters: Gabriella Comstock of Keough and Moody, Hank Demlow of Selden Fox and Lou Lutz of Realty and Mortgage Co.

2) Fiduciary Duty/Until it Happens to You

- Legal, ethical and practical definitions for board members
- Exposure and liability

Presenters: Jim Arrigo of Tressler, Karyl Foray of Rosenthal Bros. and Tom Skweres of ACM Community Management

3) Electronic Voting: Can We or Can't We?:

- Steps to implement
- Advantages and disadvantages
- Provider evaluation
- Legal and practical aspects

Presenters: Pat Costello of Keay and Costello and Laura Nicolini of Caruso Management Group

1:30 p.m.— 2:30 p.m.

1) Best Practices for New Owners/Renters

- "Community association" - reality and perception
- Orienting new owners and renters
- Process, timing, do's and don'ts
- When info given was less instead of more

Presenters: Scott Rosenlund of Fullett Rosenlund Anderson and Patricia Bialek of First Service Residential

2) Board Procedures

- Development of policies/procedures
- Ensuring fairness and consistency
- Statutory compliance

Presenters: William DeMille of Chicagoland Community Management and Attorney Charles VanderVennet

3) Palm Decision: One Year Later

- Past
- Current
- Future

Presenters: Mark Cantey of Cantey Associates and David Hartwell of Penland and Hartwell

ASK A LEGISLATOR / ASK AN ATTORNEY Concludes the Day

Moderator: Chuck VanderVennet

State Representative Elaine Nekritz and Marshall Dickler of Dickler Kahn Slowikowski & Zavell

ACTHA ANNUAL MEMBERSHIP MEETING

The annual membership meeting will take place on Saturday, April 18 at Drury Lane in Oakbrook. The Call to Order will take place at the conclusion of the Ask a Legislator/Ask an Attorney panel. It is anticipated the meeting will begin at around 3:45 p.m.

Information on voting, including recommendations for changes to the ACTHA bylaws, will be sent towards the end of March.

ACTHA PARTNERS in LEARNING

The **BEST BOARD MEMBERS** and the **BEST MANAGERS** are
Informed Educated Knowledgeable

Become a Partner in Learning and be rewarded!

Associations bringing their manager to the April Conference will receive a one month extension on their ACTHA membership.

Managers bringing their association board member(s) will receive \$ 5.00 off their registration for each association they bring

Registration Form

YES!! I want to register for the Conference and Trade Show on Saturday, April 18 at the Drury Lane in Oakbrook Terrace. **Full Conference Access includes:** seminars, continental breakfast, sit-down lunch, Trade Show, parking and all seminar hand-outs.

Trade Show only

Full Access Attendance

Association registering Board member(s) and Manager

Association registering board member(s) or owners only

Manager registering Board member(s)/Owners

Manager registering only

Name of Association: _____

Name of Management Company: _____

PLEASE PRINT: Role with Board	Name	Address	Email
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REGISTRATION FEES: Board Members/owners (ACTHA members): \$45 each \$ _____

Board members/owners (ACTHA members, 3 or more): \$40 each \$ _____

Manager (ACTHA member), not bringing anyone : \$45 \$ _____

Manager (ACTHA members bringing association members: \$40 \$ _____

Note: if bringing association members from more than one Association, complete a separate registration form for each Association, and deduct \$5 for each separate Association

Non-Members: \$120 each \$ _____

TOTAL AMOUNT DUE \$ _____

Amount Enclosed; Make check payable to "ACTHA" and remit to 11 E. Adams, Ste. 1107, Chicago, IL 60603 or register online at ww.actha.org: 2015 Educational Conference & Trade Show

NOTE: Confirmations are not sent except upon request. No refunds are given after April 1 and there will be an additional charge of \$20 per person for anyone registering after April 11 or at the door. All cancellations are subject to a 25% handling fee.

Question of the Month



Q. We are a small association which has been “humming along” without too much trouble. Recently a new owner came on board. They have a dog that is a “frequent barker.” Other owners are complaining. As a Board member, I am discovering we don’t really seem to have any type of policies or procedures in place to deal with this. Because we are small we have allowed all owners to participate at our board meetings. We are managed but our manager does not attend board meetings and really handles only assessment collections. And if that is not enough, the new owner is threatening a lawsuit.

A. Better bring all of the owners to ACTHA’s conference on April 18!!! All of the issues you raise will be addressed in various seminar offerings. We have a seminar leading off first thing in the morning on disputes and nuisances. Unfortunately for you—and this is why you want to bring all of the board members and owners—it is offered at the same time as a seminar on insurance which will address Director’s and Officer’s Liability Insurance as well as another seminar on the roles of board members, owners, managers and other professionals.

ACTHA will then take a break and attendees can attend the trade show. Lots of companies that specialize in providing services to community associations will be there as well as professionals to solicit ideas from. When the trade show ends at 11:30, there will be another set of three seminars offered including one on expectations of your professional team and a Board’s fiduciary duty.

When you register for the seminars, we include a banquet lunch—a wonderful opportunity to network with other board members, owners, managers and professionals.

Right after lunch ACTHA will offer a third set of seminars including welcoming new owners and tenants and another seminar on board procedures. ACTHA concludes the day with Ask a Legislator / Ask an Attorney We look forward to seeing you!