

Association of Condominium,  
Townhouse, and  
Homeowners Associations



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

**October 2014**

**Inside this issue:**

Legislative Update: SB 2664	3
Roles of Officers/Directors	4
Welcome New Members	6
North Expo Info/Registration	7
Question of the Month	8

### 2014 PLATINUM SPONSORS

*3eReserves*  
*ACM Community Management*  
*Acres Group • Bral Restoration*  
*Brian Allendorfer Co.*  
*Caruso Management Group*  
*CertaPro Painters*  
*Community Advantage • Contech MSI*  
*CRC Concrete Raising & Repair*  
*Dickler Kahn Slowikowski & Zavell*  
*FM & J Services*  
*Frost Ruttenberg Rothblatt PC*  
*Fullett Rosenlund Anderson*  
*Hometown Painters*  
*Independent Association Managers*  
*Jordan Insurance Services*  
*Keough & Moody • Kovitz Shifrin Nesbit*  
*Painter's Inc. • Penland and Hartwell*  
*Pro Home 1 • Renewal by Andersen*  
*Rosenthal Bros.*

**REGISTER TODAY!**

**North Expo: Sat., Oct. 25**

**Columbus Day Special *ENDS***  
**Columbus Day!!!**

### The Roles of Officers and Directors

By: James A. Slowikowski, Dickler, Kahn, Slowikowski & Zavell, Ltd.

All condominium, master, and community associations have directors and officers, but the roles of directors versus officers are often misunderstood. The officers, while also directors, have distinct, additional functions and duties. Many times there is a mistaken belief that the officers have some decision making authority, but they do not.

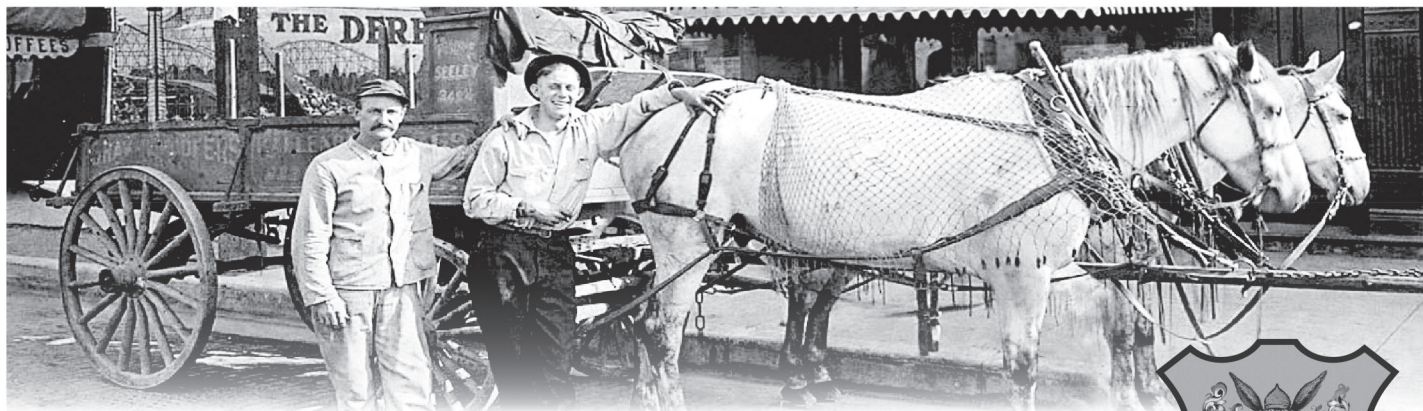
The directors are elected by the association membership. The board of directors is responsible for the operation and management of the association and all of the property. The directors, as a board, make all of the decisions necessary to operate the association. All decisions must be made by the board at an open board meeting. When a quorum of the board is present, the decisions are made by the vote of a majority of the board members present. Generally, no single director has any legal authority to make decisions for the association. These decisions must be made by the board. In some instances, the board may authorize and direct certain officers or directors, or management, to take a specific action, but the board must have first approved the authorization and direction at the board meeting.

The officers of the association are generally elected by the directors, from among the board of directors. The officers do not make decisions, that is the function of the board. The Condominium Property Act and the Common Interest Community Association Act require that each association must have a president, a secretary, and a treasurer. Some bylaws may provide for other officers, such as a vice-president or an assistant secretary. The officers have specific functions which are identified in the Acts and in the bylaws.

*Continued on page 4*

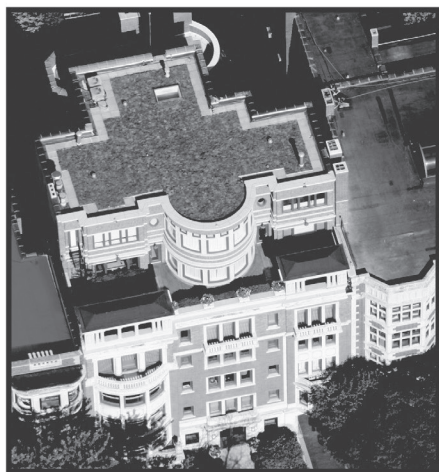
# B. ALLENDORFER

A FAMILY TRADITION FOR FIVE GENERATIONS



## Contractors Since 1885

ROOFING • REMODELING • BUILDING REPAIRS



As a manager of a large portfolio of condominium associations, I need responsive, professional contractors at my disposal. Brian Allendorfer Co., Inc. has always exceeded the expectations of our homeowners with superior service at a competitive price.

Bryant Bocinsky  
Senior Property Manager Chicago, Illinois

RESIDENTIAL  
COMMERCIAL  
INDUSTRIAL  
INSTITUTIONAL



773.292.0600  
BALLENDORFER.COM

HISTORICAL RENOVATIONS  
ALL TYPES OF ROOFING  
GREEN ROOF SYSTEMS  
MASONRY RESTORATION  
SIDING WINDOWS & DOORS  
REMODELING INTERIOR/EXTERIOR

# LEGISLATIVE UPDATE: S. B. 2664

At ACTHA's request, Governor Quinn amendatorly vetoed the bill which would have significantly reduced collections, such as special assessments, late fees, charge-backs, attorney fees, damages to units, etc., when a condominium unit is foreclosed on. The Governor's changes gave "certainty" to the realtors wanting to know the exact amount a buyer was incurring at closing and shifted responsibility for these other fees to mortgage holders, similar to what all other States do, thereby leaving associations financially stable for these potentially lost monies.

What happens now? The bill goes back to the Senate where it is sponsored by Michael Hastings (D-Orland Hills). He has three options:

1. Move to approve the Governor's Amendatory Veto which would require 30 "yes" votes
2. Move to override the Governor's Amendatory Veto which would require 36 "yes" votes, or
3. Not do anything which means SB 2664 is "dead" and current law remains in place.

We don't know what Senator Hastings will do. And we most likely will not know until after the November 4 election when the General Assembly comes back for the "veto session" beginning November 19. Should Senator Hastings opt for either #1 or #2 and is successful, then the bill would move to the House where it would need 60 and 71 votes respectively. The House sponsor is Sam Yingling (D-Round Lake). He would need to follow whatever action was taken in the Senate (he could not do the opposite) although he could let the bill "die" by not taking any action.

Senate President John Cullerton (D-Chicago) and Speaker of the House Michael Madigan (D-Chicago) may determine that the Governor's amendment alters the fundamental purpose of the legislation. If they so decide, it will need 36 and 71 votes to accept the changes. They may also choose not to call the bill.

Obviously homeowner voices were heard and made an impact. Governor Quinn was right to amend the bill in the way he did. It gave the realtors what they sought, it shifted responsibility to the mortgage holders who control the process of when units are put back on the market and most importantly it does not penalize associations, the board which is responsible for maintaining the property and owners who pay monthly assessments to do so. In essence it protects everyone, including the protection of the investment mortgage holders have until a foreclosed unit is sold.

**So what do we do ? We must prepare for two possibilities: #1 (acceptance) and #2 (an override). Contact your Senator and Representative. Let them know you and your association support the Governor's action on S. B. 2664 and are opposed to any motion to override the amendatory veto.**

## Board of Directors

### Officers

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

### Directors

Aurelio Carmona

Julie Cramer

Joe Fong

Mike Matthews

**Executive Director:** Gael Mennecke

**Lobbyist:** John Carr, 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.

**Insurance Broker/Advisor:** Karyl Foray, Rosenthal Bros.

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.

Continued from page 1

The president conducts all meetings of the board and the meetings of owners. This does not mean the president solely controls the board meeting, as the entire board functions at the board meeting. The president often oversees the general business activities of the association, and usually is the primary contact person with management, attorneys or other vendors. The president signs contracts, corporate papers, and other necessary documents as directed by the board. The president must sign documents as approved and directed by the board, even if the president disagrees with the board's decision. The president does not have authority to make any decisions independent of the board, which are the board's function.

The secretary's duties include taking minutes of all meetings of the board and the owners, or to provide for another person to take the minutes. The secretary keeps the business records of the association. More often than not the association will have professional management which holds all of the records. However, the secretary is responsible for them and should oversee and direct management with respect to maintaining all of the files and records. Other functions which are under the office of secretary include certifying records, certifying actions taken by the board or the owners, and witnessing the signatures of other officers on documents when required or appropriate.

The treasurer is responsible to maintain all of the financial records and books of account of the association. Again, these are usually maintained by management, but the treasurer is responsible to oversee and direct management with regard to maintaining the financial records. The treasurer should regularly review the financial accounts and records with the manager, including all bank statements, on a regular basis. The treasurer may or may not be a signatory on checking and other accounts, either solely or together with other officers.

The treasurer should regularly report the financial status and current financial information to the board, typically at board meetings and at the annual meeting.

In summary, the board of directors run the association on behalf of the owners. The officers perform certain additional functions at the direction of and on behalf of the board, and regularly report to the board.

Dickler Kahn Slowikowski & Zavell  
85 W. Algonquin Rd., Arlington Heights 60005  
847-593-5595 / jim@dicklerlaw.com /  
www.dicklerlaw.com

<b>Painting &amp; Decorating</b> <b>847-870-1600</b> Mt. Prospect, IL	<b>HOMETOWN PAINTERS</b>
<b>Dan Nocchi</b> General Manager Cell: 630-670-4651	residential • commercial condo/townhome assoc. exterior/interior
Email: daniel@hometownpainters.com www.hometownpainters.com	

 <b>REALTY &amp; mortgage</b>	
Property Management Services Since 1906	
<ul style="list-style-type: none"><li>• Residential</li><li>• Office</li></ul>	<ul style="list-style-type: none"><li>• Retail</li><li>• Community Associations</li></ul>
Contact Lou Lutz at (773) 989-8000 or LLutz@realtymortgageco.com To see if we are right for you.	

	<b>Bed Bug Busters, LLC</b>
Bed Bug Busters	Residential and Commercial K-9 Scent Detection Service
<b>Maria Fernitz</b> Northbrook, IL 60062	224-235-4481 bedbugbustersnorthbrook@gmail.com www.bedbugbustersnorthbrook.com



# S&D ENTERPRISES, INC.

Over 50,000 Roofs Installed Since 1963

## Specializing in Multi-Family Projects

Our Experience  
& Technical  
Know-How  
Gets the Job Done  
Right the First Time!

## Specialized in Roofing Services & Projects for:

Tear-offs • Shingles • Soffit & Fascia  
Flat Roofs • Gutters - Siding • Repairs



## OWENS CORNING

Preferred Roofing Contractor



COMPLETE ROOFING SERVICE • BONDED AND INSURED

A State of Illinois Unlimited Roofing Contractor

» Call Sam or Stu Martel for a FREE Estimate

**630-279-6600 • [www.sdroofing.com](http://www.sdroofing.com)**



CONDOMINIUMS • TOWNHOMES • HIGH RISES • MULTI-TENANT



[www.csr-roofing.com](http://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

# WELCOME NEW COMMERCIAL MEMBERS!

## **A&A PAVING CONTRACTORS**

Thomas Swing  
7N675 Garden Ave., Roselle, 60172  
T: 630-529-2500 x105, F: 630-529-2555  
Email: [tom@aandapaving.com](mailto:tom@aandapaving.com)  
Web: [www.aandapaving.com](http://www.aandapaving.com)

## **ALL TRADE PROPERTY MAINTENANCE GROUP, INC.**

Joe Platt  
713 A Davidson Dr., Minooka, 60447  
T: 815-278-1171  
Email: [gjplatt@yahoo.com](mailto:gjplatt@yahoo.com)  
Web: [www.alltradeprm.com](http://www.alltradeprm.com)

## **BP SEALCOATING AND PAVING**

1245 Forest Ave., #9, Des Plaines, 60018  
T: 224-836-5258, F: 224-836-5258  
Email: [bpsealcoatingchicago@gmail.com](mailto:bpsealcoatingchicago@gmail.com)  
Web: [www.BPSealcoatingandPaving.com](http://www.BPSealcoatingandPaving.com)

## **CASTLE PAINTING**

Rick Campbell  
23915 Aero Ct., Ste. 3, Plainfield, 60585  
T: 888-822-7853, F: 815-676-3399  
Email: [rick@castlepaintingusa.com](mailto:rick@castlepaintingusa.com)  
Web: [www.castlepaintingillinois.com](http://www.castlepaintingillinois.com)

## **FINAL TOUCH DECORATING, INC.**

Tom Prybylo  
248 Madison, Oak Park, IL 60302  
T: 708-434-5154  
Email: [tom@finaltouchpaint.com](mailto:tom@finaltouchpaint.com)  
Web: [www.finaltouchpaint.com](http://www.finaltouchpaint.com)

## **FISCHEL & KAHN, LTD.**

Mark Rosenbaum  
155 N. Wacker Dr., #1950, Chicago, 60606  
T: 312-726-0400, F: 312-726-1448  
Email: [mrosenbaum@fischelkahn.com](mailto:mrosenbaum@fischelkahn.com)  
Web: [www.fischelkahn.com](http://www.fischelkahn.com)

## **M&M HOME REMODELING SERVICES**

Jim Martin  
3488 Eagle Nest Dr., Crete, 60417  
T: 708-756-7800, F: 708-672-4984  
Email: [jmartin@m-mcorp.com](mailto:jmartin@m-mcorp.com)  
Web: [www.m-mcorp.com](http://www.m-mcorp.com)

## **PROMINENT PROPERTY MANAGEMENT, INC.**

Debbie Roberts  
160 Symphony Way, #400, Elgin, 60120  
T: 847-697-7764, F: 847-697-7761  
Email: [dvdhaegen@theppmi.net](mailto:dvdhaegen@theppmi.net)  
Web: [www.theppmi.net](http://www.theppmi.net)

## **UNITED STATES ALLIANCE FIRE PROTECTION**

Jenn Bentley  
28427 N. Ballard, Lake Forest, 60045  
T: 847-816-0050, F: 847-816-0098  
Email: [jenn.bentley@usfp.us](mailto:jenn.bentley@usfp.us)  
Web: [www.usafireprotectioninc.com](http://www.usafireprotectioninc.com)

## **UNIVERSAL RESTORATION SERVICES**

Danille Hohol  
390 Holbrook Dr., Wheeling, 60090  
T: 888-877-6766, F: 847-325-1793  
Email: [dhohol@4universal.com](mailto:dhohol@4universal.com)  
Web: [www.4universal.com](http://www.4universal.com)

# ACTHA'S NORTH EXPO: Sat., Oct. 25, Westin North Shore in Wheeling

For detailed info and to register online: [www.actha.org/North Expo](http://www.actha.org/North Expo)

## Educational Seminars

8:00 - 9:30 a.m. Choose from one of two seminars

**10 Myths of Community Living:** *Presenters: Kara Cermak of Rowell, Inc. and Kim Merrigan of McGill Management*

**Palm: Its Effects on Meetings:** *Presenters: Howard Dakoff of Levenfeld Pearlstein and Adam Stolberg of Advantage Management*

11:30 - 1:00 p.m. Choose from one of two seminars

**Budget Development and Reserve Studies:** *Presenters: Christopher Berg of Independent Association Managers and Matt Hass of Waldman Engineering Consultants*

**Legislative Update:** *Presenters: David Hartwell of Penland and Hartwell and Kristopher Kasten of Michael C. Kim and Associates*

## Free Presentations

10 a.m. Choose from one of four

- DIY: Water, Structural & Sewer Issues
- New Cloud Accounting
- 2015 Elevator Code Requirements
- 10 Common Board Mistakes

10:45 a.m. Choose from one of four

- Foreclosure and Myths
- Collections and Costly Mistakes
- Navigating Association Bankruptcy
- Misunderstanding of Ordinance and Law

## Registration Form

*Free Trade Show! Free Parking! Free Breakfast!*

### COLUMBUS DAY SPECIAL! \$ 25 for ANYONE!

THE FEE AFTER MON., OCT. 13 TO ATTEND ANY OF THE EDUCATIONAL PROGRAMS IS:

ACTHA Member rate: \$ 30 (if registering after Wed., Oct. 22 or at the door the cost is \$50)

Non-member rate: \$ 45 (if registering after Wed., Oct. 22 or at the door the cost is \$65)

\_\_\_ Attending the Trade Show only (Free)

\_\_\_ Attending the Trade Show & Educational Seminars

Name of Association: \_\_\_\_\_

# of Units: \_\_\_\_\_ Management Company (if applicable): \_\_\_\_\_

PLEASE PRINT and provide the following info: 1) Name, 2) Board Member, Owner or other, 3) Address and 4) Email

\_\_\_\_\_

\_\_\_\_\_

Paying by Check? Make checks payable to "ACTHA" and remit to 11 E. Adams, Ste. 1107, Chicago, IL 60603

Credit card? Online—go to [www.actha.org](http://www.actha.org) and click on "South Expo" or over the phone, call 312-987-1906



Association of Condominium,  
Townhouse, and  
Homeowners Associations  
11 E. Adams, Ste. 1107  
Chicago, IL 60603



## Question of the Month

By: Henry Demlow of Selden Fox, Ltd. / 619 Enterprise Dr., Oakbrook 60523  
630-954-1400 / [demlow@seldenfox.com](mailto:demlow@seldenfox.com) / [www.seldenfox.com](http://www.seldenfox.com)

**Q.** An owner found a discrepancy of over a million dollars in the actual figures of a budget vs. the audit figures. Someone pointed out that whoever did the audit had to tie in the beginning balances from the previous year. The ending balance has to be the beginning balance for the next year. If there were mistakes, the beginning balance for the current year would have been out of balance at the very beginning. The owner said there should have been a footnote in the current audit stating they were unable to verify/tie in the beginning balances. What should the association focus on after receiving the current audit?

**A.** Assuming the previous year discrepancy noted related to the actual amounts audited and not the budget figures for the previous year, the member is correct, in that the fund balance at the end of the previous should be in agreement with the beginning fund balance for the current year. If there was a change in auditor, one of the successor auditor responsibilities under standards effective for period ending after Dec. 15, 2012, is to obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period's financial statements. While a variety of procedures may be utilized to accomplish this, the procedures performed on opening balances should be sufficient to respond to risks of material misstatements. If the auditor is unable to obtain sufficient appropriate audit evidence regarding the opening balances, the auditor should express a modified opinion or disclaim an opinion. Upon receipt of the current audit, the user should refer to the Independent Auditor's Reports to determine the type of opinion that was issued. If a modified opinion was expressed, the report should include either information explaining the modification, restatement or other departure from accounting principles generally accepted in the US.