

Malibu East Dialogue

October 2015

Your Communication and Information Resource

State of the Association

Editor's note: As is our custom at this time each year, the Dialogue is publishing the reports that were presented at the annual meeting of unit owners on Sept. 8. Due to space constraints, the committee reports on Sports and the Dialogue will be published next month. We begin with the report of our longtime Board president, Marcel Molins.



By Marcel Molins

Another year and counting.

Again we have been quite busy, and the indications are that we will continue to be so. Very often what we do has no direct impact on our daily lives. At this time, and for the next 12 months, we all will suffer the consequences of our actions. I do refer to the modernization of our elevators. Unfortunately, the process will impact our lives. For most of us, unless you live in one of the very low floors, and decide to exercise every

day by walking the stairs, the elevators are the only way to come and go from our homes. The reality is that the very needed modernization work that is being done will result, most likely, in adding anywhere from 5 to 10 minutes to the time that it takes us to come from and go to our units. We have every reason to believe that this inconvenience will be worth it and that once the work is finalized, we will be very happy with the result. Our expectation is that the new elevators will be a great improvement on what we now have.

There have been lots of other projects that have been done and are being done without a noticeable effect on our lives. Most of these projects are being done so that we do not have any failure of equipment before it is repaired or replaced as required. For example, the domestic water pumps have been replaced in the pump room. Your question might be: Where is the pump room, and what does it do? It is in the lower level as you come in from the Sheridan Road entrance. Those are the pumps that make sure that we all have a supply of fresh water in our apartments. In addition to the two pumps that are in continuous use, there is an extra one to make sure that if one of the two fails, the extra one will activate and continue to send the water our way. After all these years, they had to be replaced. Some of the equipment that provides air conditioning and water in the Laundry Room had to be replaced, too.

Pumps throughout the building broke or were about to break and had to be replaced.

Let's not kid ourselves. The building is 44 years old and it is starting to show its age.

I, like many of you, would not live in a building that does not have balconies. But this luxury comes with a price. Chicago is a city of extreme temperatures. Some very hot days in the summer

(maybe not enough hot days for those of us who, like me, are not too bothered by the heat), but also extremely cold winters (and far too long for many of us). Unfortunately, concrete is affected by such extreme temperatures, and we have a lot of concrete. Iron does not like extreme temperatures either, and our balconies have a lot of iron, which tends to rust. We have received reports from two engineering firms and we are waiting for another report. All the indications are that, starting soon, we will have to begin a three- or four-year project to repair the facades and the balconies throughout the building.

Throughout the last year, we have spent considerable time in making our building compliant with the new City ordinances relating to safety. Even though our building had passed all previous inspections, the new City ordinances, as well as concerns by fire and safety regulators to have the building absolutely safe, resulted in our building not being in compliance with the new regulations. As a result, our building, along with the great majority of the residential high-rise buildings in Chicago, was cited for safety violations and we had to put in process a series of changes to comply. The initial approach of the City was to fine heavily any building that did not comply. Given the great number of buildings that were in violation and the potentially substantial costs of taking care of these problems, the City has relented and is taking now a more sensible approach just to make sure that buildings take all the measures necessary to correct the problems. In any case, insofar as we are concerned, we have for all practical purposes taken care of all our problems and we expect in the next few weeks to be validated by the City as having complied with all the requirements. One of the final items to

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Malibu East events and meetings

Board meeting

Tuesday, Oct. 12

7:30 p.m. - Windjammer Room

Ballroom dancing: Tango

Wednesday, Oct. 14

7:30 p.m. - Windjammer Room

Thursday afternoon discussion

Thursday, Oct. 15

2:00 p.m. - Community Room

(every 3rd Thursday of the month)

Ballroom dancing: Waltz

Wednesday, Oct. 21

7:30 p.m. - Windjammer Room

Happy Hour at Malibu East

Friday, Oct. 23

5:00-8:00 p.m. - Windjammer Room

Dialogue staff meeting

Wednesday, Nov. 4

7:30 p.m. - Community Room

Leave event and meeting notices at the desk for the *Dialogue*. For more events: malibueast.org/calendar



Board meeting notes

By Neil Warner

Tuesday, Sept. 29, 2015

Attendance: Twelve Board members, two management representatives and 16 residents

Presiding: President Marcel Molins

REVISIONS TO AGENDA

- 1) "20K exercise of right of first refusal" was added to Items Requiring Board Action.

TREASURER'S REPORT – Joan Scholl

1) Financial statement

Operating and reserve cash
\$3,229,285
Investment in units
\$3,260,000 approximately

2) Delinquencies

\$373,750

MANAGEMENT REPORT – Violette Deschamps

Items Requiring Board Action

1) 18J exercise of right of first refusal

Board approved the purchase of unit 18J at a cost of \$165,000, following the owners' authorization at a special meeting immediately prior.

2) 29D exercise of right of first refusal

Directors chose to take no action.

3) 26E renovation work

Management will compose a request for proposal based on recommendations of Units Committee.

4) 35C medicine cabinets, sink

Tabled.

5) Secondary door sign

Board authorized management to select the colors of a sign that will be attached to all non-functioning unit doors in the hallways, after approval by the Chicago Fire Department.

6) Penthouse west air handler

Directors approved a vendor's change order, seeking to replace the connectors for the heating coils in the west make-up air handler.

7) Internet service

Board ruled that an owner wouldn't be reimbursed for bulk Internet service charges after failing to opt out when the service was initiated.

8) Receiving Room Sunday operation

Tabled.

9) IP video surveillance

Directors approved an expanded proposal for video surveillance of our property, superseding a motion approved earlier.

10) 22.1 disclosure statement

Approved.

11) 20K exercise of right of first refusal

Board chose to take no action.

Old/new business

1) 2016 budget

Directors approved no increase in assessments for 2016, by a 7-4 vote,

overturning a 3.5% increase recommended by the Finance & Insurance Committee. Most monthly parking rates will increase by \$5, and rented storage locker spaces will increase by \$5 to \$13 per month. At Oct. 12 Board meeting, directors will vote to send the budget to owners for their review.

2) Equipment inventory

Management completed the inventory.

3) Association-owned units

Management will expedite the renovation of two units on which the Board recently exercised.

4) Units committee

Chair Carl Stahlheber will distribute a report of the committee's recent meeting to all directors.

5) Emergency mitigation team

Management will schedule Board interviews with the prospective companies.

6) Elevator project status

Elevator company is on schedule with modernization of all five elevators, with preliminary work set to be completed by Dec. 4.

7) Life safety: garage vestibule separation

Nothing new.

8) Life safety: water heater closets

Nothing new.

The meeting ended at 9:50 p.m. and went into closed session.

Special meeting of unit owners

Sept. 29, 2015

Presiding: President Marcel Molins

The owners unanimously approved a motion authorizing the Board of Directors to sell Association-owned unit 16K at a price of \$251,000, plus or minus prorations. President Molins voted the proxies in favor of the motion. Next, after a second open forum to discuss the pros and cons of the Board's exercise, the owners approved a motion authorizing the Board to exercise its right of first refusal on the sale of unit 18J at a price of \$165,000, plus or minus prorations. President Molins voted the proxies in favor of the motion.

Annual meeting of unit owners

Sept. 8, 2015

Presiding: President Marcel Molins

After an open forum to discuss the pros and cons of the Board's exercise, the owners approved a motion authorizing the Board of Directors to exercise its right of first refusal on the sale of unit 26E at a price of \$163,000, plus or minus prorations. President Molins voted the proxies in favor of the motion. The president introduced the

Please keep in mind that the meeting notes are not the official record of the Malibu East Condominium Board of Directors meetings. The official minutes are generally approved during the next meeting and may be viewed or copied in the management office.

candidates for the Board, and that was followed by reports from officers and committee chairs as printed in this issue.

Board election results, with the top six candidates earning two-year terms, were as follows:

Thomas C. Vaughan	34.23%
Carl Stahlheber	28.61%
Martina Molins	27.61%
Carol E. Beatty	18.78%
J.K. Levandowski	17.39%
Sriram Sitaraman	16.73%
Not elected:	
Mark D. Tompkins	15.15%

Board meeting

Sept. 8, 2015

Presiding: President Marcel Molins
Attendance: Twelve Board members, two management representatives and one resident

1) 26E exercise of right of first refusal

Following owners' resolution, Board approved the exercise of its right of first refusal on unit 26E at a price of \$163,000.

2) Certificate for Richard Strauss

Directors unanimously approved the issuance of a certificate of appreciation for Richard Strauss for his 24 years as a director and an officer of the Board of Directors. Strauss retired from the Board as of this election.

3) Electricity contract

Board locked in, at a fixed rate, the portion of the Association's electricity rate that had been floating, for the remainder of 2015. Directors authorized management to negotiate to lock in the best possible fixed electricity rate for no more than 36 months in advance.

"Town Crier" announcements by Caitlin Gilman

We welcome all new residents to our building, including:

If you have information concerning talented or famous Malibu East residents, please contact the *Dialogue*.

Committee report
Cable, Internet

By Thomas C. Vaughan

In the fourth quarter of last year, Malibu East signed a new five-year contract with USA Wireless, our previous DirecTV provider. At the same time, we initiated full building Internet service through HiPoint Technologies. This process was helped by the important work of residents on our Communications & Cable Committee.

In return for these new agreements, these companies completely rewired our building, giving each unit "home-run" wiring direct from the distribution points. This rewiring was undertaken with no direct cost to Malibu East.

The Internet service is provided at a monthly cost of \$24, fixed for five years. Download and upload speeds exceed 90 megabits per second. This speed and the corresponding cost are the envy of our condominium neighbors. In fact, it compares most favorably to AT&T's DSL service that costs \$25 per month and is 80% slower than ours. The Board of Directors is in the process of contracting enhanced building security utilizing the Internet through wiring provided by HiPoint Technologies under the terms of our contract.

The new satellite dishes provided by DirecTV have proven more reliable in the face of weather interferences and, with few anomalies, residents have been pleased with their service. Currently our monthly cost for basic satellite TV service is \$23, down from \$32 under the previous contract, a 28% reduction. For the next five years, any future price increases for DirecTV's basic service are limited to 5% annually.

It will be interesting to see what technologies are available at the expiry of these two contracts in 2019.



What's happening around the building
by Violette Deschamps, Malibu East Manager

Due to limited space, the Management Report will return next month.

Committee report
Admissions

By Martina Molins

According to figures from the Management Office, 21 units were sold in the last 12 months: six one-bedrooms, 14 two-bedrooms, and one three-bedroom. Prices are slowly increasing.

There were 28 leases: five one-bedrooms; 20 two-bedrooms, including one B unit; and three three-bedrooms.

Currently there are 102 rented units.

The Board exercised its right of first refusal when banks dumped units they acquired from short sales or foreclosures at very low prices. Some owners who moved out but could not sell their units decided to rent their units.

There is nothing wrong with renting. Owners wishing to rent their units should be aware that while most tenants have reasonably decent credit reports, prospective tenants with bad credit will seek to rent a condominium apartment because very often their bad credit prevents them from being accepted by rental buildings, while desperate condo owners might be willing to rent to them. Unfortunately, the committee, due to contractual constraints, cannot share the prospective tenant's credit report with the unit owner. Therefore, I would advise any unit owner wishing to rent his/her unit to require a rental credit report on the prospective tenant. An eviction costs upward of \$1,500, and the Malibu East Rules and Regulations allow only one move in and out per 12 months and do not permit the owner to rent the unit out again during the unexpired months of the lease if the tenant skips before the year is over.

**Final deadline:
If you had a bike in the
Bicycle Room that
didn't have a current
decal, management has
removed it. You must
claim it no later than
Oct. 14 or it will be
donated to a charity.**

Committee report
Life Safety & Security

By Sandy Chaet

The Board has hired Skynet Security Systems to install new security cameras. Some of the cameras will be still; others will rotate. The residents will be able to view some of the areas of the building on their computers, such as the Laundry Room.

Malibu East did not pass the City's life safety inspection last year before the January 2015 deadline. Management is working on completing the items that had to be corrected before another City inspection could be scheduled. Among the things that had to be completed was making certain that all residential doors to the hallways had functioning self-closing devices and that all common-area doors were fire-rated according to City code. Management is working to have a new set of fire-rated doors installed in the hallway between the garage waiting area and the Lobby. The secondary doors to the A and B units, as well as any kitchen door in a two-bedroom unit that has blocked off, will require remediation. The Board is working on a solution. The last item is the water heater closets, which continue to be a subject of discussion between the City and management.

Thanks to Violette, Caitlin, Dean Lerner and our maintenance staff for all their time and work spent on complying with the City's Life Safety Ordinance.

Malibu East does have the voice communication system that was mandated by the City. You can see the communication panel in the Lobby. If there is a fire, the Chicago Fire Department takes control of the building using that panel. One each floor, there are four red speakers that will sound an alarm, and the fire chief will be able to speak to the residents if need be. In the stairwells, there is a red phone on every fifth floor that is strictly for use during a fire.

**Town hall meeting with
Ald. Osterman
7 p.m. Oct. 15,
Emanuel Congregation
5959 N. Sheridan Road**

Committee report**ASCO & Community Affairs***By Sandy Chaet*

Loyola is hoping to construct on Winthrop Avenue a development somewhat similar to the 6300 block of Kenmore, from Rosemont to Devon/West Sheridan. The street will have one lane for traffic, expanded pedestrian and bike ways, and added amenities like tennis and volleyball courts. Bikes, cars and walkers will all share the same brick area. Unlike Kenmore, Loyola is promising not to completely close the street to cars, although the new configuration would certainly slow the car traffic. Approximately 56 parking spaces will be taken away by the project. There will be a turnaround for cars to exit the street back onto Devon/West Sheridan if they wish to do so. Community groups are meeting with Loyola, and no decisions will be made until all these groups have input.

Next, the North Lake Shore Drive Project committee has been meeting. Ideas are being sought and suggestions have been made to change and improve the northern portion of LSD. One major concern is the high winds causing waves to flood Lake Shore Drive, closing some lanes. It is hoped the committee will come to some conclusions during 2015.

Ald. Harry Osterman met with ASCO (Association of Sheridan Condominium/Co-op Owners), providing updates on several issues. The Park District is renovating the Berger Park north mansion, which will reopen as a cultural center. The dog park that many used at Foster Avenue is under water, and officials are looking for another location. Osterman will also be meeting with the City to develop a better plan for handling the winter flooding at Ardmore and also at Thorndale. The alderman plans to improve the park at 6151 N. Sheridan and Lane Beach Park at Thorndale and Sheridan.

The Colvin mansion at Thorndale and Sheridan is for sale, yet whoever buys it will have to abide by its landmark status. The new orange "no biking" signs seem to be gradually reducing the prevalence of bikes on Sheridan Road. Earlier in the season, the police bike patrol was visible, which also helped. Next, the alderman again talked about a new design for Sheri-

dan Road to promote less traffic, some time in the near future. Lastly, there will be a town hall meeting sponsored by Osterman and ASCO on Oct. 15.

If you would like to be placed on the weekly mailing lists for ASCO and/or Ald. Osterman, please give me your name and email address.

Sandy Chaet is Malibu East's ASCO representative, as well as vice president of ASCO.

Committee report**Building Maintenance & Services***By Carol Beatty*

Although I was appointed chair of the Building Maintenance & Services Committee a year ago, the committee was unable to be active for a few months since the building staff was occupied implementing the changes mandated by the City of Chicago regarding door closures, alarm systems and fireproofing. Only when this assignment was completed could this committee begin its work.

We inspected all the residential floors, the Captain's Walk, the Lobby and the garage waiting area.

It was decided that carpeting and the primary doors to the units should be addressed first.

Besides ensuring a regular cleaning schedule performed by staff, we sought professional cleaning for the floors considered to be in the most need. In addition, the carpet on the fourth floor was completely changed out, using the attic stock provided for at the time of the installation project. The carpet in the Captain's Walk was also professionally cleaned.

In the past couple of years, more attention has been paid to cleaning than had been done previously. It has clearly been brought to the attention of the Board that care must be taken from the time any new carpet is installed (not waiting until it has aged).

We intend to keep these hallways looking as best we can; however, this floor covering was a 2006 project.

The doors to the residents' units were cleaned and polished by staff.

Management saw to the refinishing of the doors in the Lobby.

Thank you to the Management Office and to the members of my committee for your time and dedication to these projects.

Association-owned units*By Thomas C. Vaughan*

By way of background, Malibu East's condominium declaration allows the Association the right-of-first-refusal for all of our unit sales. This allows your Association to assume the buyer's contract position and rights in a sale. Not many Chicago condominiums have this ability. About 30 years ago, Malibu East was one of Chicago's pioneers in the exercise of this right. Over the years, the Association's Boards of Directors have felt that substandard prices for its units are detrimental to all owners' interests. When appropriate, they have solicited owners' approval to exercise this right-of-first-refusal to purchase units contracted below what is considered to be market-appropriate levels.

In the past seven years, we have purchased 29 units and subsequently sold eight of them. Those sold units increased the recorded sales prices 54% over the originally contracted price, thereby justifying this strategy. Of the 21 units we still own, 16 are rented to residents for terms ranging from one to three years. The five vacant units we own are either listed for sale or are undergoing improvements to enhance their value before they are listed on the MLS.

In today's low interest rate environment, we enjoy a return on our unit investments exceeding 3%. This enviable return is after accounting for all improvement expenses and ongoing costs, including our monthly assessments.

Since last year's annual meeting of unit owners, the Association has purchased seven units and sold three, including the unit we approved for sale at last year's annual meeting. These three sales were made at prices 72% more than the originally contracted prices for which we purchased the units. As recorded in our recent audited financial statements, we booked a \$92,000 gain from unit sales for 2014 and \$68,000 for 2013.

This Board continues to believe that turning over units is not as important as managing and enhancing the recorded sales prices. We believe this has proven beneficial for owners and will continue to improve the valuations at Malibu East.

Committee report Architecture & Aesthetics

By Carl Chadek

Do we live in a condominium? A qualified “yes” is the answer. Our beautiful Malibu East, however, more closely resembles a resort hotel. Swimming pools, saunas, tennis court, gym, party room, library, Grand Lobby, state-of-the-art Laundry Room, 24-hour valet garage, 24-hour door staff, 24-hour maintenance, full-time on-site management, retail/office mall and Receiving Room are among the amenities that we enjoy. Maintaining a building of the size of Malibu East that supports these amenities is a serious undertaking. Not to mention the exterior, with our wonderful balconies that make up much of the façade of our spectacular building.

This year we have enjoyed the addition of some very attractive umbrellas near our swimming pools. More are on the way for this coming season. The goal is to improve this entire area, as well as the rest of the fourth-floor deck. The umbrellas are the “kick-off” point. The pool enclosure and windbreak glass walls are in dire need of restoration/replacement/refabricating. A section of the windbreak has been removed for its restoration and reinstallation to ascertain the best approach for the remainder. Although the pools and tennis court get considerable use, the north side of the fourth-floor deck is practically ignored. Suggestions from the owners for possible uses of this area are welcome – call or email management with your ideas. The entire concrete surface of the fourth-floor deck is also in need of serious repair.

The lower-level common areas are, to say the least, shabby. The “Teen Room” is currently being used as a staging area for our elevator modernization, and the “Children’s Playroom” is dark and dingy. The Racquetball Court and its adjoining hallway, restroom and sauna are in need of serious maintenance. The lower-level hallways, elevator lobby and service hallway are also in dire need. The inevitable garbage odor is a constant challenge since we have industrial dumpsters stored inside the building without much other choice. A simple power wash

and paint job is not the answer. The Receiving Room is unattractive and needs appropriate counter space for package pickup, better shelving and a general makeover. Again, suggestions from the owners are welcome – call or email management with your ideas.

Our Laundry Room, although beautiful, continues to be a challenge. The HVAC developed a condensation issue during periods of high humidity in summer, causing water to drip onto the floor and staining our new ceiling. Our contractors are working on this – it’s a relatively easy fix to an annoying problem. We were also required to install a fire-rated entry door. This requirement is a City-mandated safety issue and is, in my opinion, not a bad idea. Once we get the bugs worked out of the automatic opener/closer, we’ll be OK.

Malibu East is the only building on Sheridan Road with the level of amenities that we enjoy. Park Tower comes close, but there is nothing on Sheridan Road like our Captain’s Walk. However, we must address some issues so that it remains an attractive option for retail/office rental tenants. The Sheridan Road façade needs restorative work along with new windows. The Sheridan Road entrance to the tower needs serious reconfiguration to repair the flood-prone current design. Once those items are remedied, we can replace the Captain’s Walk ceiling and lighting, in addition to the flooring. We are currently waiting for permit approval to renovate the restrooms and come into compliance with the Americans With Disabilities Act. The Captain’s Walk aesthetic is already a clean and modern design. These renovations, updates and “facelift” measures will make it beautiful once again.

Our fourth-floor interior spaces get a lot of use. Two of these rooms are truly beautiful – the Fitness Room and the Billiard Room. The other common rooms are in significant need of renovation. The restrooms need to be gutted and replaced. The Community Room, except for the rather nicely done club chairs, needs new furniture, carpeting, quality artwork for the walls, and paint. The “library” aspect of this room also needs criteria for what items will be acceptable – we currently have a mishmash of magazines, cassette tapes, VHS tapes

and 45 records. (The last 45 that I bought was the Jackson Five recording of “ABC,” which I think was sold by my mom in a garage sale in 1983.) Old exercise equipment has been relegated to other rooms that could be used in better ways. The Windjammer Room, with its adjoining kitchen, is dark, dated and dingy. A “gut” approach for our fourth floor might be the best. Our fourth floor has potential for spectacular views and expansive spaces that are currently under-actualized. And here again, suggestions from the owners are welcome – call or email management with your ideas.

The Grand Lobby of Malibu East is one of the things that stuck in my mind when I decided to buy my home here. There is no other condominium from here to the Loop that has a grander lobby space than ours. Yes, perhaps many of them are pretty, but none can match the grand expanse of space that we all enjoy. Our Grand Lobby deserves an extensive renovation to bring it into current standards of luxury, beauty and security. Any renovation certainly must be within the original design aesthetic of our amazing building. No other building, from here to the Loop, is as iconic as Malibu East. The stark white concrete with contrasting brown masonry and balconies creates an image that is hard to miss. Our interior must reflect our exterior.

Lastly, we have our elevators. I do not have much more to say about this! You’ve all heard me blather on and on about this amazingly important project. Safety – state-of-the-art safety with elevator recall. In the case of an emergency, all the elevators (including the service elevator) proceed to the Lobby level without the possibility of stopping on a floor where there may be a problem. This is truly a big deal, which makes us even safer in our homes. Aesthetics – beautiful cab interior elements that specifically stay within the original design concept of Malibu East. Technology – cutting-edge elevator controls with updatable software capabilities. Not to mention spectacular images in the control display of our fabulous building that change with the time of day. Be sure to

(Continued on page 8)

Committee report**Social***By Sandy Chaet*

First, let me thank the residents for supporting the activities this year. Next, I want to thank the Social Committee members for their planning, helping, and all they do to make the events successful.

The Day Group, chaired by Aida Calvopina, meets on the third Thursday of each month, beginning Sept. 17 at 2 p.m. in the Community Room. Each month this group meets and has different programs and discussion topics. If you are home during the daytime, please come and join in. Watch the bulletin boards for more information.

Paul Tedesco, a Malibu East resident, will be teaching dance classes in October. Paul and his wife have certificates from the Imperial Society of Teachers of Dancing. With 15 years of experience, they have competed and won trophies and medals. This type of dancing is shown on Channel 11 (PBS), when it shows dance competitions. As Paul said, "In order to dance, you just have to want to have fun and be able to walk."

Dance classes will be held on Wednesday, Oct. 14 (tango) and Wednesday, Oct. 21 (waltz) from 7:30 to 8:30 p.m. in the Windjammer Room. You can attend one or both sessions. There is no charge for the class, and you don't need experience and don't have to bring a partner. Come, enjoy, meet people and have fun. More information to follow.

A Malibu East happy hour will take place on Friday, Oct. 23 from 5 to 8 p.m. in the Windjammer Room. Residents who attend are asked to bring their own beverage and a snack or appetizer to share. All ages welcome. This is a great chance to have some fun. Watch for a flyer with more details.

Following our custom, Halloween trick-or-treating will be permitted on Saturday, Oct. 31 from 3 to 8 p.m. If you wish to have trick-or-treaters knock on your door, pick up an orange ribbon from the Management Office to place on your door so the trick-or-treaters will know to knock.

The annual holiday party will be held Wednesday, Dec. 16 at 6 p.m. in the Lobby.

Last March, Edizon Dayao entertained us in the Windjammer Room. He is a multi-talented person who sings, plays instru-

ments and fills the bill for everyone! Mark your calendar for a return engagement on Saturday, Jan. 23, 2016.

The Social Committee would like to have your input for planning activities, events, speakers, etc. We welcome your suggestions and also need residents to join the committee. If you have suggestions or would like to join the committee, please leave your name and unit number for me at the doorman's station, and I will contact you.

Treasurer's report*By Joan Scholl*

Malibu East's 2014 audit is complete, and audited financial statements were sent in mid-August to unit owners. For 2014, after budgeted reserve transfers of \$970,056, revenue exceeded expenses by \$738,392 and, as approved during the September 2014 annual meeting, the \$738,392 surplus was recorded as an additional transfer to reserves.

As of July 31, 2015, operating and reserve cash was \$3,166,326. Our investment in 21 Association-owned units was \$3,091,076 as of Aug. 31 (excluding one unit approved for purchase at tonight's annual meeting). During the seven months ended July 31, 2015, we purchased seven additional units and recorded a \$34,444 preliminary gain on the sale of two units. Combining our cash and investment in units, our assets exceeded \$6,200,000 as of July 31, 2015.

For the seven months ended July 31, 2015, after budgeted reserve transfers, revenue exceeded expenses by \$341,011. The surplus projected through year-end is \$500,000. As approved** during tonight's annual meeting, any 2015 surplus will be transferred to reserves, which will add to our 2015 budgeted reserve transfers of \$1,022,589. Reserve expenditures through July 31, 2015, totaled \$313,993 and are expected to increase significantly by year-end due to the modernization of our elevators.

**A motion was made and approved that any Operating Fund surplus for the year ended December 31, 2015, as determined by our annual audit, be transferred to the Reserve Fund.

Committee report**Garage***By Martina Molins*

The current garage capacity is 508 spaces, down two from last year (down from 520 spaces a couple of years ago). The reduction of parking spaces over the years is due to a temporary increase in single self-park spaces, the creation of walkways in the garage to the doors leading to the elevators in the residential tower, the storage of equipment and the installation of a new heating/air conditioning unit for the Captain's Walk.

The 508 capacity figure includes 20 aisle spaces that are usually used for guest parking. That leaves 488 lined spaces. However, the garage remains under-occupied at present, with only 462 parked cars, two fewer than last year. This figure includes 11 cars from El Lago – down from 26 cars last year – parked here pursuant to a lease agreement between the condo boards. That means that more cars owned by Malibu East residents are parked in the garage.

It stands to reason that the garage will eventually fill up again when the economy recovers. It is possible that, unless the configuration of parking spaces is then changed to accommodate more cars, there may be a shortage of available spaces for resident and guest parking at some time in the future.

As of today's (Sept. 8) meeting, nobody is signed up on the single self-park waiting list. All 171 single self-park spaces are filled. Ten self-parkers are parked in the tandem park area, and two have been assigned elsewhere in the garage.

Only 12 of the 42 tandem parking spaces are occupied by tandem parkers. The tandem parking area has not been filled with tandem parkers in recent years.

In summary, as of the end of August there were 25 lined spaces that had not been filled.

In the last 12 months, there were eight garage damage claims. Of those, three were approved and five denied.

As you may have noticed, the garage was cleaned and painted (there is now a half-time cleaning person) and the drainpipes are currently being fixed.

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Sheridan Road condos for sale:

6033 - 16J, 38B, 8E, 45F

Rentals also available



Helen Wagner

773-334-0200



Wagner Realty Services, LLC



Captain's Walk Mall
6033 N. Sheridan Rd. #5
Chicago, IL 60660

Phone: (773) 334-0200
Cell: (773) 297-0205
HMWagnerRealty@sbcglobal.net

Malibu Convenient Food Mart

6033 N. Sheridan in the Captain's Walk

Stop in for
coffee – and.



Fresh pastries
delivered daily

Mon-Fri:
8 a.m. to 9 p.m.
Saturday:
8:30 a.m. to 8 p.m.
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State of the Association

(Continued from page 1)

be taken care of is the construction of a third door in the small corridor that leads from the Lobby to the garage waiting room. It might look ridiculous to many of us, but presumably this extra door will make us safer in case of a fire.

Some of you who come to Board meetings know that we take care of many other issues, but I am concerned that if I continue going over all the projects that we have done, very soon you will come up with a motion to dispense with the presentation by the president of the status of the building.

I do want, however, to mention that we have continued, and intend to continue with your support, to purchase units that are being offered for sale at prices below market value. Tonight you were asked to decide another such case. We believe that our policy is paying dividends. We have seen prices go up. In the meantime, the rental income we are receiving from the rented units and the profit we have made on the units we have sold have provided us with funds that, but for those profits, we would have had to pay in the form of additional assessments so that we can do the repairs and improvements needed in the building.

We have a substantial list of areas that can be improved and projects that we would like to undertake, such as improving the cosmetics and the security of our Lobby, improving the look of our atrium, improving the area around the fourth-floor deck by repairing the rusted iron and glass of the windscreens as well as repairing and repainting the fourth-floor deck to have a uniform color. We also would like to improve the appearance of the halls in the lower level and to come up with a plan to improve the Windjammer Room and the adjacent common areas. Our idea is to tackle these items and others over time so that we do not deplete our reserves. But we continue to be committed to having this building be an absolutely first-class building and the best condominium on Sheridan Road.

In spite of all the projects that we believe need to be undertaken, we do not foresee a special assessment and are

committed to the policy that there should not be one. For this reason, we believe that this year we need to have a small increase in the assessments. As you know, last year there was no increase. We think that this year the increase should be at least 3.5%. [At its Sept. 29 meeting, the Board voted to forgo any assessment increase in 2016.] As those of you who come to Board meetings know, we are very careful about how we spend the money that comes from all of us, but the age of the building requires continuous care and we do need the money to provide it. As explained in the audit that you all received a couple of weeks ago, our reserves of close to \$6 million are healthy, and with proper management and good common sense, they should permit us to tackle all the issues that confront us without major problems.

My job was to give you an overall picture. Greater detail with respect to many of the items we have discussed will be offered to you by the other officers and the chairs of the different committees, and obviously we will be happy to answer your questions at the end of all the presentations.

Many thanks for your patience and your support of the activities of the Board.

Architecture & Aesthetics

(Continued from page 5)

look at the display in our Lobby.

Personal note to the owners at Malibu East: Come to a Board meeting once in a while. Learn about what's happening with your property. Perhaps find an opportunity to invest a little volunteer time. Get involved at whatever level you are comfortable.

Personal note to our professional staff: Thank you for caring about us. Please know that you are appreciated.

Personal note to our management: I've lived in condominiums for most of my adult life. Dean Lerner, Violette Deschamps and Caitlin Gilman are by far the best team I've encountered.

Malibu East is a special place. When this building was completed, it set the standard for subsequent condominium buildings to this day. The Grand Lobby, spacious units, common areas, parking and amenities that we have here are what some Gold Coast buildings only approach. I am always proud to say I live at Malibu East. I might also add that when some people must give their address to a cab driver, I generally need only to say "Please take me to Malibu East" and I am whisked safely home.

The Dialogue

The Malibu East Condominium *Dialogue* is published by resident volunteers to promote communication among owners, residents, the Board of Directors, management and staff of Malibu East Condominium, 6033 North Sheridan Road, Chicago, IL 60660.

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