

APPROVED

ELIZABETH LOFTS CONDOMINIUMS
BOARD OF DIRECTORS MEETING
JANUARY 10, 2017
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MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY, JANUARY 10, 2017 AT 5:00 PM IN THE COMMUNITY ROOM LOCATED AT 333 NW 9th AVENUE, PORTLAND, OREGON, 97209.

PRESENT: Jim Kennedy, Chairman
Paul Mollomo, Secretary
Andreas Anderson, Director
Jill McAlpine-Andre, Director
Brenda Peterson, Director
Paul Roelofs, Director

ABSENT: Tina Tsai, Commercial Director

BY INVITATION: Tom La Voie, CMCA CAMP, Community Manager
Dave Berg, Building Maintenance Coordinator
Thomas Tooker, Community Administrator
COMMUNITY MANAGEMENT, INC., AAMC

OWNERS: As indicated on the original sign-in sheet.

I. CALL TO ORDER

Secretary Paul Mollomo called the meeting to order at 5:05 pm as Chairman Jim Kennedy was running late.

II. APPROVAL OF AGENDA

Brenda Peterson noted that the discussion of the 5 digit entry codes was mentioned at the Annual meeting, but since it was not on the agenda, she suggested that the discussion be tabled until the February meeting.

AGREED: The agenda was approved as circulated by consensus.

III. APPROVAL OF PREVIOUS MINUTES (November 9, 2016)

AGREED: Brenda Peterson moved to approve the minutes of the November 9, 2016 meeting as previously circulated. Paul Mollomo seconded the motion, which passed without objection.

Manager La Voie requested that the Board approve that the Annual Meeting minutes be posted as a draft, pending approval by the ownership at the December 2017 Annual Meeting.

AGREED: Brenda Peterson moved to approve the posting of the draft minutes of the December 6, 2016 meeting as previously circulated. Andreas Anderson seconded the motion, which passed without objection.

IV. INSURANCE RENEWAL

Agent Vern Newcomb was present to discuss the options for insurance renewal. He distributed a spreadsheet with the current coverage along with two proposals, one from the Fireman's Fund and the other from The Hartford. Newcomb discussed the history of the building's insurance coverage and the recent difficulties with earthquake coverage, and stated that the earthquake coverage proposed by The Hartford offered full coverage with a 3% deductible, as opposed to the 5% deductible offered by Fireman's Fund. Newcomb also stated that The Hartford policy covered earth movement, a much broader definition than the Fireman's Fund. Paul Mollomo raised the question about insuring above the replacement cost, and Newcomb stated that he could provide quotes for additional coverage, which could be added after the policy goes into effect.

AGREED: Jim Kennedy moved to accept the coverage proposal from The Hartford which includes full earthquake coverage with a 3% deductible, at a premium expense of \$94,942. Paul Mollomo seconded the motion which passed without opposition.

V. REPORT OF THE BUILDING MAINTENANCE COORDINATOR

Building Maintenance Coordinator (BMC) David Berg summarized his report that was previously sent to the Board for review.

Plumbing Invoices: Brenda Peterson questioned why the Association was paying for plumbing issues in certain units. Berg answered that the backup was caused by a clog in the common area drain line, which is the Association's responsibility to maintain. There was also a question regarding the replacement of a bathtub p-trap on the 4th floor, and Berg stated that it was caused by the possible over-use of a drain clearing chemical such as Drano, but that it could not be determined. The Board agreed to pay for this replacement, but Andreas Anderson requested that residents be informed that chemical solvents should not be used in the building plumbing. A new item will be inserted into the House Rules addressing this issue. Anderson also asked that an item be inserted into the House Rules stating that all electric heaters must be UL certified and approved. Anderson requested that an editable House Rules document be sent to him so that he can make these insertions.

Anderson also inquired whether the Association could contract with a less expensive plumbing company for routine tasks such as unclogging a toilet. Berg stated that he will look into it, but is reluctant to utilize vendors who are not familiar with the building or condominiums in general. Berg mentioned that the drain line scope project that the Board approved at a cost not to exceed \$5,000 was completed by Portland Mechanical at a cost of \$1,645. Portland Mechanical is recommending that the commercial drain line that services Gallo Nero and the other two commercial spaces on the southeast corner be jetted every six months as a preventive maintenance task. Anderson suggested that the frequency be nine months to one year to start.

Hallway Temperature: Berg reported that due to the very cold outdoor temperatures, he has increased the set point for the hallway air handler unit. He stated that it is not designed to operate when the temperature difference is greater than 40 degrees. Once the outside temperature rises, Berg will reset the air handler unit set point.

Lighting Retrofit: Berg reported that, due to the holidays, he has not yet received the proposal to update the lighting in the community room, stairwells, exterior lighting and the parking garages.

Wireless Fire Alarm Dialer: Berg presented a proposal from Hughes Electric to convert the fire alarm monitoring system from land line telephone to cellular technology, at a cost of \$1,558. Berg reported that wireless will be required under future fire codes, and that, with removing the two land lines, the project will pay for itself in two years.

West Entry Door Refinishing: Berg presented a proposal from West Coast Finishers to paint the entry doors at the west entry. There are two options: Option A includes painting the doors and the jamb inside and out at a cost of \$2,400, while Option B includes the entire storefront inside and out at a cost of \$4,600. This would make all of the metal the same, and there would be no noticeable start and stop lines. After discussing the options, the Board determined that Option A would be the best option for the time being, and that West Coast could be asked to return to paint the entire storefront if the difference is noticeable.

AGREED: Paul Roelofs moved to approve both proposals, the Hughes Electric bid to convert the fire alarm monitoring system to cellular technology at a cost of \$1,558, and the West Coast Finishers proposal Option A to paint the west entry doors and frames at a cost of \$2,400. Brenda Peterson seconded the motion, which passed without objection.

Everett Street Exit: Paul Mollomo revisited the issue of residents having a difficult time exiting the parking garage on to Everett Street, and asked La Voie to reach out to the City again to try to get a response concerning moving the 15-minute parking space from the east side of the exit to the west side of the exit. La Voie stated that his fear is that the City will remove the 15-minute space since it had been petitioned originally by the dry cleaners due to the fact that they had a 24-hour drop at the site. Berg stated that the door closing speed has been adjusted to the fastest setting so that residents do not need to wait any longer than necessary for the doors to close behind them.

VI. COMMUNITY MANAGER REPORT

AvidXchange: La Voie reviewed the new invoicing and check cutting software that CMI has adopted. With this new system, the Board has the ability to review all invoices electronically, and therefore CMI will no longer be providing electronic invoice reports with the monthly financial statements. Jim Kennedy is now approving all invoices on line, and in effect signing the checks electronically. La Voie stated that due to Kennedy's questioning of an invoice from the BMC for "Weekend/Holiday" work on a Tuesday, the invoices will be changed to "After Hours" work performed between the hours of 5:00 pm and 8:00 am, as well as from 5:00 pm Friday through 8:00 am Mondays.

November Financial Statement: La Voie reviewed the November financial statement. The Association was under budget \$6,355.81 for the month, and under budget \$21,903.27 (5.5%) year to date. Actual income exceeds actual expenses by \$26,082.86, which is 6.8% of the total budget to date. The usual suspects are over budget, specifically sewer (15.2%), water (12.4%), building maintenance (12.8%), and BMC miscellaneous (124.0%).

Investment Certificate of Deposit: La Voie presented an updated spreadsheet with a laddered investment strategy via a brokered CD program through Fidelity Investments. La Voie also presented a spreadsheet showing the reserve study assumptions for the next three years. Owners are scheduled to contribute \$1,061,876 into the fund through fiscal year 2020, while renewal costs are projected at \$1,233,300 for the same timeframe. This leaves a deficit of \$171,424. The investment strategy will result in an estimated \$60,154 in interest. La Voie proposed purchasing five CDs totaling \$1,160,000. The money market account at Columbia State Bank would be closed, contributing approximately \$254,000 to the purchase. Jim Kennedy will assist in the closing of the Columbia account. La Voie stated that the Fidelity account will have three authorized signers, and that every transaction would require two signatures. The account would include Jim Kennedy and Paul Mollomo as corporate officers. Andreas Anderson has been authorized as the third signer on the account. La Voie stated that he is listed on the account as the agent, and CMI is listed as a corporate agent so that Fidelity will send monthly statements to CMI's accountants to include on the financial statements.

AGREED: Jim Kennedy moved to proceed with the investment plan for the reserve fund money as outlined, opening an account with Fidelity Investments, with Jim Kennedy, Paul Mollomo and Andreas Anderson as the signers on the account. Paul Roelofs seconded the motion, which passed without objection.

Website/Internet: The management team reported that they are continuing to work on a new website proposal utilizing the Weebly software. There will be a monthly fee associated with the use of the software for the format that the Board is desiring. La Voie stated that he has had two proposals to upgrade the internet service at the Concierge desk, one from Integra utilizing ethernet over copper at a cost of \$535 per month, and 1 gigabyte of fiber optics from Century Link at a maximum of \$150 per month. Both would allow wifi access in the lobby and the Community Room, with security in place. Anderson stated that CenturyLink should provide the service at a discounted price since the Association allowed them to bring the fiber optics line into the building. La Voie will negotiate for a better monthly rate. The Board agreed to move forward with the CenturyLink proposal.

VII. COMMITTEE REPORTS

Architectural Review: Director Roelofs reported that there has been a lot of activity since the last meeting. There is only one open application at this time, for which Roelofs has requested additional information from the owner.

Community Committee: Jill McAlpine-Andre reviewed the surveys for the design options for the furniture in the lobby and the Community Room. The votes were really close for the lobby furniture, but the majority was in favor of the new chandelier. The lobby furniture is about ten weeks out, while the Community Room items are 12 weeks out. The total price as proposed is \$32,220. La Voie stated that the Reserve Study has replacement scheduled for these items in 2020 at a cost of \$57,000, so he estimated that there is \$45,000 in the fund. Discussion shifted to whether the Board should bring in an outside design professional to review the plan, especially since the Community Room could use more than just an overhaul of the furnishings. It was agreed to contact Chris Soderberg, one of the original interior designers for the building, to weigh in on the project and provide some insight into the Community Room. McAlpine-Andre will contact Soderberg to discuss the plans with her.

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McAlpine-Andre reported that Jennifer Pepin of Pepin Gallery had decided to terminate her involvement in the First Thursday art show in the Elizabeth Community Room. She will continue to provide art to the Association for both the Community Room and the hallway.

VIII. OWNER FORUM

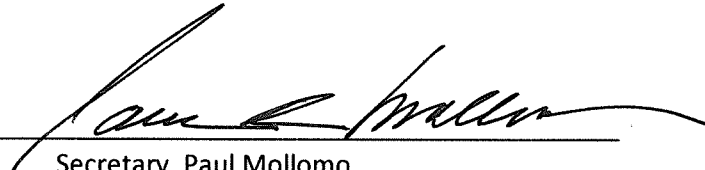
Michelle Heckman stated that the PDBA had issued its annual awards for 2016, and have named Gallo Nero the Pearl Restaurant of the year, John Carroll the developer of the year, and Alex Hughes of CENTRL Office as the Youth Entrepreneur of the Year. John Carroll was the developer of the Elizabeth, and Alex Hughes was on the marketing team for the project, and was an owner in the building until this past April.

IX. ADJOURNMENT

The meeting was adjourned at 7:07 PM. The next meeting is scheduled for February 14, 2017, but may need to be rescheduled due to Valentine's Day.

Minutes approved at the February 15, 2017 Board of Directors meeting.

Approved: _____


Secretary, Paul Mollomo



THE ELIZABETH LOFTS

HOMEOWNERS' ASSOCIATION

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TYPE OF MEETING: BOARD OF DIRECTORS
DATE OF MEETING: JANUARY 10, 2017

SIGN-IN FOR OWNERS/TENANTS/GUESTS

Please sign-in, indicating your unit number or the name of the firm you are representing. Also please check if you wish to talk during Open Forum.

NAME	UNIT	OWNERS FORUM?	TOPIC
Kathryn Layman	1117		
Jack	1104		
Jeff Chitelma	1314	N	
Teresa Jankus	403	NO	
Michelle Heckman	1005	N	
Patricia Riley	516		
Bob Gars HA	1114		