

APPROVED

ELIZABETH LOFTS CONDOMINIUMS
BOARD OF DIRECTORS MEETING
MAY 4, 2021
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MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY, MAY 4, 2021 AT 5:00 PM VIA ZOOM ELECTRONIC VIDEO CONFERENCING FORMAT.

PRESENT: Jim Kennedy, Chair
Paul Mollomo, Secretary
Brenda Peterson, Director
Robert Steele, Director
Steve Rose, Director
Tina Tsai, Commercial Director

ABSENT: Paula McGee, Director

BY INVITATION: Tom La Voie, CMCA, CCM, PCAM, Community Manager
Karina Haley, CMCA, CCM, AMS, Community Manager
Brian Case, Project Coordinator, Facilities Asset Management
COMMUNITY MANAGEMENT, INC., AAMC

I. CALL TO ORDER

The meeting was called to order by Chair Jim Kennedy at 5:00 PM.

II. APPROVAL/AMENDMENT OF AGENDA

AGREED: The agenda was approved by consensus.

III. APPROVAL OF PREVIOUS MEETING MINUTES (APRIL 6, 2021)

AGREED: Brenda Peterson moved to approve the minutes, as previously circulated, from the April 6, 2021 Board meeting. Steve Rose seconded the motion, which passed without opposition.

IV. MAINTENANCE COMMITTEE REPORT

Bob Steele offered a point of clarification regarding the unit specific shut-off valves discussed at the April meeting. Steele has discovered that each unit has a water shut-off manifold. He will work on locating the manifold for each style of unit so that the residents can locate it in the event of a water emergency. There are some anomalies, which he will identify as well. Steele offered an apology to the Board for his previous misinformation, but Board members offered their thanks for his work on the matter.

Active Victaulic Leak: Brian Case summarized the event regarding water discovered in the parking garage on April 30, 2021. Case and Bob Steele commenced the investigation in the parking garage, which lead them up the 04/05 stack to unit 1204. Exploratory holes were cut in the 1204 laundry room, which revealed a leaking Victaulic press-fit coupling. Case and Steele were able to contain the leak and divert the water to the 1204 tub. The piping configuration of the 04/05 stack has several anomalies which created confusion when tracking the leak and these will be noted for future reference. La Voie stated that the leak has been certified as a Victaulic coupling failure; Attorney Dan Webbert has been notified, and he has put the Victaulic legal team on notice. They will be on site tomorrow (May 5) to validate the claim under the terms of the settlement agreement. The settlement included ten leaks over twelve years, and this is leak number seven with five years remaining. La Voie will ask Webbert to validate the numbers.

Case summarized that Charter will be on site at 7:00 AM on May 5 to prepare for the repairs, putting down plastic carpet protection in the hallways and in units 1204 and 1205. The legal teams will arrive at 8:00 AM to observe and document the leak prior to the water being shut off, at which time PMC will remove and secure the failed fitting prior to replacing it with the new press-fit product. Case will verify the proper

entity to maintain custody of the failed fitting. The Charter team will be taking moisture readings in units below the leak and addressing any water intrusion issues that they find along the way. As an aside, a preexisting laundry leak was discovered in unit 1305, which will need to be addressed by the owner.

Case was complimentary of the Concierge staff, who worked throughout the water intrusion event to call residents to request permission to enter. One training issue was found — regarding when to call “emergency” contacts — and that issue will be addressed.

Paul Mollomo expressed the Board’s appreciation to Case and Steele for their diligence in tracking down and mitigating the leak until 2:00 AM and asked that the minutes reflect that appreciation.

Fire Panel Issue: Case stated that he will also be meeting with Hughes Electric on May 5 to troubleshoot a fire panel relay issue that is causing the system to shut down exhaust fans on the roof.

Clean and Seal Project: Case provided an update on the Clean and Seal Project, including the RDH report from the first drop that noted steel corrosion at ground level locations needing extraordinary control measures. Brenda Peterson inquired about notification to owners about removal of plants from balconies. Case will provide the timeline from RDH and D&R to the management team so that notice can be sent to owners in advance of the work.

Mop-Sink Leak: Case provided cost estimates to address the water leak found in the mop sink in the first-floor janitorial room. He reported that the stainless-steel surround option would be the most durable and longest lasting option. The expense is estimated at \$3,700, which would include a stainless mop sink basin with a custom stainless surround. The cost of the terrazzo option, which is the type of sink we have now, is estimated at \$5,500, but Case stated that terrazzo is prone to cracking over time. Case mentioned that there also would be a plastic option at a much lower cost. Steve Rose suggested that the stainless option is preferable as long as the expense can be paid for from the reserve fund. La Voie verified that this would be an acceptable expense for the reserves. The Board agreed by consensus to proceed with the stainless option; Paul Mollomo will sign the PMC proposal.

Ten tasks were updated as follows:

Two tasks have been completed:

1. Roof membrane repair was completed on April 6.
2. Post-maintenance repairs to garage gates have been completed, but Metro will provide a proposal to replace the aging closers.

Eight tasks are pending:

1. Dryer Vent Cleaning – CMI will ask for four volunteers in the 03 stack. Kati will be on point.
2. Work continues to solicit bid proposals from other elevator maintenance vendors. Otis reversed the charges on the disputed invoices, but then turned around and billed for another service call covered by the Otis contract.
3. Call Box rewiring has been approved but not scheduled.
4. Sliding Door Maintenance – The manufacturer’s maintenance information is being researched for distribution to owners.
5. Work Order has been issued, temperature/color have been verified, and fixture has been ordered for the LED can light over the barbecue area.
6. Electrical repair or motor replacement of five roof exhaust fans is scheduled for May 5.
7. Bids have been solicited for the mop sink leak repairs, as discussed previously.
8. Exterior lighting projects are on hold for now.

V. COMMUNITY MANAGER'S REPORT

New Community Manager: La Voie introduced Karina Haley, CMI Community Manager, who will be succeeding La Voie as the Elizabeth's new manager upon his retirement at the end of July. He pointed out that Haley had started her career at CMI as his assistant, and that long-time residents will be familiar with her already. Haley will be taking on some day-to-day tasks and getting up to speed on the Association prior to taking over full-time in July. Paul Mollomo welcomed Haley on board, and Haley stated that she is looking forward to working with the Association.

Financial Statement and Budget Discussion: Manager La Voie reviewed the March 2021 financial statement. Expenses year-to-date are over projection 10.7% at \$86,643.27, \$34,027.81 of which is the insurance premium overage. La Voie ran through a line-by-line analysis of the \$86k over budget figure. The prepaid insurance of \$181,476 created a cash flow problem resulting in a loan from the reserve fund in the amount of \$116,251, which will be paid back over the course of the coming year. This figure includes the \$24,000 that the Board had previously allocated as an Operating Contingency to cover the increased cost of the insurance premium. The Board had also approved the transfer of \$24,000 from the Working Capital fund as a buy down for the premium increase when the 2021 budget was approved, and La Voie asked for authorization for that transfer at this time. This will pay down the amount owed to the reserve fund to \$92,251.

2021-2022 Budget: La Voie presented a revised budget proposal that included a change in the Reserve Fund contribution amount from 6% to 5%, in order to maintain a potential dues increase at the 10% benchmark for both the Residential and Commercial owners. RDH will rerun the funding scenario with this amount, along with a revised end-of-year balance based on more accurate information regarding the Clean and Seal project. The Reserve Fund contribution remains the single largest monthly expense at 19% of the total budget. The Commercial dues were impacted more by the insurance rate increase since they do not pay into all of the budget line items. When one of the shared expenses (such as earthquake insurance) increases, it affects the Commercial Units more than the Residential Units. The Commercial Units contribute a set \$35 per month garbage fee to the Association; in order to help balance the dues, La Voie reported that he moved the monthly budgeted amount for garbage from a shared expense to the residential only category, helping to lower the Commercial dues increase from 18% to 12.8%. Kennedy asked if any existing funds were being used to buy down the increase; La Voie confirmed that they were not included in a buy down. Kennedy also asked if there had been any discussion regarding cutting expenses, and La Voie stated that there was discussion and that several tweaks were made to the proposed budget. Paul Mollomo stated that the \$80,000 increase in insurance premium is the crux of the issue, and that there was no category where \$80,000 was available to cut. Mollomo also discussed the possibility of levying an \$80,000 special assessment to offset the dues increase; Tina Tsai stated that it would be more palatable to pay the increase over 12 months rather than to have to pay it all at once. Kennedy stated that a 10% increase is unconscionable, and fears that the Elizabeth will be pricing itself out of the market, as other buildings offer more amenities. He stated that the goal is to keep the Elizabeth an attractive alternative in the marketplace, and that cutting expenses, using available cash, and a special assessment to keep monthly dues down should all be evaluated. Steve Rose stated that there is no available cash as that was used in the current budget to offset last year's insurance premium increase. Rose suggested that the Board conduct a survey to determine whether the ownership wants to maintain full earthquake coverage, no matter the cost. He proposed that the Board adopt the budget proposal with the 10% increase, pay back the reserve fund for the monies borrowed to prepay the insurance premium, and then ask the owners to provide input on future coverage. Bob Steele stated that special assessments

are difficult: They incur administrative expenses to levy and track, and at the end of the day it is the same amount of money. He agrees that the Board should survey the owners for input prior to making a decision on full earthquake coverage next year. Tsai stated that she is in favor of full earthquake coverage as she grew up in an area where there were a lot of earthquakes.

AGREED: Steve Rose moved that the Board approve the 2021-2022 Budget as proposed with a monthly increase of 9.99% for Residential fees, and between 9.53% and 12.81% for the Commercial fees. Rose also moved that the Board conduct a survey of the owners regarding earthquake coverage so that the Board can make an informed decision when the policy renews next February. Brenda Peterson seconded the motion, which carried with no opposition.

La Voie stated that CMI will draft a memo to the owners informing them of the dues increase and alerting them to the survey allowing them to express their opinion on future earthquake coverage for the building. Mollomo asked that the memo explain that the insurance premium is driving the dues increase and that the option of reducing coverage could reduce monthly dues but increase liability. Peterson stated that owners need to know what their personal liability would be in the event of an earthquake. La Voie stated that he will enlist the aid of the insurance agent in wording the memo and survey to the owners.

Brenda Peterson thanked La Voie for his work in presenting the budget proposal early and providing ample opportunity for the Board to discuss this very difficult budget.

VI. REPORT OF THE DIRECTORS' SUBCOMMITTEE ON BYLAWS REVIEW

Steve Rose provided a recap of the Committee's work to date. Paula McGee has edited the document to remove gender references as well as most references to the Declarant who turned over control of the Association to the owners in December 2005. Brenda Peterson and Rose also have reviewed the document and have added their own edits. The edited document has been sent to Attorney Pat Foran and the entire Board. Foran will review the Board's edits and add the sections that he has proposed. Once a full red-lined draft has been received, there will be a vote of the owners to adopt the changes. Rose stated that McGee and Peterson have spent a great deal of time on this project and the owners should be appreciative of their efforts.

VII. BOARD MEMBER REPORTS

Chair: Jim Kennedy summed up the issues that continue to face the Board, including security lapses, pets off leash and using street tree wells as a pet bathroom, insurance coverage, and the budget increase. Kennedy stated that residents are complying with the mask mandate and are being polite with one another regarding elevator usage and personal space preferences. La Voie observed that there have been reports in other buildings regarding confrontations around elevator usage and the wearing of masks and residents not complying with building guidelines. He is not aware of any issues of that nature at the Elizabeth.

Commercial Director: Tina Tsai reported that there are three empty spaces and that two of the spaces are for sale. The pavilion restaurant building was briefly discussed, as the auction of the property is still being held up by the courts. Tsai stated that clients to her practice are starting to be lax regarding mask usage, stating that they have been vaccinated, and her staff has to remind them to wear their masks and make appointments. Sabina's Style had graffiti on their front door today and CMISD will be repainting the door. Paul Mollomo stated that the commercial space across Everett has been sold, which is optimistic for the Pearl and the downtown area.

VIII. COMMITTEE REPORTS

ELEC: Bob Garsha reported that the Aqua Bricks are expected within the next two weeks; there was a delay in ordering waiting for two buildings to pay for their order. The Committee has welcomed a new member. Forrest Gist is a resident of the 8th Floor, and he will bring renewed interest and energy to the Committee. Starting June 15th, the Committee will be renewing efforts to remind residents about the Committee and its mission on a monthly basis.

EQ Newsletter: Garsha stated that the next newsletter will be in August.

Welcome Committee: Bob Garsha reported that he will be working with Kati to identify new residents. Garsha has created a welcome email for new residents to draw their attention to the website, ELEC, and the EQ Newsletter, and to offer them a resource in the event they have questions and don't know who to ask. He has received positive response to the welcome email, and once COVID restrictions are removed, he will plan to meet with new residents to welcome them in person.

IX. UNFINISHED BUSINESS

GoDaddy Account: Discussion centered on solutions to paying for the annual renewal of the website hosting account through GoDaddy. La Voie suggested that the Association consider a credit card through their US Bank account. Kennedy was not in favor of a physical credit card, but suggested an ACH autopay solution, or pay by check well in advance of the renewal date. Bob Steele will check in with GoDaddy to see what payments options are available for the annual renewal.

X. OWNERS' FORUM

Bob Steele noted for the record the time and energy put forth by Brian Case to investigate the source of the latest Victaulic leak, especially on the heels of a separate late night water episode in a different building. Steele also wanted to publicly thank Megan Wuest in 1204 for allowing them to cut into her laundry room wall in order to more accurately identify the source of the leak, and for the inconvenience of having the make shift drain line diverting the water flow into her bathtub. Steve Rose added thanks to Bob Steele for stepping up and assisting Case in the investigation, above and beyond the role of Director.

Sharon Durant inquired about the proper way of alerting the Board regarding homeless people camping around the building. La Voie stated that the first call should be to the Concierge, who will call Pacific Patrol Services. Residents are also encouraged to call Pacific Patrol directly at 503-595-3440. PPS is very successful in removing trespassers on the property. La Voie reported that there was one incident recently where PPS had to involve the Portland Police in removing a trespasser from the courtyard. If the incident is after Concierge hours, residents can also call CMI After Hours at 503-233-0300, or call PPS directly. Durant stated that the offenders know when the Concierge goes off duty and wait until that time to set up camp.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:55 PM. The next Board meeting will be via Zoom on Tuesday, June 1, 2021 at 5:00 PM. Log-in information will be provided prior to that date.

Minutes approved at the June 1, 2021 meeting.

Approved: _____

Paul Mollomo, Secretary