

APPROVED

ELIZABETH LOFTS CONDOMINIUMS  
BOARD OF DIRECTORS MEETING  
AUGUST 3, 2021  
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MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY, AUGUST 3, 2021, AT 5:00 PM VIA ZOOM ELECTRONIC VIDEO CONFERENCING FORMAT.

**PRESENT:** Paul Mollomo, Secretary  
Brenda Peterson, Director  
Robert Steele, Director  
Steve Rose, Director  
Paula McGee, Director

**ABSENT:** Jim Kennedy, Chair  
Tina Tsai, Commercial Director

**BY INVITATION:** Karina Haley, CMCA, CCM, AMS, Community Manager  
Brian Case, Project Coordinator, Facilities Asset Management  
**COMMUNITY MANAGEMENT, INC., AAMC**  
Carrie Barrett, **SCHWINDT CO.**

**I. CALL TO ORDER**

Secretary Paul Mollomo called the meeting to order at 5:02 PM.

**II. APPROVAL/AMENDMENT OF AGENDA**

**AGREED:** Paul Mollomo moved to approve the agenda as presented. The motion was approved by consensus.

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

**AGREED:** Brenda Peterson moved to approve the minutes, as previously circulated, from the July 6, 2021 Board meeting. Paul Mollomo seconded the motion, which carried unanimously.

**IV. SCHWINDT CO. PRESENTATION — FINANCIAL AUDIT**

Carrie Barrett from Schwindt Co. presented the 2019-2020 audit to the Board.

- Schwindt concluded: "In our opinion, the financial statements referred to [in the report] present fairly, in all material respects, the financial position of Elizabeth Lofts Condominiums Owners' Association as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America."
- There are a few adjustments to be made to the journal entries but that is fairly standard.
- The Association has three funds: Operating, Replacement Reserve, and Working Capital. Replacement Reserve funds are restricted in that they should be spent on items identified in the Reserve Study. Working Capital funds are for unbudgeted expenditures at the discretion of the Board. These three funds are held in several bank and investment accounts.
- Currently, there is an "interfund balance" of \$26,115 in the Working Capital fund (which has been in the fund for a number of years) that should be transferred to the Replacement Reserve fund to accurately reflect correct balances.

**AGREED:** Brenda Peterson moved to approve the transfer of \$26,115 from the Working Capital fund to the Replacement Reserve fund. Bob Steele seconded the motion, which carried unanimously.

- Schwindt has identified \$42,463 for plumbing repairs expensed to the Replacement Reserve fund for which the Association is seeking reimbursement from the manufacturer. CMI is in the process of auditing Victaulic expenses and ensuring proper reimbursement.

- Schwindt made three recommendations: [1] that the Association formalize its asset capitalization policy (the current informal policy is to expense all personal property acquisitions of \$8,000 or less); [2] that the Association adopt by resolution a written repayment plan for repayment of the Replacement Reserve fund; and [3] that the Association, during its next reserve study, incorporate and select a funding scenario that eliminates the need for special assessments.
- Schwindt noted that the Association has a formal plan for funding major repairs and replacements, but the current cashflow projection models show a special assessment in the amount of \$7,762,415 in the year 2050.

**AGREED:** Paul Mollomo moved to accept the adjusted journal entries as presented pending approval by Jim Kennedy. Paula McGee seconded the motion, which carried unanimously.

#### V. MAINTENANCE COMMITTEE REPORT

Bob Steele presented the Maintenance Committee Report and provided the following project updates.

##### Completed Projects:

- Elevator 2 phone repair
- Garage door adjustments
- Generator adjustments
- Compressor from US Mechanical
- Lighting repairs and other small maintenance items

##### Projects Still in Progress:

- Recirculation pump
- Paver maintenance has begun
- Clean & Seal should be wrapped up in August; there have been some complaints about owner notifications and paint quality.
- Still need volunteers for dryer vent cleaning so that project hasn't moved forward yet.
- Exterior lighting project is on hold; Brian Case is getting a bid from Hughes.
- Callbox update is still pending.
- Sliding door maintenance – still identifying best techniques for lubrication.
- Sink has been installed but the surround installation still needs to be done. The sink ended up being a different material than initially specified due to product availability.
- There is a failed compressor in the hallway; one proposal has been received but an additional bid is being solicited.

##### Other Projects:

- Bob is eager to see the report card project recommended by Brian Case. This project includes asking the vendors responsible for system maintenance to evaluate the health of the building components to see how their assessments compare with the projected replacement dates and costs in the Reserve Study.
- In light of the audit recommendation regarding future special assessments, Bob believes the Association should more closely monitor replacement projects as recommended by RDH. If they are called for, they should be done and, if not, then the reason needs to be documented and confirmed with RDH, so the Reserve Study is appropriately adjusted.
- Bob has volunteered to identify specifications for the HVAC systems for individual condo units in terms of how large the units should be. This will help the Board in determining whether to approve Architectural Requests from owners who need to replace their HVAC units.

- The shutoff valve replacement project is still underway. Bob suggests an inspection of units prior to water shut-offs, which may avoid the need to shut down an entire stack.
- PDNA has suggested that waste stacks might require jetting.
- Air Purification System: The Maintenance Committee recommends installing an air purification system that would improve the smell in the trash room. CMI does a great job of keeping the area clean but an ozone generator will help purify the air by reducing bacteria and odor.

**AGREED: Bob Steele moved to approve the proposal from Wessco in the amount of \$1,799 to install an air purification system in the trash room. Paul Mollomo seconded the motion, which carried unanimously.**

- Garage Doors: Two options — we can either replace the openers and bring them up to current code, which would cost around \$21,000, or replace only the operable components (motors, gear box, arms, bearings). The latter approach allows for skipping the code update, but will give us the equivalent of new openers.

**AGREED: Bob Steele moved to approve the proposal from Metro Access Control in the amount of \$5,824 to repair the four existing swing gate operators. Steve Rose seconded the motion, which carried unanimously.**

- Generator Maintenance: Bob Steele presented a proposal to approve a service agreement with Peterson Power for generator maintenance at a total cost of \$7,215 for a three-year period. This service includes the load bank test, replacement of all the coolant hoses and coolant, adding shutoff valves, and engine maintenance, including oil and battery changes. The Board discussed whether another bid should be obtained because this contract is more expensive than the last contract. Case explained that cost increases are happening with most vendors.

**AGREED: Bob Steele moved approval of the proposal from Peterson Power for a three-year agreement for generator maintenance in the amount of \$7,215. Paul Mollomo seconded the motion, which carried unanimously.**

Brian Case discussed the following additional projects:

- Exterior Lighting – CMI tested a new can light in the area of the barbecue which turned out well. Hughes will be preparing a proposal for the rest of the exterior can lighting.
- Exterior Clean & Seal – The work and communication plan seemed to be progressing satisfactorily until the painting portion of the project started. Complaints were received from owners about a number of issues with the painting project, including lack of communication about when the work in a particular area would be done and poor-quality work in some areas. Brian has discussed specific owner concerns with D&R. He is also setting up a meeting with RDH to review the quality concerns and will request they spot check the work and follow up with the painters.
- The courtyard bollards have been painted
- Paver Maintenance has begun; the grass was removed in the courtyard.
- Callbox Update – The agreement still needs to be signed. Brian will send the agreement to the concierge for Paul's signature.
- Sliding Door Maintenance – Brian discussed the best product for lubrication of the doors with Metro and Metro suggested lithium grease, but Benson is recommending silicone grease. Brian will ask Benson's service manager to provide internal documentation about the best practice for maintaining the doors.
- A/C compressor is on order.
- The HVAC unit near the west door has a failed compressor. We have a bid from American Heating and are waiting on pricing from Portland Mechanical.

## VI. COMMUNITY MANAGER'S REPORT

Financial Statement: Manager Haley reviewed the June 2021 financial statement. Expenses year-to-date are over projection 9.1% at \$97,825.74, \$51,705.31 of which is the insurance premium overage. Prepaid insurance is now

at \$131,482.80, and the loan from the reserve fund has decreased to \$60,627.49, which will be paid back over the course of the coming year. Haley reported the proposed adjusted journal entries for the 2019-2020 year have posted and informed the Board that an audit of Victaulic expenses is being done to verify all reimbursements have been received. Haley noted that half of the overage at year end was from the insurance increase; the other half of the overage is attributable to the following over-budget expenses: Building Maintenance (\$20,000), Facilities Coordination [Brian Case] (\$17,000), elevator expenses (\$9,400), and sewer (\$5,600). Adjustments have been made in the new fiscal year budget to take into account expected increases in utility costs. At the Board's request, Brian will investigate the overage on the elevator expense and Karina will double check the amount remaining to be paid back for the insurance expense.

Architectural Review: Haley reported that two applications had recently been approved by the Board and said that the Board was up to date on pending requests.

#### VII. REPORT OF THE DIRECTORS' SUBCOMMITTEE ON BYLAWS REVIEW

Subcommittee members (Steve, Paula, and Brenda) have discussed a number of issues with the Board attorney and have made additional edits to the existing bylaws. The sub-committee hopes to have a document ready for the Board to review at the next meeting. The next step in the process is to seek Board approval of the proposed changes and then to submit the proposed changes for a vote by the owners. Brenda noted that the sub-committee will review the House Rules for any necessary changes if the bylaw amendments are approved by the owners.

#### VIII. BOARD MEMBER REPORTS

Chair: Absent.

Commercial Director: Absent.

Karina Haley confirmed that both Tina Tsai and Gallo Nero have purchased one additional commercial unit in the building.

#### IX. COMMITTEE REPORTS

HOUSE RULES: Brenda said recent complaints regarding extended parking in the loading zones by owners will be addressed in a House Rule.

ELEC: Forrest Gist is the newest member of the Committee, and he gave the report for ELEC. The Committee has distributed an email asking residents to sign up for emergency text alerts from the Elizabeth. Approximately 70 units have replied so far. ELEC will also be asking the Concierge, CMI, and the commercial units to sign up. The Committee is hoping to include the emergency communication elements in the orientation manual. The Committee is also exploring a training about how to shut down utilities, including gas and water, in the event of a catastrophe, so the Elizabeth doesn't have to wait for first responders, utility companies, or CMI to arrive to do that. The Committee is planning an evacuation drill pending board approval. This drill will involve the Floor Captains and hopefully a representative from the Fire Department. ELEC Minutes will be posted to the web portal. Brenda asked ELEC to send out a second email reminder about the evacuation drill.

Welcome Committee: Bob Garsha has completed some interviews with new residents, which have been posted to the website – <https://www.elizabethlofts.org/community/hospitality/>. Bob thanked those residents who have participated; it is wonderful to continue building and enhancing the community!

**X. UNFINISHED BUSINESS**

**Mask Policy:** Paul Mollomo asked Board members to decide whether masks should once again be required in the common areas of the building. Bob Steele read aloud a statement from Multnomah County strongly recommending masks indoors regardless of vaccination status. Board members discussed whether a mask policy should apply to CMI employees who are behind the desk, but ultimately agreed that doing so was the best policy. Karina noted that CMI follows CDC and OSHA guidelines in the office and follows client guidelines when CMI employees are onsite in buildings.

**AGREED:** Brenda Peterson moved to reinstate the wearing of masks in all common areas of the building for residents, vendors, guests, and employees. Paula McGee seconded the motion, which passed unanimously. There was also a brief discussion about enforcement of the policy. The policy will be enforced the same way other rules violations are enforced: warning letters, violation letters, and fines.

**XI. OWNERS' FORUM**

- Paula McGee noted that Bob Garsha had sent her contact information for a private security guard. Bob noted that he had provided the information to Paula because he was not sure of the status of the agreement with Pacific Patrol or whether the HOA was ready to shop the contract. CMI has reached out to Pacific Patrol and they informed CMI that their plan to enhance service for the Elizabeth was stalled as the two new hires didn't work out; as a result, they are still working on their staffing issues.
- Jeff Ghitelman inquired about the status of the Isabel space as he observed a pop-up business operating in the plaza. Concern was expressed about the use of the space because Isabel is in foreclosure and owes the Association delinquent HOA fees. The Board will follow up on this with its attorney.
- Michelle Heckman expressed frustration with the lack of communication regarding the Clean & Seal project and asked about plans to inform residents about future projects. Brian Case explained the communication process that was in place and where the breakdown occurred. CMI said that future communications will be improved. Michelle suggested that a Board member should be assigned as a communication liaison.

**XII. ADJOURNMENT**

There being no further business, the meeting was adjourned by consensus at 7:43 PM. The next Board meeting will be held on Wednesday, September 15, 2021, at 5:00 PM, via the Zoom format.

Minutes approved at the September 15, 2021, meeting.

Approved: \_\_\_\_\_

Paul Mollomo, Secretary