

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY,  
NOVEMBER 2, 2021, AT 5:00 PM VIA ZOOM ELECTRONIC VIDEO CONFERENCING FORMAT

**PRESENT:** Brenda Peterson, Chair  
Jim Kennedy, Treasurer  
Paul Mollomo, Secretary  
Paula McGee, Director  
Steve Rose, Director  
Bob Steele, Director  
Tina Tsai, Commercial Director

**BY INVITATION:** Karina Haley, CCM, CMCA, AMS, Community Manager  
Brian Case, Project Coordinator, Facilities Asset Management  
**Community Management, INC., AAMC**  
Vern Newcomb, American Benefits

**OWNERS:** Janice Cooper, Sharon Durant, Leila Falk, Forrest Gist, Carol Hayden, Lucy Karter,  
Roberta Margolis, Mark Pauley, Carole Rhoadarmer, Larry Rosenblum, Barbara Shimek, Christine Steele,  
Ben Tribelhorn, Lavita Wai, Edward Weiner

I. **CALL TO ORDER**

Chair Brenda Peterson called the meeting to order at 5:02 PM.

II. **APPROVAL/AMENDMENT OF THE AGENDA**

**AGREED:** The agenda was approved by consensus.

III. **EARTHQUAKE INSURANCE**

a. **Update from Agent Vern Newcomb, American Benefits**

At the Board's invitation, Vern Newcomb from American Benefits attended the meeting to discuss the Association's insurance policy, which comes up for renewal on February 1, 2022. Vern provided the following information:

- The annual cost of the Association's current insurance policy is \$260,000; \$190,000 of that amount was for the earthquake portion of the policy. The Board should anticipate that the earthquake portion of the policy will increase approximately 10% at the next renewal.
- The Association is insured at \$94,000,000 for earthquake coverage (the maximum amount that would be paid out in the event of a loss). If a total loss occurred, the funds would go to the Association and the Board would authorize a disbursement to the owners based on their percentage of ownership.
- The policy carries a 5% deductible, which amounts to approximately \$4,700,000. If the deductible were divided equally among all owners, each owner would be responsible for approximately \$24,000. The deductible, however, would more likely be allocated based on percentage of ownership.
- The earthquake policy for The Elizabeth Lofts covers the building, the foundation, underground pipes, the units, the finished interiors of the units, HOA fees, and water ensuing damage. If there is an earthquake that shakes the building and breaks pipes causing a water loss, you must have language in the policy that covers the ensuing water damage or the water damage will not be covered. Damage caused by fire would be covered under the Association's general policy, and the regular deductible of \$25,000 would apply rather than the 5% earthquake deductible.

- Unit owners should carry earthquake loss assessment coverage and should consider loss of use coverage in the event the building is deemed uninhabitable. Owners are also responsible for insuring their personal contents.
- Vern handles the insurance policies for about 95% of the mid- to high-rise condominiums in the downtown area; about 25% carry full coverage. He does not have any mid or high-rise condo clients that do not carry any earthquake coverage. He has one client similar in value to The Elizabeth that only carries \$5,000,000 in coverage. Most condos that do not insure the full building value are using 25-50% of the building value.
- In 2015, when rates started to increase, The Elizabeth had a seismic study done and a report generated to assess the building's risk. A potential maximum loss number (PML) is developed for the building; there is a 10% chance that the number is incorrect. According to the report, The Elizabeth's PML number is 15% of the building value. This type of report is what many buildings purchase in order to feel comfortable purchasing a lower amount of insurance.
- During last year's renewal, there was an option to purchase \$50,000,000 in coverage but it only reduced the premium by \$33,000. The first \$25,000,000 in coverage cost \$125,000 as this is where most of the risk is. Adjusting deductible amounts may be another way to impact premium amounts.

#### b. Owner Survey

The Board had been considering distributing a survey to owners regarding earthquake insurance but agreed it would be difficult to pose questions without knowing the hard numbers, which will not be available until January. Vern hopes to have numbers to present to the Board by January 18, 2022.

#### IV. APPROVAL OF MEETING MINUTES

**AGREED:** Jim Kennedy moved to approve the October 5, 2021, meeting minutes. Paula McGee seconded the motion, which carried unanimously.

#### V. BUILDING COMMITTEE REPORT

Bob Steele reported on behalf of the Building Committee. He noted that the Board had received a memorandum from Paula McGee prior to the meeting summarizing the Committee's work.

##### Completed Projects:

- The closet repair for unit 1204 is complete.
- Callbox wiring update is complete. The Committee will continue to monitor.

##### Updates:

- Bob met with Kathleen at RDH. She agreed to review the large expenditures forecast for 2045-2050 to have a better understanding of what those are and whether the projections are realistic. For example, one of the large items calls for full window replacement but it may not be necessary to replace all of the windows at one time.
- The Building Committee has discussed the recently installed ozone generator in the trash room and will figure out a way to have it run only when no one is in the room.
- Still working on trash chute cleaning.
- Still working on roof anchor bids. The Committee is expecting a second bid from Carlson.
- Still working on who is responsible for sliding door parts/repairs.
- Work order issued to Hughes for exterior lighting.
- Work order issued to PMC for the hallway HVAC compressor that died.

- Sand paver replacement project is still not complete.
- The front door actuator will be replaced. There is \$10,000 in the reserve study for preventive maintenance.
- Brian is working to make sure that all items listed on the annual inspection list (approximately 275 items) are included in existing contracts.
- Video recorder upgrade is underway.
- Bob has backed off on recommending an Emergency Shutdown Team because of possible legal and insurance issues.
- Still working on failed drains to determine which ones should be jetted.
- Still considering building-wide shut-off valve replacement. Bob has replaced all shut-off valves in Unit 612; he determined that the old valves were in poor condition. Bob also noted that the Eliot is in the process of valve replacement.
- The Concierge received a complaint that the Flanders garage gate was not closing properly, but it seems to be working now.
- The clean and seal project is mostly complete. Some of the remaining items will not be finished until Spring. The post clean and seal window washing project has been scheduled for 11/15/21.
- There are 75 additional items in the reserve schedule totaling approximately \$300,000 (including dryer stacks, heat exchanger disassembly, exhaust fan inspection, urethane coating, and roof deck pavers). The Elizabeth is transitioning from new to middle age and preventive maintenance is important.
- The Building Committee has reviewed two proposals that it recommends the Board approve:
  - A proposal from Charter Construction for approximately \$5,000 for drywall and insulation repair from a recent leak.
  - A proposal from Snyder Roofing for roof maintenance.

Report from Brian Case:

- Wire replacement in the callbox has been completed. Kati reported that the eastern callbox is still cutting out. Brian believes this is probably due to IP phone lines so they will try switching to copper.
- Hughes Electric is putting together a bid for the ozone generator motion sensor modification that will trigger the unit not to function while humans are present.
- PMC has completed the compressor replacement in the hallway.
- Jennifer has received a few responses from the '03' stack for dryer vent inspections so that can move forward.

**AGREED: Steve Rose moved to approve the bid from Charter Construction for the drywall and insulation replacement on the 4<sup>th</sup> and 7<sup>th</sup> floors at a cost of \$4,957.70. Bob Steele seconded the motion, which carried unanimously.**

**AGREED: Bob Steele moved to approve the roof preventive maintenance contract from Snyder Roofing at an annual cost of \$2,787.88. Paula McGee seconded the motion, which carried unanimously.**

Brenda Peterson thanked the Building Committee and Brian Case for the work they do to support the health of the building.

**VI. REPORT FROM THE COMMUNITY MANAGER****a. Financial Statement**

Karina Haley reported that, in the month of September, expenses were \$11,846.31 under projection. The year-to-date variance to budget is -\$2,177.17 (-.7% under budget) and income exceeds expenses by \$980.48. Checking account balance is \$80,176.28; working capital balance is \$123,898.14; and the replacement reserve balance is \$1,684,982.16.

Brenda inquired as to how the August expenses were almost 5% over budget and now expenses have balanced to be at budget. Karina explained that Otis submitted a credit memo, which was processed, but later sent in invoices for the period after service had been cancelled. Once reconciled by accounting, the credit and related invoices should balance to zero; no funds were paid to Otis. Board members also asked about the 1790 fund and why on the August statement there was an amount owed from operating (account 1130) and now there is a surplus in the operating contingency. Karina explained that this is related to the Clean & Seal project: large invoices for D&R Masonry were paid, which necessitated a transfer of funds from the reserve (money market) into the checking account so the payments to D&R would clear. Jim will work with Karina and CMI to put in place a plan to anticipate large expenditures and make sure funds are available when needed.

**b. Architectural Review Applications**

Brenda Peterson reported that the Board is current on all architectural review applications.

**VII. REPORT OF THE CHAIR**

No report.

**VIII. REPORT OF THE TREASURER**

No report.

**IX. REPORT OF THE COMMERCIAL DIRECTOR**

Tina Tsai reported that someone tried to break into Echo Natural Beauty. Although the attempt was unsuccessful, a locksmith had to repair damage to the lock. Tina encouraged people to continue to be vigilant about security. Tina said she had hoped that her new space would be open in March, but she has experienced significant delays with contractors and permits and now it appears it will not be ready until next winter.

**X. REPORT OF THE DIRECTORS' SUBCOMMITTEE ON BYLAWS REVIEW**

Steve Rose reported that the voting instructions were distributed to all owners on November 1, 2021. Owners also were provided with a copy of the letter from Association attorney Pat Foran summarizing the changes, along with both clean and redline copies of the Amended and Restated Bylaws. If the requisite number of votes are not received by November 24, 2021, then the vote may be extended. CMI will send a reminder email notifying the owners that the voting materials have been distributed and asking them to check spam and junk filters. So far, 40 owners have voted.

**XI. COMMITTEE REPORTS****a. House Rules**

Nothing to report.

**b. ELEC**

Larry Rosenbaum reported on behalf of the Committee.

- One mega-mover gurney has been received and evaluated. ELEC has determined that it will work well so a second gurney has been ordered and will arrive soon.
- The annunciator test was completed on October 7, and the Committee now has a better understanding of how to use the equipment. Procedures will be written up so there is no confusion going forward.
- The Board approved the hard hat lettering. The lettering has been completed, and the hats are back in the storage cabinets.
- Last month, the Pearl District Emergency Committee started a Pearl District radio network to connect with neighboring condos. The walkie-talkies work well with line of site and a network will be developed so presumably buildings can communicate with one another in the event of an emergency.
- Thanks to Bob Steele for creating a place for ELEC Committee meeting minutes under the governance tab on the website.

**XII. UNFINISHED BUSINESS****a. Finalize Asset Capitalization Policy**

Brenda Peterson reported that there still is work to do to finalize the Asset Capitalization Policy so that item will be deferred to the January meeting.

**XIII. NEW BUSINESS****a. Annual Meeting**

The meeting will be held at 6:00 PM on December 7 via Zoom. It will be followed by a brief organizational meeting to set Board meeting dates for 2022 and elect officers.

**XIV. SAFETY & SECURITY****a. Pacific Patrol**

Deferred to January meeting.

**b. Resolution: Surveillance Cameras**

Deferred to January meeting. The Association's attorney has drafted a resolution for the Board's consideration.

**XV. OWNERS' FORUM**

- Bob Steele reported that the server for the surveillance camera system is going to be replaced. The cost will be between \$900 and \$2,000.
- Bob Steele also noted that there is more work that needs to be done regarding website back-up. He also intends to reach out to CMI to establish a new method of payment for the Go Daddy site hosting.
- Karina Haley reported that a yoga studio has reached out to The Elizabeth offering two free weeks of classes. CMI will forward the information to the Concierge to post on the bulletin board.

**XVI. ADJOURNMENT**

There being no further business, the meeting was adjourned at 6:55 PM.

Approved:   
Paula McGee, Secretary