

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY, MAY 24, 2022, AT 3:00 PM AT THE ELIZABETH LOFTS COMMUNITY ROOM LOCATED AT 333 NW 9TH AVENUE, PORTLAND, OR.

PRESENT: Brenda Peterson, Chair
Jim Kennedy, Treasurer
Paula McGee, Secretary
Steve Rose, Director
Forrest Gist, Director

ABSENT: Bob Steele, Director
Tina Tsai, Commercial Director
Karina Haley, Community Manager, CMI

BY TELEPHONE: Carra Pewsey, CCM, CMCA, PCAM, Management Training Director, CMI

OWNERS: None

I. CALL TO ORDER

Chair Brenda Peterson called the meeting to order at 3:00 PM.

II. BUDGET DISCUSSION

Reserve Fund Repayment

Board members continued to discuss whether any portion of the 2021 insurance premiums were paid from reserves. It is clear that the 2022 insurance premiums were paid in full in February 2022 from reserve funds, which will need to be repaid over the next year.

Both Jim Kennedy and Steve Rose have discussed the 2021 premium payments with CMI. Board members were able to reach Carra Pewsey from CMI during the course of the meeting and were assured that the 2021 premiums were not paid from reserve funds. According to Carra, the full amount due to the reserve account each month has been paid. Jim will confirm this by looking at the bank records and will report at the May 31 budget meeting.

Steve will update the Addendum to the October 5, 2021 Borrowing Resolution that he has prepared and shared with the Board regarding the 2021 and 2022 insurance premiums. The Addendum will make it clear that no reserve funds were used to pay the 2021 premiums and will set forth a repayment plan for the reserve funds that were borrowed in 2022. We will use available funds from Working Capital and will repay the balance by setting up a line item in the budget called Repayment to Reserve Fund. The Addendum will also direct CMI to open a separate checking account at U.S. Bank for reserve funds.

Budget Proposals from CMI

Board members discussed the two service proposals recently submitted by CMI.

The "Proposal for Services" dated May 4, 2022 includes a 3% budget increase for porter staff and a 7% increase for concierge staff.

The proposal from the Facilities Asset Management (FAM) Department includes two proposed budget increases: The first increase is for 82 hours of contract work per month at the rate of \$84 related to implementation of the Building Maintenance Plan (BMP) for The Elizabeth. The monthly budgeted amount for this work was \$6,000 in 2021; CMI is proposing that this monthly line item be increased to \$6,888, a 14.8% increase.

The second proposed increase is for Work Orders defined as "requests that are not specifically detailed in the BMP or provided by the Reserve Study Provider." The hourly rate for this work is \$87, and CMI is proposing that the monthly amount be increased from \$700 to \$850, a 21.43% increase.

Budget

Board members discussed the CMI line items in the budget and preliminarily agreed on the following:

- A 2.56% increase for Porter Staff (6584) as proposed by CMI.
- A 6.67% increase for Concierge Staff (8230) as proposed by CMI.
- A 0% increase for Maintenance Coordinator/Other (6883); monthly amount to remain at \$700 per month.
- A reduction in the Maintenance Coordinator/Contract (6884) hours from 82 to 40 per month (thereby reducing this line item from \$6,000 to \$3,360).
- An 8.7% increase in Association operations (in CMI contract) (7105) as proposed by CMI.
- Reducing Association operations (outside CMI contract) (7105) from \$6,000 annually to \$1,000 annually.
- Reducing CMI Management Expense (7285) from \$900 annually to \$400 annually.
- An 8.7% increase in CMI Management Fees (7300) as proposed by CMI.

Board members also discussed the insurance line item, which currently shows a 10% increase. The Board agreed to reduce this line item to a 0% increase, with the recognition that we cannot continue to purchase full earthquake coverage given its cost to the Association.

Owner Survey

Forrest will work on an owner survey to share with the Board to give owners a chance to weigh in on some of the budget items and to give them a heads up that this will be a difficult year for the budget because of utility costs, insurance, and inflation.

III. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:25 PM.

APPROVED: *Saula Meyer*
 DATE: 6-13-22