

APPROVED

THE ELIZABETH LOFTS CONDOMINIUMS
BOARD OF DIRECTORS MEETING
JUNE 6, 2022
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MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON MONDAY, JUNE 6, 2022, AT 5:00 PM VIA ZOOM ELECTRONIC VIDEO CONFERENCING FORMAT

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

OWNERS: Denise Ambrosio, Richard Baumann, Bob Garsha, Michelle Heckman, Lucy Karter, Tae-Sun Kim, Larry Rosenblum, Barbara Shimek

I. CALL TO ORDER

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

II. APPROVAL OR AMENDMENT OF THE AGENDA

The agenda was approved as presented.

III. APPROVAL OF MINUTES

AGREED: Paula McGee moved to approve the minutes of the meetings held on May 3, May 11, May 24, and May 31, 2022. Steve Rose seconded the motion, which carried unanimously.

IV. MAINTENANCE REPORT

Bob Steele reported on behalf of the Building Committee.

- The Committee has determined that the ADA delay cannot be modified for the front door.
- The jetting and regrading of the staff bathroom is complete.
- The Committee is still reviewing stopcock replacement. They hope to start partial replacement for most at risk valves.
- The stairway directional signage project is stalled.
- The water shut-off process documentation is mostly complete. The next step is to train ELEC members and then train three additional volunteers. The goal is to have a number of individuals trained to shut off the water, if there is a late-night emergency, in order to mitigate damage until contractors can arrive. The fire sprinkler system and HVAC loop are not included in this training. The shut-down process is for the domestic water only, and the group will not provide restoration of water service.

AGREED: Bob Steele moved to permit the Building Committee to train ELEC and other owners to shut down portions of the water system under emergency conditions. Paula McGee seconded the motion, which carried unanimously.

- Brian is looking into purchasing bulk CO detectors for the building.
- The Committee is still trying to determine whether the reserve funding is adequate for the surveillance system upgrade.
- The replacement of the cooling tower is still being considered. There is a possibility that the liner can be replaced to extend its life and address some of the minor leaks.

AGREED: Bob Steele moved to approve the USA Mechanical bid, in the amount of \$2,412, to repair items identified during the preventative maintenance inspection of the boiler room and cooling tower. Paula McGee seconded the motion, which carried unanimously.

- Bob noted that reserve study allowances should cover this cost as there is \$16,000 earmarked every three years for this type of maintenance.
- The new floor scrubber and contract reconciliation are in process.
- The dryer vent inspection is getting started.
- The waterproofing of the trash room is being finalized. The cleaning of the trash chute will be scheduled after the final waterproofing.
- There is a work order going out today for balcony door maintenance.
- Fire Life Safety Testing is complete. Brian has the report, which will be shared with the Committee.
- Brian is putting together a tool that can be used to shut off the water as some valves are located in panels/walls and are difficult to reach.

V. ARCHITECTURAL REVIEW APPLICATIONS

Brenda reported that eight applications have been approved since the last Board meeting, including plumbing work and washer/dryer installation in unit 414, washer/dryer in 506, flooring in unit 606, toilet replacement and flooring in unit 803, paint in units 815 and 1006, countertops in unit 1206, and a lobby remodel on the 15th floor.

VI. REPORT OF THE COMMUNITY MANAGER

Karina Haley reported that expenses were \$31,197.90 under projection in April. The year-to-date variance to budget is \$234,001.26 (23.4% over budget), and expenses exceed income by \$235,496.24, in large part because of the lump sum payment of the insurance premium in February 2022 that will be amortized over the last four months of the 2021-22 budget and the first eight months of the 2022-23 budget. The checking account balance is \$39,957.09; the working capital balance is \$141,035.46; and the replacement reserve balance is \$1,723,040.97.

VII. REPORT OF THE TREASURER

Jim Kennedy did not have any additional comments to add to the financial report.

VIII. REPORT OF THE CHAIR

Brenda reported that the next Board meeting will be held Tuesday July 5, 2022, at 5:00 PM via Zoom.

IX. REPORT OF THE COMMERCIAL DIRECTOR

No report.

X. COMMITTEE REPORTS**a. House Rules**

Brenda reported that the House Rules have been reviewed, edited, and updated. A copy of the changes were provided to the Board prior to the meeting. A new rule about bulletin boards and other rules that were adopted over the last few years have been incorporated into the new document. The "important notice" that appears at the beginning of the document was also rewritten. After discussion, the Board agreed that ARC approval for painting is only required if an owner is using a commercial vendor, not if they plan to do the work themselves. Michelle Heckman and Georgia Hughes have recommended increasing the orientation fee from \$100 to either \$135 or \$150.

AGREED: Paula McGee moved to approve the House Rules as presented with an increase of the orientation fee to \$150 and with the clarification that paint approval is required only for commercial vendors. Steve Rose seconded the motion, which carried unanimously.

b. ELEC

Larry Rosenblum reported on behalf of the Committee:

- FastSigns has completed and delivered the signs. They are at the concierge desk. The Board needs to contract with someone to put them up. CMISD can do the installation but will need guidance on position/height. It was agreed to wait until Brenda returns and she will coordinate with CMISD for proper placement of the signs.
- John Warner and Bill Bagnall have left the Pearl and are no longer involved with the Pearl District Neighborhood Association (PDNA). The organization needs volunteers for Emergency Preparedness. Larry has volunteered to help.
- During the pandemic, the City agreed to compensate buildings for donating PPE. The HOA will need to coordinate with the PDNA to get The Elizabeth's share.
- The next tip on emergency preparedness is for earthquakes if you are not at home.

c. Community

Zeljko Grahovac, Bob Garsha, Forrest Gist, and Denise Ambrosio are on the newly formed Community Committee and are working to coordinate events, the first of which will be the First Thursday event in June. In addition, Bill Melcher has volunteered to keep the books organized in the library, and Walden Kirsch has volunteered to take photos of community events. At the end of June/early July, there will be art displayed in the building at no cost to the HOA and it will be rotated quarterly.

XI. UNFINISHED BUSINESS**a. Victaulic**

CMI is still working with Kent Engineering to obtain records related to the Victaulic settlement to provide to the Association's attorney.

b. Isabel

Brenda reported that, just prior to the Sheriff's sale, Isabel filed for bankruptcy, which kept the sale from taking place. Isabel owes The Elizabeth approximately \$40,000 in delinquent HOA and legal fees.

XII. SAFETY & SECURITY

There has been concern expressed by commercial spaces regarding odd or disturbing behavior from homeless people loitering on the plaza and around the building. The police have stated that having proper signage regarding trespassing can make it easier to remove people. Brenda and Forrest will look at signage placement around the building after Brenda returns from vacation.

XIII. NEW BUSINESS**a. 2022-2023 Budget**

Jim Kennedy presented the budget. He explained that the overall increase in the 2022-2023 budget is largely the result of three factors: (1) the cost of the Association's insurance policy; (2) a significant increase in all utility costs; and (3) inflation. In the coming year, the Association will need to discuss how much earthquake coverage to keep on the building as it is quickly becoming unaffordable. Currently, the building is insured at 100%, but the premium for that portion of the policy alone exceeds \$207,000. The 2015 seismic risk report noted that, in the event of an earthquake, the maximum damage to the building would most likely be between 15-20%, so it is possible that insuring the building at 40-50% will be sufficient.

Bob Steele thanked Brenda for the synopsis she wrote explaining the fee increases that was distributed to all owners prior to the meeting.

AGREED: Jim Kennedy moved to approve the 2022-2023 budget as presented with an 11% increase. Tina Tsai seconded the motion, which carried unanimously.

b. Addendum to Borrowing Resolution

In late 2021, the Board adopted a borrowing resolution regarding a loan that was taken from reserves. During its work on the 2022-2023 budget, the Board discovered that the funds identified in the borrowing resolution were never taken out of the reserve account. The addendum to the borrowing resolution explains that the funds were never borrowed under the original resolution and identifies a plan to repay the current loan from reserves, in the amount of \$278,707, which was utilized to make a lump sum payment for the insurance premium in February 2022. The Board has budgeted \$141,000 in the 2022-2023 budget and will use \$137,707 of working capital funds to pay back the current loan from the reserve account.

AGREED: Steve Rose moved to adopt the addendum to the borrowing resolution as discussed. Paula McGee seconded the motion, which carried unanimously.

AGREED: Steve Rose moved to establish a separate bank account in which to hold funds accumulated for the payment of the insurance premium. Forrest Gist seconded the motion, which carried unanimously.

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XIV. OWNERS' FORUM

An owner asked a question about Isabel's bankruptcy case.

XV. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:31 PM.

APPROVED: Brenda J. Peterson
DATE: 29 July 2022