

MINUTES OF THE ANNUAL MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON TUESDAY, DECEMBER 20, 2022, AT 6:00 PM AT THE ECOTRUST CENTER.

PRESENT: Brenda Peterson, Chair
Forrest Gist, Secretary
Bob Steele, Director
Steve Rose, Director
Otto Riesenber, Director
Tina Tsai, Commercial Director

ABSENT: Jim Kennedy, Treasurer

BY INVITATION: Karina Haley, CCM, CMCA, AMS, Community Manager
COMMUNITY MANAGEMENT, INC., AAMC

OWNERS: As noted on the sign-in sheet.

I. CALL TO ORDER, ROLL CALL, AND CERTIFICATION OF PROXIES

Chair Brenda Peterson called the Annual Meeting to order at 6:04 PM. Brenda noted that, at tonight’s meeting, owners and Board members would be participating both in person and by Zoom. Board members and CMI staff introduced themselves.

Community Manager Karina Haley reported that the roll call had been taken by way of an owner spreadsheet, proxies had been certified, and a quorum for the meeting had been established as follows:

Present:	34	
Proxy:	<u>43</u>	
Total:	77	39.5%

II. PROOF OF NOTICE OF MEETING OR WAIVER OF NOTICE

Manager Haley certified that a Notice of Meeting was mailed to all owners of record from the office of CMI on or about November 16, 2022.

III. READING AND APPROVAL OF MINUTES OF DECEMBER 7, 2021, ANNUAL MEETING

AGREED: Larry Rosenblum moved to waive the reading of the minutes from the December 7, 2021, Annual Meeting. Christine Steele seconded the motion, which carried unanimously.

AGREED: Walden Kirsch moved to approve the minutes from the December 7, 2021, Annual Meeting as previously circulated. Marilyn Deutsch seconded the motion, which carried unanimously.

IV. REPORTS OF OFFICERS**A. Chair**

Brenda Peterson reported that 2022 was a busy and challenging year for the Board. The Board was pleased to welcome two new members to the group: Forrest Gist in May and Otto Riesenbergh in September. Forrest has recently assumed the role of Secretary, and Otto is the newest member of the Building Maintenance Committee.

The Pearl District, including The Elizabeth, continued to experience security issues throughout 2022. The continued diligence of all owners and residents to protect our building and the people who live and work in it is appreciated. Elizabeth residents should continue to exercise caution to prevent non-residents from gaining access to the building via doors, garage gates, and the callbox.

The budget process this year was difficult due to inflation and continued increases in utility and insurance premium costs. The Board also spent a great deal of time on building maintenance issues this past year.

Brenda thanked the Board, Karina Haley, Jennifer Martin, Brian Case, and the Concierge and Porter staff in helping to make The Elizabeth Lofts Condominiums a great place to live. In 2022, a number of people went to great lengths to bring The Elizabeth Lofts Community back to life after the pandemic. A new and improved library has been established in the Community Room, there is art on the walls, we have an updated Orientation Manual for new residents, and there have been many social and educational gatherings and presentations. Brenda thanked all of the volunteers and committees that have made this possible.

Looking ahead to 2023:

- Building maintenance will continue to occupy much of the Board's time
- 2023-2024 will be another tough budget year
- The Board will begin negotiating a new contract with CMI
- Brenda is hoping to update the website for The Elizabeth Lofts and is looking for owners and residents to work with her on that project.

B. Secretary

Forrest Gist reported that all sets of 2022 meeting minutes have been reviewed, signed, and posted on the website through October 2022. There are some recent minutes that are still under review.

C. Treasurer

Jim Kennedy was not present. Brenda Peterson gave a brief report on dues increases since 2017. From 2017 to 2020, the Board was able to keep the increases to our monthly Association dues fairly low. The increases ranged from 1.75% to 3.4% during that time. In 2020, contingency funds on hand were used to offset a spike in the insurance premium. The depletion of these contingency funds meant they were no longer available to offset costs in subsequent years. Dues increased 9.99% in 2021 and 11.25% in 2022 – the result of continued increases in operating costs, particularly in the areas of insurance and utilities. At its January 17, 2023 meeting, the Board will have to consider whether it can continue to afford insuring the building at 100% for earthquake coverage. Brenda encouraged all owners to attend this important meeting. It will be held via Zoom to allow more participation.

D. Commercial Director

Tina Tsai reported that this past year was somewhat quieter with regard to theft and property damage. Pacific Patrol Services seems to have improved its response time, which is encouraging. Many of her patients have moved out of the downtown area, but she hasn't seen a significant disruption to business. The remodel of her new space in the building is underway. The unit being built out will focus on specialty eye care, and she is planning on an open house party for the kickoff. There are two new commercial owners in the building: Sparkly Gowns and Fresh Faces Med Spa, the latter still being under construction.

V. COMMITTEE REPORTS

A. Building Maintenance Committee

Bob Steele reported on behalf of the Committee. The Elizabeth Lofts building is now 17 years old. The building is approaching "middle age" status, which means there are more building maintenance issues to address. Bob hopes to develop a proactive preventive maintenance program and get away from a reactive approach. The Association has a reserve of \$1.8 million dollars, and the Committee is in the process of determining which reserve projects have been completed and which are outstanding. The Committee is working with CMI to improve its service and to track activities. The Auditor has raised a concern regarding a future estimated expenditure to replace all windows in the building – to occur between 2045-2050 – totaling \$12 million dollars. The Committee will continue to examine whether that projection is realistic, and will explore other ways to approach the project without levying large assessments.

A number of existing window and door maintenance issues are of particular concern; South Town Glass has been engaged to provide advice and help develop a maintenance program. Other vendors have been asked to provide "report cards" on the health of various system components and equipment and it seems the building is in reasonably good condition.

Special thanks go to Steve Rose for developing the Electric Vehicle Charging Station program. The new power sharing structure allows up to 40 cars to charge at one time without upgrading the Association's electrical panel.

The angle-stop project is approaching the end of phase one.

Teri Tong thanked Brenda and CMI for the prompt response to her inquiry regarding distressed trees. An arborist was out the next day after her inquiry and has provided a recommendation for turf fertilization that will be shared with the Board.

B. ELEC

Larry Rosenblum reported on behalf of the ELEC Committee and presented a PowerPoint presentation:

- Portland is more than 75 years past due for an estimated 8.0 magnitude earthquake. The Committee is developing an emergency response plan for the building, and is helping to guide residents in developing their own emergency plans. A series of educational sessions have been held, and advice tips have been distributed.
- Owners are encouraged to update their information for the Text Alert System and to put the text alert number as a saved contact in their phones, so the number is identified as the Elizabeth Text Alert System Number.

C. EQ, Hospitality, and Community

Bob Garsha presented a slideshow highlighting the accomplishments and members of the EQ, Hospitality, and Community committees over the past year.

Bob encouraged owners to join the Community Facebook page and to participate in upcoming social events. The Community Committee will be exploring new events and activities to promote community within the building.

VI. ELECTION OF THREE (3) RESIDENTIAL DIRECTORS

There are three residential director positions up for election, as the terms of Brenda Peterson, Bob Steele, and Otto Riesenbergs are set to expire at this Annual Meeting. All three are willing to serve again, and no additional nominations were received prior to the meeting. The floor was opened for nominations for additional candidates; there were no additional candidates.

AGREED: Walden Kirsch moved to elect Brenda Peterson, Bob Steele, and Otto Riesenbergs to two-year positions on the Board of Directors. Zeljko Grahovac seconded the motion, which carried unanimously.

VII. ELECTION OF ONE (1) COMMERCIAL DIRECTOR

The term of Commercial Director Tina Tsai is also set to expire at this Annual Meeting, and she has decided not to seek re-election. Tina nominated Jay Sickler of Cogence Group to be the Commercial Director on the Board; there were no additional nominations.

AGREED: Tina Tsai moved to elect Jay Sickler to the Board of Directors to fill the commercial director position. Jay Sickler seconded the motion, which carried unanimously.

The Board thanked Tina for her many years of service to the Association and to The Elizabeth Lofts.

VIII. UNFINISHED BUSINESS

A. Isabel Restaurant Update

The County was ready to pursue a Sheriff's sale on the foreclosure in May 2022 but, at the last minute, the owner filed for bankruptcy, which placed the sale on hold. There are two upcoming bankruptcy hearings scheduled for January 2023. There has been some talk that the owner wishes to repurpose the space and put a new business there as he has recently been onsite working in the building.

B. Victaulic Settlement Update

The Association came to a settlement agreement with the Victaulic company in 2014. That agreement provided that The Elizabeth could elect to replace the hot water portion of the Victaulic Pressfit System if certain requirements were met: that an engineering report be obtained, that there were more than 10 Pressfit o-ring leaks over a 12-year period, and that more than \$75,000 was spent on repairs by the vendor (Victaulic). The Board has been working with the attorneys to identify how many leaks have taken place. The other two requirements have been met.

IX. NEW BUSINESS

A. Association Resolution for Revenue Ruling 70-604

Haley explained IRS Revenue Ruling 70-604 and the requirement of the ownership to approve the resolution on an annual basis.

AGREED: Roberta Margolis moved to approve IRS Revenue Ruling 70-604 as presented. Teresa Jankus seconded the motion, which carried unanimously.

B. Board Meeting Dates for 2023

Brenda again reminded owners that the January Board meeting would be by Zoom on January 17 and would focus on the insurance renewal. The remainder of the Board meeting dates will be discussed at the Board organizational meeting set to follow the Annual Meeting.

X. OWNERS' FORUM

A number of owners noted that there is still some confusion that has been expressed on the Community Facebook page regarding the garage entry/exit protocols. Brenda asked owners to forward the information to her and said that the Board would clarify the protocols at an upcoming Board meeting.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:10 PM.