

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors

August 13, 2001

Introduction of Board Members:

Douglas Cochrane-President
Joanne Gulsvig-Vice President
Marge Catha-Treasurer
Carol McCarthy-Member
David Goth-Member

Also attending were:

Bobbye Sorrels	Laverne Edwards
Irene Rose	John Agnew
Marcia Petersen	The Quirks

Acceptance of the minutes of July 11, 2001 meeting:

Carol McCarthy made a motion to accept the minutes of the meeting. Joanne seconded the motion. The board voted unanimously to accept the minutes of the meeting of July 11, 2001.

Financials:

Marge reported on the statement she received from Eric. She reported that there is a CD maturing on the 29th. Carol said Eric is checking on that today.

Carol McCarthy went over numbers with the board on the Income Statement to explain costs we incurred with the plumbing. She also explained legal fees (incorporation, legal advice re: 607), window washing fees, cable television fees are up. Carol asked if EWEB had reimbursed us for the laundry room repairs. Diana Drake reported she is expecting a check by the end of the week.

Douglas was to negotiate cable contract, but has not been able to contact Sharon Moon at AT&T Broadband to do this.

Carol reported that \$400 (Skipping Stones' Insurance deductible) was paid to the insurance company that took care of Skipping Stones' problems (under Lease Repairs) that resulted from our recent plumbing problems (There was serious water damage). She pointed out that this was an unforeseen expense.

Douglas asked for comments. Bobbye said she had concern that we are now over \$3,900 in the hole—and the elevator repair is not included in this figure. Carol explained that the state mandated elevator upgrades had been made at a cost of \$3,500 and change. That will show up on next month's statement. Joanne asked Bobbye if she meant for the month, or for the year. Bobbye said that it was "year to date" on page 2 of the financial document under "Income Statement", column headed "Y-T-D", bottom line entry

\$3,962.10. (*See attached.*) Joanne pointed out that some payments had been made, and stated that \$10,000 had been paid to Otis for the elevator contract, and wondered why we have to pay for the year up front. Joanne said that when we pay up front, we are discounted either 4% or 6%. Douglas pointed out that the insurance has also been paid. David asked Douglas if our contract with Otis might be subject to negotiation. Douglas will find out.

Willamette Towers Condominium
Income Statement
7/1/01 to 7/31/01

Income	Period	%	Y-T-0	%
Residential Assessments	\$ 10,291.00	76.1	\$ 72,037.00	75.3
Commercial Leases	1,817.00	13.4	12,719.00	13.3
Interest	217.98	1.6	2,957.36	3.1
Laundry	721.25	5.3	4,503.50	4.7
Late Charges	30.00	0.2	340.00	0.4
Lease-206	450.00	3.3	3,150.00	3.3
	13,527.23	100.0	95,706.86	100.0
Operating Expenses				
Office	425.85	3.1	3,339.67	3.5
Administrative Assistant	820.00	6.1	5,774.77	6.0
Payroll Taxes	186.02	1.4	1,135.33	1.2
Accounting	280.00	2.1	2,780.00	2.9
Legal Fees	1,877.00	13.9	2,486.00	2.6
Income Tax, Federal	8.00	0.0	1,396.00	1.5
Excise Tax, State	0.80	0.0	10.00	0.8
Licenses and Inspections	158.24	1.1	453.12	0.5
Insurance	8,570.00	63.4	8,570.00	9.0
Water	515.42	3.8	3,412.88	3.6
Sewer	1,031.13	7.6	6,843.03	7.1
Electricity	4.50	0.0	10,638.31	11.1
Janitorial Supplies	0.00	0.0	364.16	0.4
Building Security	218.00	1.6	2,047.38	2.1
Trash Disposal	517.40	3.8	3,582.00	3.7
Television Cable	1,320.37	9.8	9,242.59	9.7
Cleaning	1,550.00	11.5	10,850.00	11.3
Window Washing	2,880.80	14.8	2,000.00	2.1
Elevator	0.80	0.0	9,694.85	10.1
Lease Repairs	488.80	3.6	3,176.90	3.3
Plumbing Repairs	470.03	3.5	1,314.83	1.4
Electrical Repairs	0.00	0.0	1,024.78	1.1
Grounds Maintenance	145.00	1.1	1,254.99	1.3
Fire Equipment Repairs	0.00	0.0	634.70	0.7
Laundry Repairs	2,211.00	16.3	2,485.62	2.6
General Repairs	1,277.62	9.4	3,757.05	3.9
	24,057.58	177.8	98,268.96	102.7
Other Income				
	0.00	0.0	0.00	0.0
Other Expenses				
Net income (loss)	\$(11,930.35)	-88.2	\$(3,962.10)	-4.1
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Insurance:

Mr. Lumsden of Farmers Insurance was invited by Carol McCarthy to answer any questions the board may have about insurance.

He said that they have the building covered for 100% minimum reconstruction cost of \$9,550,000. This works out to about a square \$98.63 per square foot, according to Mr. Lumsden. The cost of new construction is about \$100 per square foot on an average in the area, and when you throw in the complications of reconstruction on an existing facility, it is normally a little greater than that. He would not suggest that we are over-insured at that amount, but that we are safely insured for this year.

He said the 'business income (as Farmers' refers to it) is specifically loss of rent we derive from the spaces on the bottom floor, and the loss of assessments we would derive from all the unit owners, we still have a total for the year of \$145,080.'

'If there is a covered loss, like a fire, and we lose that ongoing income we would derive from the rentals and the assessments, the (insurance) company would step in and make good on that lost income so that the money would continue to the association.'

Mr. Lumsden said we should not get over insured. 'This should reflect 100% exposure we would incur if there is a catastrophic loss and there is no income for any of the units or any of the rentals over a 12 month period.'

Douglas asked for Mr. Lumsden's recommendation. He clarified that he is just passing information on to us.

He brought up our liability limits. He wanted us to know that we have (for bodily injury or property damage liability) \$2,000,000 for any one occurrence, and \$4,000,000 total protection for the year. If there was an exceedingly large loss, and the company paid out the whole \$2,000,000 per occurrence limit, there would be a reserve \$2,000,000 to get us through the following term.

For directors and officers we have errors and omissions insurance which is at \$1,000,000 for any one occurrence, and \$2,000,000 for the year.

He went on to discuss different types of coverage we can put in place, and the costs and benefits of this coverage.

Mr. Lumsden also discussed Building Ordinance Protection, which would cover us in case the municipality or other local government may change its building code requiring different construction materials or new techniques or demolition practices. Building ordinance coverage provides for the additional costs to comply with local ordinance, law, or regulation when repairing or replacing a covered structure damaged by a covered loss.

This might include installation, windows, walls, floors, ceilings, electrical ground flow detectors, fire stops in walls and floors, earthquake protection, wind sheer protection, etc. This is an optional package.

Douglas asked if our boiler would be covered—including asbestos abatement. Mr. Lumsden said it would.

Mr. Lumsden provided the board members with a schedule of coverage and described exactly what each package would cover. He said that the board should think about this. The cost of our current insurance per year is \$7,154. The building ordinance insurance would cost an additional \$595 per year. Douglas asked David Goth if he would be interested in looking further into this and advising the board at the next meeting what

he has learned. He agreed to do this. The board will contact Mr. Lumsden when they have decided whether or not to add this coverage.

Douglas asked if Farmers could send verification of our flood insurance to mortgage holders. Mr. Lumsden says they cannot send one to each unit owner because of all the mortgage holders. He said that they might be able to set something up internally in their own office. Douglas will be in touch with him.

Laundry Room

Diana asked for input on what design we should use to replace the rack and put up a barrier in front of the new pipes. Joanne provided the names and phone numbers of two handy men that Diana will contact.

Carol and John Agnew think we should cover the pipes and protect them from vandalism.

John Agnew thinks we should contact Harvey and Price and have them design a barrier—cover for the pipes.

Marge would like to see the laundry room painted. She thinks it looks terrible the way it is.

Reserve Study

Douglas began discussion on reserve study. He had talked to another expert, but this one was much more expensive than Dan Huntley of Western States, whom we spoke to before.

He said that the board is considering other options and wants to hold off on a reserve study until the board reaches decisions on other options.

Refurbish lobby and adjoining areas

Joanne and David recently met with Carolyn Kranzler for design ideas. Ms. Kranzler presented Joanne with a proposal.

Joanne went over the proposal, detailing Ms. Kranzler's fee schedule, and what improvements were included in the proposal. She also pointed out the list of credentials Ms. Kranzler included on the proposal. Ms. Kranzler's proposal is a five-year plan.

David Goth has a list of people he would like to talk to about this job, but he had not talked to them as yet.

Joanne said that Otis Elevator could install new a new Formica enclosure to each elevator for a cost of \$4,000 each. This style of enclosure comes in sections that can be replaced if they are damaged. The elevator company should be the ones to install any enclosure to be sure that the weight is correct. She said that Sacred Heart has these enclosures if anyone wants to go look at them.

Bike Structure

Douglas pointed out that if people had a safe locked area to keep their bikes in, they might not bring their bikes in the building. This would help cut down on wear and tear.

Bobbie said that it would be considered a capital improvement that would require 75% approval from the association. She said that a previous board had tried to put this improvement in motion a few years ago, but that it lacked the support required. She agrees that we should try again, and that maybe it will pass now.

John Agnew wants to pursue this project, and thinks we should check with the city.

Unit 206

After researching the status of Unit 206, which is owned by the Association of Unit Owners, he finds that there is no title—that no one is paying property taxes on it. He said that a title can be made—it happens all the time.

Carol asked if we do pay property taxes—the Association of Unit Owners shares taxes for square footage on the common areas. She asked Bobbye if this was correct, and if 206 is included in this. Bobbye said yes, it is based on a formula wherein each of us pays 1/91 of the taxes per square foot of our property for the common areas.

David shared his ideas on selling 206. Douglas feels it is losing money each month @ \$450 a month we are paid for rental.

The board discussed whether to sell the unit and possibly use the money to pay for refurbishing the common areas of the building.

There was discussion about how best to deal with 206, with figures of the costs of maintaining 206 vs. a more profitable investment for the money, or use it to remodel the lobby.

Marcia Petersen, a unit owner asked ‘if this would not become an issue in ten more years when we want to update again, and then not have 206 to pay for it—what then?’

Joanne wanted to clarify if floor covering necessarily had to be carpet, and could not include other floor coverings as well.

Douglas asked Bobbye to look at the Unit 206 issue. She said she would. After receiving her report, Douglas said he could check with his CPA if needed.

Parking Structure

Diana reported that Western Asphalt would come back and paint the barrier that did not get painted because the car owned by unit 403 was not moved.

Uldine Summers reported that the sand that was left on the parking structure at the time of the repair was causing her daughter who uses crutches some problems. She comes home from work late at night, and when her crutches land on sand, her footing is not very good. The board told Diana to have Western Asphalt blow—and possibly brush the upper surface of the parking structure.

Western Asphalt thinks that this repair will last us three to four years. Bobbye asked what the difference was between this repair and the one we had a few years ago. John Agnew discussed the merits of the material used in this repair.

Building Manual Update

Bobbye discussed the building manual she and Diana are putting together. We have started with water shut-off—with plans of how we plan to post these directions where plumbers can find them. She also explained that Diana plans to reproduce the “maps” of plumbing that are posted in the boiler room, and then plans to laminate them.

Cable Television Update

Douglas will continue to negotiate for cable television to remain the same. He feels that we will get the stations we have had with the increase AT&T wants.

Window Washers

The window washers did come this month. While they were here they sealed the outside frame of unit 904. There was \$50.00 for the job, and \$3.97 for the sealant, which the building was billed for. After explaining why the building was billed for this job,

Diana reported that reimbursement of this money is expected from the unit owner. They have been provided with a copy of the invoice from the window washers.

Window Replacement

Diana reported that there seems to be interest by some owners to have their windows replaced with thermal windows. John Agnew thinks that if we get many property owners together to have this done, we would get a better price. Also, Will Price of EWEB had told us that EWEB would pay a portion of this amount per unit as part of their energy conservation project. He said that we should go ahead and get the bids together, then call him to inspect the bids and windows in question. He would then provide a quote to each unit owner participating of what EWEB will pay.

There was clarification of ownership of the windows from Carol—i.e. Unit owners own and must repair/replace their own windows. This does not mean that owners can put any windows they want in—there must be conformity on the outside of the building.

She also stated that this rule has applied to the unit doors in the past, but since many unit owners have already replaced their doors with individual styles in some cases, that it might not be a bad idea to ease that aspect of the bylaws up and allow for some individuality.

Joanne says that the windows should be installed from outside—that there have been problems with windows that were changed out from the inside.

The board has appointed John Agnew to head a committee interested in having this done. Diana's assistance is at his disposal as her time allows.

Plumbing Notes

Diana explained why notes were left on each door asking about changes in water temperature/pressure. These were to find out if there were many units experiencing changes, and if these changes were in “pockets” in the building.

Replacement of Stolen Janitorial Supplies

Joanne feels that the janitorial supplies that Sandi reported stolen be replaced. She feels that these items are important to have for the building—not just the janitorial service.

Carol wanted to clarify that these items are not for the use of the janitorial service, but for the use of the building.

Bobbye pointed out that if the janitor and boiler rooms were not left open, things would not be stolen.

Joanne made a motion to replace these items.

Douglas seconded the motion.

A vote was taken—and passed unanimously.

Account for Diana's use

Vendors will be found that will let us have an account and deliver to us.

Carol made motion to set up “Petty cash” for Diana. Douglas seconded the motion. All voted to set up petty cash. Diana will also be supplied a “petty cash” account in the amount of \$200.00.

Before the Executive Session began, Bobbye asked that she be able to speak. She wanted to have her July 10 response to Douglas' letter (included in the last minutes) be made part of the record by including it with the minutes of either the last meeting or this

one. She feels that since Douglas' letter was in the permanent record and was in error, her response with corrections should also be included.

David made a motion to include Bobbye's letter in the minutes of this meeting. This was approved by the board members.

Douglas wanted to clarify that he would like to see the minutes of the meetings sent out to the unit owners in WTC.

Executive Session

This was a closed session.

Respectfully submitted,

Board of Directors Member

Prepared by,

Diana Drake

Assistant to the Board of Directors