

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE ELIZABETH LOFTS CONDOMINIUMS
HELD ON TUESDAY, MAY 7, 2024, AT 4:30 PM VIA ZOOM VIDEO CONFERENCE FORMAT**

PRESENT: Brenda Peterson, Chair/Treasurer
Bob Steele, Vice Chair
Forrest Gist, Secretary
Cynthia Bianchini, Director
Otto Riesenber, Director
Jay Sickler, Commercial Director

ABSENT: Bob Garsha, Director

BY INVITATION: Karina Haley, CCM, CMCA, AMS, Community Manager
Tim Simmons, Project Coordinator, Facilities Asset Management
Community Management, Inc., AAMC

OWNERS: Denise Ambrosio, Tom Barnett, Reed Drew, Shelley Drew, Jeff Ghitelman, Zeljko Grahovac, Sarah Gregory, Bill Gumpenberger, Nuria Hansen, Carol Hayden, Michelle Heckman, Teresa Jankus, Lucy Karter, Matt Kirby, Roberta Margolis, Marjorie Myers, Art Reich, Larry Rosenblum, Nancy Stoutenberg

I. CALL TO ORDER

Chair Brenda Peterson called the meeting to order at 4:32 PM.

II. APPROVAL OR AMENDMENT OF THE AGENDA

The agenda was approved as presented by consensus.

III. APPROVAL OF MINUTES

AGREED: Jay Sickler moved to approve the minutes of the meetings held April 2, 2024, April 29, 2024, and May 1, 2024. Forrest Gist seconded the motion, which carried unanimously.

IV. MAINTENANCE REPORT

Tim Simmons reported:

- ValleyScapes plans to begin the paver replacement project on May 20, 2024. They are projecting a six-to-eight-week timeline for completion. They need approval from the Board to park in the

loading zone spaces on the plaza while they are working. They are aware that their work schedule will need to accommodate move schedules and garbage pickups. Samples of the pavers will be placed in the Community Room tomorrow.

AGREED: Bob Steele moved to allow ValleyScapes to park in the plaza loading zone spaces while working. Jay Sickler seconded the motion, which carried unanimously.

- Window and Door Inspection – Benson has submitted a proposal for the Board to consider for the repairs identified during the recent inspection. The costs total \$17,147 for the 40 units inspected, but the Board recognized that there still may be a few additional units that require repairs.

AGREED: Forrest Gist moved to approve the Benson Industries proposal for door and window repairs in an amount not to exceed \$20,000. Otto Riesenbergs seconded the motion, which carried unanimously.

- The Board reviewed a proposal from Compaction & Recycling (CARE) for trash chute cleaning at a cost of \$3,100.

AGREED: Bob Steele moved to approve the CARE trash chute cleaning bid at a cost of \$3,100. Forrest Gist seconded the motion, which carried unanimously.

- Tim Simmons would like the Board to consider switching HVAC preventive maintenance service from USA Mechanical to JH Kelly. He noted that JH Kelly's proposal is more expensive than the USA Mechanical proposal, but believes the service will be better. The new pricing is not reflected in the 2024-2025 budget proposal.

AGREED: Bob Steele moved to switch from USA Mechanical to JH Kelly for a three-year preventive maintenance contract, with the cost for the first year being \$25,187. Jay Sickler seconded the motion, which carried unanimously.

- The security camera installation by High-Pipe will begin next week. The resolution from night to day is excellent and there is significant improvement in the visibility of the commercial areas. All cameras should be installed within a month.
- Staff bathroom – Discussion tabled until the next meeting.
- Roof sheet metal repairs – This item is still in process; Tim will ping the vendor about pricing.
- Nalco water treatment – The cost for treatment of the water for the cooling tower is too high. Tim is working on getting a better price.

Bob Steele reported:

- Bob is concerned about a leak in the fire sprinkler distribution system on the first floor in one of the commercial units. He would like to ensure they are inspected.
- Angle-stops – The next phase of the angle-stop replacement project will begin in June.
- Dryer Vent Exhaust – Tim needs to identify volunteers who will allow their units to be inspected.
- Victaulic Leaks – Discussion of this item was tabled until the June meeting.
- Backflow Installation – The project was completed but the valve failed the latest inspection.

- In response to an owner's question, Tim clarified that Benson's door/window inspection revealed 21 pieces of glass that need replacement, 36 handles that need to be repaired or replaced, weather stripping needed on multiple doors, a couple of sliders need new wheels, and several doors need to be re-blocked so they can close properly.

V. REPORT OF THE COMMUNITY MANAGER

Financial Statement – The Association is running approximately \$2,400 over budget on operating expenses through March. A recent adjustment to the insurance allocation resulted in a decrease in the budget variance.

A recent security violation occurred when a resident allowed another vehicle to piggyback into the parking garage. The driver of the second vehicle mistook the garage for a public garage and became trapped, requiring the assistance of the Concierge to exit. The Board asked CMI to send a warning letter to the resident that allowed the security breach.

VI. 2024-2025 BUDGET APPROVAL

In light of the acceptance of the JH Kelly HVAC contract, Karina recommended increasing the line item for the HVAC budget to \$25,000. The Board agreed with this recommendation.

Before the meeting, the Board sent a detailed 6-page document to all owners containing the budget details for the 2024-2025 budget and explaining why this year's increase will be larger than past increases. The primary cause for the increase is the result of insurance costs, both for the repayment to the Reserve Fund for the insurance premium for the current year, as well as an increase to the contribution for next year's insurance premium.

Owners present at the meeting asked the Board to consider polling owners before the next insurance renewal to get input on whether the Association should continue to purchase earthquake coverage for 100% of the building's value. The Board agreed that such a poll would be helpful, following a discussion with agent Vern Newcomb about premium rates and what would happen in the event of a large loss at various levels of coverage. If possible, the meeting with Vern will be recorded and provided to owners prior to distribution of the survey.

The budget increase also includes an increase in the contribution to the operating contingency from \$60,000 to \$100,000. Funding the operating contingency is designed to resolve cashflow issues and to pay for unexpected operating expenses throughout the year. Cashflow issues occur when monthly invoice payments become due before the Association has received all owner assessments. Owners have up to 30 days after the first of the month to make their monthly payments. The Board explored whether it was possible to change the grace period from the 20th of the month to the 10th but the grace period is part of the governing documents and would require a vote of the ownership to change.

The new budget assumes that on-site hours for the porter and concierge staff will remain as they currently are. The Board agreed, however, that it also may make sense to poll owners to determine whether it is necessary to have staff on shift after 6:00 PM. The budget reflects a 7.6% increase in on-site staff costs.

Utility costs are expected to increase 7% overall, largely because of rate increases that we cannot control but also because of utility usage by residents. Building maintenance costs also have increased as our building has gotten older.

Board and Finance Committee members reviewed every budget item and did their best to cut expenses where they were able to do so.

The overall increase to the budget, if approved, would be 18.79%. This assumes no increase in the contribution to the reserve fund.

AGREED: Jay Sickler moved to approve the 2024-2025 budget as discussed, including the change in funding to the HVAC line item and an overall increase of 18.79%. Bob Steele seconded the motion, which carried unanimously.

Brenda thanked the Board members and Finance Committee members (Reed Drew and Shelley Drew) who spent hours reviewing the budget. Brenda also thanked Karina for the many hours she spent drilling down on expenses and doing additional research to determine where money could be saved.

VII. COMMITTEE REPORTS

a. WEBSITE

Teresa Jankus reported:

The goal for this meeting is to have the Board approve all proposed changes, which include setting up new gmail addresses, improving the website's user experience, and removing all password protected areas (making it a public site).

The Board discussed what information should be available to the public, including the Board's meeting minutes.

AGREED: Otto Riesenber moved that Board meeting minutes should not be posted to the public website. Forrest Gist, Cynthia Bianchini, and Otto Riesenber voted in favor of the motion. Brenda Peterson and Bob Steele voted against the motion. The motion carried with a vote of 3-2.

The Board agreed that switching the website hosting platform from Wordpress to Wix is a good idea.

AGREED: Bob Steele moved to approve the changes to the website as presented and discussed. Cynthia Bianchini seconded the motion, which carried unanimously.

b. SECURITY

Michelle Heckman reported that the committee has worked hard to arrive at a recommendation to the Board regarding a new security company. Unfortunately, the solution the committee had in mind cannot

be implemented due to insurance ramifications. Armed guards are not allowed under the Association's current insurance policy. Michelle plans to speak to Vern Newcomb with American Benefits to get more information about other buildings and what they are doing. The committee will meet again next Tuesday at 6:00 PM in the Community Room.

c. COMMUNITY


The Board received a request from an owner for a one-time yard sale on the plaza. There was concern expressed by both Board members and owners about drawing people into/around the building and how to keep a yard sale tasteful and secure. The Board members agreed that the yard sale will not be pursued.

VIII. OWNERS' FORUM

The owners of a unit on the 7th floor were present to address the Board about the Victaulic leak in their unit and the status of the repairs to the unit. The Board informed them that the repairs were delayed due to legal issues and communication with counsel. The contracts were signed in late April and now scheduling is moving forward.

IX. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:27 PM.

APPROVED: 

Forrest Gist, Secretary