

**Willamette Towers Board Meeting  
November 24, 2014**

**Board Members Present:**

Dan Solitz, Chair  
Rick Lowen, Treasurer  
Dan Hardt  
**Absent:** Jean Kern

**Residents Present:**

Ginny Landgreen  
Phyllis Fisher  
Jean-Marie Moore  
John Rose  
Esther Konop  
Ken Guzowski  
Susan Connolly  
Luther

**BMC Staff Present:**

Diane Sollinger

**I. Earthquake Insurance:** Tony Core, Farmers Insurance, WT insurance provider, gave a presentation on earthquake (EQ) insurance. Phyllis Fisher, WT owner, did an excellent job collecting information on EQ insurance and arranged for Tony to meet with the board and members.

Tony said EQ insurance is always sold as a separate policy and is not included in our current WT policy. It is much less expensive if purchased for the entire building rather than as individual policies. An EQ policy covers the building exterior and interior, water damage from sprinklers, debris removal and window glass. There is a 15% deductible for damage per occurrence – not per unit. Personal EQ insurance for unit possessions can be inexpensively added. The coverage would be approximately \$20 million dollars - the same as our regular insurance. Concern was expressed that \$20 million coverage is not sufficient. Tony said we could discuss this in the future. Currently, Farmers Insurance automatically increases our policy coverage amount about 8% per year.

Tony opined that it was unlikely WT would “pancake” in an EQ, but concrete doesn’t flex as much as wood construction. As mentioned by several members, the Northwest is considerably overdue for a significant EQ; on average our area experiences an EQ of at least 7.0 magnitude every 240 years. Tony said he carries EQ insurance on his home.

By far the lowest estimate received by Tony cost \$20,000 per year with a 15% deductible or \$28,000 per year with a 5% deductible for the entire building.

**II. October Minutes:** The 10-28-14 board meeting minutes were approved.

**III. Treasurers Report:** Rick said he had recalculated the 2015 budget to reflect the increased cost of EQ insurance should the board decide to include it. Thus, the 2015 budget with EQ insurance is \$275,000 with the EQ insurance or \$255,000 without the insurance. The HOA assessment without EQ insurance would increase 10.2% and with EQ insurance would increase 18.8%. The purposed 2015 HOA dues would be:

**Without EQ Insurance:**

Studio: \$120 increased to \$132  
One bedroom: \$172 increased to \$190  
Two bedrooms: \$244 increased to \$269  
Penthouses: \$274 increased to \$302

**With EQ Insurance:**

Studio: \$120 increased to \$142  
One bedroom: \$172 increased to \$204  
Two bedroom: \$244 increased to \$290  
Penthouses: \$274 increased to \$325

Rick reported that we added no additional funds to our reserves in November; however, monies that would ordinarily go into reserves were used for our ongoing payments for our new elevators. Rick increased our 2015 maintenance budget from \$14,000 to \$25,000 for higher utilities, increased staff hours/salaries, landscaping including tree removal (causing plumbing problems), awning, carpet and window cleaning and consulting fees for our upcoming reserve study.

An EQ insurance discussion followed regarding the board's duty to protect homeowners investments versus whether the question should be brought before the members at the annual meeting. **A motion to include EQ insurance in the 2015 budget passed 2-1.**

Phyllis will determine the up-front cost of the EQ insurance premium and when it is due and inform the board.

**IV. Architecture Committee:** Ken presented the board with a three page description of the committee, budget requests and other matters. The board declined to approve the request that all committee aspirants be required to write a 250 word essay to be seated on the committee. The board will address the other committee requests at the next planning committee meeting.

**V. Policy Committee:** Susan reported:

**1. Locker Policy:** amended to add "Residents are allowed the use of one storage locker per unit(s) owned". **The amendment was passed 3-0.**

**2. Screen Door Policy:** Dan Hardt is working on the policy and has learned residents must apply to the City to install screen doors and pay a \$100 City fee. Dan will include this provision in the new policy and present at the next planning meeting.

**V. Boiler Replacement:** Luther said he had been working with Harvey-Price for a proposal for the new boilers. He anticipates 1200 gallons of water storage in three tanks. The boiler room asbestos removal will begin as soon as Otis completes the elevator replacement. Luther opined that the project will be completed within 90 days of the date the boilers are ordered. The board approved the asbestos removal and asked Luther to get bids in the October 2014 meeting. Chair Dan S. stated he would call a special meeting to approve the contract once the bids are received. Rick again questioned as to whether the boiler could be repaired. Dan S., Dan H. & Luther again opined the boilers cannot be repaired sufficiently to justify the expense of repair.

**VI. Elevator Replacement:** Ken reported the elevators are scheduled to be completed and inspected by 12/10/14 ; a “punch list” will be done before the final inspection. The carriage floor coverings are still not installed due to a vendor mis-order. BMC will negotiate with Otis for a better maintenance contract.

**VII. BMC Report:** Diane reported:

1. **Incident Reports/Action Grams** were sent to the board members. Susan again asked that a method be devised to allow all residents to review these items. Diane said she would do so if the board so directed.

2. **Window Inspections:** The 1201 owner is a contractor and submitted an inspection report he did himself. Diane will send report to the board for a decision if this report is sufficient.

3. **Water on end-of-hallway Balconies.** Tom, site manager, reported to Diane that there was insufficient drainage from the balconies located at the end of each floor. The rainwater runs indoors and onto the stairways. Diane will write Industrial Concrete Floors, who did earlier repairs, and ask them to either remove their earlier work (deemed by some to be substandard) or add grooves in the concrete that will direct the water flow away from the interior of the building.

4. **Window Inspections:** Two units still out of compliance.

5. **Proof of Insurance:** Two units still out of compliance.

6. **Fines for Repeat Violations.** The Policy Committee will address this problem.

6. **Mira Bella Parking Space:** An inoperable car is still in the space. Diane will again contact Mira Bella and request it be removed.

7. **Exterior Lights:** Some lights are not functioning. Dan S. & Tom, site manager, are working on it.

8. **Trustee Sale:** Dan S. expressed concern that the 7<sup>th</sup> floor unit has a cracked window and mold and questioned if the HOA has the authority to enter the unit and correct the problems. The unit will be sold at auction on 12/3/14. Diane said her advice from the collections representative is to wait until the sale is completed and try to collect the sums owed the HOA from the new owner.

9. **Renter with Three Dogs:** Diane said the owner had been fined and told only two dogs per unit were allowed. Various residents reported the tenant was still seen with three dogs. Diane will make another incident report and levy a second fine on the owner.

**10. Storm Sewers:** There is a broken pipe under the sidewalk and it is not draining out to the street. Diane will arrange repair. **The board voted 3-0 to repair the pipe.**

**VIII. New Business:**

**1.** Owner Doug Beauchamps requested \$42.50 reimbursement for excessive rust in his unit pipes. **The board approved the request 3-0.**

**2.** Celina, office staff, asked permission to post notices once per floor, by the elevator, rather than on each unit door. **The board approved 3-0 posting only on the mail room bulletin board on a trial basis.**

**The next planning meeting will be 12-10-14 and the next board meeting will be 12-30-14.**

**The meeting was adjourned.**

Respectfully submitted,

Susan M. Connolly  
filling in for Jean Kern, Secretary