

WILLAMETTE TOWERS CONDOMINIUM

February 26, 2001

Annual Meeting of the Board of Directors 2001

As a quorum was reached the meeting was called to order at 7:15. The minutes were read and approved of Annual 2000 meeting.

A letter was read by Emmy Lou Lloyd, written by Mr. Douglas Cochrane.

New people spoke about themselves to help get acquainted.

Budget papers were handed out.

2001 Budget reviewed.

Carol explained the Balance Sheet, item by item.

New business:

- a. Talked about 55 plus
- b. Carpet
- c. Parking
- d. Smoking in Common Areas
- e. Elevator

Everyone was in accord that all work necessary be done now. Not part now and rest in 2002.

Douglas Cochrane & Joanne Gulsvig volunteered to be new board members along with Marge Catha and Carol McCarthy.

Meeting adjourned at 8:45.

Respectfully submitted by

Uldine Summers,
Secretary,
Board of Directors

Willamette Towers Condominium

Minutes of March 7, 2001 Board Meeting

The new Board of Directors of Unit Owners met tonight at 7:00 pm. Board members are:

Douglas Cochrane, President
Joanne Gulsvig, VicePresident
Marge Catha, Treasurer
Carol McCarthy, Member

Also attending were Bobbye Sorrels (Unit #1202), Irene Rose (Unit #307), David Goth (Unit # 1108), and Emmylou Lloyd (Unit #1006).

Because the board numbered four, Douglas Cochrane initiated discussion of how the board would deal with a tie vote. He suggested that he could, as Board President; act as "tiebreaker".

After some discussion, David Goth volunteered to become a Board member.

Carol McCarthy made the nomination. Joanne Gulsvig seconded the motion.

David Goth was voted in unanimously, and has accepted the position.

As President, Mr. Cochrane will not vote along with the Board members except as a tiebreaker.

Next there was discussion of Board meetings, and how often they should be held. In the recent past they had been held twice a month.

Douglas Cochrane suggested that we could accomplish our goals with one meeting a month to start with, but that we could probably move toward quarterly meetings after the first quarter.

It was suggested that e-mail would be a good way to communicate between meetings.

Because of the by-laws and each owner's access (or not) of e-mail, Bobbye Sorrels questioned the legality of this. She was concerned that some owners might not receive (or have access to) all communications regarding building management.

Douglas Cochrane then proposed that a newsletter should be sent to each owner following each board meeting to keep all owners apprised of all developments in our building. The Newsletter will consist of the Minutes of the last Board Meeting and the current financial statement.

Although current (and all) financial statements have been available by request from Eric Peterman, The Bottom Line, it was decided that current financial statements, heretofore, be included in a Newsletter following each meeting.

As assistant to the Board of Directors, it will be the responsibility of Diana Drake to take notes at the meetings and prepare the Minutes of each meeting.

Mr. Cochrane suggested Emmylou Lloyd as a possible candidate to collect this information from Ms. Drake and prepare a newsletter to be mailed to all of the owners. Although Ms. Lloyd is not available solely or on a regular basis, she agreed she would be available if she can find a volunteer to share the job with her.

Next on the agenda was interest in financial planning. It is a law that we must have a RESERVE PLAN for anticipated maintenance costs.

Douglas Cochrane shared a "sample" document that showed each (of many) projected expenses that are required in a condominium over a 20-year period. ("TWENTY YEAR SPENDING PLAN PRIORITIES") He suggested that an "outside person" might be better equipped to advise us. He knows a man he thinks is very capable, and recommends Dan Huntley of Western States Consulting.

Bobbie Sorrels explained that such a plan has already been prepared for our building, and that, she felt, our reserves indicated that the plan was working for us. She suggested that interested parties should review what we already have in place.

Diana Drake will collect this information from Ms. Sorrels and see that each Board member receives a copy.

Maintenance on our parking structure is a pressing concern. We have had an engineer come and assess our situation.

The structure itself is in "excellent" condition. The membrane that protects in inner (supporting) structure is intact. The surface layer needs attention. It has settled and there are cracks and the surface is "wavy".

While the Board of Directors is working toward budgeting this expensive necessity in, we will be getting bids and gathering information.

Bobbie Sorrels has spoken to one contractor that she was very impressed with. His name is John Donnell. When she was on the board in the past, she interviewed several contractors and felt that he offered the best service for our situation for the price. Ms. Sorrels will provide Mr. Donnell's phone number so that he can participate in the bidding process.

It is now time to have our fire safety systems inspected and certified.

First, there is the annual inspection and certification of the fire sprinkler system (\$268.00), and the Standpipe System (\$180.00)

There is also a five year inspection and certification of the fire sprinkler system (\$435.00) and the Standpipe System (\$2,920.00), for a total of \$3,803.00.

A motion was made to pay for this with Un-appropriated Reserves. It was seconded and carried unanimously.

Another topic of discussion was our water heater. It will eventually need to be replaced, although there do not seem to be any problems with it at the moment. It is as old as the building itself and something that we need to consider and budget for.

Since it is so big that they actually had to build the building around it, it is not feasible to plan for the same system when it needs to be replaced. An expert has told us that it can (eventually) be replaced with several smaller tanks.

This is, at this time, a budgeting issue, and has been included for the eventuality

that we will need to replace our present system-very probably with very short notice.

The board is interested in an "Action List" of anticipated maintenance and inspection schedules. Diana Drake will provide this information at the next board meeting.

Since security is a major issue with the residents in our building, Joanne Gulsvig told us that she had done some research in that area. She provided a bid that has several avenues depending on what we would like to spend.

David Goth has also discussed security with an expert.

Since both Mr. Goth and Ms. Gulsvig have initiated this matter, they have agreed to do a "Feasibility Study", and have it ready for the next meeting. Both board members have gathered information about security systems, starting at minimal, and then adding to it as need and funds provide.

Ms. Gulsvig mentioned that she would like to arrange to have an expert speak at the next board meeting about different systems.

Regarding security issues, Douglas Cochrane proposed that when a security issue could be tied to a specific unit that the owners of the units responsible should be charged \$50.00 for each security problem.

Although there is a lot of support for that idea, Bobbye Sorrels suggested that we should check with a lawyer to make sure that our by-laws allow for that.

The board discussed the lease with "Illusions", the hair salon on the main floor.

Their current lease if up in July. Because the rate of electricity is climbing, Bobbye Sorrels suggests that the salon should start paying for their own electricity.

Finally there was discussion of the effort to incorporate the Association of Unit Owners. One advantage to this more modern corporate structure is that it relieves the Board of Directors of personal liability for actions taken by the Board of Directors. Since Douglas Cochrane is best informed about this issue, he agreed to write a letter to owners about the merits of incorporating this building. This will be included with the Newsletter to those owners who still have not returned their ballots, including another ballot.

Board meetings will be held on Monday evenings. **Our next meeting will be April 9, 2001 at 7:00 pm.**

Following that, the next one will be on **May 7, 2001 at 7:00 pm.**

Respectfully submitted by

Board of Directors Member

Prepared by

Diana Drake
Assistant to the Board of Directors

WILLAMETTE TOWERS CONDOMINIUM

Minutes of Meeting April 9, 2001

Introduction of Board Members:

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

Also attending were:

Joan McCornack-Unit #601	Roberta Phillips-Unit #1008
John Agnew-Unit #503	Emmylou Lloyd-Unit #1006
Marci Sexton-Unit #1201	Bobbie Sorrels-Unit #1202
LaVerne Edwards-Unit #1106	Marcia Peterson-Unit #801
Sandra Hanson-Janitorial Service	

RESERVE STUDY:

Douglas Cochrane introduced Dan Huntley of Western States Subdivision Consulting (541-459-4596 or FAX 541-459-4597) to discuss the need for a reserve plan/reserve study.

Mr. Huntley discussed putting together a 30-page report based on information he will gather about every aspect of the building. The plan would be “tailor made for our needs—but with recommendations.

Marge Catha asked what the cost of such a plan would be.

Mr. Huntley said that he will put a proposal together that will include that information, although he believed it would be in the range of \$2,500 to \$3,000.

For more information, Mr. Huntley provided his website address:
www.HOAreerves.com.

Mr. Cochrane asked the board if we would be interested in having Mr. Huntley put together a proposal together.

Carol McCarthy proposed we have Mr. Huntley provide a proposal. (She mentions she believes it is “important to have strong legal footing.”)

Joanne Gulsvig seconds this motion.

It is voted on and passes unanimously.

SECURITY SYSTEMS:

Joanne Gulsvig introduced Aaron Crowley of Integrated Electronic Systems (541-485-4456 or FAX 541-688-1478), a security company, about the feasibility of setting up a camera system in the building.

He discussed a camera system for security. His proposal covers a “minor system” that would provide six cameras on the main floor and at the entrances and stairwell exit.

The cost would be about \$8,863. The parking structure would take four cameras and cost about \$3,200.

The type of cameras he recommends are duplex/multiplex, which means all of the images will come to one tape.

LaVerne Edwards wondered if having six cameras would actually be helpful if we cannot identify the perpetrator because they do not live here, or because the images are too small to identify.

David Goth contacted Sonitrol. Their proposal starts at \$6,800 for four cameras that can be upgraded. Up to 9 cameras can be added to this system. The parking structure would be about \$2,500, and the elevators would be about \$1,000 each.

Ms. Gulsvig also suggested that we could get information about setting up a Police Substation here in the office/lounge. She has spoken to a friend on the police department.

Ms. Edwards suggests that turning the building into a “55 and older building” would be another good idea. Bobbye Sorrels suggests we carefully consider whether we really want to do that.

This subject is still being investigated so no vote was taken.

FIRE SPRINKLER INSPECTION:

Harvey and Price reported that an onsite inspection of each unit's fire sprinkler is necessary to determine how many and which sprinklers have been painted.

I will begin this inspection as soon as possible.

The sprinklers that have been painted are no longer operable and will need to be replaced. The cost of this will be about \$178 per unit (possibly less if there are many in need of replacement.)

Ms. Sorrels suggested that this might be a good time to also inspect the heater system that is no longer usable, and has now become a hazard. Most have been disabled or removed. She said that a previous board tried to get this information, but was unable to get a complete number.

This is to be discussed at a later meeting.

INTRAGUARD SYSTEM:

Smeed Communications has recommended that we replace our old Intraguard System. The one we have is wearing out. It has been in operation for 15 years. There is no longer technical support or parts available for repair. Diana Drake provided the board with the proposal Smeed Communications faxed to her. The cost of the new system is \$1,700.

After discussion, Ms. Gulsvig made a motion to engage Smeed to install the new system.

Ms. McCarthy seconded the motion.

Mr. Cochrane called for a vote—and the motion was passed unanimously.

Ms. Drake has been directed to order the new system.

LAUNDRY ROOM:

John Agnew wanted to discuss ideas to help more adequately vent the laundry room. He would like Diana Drake to help him set up appointments with EWEB and private contractors to look at our system.

CARPET CLEANING:

Mr. Cochrane talked about the carpet in the halls. He feels that the carpet is in good shape, but very dirty. He asked Sandra Hanson's opinion.

She made some suggestions to find a new carpet cleaner by asking for recommendations from people here in the building.

Reese Brothers Janitorial Services have offered to come clean the carpet on one floor for \$50 for us to preview of the quality of their work. They told us to choose the floor that was in the worst shape. We asked Sandra Hanson which floor she thought was worst. She said it is definitely the third floor.

Mr. Cochrane said to find out about Scotch Guarding. Mr. Goth checked out the price of replacing the carpeting. The prices would begin at \$25,000 to \$30,000.

An appointment will be set up to have the third floor cleaned as soon as possible.

PUPPIES AND PUDDLES

Diana Drake reported that there have been numerous complaints about the two puppies in the building—Units # 602 and #407. She suggested that the following letter be sent to the owners and property managers of these units.

RE: Puppy in Rental

To Whom It May Concern:

We assume that you are aware that your renters in Unit #602 now have a puppy. We want to be sure that you are also aware that you are ultimately responsible for any damage or messes that are a result of this puppy on this property. This includes the gardens, the lawn, the elevators, and carpeting in the halls.

Residents who choose to have dogs must clean up after them. In this neighborhood, there is just not an appropriate place to leave dog feces behind. There are city ordinances addressing this issue, as well.

Please be sure your renters understand that there is nobody here in the building to clean up after their puppy, and that there is no tolerance for messes found on the premises.

Thank you.

It was decided that the letter should go out as suggested above.

COMMUNICATIONS:

Carol McCarthy had some ideas about a chain of communications. She pointed out that some contractors are giving Sandi information that should be given to Diana. Not only does this take up Sandi's time, but also it keeps Diana from taking action on

things she does not hear about. Lately, both the Fire Department and Harvey and Price left information with Sandi that should have been given to Diana to start with. Both incidents required Diana to take an action.

Carol suggests that if Diana is in the building when information regarding inspections and work done is given, the information should be given to her.

PRESSURE CLEANING PARKING STRUCTURE:

Andrew Thurman in Unit #703 has asked if he can present the board of directors with a bid to pressure the parking structure.

INCORPORATION:

Mr. Cochrane asked Diana Drake how many ballots have come in to incorporate the building. There are now 58 ballots in with only one vote against. Mr. Cochrane asked Ms. Sorrels to work with Ms. Drake to complete this job. She agreed to do this.

CONTACT LIST:

Mr. Cochrane asked Ms. Drake to provide the contact list.

The one she put together was and “Action List” with the names and phone numbers of contractors. What Mr. Cochrane wanted was a contact list that includes the name and phone numbers of board members to provide to the unit owners.

PAST DUE ASSESSMENTS

Mr. Cochrane suggests that we need to put together a “general policy” regarding past due assessments.

He suggests we could set up some checkpoints we could make as steps we would take with every unit owner who is late.

He suggests that when someone is 20 days late, we should send a notice that we will charge interest.

If it is not paid by the 10th day of the following month, and notice will be sent again informing owner that a lien will be filed if the account is not brought up to date.

If the account is more than 60 days past due, get the lien filed.

After 90 days, the board has the option of foreclosing, going to small claims court or a civil suit.

There was discussion about what steps are currently being taken.

Ms. McCarthy said she would like the board to maintain the option of when to file a lien.

Mr. Cochrane suggests that Ms. Drake can file future liens.

BOBBYE SORRELS passed out a memo she prepared for the board of directors before she left the meeting. She asks that this remain a private communication to the board.

EXECUTIVE SESSION:

Carol McCarthy made a motion to place a lien on Unit #308 for non-payment of homeowners' dues. Malcolm Scott has been handling our legal affairs. He is recovering from surgery, but Ms. McCarthy is sure that there is someone else in the law firm is covering his work in his absence.

We noticed tonight that there was a For Sale sign in the window of #308. Ms. McCarthy pointed out that this is against the rules and that the sign must be removed.

Mr. Cochrane provided some samples of a form he would like to see implemented here. These are sent out in e-mail and added to the agenda.

There was discussion about the board e-mail list, which is a separate list than the one that any in the building can access.

Douglas Cochrane asked for a motion to adjourn.

Carol made the motion to adjourn.

Ms. Gulsvig seconded the motion.

Marge Catha said we are not ready to adjourn. She has the signature cards that she needs the board to sign. This was done.

Discussion was made on when the next meeting will be, and whether we can now move to quarterly meetings. For the time being, we will stay with monthly meetings.

At this point, Diana was excused from the meeting.

Respectfully submitted by

Board of Directors Member

Prepared by

Diana Drake,
Assistant to the Board of Directors

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors

May 9, 2001

Introduction of Board Members:

Douglas Cochrane-President—Could not attend this meeting
Joanne Gulsvig-Vice President—Officiated meeting in Mr. Cochrane's absence
Marge Catha-Treasurer
Carol McCarthy-Member
David Goth-Member

Also attending were:

John Agnew—Unit #503
Uldine Summers—Unit #501
Irene Rose—Unit #307
Bobbie Sorrels—Unit #1202
Emmylou Lloyd—Unit #1006
Bob Huntley—Unit #204

ENTRAGUARD:

The new Entraguard is working. It seems that some phone numbers did not get programmed into the system when Smeed installed it. Eric Peterman was not able to program it, so we made an appointment with Smeed to come and instruct Eric and me on Friday, May 4 at 10:00 am. I was in the building until 3:00 pm and Smeed Communications did not show up.

Diana will follow up by learning how to program the new Entraguard, and preparing a notice informing those who have not been programmed in yet to contact her.

PUPPIES:

After the letter regarding the puppies in Units 602 and 407 was sent to the respective owners and property managers, there were continued complaints from residents and Sandi about puppy messes.

When Diana reported some puddles outside the elevator on the fourth floor to the property owner of Unit 407, that property owner told her there is no puppy there—that the puppy on the sixth floor must be making these messes. About one week later, the renters in Unit 407 began to move out of the building.

After many more complaints from residents and Sandi regarding the puppy on the sixth floor and after discussion with Joanne Gulsvig of the board of directors, Diana called that property manager. They told her that the residents in Unit 602 had been given a 10-day notice to remove the puppy.

INCORPORATION:

Bobbie Sorrels explained incorporating the building to a new unit owner—Bob Huntley in Unit 204.

She also reported that we now have the votes necessary to carry this motion and felt that we should put a “seal” on it so that we would not lose a vote if a unit sold.

Carol made a motion to incorporate based on the votes we have, and to seal the votes.

Marge seconded the motion.

The board voted on the motion and it was carried unanimously.

Carol McCarthy of the board of directors agreed to contact our attorney, Malcolm Scott to put this in motion.

PRESSURE CLEANING PARKING STRUCTURE and concrete pathways around the building:

Andrew Thurman, who presented a proposal to us, came to the meeting to introduce himself and answer any questions the board of directors has. He plans to complete one level per day for two days. He says he is ready to begin the job as soon as he receives the board’s approval.

Marge Catha of the board of directors had some concerns about drainage—and about whether or not Mr. Thurman intends to clean the drains.

John Agnew has concerns about maintaining the surface until such time as we can go ahead with the resurfacing project. He said that some of the concrete patches are actually causing further damage when people drive over them by creating a wedge that is breaking apart the surface. While he believes that removal of these would be good, he believes that we should not leave these cracks open. While pressure washing would remove the debris and vegetation, he is concerned that removing the existing patches without re-patching them may threaten the existing structural condition to the point that we would be looking at a much more expensive project in a year or two than we are looking at now. He suggests that the board think about patching what we have until such time as our budget allows for the resurfacing project.

Joanne Gulsvig asked what benefits would be obtained by going ahead with pressure washing, beyond cosmetic. Mr. Thurman said it is only cosmetic.

Joanne asked John Agnew to help Diana to get bids on intermediate work on the parking structure. John and Diana plan to have this information for the next board meeting.

Until further information is gathered, pressure washing the parking structure has been postponed.

FIRE SPRINKLER INSPECTION:

Diana has not been able to check each unit because of residents’ availability and has asked for volunteers. Carol McCarthy and Joanne Gulsvig are available Thursday evening to help check these. Marge Catha is willing to help, but is not available Thursday evening.

SECURITY SYSTEMS:

Postponed until next meeting.

RESERVE STUDY:

The board of directors has received a comprehensive proposal from Dan Huntley of Western States Subdivision Consulting (541-459-4596 or FAX 541-459-4597).

His fee for research and setting up his program is \$2,550. He also requires \$.54 a mile for travel with expenses. If ever a court appearance were required, we would have to travel to Douglas County because that is where his business is located.

David Goth of the board of directors asked what this study would provide that we have not already accomplished with the plan we have in place.

Carol McCarthy does not think we should go forward with this plan. She has concerns about how much this plan would cost the building, as well as the “Pandora’s Box” it may open.

Bobbye Sorrels of Unit 1202 thinks it would be a good idea to check with local experts for another proposal if we are interested in updating what we already have in place.

Since Douglas Cochrane was not able to attend this meeting, this issue has been added to the agenda of our next meeting.

CARPET CLEANING:

Reese Brothers Janitorial came and cleaned the third floor on Sunday, April 22, 2001 at 9:30 a.m. as per their promotional proposal to do “our dirtiest floor” for \$50.00.

It appears to those who have checked that Reese Bros. did a very good job. They propose to clean 2 to 3 floors each Sunday until the job is completed at a fee of \$130 per floor for cleaning, and \$35.00 a floor for soil retardant. They have a separate proposal for individual units who wish to have their units cleaned while Reese Bros. is working on their respective floors. Appointments must be made in advance for this.

After discussion, Marge Catha made a motion to have Reese Bros. fulfill their proposal.

Carol McCarthy seconded the motion.

The issue was carried unanimously.

LAUNDRY ROOM VENTING:

John Agnew went over the proposal we received from Harvey and Price who we would contract to upgrade our venting system, and the proposal we received from Will Price of Energy Conservation at EWEB.

Harvey and Price’s fee for the upgrade is a total of \$2,096, which we would pay to Harvey and Price. EWEB will pay the building a total of \$1,200 if we follow the proposal we received from Harvey and Price, leaving the total cost for the building \$896.00.

David Goth made a motion to go forward with these proposals.

Carol McCarthy seconded the motion.

The motion carried unanimously.

TOPICS OF INTEREST:

1. Discussion of feasibility of cameras—(Bobbye Sorrels suggests we budget in advance for this.)

2. Can we have an expert (not a salesman) come and discuss security?
3. John Agnew suggests we consider dummy cameras.
4. Should the Homeowners Association continue to pay for cable television?

EXECUTIVE SESSION:

Update on remodel in 607. Ms. Holte to inform board of directors about any changes she will make to plumbing and/or electric.

Unit 308 may be going into foreclosure—what steps can the homeowners' association take to recover funds owed?

Carol McCarthy will check this out when she goes to lawyer for incorporation questions.

MEETING ADJOURNED: 9:20 pm.

Respectfully submitted,

Board of Directors Member

Prepared by

Diana Drake,
Assistant to the Board of Directors

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors

July 11, 2001

Introduction of Board Members:

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

Also attending were:

Uldine Summers—Unit 501
Bob Huntley—Unit 204
John Agnew—Unit 503
Emylou Lloyd—Unit 1006

Acceptance of minutes of May 9, 2001 meeting:

Douglas Cochrane asked the board to accept the minutes of May 9 meeting into the record. Joanne Gulsvig made a motion to accept. Carol seconded the motion. The board voted to accept the minutes into the record.

Financial:

Joanne Gulsvig made comments, and had some questions regarding the preparation of the budget. Carol McCarthy explained how the budget has been prepared and clarified Eric Peterman's system.

There was discussion about who is liable for the plumbing damage Skipping Stones sustained on June 27, 2001.

Discussion of amounts budgeted for various repairs and maintenance followed.

Carol McCarthy made comments regarding the e-mail that Mr. Cochrane sent out. She pointed out that he was in error when he said that *"It (the budget) also did not include funds for a standpipe inspection, a replacement of the Entraguard system, upgrades to the elevators, carpet cleaning, emergency plumbing repairs, and other needs of the building that the board has had to face. Most of these expenses could have been anticipated given sufficient planning."* (See attached letter). She explained that all but the standpipe inspection and the Entraguard replacement (which was a result of vandalism) were in the budget, and explained where each of the line items included which expenses.

Entraguard

Diana will find out if there are any residents who are not programmed in the Entraguard.

We should not have to pay for Smeed's last visit since they came to correct a mistake they made when they left us the instructions for a unit we do not have.

Puppies

The puppies are now gone. There are still some stains on the carpets in the halls.

Backflow inspection

Completed on June 20, 2001

Carpet Cleaning

The carpet cleaners will complete the work on Sunday, July 15. There are still a couple of private units that hope to have theirs done too.

Fire Sprinkler Inspection

There are still 15 units I have not been able to contact. Diana will keep trying. Will send letter to owners. Four have been painted over, and one has a structure built around it.

Incorporation

Carol reported that they (our attorney?) have spoken to our accountant and getting all the papers together and updated and filed.

Laundry Room

Harvey and Price completed work on the Laundry Room on June 4. EWEB gave us \$1,200 toward this expense.

John Agnew made comments about the big dryers. John suggests we contact Coin Op to see if they can fix dryer 6 (the newer large drier) so that the laundry does not tumble to the door. Coin Op will be contacted for this repair.

John suggests we put a barrier in front of the new pipes to protect them from the shopping carts. Also, a clothes rack should be provided. I have been advised that there is a \$300 limit to provide a barrier and rack.

Reserve Study

Douglas has a referral of a financial advisor in Albany. Douglas thinks that a good reserve plan is "worth its weight in gold". He shared reasons for his point of view. He said we must balance the needs of the building with the amount of money we are collecting from the owners.

There was further discussion about having someone from out of town—can we find one here in Eugene? Douglas has asked David Goth if he may know someone. Joanne says she will try to get a referral as well. Don Brudvic is advisor Douglas has heard about.

Douglas asked if the board wanted to go forward with reserve study. Carol agrees we should get something going, but to remember we have a unique building—and that we are the strongest condominium in Eugene.

Marge agrees we should check into it, but it should not be a huge expense.

Douglas asks that if the board can get referrals in this area, to have that information available for the next meeting. This will be added to the next meeting's agenda.

Security

Joanne reported that the police would not be using our lounge as a substation. RFI wanted \$26,000 to set us up with a digital camera system. This project has been postponed for now. New information will be collected for a later date.

Joanne feels it might not be the time to move forward with this expensive project. The board will continue to collect information and see how things go. The building has quieted down lately. Electronic security devices may be brought up again at a later date.

Refurbishing the lobby and adjoining areas

Douglas spoke to Dan Touchee about a reserve study. He's a local real estate developer. Although Mr. Touchee is not available to do a reserve study for us, he did point out that if we upgrade the general appearance of the building, we would upgrade the general caliber of the people who live here.

Marge concurred. Carol agrees that we should “spruce up” the place. Marge thinks we should contact property managers to be sure they are careful about the people they rent to. Douglas thinks that if there are security/vandalism issues, that Diana should contact property owners to let them know that a fee will be assessed. David concurred. Diana suggests we uphold the by-laws that owners must provide us with a lease of at least one year.

John Agnew is embarrassed to bring guests in the building. He thinks the elevators need improvement. He is loath to spend a lot of money, but would like it to be spruced up.

Joanne suggests we have a designer look the building over. She mentioned Carolyn Kranzler who she has made an appointment with this Friday at 1:15. She has also priced some panels to put up in elevators that Otis has @ \$4,000 per elevator. David agrees a consultant is in order—we should get several ideas.

Douglas proposes that we give \$300 to \$400 toward having consultants look over the downstairs and elevators and give their ideas.

Carol made a motion to allow Joanne a budget of \$400 for a consultant’s opinion.

Marge seconded the motion.

Motion was carried unanimously.

Parking Structure Maintenance

John Agnew suggests we have the cracks filled with an elastomeric product to keep the inner structure protected. He suggests we do it now, before rain keeps us from doing it until next year. He projects that we should do this type of project every three or four years instead of replacing the surface on the whole upper structure.

John Agnew and David Goth think that replacing the whole surface will cost upwards of \$100,000. Maintaining what we have is more cost effective, but will not get rid of the pools and dips.

Carol wanted clarification that this would be as affective as replacing the whole surface of the upper structure in terms of protecting the structural integrity of the structure. John felt that this would be the case.

Marge thinks they should clean the whole structure. Carol asks that John find out. Douglas suggests we authorize up to \$5,000 to accomplish this maintenance project.

Joanne made a motion to move forward with parking structure maintenance with a budget of \$5,000.

David seconded the motion.

The motion passed unanimously.

Plumbing Problems

Diana Drake described the plumbing problems we experienced on June 24, and the subsequent problems that happened as a result of shutting the water off in the building.

Lee of Right Way Plumbing said that because of the type of plumbing we have (galvanized steel) and the age of the building, that the above subsequent problems are bound to happen. If there is any part of the plumbing that is “edgy,” the pressure of shutting the water off and on will stress the weak spot—and sometimes cause these very problems. Our water (in the whole building) was shut off twice.

There has been some discussion about having all of the valves checked and possibly updated so that we will not need to shut the whole building off again. Lee does not feel that this is a good idea. He said if they do not work, he would be back to the very same job he did Monday on the first one—replacing the “gate stoppers” with “ball stoppers” and building a new configuration of pipes. He said the price would be astronomical when you consider there are over 50 valves in the building that would need to be checked over and/or updated. He feels that it is best to continue to repair what goes wrong when it goes wrong. “If it is not broken, don’t fix it.” were his words.

Members of the board of directors concurred.

Elevator

The anti-egress project is due to be completed this month. Ken, our Otis elevator repairman suggests we should use the mechanical anti-egress device. He feels that it is the better choice for long-term reliability. The electronic unit is more sensitive and will probably require more maintenance. The board of directors authorized Diana to go forward with the less expensive mechanical unit for a cost of \$3,758.

Building manual

Bobbye Sorrels has offered to put together a building manual detailing the many intricacies and general information she has gathered over the years, if the board appoints her to do so. She would like to have Diana assist her in this endeavor when Diana is available.

All board members agree that a manual would be a valuable resource, and were happy to ask Ms. Sorrels to get it started. They approved giving her Diana's services as stated above.

David made a motion to appoint Ms. Sorrels to begin work on the manual.

Carol seconded the motion. It was approved unanimously.

Douglas proposed giving Ms Sorrels a budget of \$300 to cover expenses. The board would like up to ten copies of the completed work.

Cable television contract

Joanne has been in contact with AT&T Broadband regarding our cable television contract. For the last year it has been \$13.53 a unit for a total of \$1,254 plus a 5.26% monthly franchise fee which goes to the city of Eugene for a total of \$1,320 a month. This makes the annual fee for cable television \$15,844.

As we renew it this year \$16.25 per month per unit at \$1,495 with a franchise fee of \$78.69 for a monthly total of \$1,574 and an annual fee of \$18,688. The annual increase in cost was \$3,044.

We paid six months of our budget year at the old fee for a total of \$7,922, and the last six months of this year will be paid at the new rate for a total of \$9,442. The grand total for 2001 will be \$17,364. It was budgeted at \$15,000 so we are about \$2,311 over the budget.

On the open market the fee for expanded basic is about \$31. This makes it a great deal for those who use cable, and an unnecessary expense for those who don't use it.

Joanne thought these figures should be included in the record. The rest of the board agreed. This will come up for further discussion at a later date.

Since the increase is a substantial amount, and will continue to increase each year, input from the ownership will be appreciated.

Distribution of Minutes and Financials to owners

Douglas thinks that minutes of the meetings and financial statements should go out each month to the ownership.

Joanne thinks that if we can get e-mail addresses for as many of the owners as have them, and leave the printed minutes/financials on the doors of those owners who live here and do not have e-mail, it would cut the costs.

Douglas will prepare a letter of instructions for owners to get on the list, and how to download information from it. Diana will make note of this discussion in the minutes to let owners know that they can get on the list—and stay on to get information or unsubscribe if they do not want updates.

Off the agenda—regarding unit 206—owned by the homeowners association

An impromptu discussion was held regarding the association's rental unit 206. . Joanne asked if we can sell it. She notes that there is probably \$70,000 tied up there. It is being rented now for \$550 a month. With maintenance expenses the costs may not justify keeping it. David thinks it may be better to invest the money. He thinks we could draw \$3,500 a year without any hassle. The tax consequences should be investigated. Douglas thinks if we use the money on the building, there will not be tax consequences. David notes that if we sell it, the new owner will be paying homeowners dues, and we have increased owner occupancy by one.

The board agreed that there should be further discussion of this issue.

Douglas will call his CPA to ask about the tax ramifications of this issue.

Meeting dates

The board made a meeting schedule for the rest of the year. They are proposed as follows:

Monday, August 13—7:00 pm

Monday, September 10—7:00 pm

Monday, October 22—7:00 pm

Wednesday, November 14—7:00 pm

Monday, December 17—7:00 pm

Monday, January 14—7:00 pm

ANNUAL MEETING

Monday, February 18—7:00 pm

Executive Session

Closed session.

Respectfully submitted,

Board of Directors Member

Prepared by

Diana Drake,
Assistant to the Board of Directors

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:

Bobbie 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. Bobbie 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 Bobbie if she meant for the month, or for the year. Bobbie 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

	Period	%	Y-T-D	%
Income				
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
	<u>13,527.23</u>	<u>100.0</u>	<u>95,706.86</u>	<u>100.0</u>
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	0.00	0.0	1,396.00	1.5
Excise Tax, State	0.00	0.0	10.00	0.0
Licenses and Inspections	150.24	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	2,000.00	14.8	2,000.00	2.1
Elevator	0.00	0.0	9,694.85	10.1
Lease Repairs	488.00	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
	<u>24,057.58</u>	<u>177.8</u>	<u>98,268.96</u>	<u>102.7</u>
Other Income	<u>0.00</u>	<u>0.0</u>	<u>0.00</u>	<u>0.0</u>
Other Expenses				
Charged off Accounts	1,400.00	10.3	1,400.00	1.5
	<u>1,400.00</u>	<u>10.3</u>	<u>1,400.00</u>	<u>1.5</u>
Net income (loss)	<u>\$ (11,930.35)</u>	<u>-88.2</u>	<u>\$ (3,962.10)</u>	<u>-4.1</u>

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.

Bobbie 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, Bobbie 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

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors September 10, 2001

AGENDA—Minutes of meeting

Introduction of Board	Page 1
Approval of minutes from August 13 th meeting	Page 1
Financial Report	Page 1

Old business

Laundry Room	Page 3
Refurbishing lobby and adjoining areas	Page 3
Insurance	Page 4
Discussion on Unit 206	Page 4
Cable Television update	Page 5

New Business

Window replacement update	Page 5
Plumbing note	Page 5
Electrical repairs	Page 6
Ladders (Should WTC purchase ladders?)	Page 6
Boiler Room & Storage	Page 6
Discussion re: Professional Management	Page 6
Bottom Line moving out	Page 10
Secretary	Page 11

Executive Session:

Closed Session

Copies of documents mentioned herein:

Should AUO sell Unit 206? ----Bobbie Sorrels-----	Page 12
Should board elect a Secretary? --Bobbie Sorrels--	Page 15
Request for Proposal--Douglas Cochrane-Joanne Gulsvig--	Page 16
Financial Statement ---The Bottom Line---	Page 19

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors

September 10, 2001

Introduction of Board Members:

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

Also present were:

John & Dorothy Quirk	Uldine Summers
Robert Huntley	Emmylou Lloyd

Approval of minutes from August 13, 2001 meeting:

Carol McCarthy moved that we accept the minutes of the meeting as submitted to the board.

David seconded the motion.

The board voted unanimously to accept the minutes.

Discussion re: #506

Marge opened the discussion to report that there is a mortgage lien on #506. Eric Peterman is to contact Ameriquest regarding status. Douglas reported that he had learned recently that the condo association has a right to put their liens in first place against the mortgage holder, but that it has to be done in a timely fashion. Carol said that she felt that when we had put a lien on another unit "in a timely fashion" we still did not get paid, and added that we "acted pretty fast." She asked for clarification on "timely fashion." Douglas said he has an attorney he can ask.

Carol reported that #506 has gone into foreclosure, and that the dues had always been paid until August. She saw the foreclosure papers, but not until after September 5, 2001, when the unit was to be auctioned. The judgment for the mortgage holders on the property is \$54,755. The unit is \$91 in arrears, and with a \$10 late fee, now owes \$101. If it did sell in the auction, the new owners are responsible for September's dues.

Carol mentioned that Carolyn Henry is now up to date. Joanne asked about 1302? Carol said that she would instruct Eric to draft a letter letting the owner know that we will be placing a lien on that unit. She said that the owner's arrangement with the renters is that the renters will pay the dues, but they don't pay.

Financial:

Marge reported that we have a CD that needs to be reinvested.

(Corrections and additions by Joanne Gulsvig)

Joanne commented that the \$10,000 budgeted for the elevator contract was not included in "Income vs Budget Statement" year to date report. The total budgeted for the year should be \$100,007.68 instead of \$90,007.68. Also the elevator contract of \$10,000 was paid in January for the whole year and the Insurance premiums were paid in July for fiscal year July 2001 through

June 2002. Carol indicated it may be possible to allocate the \$4900 spent on the resurfacing of the parking structure to reserves for the parking structure. We have "Parking Structure Coating Reserves and we could certainly do that since the repair was sealant of cracks. So instead of currently being over budget by \$29,000 which the report indicates, it is closer to \$7,000.

Carol reminded the board that focusing on the numbers month to month does not give us a clear picture, that we need to look at the reports over the long term. Joanne though this could be clearer and Carol thought that the software Eric uses might be the issue. Joanne also noted that General Repairs are way over budget and hopes that some of those costs can come out of reserves also. Joanne also pointed out that the water and sewer charges are transposed in the report. Douglas asked Joanne and she agreed to add some notes to the financial discussion before they are mailed out.

NOTES TO FINANCIAL REPORT:

Elevator	\$10,000	not included in budget column
Insurance	\$ 4,375	6 months premium for Jan2002-June2002
Elevator contract	\$ 3,336	4months of contract paid ahead through 12/31/01
Resurfacing	\$ 4,900	will be allocated to reserves for parking structure maintenance and repair
Total	\$22,611	
Reported over Budget	\$29,670	
More accurately Over budget	\$ 7,000	

Jg

Laundry Room:

Harvey and Price will send a bid for the laundry room improvement (and rack for clothes, and cover the pipes next to the driers.)

Lillian Rarick has offered to have the laundry room painted if it does not cost too much. Carol pointed out we have interior painting reserves.

The stairwells and floors need some painting jobs done. Unit 905 has reported that 901 damaged his paint on the doorframe when they moved in, and he would like to have that repaired. Diana reported that there is a crack around the whole doorframe of unit 704. Carol said that the owner of this unit (Terry Shockley) needs to take care of that.

Douglas suggested Norm Parmenter as a painter we might talk to. (343-9882)

The board of directors does not think we need to go paint over the primer spots on the rear of the building. It would just offer a clean "canvas" for graffiti groups to start over on.

Diana described what Harvey and Price has planned for the laundry room.

Refurbishing the Lobby and adjoining areas:

David and Joanne met with decorator, Marilyn Augusta. David feels that Carolyn Kranzler may charge too much with less result.

Ms. Augusta works on a fee structure of 15% of the total cost of a project (i.e., If the project total is \$30,000, Ms. Augusta is paid 15% of that amount.) Her expertise is in design, not architecture, and she has done some good work with elevators. Joanne pointed out that Carolyn Kranzler was talking about a 5-year plan, and with Marilyn Augusta we would need to know how much we had to spend for the whole project before we got started. When Ms. Augusta asked David how much we had to spend, and he gave her a ballpark figure of \$30,000, she seemed to think that was a workable amount.

Joanne would like to interview others.

David recommended we find the right person for the right money.

David shared some carpet samples, and floor covering, and had some photographic samples of Ms. Augusta's work.

Douglas asked how much there is in reserves for carpeting (\$14,000) and interior painting (\$6,000).

Douglas suggested that we could start with one half of the job now, and to complete the other half of the job in a year or two. Carol agreed.

Douglas thinks the worst part of the property is the elevators—that the rest is not really shabby.

John Quirk thinks that refurbishing the lobby should happen—"the sooner the better." David agreed.

Joanne said she would like to see Ms. Augusta's resume' and references.

Joanne and David will get another quote.

This issue is to be included again on the December meeting agenda.

Bike Structure:

This is a separate issue. The city is not willing to help with the costs involved in this project.

Carol says that people need to know that their bikes are secure if we ask them to keep their bikes out of the building. Douglas says we should think of where we would put a bike structure.

David suggests that we could contact Diane Bishop who works for the city for advice about the bike structure.

Insurance:

David checked out insurance coverage with contractors he knows. He said that the City Ordinance Insurance proposed by Mr. Lumsden of Farmers Insurance last month does not seem to make sense. He thinks it is frivolous coverage, and that this is more of a "Doomsday scenario." Carol agrees with David.

Carol made a motion to move on.

David seconded this motion.

The board voted to move on to the next issue.

Unit 206:

There has been discussion about selling Unit 206, which is owned by the condo association. Douglas asked the board if everyone had a chance to read Bobbye Sorrels requested report. (*see attached*)

Douglas agrees that Bobbye is probably right—that it is not feasible to sell this unit.

He said that it would mean changing everyone's percentage, and that alone would cost a lot to do. It may also mean that the board would need 75% owner approval.

Douglas says that another point Bobbye makes is that we would be trading in a long-term hard asset for a relatively short-term soft asset (building improvement) that might have to be refurbished again in another ten years or twenty years. Marge pointed out that Marcia Petersen asked the same thing at the last meeting.

Douglas said he will talk to a lawyer he knows who works with condo laws and ask him what he thinks in a couple of days.

Douglas suggested we could raise the rent if Unit 206 is good condition. Carol said that it was last year when we rented it. It was newly painted and had a new dishwasher. The appliances are in good shape—the carpet newly cleaned.

Joanne proposes that we postpone any decision about 206 until sometime in the future when it looks like a better plan.

Douglas will get more information about other options for the next meeting. For now, the board has decided to move on.

Cable television:

Douglas reported that he has not yet gotten to the cable television issue, but that since we are still receiving the package we wanted, and since Ms. Moon of AT&T Broadband has not returned his calls, to let it go another year unless they call notify us of a change.

Window replacement:

Diana reported that there were 21 people that would like to have their windows looked at. Douglas asked to be included to that number.

Don Nahnsen has offered some recommendations for contractors that may have the proper equipment to work on the outside of this building. John Agnew has been ill, and has not been available to work on this project. The board thinks we should check with John Agnew to see if he is going to be available, or has advice/opinions to share.

Douglas asked Diana to continue working on this project.

Plumbing:

Diana told the board of directors that Lee of Right Way Plumbing was here the other day on a private job, but stopped to talk to her for a minute. He said that the problems with hot water bleeding into the cold in the bathrooms of units 1301, 1201, 1202, and 1102 have to do with a worn cartridge in one or more of those units. He said that the only way to be sure of who is to have the same person go to each of those units and test the lav and shower to see if the off/on valve sticks. If it does not move smoothly with the touch of a finger, the cartridge needs to be replaced.

Since one of the units in question belongs to Bobbye Sorrels and she is on vacation, inspection of this problem will be postponed until she returns. At that time, Diana will make arrangements with each of these unit owners to check their fixtures in the lavs and showers.

Electrical Repairs:

Douglas asked Diana the status of the electrical repairs that were to be completed today. Diana reported that the guy Phillips scheduled to do the work called in sick today, but will be here tomorrow or Wednesday to complete the work.

There was discussion re: the magnetic door alarms on the 12th and 13th floors. The parts required have been back ordered for almost a year because the manufacturers upgraded the systems, but did not have a stock of the older parts. They must be ordered by an electrician for installation.

We should ask Phillips to replace the cover of the one on the 9th floor.

Ladders:

There is a question of liability when buying ladders for the building. If they are for the use of an employee, they must be OSHA approved.

Diana also found out that private contractors must have their own ladders because of liability. If a private contractor falls off of *our* ladder and is injured, the building/business could be held responsible. If a contractor falls off of his/her own ladder, the building/business does not have liability. He added that if our contractor has employees that intend to use *our* ladders, we would be responsible for any injuries they may incur in case of an accident.

Diana described the ladders she looked at and compared them with the ones we have. The board decided that we should purchase an OSHA approved step stool ladder with a 325 lb. limit at a cost of approximately \$39.95.

Boiler Room:

Douglas asked if any action was needed on the boiler room. There are articles stored in there that have nothing to do with the building. Some of these articles make it hard to get around the boiler room, including two bicycles (one chained to our plumbing).

Carol and Diana worked for about 2 hours sorting out the boiler room on Saturday, September 8. They took a load of stuff to the dumpster. There were two boxes of items that they collected and left at the end of the boiler. Diana informed the board that these items have since been removed. The board all agreed that both bicycles must be removed.

Joanne said that she has talked to Sandi about leaving the boiler room open while she is working, and that Sandi promised to be better about it.

Professional Property (Building) Management:

Douglas began a discussion regarding professional management for the building. He said that the board has been discussing the subject during the closed executive sessions of the meeting for quite sometime of taking over jobs done by several other people including some of the board members.

He said that they have already met with two different companies—IPM and Bennett Property Management that offer this service.

Douglas explained to Diana that this is not anything against her in her duties, but that the board is just looking at broadening the duties of management and that there would be duplication. He went on to say that Eric Peterman has been doing some jobs, and that he guesses that Eric will not be available for these duties when the Bottom Line

moves to its new location. He said that Eric does a portion, Diana does a portion, and Sandi does a portion with the balance of the load left to the board.

He said that a Request For Proposal (RFP) has been drawn up to send to various management companies (*see attached*), and has asked that they provide proposals before next month's meeting. He asks if anyone has suggestions on what he has on it; whether there are items on it that we would add, or items we would like to remove. He pointed out that everything on this list would cost us money.

Joanne provided the draft, and Douglas got the original job descriptions from Bobbye of what has been done in the past.

Joanne added that she had talked to someone she knows in real estate, and talked to her about property management for this building and had mentioned Bennett Property Management. Her friend recommends Spyglass. She said that people she knows that have used Spyglass got everything they wanted. She said the woman's name (at Spyglass) is Lou Wickes. Joanne also reported that IPM had sent a list of references we can contact. She said that Jennings also does property management.

Joanne asked if anyone has anything else to add to this. Douglas wants to know if we want to proceed with the property management idea. He said this is the direction he wants to go. Joanne believes it is time for property management—she is concerned that professional management would protect us from liability, and pointed out that nobody really knows what he or she is doing.

She says that professional management is 24 hours a day, 7 days a week, and 365 per year. She does not feel that you can ask anyone else to do that. Also, she feels that it is better to have management off the premises so there is no retribution for actions the board, or their assistant, Diana, might take. She has not had experience with property management, but has heard it will run smoother, and she thinks that the way it is, it ends up taking up a lot of people's time, and that there are a lot of legal ins and outs. She would feel more comfortable with the experience property management can offer. The board, then, would be advisory, she said.

Marge asked if they would hire their own people, like janitorial. Joanne said "not necessarily, that they said that they would be willing to use, if we asked them to, the landscape people." Marge asked how it would affect Diana's position. Joanne said she did not know how that would work, and she does not know about Sandi's position. She said that they certainly would need janitorial but that it would overlap what Diana does.

Douglas pointed out that we don't know if half-time for Diana is enough or too much for Diana, and we don't know if what we give Sandi is enough or too much. He said that "these people" are professionals, they do this, and they know what level of service should be provided. Joanne added "this would get us out of contracting an employee (Diana), which would be nice."

Marge asked the board who would be here, in the building, posting signs when there are equipment failures or other emergencies. She pointed out that Diana has been here, right away, that Diana made the phone calls and had signs up immediately on occasions residents needed notification about the elevator breakdowns or laundry room problems. She asks how someone who is not here could do those immediate things.

David said that he personally can see the logic of professional management—that he understands the benefits of it, but then added that he "does not believe in throwing out the baby with the bathwater." He said there are people who have been here a long time,

and their value should not be discounted. He suggests a “management overlay” on what already exists. He feels that this would take the burden off the board and provide consistency. He said he wants it both ways. He does not feel that this idea is out of the question. He added that there are people who have worked for the building for a long time, and that this should be respected.

Marge asked the board to notice how much work Diana does, and pointed out all the paperwork she has done. Carol explained that the paper trail we would be getting from management would be completely different than what we are now getting monthly, that the board would just receive information on what happened and what management did about it. She said that instead of “micro-managing”, management would be “macro-managing.” Joanne added that this would mean that the board would only have to meet every three months.

Carol wanted to clarify that management would only be handling building problems, and that tenants (renters) would still be dealing with owners. She said she does not want owners here to think that building management would be handling their rentals for them. She said that when Diana first got her job, renters were calling her all the time to handle unit problems—and that owners/property managers will have to deal with these problems on their own.

Douglas said that the property management companies he has talked to know all of the other property managers in town, and that they are more likely to get a response if someone else calls. Carol said that building management would not be helpful if residents have problems in their own units. Douglas said he was sure that management would understand this, and suggested that once a building manager is in place off-site, they (building management) may contact off-site owners and offer to manage those units too. He thought that this might save money for rental owners if it is the same management. He said he would probably look at the building manager if he intended to look for property management of his unit.

Carol said that this has been a “thorny issue,” that the renters get caught in the middle. They don’t understand that property managers/unit owners manage the rentals, not the building, and that they are not aware of any of the issues that come up. She said that if rental owners/unit management could leave it to us to manage for them, it was fine with them.

Joanne said that one company has a person who comes out regularly to check everything out and fix it—or know when to call an expert to come out and fix something. Carol says this was IPM.

Douglas says that the way it is now, if something breaks, Diana has to go to the first board person she can find, and ask what to do. He said that property management would have contractors of their own who could come out and handle these situations. The board would not have to make decisions about problem tenants or what we can do about issues like bicycles in the building—that they know the laws.

David asked Diana if she had any comments or opinions that she would like to express. She said she did not.

Carol pointed out that Diana has two perspectives on the issue—one as unit owner, and one as assistant to the board.

Diana said that times that she has tried to contact management companies on weekends re: building problems, she got an answering machine. There is no one there to

talk to. Each and every time she has had to wait until Monday—and on a couple of occasions, go to their offices and leave a note on their doors because they do not keep regular office hours. She added that she tries to be here and available, and knows she has worked very hard, and feels bad that, in spite of her efforts, she is probably going to lose her job. She said that she feels she is working harder for the building that anyone else who is working for the building.

Joanne said that no one is denying that Diana works hard. She thinks that Diana was hired to be assistant to the board, and that management is way beyond the scope Diana was hired to do. Carol agrees. Both think that Diana does a lot, but that it is out of Diana's scope—and that Diana probably works way too many hours.

Joanne said we should ask professional management if they will be available and answering the phone whenever there is an emergency. She said she would expect management to answer the phone. She would be counting on it.

Douglas said that if we do make a change, it is our duty to make it as smooth a transition as possible, and (to Diana) not just “dump it on your head that you're out of a job today.” He said that we would treat Diana fairly and do what we can to give plenty of notice.

Marge showed a list to the board, which said they had seen it, which was from Bobbye Sorrels describing duties that need to be addressed. Douglas said what he tried to do was pick out the things that he thinks we should pay for. He said he did not go into great detail like in Sandi's contract “like how often she should scrub the toilets”. He said he tried to pick out the salient issues that are really issues that we need to have taken care of, and asks other board member to look the list over, and see if there are additions, or things that should be removed from the list. He said that he did not want it to become a “situation like Diana where we contract for a job “this big” and it turns into another job “this big.” Joanne pointed out that if that were the case, management would charge us for it, and it would not be in the budget.

Marge asked a question about a list (Request for Proposal) and money that is taken in the laundry room. Douglas said it was at the bottom of page two, subject 26.

Joanne asked if people would still drop off their dues in the assessment box. Douglas said that he thinks owners would be receiving a bill each month, and would mail their assessments. He went on to add that those people who live here could probably still drop off their assessments in the assessment box.

Diana reported that Eric Peterman still hopes to continue his work for us. Douglas said that he thought that Eric (The Bottom Line) still intends to manage our bookkeeping for us. He said that Eric would like to be relieved of his other responsibilities. Marge suggested that Eric should continue on with the job till the end of the year.

Douglas intends to contact Jennings with an RFP.

David said that while he thinks off-site management is a good idea, he does not feel that it necessarily means that we do not need someone here, on site. He does not feel that either is mutually exclusive. He points out that when some things come up, having someone on site on a day-to-day basis really makes a lot of sense. He mentioned the incident in Unit 605 recently. He said that that problem took a lot of time, and that Diana was right there to let appropriate emergency workers in. There is a lot of value in having someone on site.

Douglas said that IPM suggested that it might be best to have someone live on site in the rental AUO owns (Unit 206) and work half time for this building, and half-time in another.

Marge brought up that Bobbye wrote something about a previous board who had a manager living in that unit, and people were calling them all hours of the day and night. Douglas said that that is the problem with having someone here on site. He said to Diana that he is sure that she is getting calls when she is “not on our ticket”.

Diana told Douglas that this is not the case—that after the first couple of months, most people are very respectful of when they call, and that most calls came in before 8:00 at night. She is seldom called during the weekend.

David said again that he does not think property management and Diana’s work, as assistant to the board are mutually exclusive—that it is in the details and how you integrate it all. He said that we could create a structure.

Carol said we should find out if it is even feasible.

Douglas said that he would not send out the RFPs until Thursday morning to give others a chance to look it over and add or remove from it as they see it.

The format that Joanne used to create the RFP was from the Vancouver Housing Authority. She said it was an RFP for their property management. Douglas set it up to look much better, according to Joanne.

The Bottom Line

After 17 years, The Bottom Line will be moving their offices from our building. They have purchased their own building at 17th and Oak. They have given us 30 days notice. They have been good tenants. They were on a month-to-month with no lease.

Joanne suggested that we could find a property manager to find us a renter as we did with Unit 206. Douglas said that he knows a broker that he will contact. David suggested Sue and Hugh Pritchard of Pritchard & Agnew. He said he would call them to find out if they are interested.

Marge asked how much rent we get from The Bottom Line. Carol pointed out that there is not parking for this office space. Douglas asked if we had any spaces? Diana said there are only 6 guest spaces. She pointed out that contractors for unit owners and for the building use the guest parking. David said there is parking on side streets and across the street at the end of the block. .

David asked what the square footage of the space (The Bottom Line) is. Carol said she thought it was about 1,100. She believes we have been getting \$750 to \$800 a month for it. Douglas and David think that this was below market, and that we could probably get more. Carol said that she thinks they will be surprised how hard it is to find someone who wants it. She also said that there has been some talk about Illusions leaving. Their lease is up in November. David said he heard the same thing.

Douglas suggested that if we moved Skipping Stones out, it might be easier to rent the whole thing.

Parking was discussed again. Douglas said that if there is parking on side streets, they could use that. David said that since many of these side streets do not have a limit, people who work nearby who happen to find a spot early take up all of these spaces, that they start arriving at about 7:30. Diana agreed.

David says he is concerned about renting the space out, especially in the 30 days. He said he is not as worried about getting top dollar as he is getting good tenants. Carol agreed. She said that without parking, we could not get as much for rent. Douglas said the space he has out on West 11th is very similar and it is about \$1 a square foot, but that it has parking.

David said that this area is going through a renaissance right now. Douglas said we should get a little coffee shop in there.

Secretary:

Bobbye Sorrels recently provided a memo (*see attached*) to the board that explained that the bylaws require the board of directors to appoint a Secretary. Douglas said that he thought they had, but did not remember. Marge said that Uldine Summers had been the secretary and had been taking minutes, but when she left, Diana was appointed to take the minutes. Douglas said that there is a difference between who takes the notes and who is the Secretary. Marge agreed.

Carol clarified that it is ok for Diana to take the notes, but that they should be submitted and signed by the secretary. Carol volunteered to take this job.

David made a motion to accept Carol's offer to be secretary.

Joanne seconded it.

The board voted to install Carol as Secretary to the Board of Directors.

Executive Session:

Closed.

Respectfully submitted,

Board of Directors Member

Prepared by,

Diana Drake,
Assistant to the Board of Directors

Question: Should the Association of Unit Owners of Willamette Towers Condominium Sell Unit 206?

Answer: No

A Report to the Board and Association by Bobbye D. Sorrels, September 10, 2001

At the July meeting a board member raised the question of whether the Association should sell Unit 206 to provide cash flow for certain projects such as redecorating the first floor. Discussion followed, and at the August board meeting Douglas Cochrane asked me to do some analysis, which I have done. As a result, I have concluded that the Association should keep Unit 206 as a rental unit. The basis for the conclusion includes these facts, observations, and analyses:

(1) The Association owns Unit 206 (a one-bedroom unit) as part of the establishment of Willamette Towers as a condominium in 1980. (It had been an apartment building until then.) The Declaration creates Unit 206 as part of the common elements by an act of omission, not commission. It does not identify 206 as a unit owned by a member of the Association, and it lists the total number of units in Willamette Towers Condominium (WTC) as 91. The Declaration omits Unit 206 from Exhibits B and C, thus establishing the other 91 units responsible, by stated formula, for Association assessments. (The total number of residential units in WTC is 92, including Unit 206.)

(2) For most of the 21 years of the existence of WTC, the board has managed Unit 206 as a rental unit. However, one board used it for a number of months to provide housing as payment to a resident maintenance “manager.” That arrangement did not work out primarily because residents felt free to call him any time day or night even though he was not full time and not the manager. Another board set up 206 to use as an office for the president of the board, who was also hired by that same board as an administrative assistant. However, that board resigned after some Association members questioned the propriety of a board president’s being paid as an employee, and 206 was returned to use as an income-producing property.

(3) Fundamental financial strategy dictates that an owner should never liquidate income-producing property for nonessential expenditures. I agree that the appearance of all 13 floors needs improvement, and that the first floor is the logical place to begin. However, I recommend that any redecorating projects be approached as part of careful long-term planning, budgeting, and building reserves, with funds to come from income flow, not from liquidating capital assets. Thus, the only practical reason to consider selling Unit 206 is if the return on investment would be greater from the cash from the sale than from the rental of the property, and that is not the case. (See Nos. 6 and 7.) Also, the Declaration and Bylaws make it virtually impossible to sell Unit 206. (See No. 10.)

(4) The analysis of return on investment in Nos. 6 and 7 uses simple interest. Ideally, one would use compounding tables or a software package/spread sheet to enter more combinations of variables to determine returns. However, the decision favoring Association retention of Unit 206 would not change for either the short term or the middle term because analysis of the compounded interest must apply to rental receipts as well as to income from invested cash from a sale. In addition, the nature of WTC cash flow and savings does not make long-term investments attractive.

(5) Over the longer term, both the value of Unit 206 and rental rates are likely to increase. Interest rates likely will increase, too, eventually. Additional analysis could extend the study to show many combinations involving those potential changes.

(6) Selling 206 and investing proceeds in CD's yields less return than continuing Association ownership of 206 as a rental unit. The Association might expect to net \$45,000 or \$50,000 in cash after deducting selling and closing expenses, legal expenses, and capital-gains taxes from the selling price for Unit 206. Observing the long-honored policy of conservative investments, primarily CD's, the Association currently could expect to earn interest at the rates of 4%, or perhaps in a year or so 5% or 6%, depending upon the term of the deposit. This table provides some examples:

<u>Net Proceeds</u> <u>From Sale</u>	<u>Annual Return on</u> <u>Investment</u>	<u>Annual Return</u> <u>In Dollars</u>
\$50,000	6%	\$3,000
50,000	5%	2,500
50,000	4%	2,000
45,000	6%	2,700
45,000	5%	2,250
45,000	4%	1,800

(7) Continuing Association ownership of 206 as a rental yields a greater return than investing the cash received from selling it. The only expenses against rental income are for maintenance, repairs, payments to property managers for finding renters, and loss of rent during times of vacancy. An estimate of those expenses at about \$1,200/yr. would be quite generous, if not overstated. In the August discussion some participants treated the monthly assessment for a one-bedroom unit (currently \$91/mo.) as a loss of income created by Association ownership of Unit 206. However, the assessment cannot be considered as lost income because Association members as individuals pay the assessments for Unit 206. (See No. 8.) Using the current rent of \$450 for 206 and a second rent of \$475, which is currently reasonable, these calculations show how much greater the return on investment is for keeping 206 as a rental unit:

<u>Annual Rent Income</u> <u>After Expenses</u>	<u>Net Proceeds</u> <u>from Sale</u>	<u>Annual Return on</u> <u>Investment</u>
<u>\$4,200</u> [(\$450/mo. = \$5,400/yr.) - \$1,200]	\$50,000	8.4%
<u>\$4,200</u> [(\$450/mo. = \$5,400/yr.) - \$1,200]	45,000	9.3%
<u>\$4,500</u> [(\$475/mo. = \$5,700/yr.) - \$1,200]	50,000	9.0%
<u>\$4,500</u> [(\$475/mo. = \$5,700/yr.) - \$1,200]	45,000	10.0%

(8) Currently, each of the 91 unit owners pays proportionately and individually for Unit 206 (as just another part of the common elements) through her or his monthly assessment because the assessment formula in Declaration Exhibit C omits Unit 206. Therefore, selling Unit 206 to an individual owner would not increase income from assessments paid to the Association, but would only shift amounts internally because the formula in Exhibit C would have to be revised to divide the total among 92 owners instead of 91. Thus, receiving no monthly assessment from Unit 206 cannot be considered a loss of income to the Association. Using rounded averages and current numbers, then, if Unit 206 was sold and the formula in Exhibit C was amended correctly to spread the assessments over 92 individual owners instead of 91, each of the current owners would pay an average of \$1 less each month, and the new owner would pay the \$91 lost from the reduced payments by the original 91 owners.

(9) Currently, each of the 91 unit owners theoretically pays proportionately and individually through her or his property taxes an average of 1/91 of the property tax for the common areas, including Unit 206. (I do not know whether the proportions are based on the Declaration Exhibit C formula or on a straight-line apportionment of 1/91 each.) The Association itself pays no property tax for 206. Logically, then, selling Unit 206 to an individual would cause each the 91 original individual tax bills to reduce by an average of 1/91 of the property tax for 206, with the new owner making up the total lost from the other 91. However, I urge that it might be a serious mistake to open that can of worms with the Tax Assessor's office. I think it would also be a mistake to muddy the IRS waters by having to expose Unit 206 to capital-gains taxes when the basis is unknown.

(10) The Declaration and Bylaws make selling Unit 206 nearly impossible. Bylaws Article III, Sec. 3.6 (g) and (h) give the board the power to purchase additional units and to sell any units so acquired. However, Declaration Article XIII, Secs. 13.3 and 13.5 and Article XV, Sec. 15.1 require not only a 75% owner approval for selling common elements, but a 75%-100% approval of all mortgagees of units. These issues do not even address the question of whether changing the apportionment in the two exhibits would require amendments (75% approval of owners). Therefore, even if the board could achieve the approval percentages, the Association likely would have to incur large legal expenses to have the issues analyzed before proceeding with the polling and sale.

(11) Finally, selling Unit 206 would be robbing present and future owners of a sound investment in order to provide current cash for nonessential purposes. The financial policy for the 21 years of its existence is for WTC to pay as it goes, to save for the future through careful planning and reasoned analysis of income, expenses, and reserves as reflected in a carefully developed reserve analysis and budget, to increase assessments judiciously and only as necessary to meet needs, and to avoid special assessments. Owners purchased units in WTC with the full knowledge that it is not a decorative showcase. However, when they weighed that knowledge against the knowledge of WTC's financial stability, substantial reserves, and reasonable monthly assessments, the latter seem to have won out in their minds. Of course, owners would like more attractive common elements, but obviously not at any loss to financial integrity.

Observations about Some Current WTC Topics
Bobbye D. Sorrels, September 4, 2001

1. Equipment

- a. Equipment and supplies purchased by the Association are for use in common areas only. Therefore, we cannot routinely make them available to unit owners for their personal use. Many owners do not even live in the building to have equal access to such equipment, and only a few people have keys to the storage areas where the equipment is kept. In an emergency, of course, Association equipment could be used inside a unit if someone can get to it.
- b. As Carol emphasized, the Association is prohibited by law from buying equipment to be used by an independent contractor. The independent status would be endangered.
- c. The Board may want to approve purchase of the attachments for the Association's wet/dry vacuum. They were stolen some time ago. Bernard Church reminded us of this fact, and has offered to conduct a search for attachments that will fit.
- d. Whenever equipment is purchased, sold, discarded, or stolen, someone should update the inventory of the personal property owned by the Association. The personal-property tax bill that WTC pays annually is based on such an inventory.

2. Water temperature and pressure

- a. Cleaning faucet filters will often solve water-pressure problems, but does not solve the problem of hot water bleeding over to the cold-water faucets.
- b. As I mentioned at the August meeting, the building has had problems after a water shutoff in the past. Therefore, when I reported to Diana that my bathroom faucets have hot water bleeding into the cold water faucets and that I had heard of others with the same problem, I also said that in the past we had had to do a building canvass to determine where pockets existed. When I mentioned that to her, Diana took the initiative and posted notices on all the doors. Fortunately, the process did not unearth as many such problems as we have had in the past. Diana is working on it because two other owners and I still have warm water coming out of the cold-water faucets in bathrooms. Those we know about are 1102, 1201, and 1202. I had understood from information the plumber had received that 1301 had the same problem, but Douglas's comment at the meeting indicated that 1301's was a pressure problem, not a cold/hot mixing problem. Lee (the plumber) believes that changing cartridge(s) in involved single-lever faucet(s) will solve the problem for all who have it. In addition to the mixing problem, the water is unusually hot in 1201 and 1202.

2. Insurance

- a. The annual total of income from residential assessments, commercial leases, and Unit 206 lease is \$150,696, not the \$145,000+ covered in the loss-of-income provision of the policy.
- b. The proposed coverage for changes in code sounds like a good addition at a reasonable rate.

4. Refurbishing

- a. I concur that all 13 floors could be prettier and that the logical place to start is with the first floor. I am pleased that the board plans to take a long-range approach to the project. However, I think that the proposed hourly rates of the decorator and assistants sound quite expensive.
- b. Some years ago, when the mail boxes were removed from the east wall of the entry hall and new ones installed in their present location, the front hall was also refurbished, using many of the recommendations of an interior decorator, Edna Shirey. As I recall, she charged about \$100, and then we used lower-cost installers to do the work. By the way, the openings left by the removal of the old mail boxes are filled with plywood and are covered by the murals Edna suggested.

5. Sell Unit 206? I have completed the requested study of whether to sell Unit 206, and I concluded that we should not do so, as supported in the attached report. I will not be able to attend the September 10 meeting, but I request that the topic be included on the agenda anyway.

6. Secretary legally required The Bylaws require that the board officers include a "chairman" (president), secretary, and treasurer, and delineate responsibilities for all officers. Therefore, the board should elect a secretary and have her or him sign the minutes even if prepared by someone else, who identifies herself/himself as the preparer. (Minutes when board member Mabel Armstrong was secretary and administrative assistant Wanda Twomey wrote the minutes illustrate a format.)

REQUEST FOR PROPOSAL

ASSOCIATION OF UNIT OWNERS OF THE WILLAMETTE TOWERS CONDOMINIUMS

September 10, 2001

Introduction

The Association of Unit Owners of Willamette Towers Condominium (AUO) is seeking proposals for professional management services for Willamette Towers Condominium located at 1313 Lincoln St, Eugene, Oregon. Proposals should be submitted in the format detailed in this RFP. The initial contract will be issued for a term of one year with the possibility to renew for up to 2 additional years.

Description of Property

The site is located on the East side of Lincoln Street just south of 13th Avenue in Eugene Oregon. The building of concrete and steel construction was built in 1965 as rental units. It was converted to condominiums in the 1980's. The building consists of 92 independently owned apartment type units, configured identically per each floor level from 2 through 12 and including 4 larger penthouse units on the 13th floor. In addition, there are three commercial rentals owned by the AUO on the first floor and a tenant laundry room. The AUO owns Unit #206 and currently rents this unit out.

Guidelines

Clarifications

Any proposer requiring clarification of the information of any of the provisions of this RFP are requested to submit specific questions or comments in writing to:

Douglas Cochrane
1729 White Oak Drive, Eugene, OR 97405
541/913-0632
541/344-6260 fax
cochrane@fabtrol.com

The deadline for submitting such questions or comments is October 8, 2001.

Assignment

Neither the resultant contract nor any of the requirements, rights, or privileges demanded by it may be sold, assigned, contracted, or transferred by the Contractor without the express written consent of the AUO.

Selection Process

The AUO reserves the right to reject any or all proposals.

The Board of Directors of the AUO will evaluate written proposals submitted in accordance with this RFP. The Board will rate the proposals according to the evaluation criteria outlined in this RFP, and reference checks. Interviews will be held with the finalists.

An agreement may be negotiated with the top ranked firm. If an agreement cannot be reached with the top ranked firm, WTA Board may then negotiate with the second ranked firm.

FORMAT OF PROPOSAL

Proposals must be received at the address indicated above no later than 5:00 P.M. Monday, October 8, 2001. Prospective agents should respond to each of the following items. For ease of comparison, all responses shall be in the order of the listed items and shall be tabbed with the reference item number.

Item # 1

Describe the management plan you propose for the property. Discuss in detail the following services anticipated to be a part of the management contract:

Property Management

1. Property inspections
2. Janitorial, landscaping, and maintenance services
3. Supervision of outside contractors
4. Responding to emergency calls

Business Management

5. Assistance/relationship to the Board of Directors
6. Preparations of board meeting agendas with Issue Summaries for recommended actions by the board
7. Attendance of board meetings
8. Preparation of minutes of the meetings for approval by *AVO* Secretary
9. Preparation for the annual meeting of the *AVO* including obtaining proxies
10. Assistance in the establishment and review of rules and regulations
- II. Assistance with communications with owners
12. Assistance in resolving individual owners problems as they pertain to the AUO, common elements, and governing rules and regulations.
13. Management of incoming mail
14. Management of the contact lists of owners, tenants, and mortgagors
15. Management of outgoing mail including monthly financial reports and board minutes to the owners and tenants
16. Maintenance of leases, contracts, assumed-business name registration, insurance coverage, copies of the AUO bylaws, banking signature cards, etc.
17. Maintenance of records and files including those for the building, grounds, contracts (TCI Cable, Otis Elevator, etc.), permits for the boiler and elevator, maintenance and repairs, etc.
18. Maintenance of occupancy rates, insurance information, and other information needed by realtors and lending institutions to facilitate sales of units.

Tenant Management

19. Manage and facilitate tenant move in and move-outs.
20. Management of building keys
21. Management of locker assignments and locker control
22. Management of parking space assignment and control
23. Maintenance and programming of the Entreguard door security system

Financial Management

24. Establishment and maintenance of a capital reserve plan
25. Financial management services, including accounting system, annual budgeting, assessment collecting, accounts payable, and management of certificates of deposit and other financial assets of the AUO

Item #2

- . List the properties currently managed by your firm, which would be comparable to Willamette Towers.
- . List all personnel who will have responsibility for the performance of management services in your proposal. Describe the staffing complement for the property, the associated lines of authority, and to whom they directly report.

Item #3

- . State the management fee your firm will charge as agent for the property and how it is calculated.
- . Indicate what services the management fee will cover.
- . Indicate what services and personnel will be charged as direct expense to the property.
- . Indicate the fee schedule used to charge for maintenance, landscaping, contract labor and other direct expenses.
- . Indicate your flexibility in using maintenance and service providers currently used by Willamette Towers.

Item #4

- . *Letters of reference.* Proposers shall provide a minimum of four (4) references from owners of properties they manage in their current residential portfolio. Letters should be addressed Board of Directors, Association of Unit Owners of Willamette Towers Condominium and submitted with the proposal.

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors October 22, 2001

Introduction of Board Members:

Douglas Cochrane-President (not present)
Joanne Gulsvig-Vice President
Marge Catha-Treasurer
Carol McCarthy-Secretary
David Goth-Member

Also present were:

Mr. and Mrs. Roy Pearson
Ruth Lutz
Joan McCornack
John and Dorothy Quirk

Ann Miles
Bobbie Sorrels
Doris Wohlers
Laverne Edwards
Janine David

Ryan Marshall
Uldine Summers
Esther Erford
Bob Huntley

Acceptance of the Minutes of the Meeting—September 10, 2001

Marge moved to accept the minutes of the meeting as submitted. David seconded the motion. The board voted unanimously to accept the minutes of the meeting.

Financial Report

Marge Catha noted items on the financial report (see attached). Joanne asked if anyone has any questions about the financial report. There were none.

Laundry Room

Painting: Diana presented a bid for painting the laundry room in the amount of \$430. This bid will be given to Lillian Rarick since she has expressed an interest in having it done.

While the painter was here, Diana got bids on other possible jobs, including the stairwells (\$1,550 each), the elevators (about \$50 to \$75 each), the elevator frames on each floor (\$22 to \$25 each). All painting bids include materials and labor.

(Diana had previously been authorized to spend up to \$300 for the following laundry room improvements.)

Covering pipes behind driers: Diana presented a bid to cover the exhaust pipes behind the driers with sheet metal. This bid was in the amount of \$595.

Clothing rack: This bid for this was \$264.

Other options were discussed. More information will be looked into and a decision will be made at a later time.

Windows

Window Replacements

Diana has contacted Mercer Industries who specializes in installing windows in high rises. They have looked at the windows in one unit, and can provide us with a price, per window, but that they recommend replacements be done with vinyl windows. They said we could buy the same color as the aluminum frames we have now so that they would match, but that they will not have the metallic sheen of the aluminum. They said that vinyl frames would be much more energy efficient and less expensive, and might get a better rebate offer from EWEB.

The board can give interested unit owners permission to use vinyl as a replacement (Article 7, section 7.2d). Diana will meet with the Lane County Glass and Mercer Industries before the next meeting and get a bid per window.

Window Safety Issues

Diana reported that the window in #304 fell out recently. Other unit owners have had complaints that their windows are not safe to open—1105, 704, 702. Diana explained that there is a small vinyl “clip” that holds the windows in. When it breaks, the windows will fall out. She thinks that Eugene Glass can get them.

Carol made a motion that Diana get in touch with window people and get a bid so that the board has some idea of the cost, and send out that information when she gets it.

David seconded the motion

Joanne asked for a vote—unanimously passed.

Electrical

Update Repairs

Diana reported on the electrical repairs. Some replacement fixtures may be needed. Phillips is trying to find us replacements that will match what is already in the halls. She reported that all other repairs, except the exit light on the 6th floor, have been completed. A new light has been ordered, and the one in use there now will be used for replacement parts for others that need a piece.

Service Plan

Phillips will come out once a month for \$36 to inspect all emergency lights and replace any batteries needed. This price is for the first half hour only, and does not include parts. We can buy parts/materials from Platt Electrical Supply ourselves, or we can buy from Phillips at a 20% discount of the regular price.

The board voted not to engage this service. Sandi will continue to monitor the emergency lights (batteries).

New lighting on the main floor

Diana will get bids from Phillips and EWEB.

Property Management

Review Proposals

Joanne opened the discussion about property management, and the proposals that the board has received. There was discussion on both of the proposals that came back. Some board members thought the proposals were confusing or not complete. Joanne said that it is important that we all understand what costs are involved and suggested that the homeowners association be provided with a summary of what property management would do for us. She said that the cost of property management might be less expensive than what we now have in place.

IPM Property management would also set up a budget through Dan Huntley of Western States who spoke to the April meeting of the board.

Many association members shared their ideas/opinions on this issue, and on the proposals that the board has been provided with by IPM and Bennett Property Management, sometimes with differing points of view.

Joanne suggested that a property management company might be willing to come to a meeting and make a presentation so that all homeowners understand what property management does.

Bobbie Sorrels' comments

Bobbie shared her point of view on this matter. She feels that property management is not an appropriate choice for this building. She pointed out that her comments are contained in a report that she prepared and distributed to this meeting. The report includes a summary of her findings from questionnaires returned by forty-three homeowners who responded to a letter she

sent out to all homeowners. Bobbye requested that this report, and the findings be included with the minutes of the meeting to all owners (see attached). She provided and signed an affidavit swearing to the validity of this report/summary.

Discussion continued with many participants questioning/commenting on many aspects of this issue, and on the use of executive meetings. Further discussion will take place at a later date.

Leak in roof—1302

The owner of unit 1302 reported to Diana that the roof had a leak in her unit. Diana will contact the company who did the roof upkeep last year, and find out if it is covered under our warranty—and have it repaired.

Illusions to move

Illusions Salon has given notice that they will be moving out of the building. Their lease is up on December 1, but they would like to extend it one month to January 1, 2002. Carol made a motion to let them stay an extra month. Joan seconded the motion. All board members voted to give them the extension.

Diana suggested that it might be a good time to get the lighting updates done on the entire first floor, with the Bottom Line already out and Illusions to leave. If we have the whole job done at once, we could get a better rebate. Diana will get a bid from Phillips Electric on this job.

Unit 206 to vacate

Diana reported that the renters in unit 206 have given their notice to move out as of November 9, 2001. She asked if the board wanted her to find a renter or have a property manager find us a renter as we did last time we rented that unit. Marge mentioned that Maxine Schmaltz (renter, unit 1105) might be interested. She has lived in the building for 18 years. She does not like to live up so high. When the current renters move out and we view the condition of the unit, this decision will be made.

Meeting called to a close by Joanne Gulsvig.

Respectfully submitted,

Secretary, Board of Directors

Prepared by,

Diana Drake,
Assistant to the Board of Directors

WILLAMETTE TOWERS CONDOMINIUM AND PROFESSIONAL MANAGEMENT
A QUESTIONNAIRE-BASED REPORT TO THE BOARD AND ASSOCIATION
Bobbye D. Sorrels, October 22, 2001

When I acknowledged former board members in my October 5 report to the association, I inadvertently left out the name of Peg Rhodes, no longer an owner, who served for many years. Thanks go to her as well as to all of the others already named and any others whose names I may have omitted.

Hearty thanks also go to the 43 association members who completed the questionnaire included with my October 5 report. That is a 45% return from all 91 owners and a 47% return from the 87 owners who actually received the questionnaire. (Four envelopes came back as undeliverable to the addresses shown.) A 45% return is excellent for surveys. Respondents gave thoughtful, informed responses and comments. I have included a copy of a summary of the answers to the questions and representative comments at the end of this report.

I sent a memo and copies of a 29-respondent summary to respondents on October 18. Afterwards, six more questionnaires came in. On October 19 I sent to the board of directors a memo and a summary of 35 respondents' input. By 2:45 p.m. on October 22, eight additional completed questionnaires had arrived.

Thumbnail Summary of Questionnaire Results for Forty Respondents

As the summary of 43 returned questionnaires shows, respondents voted overwhelmingly against professional management (98% against, 0% for, and 2% no answer). Of the 42 respondents who answered either yes or no, 100% voted against professional management.

In answer to the question about whether to retain Diana Drake as assistant to the board, respondents also voted overwhelmingly for retaining Diana, 41 (95%) to retain, 0 not to retain, and 2 (5%) no answer. Of the 41 who voted either yes or no, 41 (100%) voted to retain Diana.

Also quite strongly, respondents voted for keeping the position of assistant to the board, with the requirement of residence in the building, whether WT has property management or not. Thirty-three (77%) voted to keep the position, 2 (5%) voted not to keep it, and 8 (19%) gave no answer. Of the 35 who voted either yes or no, 33 (94%) voted to keep the position.

On expanding the assistant's work to include that now done by the Office Aide [Eric Peterman], 28 (65%) voted yes, 2 (5%) voted no, 11 (26%) gave no answer, and 2 (5%) placed question marks by the question. Of the 30 voting either yes or no, 28 (93%) voted to expand the position.

In answer to the question about whether to retain Sandra Hansen, 20 (47%) voted to retain, 11 (26%) voted not to retain, 8 (19%) gave no answer, 3 (7%) placed question marks by the question, and 1 (2%) said to put the janitorial job up for three bids and to allow Hansen to bid. Of the 31 who marked either yes or no on the question, 20 (64%) voted to retain, and 11 (35%) voted not to retain.

The answers to the questions on costs showed that owners prefer to keep costs low on refurbishing the first floor and to pay nothing for property management. These summary statements use category percentages, sometimes include only the highest percentages, and

sometimes combine categories: Seventy-seven percent were willing to spend only \$0 each month on professional management. Seventy percent wanted to keep costs under \$10,000 for refurbishing the first floor, and 44% said they would be willing to pay \$0 extra assessment each month for refurbishing. 19% said \$5, and 26% gave no answer. Responses to the question on how much one is willing to spend on a one-time special assessment yielded 28% who said \$0, 14% who said \$50, and 28% who gave no answer.

SUMMARY OF RESPONSES TO THE FIVE YES/NO QUESTIONS

	<u>Percent of 43 Respondents</u>			
	<u>For</u>	<u>Against</u>	<u>No Answer</u>	<u>Other</u>
Contract professional management	0	98	2	
Retain Diana Drake	95	0	5	-
Keep position of assistant to board	77	5	19	
Expand board assistant position	65	5	26	5
Retain Sandra Hansen	47	26	19	9

Recommendations

The views held by the association members who responded to the questionnaire suggest these recommendations to the board:

- (1) Do not contract with professional property management.
- (2) Whether or not the board contracts with property management, retain the position now titled assistant to the board, with the current job description and including the requirement of residence in the building.
- (3) Expand the job description for the position of assistant to the board to include the duties previously performed by Office Aide Eric Peterman.
- (3) Whether or not the board contracts with professional management, retain Diana Drake in the expanded position of assistant to the board (administrative assistant, site manager).
- (4) Whether or not the board contracts with professional management, probably retain Sandra Hansen as janitor.
- (5) Refurbish the first floor only if it costs less than \$10,000 and only if either monthly assessments for refurbishment are less than \$5/month or a one-time special assessment does not exceed \$50.

I add these recommendations extrapolated and expanded from the findings:

- (1) If the board retains Sandra Hansen, either require that she become a true independent contractor, with both Hansen and the board observing all requirements necessary to maintain that designation, or hire her as an employee. Making her an employee would give WT a great deal more control over the work and the requirement of professional behavior. Many problems at WT are rooted in the loss of control over the janitorial position. WT has the right to expect and the authority to require a janitor who does the job well as described in a job description; one who assiduously remains detached; one who does not engage in gossip, WT politics, derogating others, sharing WT business with vendors and other outsiders, playing power and popularity games, inserting herself/himself into the business of WT, and mixing private accounts with the WT account; and one who takes directions from the board or the board's designated supervisor without

question, retribution, or rancor. Sandi Hansen does not meet these requirements. That is not to say that she cannot, but it is to say that she has not and she is not, in spite of years of repeated counseling.

If the board hires Sandi as an employee, keep the total expenditure for her employment, including employee costs (taxes and insurance), at or below \$18,600/year, the amount she currently receives. Require her to maintain a high standard of cleaning and professionalism, disentangle herself completely from all improper personal involvement with WT factions and interests, and graciously take direction and supervision from the board or a board-designated supervisor (logically the board assistant, whose job description already includes supervision of contractors). If Sandi does not meet the requirements, obtain another janitorial service, preferably at a lower rate.

Using a ballpark estimate of a 30% employee cost, one that yields estimations that differ slightly from the estimations reported in the October 5 report, \$18,600/year would provide a gross wage of \$275/week = \$14,300/year. That amount + \$4,290 (0.30 of \$14,300) = \$18,600/year. If Sandi works 25 hours/week as an employee, she would be earning \$11/hour. Including the employment costs, WT's cost would be \$358/week or \$14.32/hour. For 20 hours/week, the numbers would be a gross receipt to her of \$13.75/hour at a cost of \$17.90/hour to WT.

I think WT can find a good janitorial employee for \$10/hour, which would cost WT \$260 (\$200 + \$60) for 20 hours/week, or \$13,520/year. That is a savings of \$5,080/year over the \$18,600 WT pays for Sandi's work. Even at \$11/hour for 20 hours/week, the savings would be \$3,728/year.

(2) Expanding Diana's current position as assistant to include Eric's work would require about 25 hours/week. At \$14/hour, she would gross \$350/week (\$18,200/year). Including the 30% employee costs, the cost to WT would be \$455/week, \$23,660/year, or \$18.20/hour. If the janitorial cost reduces by \$5,080/year, the WT cost for the assistant of \$23,660/year + the WT cost for the janitor of \$13,520/year = \$37,180/year. That is only \$988/year more than \$36,192 [the \$18,600 Sandi currently costs + \$17,592 (the \$12,792 Diana currently costs + the \$4,800 Eric currently costs)]. Other possible combinations exist, of course. [Note: The two best operational setups have occurred when resident assistants have assisted the boards: Wanda Twomey as administrative assistant and now Diana Drake as assistant to the board. I was pleased to see that both property management companies who submitted proposals also recognized the importance of an "on-site manager" ("site manager").]

(3) If needed, the board could engage some professional help with developing reserve schedules and budgets, calculating assessments, interpreting bylaws, etc. Specialists can provide such services for much less than paying a property-management company a general fee month after month for occasionally providing such services plus the additional high hourly fees mentioned. I would provide such services free of charge.

(4) The board needs to recognize the serious financial problems for WT that the current economic conditions create. For example, interest rates on WT investments are down more than half, and commercial unit income is or will be down more than half unless WT finds renters for three lease/rental units (1309 Lincoln Street is empty, and 1311 Lincoln Street and Unit 206 will be empty soon). EWEB costs are going up. Mandated elevator improvements will cost a great deal. Reserves need to build significantly. The

board should deal with these problems before adding expenditures for property management, refurbishment, etc., and it should begin by developing the budget for 2002.

(5) The board should consider the legality of its current policy of using executive sessions to discuss such things as the possibility of contracting with professional management (and please avoid spending \$200/hour or more of the association's money to consult an attorney). Basically, the Oregon Statutes and thus the WT bylaws require that board meetings be open to association members, except for a very few limited topics. With my recent reports, I have deliberately aired most of the topics, including salaries, etc., that you must have been discussing behind closed doors with, I assume, no record kept. Basically, association members have a right to know how their money will be spent. I personally plan to refuse to be excluded from so-called "executive sessions" unless I am convinced the board is meeting the requirements of the law. Here is the appropriate citation from the Oregon Revised Statutes, Chapter 100, 1999 Edition, Condominiums: (Subsection (4) does not apply and is omitted):

100.420 Board meetings. (1) All meetings of the board of directors of the association of unit owners shall be open to unit owners except that, in the discretion of the board, the following matters may be considered in executive session:

(a) Consultation with legal counsel concerning the rights and duties of the association regarding existing or potential litigation, or criminal matters;

(b) Personnel matters, including salary negotiations and employee disciplines [Sorrels: *This subsection cannot reasonably include decisions about adding or subtracting positions and the determination of salary ranges, but only the salary negotiations with an applicant after the decisions have been approved in open meetings; otherwise a board could decide in closed session to hire, for example, to hire any number of full-time personnel and then bill the association for them*]; and

(c) The negotiation of contracts with third parties. [Sorrels: *This cannot reasonably include the decision to contract, but only the actual negotiation of contracts with possible contractors, after the decision to contract has been approved in open meetings.*]

(2) Except as provided in subsection (3) of this section, board of directors' meetings may be conducted by telephonic communication.

(3) In condominiums where the majority of the units are the principal residences of the occupants:

(a) For other than emergency meetings, notice of board of directors' meetings shall be posted at a place or places on the property at least three days prior to the meeting or notice shall be provided by a method otherwise reasonably calculated to inform unit owners of such meetings.

(b) Only emergency meetings of the board of directors may be conducted by telephonic communication.

Professional Management Proposals

The board has received two proposals for professional management, one from Bennett Management Company and one from Income Property Management (IPM). I did not have time to do a thorough analysis of them. However, a quick review did show that both companies based their proposals on the presence of an "on-site manager" (for which WT would pay and the job description for which WT would have to design to cover the many duties the management companies do not do).

The "site manager" position as roughly described by the companies seems to be somewhat janitorial (Sandi), a tiny bit grounds-maintenance based (pulling weeds), in addition to covering many of the duties now covered by the position of assistant to the board (Diana). However, it could be designed to parallel exactly the position now held by Diana, to which has been added the work previously done by Eric Peterman.

Both proposals refer to housing at WT (undoubtedly Unit 206, for which WT currently receives rent of \$450/month) for the "site manager." Apparently, the companies (both of which had met with board members before the board sent the RFP) understood that they could plan to use 206 to provide housing for a "site manager" who had previously not lived in the building. Diana lives in the building.

Basically, both companies' proposals leave a great deal to be desired in terms of quality of presentation, content, and clarity one could reasonably expect from management companies. However, they both seem to offer services virtually the same as those now provided by The Bottom Line, which charges \$280/mo. Both companies would "help" with such things as budget development, would supervise the "site manager," and would attend quarterly meetings of the board. The things they would not assign to the "site manager" would require hiring a janitor, grounds service, and other services to do the myriad tasks listed in the descriptions now covered by the grounds-maintenance contract with Dan Reese, the assistant's position, the office-aide position, and the janitorial service. Thus, the costs for covering grounds maintenance and Diana and Sandi's current work likely would go up. In addition to a professional manager, such a plan would involve at least four contractors/employees/services: an "on-site" manager, a janitor, a grounds service, and a clerical/board-assistance service.

Bennett's basic charge is \$17/door + 5% of gross income from commercial property + "no more than \$50/hour" for doing such things as posting notices and sending newsletters. Without any additional charges, WT would pay Bennett, month in and month out, \$1,638. Even reducing that by the \$280/month Bottom Line charges to do a significant number of the things on the property managers' lists, the monthly cost before substantial additions would be \$1,358/month (\$16,296/year). That alone would mean an average increase of \$15/month for each owner (more for two bedrooms, less for one bedroom). I cannot emphasize enough that the additions would increase that amount substantially. For example, Bennett has additional charges of \$28.50-\$31.50/hour for responses to emergency calls, with charges for the supervision of outside contractors "to be negotiated." For preliminary preparation of minutes of meetings (for approval by the Secretary), Bennett would charge \$30/hour. A reserve plan would cost \$50/hour.

Lifted from the RFP, Bennett simply bounced back items 2, 4, 12, 13, 14, 16, 19, 20, 21, and 22 as falling under the site manager's duties, leaving it to WT to work out the job descriptions(s). These listings include everything from janitorial, landscaping, and maintenance services to management of programming of the Entraguard door security system, management of building keys, management of locker assignments, etc. This long list does not even include many tasks covered by present job descriptions for Eric and Diana. Thus, the approach just tosses into one category many, but not all, of the duties now performed by the janitorial service, the yard service, and the assistant to the board.

The IPM proposal has some variations on the Bennett "plan," including additional charges of \$70/hour for some of its added work. It would charge (before additions) \$13.75/door/month, for \$1,265/month. Subtracting Bottom Line's \$280/month leaves \$985/month (\$11,820/year), for an average increase of \$11/month for each unit. However, I am not sure how IPM would handle commercial units, and many other additional charges would make the total monthly increase per owner much larger than an average of \$11/month.

Again, after removing the duties now performed by Bottom Line included in the \$280/month already subtracted, the payment to Bennett would be \$16,296/year for other services. It appears that for \$16,296/year, WT would receive from Bennett (1) one walk through the building a month, with reports made at quarterly board meetings, (2) oversight of maintenance, janitorial and landscaping duties performed by the "on-site manager," (3) hiring, negotiating agreements with, supervising, and discharging personnel in accordance with the budget, job standards, and wages "previously approved by the Association," with such personnel serving as employees of the Agent, and all salaries, taxes and other expenses payable to or on account of such employees accruing as operating expenses of WT (the cost of those "other expenses" bothers me), (4) negotiating contracts for "water, electricity, gas, telephone, garbage & recycling" subject to the direction of the board, (5) purchasing equipment, tools, appliances, etc., at the direction of the board and at the expense of the association, (6) maintaining records of insurance, (7) notifying residents of any violations of "Covenants and Restrictions" of WT, under the sole direction of the board, (8) attending one board meeting a quarter, and (9) dealing with only the one board member authorized by the board ("Agent may, but is not required to, submit any matter, direction, instruction or the like to the Board and shall then follow the direction of the Board.") About fifteen sections on four pages identify protections of the property management company; e.g., "Agent assumes no liability." Another provision requires WT to pay a cancellation fee of the total management fee for a period of two months if WT cancels the agreement, even with a 60-day notice.

It appears that for its \$11,820/year (exclusive of the tasks included in Bottom Line's \$280/month), IPM would (1) generally make weekly property visits, (2) provide emergency numbers to residents for their use 24 hours a day, (3) instruct site personnel to "maintain common areas . . . in very clean and well maintained condition at all times," (4) act on the direction of the board, (5) prepare agendas for four meetings a year, (6) attend four board meetings a year, (6) prepare for annual meeting of association, (7) assist in the establishment and enforcement of rules and regulations, (8) assist in resolving individual owner problems, (9) manage contact lists of owners, tenants, and mortgagors, (10) advise WT about tenant management, (11) help develop annual budget.

In summary, the proposals indicate that for a large fee a property manager gives a little help and advice, along with minimal hands-on work.

As stated in my earlier report, professional management is not a panacea. These proposals simply do not support some board members' dreams that they will have no work to do if WT hires property management. Instead, the board will still have the same work to do, with a little help and advice provided by the property manager, but at a huge cost to the association members who pay the bills. It is a cost that is just too much to pay for the little bit received.

Board members could cut their work significantly under the current organization simply by clarifying and following lines of control, authority, and responsibility and by referring owners, contractors, employees, and other entities to the appropriate personnel instead of doing the tasks themselves. One of the responsibilities of the board is to clarify to residents, employees, and contractors who reports to whom, and who is responsible for what, and to require that participants operate consistently within those lines and that framework. Otherwise, unnecessary friction often exists.

SUMMARY OF FORTY-THREE RESPONDENTS' ANSWERS AND COMMENTS

Bobbie D. Sorrels, October 22, 2001

1. I think WT should have professional management. 1. 0 Yes 42 (98%) No 1 (2%) No answer
2. I would be willing to pay this much extra assessment each month for professional management: 33 (77%) \$0 2 (5%) \$5 0 \$10 1 (2%) \$20 0 \$30 0 \$40 0 \$50+ 7 (16%) No answer
3. Whether WT is managed by professional management or not,
 - (a) Keep the position of assistant to the board with the current job description and with the requirement that the position be filled by someone who lives in the building. 3.(a) 33 (77%) Yes 2 (5%) No 8 (19%) No answer*
 - (b) If yes on 3.(a), expand to include work now done by Office Aide 3.(b) 28 (65%) Yes 2 (5%) No 11 (26%) No answer 2 (5%) ??*
 - (c) Retain Sandra Hansen as janitor. 3.(c) 20 (47%) Yes 11 (26%) No 8 (19%) No answer 3 (7%) ?? 1 (2%) Put janitorial job up for three bids; allow Hansen to bid*
 - (d) Retain Diana Drake as assistant to the board. 3.(d) 41 (95%) Yes 0 No 2 (5%) No answer
4. Keep first-floor refurbishing costs under: 15 (35%) \$5,000 15 (35%) \$10,000 4 (9%) \$20,000 2 (5%) \$30,000 0 \$40,000 7 (16%) No answer
5. I would be willing to pay this much extra assessment each month for first-floor refurbishing: 19 (44%) \$0 8 (19%) \$5 3 (7%) \$10 1 (2%) \$15 1 (2%) \$20 0 \$25+ 11 (26%) No answer
6. Instead of paying extra monthly assessment, I would be willing to pay for first-floor refurbishing a one-time special assessment of: 12 (28%) \$0 6 (14%) \$50 7 (16%) \$100 2 (5%) \$150 2 (5%) \$200 0 \$250 1 (2%) \$300 0 \$350 1 (2%) \$400+ 12 (28%) No answer

*Percentages not equal to 100% because of rounding.

COMMENTS

On Professional Management

(The first two comments were made by two of the four respondents known to work in real estate, all of whom voted against property management.)

1. "Professional management is a huge mistake for this building."
2. "I have been in the Real Estate Business over 30 years. We will not get better management by hiring a 'professional.'"
3. "In the three condos I have experienced, the majority have not been happy with property management. They generally are not responsive to individual problems, are unavailable when you want them and are stubborn about what they want to do as opposed to what the residents would like. My opinion is they are not worth the price."
4. "Anyone who has had personal experience with 'PROFESSIONAL' management knows you can't really be happy after the fee is paid — it's too impersonal and you cannot trust concerns would be taken care of like the board wished."
5. "From my experience, these services have a very impersonal interaction with their customers due to the volume of customers they manage. I would be very disappointed to lose an 'in house' assistant who really understands and cares for our building and who also sees what is going on daily, for a service [without] the same background."

On Refurbishing

1. "Use some cash reserves for refurbishing all the floors."
2. "Keep as is or keep cost low. As long as we have renters there will be vandalism."
3. "Complete refurbishing of 1st floor is unnecessary. Possibly carpet and do elevators."
4. "To me the murals are attractive, timeless, restful and are befitting of the space. Carpeting, yes, and restoration of wood is needed. The lounge is perfectly presentable at this point."
5. "Any major refurbishing should be BUDGETED! not special or extra/increase assessments."
6. "What we do need is new carpet on every floor (Berber) and the elevators up graded and cleaned up — carpet removed off the walls and doors painted."
7. "Unable to designate cost since don't know options being considered."

8. "Don't refurbish until the management is settled and you have extra money."

On Sandi

1. "I would favor keeping Sandy only if she improves and is willing to give monthly check list of duties completed."
2. "I have seen the building going down. . . . Sandy does less work as time goes on. Does sloppy work. Needs to be replaced."
3. "I think we should accept bids on Sandy Hansen job."
4. From an owner who voted not to retain Sandi: "It is not uncommon for condos to change service providers such as yard care, janitorial, tree service and others. This can be a benefit to everyone. The ones leaving have gained experience and often say the change was the best thing that could have happened."
5. "Sandi -- has her time run out? She could do a better job. It seems she has too many distractions. If she works for residents (OK) but it should be separate from W.T. job."
6. From one who voted not to retain Sandi: "I stand up for employee 'NON Fraternizing' with the residents of the WTC."
7. "I'm in favor of the dismissal of Sandi unless she really will keep things up."
8. "It is hard to understand how Sandi's mediocre work is still paid for -- and that this is still a problem for this board to deal with as many have before."
9. From one who voted to retain Sandi: "We believe [Sandi] should qualify herself as an independent contractor."

On Diana

1. "She not only provided the information I needed to make my decision to move to Willamette Towers, she was also very personable and I felt comfortable contacting her with my questions."
2. "I work in management and recognize her ability to have excellent diplomacy and a tone that can defuse conflict and leave people smiling and still managing to resolve problems."
3. "Diana seems to have done a very good job."
4. "As a condominium owner I strongly do not wish to have Diana replaced by professional service. She has done an excellent job."
5. "My contacts with Diana have all been prompt, positive, professional and helpful. I am impressed with her extensive duties."
6. "Diana should be here full time -- to be paid enough so as to live on one salary."
7. "It is a big plus that [Diana] is willing to do the things she does, and that she does live in the building."

On other subjects

1. "I am uncomfortable with the concept of closed executive meeting in the context of multiple housing decisions. I see no reason for such meetings to be closed."
2. "Janitor should be hired as an employee."
3. "Money is a big problem, and it strikes me that approx. \$36,000 per year for janitorial service and assistance to the board is a healthy debit for us."
4. "It seems to me that things ran well (economically and on a sound basis). I question the prices and added costs that are being proposed--it will be a hardship on some."
5. "I am also opposed to selling assets that bring in money -- especially to finance a cosmetic project. It's like killing the golden goose."
6. "Is it possible to 'rent' the roof to cable or cell phone satellites?"
7. "We feel people on the board should live in the towers so they will know what's really going on."
8. "I am supportive of adequate reserves in lieu of assessments."
9. "We wish to commend the Boards . . . who we feel have done an outstanding job of managing the condominium and the reserves that have been set aside for future needs."
10. "I'm also supportive of the policy of 'if it ain't broke don't fix it' and the present situation may fall into that concept--in that, it appears that the system is working, but may need a little timbering"
11. "What we feel is we need more security (lower level)"
12. "Diana's job/service is worth of RETENTION, to the board and the owners."
13. From one who voted no on property management: "Certainly, I support doing what is necessary to eliminate whatever work by the Board that becomes drudgery for them."

WILLAMETTE TOWERS CONDOMINIUM

November 19, 2001

Minutes of the Meeting of the Board of Directors

Introduction of Board Members:

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

Also present were:

Roy and Shirley Pearson
Ryan Marshall
Bob Huntley

Approval of the minutes of the October 22 meeting

Joanne had some comments/corrections. She expressed a concern about unapproved minutes being sent to owners with material attached that is not sanctioned or approved by the board. The minutes were approved by the consensus with the following corrections:

✓ First Paragraph: Window Replacements

Diana has contacted Mercer Industries who specializes in installing windows in high rises. They have looked at the windows in one unit, and can provide us with a price, per window, but that they recommend replacements be done with **vinyl** (not fiber glass) windows.

✓ Second paragraph: Property Management

IPM Property management would also set up a budget through Dan Huntley of Western States who spoke to the April meeting of the board.

With the above changes in mind, the minutes were approved.

Financial Report

Marge submitted the financial statement. Discussion followed. No motion was made.

Property Management

Douglas will speak to Bennett Property Management to clarify their proposal. There was no further discussion. No motion was made.

Reserve Study

After discussion, it was decided to postpone discussion on having a reserve study done until after completion of the budget. No motion was made.

Windows

Window Replacement: Options about window replacement were discussed.

- ◆ The board can approve vinyl windows for those units that are interested in replacing their present windows. This option would mean that from the outside of the building, the vinyl windows, along side of the existing aluminum windows, might present a “patchwork” appearance.
- ◆ Should all of the windows be replaced with vinyl windows at the same time? This option requires some research on billing/budget issues.

Issue will be discussed again when the information is all in. No motion was made.

Window Safety: Lane County Glass has taken the “piece” from a broken window that is the problem. They will notify Diana when they are able to find/manufacture replacement parts.

Further information is needed. Residents/owners will be notified when information arrives. No motion was made.

Electricians bid on main floor lighting

Diana presented the bid from Phillips Electric for updating the main floor lighting. EWEB offers a rebate for this, and there may be a tax advantage. The cost of this improvement is \$5,637. EWEB’s projected incentive would be \$2,190, leaving out of pocket cost \$3,447. The possible tax credit if we are eligible is \$1,972.95. The projected savings in utility costs over the next five years is \$3,750. Mike Hughes of Phillips Electric has offered to do a presentation at a meeting at our request.

Further discussion will take place when the board finds out if we are eligible for the tax credit. No motion was made.

Unit 206

A current long-term resident wishes to rent this unit. The rent for this unit is \$500. A deposit of \$500 (first and last) to be divided will be collected, into two equal payments of \$250 per month. A motion was made by Carol to rent this apartment to the resident mentioned above. Marge seconded the motion. The motion passed unanimously.

Preparation of minutes

Joanne asked if a volunteer should take the minutes. Diana said she would be willing to set it up, copy it, and send it out. A volunteer is being sought.

The board would like to receive the minutes in advance of mass mailing for their review, and tentative approval. The minutes would then be sent out as “Minutes of the Meeting”. They will be formally approved at the next meeting.

Elevator Information

Diana presented the elevator contract that was faxed to her by Otis Elevator. The board scrutinized changes that have been made on the original contract over the years.

There was discussion about contacting Kone Elevator to update their proposal received last year. Also, should we have Kone bid on the \$44,000 upgrade that is due in 2004?

Diana will call Kone and find out if the bid we received last year is still valid, and if they can come to the next meeting.

Further information is needed. No motion was made.

Budget for 2002

Douglas opened the discussion on the budget. Because of a shortfall, revision is necessary. No motions were made.

Respectfully submitted,

Secretary, Board of Directors

Prepared by,

Diana Drake
Assistant to the Board of Directors

***If you are experiencing safety problems with any of your windows, please contact Diana.**

*There have been some reports that when residents open some windows, they seem loose. One window fell out and hit the rear lawn when a resident opened it.

*Lane County Glass has ordered the parts needed to repair these very dangerous windows.

*Please check your windows. Make sure they open easily and seem secure. If you are not sure, please page Diana (710-8135, after tone, key in your own phone number and hang up) and let her know.

*If a group of people have the repair done at the same time, the cost will go down substantially.

Thank you.

Diana-WTC

**Willamette Towers Condominium
Balance Sheet
as of 10/31/01**

Assets		
Current Assets		
Cash in Checking-US Bank	\$ 9,411.10	
Petty Cash	200.00	
Cash in Money Market-US Bank	4,032.55	
Cash in Money Market-Wash Fed	4,634.49	
CD-Washington Federal	34,057.52	
CD-Washington Federal	37,801.67	
CD-Smith Barney Shearson	16,000.00	
CD-US Bank	27,141.08	
CD-Washington Federal	21,991.02	
Money Funds-Smith Barney Shers	17,002.03	
Assessments Receivable	(3,308.50)	
		168,962.96
Fixed Assets		
Laundry Equipment	17,130.49	
Accumulated Depreciation	(16,807.30)	
		323.19
Other Assets		
Prepaid Federal Tax	122.02	
Prepaid Excise Tax	401.98	
		524.00
Total Assets		\$ 169,810.15
Liabilities & Equity		
Current Liabilities		
Rental Deposit	\$ 460.00	
Payroll Taxes Payable	599.66	
		1,059.66
Owners' Equity		
Roof Reserves	7,310.00	
Exterior Painting & Repair-Res	24,075.00	
Interior Painting-Reserves	6,185.00	
Carpeting-Reserves	13,934.30	
Laundry Equipment-Reserves	2,960.00	
Water Heater-Reserves	32,103.00	
Plumbing-Reserves	33,230.00	
Parking Structure Coating-Res	12,000.00	
Unappropriated Reserves	37,739.75	
Current income	(786.56)	
		168,750.49
Total Liabilities & Equity		\$ 169,810.15

**Willamette Towers Condominium
Income Statement
10/ 1/01 to 10/31/01**

	Period	%	Y-T-D	%
Income				
Residential Assessments	\$ 10,291.00	78.8	\$ 102,910.00	75.4
Commercial Leases	1,117.00	8.6	17,470.00	12.8
Interest	204.63	1.6	4,883.11	3.6
Laundry	995.55	7.6	6,379.30	4.7
Late Charges	0.00	0.0	410.00	0.3
Lease-206	450.00	3.4	4,500.00	3.3
	<u>13,058.18</u>	<u>100.0</u>	<u>136,552.41</u>	<u>100.0</u>
Operating Expenses				
Office	274.00	2.1	4,767.95	3.5
Administrative Assistant	820.00	6.3	8,269.54	6.1
Payroll Taxes	157.21	1.2	1,659.70	1.2
Accounting	280.00	2.1	3,650.00	2.7
Legal Fees	0.00	0.0	2,795.20	2.0
Income Tax, Federal	0.00	0.0	1,396.00	1.0
Excise Tax, State	0.00	0.0	10.00	0.0
Licenses and Inspections	0.00	0.0	453.12	0.3
Insurance	0.00	0.0	8,570.00	6.3
Water	808.92	6.2	4,771.69	3.5
Sewer	926.03	7.1	8,905.29	6.5
Electricity	2,395.39	18.3	16,410.59	12.0
Janitorial Supplies	12.96	0.1	423.50	0.3
Building Security	125.00	1.0	2,373.38	1.7
Trash Disposal	517.40	4.0	5,134.20	3.8
Television Cable	1,573.68	12.1	13,963.63	10.2
Cleaning	1,550.00	11.9	15,500.00	11.4
Window Washing	0.00	0.0	2,000.00	1.5
Elevator	0.00	0.0	13,452.85	9.9
Lease Repairs	0.00	0.0	3,571.90	2.6
Plumbing Repairs	57.50	0.4	1,527.33	1.1
Electrical Repairs	925.45	7.1	2,739.55	2.0
Grounds Maintenance	145.00	1.1	1,689.99	1.2
Fire Equipment Repairs	0.00	0.0	634.70	0.5
Laundry Repairs	0.00	0.0	1,285.62	0.9
General Repairs	79.82	0.6	9,983.24	7.3
	<u>10,648.36</u>	<u>81.5</u>	<u>135,938.97</u>	<u>99.6</u>
Other Income				
	0.00	0.0	0.00	0.0
Other Expenses				
Charged off Accounts	0.00	0.0	1,400.00	1.0
	<u>0.00</u>	<u>0.0</u>	<u>1,400.00</u>	<u>1.0</u>
Net income (loss)	<u>\$ 2,409.82</u>	<u>18.5</u>	<u>\$ (786.56)</u>	<u>-0.6</u>

WILLAMETTE TOWERS CONDOMINIUM

Minutes of the Meeting of the Board of Directors

December 19, 2001

Introduction of Board Members:

Douglas Cochrane-President

Joanne Gulsvig-Vice President

Marge Catha-Treasurer

David Goth-Member

Absent: Carol McCarthy-Secretary

Also present were:

Bob Huntley

John & Shirley Quirk

Emmylou Lloyd

Esther Erford

Bobbie Sorrels

Irene Rose

Uldine Summers

Approval of the Minutes of the November 19, 2001 meeting:

Joanne Gulsvig pointed out that there should be two inclusions.

1. At the October meeting, Carol McCarthy agreed to contact David Bennett in Portland regarding bylaws.
2. At the October meeting, David Goth agreed to contact Pritchard & Evans regarding the lease property on the main floor.

With these inclusions in mind, Joanne moved to approve the minutes and Marge Catha seconded the motion. The minutes of the meeting were approved.

Financial Report:

Joanne reported that our AT&T Broadband has been charging Willamette Towers the higher rate that they proposed in and as of August. She said that the new fee is \$18,000 a year (\$1,573.68 a month). (Our old fee was \$1,320.37 a month, \$15,844.44 a year.

Discussion about whether or not to continue providing "free" cable followed. No decision was made at this time.

David Goth reported that there are no new leads on renters for the property on the main floor. Discussion of possible incentives to potential renters followed. No decision was made.

Douglas moved that we offer an incentive of one month's assessment to any member of the homeowners' association who finds us a renter. Joanne seconded the motion. Passed unanimously.

David said he would "light the fire" under Pritchard. Options on dividing the space, if necessary, were also discussed. David will report on the status at the next meeting.

Douglas asked Diana to have Sandi clean the salon space as soon as it is vacant.

Options about the carpeting in the salon space were discussed. No decision was made.

Discussion about options with reserves and unappropriated reserves were discussed.

Whether or not there is money in accessible accounts to refurbish the lobby is part of this issue. Possibly a separate reserve account should be set up for this item, and money moved into it.

Douglas said that he believes that spending money to refurbish the lobby before the two rental properties on the main floor might not be a good idea.

Main floor lighting:

Douglas suggests that we postpone this issue until we have a refurbishing plan in place. The lighting should be part of the design plan. Diana reported that the lighting would not look any different than it does now when it is completed. It would be more energy efficient.

The board reviewed Phillips Electric's bid on the lighting. Douglas said he would check with Eric about the possible tax credit.

Unit 206:

Douglas said he would like a rental contract filled out by Maxine.

Budget for 2002:

The date for the next budget meeting was set for January 7 at 9:00 am. Joanne agreed to notify Carol of this meeting.

Windows:

Fred Stevens of Mercer Industries and Tony of Lane County Glass made a presentation of window replacement.

The option discussed was if we replace all of the windows in the building with energy efficient vinyl. The price estimates are as follows:

1. Units: \$606,915
Approx: \$6,670 per unit
\$680 per window
2. Penthouse units: \$88,500
3. Ground Level: \$24,800

The manufacturer would rather do smaller segments of the building at a time than provide windows for the whole building at one time, and in fact, may save us money in the long run. A six-month project was their preference. The installation will take a day or two per unit.

If they do an accelerated work project, they would do the installation from the outside, but the cost would be far greater.

Options of how owners will pay for this were discussed. Whether or not the building should "own" the windows were discussed. This would require a change in the bylaws.

The penthouse cannot be fitted with vinyl windows because of availability unless an aluminum frame is fitted that will accommodate vinyl windows. The windows on the main floor will need a "store front application."

Douglas asked Diana to check with EWEB about incentives for this project.

The piece that needs to be replaced to keep windows in place is being made, and can be installed by Lane County Glass if your windows are not secure.

Benefits of new windows, and reduction of ultra violet light were discussed next.

Diana said that there are two options for getting a rebate from EWEB according to Will Price of EWEB.

1. Unit owners can get individual loans and rebates from EWEB
2. The building as a whole can get a loan and rebate on behalf of the homeowners' association.

Joanne suggests that the board should set up a information meeting for the homeowners. Fred Stevens said he could come and bring a sample window for inspection by homeowners.

Other window style options were discussed. Projected costs in assessments were also discussed.

Further discussion will take place at a later date. No decision has been made.

Property Management:

Douglas proposed that a sub-committee be formed to review this issue. He suggests that members of this sub-committee be Bobbye Sorrels, Joanne Gulsvig and Douglas Cochrane. Bobbye and Joanne have agreed to participate. A committee meeting to discuss this issue is scheduled for January 7 at 11:00 am. Owners are welcome.

Elevator lighting options:

Diana reported that the light in the elevator couldn't be repaired. The inside of it melted. A replacement of the same style is not possible. They are not available. Diana presented the bid that Phillips Electric provided.

Douglas moved that we accept the bid from Phillips.

David seconded the motion.

Motion passed.

Window Washers Due:

The window washers are due and will be here to work on or around January 13 and 14.

Lower Parking Structure to be cleaned:

There are a lot of leaves in the lower parking structure. Douglas gave Diana the name of a gardener he would like her to get a bid from. Hayes Garden—343-6220

Meeting came to a close at 8:50.

Respectfully submitted,

Secretary, Board of Directors

Prepared by,

Diana Drake,
Assistant to the Board of Directors