

Willamette Towers HOA Board of Directors Annual Meeting
Thursday, 25 February, 2016
7:00 PM Willamette Towers Office

Board Members Present:

Jeff Ryder, Chair
Jean Kern, Secretary
Rick Lowen, Treasurer
Paula Rogers
Luther Greulich

BMC:

Diane Sollinger
tom Weaverling

Present:

Jeanne-marie Moore
Dan Solitz
Giny Landgreen
Clyde Horn
Oliver Thornton

Marta Garcia

Annual Meeting

1. **Calling of the roll and certifying of proxies:** 22 certified proxies and 28 owners present.
2. **Proof of notice of meeting or waiver of notice:** met
3. **Reading of minutes of preceding 2015 annual meeting:** Jeff Ryder's motion to approve the 2015 Annual Meeting Minutes was 2nd by Luther Greulich and approved by the Board.
4. **President's Report:**
Finishing a reserve study highlighting maintenance, cosmetic improvements and infrastructure under John Rose's supervision with assistance from the MMRC and Douglas Beauchamp, Rick Lowen and Tom Weaverling.
Plumbing upgrade will begin to occur this coming year for this 50 year old building.
Stacks with operable valves which don't work currently.
On-going through 2025 which will implement the last phase.
No big emergencies foreseen.
Dan Solitz: The invoice review file is now in place.
Benefitted: new energy system is saving WT dollars including the phone, new LED light in the parking areas
The rear stairway door has been replaced with plans for two more stairway door replacements planned in October, 2016.

Willamette Towers 2015 Financial Report (text):

I'm pleased to report that the Association financial situation as of 12/31/15 was good. The financial report includes three charts: 1. 2015 Budget Comparison to actuals, 2. Cash Flow Analysis and 3. Reserve Summary. I will briefly review each of these charts.

Budget Comparison

The actual total income received exceeded our budget projections by approx \$4000. Assessments were above budget due to several owners making pre-payments and there are no significant late assessments a/o 12-31-15. Please note that the Utility Reimbursement line appears to reflect a shortfall for the year. However, the \$3300 budgeted figure is erroneous. The actual budget figure should be \$2700 (we collect \$175 monthly from Mia Bella and \$50 monthly from Satori Spa, in addition to their monthly rent, to cover utility usage).

Total 2015 operating expenses were significantly lower than anticipated (approx \$12000). The lower expenses are due to savings in utility costs as a result of switching from electricity to natural gas for heating water for the building and controls over general maintenance costs. Property insurance costs were higher than anticipated due to major increases in our casualty and liability premiums and an increase in flood insurance.

The resulting Net Operating Income was \$106,000 vs \$90,000 anticipated in the budget. \$48,000 was transferred to our reserves. The balance was used to cover expenses for projects to be funded by our reserves. leaving a total net deficit of \$124,422.04.

The Cash Flow chart indicates the operating deficit covered by a \$15,926.28 opening cash balance (BMC Trust account) and \$106,315.00 transfers from our reserve funds to cover the balance of the reserve expenses, leaving a closing cash balance of \$1,568.93

The 2015 Reserve Summary reflects a closing balance of \$97,577.11 which is approx \$7,000 more that what was anticipated.

5. Committee Reports

Willamette Towers *Architecture/Design Committee Report 2016 Annual Meeting*The Committee's major focus in 2015 was improving the exterior appearance of our building. The Committee recommended to the board projects including work on the north planting area and cleaning and weeding of other plantings and re-seeding of grass in northeast yard. Committee members Ken Guzowski, Giny Landgreen, Tina Behnke and Rick Lowen volunteered time to work on the north planting area and clean up other plantings over a few weeks in the Spring and early Summer. Other volunteers, Jeff Ryder and Dave Lottier also assisted with spreading new mulch in the planting areas in both the front and back of the building. The committee also recommended the purchase of a new bench for the lobby.

MMRC: Current focus is on the defunct ventilation system on the 1st floor, storm water drainage flowing to southwest drains

6. Election of Directors: 3 2-year positions: candidates gave platforms and balloting took place. Elected were:

Giny Landgreen, Rick Lowen, Clyde Horn.

7. New Business: An organizational meeting set for Wednesday, 09 March at 3:30; with a Planning Meeting immediately follow Wednesday 09, March at 4:PM.

Next Board Meeting set for Thursday 24 March, at 4:PM.

9. Adjourn: Jeff Ryder seconding Rick Lowen motion to adjourn at 8:06 with Board approval.

2015	BUDGET	ACTUAL	NOTES
INCOME			
Assessments	\$275,993.00	\$281,006.90	
Rent	\$40,900.00	\$41,563.25	
Laundry	\$7,000.00	\$6,001.83	
Util Reimb	\$3,300.00	\$2,700.33	
Late Fees	\$900.00	\$1,252.00	
Other	\$5,000.00	\$5,031.00	
TOTAL INCOME	\$333,093.00	\$337,555.35	
OP EXPENSE			
Utilities			
storm water	\$2,300.00	\$2,137.56	
sewer	\$14,000.00	\$12,328.69	
water	\$12,200.00	\$11,529.21	
electricity	\$39,000.00	\$22,523.38	hot water boilers
gas	\$0.00	\$6,987.55	switched from elec to gas
Garbage	\$6,020.00	\$6,026.88	
Phone	\$3,850.00	\$4,031.67	
TOTAL UTILITIES	\$77,370.00	\$65,564.94	
Admin			
Prop Insurance	\$45,251.00	\$56,523.92	increases casualty and flood premiums
Admin Mgmt	\$20,772.00	\$20,772.00	
Site Employee	\$41,800.00	\$42,881.28	
Taxes & Licenses	\$800.00	\$734.72	
Acct/Legal Fees	\$2,000.00	\$1,289.67	
Consulting	\$3,300.00	\$2,380.00	
Office Supplies	\$2,300.00	\$1,642.94	
TOTAL ADMIN	\$116,223.00	\$126,224.53	
Maintenance			
Elevator	\$9,500.00	\$6,597.31	
Maint. Contract	\$25,000.00	\$26,697.45	
General Maint	\$5,000.00	\$874.45	
Supplies	\$5,500.00	\$3,536.64	
Landscape	\$2,500.00	\$1,168.63	
Misc.	\$2,000.00	\$650.00	lobby bench, computer expense
TOTAL MAINT.	\$49,500.00	\$39,524.48	
TOTAL OP EXPENSE	\$243,093.00	\$231,313.95	
NET OP INCOME	\$90,000.00	\$106,241.40	
Other Expense			
Elevator Upgrade		\$60,297.00	final payment to Otis & flooring/res ex
Boiler Replacement		\$101,482.44	reserve plan expense
Plumbing Repair		\$20,884.00	part of 2016 reserve plan expense
Transfers to Reserves	\$90,000.00	\$48,000.00	
TOTAL OTHER EXPENSE		\$230,663.44	
TOT NET INCOME		-\$124,422.04	

2015 CASH FLOW		
Opening Balance	\$15,926.28	
Net Income	-\$124,422.04	
TOTAL CASH FROM OPERATIONS	-\$108,495.76	
Adjustments to Cash		
Transfers from Reserves	\$106,315.00	
EWEB Expense	\$3,624.69	in accts payable-not paid until Jan
Other income	\$125.00	\$95 MS acct fee-\$30 key deposits
ENDING CASH BALANCE	\$1,568.93	
2015 RESERVES		
Opening Balance	\$155,908.92	
Interest	\$78.19	
Transfers To Operating Funds	-\$106,315.00	
Morgan Stanley Account Fee	-\$95.00	
Transfers From Operating Funds	\$48,000.00	
Closing Balance	\$97,577.11	