

**THE VAUX CONDOMINIUM
BOARD OF DIRECTORS MEETING
OCTOBER 26, 2009
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**MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE VAUX CONDOMINIUMS
OWNERS' ASSOCIATION HELD AT 6:00 PM, MONDAY, OCTOBER 26, 2009, AT THE
HOLIDAY INN EXPRESS, 2333 NW VAUGHN STREET, PORTLAND, OR 97210.**

PRESENT:

Stanley Townsend, Chair
Grant Shaffer, Vice Chair
Terry Mesa, Secretary
Bill Meyer, Treasurer

ABSENT:

Sara Burton, Director

ALSO IN ATTENDANCE:

Larry Thompson, Agent
American Family Insurance
Bill Greenland, Sales Representative
ThyssenKrupp Elevator
Nancy La Voie, Community Manager
David Berg, BMC
COMMUNITY MANAGEMENT INC, AAMC

I. AMENDMENT TO AGENDA

An amendment to the agenda was made to have the elevator upgrade report, to be given by Bill Greenland of ThyssenKrupp Elevator, moved to the first item discussed.

Elevator Update – Bill Greenland presented plans to install new cages for the new controllers. They will be redesigned to address concerns that they would encroach into parking garage. The cage installation can begin as soon as the board approves the plans. The original installation was “machine room-less” but the new equipment requires more space. Stanley Townsend reminded owners that upgrade is ultimately a transaction between ThyssenKrupp and the developer, Trammel Crow. The elevator cars will look the same but they could end up running faster and all mechanical components will be upgraded.

When the work is being performed, only one car will be out of service for each building. A question was asked about residents accidentally bumping the emergency call button when exiting the elevator. Bill Greenland reported that the new elevators will have new control panels but if the problem persists ThyssenKrupp will fabricate something to solve the problem. Grant Shaffer is concerned about the layout for the cages on the Savier side. Bill Greenland will review the plans and follow up with the Board.

Agreed: Bill Meyer made a motion to approve the work subject to ThyssenKrupp responding to the request to have the Savier side mirror the Raleigh side (if that can be accomplished within the code requirements). Grant Shaffer seconded and the motion carried unanimously.

II. INSURANCE RENEWAL

The new insurance agent, Larry Thompson was in attendance and distributed a welcome letter to owners in attendance. The policy started on 10/01/09, Larry Thompson described the building coverage which has a \$10,000 deductible. The general liability is \$2 million per occurrence \$ million per policy year and the crime/fidelity is \$50K for employee dishonesty or forgery. The Directors and officers liability will cover the actions of board members on behalf of the association. The policy also includes boiler and machinery coverage. Stanley Townsend reminded owners that have received notification of the board action to change carriers. The only significant change from the previous policy had 5% earthquake deductible and the new policy has 15% deductible. Larry Thompson distributed an example of owners' types of coverage.

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American Family Insurance will waive deductible on a HO-6 policy if owner has a HO-6 with American Family.

Discussion followed regarding loss assessment for earthquake coverage.

III. OWNERS FORUM

A resident inquired about installing a different type of lock on his ground level exterior door. The owner was encouraged to apply for an architectural change.

A discussion followed regarding the new parking restriction signs. Board reported that they had requested two 30 minute parking areas in front of each lobby and an additional restriction near the entrance to the parking garage. The City of Portland decided to make Savier side of the building 30 minutes from the parking garage to the lobby entrance. Grant Shaffer has volunteered to follow up with the City of Portland to see if this can be reconfigured to be in accordance with what the association requested in the beginning.

IV. CALL TO ORDER

The meeting was called to order at 7:40 pm.

V. GENERAL REPORTS

A. Building Maintenance Report– Dave Berg presented a bid from D&F Plumbing for \$1100 to repair a leak in the fountain supply pipe. A temporary repair has been made. The pipe would be replaced with copper and PVC. No action is required at this time as it would make more sense to obtain a proposal for complete replacement.

Powerware System – Battery backup system for elevators in case of power outage. Board decided not to enter into a maintenance agreement for system due to cost. The Raleigh building's system is not working and has tripped the main breaker. Powerware estimate to repair is a minimum of \$900-\$2500 for a factory recommended technician. The second option would be to have an electrician attempt the repair. The system could also be removed and the installer would buy back the equipment for the cost of removing.

Agreed: Grant Shaffer made a motion to authorize a qualified electrician to attempt the repair. Bill Meyer seconded and the motion carried unanimously.

B. Rental Restriction – Nancy La Voie reported that currently the rental percentage is at 29%. The Board would like to give those with rental approval 60 days to find a tenant.

Agreed: Grant Shaffer made a motion that CMI notify any owner with rental approval and no tenant that they have 60 days to secure a tenant or approval will be rescinded. Bill Meyer seconded and after some discussion the motion was carried unanimously.

VI. APPROVAL OF MINUTES

Agreed: Bill Meyer made a motion to accept the minutes from the August 24th, 2009 Board of Directors meeting as presented. Grant Shaffer seconded and the motion carried unanimously.

VII. FINANCE COMMITTEE REPORT

Bill Meyer presented an overview of the recommendation from the finance committee regarding the reserve study. The committee spent a great deal of time reviewing current version of the reserve study. The committee's recommendation is to increase reserve deposit by 2% annually which gives the association a 52% funded estimate and no special levies until 2027 if all assumptions hold.

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Bill Meyer recommended accepting funding plan 2B, concern raised that new FHA standard requires 60% funding. This would mean that worst case scenario, could increase annual increase in reserve funding to 4%.

Larry Emery suggested that the 33 page document be posted on the association's website. Committee had desire to hold down HOA fees in current economic climate while also protecting market value and salability of units in the association.

Agreed: Grant Shaffer made a motion to accept recommendation of the finance committee with respect to reserve funding. Terry Mesa seconded and the motion carried unanimously.

Bill Meyer anticipated excess revenue over expenses \$2K-\$7K. Cost savings include elimination of 2nd window washing and change in insurance carrier which resulted in a lower premium.

VIII. COMMITTEE REPORTS

Bike Committee – No report at this time.

Building Committee – No report at this time.

Social Committee – Barbara Barwood reported that the social gathering in September had approximately 50 attendees and 5 local businesses provided raffle prizes. Committee is looking into a holiday party. She suggested purchasing 2-3 folding tables, she will look into the cost.

IX. UNFINISHED BUSINESS

None.

X. NEW BUSINESS

Snow Removal – Dirk Jongejan received a proposal from Dennis 7 Dees for snow removal which sets labor rates and requires authorization from board members. Larry Emery initiated a discussion about last year's snow removal efforts. CMI will provide a proposal for snow removal. Stanley Townsend and one other board member will have authority to dispatch. Do not want sand put down, will specify product to be used for ice melt. Need four feet cleared along sidewalk and courtyard cleared four feet also for fire exits.

XI. NEXT MEETING DATE

The next meeting will be November 16th, 2009.

XII. ADJOURNMENT

The meeting was adjourned at 8:00 PM.