

MINUTES OF THE  
RIVER PLACE NORTH HOUSING CORPORATION  
January 21, 2003  
Arlington, Virginia 22209

**CALL TO ORDER:** President Norman Mikalac called the meeting to order at 6:03 p.m. in the Management Office Conference Room, 1121 Arlington Boulevard, Suite L-1, Arlington, Virginia.

Directors Present: Mr. Norman Mikalac, President  
Mr. Hashmat Ali, Vice President  
Ms. Sara Shahade, Secretary  
Mr. Andrew Spell, Treasurer  
Mr. T. Malcolm Roberts II, Director  
Ms. Nancy Joyner, Director

Directors Absent: Mr. Walter Charlton

Management: Ms. Mary Riddlemoser, Building Manager

Residents: None.

Others: Ms. Barbara Bunce, Recording Secretary

**APPROVAL OF AGENDA:** Mr. Ali stated that he wanted to discuss assessment payments and Mr. Mikalac replied that the discussion could take place as part of the Space Committee update. Mr. Ali distributed a letter to the Directors from Ms. Shahade and himself regarding their assessment payments.

**(M) Mr. Spell moved, Mr. Roberts seconded, to approve the agenda as amended. The motion passed unanimously (6-0-0).**

**APPROVAL OF MINUTES:** Mr. Mikalac stated that clarification was needed to his comments about notification to shareholders. He stated that a 10-60 day notification rule is applicable when there is to be a change to the articles of incorporation. A misspelling was noted in a participant's name. Mr. Ali had issue with the discussion regarding payment for storage space. Mr. Mikalac stated that the word consensus was not referring to an official Board action, but rather a general agreement of those present at the meeting.

**(M) Mr. Mikalac motioned, Mr. Spell seconded, to approve the minutes for the November and December meetings. The motion passed unanimously (6-0-0).**

Mr. Mikalac stated that he has had discussions with the lawyer regarding privacy and access regarding Board information. Although it is not in the Board by-laws, it is in the Virginia code that all shareholders have a legal right to access to minutes of all Board

meetings. It was noted that past practice has been to have separate minutes of Regular and Executive Session meetings. In an effort to streamline the written record, Mr. Mikalac recommended that motions of the Executive Sessions be included in the Regular meeting minutes.

**(M) Ms. Joyner motioned, Mr. Roberts seconded, that a synopsis of discussion and motions taken during Executive Sessions be included in the Regular meeting minutes. The motion passed unanimously (6-0-0).**

### **REPORTS:**

**Election Committee Report:** Mr. Mikalac noted that Mr. Cedrone was not available to provide an update and asked if any Director was acting as his proxy. Mr. Mikalac stated that the Board had agreed that the Election Committee should meet again to discuss election rules and e-mailed Mr. Cedrone. Mr. Mikalac stated that Mr. Cedrone has not replied. Mr. Ali stated that he also sent an e-mail to Mr. Cedrone and did not receive a reply. Mr. Ali commented that the Election Committee has been reviewing election rules for approximately eight months and has yet to submit a final report. Mr. Mikalac stated that the Board could not continue to wait for input from Mr. Cedrone so he worked with the lawyer, incorporating all comments received at the last meeting regarding the proposed election rules and that a copy was sent to all Board members and shareholders. Ms. Joyner was concerned that what was distributed to shareholders has not been approved by the Board. Mr. Mikalac stated that the Board does not need to approve the report. The Board can make by-law changes but did not regarding the Election Committee. It is the obligation of the Board Secretary to distribute information on shareholders meetings. The Board has no jurisdiction over shareholder meetings. Mr. Mikalac stated that as a formal function the Board could disband the Committee and start it again at a future date. Ms. Joyner noted that a considerable amount of work had taken place on the Election Committee Report and should not be discarded.

**(M) Mr. Ali motioned, Ms. Shahade seconded to disband the Election Committee as currently constituted by the Board of Directors. The motion failed (3-3).**

Following defeat of the motion, the Board agreed to put this issue on the Agenda for the next meeting to determine if the Board should build on Mr. Cedrone's framework or start work over on the election rules.

**President:** Mr. Mikalac stated he had reviewed Roberts' Rules of Order regarding changes in meeting procedures since the discussion at the November meeting. He stated that Roberts' Rules of Order differentiate between main motions and incidental main motions. Main motions refer to the regular business of a corporation (e.g., leases, capital expenditures). When there is no main motion, there can be an incidental main motion which has to do with the rules (e.g., changing by-laws, changing Roberts' Rules of Order). In other words, the rules themselves become the object of the motion. Motions that have the effect of changing or nullifying previous actions of the assembly (e.g., motion to rescind, discharge a committee) require previous notice if they are to be

adopted by a majority vote. Adoption of an amendment of special rules of order, require a previous notice and a 2/3 vote. Mr. Mikalac also stated that the rules for extending limits of debate require a 2/3 vote for both incidental and secondary main motions.

**Treasurer:** Mr. Spell reported that the revenue variance is narrowing and that he expects to end the fiscal year with \$1M in reserves.

Ms. Joyner asked about the subpoena served to River Place North Housing Corporation (RPNHC) regarding a defendant who claims to have serviced boilers on the property.

Ms. Riddlemoser stated that the our lawyer is working on the issue to determine if the subpoena has been correctly served to RPNHC since Ms. Riddlemoser cannot find any information indicating that the defendant was ever contracted by RPNHC during her tenure.

**OA Representative:** Ms. Joyner stated that the OA budget has not been officially adopted, but it is likely that RPNHC's 2003 budget will increase \$13,000 as a result of the new security contract. Ms. Joyner stated that the renovations on the Entertainment Center have gone very well and the theatre will be ready for the Superbowl Party on January 26, 2003. The theatre now has a 65" wide screen and new tables and chairs.

Mr. Roberts recommended that the old theatre chairs not be disposed of since they are in very good condition. Mr. Roberts asked if the Entertainment Center was being physically split in half. Ms. Joyner stated that the split is only aesthetic with sports pictures at one end and theatre pictures at the opposite end. Mr. Spell suggested that this discussion be tabled until another time so the Board would have enough time to discuss the budget.

**HVAC Committee:** Mr. Spell stated that there were no updates to report. Mr. Roberts asked Ms. Riddlemoser about the new elevators. Ms. Riddlemoser stated that two elevators are functioning and the contractor is working on synchronizing the call system.

Mr. Roberts was concerned about contract issues regarding completion of the project. Ms. Riddlemoser stated that the contractor has until March 1 to finish the elevator renovations.

**Space Committee:** Ms. Joyner had no updates to report. Mr. Ali stated he is concerned about availability of chicken wire storage bins. He stated that he is entitled to approximately 23 free storage bins based on availability, and currently has access to only one storage space for which he pays a monthly charge. Ms. Riddlemoser stated that there are not enough storage bins for each apartment to be assigned a bin. Management has done its best to juggle bins so that they are available to residents who need them (e.g., residents in furnished units do not have as great a need for storage space). Ms. Joyner said she would work with Ms. Riddlemoser to provide information to the Board at a later date regarding storage bins, availability, and the current procedures for allocation. Mr. Ali stated that he should not have to pay for the bin he currently uses because he gave the other bins he should have to the Corporation for their use and allocation. Mr. Mikalac

stated that this issue would have to be resolved after the Board reviews the current procedures. Ms. Shahade recommended that Mr. Ali be appointed to the Space Committee.

**UNFINISHED BUSINESS:**

**Approval Of FY End 4/30/04 Budget:** Mr. Spell reviewed the budget with several changes. Under Total Operating Income, the Miscellaneous income was adjusted from \$0 to \$1,000, Storage was adjusted from \$7,000 to \$17,500, and an Elevator line item was added at \$2,500. The adjustment to the Storage income is in anticipation of renting out the black hole at \$1,000 per month. Elevator income is expected to come from charging a fee for usage of the freight elevator for moves, pending Board approval.

These proposed adjustments are to close the \$10,500 gap in Operating Income in the 2004 budget. Total Employee Benefit Expense would be increased from \$750 to \$1,500 for Training and Education. The OA Assessments are expected to increase from \$258,000 to \$271,200 that reflects the additional cost of the new security contract. Mr. Spell brought up the issue of assessment of shares vs. square footage. Ms. Riddlemoser stated that if assessments were again determined by shares, the individual assessments would differ but the total dollar amount budgeted would remain the same. Discussion ensued regarding the impact on the budget if the Board returns to a shares allocation formula for residential assessments. Mr. Mikalac stated that whether the allocations are done by shares or square footage, the Total Fixed Income figure is a fixed amount. Mr. Roberts stated that, until a decision is made at the February 5 special meeting regarding assessments, the Board could not fully approve the budget. Mr. Mikalac asked if the Board wished to discuss personnel policies and salaries before voting on approval of the budget. Mr. Ali stated that personnel policies is a separate issue to be discussed in Executive Session and should not affect approval of the budget. Mr. Mikalac acknowledged Mr. Spell's exceptional effort on developing the proposed budget.

**(M) Ms. Joyner motioned, Ms. Shahade seconded, to approve the 2004 budget as amended. The motioned passed (5-0-1), with Mr. Roberts abstaining.**

**Communication Update:** Mr. Roberts stated that he spoke with the representative of Dish Network. The rep indicated he wanted a guarantee of thirty subscribers. After further discussions, the rep asked for thirty residents who are legitimately interested to provide their names, addresses and telephone numbers. Mr. Roberts stated that Dish Network would incur a cost of \$30,000 to install the wiring. Mr. Roberts stated that the current Comcast wiring could be used if a signal switch is installed. Mr. Roberts is suggesting that all units be wired for Dish Network and high-speed Comcast internet access so that new residents could get service initiated with just a telephone call. Dish Network is offering RPNHC 5-, 7-, or 10-year contracts. The contract guarantees that Dish Network be the sole satellite provider for the duration of the contract. There are currently only two satellite providers—the other is DirectTV. The wires will belong to RPNHC, but Dish Network will have responsibility for maintenance. There will be three reception-only satellite dishes installed on the roof. Ms. Joyner stated that it would require OA approval. The cost to the consumer for Dish Network is comparable to the

price of Comcast. Mr. Roberts stated he will post flyers asking for interested residents to sign up for the satellite service. Mr. Mikalac requested Mr. Roberts to send an e-mail to the Directors with a link to the Dish Network web site that would reflect prices.

**(M) Mr. Ali motioned, Ms. Joyner seconded, to adjourn the Board of Directors meeting at 7:40 p.m. to convene an Executive Session. The motioned passed unanimously (6-0-0).**

**EXECUTIVE SESSION:**

**APPROVAL OF EXECUTIVE SESSION MINUTES:** Mr. Ali asked for clarification to the motion on bonuses, and a change that indicated he, not Mr. Mikalac, was to communicate the Board's decision to Ms. Riddlemoser.

**(M) Ms. Shahade motioned, Mr. Ali seconded, that the minutes be approved as amended. The motion passed unanimously (6-0-0).**

**NEW BUSINESS:**

**Personnel Policies:** Mr. Mikalac reviewed the lobby desk hours and noted that the policy states 24-hour coverage on Friday and Saturday that is contrary to the current operating hours of 7:00 a.m. to 11:00 p.m. every day. Mr. Ali motioned, Ms. Joyner seconded, that the concierge hours should be 7:00 a.m. to 11:00 p.m., seven days a week, 365 days a year. There was no vote on the motion as the discussion continued. Ms. Shahade suggested the concierge desk be open until 12:00 midnight on Friday and Saturday. Mr. Roberts and Ms. Joyner noted that the change would affect the budget, and would be contingent on whether the current concierge staff is willing to extend their hours.

**(M) Mr. Roberts motioned, Ms. Shahade seconded, to defer the issue until Ms. Riddlemoser could provide input and Mr. Spell could assess the impact on the budget. The motion passed unanimously (6-0-0).**

**Salaries:** Mr. Mikalac reviewed the salaries and benefits of RPNHC employees. There was general consensus that the Board supports the current salaries and compensation package for the six full-time employees, and is satisfied with their work. It was suggested that employees be given additional duties to better utilize their time. The Administrative Assistant position is not budgeted in fiscal year 2004 budget. It was suggested that full-time employees be required to pay a portion of their health insurance. It was recommended this requirement be phased in during fiscal year 2005 since bonuses are not budgeted in 2004. It was further recommended that if employees are required to pay health insurance that bonuses not be deleted, but reduced, to offset costs to employees. The issue of whether the Board wants to institute performance reviews was discussed and making bonuses contingent on improving job skills. Mr. Mikalac stated that he would bring the salary and compensation issues to Ms. Riddlemoser's attention.

Board action will be forthcoming.

(M) Ms. Joyner motioned, Ms. Shahade seconded, that the Board of Directors meeting be adjourned at 8:35 p.m. The motion passed unanimously (6-0-0).

Respectfully submitted,

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Sara Shahade, Secretary

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Date Approved

Attested by: \_\_\_\_\_  
Barbara J. Bunce, Recording Secretary