

MINUTES OF THE  
RIVER PLACE NORTH HOUSING CORPORATION  
BOARD MEETING

November 19, 2008

1121 Arlington Boulevard  
Party Room, Lobby Level  
Arlington, Virginia 22209

I. CALL TO ORDER: President Hashmat Ali called the meeting to order at 6:41 p.m.

Directors Present: Mr. Hashmat Ali, President  
Mr. Assem Iskander, Vice President  
Mr. Andrew Spell, Treasurer  
Mr. Don Nachtwey, OA Representative

Directors Absent: Ms. Jennifer Pitz  
Ms. Djehenane Claire Jean-Jacques  
Mr. Troy Dibley

Management: Mr. Francisco Foschi, Building Manager  
Ms. Daisy Zambrano, Assistant Manager

Others: Mr. Mark Leeman, FEA

II. Discussion of Brick Repair and Waterproofing: Mr. Leeman referred the Board to FEA's report documenting their assessment of the exterior walls. He added that masonry repairs should last at least 20 years and that the repainting of the brick cladding the upper levels would probably last about 3 years. He said there is no way to predict future deterioration and that the report covers the current problems. Mr. Spell said that phasing was suggested for the \$710,000 project and that the first phase should be the top level - the roof and cooling tower enclosure which includes the elevator control room, also known as the 11<sup>th</sup> floor - because it is in the worst condition. Mr. Leeman said FEA can create specifications to meet the Board's requirements. He said the 11th floor is about 10% of the job. The Board and Mr. Leeman agreed to pursue three phases, which will likely span three years, as follows:

- 1) Floors 11 and 10 - 11 is in the worst condition and most, if not all, of 10 can be done without use of suspension, or swing stage, scaffolding. The portion of 10 that can be done w/o the swing stage will be included in this phase.
- 2) 2 wings, floors 9 and below - these floors require swing stage use. The major cost of using the swing stage is setting it up and moving it. Accordingly, the work will be done in vertical "stripes" - locating the swing stage and working from top to bottom before moving the swing stage and repeating the process.
- 3) 2 wings, floors 9 and below - the remaining 2 wings will be done in phase 3 the same as in phase 2.

Separating phase 1 from the others involves little to no additional cost to RPN. Separating phase 2 from phase 3 involves some additional cost as the swing stage will have to be removed between the phases and set up again to support phase 3 work.

The benefit to RPN of phasing the project is to spread out the payments and thus preserve financial reserves to support emergency work as necessary. Depending on the financial condition of RPN at the time phase 2 is begun and the speed/efficiency of the contractor, RPN may elect to complete phases 2 and 3 with no break in between.

Mr. Leeman reviewed FEA's second of two proposals concerning this job. If accepted by RPN, FEA will develop specifications and a request for proposals; hold a bidders meeting and walkthrough, provide pre-construction services, contractor oversight and sign-off. He emphasized that FEA provides contract administration and oversight, not supervision. He also said that FEA would answer questions but not make recommendations on contractors. He added that bidders will be pre-qualified.

Alternative contract types were discussed. Mr. Leeman said 3 contracts, 1 for each phase, could be let. Alternatively 1 contract for all 3 phases could be let. He suggested that RPN might get better pricing for a single large contract. Mr. Spell suggested using a contract for phase 1 that includes two options to be exercised at RPN's discretion. The first option would be for phase 2 work and the second option would be for phase 3 work. Mr. Spell said this could encourage both competitive pricing and on-going diligence on the part of the winning contractor. He added that this structure will provide the Corporation flexibility to replace the contractor after phase 1 or 2 should that become necessary. The Board and Mr. Leeman agreed that this is likely the best approach for this project.

III. APPROVAL OF AGENDA:

**MOTION: Mr. Spell moved, Mr. Iskander seconded, to approve the agenda as amended. The motion passed unanimously (4-0-0).**

IV. APPROVAL OF MINUTES:

**MOTION: Mr. Spell moved, Mr. Nachtwey seconded, to approve the Minutes of October 15, 2008 as presented. The motion passed (3-0-1) with Mr. Iskander abstaining.**

V. REPORTS:

A. President: Mr. Ali reported that holiday party checks had been issued and that the 4 buildings and the OA were contributing \$5,000. He also said that there would be no Board meeting in December. He added that from January on, Board meetings would be held on the 3<sup>rd</sup> Tuesday of the month. In response to Mr. Ali's question on the plan for the Annual Meeting, Mr. Foschi then referred the Board to the chart on events for the coming year. Mr. Ali said that the 1<sup>st</sup> draft of the budget should be ready in January for the Board to discuss and asked that it be distributed a few days before the January 15, 2009 meeting.

B. Treasurer: Referring the Board to the financial report, Mr. Spell said that the reserve account is close to \$1.5 million and is expected to reach that mark by calendar year end.

Mr. Iskander added that the switch gear was as old as the building and it might be worthwhile to have it inspected.

Mr. Spell revisited the discussion about changing investment advisors that was begun at the previous meeting. He said that the Corporation has not been contacted by Capitol Reserves with the name of a new investment advisor. Further, that Capitol had returned two deposit checks for the reserve account recently. The checks were made out in the same fashion as previous checks and Capitol had provided no advance guidance that changes were necessary. Based on positive experiences with the previous investment advisor and negative experiences with Capitol of late, Mr. Spell recommended moving the account to Westminster Financial Services where it would be managed by the same advisor who had recently moved from Capitol to Westminster.

**MOTION: Mr. Spell moved, Mr. Ali seconded, to move the investment account from Capitol Securities to Westminster Financial Services. The motion passed unanimously (4-0-0).**

In response to a question from Mr. Nachtwey, Mr. Spell said the RPN investment policy involves maintaining principal, maintaining liquidity, and gaining a return on investment. Mr. Ali said he would like a report on how Corporation money was invested. Mr. Spell directed the Board to the Capitol Securities statement included in the financial package and reviewed the Corporation's holdings. He said that the decision to phase the \$700,000+ exterior maintenance project will allow the Corporation to invest some of the cash it has been holding to support that project.

Mr. Spell directed the Board to the monthly operational financial statements, walked through variances, and reported that the Corporation is on budget year to date. Mr. Foschi said that operating assessments were positive \$13,000 year-to-date because of some pre-payments. Mr. Iskander referred to the positive variance for gas and asked to find out when the contract with Hess expired and if the Corporation was on a monthly basis. In terms of delinquencies, Mr. Foschi added that letters were being sent for amounts over \$100.00. Ms. Zambrano added that almost half has been collected.

The Variance Report is included on the following page.

Mr. Spell directed the board to the two calendars that Mr. Foschi had recently created. One includes contract expiration dates and the other includes important dates such as tax and county filings, annual meeting preparation, in-home maintenance, etc. He said that the contract calendar will be helpful for budgeting as well as contract management.

## October 2008 Variance Report

Income variance report over \$1000

\*\*Also includes notes on possible trends\*\*

Includes Month to Date (MTD) and Year to Date (YTD)

	MTD Current/Budget YTD Current/Budget Will Round	FAVORABLE/(UNFAVORABLE)
Operating Assessments	MTD 136K/133 K YTD 811.5K/ 798K	3K- Assessments Collected. YTD -13K Positive
Electricity	MTD 19 K/ 16K YTD 92.7 K/100.6 K	(3 K) – Increase in consumption. YTD - 4K positive
Miscellaneous Income	MTD 0 K/ 3.7 K YTD 130/ 22 K	(3) K – Expected YTD budget exceeded. No other monthly Income expected
Medical/ Dental	MTD 0 K/ 1.9 K YTD 10 K/11 K	(1.9K) – October payment pending.
Payroll	MTD 27 K / 19 K YTD 122 K/ 124 K	(8.5) K– 3 paid periods (2 budgeted) YTD Positive 1.9K
Ground rent	MTD 5.7 K/ 0 K YTD 11.4 K/11.4 K	(5.4) K –Quarterly payment. YTD On track.
Contribution Cap. Res.	MTD 134 K/ 29 K YTD 260/ 177 K	(105)K- October and November contributions (\$25'143 each) + \$84'000 from Comcast going to reserve acc. YTD – On track after 84K Go to reserves.
Gas	MTD 4K/ 14.8K YTD 39 K/ 51.73K	(3K) – Decreased consumption YTD -12K positive
Laundry	MTD 0 / 3.5 K YTD 10 K/21 K	(3K) October's check pending for deposit. YTD- To be corrected by Accountant.

Note: Accountant miscoded rental income sub-basement, rental income office and the Laundry account.

There is no current income in Rental income office (L-3), and the Rental income sub-basement (L-4) has been collected successfully every month.

Management has coordinated a meeting for next month with accountant to correct codes and other minor issues.

C. OA Report: Mr. Nachtwey said that if the OA takes over patrol services, they would save money and will not increase liability. He added that if patrols were hired from Securitas, the OA would have to pay a year's salary or use a third party. However, he said, the Board has not yet approved the project. Mr. Ali said that since each Board must approve, an analysis should be submitted to the buildings. Mr. Nachtwey also said that the OA is discussing replacement of Zalco with something in house.

D. Improved Environment: Mr. Nachtwey had no report.

E. RP Redevelopment Task Force: No report.

VI. OLD BUSINESS:

A. Loading Dock Doors/Side Doors Operation Hours: Mr. Foschi said that instead of locking the doors after 11:00 p.m., he will educate residents on security risks, such as, letting others into the building. He also said that the loading dock door has been installed.

B. Access to River Place North Policies: Mr. Foschi explained that Ms. Pitz was starting to collect policies. Ms. Zambrano also said that management was trying to establish a standard way to access policies and other relevant information since nothing is centralized. Mr. Ali then said that Ms. Pitz will give a report on the effort.

VII. NEW BUSINESS:

A. Party Room Upgrade: Mr. Spell suggested using a fraction of the Comcast check to upgrade the party room. He said that Comcast had agreed to provide the Corporation a flat screen TV and cable service for the party room so this provides a good opportunity to modernize the room, paint, and replace carpeting. Mr. Ali also suggested changing the lights. Mr. Spell added that the new TV could be available at certain times for residents over 18. Mr. Iskander suggested closing the room unless it is reserved. Mr. Ali suggested tabling the discussion until the next meeting when more board members were expected in attendance.

B. Pest Management Proposal: Mr. Foschi said that the current company's methods were not working and that the Corporation could do better for the price. He said he received 3 proposals and recommended Best Western Services. He also said he would send email copies to the Board. Mr. Ali asked for a comparison of what the 3 companies were offering. Mr. Foschi said that the current company required a 30-day notice of termination. Mr. Ali asked that Best Western clarify the areas of the garage it would treat as well as how often. He also asked that the OA be notified about the problems around the dumpsters.

C. WiFi Performance: Ms. Zambrano said that she has received fewer complaints since usage has been capped. She also said that Trident adjusted the filter and that has also helped.

D. L-3 Leasing: Mr. Foschi said that Ms. Killion was bringing in a potential customer on Friday. Mr. Spell said that the front entrance should be painted and the carpet and windows cleaned so it will show in a more positive light.

VIII. ADJOURNMENT:

MOTION: There being no objections, the meeting was adjourned at 8:37  
p.m.

SUBMISSION OF MINUTES  
Barbara Seaman,  
Recording Secretary

Approved by:

Jennifer Pitz, Secretary  
River Place North  
Housing Corporation