

FINAL

MINUTES OF THE  
RIVER PLACE NORTH HOUSING CORPORATION  
BOARD MEETING  
February 26, 2024  
ZOOM MEETING

I. **CALL TO ORDER:** Ms. Marachelian began the meeting at 6:38 p.m.

Directors Present: Ms. Alis Marachelian, President  
Ms. Liza Albright, Vice President  
Mr. Andrew Spell, Treasurer & OA Representative  
Ms. Kelly Saghafi, Secretary

Directors Absent: Ms. Rudaina Mitman.

Management: Mr. T.J. Adams, Building Manager.

Residents: Thida Win #530; Hugo Silva #818.

Others: Sean McGaughey, NAC; Lance Righter, NAC.

II. **PRESENTATION ON BOILER REPLACEMENT:**

Mr. McGaughey said that the 2 steam boilers were original to the building and would not make it much longer. He suggested replacing them as soon as possible since the lead time is 12-14 weeks. He added that there would be little to no interference with residents. He said that NAC can switch to the domestic water heaters while the old boilers are taken out. He added that if approved soon, they will be ready by startup season. Mr. Righter said that the biggest hiccup is timing and that nothing starts without some problems but they can be worked out before the heating season starts. Replying to Mr. Silva's question about refurbishing the boilers, Mr. Righter said that they were beyond the life expectancy and that they have been patched and repaired many times. He also said that they must be custom-made for the building. Mr. Adams added that continuing to spend money repairing them is not productive financially. Mr. McGaughey also said that there were no options left but replacement. Mr. Righter added that new boilers should last 30-40 years, depending on maintenance. Mr. McGaughey also said that the cost has gone up 24% since 2021-2022 and that prices continue to increase. Mr. Righter also said that NAC will not have to wait to do the demolition until the new boilers arrive. Mr. McGaughey also said that he can answer any questions the Board may have.

[Mr. McGaughey and Mr. Righter left the meeting at 6:55]

III. **RESIDENT PARTICIPATION:**

- Mr. Silva said that NAC did a nice presentation but that more quotes would be helpful. He suggested contacting Mr. Villegas on this matter because \$1.7 million is a lot of money and RPN should get the best deal. He also said that the application for the Board that had only 2-3 lines to explain qualifications was not enough.

IV. **APPROVAL OF MINUTES:**

**MOTION: Mr. Spell moved, Ms. Saghafi seconded, to table approval of the minutes of January 24, 2024. The motion passed (4-0-0).**

V. **AGENDA:**

**MOTION: Ms. Saghafi moved, Ms. Albright seconded, to approve the agenda as written. The motion passed (4-0-0).**

VI. **OLD BUSINESS:**

Cardinal Management Company Vote: Mr. Spell said that he was going through the proposal with Mr. Adams and Ms. Mohepath to determine how much to budget for the service. He also said that the contract showed payroll at \$60,000 but that financial services were budgeted at \$28,000. He added that Cardinal was hired to do resale packages but the contract does not include payroll or resale packages. Mr. Adams said that legal counsel was in the process of reviewing the contract. Ms. Albright said if payroll was \$60,000 for 13 employees, Cardinal should not do payroll.

**MOTION: Mr. Spell moved, Ms. Saghafi seconded, to approve Cardinal Management Company subject to the \$28,000 for financial guidance discussed during the meeting which includes their base rate, plus 8%, and transition. The motion passed (4-0-0).**

Annual Meeting Preparation: Ms. Marachelian said that she would like Board members to speak at the Annual Meeting and make it more collaborative. She also said that 5 candidates were running for 4 open positions and that Mr. Ali has resigned because of family issues. She added that Mr. Spell will continue to be the OA representative. Ms. Albright said that she would be unable to attend the meeting. Ms. Marachelian said that the meeting could be in-person, virtual, or hybrid. Mr. Adams said hybrid meetings are difficult. Mr. Spell suggested having it in-person and call-in. Ms. Albright suggested keeping it simple and doing a virtual meeting. Ms. Marachelian said it could be a virtual meeting with in-person voting. Mr. Spell also said that online voting would get more participation. He added that the League of Women Voters, the vote counters, does not offer it but may have other options. Ms. Marachelian then said that shareholders and residents should be notified that the meeting will be virtual and Mr. Adams will contact the League of Women Voters about voting options.

Reserve Study Update: Mr. Adams said that the Reserve Advisors proposal was approved in June 2023. He added that the update-at a cost of \$7100- will be

a Level 2 reserve study. He also said that the retainer for the study (\$3550) will be paid through Bill.com.

FY 2025 Draft Budget: Ms. Marachelian said that the increase in fees may be higher than in the past since the OA payment and other operating costs have increased. Considering these increases, she said that rents of RPN properties should be raised and that resale packages should be \$350. She added that operating expenses like payroll should be increased so that RPN has enough staff and can attract competent employees especially ones with maintenance expertise. In addition, she said that fuel costs are rising. Looking at all the data, she asked the Board to consider where costs can be cut. Mr. Adams said that the looming issue for the budget is Skyline's loss of data but that Ms. Mohepath and Mr. Rood were working on filling in data and reports. Mr. Spell then said that reports needed to line up with the budget. He also said that the budget drivers were utilities, reserves, the OA payments, and payroll. Ms. Marachelian said that Mr. Adams and Ms. Mohepath were checking invoices, totals, and other data and that outsourcing financial management can help. Mr. Adams said that Mr. Rood would be kept on for the transition to the financial management company and the downloading of data. Mr. Spell said that reserves and salaries were the highest costs but that RPN has saved money with Sage Water and not having to replace water pipes. Ms. Albright then asked if a special assessment must be done if there is a budget shortfall. Mr. Spell cited the bylaws about special assessments. He also said that reserve contributions are 2 months behind because of unexpected expenses and that the corporation can start with a clean slate in May. Ms. Marachelian then said that all the cost increases needed to be explained to shareholders. With all the work that still needs to be done on the budget, she asked if the Annual Meeting can be delayed. Mr. Spell said that the bylaws require that it be held in March. The Board then agreed to hold the Annual Meeting on Monday, March 25, 2024.

VI. NEW BUSINESS:

Boiler Replacement: Mr. Adams said that the boiler should be replaced as soon as possible. Mr. Spell said that 3 bids were needed for expenses over \$10,000. Mr. Adams said that NAC updated its proposal, Capitol Boiler Works can submit a new proposal, and a 3<sup>rd</sup> bid can be solicited. Ms. Marachelian asked that bids be compared and that the Board vote by email.

Annual Meeting-Changes: Ms. Marachelian asked Mr. Adams to take the lead on a hybrid meeting, if possible, with the League of Women Voters. Mr. Spell also said that the Board must decide whether to do a special assessment. Ms. Marachelian asked if there was a way to avoid a special assessment. Mr. Spell said that they can tell the auditor ahead of time about issues, such getting behind on 2 replacement reserve contributions. Mr. Adams will consult with Ann for guidance.

VII. ADJOURNMENT:

**There being no further business, Ms. Marachelian adjourned the meeting at 9:05 p.m.**

**SUBMISSION OF MINUTES**

**River Place North  
Housing Corporation** , **Secretary**