

**MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
BOARD MEETING**

April 18, 2006

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

I. **CALL TO ORDER:** President Hashmat Ali called the meeting to order at 6:07 p.m.

Directors Present: Mr. Hashmat Ali, President
 Ms. Sara Shahade, Secretary
 Mr. Andrew Spell, Treasurer
 Mr. Norman Randolph, Director
 Ms. Chung Lai, Director

Directors Absent: Mr. Brian Fredericks, Vice President
 Mr. Assem Iskander, OA Representative

Management: Mr. Brendan Swartz, Building Manager

Shareholders: Mr. Don Nachtwey #931

II. **APPROVAL OF AGENDA:**

Ms. Shahade suggested postponing the election of officers until the next meeting when the full Board will be present.

MOTION: Ms. Shahade moved, Mr. Randolph seconded, to approve the agenda as amended. The motion passed unanimously (4-0-0).

III. **APPROVAL OF MINUTES:**

Approval of the Minutes from the February 21, 2006 Board meeting was tabled. Corrections were made to the Minutes of the Annual Meeting held on March 28, 2006.

IV. **RESIDENT PARTICIPATION:**

Mr. Nachtwey said he wanted to add appliances to Unit 528 to provide the tenant with a dishwasher, microwave oven and other electrical appliances, but the 08 tier had no circuit boxes. He also said that a professional electrical engineer could do the design and tap out a new switch gear. Mr. Ali said that this would be a capital improvement. Mr. Swartz added that the cost would be \$25,000.00 per riser. Mr. Ali also said that this work was not part of the reserve study and that the whole Board needed to look into it. Mr. Swartz said that the switch gear needed replacement before this work was done. Mr. Ali then said that the reserve study had to be updated and this improvement would be pointed out. He asked to add Mr. Nachtwey's request to the agenda for the next meeting.

River Place North Housing Corporation

April 18, 2006

Page 2

V. **REPORTS:**

A. **President:** Mr. Ali welcomed a new director, Chung Lai, to the Board. He then asked how long election ballots should be kept by the vote tellers if an election is contested. Mr. Randolph said that since directors' terms are 2 years, he suggested keeping them 2 years.

MOTION: Ms. Lai moved, Ms. Shahade seconded, to keep election ballots for two (2) years. The motion passed unanimously (5-0-0).

[Mr. Spell arrived at the meeting at 6:31 p.m.]

Mr. Ali then said that the new coupons were mailed with the 9½% increase in fees. He also said that owners could enroll in the auto debit program. In terms of the WiFi project, Mr. Ali said it was working well and antennas directed toward the East and West buildings were added. He also suggested the Board look into investing in more WiFi equipment and offering the service to the other 2 buildings to serve the entire community and provide extra income to the corporation. Mr. Randolph said that the Board should try it first with the East building. Mr. Swartz added that a test project could be done and that the cost would not be as high. Mr. Spell said he was concerned with the upfront outlay. Mr. Ali suggested contacting Single Digits about the cost for adding one building and putting the topic on next month's agenda. In terms of the Redevelopment Task Force, Mr. Ali said that at the last meeting rebuilding one tower, possibly the South, was discussed. Putting extra stories on each building was also suggested if the County gives high-density approval. He added that creative ways to unlock the value of the property need to be explored. Mr. Ali said that a feasibility study would investigate costs in light of the land lease.

B. **Treasurer:** Mr. Spell reported that the corporation had \$876,000.00 in operating cash and reserves. He also said that the reserve contributions might not be met because of the increase in utilities. He also said that the bylaws state that shareholders should be billed. Year-to-date variances were \$35,000.00. He said payroll was close to budget for the month. He also said that electricity was under but that the variance for gas was \$118,000.00 year-to-date. Mr. Swartz was tracking prices to lock in. The Board would look into refurbishing or replacing the boiler for more efficiency, Mr. Spell said. He also suggested selling back the reservoir of unused oil. Mr. Swartz added that gas should be under for the summer when the building would be using only the hot water heater. He also said that electric heat was more expensive than gas. In terms of L-3, he said that money was paid to the broker to lease the space and was taken out of income. Mr. Spell said that the year-to-date for trash removal was close to what was in the budget. He also said that Ms. Lynn's fee was not budgeted; Mr. Swartz said her charges for 3 months were minimal. In terms of the trash removal expenses, Mr. Swartz said that the Board made a conscious decision to pay more for a trash corral and that the expense would be made up elsewhere.

River Place North Housing Corporation

April 18, 2006

Page 3

C. Management:

1. Black Hole Space: Mr. Swartz said that the space must have improvements. He also said that removing the random debris would cost about \$1,400.00, not including the sand. He added that carpeting could be purchased for the entire space and wouldn't cost that much. Mr. Ali said that the Board should concentrate on improving the space and leasing it as soon as possible. Mr. Swartz said that cleaning it out and getting removable construction lights were the most important priorities and that he didn't know if the plumbing was serviceable.

MOTION: Mr. Spell moved, Ms. Lai seconded, to approve up spending up to \$2,500.00 to make the black hole presentable. The motion passed unanimously (5-0-0).

2. Fire Update: Mr. Swartz said that he was waiting for the kitchen window to come in.

3. Roof Repairs: Mr. Swartz said that the repairs were started and that the only things left to do were sealing windows and painting outside.

4. Leach Wallace: Mr. Swartz said that he has received no response on the convectors, boilers, tuck point, and balconies which would cost about \$6,000.00. Mr. Spell suggested having Mr. Fredericks call them.

5. Audit Recommendations: Mr. Swartz said that Goldklang recommended keeping better records and that unsecured cash be moved into securities, which has been done. He also said he would check on the missing rent from March '03 to July '05. He added that the fidelity coverage recommended was for \$1.3 million at an increase of \$120.00 a year bringing the total to \$1,457.00 a year. The bottom line, he said, was that the corporation had less than \$900,000.00 without the black hole expenses. Mr. Ali suggested keeping the same coverage.

6. Reserve Study: Mr. Ali said that if the study is new, Mr. Nachtwey's request should be added. Mr. Spell said that some things in the reserve study were discretionary and the emphasis was on maintaining what the corporation had. He also said that the request would add \$25,000.00 for each of the 4 tiers. Mr. Swartz said that WiFi was not a maintenance item but an amenity that increased the value of shares. Mr. Spell said that the reserve study must be done and that Mason and Mason has been accurate about the North building. Goldklang also recommended paying taxes quarterly since late penalties have added up to \$500.00.

7. Accrued Vacations: Mr. Swartz asked the Board to recommend a policy for how much vacation time could be taken at once. He also said that Mario had 13 weeks and Eugene had 8. Ms. Shahade said it should be a "use or lose" policy. Mr. Ali suggested paying the 13 weeks and closing the books. Mr. Swartz said a new policy should take effect on April 30, 2006 for the next year, giving employees one (1) year to decide. Mr. Spell added that employees should be given some flexibility. Mr. Ali also said that perhaps a 25% carry over should be allowed.

River Place North Housing Corporation

April 18, 2006

Page 4

8. Gas Prices: Mr. Swartz said the corporation should lock into prices. He said he could call for an oral confirmation and sign the paperwork later. He also said that the figure confirmed would be for twelve (12) months. He added that the current gas prices are locked in until October 31, 2006. Mr. Ali suggested that Mr. Swartz circulate quotes by email. Mr. Spell said to also send annual trends. Ms. Lai said to go back 6 years.

9. Riser Project: Mr. Swartz said that the project was moving along and that the last process to be completed was sealing and painting. He added that the lead-based paint analysis was negative; however, it was only a sample.

10. Distribution and Cross Training of Staff: Mr. Swartz said he would do this training next month. Mr. Ali said it would give staff opportunities to learn things and progress further in their jobs. Mr. Swartz said he also wanted Mario to go to the South building to learn about its systems. Mr. Ali suggested leaving training between buildings to managers.

VI. NEW BUSINESS:

A. Check Signing by Board Members: Ms. Lai volunteered to sign checks if Mr. Ali, Mr. Spell, or Ms. Shahade were out of town.

B. Outsourcing Staff to Other Buildings: Mr. Shahade suggested that the rate should be a standard charge for staff working in other buildings on their off hours. Mr. Ali said that the Board should create a policy.

MOTION: Mr. Spell moved, Ms. Shahade seconded, to establish a policy of charging \$35.00 an hour for engineering work and \$25.00 an hour for maintenance with time and a half for over time. The motion passed unanimously (5-0-0).

C. Policy for Upgrading Units: Mr. Swartz recommended that the Board read the renovation policy of the East building and make any changes they deem necessary. Mr. Spell said that the North policy was contained in motions and the Minutes should be reviewed. Mr. Ali said that the policy should be on file and kept in chronological order. He also suggested reviewing, modifying or updating the existing policy and having Mr. Swartz circulate copies by email.

VII. INFORMATIONAL ITEMS:

A. Delinquencies: Mr. Swartz said that he was sending letters with updates on delinquent shareholders. Mr. Ali also suggested calling those shareholders.

B. Unit 1004 Letter from Triple S: Mr. Swartz said that the matter has been taken care of.

C. Mario's License: Mr. Swartz said that Mario's Class 2 Engineering License was current.

River Place North Housing Corporation

April 18, 2006

Page 5

D. Comcast vs. Bulk TV: Mr. Swartz said that the contract with Comcast will expire in six (6) months and that the corporation will want a quote on the rate. He also said that the extra money for Bulk TV can be financed and the Comcast discount was just off limited basic coverage.

VIII. **ADJOURNMENT**:

MOTION: Ms. Shahade moved, Ms. Lai seconded, to adjourn the meeting at 8:54 p.m. The motion passed unanimously (5-0-0).

SUBMISSION OF MINUTES

Barbara Seaman
Recording Secretary

Approved by:

Sara Shahade, Secretary
River Place North
Housing Corporation