

**MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
BOARD MEETING
May 15, 2007**

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

I. **CALL TO ORDER**: President Hashmat Ali called the meeting to order at 6:10 p.m.

Directors Present: Mr. Hashmat Ali, President
Mr. Brian Fredericks, Vice President and OA Representative

Mr. Andrew Spell, Treasurer
Ms. Chung Lai, Secretary
Ms. Sara Shahade, Director Mr. Assem Iskander, Director [late]
Directors Absent: Mr. Norman Randolph, Director.
Management: Ms. Aida Araia, Building Manager

Shareholders: Mr. Hugo Silva (247)

II. **APPROVAL OF AGENDA**:

MOTION: Mr. Spell moved, Ms. Shahade seconded, to approve the agenda as written. The motion passed unanimously (5-0-0).

III. **APPROVAL OF MINUTES**:

MOTION: Ms. Lai moved, Ms. Shahade seconded, to approve the Minutes of April 17, 2007 as presented. The motion passed unanimously (5-0-0).

Mr. Ali also said that the consensus was to keep the March 27, 2007 Annual Meeting Minutes on file.

IV. **REPORTS**:

A. **President**: Mr. Ali said that the air conditioning was turning on and off and said that it should be coordinated with the other buildings. Ms. Araia replied that she would address the issue at the next managers' meeting.

B. **Treasurer**: Mr. Spell reported that the total amount in replacement reserves was \$923,730.00, but the figure would go down significantly with \$800,000.00 in projects scheduled over the next 3 years. He also said that the reserve contributions were increased to about \$300,000.00 and that there was potential for \$200,000.00 + on the sale of the unit. Mr. Ali said that \$1 million in reserves should be the target. Mr. Spell said that there were no variances over \$1,000.00 in income. He then said that the April 30, 2007 report was the last financial report of fiscal year 2007.

[Mr. Iskander arrived at 6:19 p.m.]

Mr. Spell reported that payroll was over because of vacation payouts and the change in policy on carry-over time. He suggested that the Board review its decision not to allow any carry over. He also said that the late fee year-to-date figure was negative and Mr. Ali said it was a good sign that people were paying on time. He then said gas and water were under budgeted. Mr. Spell said that the contract for gas was renewed last year. Mr. Iskander then suggested getting an 18-month contract to line up with the corporation's fiscal year. Mr. Spell also said that a shorter contract to next May might be feasible. He added that Ms. Araia could look at the new contract. Mr. Fredericks said he would like to see reserve interest at the end of the year. Mr. Spell replied that it was not in the operating account. He also referred the Board to the cash flow statement citing dividends and interest for the month (\$1,513.44) and the year (\$40,479.02). In terms of investments, Mr. Spell said that the corporation has done much better than the reserve study estimate of 1.5% through its investment advisor and a conservative policy. He said that there were no substantial variances in administrative expenses except the May OA assessment paid in April. Mr. Ali then said that the category,

Meetings/Accountant, was \$3,835.00, but should be called Annual Meeting. Mr. Spell replied that the Annual Meeting was only a one-month expense and that the notes could clarify items. Mr. Ali also said that there was more than one item in that category, so Mr. Spell asked that the new line item be emailed to him. He then said that in terms of the financial charges, the contributions to capital reserves were \$212,000.00; the total operating expenses year-to-date variance was -\$21,000.00; the net operating income/loss was \$33,000.00 largely offset by the extra payment to the OA. Over all, he said, finances looked good.

C. OA Representative: Mr. Fredericks referred the Board to his emailed report and summarized the presentation by Mr. Freyvogel on the history of the OA Board membership. Mr. Iskander said that membership was not equitable with the South building having 4 representatives. Mr. Fredericks added that he wanted to have Mr. Choi as the commercial voice and recommended a 5-member OA Board. Ms. Shahade replied that the commercial owners were not interested in being on the Board. Mr. Ali also said that Mr. Fredericks should put up for discussion a change to a 5-member Board. In terms of the garage project, Mr. Fredericks said that parking would be available at 2 locations since there weren't many options for relocating vehicles on the property. He added that the pool would be open on May 26th. He also said that the North building would be the focus of landscaping next year.

D. Improved Environment: Ms. Lai said that the 3rd orientation held on May 10th had a good turnout. She also said that floor monitors were discussed and some creative suggestions were made. She added that when someone was not compliant, residents suggested confronting the person or telling the building manager, who would then send a standard letter. Mr. Ali also suggested having an appreciation system. Ms. Lai said that the number of people getting involved was increasing and that signage needed to be improved by adding graphics.

V. OLD BUSINESS:

A. Blue Army Update on Leasing MP 36 and 124: Mr. Ali referred the Board to the addendum to the contract. Mr. Fredericks suggested fixing the paragraph on garage rules. Mr. Iskander asked if both the person's name and the name of Blue Army were on the contract. Ms. Araia said she would speak to the buyer on this requirement. Mr. Spell added that an agreement on the body of the lease and the 2 attachments was a positive step.

B. Balcony Project: Mr. Fredericks said that a pre-bid walk-through was done by the 3 interested companies and the buildings would look at the proposals. He also said that each building would be done separately and that Leach Wallace would oversee the projects. He added that the work would be done through the apartments, not with exterior scaffolding.

C. Update on 230: Mr. Spell referred the Board to Mr. Dibley's offer and his good faith deposit of \$5,000.00. He also said that terms were discussed at \$265,000.00 including work on the balcony floor and countertops.

MOTION: Mr. Fredericks moved, Mr. Iskander seconded, to accept the offer of \$265,000.00 from Mr. Dibley for apartment 230. The motion passed unanimously (6-0-0).

Mr. Spell then said that Mr. Dibley was sent a 7-page sales package that included an addendum on owner occupancy and other essentials. Mr. Fredericks also said that the Board needed a resolution that the corporation was selling the unit.

MOTION: Ms. Shahade moved, Mr. Fredericks seconded, to authorize Mr. Ali and Mr. Spell to sign all sales documents for unit 230N. The motion passed unanimously (6-0-0).

Mr. Ali then said that Legal Counsel should prepare a resolution that the Board has the authority to sell the unit for the corporation.

D. Verizon Fiber Optic Proposal: Mr. Ali said that Verizon would be doing a Fiber Optic study. Mr. Fredericks said the survey should be done first at no cost to the corporation, then how the work would be done should be negotiated.

E. Increasing the T-1 Line: Mr. Ali said he would discuss the matter with Single Digits. He also said Ms. Araia should call Mr. Swartz about billing related to T-1.

F. L-3 Trash Corral Window: Ms. Araia said that the cost was \$1,020.00 and not the same as originally agreed upon. Mr. Spell said that the Board approved the work before the agreement was in writing. Mr. Iskander said that the work could be done without posts. Ms. Araia said the tenant did not agree to another diagram for a wall costing less than \$500.00. Mr. Iskander said that how the work would be done was not the tenant's business. Ms. Araia said that the tenant wanted a 2-year option to lease or a \$500.00 discount. Mr. Ali said that the tenant was sent a letter that did not give specifics on the buffer. Mr. Iskander said that the work should be done if it's under \$500.00.

G. Leak in L-3: Ms. Araia said that no damage resulted from the 2nd leak and that two of the leaks had the same source. Mr. Iskander recommended finding a way to prevent further leaks.

H. Riser Project: Ms. Araia said that the riser project was in the last phase and completion was expected on May 30th.

VI. NEW BUSINESS:

A. Potomac Disposal Service: Ms. Araia said that Potomac was charging \$2,447.00 while AAA was charging \$2,894.00.

MOTION: Mr. Fredericks moved, Ms. Shahade seconded, to accept the contract with Potomac Disposal Services for \$2,447.00 for one (1) year. The motion passed unanimously (6-0-0).

B. Unit 243 Bathtub Removal: No new information.

C. Bank Account Signature Cards: Mr. Spell said that the Board decided to authorize all Board members to sign.

D. Unit 605: Ms. Araia said that the unit was rented for twelve (12) months at a rate of \$1,200.00 per month.

VII. ADJOURNMENT:

MOTION: Mr. Iskander moved, Ms. Lai seconded, to adjourn the meeting at 8:13 p.m. There being no objections, the meeting was adjourned.

SUBMISSION OF MINUTES

**Barbara Seaman, Approved by:
Recording Secretary Chung Lai, Secretary
River Place North**

Housing Corporation