

**MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
August 20, 2002
Arlington, Virginia 22209**

CALL TO ORDER: President Mikalac called the meeting to order at 5:35 p.m. in the Management Office Conference Room, 1121 Arlington Blvd. 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. Walter Charlton, Director
 Mr. T. Malcolm Roberts II, Director
 Ms. Nancy Joyner, Director

Management: Ms. Mary Riddlemoser, Building Manager

Others: Ms. Barbara Seaman, Recording Secretary

RESIDENT PARTICIPATION: None

APPROVAL OF AGENDA:

(M): There being no objections, the agenda, with additions, was approved by unanimous consent.

EXECUTIVE SESSION:

(M) Mr. Ali moved, Ms. Shahade seconded, to convene an Executive Session at 5:40 p.m. There being no objection, the motion was approved unanimously.

APPROVAL OF JULY 16 MINUTES:

(M) Mr. Spell moved, Ms. Joyner seconded, to approve the minutes of the July 16 Open Session, as amended. There being no objections, the motion passed unanimously.

REPORTS:

President's Report: Mr. Mikalac deferred to Ms. Joyner to discuss the OA meeting.

Treasurer's Report: Mr. Spell began his report focusing on the operating budget. He reported that year-to-date assessments are coming in over budget. He attributed this to two factors: 1) assessment pre-payments, and 2) re-sales that resulted in fee increases for several units. He

indicated that the current fee structure would contribute roughly \$6,000 more income in FY 2004. This could partially offset the \$50,000 shortfall in income anticipated for the 2004 budget. The shortfall is anticipated due to the fact that a one time laundry decorating fee is included in the FY 2003 budget. The corporation will not receive the same fee next year. He said that in order to avoid raising assessment fees next year, other sources of income and/or cost saving measures need to be established this year. He suggested revisiting the topics of insurance costs, water management, renting unused space in the building, and establishing usage/service fees. Mr. Spell reported on the state of the corporation's reserves. The reserve account earned \$30,000 in the past month. Year-to-date, the reserve account has earned a rough average of \$10,000 per month. Mr. Ali then asked about financing the HVAC project. Mr. Ali said financing was the best approach, but Mr. Charlton disagreed saying that the corporation was not financially sound and should not borrow. Mr. Spell said that he had received a rate quote from Presidential Savings Bank that was contingent upon the corporation placing a large portion of any loan amount on deposit at Presidential for the life of the loan. He indicated that, in order to borrow funds, the corporation would need to show a plan for how the loan payments would be made. He indicated that Mason and Mason would be updating the reserve study and that financing of the HVAC project would be taken into account. Ms. Riddlemoser added that HVAC was a big expense and that Mason and Mason would need to know the expected project cost to plug into the reserve schedule. Mr. Charlton also said that the Board could buy the HVAC units and bill those who wanted them. Mr. Ali disagreed saying that the Board must consider the whole building--its maintenance and marketability. Ms. Shahade then suggested a special assessment for the whole building. Mr. Roberts then asked how a special assessment would be determined. Mr. Ali then suggested putting the topic on next month's agenda under New Business. Mr. Ali questioned the status of the election procedures. Mr. Mikalac replied that he would email the committee chair asking for a progress report.

OA Report: Ms. Joyner deferred her report to management issues.

NEW BUSINESS:

Board Meeting Dates: Ms. Riddlemoser suggested changing Board meeting dates to the third Tuesday instead of the second Tuesday of the month.

(M) Mr. Ali moved, Ms. Joyner seconded, to change the date for Board meetings to the third Tuesday of the month at 5:30 p.m. The motion passed (4-2-0) with Mr. Roberts and Mr. Charlton opposing.

(M) Mr. Spell moved, Ms. Joyner seconded, to amend the first motion and change the time of the Board meetings to 6:00 p.m. The amendment passed (5-1-0) with Ms. Shahade opposing.

Riser Replacement: Ms. Riddlemoser said that the cost for the riser was \$26,077 and the cost of plumbing was \$29,000 for two double tiers, 07-08 and 15-16.

(M) Mr. Ali moved, Mr. Spell seconded, to approve \$55,000 for the two riser projects. The motion passed unanimously.

Owners' Association Correspondence: Ms. Riddlemoser said that she faxed the bill of complaint from HOF to the OA to process the insurance claim, but has received no response. She added that she did not know who held the master insurance policy. Mr. Roberts said the lack of response was an OA issue. He also suggested sending two letters, dated today and tomorrow, that state that without further direction from the OA, the Board would hire a lawyer and charge the OA. Mr. Charlton suggested that the President of the Board address the letter to the President of the OA.

(M) Mr. Roberts moved, Mr. Ali seconded, to authorize Mr. Mikalac to send a letter to the President of the OA stating that the Board would hire a lawyer before the court date on the complaint by HOF and charge the OA.

INFORMATIONAL ITEM

Letter from Mr. Ali and Ms. Shahade on Assessment Payments: The Board was referred to the letter on full assessment payments made by Ms. Shahade and Mr. Ali.

ADJOURNMENT:

(M) Ms. Shahade moved, Ms. Joyner seconded, to adjourn the Board of Directors meeting at 7:30 p.m. There being no objections, the motion passed unanimously.

SUBMISSION OF MINUTES

Approved by:

**Barbara Seaman
Recording Secretary**

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