

**MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
September 17, 2002
Arlington, Virginia 22209**

CALL TO ORDER: President Mikalac called the meeting to order at 6:00 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 [by telephone]

Directors Absent: 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: Mr. Ali suggested adding the HOF case to Unfinished Business and Ms. Riddlemoser added Elevator Project Status. Mr. Ali also added Pest Control to New Business and wanted to change Election Committee to Election Procedure Reform. Ms. Shahade suggested adding Seasonal Celebration and Mr. Spell asked to add Website Report to the agenda.

(M): Mr. Ali moved, Ms. Shahade seconded, to approve the agenda as amended. There being no objections, the agenda with additions was approved by unanimous consent.

Mr. Charlton, by phone, then requested that the order of the agenda be changed to discuss the abandoned unit, the HVAC, and the Election Committee first.

(M) Mr. Charlton moved, Mr. Spell seconded, to change the order of the agenda. There being no objections, the motion was approved by unanimous consent.

REPORTS:

President's Report: Mr. Mikalac reported that he consulted the CAI Manual for a list of attorneys specializing in community associations and selected four located in the area. Then Mr. Spell reported that Mr. Kennedy seemed interested in discussing the abandoned unit with the Board.

In terms of the HVAC project, Mr. Spell reported that prototype 2 was nearing completion, but that the drip pan had to be made from scratch. Then it would be turned on and tested. In terms of financing, Mr. Spell also said that he went over the reserve study that seemed fine until the HVAC was thrown in. He added that \$700,000 would get a refurbishment and could result in negative reserves if undertaken too soon. Mr. Charlton then said that the job could be done cheaper if a committee could negotiate directly with the manufacturers of component units.

Mr. Mikalac then continued discussing the four legal firms he investigated: Chadwick, Washington, Walters, Moriarity and Lynn; Segan, Mason and Mason; Bricefield, Harnet, and others; and Walsh, Colucci and Stackhouse. He discussed with representatives of each firm their expertise and responses to questions relevant to River Place North.

[Mr. Charlton then hung up at 6:33 p.m.]

He also gave the rates and compared them with the higher rate of Mr. Diaz. He added that because of the problems with the election, an expert in parliamentary procedure was needed for the Annual Meeting. Mr. Ali said that the Association needed a strong attorney with principles who could handle problems with residents as well as the daily operations of a housing corporation. Ms. Shahade said she was not impressed with the Masons. She also said that the West building was happy with Chadwick's firm. Mr. Mikalac then suggested hiring a parliamentarian for the Annual Meeting. Mr. Spell then said that Ms. Lynn seemed to know parliamentary rules and that she brought an assistant to the West Annual Meeting. Mr. Mikalac said that Ray Diaz knew parliamentary rules and was a good attorney, but Mr. Ali said that Mr. Diaz has shifted positions. Mr. Mikalac suggested trying out Chadwick on one of the abandoned units.

APPROVAL OF AUGUST 20 MINUTES:

(M) Mr. Spell moved, Ms. Shahade seconded, to approve the Minutes of August 20 as amended. There being no objections, the motion passed unanimously.

EXECUTIVE SESSION:

(M) Ms. Shahade moved, Mr. Ali seconded, to convene an Executive Session at 7:05 p.m. There being no objections, the motion passed unanimously.

(M) Mr. Spell moved, Ms. Shahade seconded, to approve the Minutes of the Executive Session of August 20. There being no objections, the motion passed unanimously.

Treasurer's Report: Mr. Spell reported selling two high interest rate items of \$200,000. He added that income was \$34,000 over the operating budget. He noted that plumbing repairs were doubly accounted for. Mr. Ali then asked if the increased insurance deductible of \$25,000 should be added to the \$30,000 gap. Mr. Spell replied that if anything happened,

the money would be taken out of reserves. Ms. Riddlemoser then suggested starting a contingency fund to pay the deductible for defense costs. Mr. Spell said that it could be a line item in reserves. Mr. Ali then suggested starting an insurance reserve fund that could earn interest and, if unused, could carry over to reserves. Mr. Spell suggested considering this option at budget time. He also said that the gap must be funded, but his goal was to refrain from raising assessments. He added that Mason and Mason recommended against borrowing. They suggested raising fees or levying a special assessment. The Board rejected both ideas but seemed to favor borrowing. Mr. Spell then asked the Board to recommend a minimum reserve amount. Mr. Ali suggested \$300,000. Mr. Spell also said that the two abandoned units could bring in \$120,000.

OA Report: Mr. Mikalac referred the Board to Ms. Joyner's written report. Mr. Ali disagreed with holding a happy hour and having liquor.

Space Committee: Ms. Riddlemoser reported that everything was rented except for one closet. She said that rents were collected from all except for the two rooms for Board storage, 1E and 1H. She also said that the Board should decide what to do with the black hole. In reply to Mr. Ali's question, she said that 1E and 1H were free to Board members.

[Whereupon Mr. Roberts arrived at 7:44 p.m.]

Mr. Mikalac then suggested tabling the issue to the next meeting and resolving it then. Mr. Spell also said that the Board should get copies of the report to facilitate the discussion. In terms of the black hole, he asked if it could be rented as storage space and how much residents would pay if it were partitioned.

Website Report: Mr. Spell reported that a dozen floor plans were up on the Website and that Ms. Riddlemoser's address was on every page. When Mr. Roberts asked about advertising rentals, Mr. Spell replied that he needed direction from the Board on how to advertise and what to charge. Mr. Roberts then suggested creating a simple form and having a formula for charges. He also suggested looking at good ads in The Washington Post. Mr. Ali then said that the site had to be maintained monthly and that Ms. Riddlemoser could act as a clearinghouse. He also suggested that Mr. Spell and Ms. Riddlemoser present a plan at next month's meeting.

UNFINISHED BUSINESS:

OA Correspondence: Ms. Riddlemoser referred the Board to the memo by Ms. Nichols about prohibiting "the installation of any item which extends beyond the plane of their balcony railing." Mr. Mikalac said that the FCC agreed with the OA. Ms. Riddlemoser then asked the request of building managers to mail out the letter to all residents. Mr. Spell suggested posting the letter in the building and on the Website for landlords to know the policy on satellite dishes.

HOF Case: Mr. Ali reported that Mr. Diaz presented River Place North's case well in court and that the judge said he would give his verdict in 10-14 days. Mr. Roberts said that the judge would send a response to the attorneys.

Elevator Project Status: Ms. Riddlmoser reported that the first elevator was being adjusted and that Arlington county would inspect it next week. She also said that the plexiglass would not work because it was not a fire-rated material.

Seasonal Celebration: Ms. Riddlemoser said that no money was available for a Christmas or seasonal party.

NEW BUSINESS:

Draft Audit: Ms. Riddlemoser said that the Board or the Treasurer must approve the draft audit. Mr. Ali said that the comment on page 1 was not about the unit but space L-2 and that the check was lost and a replacement was issued. When he asked about net income, Ms. Riddlemoser replied that April's reserve contributions were made in May and that shorted reserves. She also said that she would ask for an explanation in writing. Mr. Ali said that less income and more expenses yielded loss. Mr. Spell then said that the bylaws state that they have to bill out.

Election Committee: Mr. Mikalac reported that not much was done and that he would ask for another report in October. Mr. Roberts suggested making sure that laws and covenants were not violated, bouncing any changes off Goldklang, and then having the attorney sign off on it.

Pest Control: Mr. Ali commended Ms. Riddlemoser for acting on the problem and suggested having a program for controlling big pests. Ms. Riddlemoser said that the treatment has worked well and that every unit with a problem would be treated. Mr. Ali then suggested coordinating efforts with other building managers. He also suggested educating residents about depositing trash and fining violations. Ms. Riddlemoser replied that rules require a hearing. Mr. Roberts then suggested posting a notice of violation to residents by unit number but not by name.

INFORMATIONAL ITEMS:

Letter from Mr. Ali and Ms. Shahade: Mr. Ali referred the Board to the letter citing payments made by Ms. Shahade and him for unit maintenance assessments for September 2002 based on share allocation.

ADJOURNMENT:

(M) Ms. Shahade moved, Mr. Ali seconded, to adjourn the Board of Directors meeting at 9:16 p.m. There being no objections, the motion passed unanimously.

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SUBMISSION OF MINUTES

Approved by:

Barbara Seaman
Recording Secretary

Sara Shahade, Secretary
River Place North
Housing Corporation