

MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
BOARD MEETING
July 19, 2011
1121 Arlington Boulevard
Party Room, Lobby Level
Arlington, Virginia 22209

I. **CALL TO ORDER:** President Hashmat Ali called the meeting to order at 6:17 p.m.

Directors Present: Mr. Hashmat Ali, President
Mr. Raymond Miller, Vice President
Mr. Andrew Spell, Treasurer
Ms. Jennifer Pitz, Secretary
Mr. Robert Turman, Director
Mr. Bruce Farrell, Director

Directors Absent: Mr. Don Nachtwey, Director

Management: Mr. Francisco Foschi, Building Manager
Ms. Leila Riahi, Assistant Manager

Others: Mr. Thomas Morris, Park Street Financial Group

II. **PRESENTATION by THOMAS MORRIS, PARK STREET FINANCIAL GROUP:** Mr. Morris said that he will send in a proposal so that the Board can review it at the next meeting. He also said that the main point is how to manage funds without making risky investments as the corporation's policy requires. He added that he was not an advocate of timing the market, but laddering safe investments in CD's maturing in 6 months, 9 months, etc. and government-backed Treasury notes. Mr. Morris said that he will devise a ladder which is the best strategy. He also said that all assets were held by certified custodians like Charles Schwab which provides insurance. He added that he can provide the rate schedule for each maturity term daily, longer terms paying a little more, and that he can buy them from all over the country. Mr. Ali also asked for an estimated return so that the Board can make a decision.

[Mr. Morris left at 6:40 p.m.]

III. **APPROVAL OF AGENDA:**

MOTION: Mr. Spell moved, Mr. Miller seconded, to approve the agenda as amended. The motion passed unanimously (6-0-0).

IV. **APPROVAL OF MINUTES:**

MOTION: Mr. Farrell moved, Mr. Miller seconded, to approve the minutes of June 21, 2011. The motion passed unanimously (6-0-0).

V. **REVIEW OF EVENT CALENDAR/RESERVE PROJECTS:**

Mr. Foschi reported on the following items:

- MOECA was paid up to August 5.

VI. **REPORTS:**

A. **President:** Mr. Ali said that a low price affects all sales and brings down values. He suggested that the Board should keep an eye on transactions that are below market

value and take appropriate action to protect the interests of shareholders and maintain fairness in the resale market. Ms. Pitz said that she supported efforts to buy back shares.

B. Treasurer: Mr. Spell reported that operating cash was \$110,629; replacement reserves were \$1,302,837 for a total of \$1,426,144. In terms of buying units in the building, Mr. Spell said that, according to the investment policy, a percentage of reserve funds can be invested in the building. Turning to delinquencies, Mr. Foschi said that if the 2 highest amounts were taken out, delinquencies would amount to about \$2,000. He then discussed the June Variance Report (attached).

C. OA Report: No report.

D. Manager's Report: In Board package.

VII. **NEW BUSINESS:**

A. Occupancy Limits and Lease Addendum Review: Ms. Pitz said that the lease addendum allows the Board to take steps if tenants are problematic. She also said that lease addendum is required by the bylaws. Mr. Ali then said that the Board can monitor but it has been an issue only once in the past. Ms. Pitz then suggested beginning to enforce addendum requirements and not amending the lease addendum.

B. Proposal for Underutilized Space: Mr. Miller suggested using the 11th floor space by a family member. Mr. Ali replied that the space was not practical for a business. Mr. Spell said that other options might be more appropriate with bathrooms and common kitchens.

C. Front Lobby Furniture: Mr. Spell showed the Board options for sofas, table with tempered glass top, and 2 benches.

MOTION: Mr. Farrell moved, Mr. Turman seconded, to accept the package of \$650 for the couch, the gun metal bench, the Deacon's table with glass top, and plants for an amount not to exceed \$2,000. The motion passed unanimously (6-0-0).

As a deterrent to stealing the furniture, Mr. Foschi suggested installing a camera at the entrance.

MOTION: Ms. Pitz moved, Mr. Miller seconded, to allocate \$500 to install a camera in the foyer. The motion passed unanimously (6-0-0).

VIII. **OLD BUSINESS:**

A. L-4 Status and Options: Mr. Foschi said that the space must be cleared and contents put in one space. Mr. Ali suggested telling owners they had one month to clear out their belongings or items will be trashed. Ms. Pitz also suggested taking pictures of the contents as well as asking for the lease agreement and a list of items.

7/19/2011 ACTION 1: Mr. Foschi will inform owners of storage with locks that they need to remove their belongings. He will hire 1-2 temporary workers to move contents, take pictures, get bids on cleaning, and list with a realtor.

B. Transfer Agent: Moved to Executive Session.

C. Reserve Study 2012: Mr. Foschi said that the proposal for the 2nd option of the study needed signing.

MOTION: Mr. Farrell moved, Ms. Pitz seconded, to accept the proposal for the 2nd option of the reserve study at a cost of \$8.200. The motion passed unanimously (6-0-0).

D. Elevator Refurbishment: Mr. Foschi said he was working on proposals.

E. Trash Corral: Mr. Foschi said that Arlington County was asking for special inspection permit and that he will ask EnviroTech about hiring a structural engineer.

F. Action Items Update: Pertinent items discussed in Old and New Business.

IX. EXECUTIVE SESSION:

MOTION: Ms. Pitz moved, Mr. Farrell seconded, to adjourn the open meeting and convene an Executive Session at 8:45 p.m. There were no objections.

SUBMISSION OF MINUTES

Barbara Seaman,
Recording Secretary

Approved by:
Jennifer Pitz, Secretary
River Place North
Housing Corporation

ACTIONS TAKEN BY THE BOARD

7/19/2011 ACTION 1: Mr. Foschi will inform owners of storage with locks that they need to remove their belongings. He will hire 1-2 temporary workers to move contents, take pictures, get bids on cleaning, and list with a realtor.

5/17/2011 Action 1: Mr. Foschi will sort reserve projects and contracts by date.

Completed: The contracts log spreadsheet has been updated and sorted by date of expiration.

5/17/2011 Action 2: Mr. Foschi will look into metering to compare usage and determine savings with a new unit.

Completed: The results from comparing the old AC unit to the new one are as follows: The new AC spends 58'347 KWH (on a one-year term), while the old one spent 63'652 KWH. This represents about 20% reduction to RPN's electricity bill.

5/17/2011 Action 3: Mr. Foschi will ask the vendor to bring samples to the next meeting along with prices.

Completed: James Myles from Eklund's will be at the next meeting on June 21, 2011 and will bring some samples for the Board to decide.

4/19/2011 Action 1: Mr. Foschi will collect a list of email addresses of owners by the end of the year.

10/19/2010 ACTION 2: Mr. Ali will write the listing for the space.

10/19/2010 ACTION 3: Mr. Foschi will post the listing on CoStar.

June 2011
OWNERS ASSOCIATION REPORT

Mr. Dibley reported on the following matters discussed at the last meeting:

- The OA is selling 10 parking spaces. Notices will be sent out to shareholders.
- Tenants will soon be allowed to become members of the LFCU. They will be charged a small convenience fee.
- The next session on strategies for the future of Rive Place will be held on Saturday, July 30 from 11 a.m. to about 2 p.m. at the Palomar Hotel. All Boards and the OA will be invited.
- All security cameras are working properly. The gatehouse camera was upgraded at minimal cost.
- Asphalt repairs have been postponed to the fall.
- The Arlington County sewer project will begin in November and will continue to February. The site manager is investigating places to relocate the playground.
- Ken Ingram is drafting a letter to E.J. Flynn about moving River Place to RivStar Transfer Agency. Mr. Spell asked if due diligence was done on the division of activities. He also said that he was concerned about Banner Title's connection with River Place Partners 1 and 2.

MOTION: Mr. Farrell moved, Mr. Miller seconded, to approve the change to RivStar Transfer Agency, subject to Mr. Ali's getting clarification on division of duties and discussing possible renegotiation with E.J. Flynn. The motion passed unanimously (5-0-0).

- The restaurant project at the South building was approved by both the South Board and the OA Board.