

**RIVER PLACE EAST HOUSING CORPORATION
BOARD OF DIRECTORS
MINUTES OF THE MONTHLY MEETING**

Tuesday, October 26, 2004

CALL TO ORDER

Vice President Keith Jones called the meeting to order at 7:04 p.m.

Board Members Present: Anthony Priest - President (arrived at 7:13 p.m.)
Keith Jones - Vice President
Elaine Cummins - Secretary
Andrew Spell - Co-Treasurer
Brian Fredericks - Director
William Johns – Co-Treasurer (arrived at 7:13 p.m.)

James Zelloe - Legal Counsel
Carol Brooke - Finance Manager
Ruby Nester – Building Manager
Joe Curtis - Building Engineer
Ellen Flynn - Recording Secretary

Board Members Absent: Mary Jean Schmelzer – Correspondence Secretary

Residents Present:
Ronald Arrington, Units 521 & 522
John Curle, Unit 826
Mr. Mehmet, Unit 723

SHAREHOLDER PARTICIPATION

Ms. Brooke reported that a homeowner has requested a reimbursement of the \$15.00 lockout fee she incurred on a Sunday because there was no concierge on duty to assist her. Ms. Brooke reported that the concierge had an emergency and was not on duty so the homeowner had to call the patrol. She and Ms. Nestor agree that the homeowner should be reimbursed.

MOTION: Mr. Fredericks moved, Ms. Cummins seconded, to approve the homeowner's request for a reimbursement in the amount of \$15.00. The motion passed unanimously.

APPROVAL OF MINUTES

September 22, 2004 Board Meeting Minutes:

MOTION: Mr. Spell moved, Mr. Fredericks seconded, to defer the approval of the September 22, 2004 Board Meeting Minutes. The motion passed unanimously.

Water Intrusion Project Meeting Minutes:

MOTION: Mr. Fredericks moved, Mr. Spell seconded, to approve the minutes of the Water Intrusion Project Meeting as presented. The motion passed unanimously.

APPROVAL OF AGENDA

Mr. Jones requested that the Riser Replacement be moved to New Business.

MOTION: Mr. Spell moved, Mr. Fredericks seconded, to modify the agenda as suggested. The motion passed unanimously.

BUILDING ENGINEER'S REPORT

Water Intrusion Project

Mr. Curtis reported that the contractors have begun to bring equipment in for work on the water intrusion problem. Notices have been sent to residents on floors 1 – 3, where the noise will be the loudest, notifying them of the start of the project and stating that work will not begin until after 9:00 a.m. and will conclude before 4:00 p.m. Mr. Curtis stated that he has made arrangement with the OA for the storage of the equipment and the contractors are here every day working on the project.

Boilers

Mr. Curtis reported that the boilers have been opened, inspected and cleaned and noted that they are in good condition for the coming winter weather. Mr. Fredericks asked about the building being too hot once the boilers are turned on noting that it is an issue every spring and fall when the air conditioning is changed over to heat. Mr. Curtis will look into obtaining a 3-way valve with an automatic shut off that may alleviate the problem however it would be different for the residential than for the commercial units.

Risers

Mr. Curtis reported that the project has started and that the plumbing has been completed on floors 15, 16, 28 & 29. It has also been tested and has no leaks. He stated that the walls will begin to be closed up tomorrow and they will be painted by the end of next week. Mr. Curtis stated that he is overseeing the work as the walls are closed up and he is ensure that the fire stops are in before they are sealed.

Fire Pump Proposal

Mr. Curtis reported that he has a proposal for minor repairs to the fire pump, including changing the packing and bearing, which will add a few years to the usefulness of the pump without having to replace the entire unit. The cost of the repairs is \$1,600.00

MOTION: Mr. Fredericks moved, Mr. Jones seconded, to approve the repairs at a cost not to exceed \$1,700.00. The motion passed unanimously.

President Priest asked Mr. Curtis to review the Reserve Study with Ms. Nester and develop a three-year projection for projects that will need to be completed. Mr. Curtis stated that they have begun to do that already.

MANAGER'S REPORT

President Priest thanked Ms. Nester for her help during the last few months.

Storage Lease Agreement

Ms. Nester reported that the Lease Agreement has been completed and it looks good.

MOTION: Mr. Fredericks moved, Ms. Cummins seconded, to accept the Storage Lease Agreement as presented. The motion passed unanimously.

Water Conservation Proposal

Ms. Nester reported that she is still working on gather information. Ms. Brooke stated that she is having difficulty obtaining information from six years back but does have information from three years back. Mr. Fredericks noted that the first proposal had numbers that may not be accurate.

Pharaoh Ants Elimination

Ms. Nester reported that the exterminator noted that Pharaoh Ants are not like regular ants. Triple S will not treat for Pharaoh Ants unless they treat the entire building, which would cost approximately \$18,000.00. Treatment of the entire building would also require the removal of all outlet covers in the building. She stated that the treatment should be postponed until the water intrusion project is underway as the ants are attracted to water and when the walls are open would be the easiest time. Mr. Fredericks asked Ms. Nester to ask Ms. McMaster in River Place West if their pest control company will treat individual units vs. the entire building.

Photo ID's

Mr. Nester stated the equipment and materials should be arriving shortly to begin this program.

Pest Control Upgrade Proposal

Ms. Nester stated that she feels that the current schedule is sufficient for treating the building. President Priest agreed.

Main Line Drain Backups

There is no current activity to report at this time.

Nightingale Trash Removal

Ms. Nester reported that Nightingale will not remove refrigerators unless the freon has been removed.

Natural Gas Negotiations

Ms. Nester reported that she locked in with Hess for the natural gas for this winter. She reported that the best price represented an approximate 32% increase over last year's cost. The anticipated cost of gas this year will be \$43,000.00. She noted that this year the building has the ability to switch to fuel oil this year from natural gas for extremely cold conditions. She also noted that Hess will buy back projected therms that are not used.

New Concierge

Ms. Nester announced that the new concierge is Angela Dennis.

Plumbing School

Ms. Nester reported that Mr. Abderaffi will not be attending the plumbing school as previously reported because of the extensive time and travel commitment. President Priest stated that he would like to have the skills available in-house and asked Ms. Brooke to follow up with other programs that would provide Mr. Abderaffi with those skills.

SHAREHOLDER PARTICIPATION (CONTINUED)

Mr. Mehmet reported that there is a strong smell of cigarette smoke in his unit, especially in the morning and at night, and he suspected that it may be coming through the air condition of the lower unit. Ms. Nester stated that air is pulled from the air handling unit outside the loading dock. She will follow up with him tomorrow to determine the source. She will also work with Mr. Curtis and provide the resident with a written response regarding the findings.

SEPTEMBER FINANCIALS

Ms. Brooke reviewed the revised income statements report and the most recent balance sheet which includes outstanding A/R and the reserve report. The Board reviewed and discussed the financial report.

Mr. Johns stated that the financials are currently maintained on an accrual basis vs. a cash basis and he is looking at changing that and providing a monthly cash flow statement for the Board. Mr. Johns also stated that everything looks good in the financials with the exception of the A/R account, which will probably have to do a write off. He noted there are a lot of credits from the old accounting system which should have been cleared out when the sales were completed.

Ms. Brooke reported that certified letters have been sent regarding outstanding balances and she will follow up with non-responders by the end of the week. She noted that several owners have contacted her to report that the money was on the way and one disputes the amount that is owed, she is continuing to do her own research. Mr. Fredericks stated that a Management Fee should be charged for the collection of rents.

MOTION: Mr. Fredericks moved, Mr. Spell seconded, to charge a 10% Management Fee for the collection of rents on units with fees in arrears. The motion passed unanimously.

The Board discussed the delinquency policy in regard to accelerated assessments and the collection of rents. Ms. Brooke noted that Management has begun aggressive collection and has sent 12 letters this month. She will send an email to the Board regarding collection policy and procedures for the Board to review.

Reserve Study

Mr. Spell reviewed the Reserve Study and gave an overview of the anticipated projects.

Painting Invoice

Ms. Brooke reported that a price was not agreed upon prior to the work being done, however it has been completed, it is good quality and it is a fair price. Ms. Brooke will follow up with the painter regarding the paint which is peeling on the doors and noted that she believe the paint was provided to the painter.

MOTION: Mr. Fredericks moved, Ms. Cummins seconded, to approve the payment of the painting invoice in the amount of \$1,950.00 to Mr. Hamzaorhan. The motion passed unanimously.

OFFICER'S REPORTS

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President's Report – No report was provided.

Vice President's Report – No report was provided.

Treasurer's Report – No report was provided.

Secretary's Report – No report was provided.

OA Report – Mr. Jones reported that there has been no progress made on the Entertainment Center contract and he is still waiting for the architect's final plans, which should be complete within two weeks. After the plans are complete they can be sent out for bid. Mr. Jones stated that the architect has offered to prepare a bid packet for a cost. He noted that the architect is still waiting for flooring options for the raised floor noting that tile would provide easier access to the sub-floor than poured concrete. Mr. Jones concluded by reporting that the architect would like to meet with the OA Board in approximately four weeks to review the bids and make a selection, noting that the architect is dependant upon the structural engineer's report before completing his. The architect estimates the project will take approximately four months to complete.

Mr. Johns reported to Mr. Jones that in the River Place South penthouse the resident has lights and several televisions on the balcony that are a violation. He noted that the televisions are extremely loud. Mr. Jones asked for a record of prior complaints and stated he would follow up on them.

COMMITTEE REPORTS

Windows Committee

President Priest reported that he had sent an email to the firm regarding the window replacement. The building is currently being put into a CAD program to get the project started. President Priest reported that there will be \$78,000.00 in the window replacement account by the end of the year.

Approval of Unit Sales

MOTION: Mr. Spell moved, Mr. Fredericks seconded, to approve the sales of units 505, 533, 748, and 1206, three with consideration and one without consideration. The motion passed unanimously.

OLD BUSINESS

Audit

Mr. Johns reported that the audit is complete and he is waiting for the Management Report.

RICO Case Update

Legal Counsel reported that there was a scheduling conference last week at the Federal Court and that discovery will run through February 2005. He will be ready for a pre-trial conference at the end of February and the trial will begin approximately six weeks later. He concluded by stating that he will begin taking depositions in January.

Legal Counsel reported that the case should be wrapped with within the next week.

Lutheran College Lease Amendment

President Priest reported that after reviewing the information it is not in the consortium's best interest to modify the lease. Mr. Fredericks stated that their use of space should be monitored carefully and any breach of the terms of the lease agreement should result in the immediate breaking of the lease.

Newsletter Schedule

It was reported that there will be an end of year edition of the Newsletter.

Lobby Lighting Project

Tabled

Elevator Advertisements

Mr. Johns thinks that in-elevator advertising should be looked into as an alternate income stream. Mr. Spell wants to see what outside providers of this service would do and asked that a discussion regarding advertising in the elevators be added to the November agenda.

NEW BUSINESS

Building Communications

Nothing to report.

Risers

Mr. Jones distributed an email from a resident asking about the completion date for the riser project noting that it is intrusive. Mr. Curtis stated previously that the project should be completed within two weeks. Ms. Nester recommended responding to the resident stating that the project will be completed in no longer than four weeks and let her know that her unit is in the next set to be worked on.

NEXT MEETING DATE

The next regular meeting of the River Place East Housing Corporation Board of Directors will be held on Tuesday, November 23, 2004, at 6:00 p.m. in the East Building Management Office. The December meeting is tentatively scheduled for Tuesday, December 28.

EXECUTIVE SESSION

The Board moved out of the regular meeting and into an Executive Session at 8:58 p.m. and excused the Recording Secretary. A motion regarding the lawsuit was unanimously approved. The Board retired from the Executive Session at 9:30 p.m.

ADJOURNMENT

Following the conclusion of the Executive Session, the meeting was adjourned at 9:37 p.m.