

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

July 20, 2005

I. **CALL TO ORDER:** Mr. Spell called the meeting to order at 6:21 p.m.

Directors Present: Mr. Anthony Priest, President (arrived 6:28)
Mr. Andrew Spell, Vice President
Mr. John Curle, Treasurer
Ms. Elaine Cummins, Secretary
Mr. Brian Fredericks
Ms. M.J. Schmelzer

Directors Absent: Mr. Surya Jandhyala.

Management: Ms. Jacquie DeMenezes, Property Manager
Ms. Carol Brooke, Financial Manager

Others: Mr. Jim Zelloe, Attorney
Ms. Barbara Seaman, Recording Secretary

Shareholders: Ms. Diane Fredericks #403
Mr. Haltar Butsuuri #1108
Ms. Ayse Ongun #723
Mr. Robert Conkling #1208
Mr. Cinod Thurrall #404
Mr. Ronald Arrington #521 & 522
Mr. Brian Fell #1043
Mr. Hassam #648
Ms. Carol Jackson #218

II. **SHAREHOLDER PARTICIPATION:** Mr. Conkling said that he wanted to make his wife a co-owner of Unit 1208. He thanked the Board for window work needed as a result of hurricane damage 2 years before. He also said that he couldn't do interior work until the patio was sealed. Mr. Spell replied that the schedule for the exterior project would be updated tonight. Mr. Conkling also said that the windows should be cleaned professionally. He added that the Board should get the best employees starting at the front desk and that turmoil was created with staff coming and going. Ms. Ongun said that staff should be supported and problems can always be worked on. Mr. Butsuuri said his parking deposit has not been returned to him in 6 months. Ms. Schmelzer said she would take his written complaint to the OA. He also said that he could help with problems with networking. Mr. Hassam asked when lighting would be finished and said that the ring of the elevator could be heard on 3 floors and suggested putting duct tape around the belt; the hearing impaired would still hear it. In response to Mr. Arrington's question, Ms. DeMenezes said Barbara was still employed. Mr. Thurrall asked about the author of the angry anonymous letter being circulated. Mr. Fredericks said that Ms. Diane Fredericks wrote the letter because she was not satisfied with the Board's answers to her questions on 4 issues. Mr. Priest said that the letter would be addressed in Executive Session.

III. **LAWSUIT UPDATE**: Mr. Zelloe reported that the case was transferred to Arlington Court. He said the lawsuit was filed against Nova and Homeco. The suit was against 4 directors for their breach of fiduciary duty. He added that he anticipated that the Homeco suit would come to a head shortly and that Mr. Priest and Mr. Fredericks would probably need to testify. He also said that he was waiting for the final order of the judge in the federal RICO case.

IV. **EXECUTIVE SESSION**:

MOTION: Mr. Priest moved, Mr. Spell seconded, to close the open session and convene an Executive Session at 6:51 p.m. with no objections. The open meeting resumed at 7:38 p.m.

V. **PROPERTY REPORTS**:

A. **Engineer's Report**:

1. **Water Intrusion Project**: Ms. DeMenezes said that the project would be finished about the end of September or beginning of October. Mr. Priest estimated that Mr. Conkling's unit would probably be reached at the end of August. Mr. Fredericks asked that the reports include percentage completed. Ms. Schmelzer said the Board agreed to do damage repair after the hurricane but the extent of the work needed to be clarified. She also asked for a certification of safety.

2. **Boiler Inspection**: Ms. DeMenezes said that the work was finished and the inspection went well.

3. **ABM for Air Handler**: Ms. DeMenezes said that the ABM in the Boiler Room would be completed on July 19, 2005.

4. **Security**: Ms. Cummins said that the building was not secure because the front doors were open at night and the back doors could not be shut. Ms. Schmelzer said that the old doors were bad but that new doors were expensive. She also suggested that when patrols drive by the entrance they inspect the doors.

B. **Manager's Report**:

1. **Lobby Lighting**: Ms. DeMenezes reported that the projected date for completing installation of the lighting is July 29, 2005.

C. **Accountant's Report**:

Ms. Brooke referred the Board to the list of delinquencies. Mr. Priest said that the total of \$400.00 - \$500.00 was outstanding. In terms of the policy manual, Mr. Fredericks suggested that legal holidays should be identified. Ms. Schmelzer said they corresponded with government holidays. Mr. Fredericks also said that sick leave should be calculated like vacation. Mr. Spell said they were listed by pay period and that the number of days earned in comp time could be filled in. In terms of health care plans, Ms. Brooke said that the corporation paid 80% in the old plan, but that was changed to the corporation paying for 2 with the family plan. Mr. Curle suggested including the clause, "as of today,"

River Place East

July 20, 2005

Page 3

to indicate when the plan changed. Ms. Schmelzer said that 3 days were standard but not enough for bereavement leave.

Mr. Priest suggested that Ms. DeMenezes make the changes and email them to the directors for final review. Ms. Brooke then said that a full contribution would be made to reserves. Mr. Priest added that total expenses and total variances should be indicated. Mr. Curle said that the Board should change general reserves into operating reserves. He said that replacement reserves and operating reserves were separate. Mr. Priest said that what was left at the end of the year was swept into capital reserves. Mr. Curle then said that the corporation should catch up with capital reserves contributions after next year. Mr. Spell said that the Board should read a draft of the Investment Policy and discuss it at the next meeting.

VI. OFFICERS' REPORTS:

A. OA Report: Ms. Schmelzer referred the Board to material on the Arlington Renaissance. She added that the Entertainment Center was open. Mr. Fredericks also reported that the OA Board was deciding on what to do with the multipurpose room.

VII. COMMITTEE REPORTS:

A. Windows Committee: Mr. Priest reported nothing new on windows,. He added that the corporation needed to decide if they want windows and how to pay for them. Mr. Fredericks suggested borrowing the money. Mr. Spell said that another alternative would be to continue to save money. Ms. Cummins added an option of combining alternatives. Mr. Spell said that the project should be mothballed until later when the corporation could afford it and possibly could get a better window as technology continues to improve. In terms of financing, Mr. Spell said borrowing the money would require a significant deposit. Mr. Priest suggested that the shareholders should decide on the method of paying for the window that the Board recommends.

VIII. APPROVAL OF UNIT SALES:

The Board passed Mr. Conkling's request to add his wife's name to the ownership of Unit 1208. The Board also passed the transfer of Unit 122.

IX. OLD BUSINESS:

A. Change of Software Proposal: Ms. Brooke said that the proposal was to upgrade Skyline software. She added that one computer was for the accountant's use and must not be used as a work station. She said that ACH could be added and that she could coordinate with the North about splitting costs. She also said that the consulting fee might be reduced. Mr. Spell added that ACH goes into accounts and that the bank charges \$14.00 per withdrawal.

MOTION: Mr. Fredericks moved, Ms. Schmelzer seconded, to approve the upgraded Skyline system for an amount not to exceed \$10,000.00, including ACH, and up to \$2,000.00 for consulting. The motion passed unanimously (6-0-0).

X. **NEW BUSINESS:**

A. **Spy Guys:** Ms. DeMenezes said that she would have Spy Guys come to a Board meeting to explain their camera system. Mr. Fredericks also suggested looking at the cameras in the North and West buildings and putting cameras in the elevators. Mr. Priest suggested getting bids from Honeywell and other companies. Mr. Fredericks said that the Board should decide where they wanted cameras.

B. **Bylaws:** Ms. Schmelzer said that 3 areas need to be addressed. Then she would circulate the changes to the Board for feedback and then send them to Legal Counsel. She said that limiting ownership to individuals and the tools used in estate planning should go into the bylaws. Mr. Fredericks also suggested increasing to a reasonable figure the amount required before going to shareholders for approval. In terms of filling Board vacancies, Mr. Priest said that directors could be appointed until the next annual election.

XI. **ADJOURNMENT:** **There being no further business, Mr. Priest adjourned the meeting at 8:50.**

SUBMISSION OF MINUTES

Barbara Seaman
Recording Secretary

Approved by:

Elaine Cummins, Secretary
River Place East
Housing Corporation