

RIVER PLACE EAST HOUSING CORPORATION (RPEHC)
MINUTES FROM THE REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 19, 2016 – 6:30 P.M.

In Attendance – Board of Directors

- Williams Johns, President
- Harry Lawrence, III, Vice President
- Carolyn Conkling, Secretary
- Cassandra Crawford, Treasurer
- Karim Benni
- Brian Fredericks
- M.J. Schmelzer

In Attendance – Property Management and Guest Presenters

- Andre Baker, General Manager
- Jordan Birnbaum, Account Lead with Transit Screen
- Steve A. Dlugos, Engineer and President of Thomas Downey, Ltd. (via telephone conference call)

I. Call to Order

The Board of Directors of the River Place East Housing Corporation held a regular meeting on Wednesday, October 19, 2016. The meeting was called to order at 6:34 p.m. by Board President William Johns.

II. Shareholder Participation

Mrs. Labib, E-1206: Mrs. Labib inquired whether the one-bedroom unit on the 11th floor had been sold.

Response: Mr. Johns replied that no units were presented for sale during the September 2016 Board meeting; and only one unit – E-421 – was presented for sale during the October 2016 Board of Directors meeting.

III. Approval of Prior Meeting Minutes (September 21, 2016)

Mr. Benni *moved* to dispense of the reading of the minutes from the September 21, 2016 Board of Directors meeting. Ms. Schmelzer *seconded*, and the motion carried unanimously (7-0-0).

Ms. Schmelzer *moved* to approve the September 21, 2016 meeting minutes as presented. Mr. Benni *seconded*, and the motion carried by a vote of six in favor, zero opposed and one abstention (Ms. Crawford who was absent from that meeting) (6-0-1).

IV. Presentation – TransitScreen

Ms. Jordan Birnbaum of TransitScreen presented information about a real time transportation system that can be installed at River Place East. TransitScreen provides up-to-the-minute information concerning Metro bus, Metro rail, Circulator, BikeShare, ZipCar, Car2Go and either Uber or Lyft (must select one or the other). The system will also offer Safe Track alerts for the duration of that project. Ms. Birnbaum recommended the use of a television of 42” or more with one of TransitScreen’s boxes. The transportation information is updated as new data becomes available. TransitScreen is not available as an app. Rather, it is offered as a hard-wired system in one consolidated location. The service carries a \$450 one-time fee for setup of the TransitScreen box, and then starting at \$249 per month for the subscription. TransitScreen offers discounts of up to 20% for contracts of three years or more, and contracts involving five or more buildings. TransitScreen already serves a few associations in the Arlington area.

Following her presentation, Ms. Birnbaum responded to Board members’ questions regarding potential service outages; fees associated with the service; potential configuration and placement of the screen; and maintenance of the system. Ms. Birnbaum then exited the meeting at 8:11 p.m.

V. Presentation – Engineering Oversight

At 7:15 p.m. Mr. Steve A. Dlugos, Engineer and President with Thomas Downey, Ltd., (TDL) presented information via telephone concerning his firm’s potential provision of engineering oversight during large projects



for River Place East (excluding mechanical, electrical, and plumbing — TDL is not a service company). Mr. Dlugos forwarded information about TDL for review by Mr. Baker and the Board of Directors, including the company's history and Capabilities Statement. Following his presentation, Mr. Dlugos responded to Board members' questions concerning a potential engineering consulting contract, including fee arrangements; ; staffing levels and staff availability.

(Mr. Fredericks exited the meeting in the midst of the above discussion at 7:25 p.m.)
(Mr. Dlugos exited the meeting via telephone at 7:38 p.m.)

Board members then discussed the potential engineering consulting contract considerations, including that TDL is a small firm; obtaining bids from multiple firms; and that TDL was highly recommended by attorney Ursula Burgess. It was noted that TDL does not handle elevator-related projects. Therefore, a separate consulting engineer would have to be engaged to oversee the elevator renovation project.

VI. Reports

A. President's Report: Mr. Johns presented the following information:

1. Mr. Johns presented suggestions for file naming conventions associated with documents being uploaded to the corporation's web site.
2. Mr. Johns is working with Mr. Baker to establish a process for enforcement of the corporation's rules and regulations. Attorney Burgess has recommended the establishment of two processes – one to address routine violations, and a separate process to address emergency matters. The Board will work to establish these processes.
3. Mr. Johns would like to engage a consulting engineer for the elevator project.

B. Manager's Report: In addition to the detailed management report included in the October 2016 Board packet, Mr. Baker verbally highlighted the following information:

1. Underground Water Leakage and Sinkhole: As of October 6, 2016, the ruptured water main and the resulting damage to the loading dock were repaired. Mr. Baker oversaw performance of the work and has pictures of the repairs. The county was notified of the repair and visited the property to conduct an assessment. Now that the repairs are complete, a letter from Attorney Burgess is being drafted to the county for reimbursement, and to submit a formal request to have the meter relocated to effectively and accurately project readings of the building's water usage.
2. Unit Leak: Mr. Baker provided an update about the remediation of Unit E-1025 as a result of a main drain back overflow. Despite the claims submitted by the tenant concerning damaged items in the unit, Mr. Baker found during a routine visit to the unit that all of the items listed as damaged were actually functional and in full use. The matter is currently considered closed. Legal counsel and the insurance agents have been notified, and have agreed that no such claim is substantiated after considering the series of events and reviewing the corporation's bylaws. As to Unit 1301, the windows that were leaking have been sealed again.

C. Committee Updates:

1. Elevator Contract: Ms. Crawford has been in consistent communication with ThyssenKrupp regarding the elevator contract. The terms of the contract and the addenda are being finalized. After the contract has been signed, it will be an additional 18 to 24 weeks before the work begins. Renovation will take approximately eight weeks for each elevator. The overall project time from signature of contract to completion is anticipated to be 48 weeks. The goal is to approve the elevator contract by November 1, 2016. Therefore, the Board and the Elevator Committee may hold a special meeting prior to that date to discuss and approve the contract.

(Mr. Lawrence exited in the midst of the above discussion at 7:54 p.m.)

D. Financial Report:

1. Ms. Crawford reported the corporation's utility expenses are over budget year-to-date by approximately \$100,000 as a result of higher than anticipated water expenses. Mr. Baker explained the cause of the overages, and stated the monthly water expenses should no longer exceed the budget since the noted leaks have been corrected.
2. Mr. Johns recommended the establishment of an operating reserve fund for the corporation. Goldklang Group CPAs recommends having an operating account that holds 10% to 20% of the corporation's total annual assessment. Mr. Johns also recommended having Goldklang conduct a presentation to relay financial management best practices.
3. Ms. Conkling inquired about the status of the transfer from the Merrill Lynch account to ensure all of the corporation's funds remain under FDIC limitations for insurance. *After a Board discussion, it was agreed that Mr. Johns will speak with legal counsel to determine whether the Treasurer has the authority to authorize a transfer of the corporation's funds without a Board resolution. Additionally, Ms. Crawford will speak with Goldklang Group CPAs to gather their opinion concerning the matter.*
4. The Board of Directors discussed the management fee being assessed by Zalco Realty. Mr. Baker explained it is best to renegotiate the management contract approximately every five years; and noted it has been six years since the contract was last sent out for bid.

E. Owners Association (OA) Representative's Report: Ms. Schmelzer reported the following information:

1. The OA has not met since September 8th. However, the repaving project has been completed but no repaving was done on Monday property or by the arm. The sprinkler system was tested in the parking garage but still no contract to engage an engineering company. Water intrusion has improved over the years. No further work has been done in the gym.
2. OA Manager Bill Smith had a sign placed at the loading dock to indicate "1021 Loading Dock".
3. Ms. Schmelzer reported a recent incident where OA Manager Bill Smith was confronted by a River Place renter. Mr. Baker provided background information about the matter and discussion ensued concerning the importance of incident reporting by the Guard Desk to Building Managers

VII. Action Items

Please see the action items noted in *bold italics* throughout these minutes.

VIII. Stock Sales and Transfers

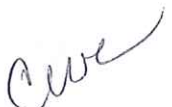
Mr. Benni *moved* to approve the sale of Unit 421 from Hatley Farrell to Max Qi Wang. Ms. Schmelzer *seconded*, and the motion carried unanimously (7-0-0).

IX. Old Business

- a. 12th Floor Windows: Mr. Benni anticipates the vendor for the 12th floor window project will be selected in early November 2016. All companies consulted thus far have requested a down payment of 15% to 20% of the total project cost. Mr. Benni explained that the vendors are being vetted by the Window Committee. The committee is vetting three finalists, including a turnkey company with in-house engineers, and will be ready to recommend a company within the coming weeks.

X. New Business

- a. Change in December 2016 Board Meeting Date: At the recommendation of Ms. Conkling, the Board of Directors *agreed by unanimous consent* to move the December 2016 Board meeting from December 21st to December 14th to avoid the meeting occurring too close to the Christmas holiday.
- b. Employee Evaluations and Bonuses: Mr. Baker relayed that the evaluations have been completed for the staff. Bonuses will be considered in November as part of the holiday incentives. Board members held a brief discussion about employee healthcare benefits.

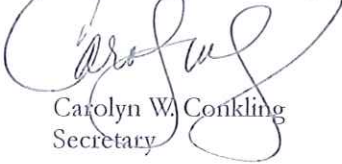


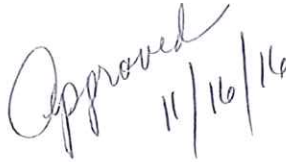
XI. Adjournment to Executive Session

With no other business brought forward, the October 19, 2016 Board of Directors meeting was adjourned at 8:43 p.m.

The next regular Board of Directors meeting is presently scheduled for Wednesday, November 16, 2016 at 6:30 p.m.

Respectfully submitted,


Carolyn W. Conkling
Secretary


Approved
11/16/16