Riverton Community Housing

Board of Directors
Minutes – August 12, 2003

Directors present: Peter Easterlund, Martha Hurr, Julien Kubesh, Mike Mazzarella, May Prombutr, Dave Rugg, Tony Tellijohn
Directors absent: Steve Bradley
Others present: Lindsey Björnsen, LoAnn Crepeau, Gary Ellis

Called to order: 5:40 PM

Meeting agenda was approved.
Board minutes from July 2003 were approved.

Staff issues

- Hand-out from Dougherty on the bonds approved at the last meeting; mid-September close anticipated
- Resolution needing approval for the bonds handed out
  Motion: To approve the resolution. – Hurr, Rugg (resolution attached)
  Vote: Carried unanimously, v.v.
- Hand-out on City of Minneapolis proposed designation of historical status for fraternity houses
- Meagan leaving; recruitment in progress
- New office assistant at Franklin starting Monday, replacing existing staff
- Engaged in maintenance hiring for a building engineer
- Working on Chateau garage – water damage and cable corrosion, but no threat to structural integrity. Coating and cable work estimated to cost $95,000.

NASCO Properties financing proposal
Rugg reviewed his proposal for placing a portion of Riverton reserves currently in low-yielding money market funds in mortgage-backed investments associated with the 3 NP buildings in Evanston, Illinois leased by Qumbya and possibly the Acme house in Athens, Ohio. The proposal envisioned a 10-year investment period. At the end of the term, NP would be able to re-finance debt into a single mortgage. The objectives are to assist NP re-structure its finances in ways that Riverton has suggested and to increase the yield on the reserve funds.
The board expressed interest but requested a formal comparison with alternative investments and 5-year financial summaries for Qumbya and Acme.

Franklin
Work is progressing on windows, the boilers in 1 building, cabinets, and carpeting; the boiler work was $17,000 more expensive than expected. Roof and parking lot work have been completed. A quantitative summary will be available at the next meeting, along with more information on how the borrowed funds are being allocated to the two purposes of capital improvements and operating subsidies.
The cooperative is still running a 15% vacancy rate, but it does not appear to be worsening. Nearby properties are having similar problems. Twelve units have been leased to Section 8 voucher holders; more are expected.

Strategic Plan
Goal 1 – Expand role: making progress; first policy proposal expected next month.
Goal 2 – Member services: discussions with staff; more next month.
Goal 3 – Leadership: no feedback on position description for directors; looked at MAP for board recruitment; Rugg suggested considering usefulness of having directors with co-op expertise from outside the Twin Cities area.
Goal 4 – External visibility: generated contact list (Björnson), please make suggestions within one week; splitting contacts into those interested in our role as a management agent and those interested in our role as developers; press release related to the Franklin work is planned in association with bond closing; idea of abbreviated annual report with contact information for full report; idea for a premium/discount card.

Bangkok Thai lease
The lease currently terminates in June 2004; leaseholder is interested in a two-year extension. Board consensus is to approve the extension.

Closed session

Next board meeting: Tuesday, September 9, 2003 at 5:30 pm.
Annual Meeting: Thursday, October 23, 2003 at 7:00 pm.
Adjourned at 8:06 PM.

Respectfully submitted,

David J. Rugg

David J. Rugg

Resolution of Riverton Community Housing

WHEREAS, the Company was organized for the purpose, among others, of developing and maintaining student-oriented, resident-operated housing;

WHEREAS, the Company wishes to obtain a loan of the proceeds of tax-exempt bonds expected to be issued by the City of Minneapolis in the approximate amount of $7,695,000 (the "Bonds") expected to close in September 2003 in order to, in part, refinance existing debt on two of the Company's projects know as The Chateau and Cole Avenue Townhomes and, in part, to pay for the costs of repair, renovation or other needed expenses, capital improvements, or cash needs for the Company's project known as Franklin Student Cooperative ("Franklin") in the approximate amount of $1,600,000;

WEHREAS, the Company needs to incur costs and/or expend on Franklin before the date that Bonds proceeds will be available, and the Company is willing to incur such costs and/or expend such funds only in anticipation of the Bonds proceeds being available to reimburse the Company therefore;

NOW, THEREFORE, BE IT RESOLVED, that the Company be and it is hereby authorized, empowered, and directed to begin such work on Franklin as the officers of the Company deem necessary and appropriate in the amount of up to $1,600,000 and the Company shall be reimbursed for such amount from Bonds proceeds when such are available to the Company;

FURTHER RESOLVED, that the officers of the Company be and they hereby are authorized, empowered, and directed to take such further action on behalf of the Company as they deem necessary to effectuate the foregoing.