



Riverton Community Housing

Board of Directors Minutes – June 8, 2004

Directors present: Steve Bradley, Peter Easterlund, Martha Hurr, Julien Kubesh, Mike Mazzarella, May Prombutr, Dave Rugg, Tony Tellijohn, Greg Theissen

Directors absent: none

Others present: LoAnn Crepeau, Gary Ellis, Harold Teasdale

The meeting was called to order at 5:40pm.

Agenda and minutes approval

The agenda was approved. The May 2004 minutes were not available for approval.

Business

Cole conversion

Teasdale reviewed an offer on the property. The board chose not to accept the offer. Fees for condo conversion consultants were approved for payment.

Dairy Queen

Verbal offer made to owners. If the 600 sq ft site was to be operated as an ice cream stand, replacement machines would be required, approximately \$15-20,000. Crepeau had a pro forma for ice cream operation that suggested it would have a positive cash flow even under conservative assumptions. Health code issues were addressed last year; some site improvements would still be required.

Staff report

- City is seeking input on variances requested for 92 housing units plus commercial space being planned for the old Pizza Hut space.
- The National Cooperative Business Association (NCBA) sent a letter inviting Riverton to become a member. Dues are \$400 per year. The board approved joining NCBA.

Business

FY05 budget

Reviewed the budget and a management fee handout prepared by Crepeau. Rugg noted that the MCDA fee line item included the costs associated with the Franklin/Marshall/Marcy Park bonds, but not the expense associated with the LaSalle bonds (approximately \$20,000). The repair reserve revenue line items are deposited into reserves associated with the bonds, and are only available for repair and replacement expenses.

Motion: To approve the proposed budget. –Kubesh, Theissen

Vote: Carried unanimously, v.v.

Joint Venture—Lots in Common

Rugg updated the board on status: NASCO approved the organizing documents without further changes; the winning name for the joint venture was “Lots in Common”; the emerging acronym is LINC; and the articles have been filed with the State of Minnesota and approved. Riverton representatives to the board need to be chosen. Rugg guessed that the LINC board would meet in conjunction with the NASCO Properties board in July and November. Kubesh would be available for the July meeting but not the November meeting.

Motion: To appoint Rugg, Kubesh, and Theissen to the LINC board. –Hurr, Mazzarella

Vote: Carried unanimously, v.v.

NP/Santa Cruz request

Rugg briefly reviewed the packet describing the proposed \$200,000 loan to NASCO Properties. Marcy Park and Franklin have approved Riverton investing their security deposit funds in this instrument. These funds should provide approximately \$150,000 of the requested \$200,000.

Motion: To approve a \$200,000 interest-only loan to NASCO Properties for a 5-year term at 5.5% interest, secured by a second mortgage on Zami house in Santa Cruz, California. –Rugg, Kubesh

Vote: Carried unanimously, v.v.

Kagawa Fund request

The Kagawa Fund board, of which Ellis is a member, requested that Riverton shift its \$100,000 investment from a 3-year term to a 5 to 15-year term to facilitate the Fund making loans with longer terms. The current period of investment is up in December 2006.

Motion: To retain \$50,000 of the Kagawa investment at the current December 2006 term, and extend the remaining \$50,000 to December 2013. –Rugg, Prombutr

Vote: Carried unanimously, v.v.

The meeting was adjourned at 7:12 p.m.

Respectfully submitted,

David J. Rugg

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