

RIVERVIEW TECHNOLOGY CORPORATION
Quarterly Board of Directors Meeting
Minutes
November 6, 2013

Members Present: Susan Corle, Will Hays, Steve Hovland, Chris Launer, Craig Little, Pat Tucker, Derek Wagner, Katie Worrall

Others Present: Hannah Benson, Dean DiDario, Jon Maraschin, Ken Short, Greg Stephen, Ex-Officios: Bennett Boeschenstein, John Justman, Rose Pugliese

Call to Order and Approval of Minutes: Chris Launer called the meeting to order at 9:25 a.m. Derek Wagner made a motion to approve the minutes. Susan Corle seconded and the motion carried unanimously.

Property Management: Removal of Bldg. 12A by LM: Jon said that Sorter Construction has been selected to remove the building. Laura Kilpatrick is currently writing a supplemental for this project. Remediation should be completed by March and the building is expected to come down by April. Landscaping should be done by mid-summer which will include lit sidewalks, xeriscaping, and an outdoor meeting area. Chamberlin Architects did the landscape plan and it looks great.

Old Business: DOE Projects for HPSB: The HPSB project is completed in Bldg. 810 and Bldg. 12. Overall, DOE has hit their standards. They are still waiting on a commissioning report from Bighorn for Bldg. 938, which should be done by January. Once this report is received, the project will be 100% finished. It will take at least aoneyear before complete energy savings can be understood. Chris explained that while these standards were put in place to save energy as well as money, many of the DOE employees are continuing to use space heaters. This causes the standards to not be achieved. The standards say that the buildings need to be kept between 68 and 74 degrees; anything outside of this range is not meeting standards. Jon said that it is up to DOE to meet their standards, and it is not property management's responsibility to remove space heaters from offices. Derek Wagner asked what the consequence of not hitting the standards would be and Jon explained that the Federal Government would get involved and the buildings would lose their HPSB designations. DOE has asked that RTC continue to help them meet their standards, and Jon is discussing with Laura the potential to raise lease rates so that RTC can spend the extra time in doing so.

Corporate: Bylaws Update: Susan has been working on revising the current RTC Bylaws and Chris thanks her for her time and work on completing them. Susan explained that both The Articles of Incorporation and the Bylaws needed updated. The Articles of Incorporation have outdated provisions that needed to be changed before the Bylaws could be updated. The Articles trump the Bylaws because they require an 11 member Board, so those needed updated first. This has been changed, and the Bylaws now require a seven-nine member Board. She has also included provisions which limit liability of the Directors, which helps recruit new Directors. Susan has also updated term limits from two, four year terms to four, two year terms. Chris and Jon agree that these draft Bylaws are final, and can be approved by the City and County early next year. Once finalized, the RTC Board can begin recruiting new members. Pat added

that with shorter term limits, it is easier to recruit new Directors and current Directors will be more engaged. Chris asked for a motion to approve the updated Bylaws and Articles. Pat Tucker made a motion to approve both documents and present them to City and County for final approval. Derek Wagner seconded. All members voted AYE and the motion passed.

Financial Statements 9/30/2013: Jon explained that the past two years financially have been great because of DOE projects, but without any more projects on the horizon, financials are not looking as great. Chris explained that the way the accounting is done is confusing because of the way that the DOE projects are capitalized. RTC has contributed money to the projects that becomes an asset, so expenses will be moved to assets on the Balance Sheet. Jon would like to put together a finance committee to review RTC's accounting so that the financial statements can be better articulated to the Board. Chris added that there needs to be a better way to show cash flow. Steve Hovland offered to run a quarterly cash flow that would look more like the audit and is easier to understand. Jon then discussed ways to increase cash since there are no DOE projects in the near future. Cash can be increased through increasing rents, depreciation, and special work orders from DOE. Profits won't be huge, but once the loan is paid off in December, RTC will save \$170K per year. The next couple of years will be lean until square footage can be added. Jon thinks that if RTC can be a savvy landlord and keep the campus moving forward, financials will be alright. Derek added that the preventative maintenance budget seems too high at \$20-\$30K per year. Jon explained that it is better to have the number higher in case something unexpected happens, like a sewer line break. This number can go down, but property management generally sees quite a bit of deferred maintenance. Although the buildings in general are in good condition, something like replacing the water system would cost \$2.5 million so it is better to have this account consistently growing.

Budget/Forecast 2013-2014: Dean DiDario says that property management's day to day operations are forecasted to go up 10.8% in the next year. There are two main reasons for this. First, RTC will be spending \$11K on tree maintenance and second, Bldg. 810 needs roof repair in the center section which will also be a large expense. There looks to be a slight increase in gas and electric utilities as well. Lease commission and negotiation fees will drop \$12K. Chris believes that having a finance committee will help with the financial outlook. Susan asked why there is a decrease in utilities expense. Dean answered that DOE is occupying a portion of a building that RTC was paying utilities on, but have now taken over. Derek Wagner asked why the budget still has the loan payment on it if the loan is to be paid off in December. Jon answered that RTC's fiscal year starts October 1 so there are still loan payments in fiscal year 2014. With no other discussion on the financials, Chris asked for a motion to approve the budget as presented. Susan Corle made a motion and Katie Worrall seconded. The motion carried unanimously.

DOE Relations: Liz Wyler Retirement: Jon explained that Liz Wyler, Program Analyst for the DOE, is retiring December 31. RTC has been working closely with Liz on all of the large construction and remodeling projects. She has been a good partner to work

with and has been very fair when working with the RTC. Chris suggested RTC recognize her work by sending some sort of thank you gift.

Other Business: *Black Bridge:* Bennett Boeschstein reported that it is his hope that someone on the Board will step up and champion this project. Jon thinks that it is tangible to have the City get involved. Having a pedestrian bridge is a safety concern for the site. Derek asked what the cost would be to complete this project to which Jon answered that the cost is unknown at this point; RTC is hoping to have a bridge donated. Bennett said that this project would be eligible for grants. Chris interjected that as RTC moves forward from DOE projects and updated bylaws, it will become more dormant. There are a couple of large projects that now may be a good time to focus on; Black Bridge being one of those. Jon thinks another project that the Board could focus on during this time is creating a museum using the cabin at the DOE. Discussion ensued about whether Black Bridge should be the number one focus and Jon believes that it should be, as there is no other way to develop the site any further unless there is another point of access.

Adjournment: There being no further business, Chris Launer adjourned the meeting at 10:40 a.m.

Next Meeting – February 5, 2014