

RIVERVIEW TECHNOLOGY CORPORATION
Quarterly Board of Directors Meeting
Minutes
November 5, 2014

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

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

Call to Order and Approval of Minutes: Pat Tucker called the meeting to order at 9:15 am and asked for a motion to approve the August 6, 2014 Minutes. Craig Little made a motion to approve the Minutes as written, and Susan Corle seconded. All members voted AYE and the motion passed.

Corporate: *BIC Lease Modification:* At the August 6, 2014 Board Meeting, Katie Worrall was asked to look over RTC's current lease agreement with the Business Incubator Center. It is within RTC's mission to support BIC. Currently, BIC pays \$1/year but must do their own repairs. Jon Maraschin would like the Board to consider amending this agreement; BIC would stay at the current lease rate, but RTC would take over major repairs. This would be a good way to fulfill RTC's mission. Katie agrees that it is industry standard for the landlord to pay for large repairs. Pat said at the time of the lease agreement, RTC was unsure of the direction they were heading, but now that RTC is on comfortable ground, it would make sense to modify the lease. Susan added that there would need to be a written modification which should make it clear what RTC is responsible for going forward. Chris Launer made a motion to modify RTC's lease agreement with BIC so that BIC continues paying \$1/year but RTC will do repairs to the buildings. Katie Worrall seconded. The motion passed unanimously.

Board Member Terms: According to new RTC Bylaws, there needs to be 7-9 Board members; currently, there are ten. Susan and Chris are coming to the end of their terms. Susan has agreed to stay on the Board to help get the above approved lease modification written. Chris would like to resign, and the Board accepts his resignation. Going forward, new Board members will add a fresh perspective, and RTC will carefully select those members. Susan Corle moves to accept terms as submitted and Will Hayes seconds. All member vote AYE. Hannah Benson will send a letter to City and County with new terms.

Executive/Finance Committee: *Financial Statements 9/30/2014:* Jon explained that there are been quite a few special work orders for DOE completed this quarter, and year to date are at \$109K for those work orders. This contributed to RTC being over budget by \$148K, also due to DOE keeping Bldg.12A longer than anticipated. Other income came from side jobs, moving furniture, and managing projects. Utilities expense is over budget due to Bldg. 46 costing more than anticipated, but lease rate will be increased to offset that expense. Started hedging natural gas costs this quarter, so that expense will be more stationary going forward. RTC is having a test done in the Manufacturing Bldg. to determine how much energy it is using, and how to lower that amount. If energy costs can be successfully decreased in the Manufacturing Bldg., RTC will use the same system on the DOE to save money on energy. Did a lot of work

for DOE this year that was capitalized as assets; new roof on Bldg. 938, cell phone boosters, acoustic fencing, and a security gate, for example. AD Saito will be doing RTC audit again this year, and the draft should be presented at the February Board meeting. The audit will be put out for bid next year. Overall, RTC is in a much better cash position than previous years.

2015 Budget and Forecast: Jon explained to the board that the 2015 budget does not have any big surprises. Tenant rent shows a decrease because of the loss of Bldg. 12A, but does not include the increase in rent from Bldg. 12. While lease rates are going up slightly, special work order reimbursement will drop. Craig asked what special work orders RTC did in 2014 that will not happen in 2015. Jon explained that there were some large work orders like painting rooms, adding a security gate, and putting up acoustical fencing. RTC charges time plus materials plus 10%. Katie says this is standard practice, but recommends charging for Property Manager's time as well. Bennett recommended adding solar panels and gave Jon contact information for a company to talk to about solar. Another item in the budget is the Railroad lease, which goes up 3% annually. Although the Railroad property could be returned to the Railroad, RTC would have to give up access to it which could be a problem if the DOE goes forward with the museum project as there would be no additional parking. Budget and forecast also show \$50K spent on capital expenditures so Jon proposed that RTC ask FCI and Shaw Construction for bids to improve the Services Building. Jon will get these bids with hard costs, and will have them ready to present at the February Board meeting. With no other items to discuss, Susan Corle made a motion to accept the 2015 Budget and Forecast. Will Hayes seconded and the motion carried unanimously.

Property Management: *Supplemental No.12 for Bldg.12 North/new square footage:* Supplemental No.12 will add another 2,600 square feet to the DOE lease. Once the lease is complete, Jon will give it to Pat to sign.

12A Project: Project is complete but not yet accepted by RTC due to drainage issues. The landscaping is beautiful, but there are elevation issues; the patio is lower than the grass. This will need fixed, with new drains being added to help drainage. Once installed, RTC will verify that they work before accepting the project as complete.

Cell Phone Upgrade Complete: This project is complete and RTC should receive a master map from NerdTap of equipment locations and signal strength. DOE is very happy with the upgrade, however, BIC continues to have problems in certain buildings. The whole project was under budget, which is a plus. RTC will continue to push NerdTap to get all buildings up and running, and hopefully the project will be wrapped soon.

Other Business: The DOE is moving forward on the log cabin/museum project. Jon explained that RTC would not charge a lease for the building, but DOE would be responsible for updating the building, adding bathrooms, paying utilities, and providing staff. BIC will help manage the project.

Adjournment: There being no further business, the meeting was adjourned at 10:35 a.m.

Next Meeting – February 4, 2015