

RIVERVIEW TECHNOLOGY CORPORATION
Regular Quarterly Board of Directors Meeting
Minutes
May 3, 2012

Members Present:	Daryl Becker, Susan Corle, Jim Fleming, Will Hays, Steve Hovland, Chris Launer, Pat Tucker
Others Present:	Dean DiDario, Jon Maraschin, Nancy McKenna, Ken Short, Greg Stephen

CALL TO ORDER & MINUTES: Chris Launer called the meeting to order at 9:00 a.m. He asked for comments on the Minutes from the February 2, 2012 Meeting. Susan Corle made a motion to approve the Minutes as written, Will Hays seconded and the motion carried unanimously.

PROPERTY MANAGEMENT: *High Performance Standards Upgrade Project:* Jon Maraschin reported that efforts are in full swing for the upgrade project now that the lease has been executed by the RTC and DOE. DOE has made \$500K available and are finalizing a bid on the HVAC with Big Horn Engineering. The budget, \$650K, makes sense and it looks like we could come in under budget. He commended Ken Short for working hard on the project. Bldg. 12 will be added to HPS project. The goals are to lower energy and water usage, recycle, etc. The project is centered on Bldgs. 938 and 810. RTC has agreed to match \$150K which has already been spent on boilers and lighting. Chris said that in DOE's final lease negotiations, they indicated they wanted RTC to guarantee that the HPS upgrades would be met as a condition of the lease, but Laura Kilpatrick agreed that would be impossible to do, so the final lease language required the RTC to strive to meet the goal. Dave Detwiler of ICS has gone through the work and thinks we can hit those standards. The buildings will have separate metering; looking to reach a 20% decrease in gas usage and water usage. We hope to exceed their benchmark by 10-20%. A group out of DOE's DC office will make the determination if HPS are met. General terms of the new lease: it is a supplemental (extension) lease for 10 years, DOE could cancel with 120 days notice after the first year ending 9/30/13; there are three 5 year options to extend. RTC must respond to any property maintenance issues within 24 hours and strive to keep no more than a 15 degree variance from 70 degrees in Bldgs. 938 and 810.

Potential Tenant Expansion Bldg. 12: Basically DOE will pay for \$137K for HPS improvements, among other things making it ADA compliant. RTC will pay for window coverings. A lease can't be executed before October 1. DOE wants to move their servers and IT Dept. into Bldg. 46, possibly by the end of the year. Work could begin on Bldg 12 in June. With DOE moving the server room and IT, it could potentially be the impetus to bring fiber to the site, which is costly, providing better connectivity for all.

Black Bridge Park Property Tax: Taxes of \$9,350 have been paid while our protest is being processed. RTC should receive a refund of \$8,219 in September, plus interest. Bennett Boeschstein would like to pursue replacement of the Black Bridge for pedestrian and emergency traffic. Adding ingress/egress could change what RTC can do on site in terms of new construction.

Corporate: Year End Audit: Dennis Wagner and Steve Hovland have been working with Greg Stephen and AD Saito on the audit. Copies were presented to the Board. There had been a lot of conversation about the \$50K in the maintenance contra account on the asset sheet which has now been moved to Board Designated Funds in the equity section to clean up the balance sheet. These are funds that will be spent on property management. There were three minor adjustments and no other comments. Steve asked if a 114 letter had been issued; it is forthcoming. Revenues and expenses for Property Management and Corporate have been combined so the balance sheet is more clear. Chris asked for a motion to approve the Audit. Susan Corle so moved, Pat Tucker seconded, and the motion carried unanimously.

Financial Statements: Dean DiDario reviewed the six month income statement. Revenues are exceeding budget by \$50K primarily due to the Excel rebate for lighting upgrades, otherwise we are right on budget. Expenses are under by \$12K; most categories are under budget. The YTD net income is surpassing budget by \$28K. As always, the biggest exposure is utilities, but both are under budget. Dean feels we will probably be under budget for the year and things are looking pretty well. The Reserve Repair Fund hasn't been spent as Property Management has been holding off on executing projects until the lease negotiations were completed. The site-wide asphalt patching project will possibly be started soon. Now that DOE is going to stay, we may proceed with different projects that have been on hold. The Army's water main has been breaking and they have agreed to move it and pay for it, just need to get through the paperwork.

DOE will hold a Conference in August so it will be a priority to get the place spruced up. As part of that effort, our neighbor Darryl is the Achilles heel of the site. Darryl, with the trash and trailer at the entrance to the property, also owns the road. There could be a strategic advantage for RTC to own that. Jon has been working with the City Attorney to possibly acquire that property. Darryl has indicated he's willing to move. This would give us the ability to do different signage and make the entrance more attractive. Jon would like authorization to enter into negotiations with Darryl. Will questioned if the City could do a land swap. Jon indicated that Darryl doesn't want to be in the City, he needs cash. Chris asked the group for a motion to authorize Jon to negotiate with Darryl. Susan Corle made the first. Pat Tucker asked if we should assign a \$ amount. Chris proposed up to \$100K to buy him out. RTC could have money left over from the HPS project which could help the bottom line. Discussion followed on the worst case cash scenarios - DOE could leave Dec. 2013, but the debt should be paid off and RTC would have \$250K on hand. What other projects might need funding? Darryl's ownership at this point downgrades the entire site. Jon's negotiations would include Darryl taking all the trash, trailer and foundation, plus backhoe/grade the land to return it to its original condition included for the cash price. Susan noted that RTC should try to get cash assistance from the City considering the road ownership piece. Jim Fleming seconded the motion to authorize Jon to negotiate up to \$100K to buy the land back with the conditions stated above. All Members voted aye.

On motion of Jim Fleming and second by Susan Corle, the Financial Statements of 3/31/12 were unanimously approved.

Executive Committee – DOE Relations: Pat noted that since DOE operations people had changed and during lease negotiations, the committee had dropped the ball to continue to improve relations and the Committee will now work on that. Jon stated that relations have greatly improved. Will indicated his interest to become involved with the DOE relations. DOE's presence is huge to the community. There will be an effort to orient new members with a site tour and meet key DOE stakeholders. Pat suggested that a reception be held in August to coincide with DOE's conference and have City and County dignitaries attend.

ADJOURNMENT: There being no further business, Chris Launer adjourned the meeting at 9:55 a.m.

Next Meeting – August 2, 2012