

NOTICE OF MEETING AND AGENDA

**GDC BOARD OF DIRECTORS
REGULAR SESSION
7:45 PM**

Thursday, October 1, 2020

**VIRTUAL ZOOM MEETING ROOM
Visitors may attend remotely.**

- 1. Approval of Agenda**
- 2. Visitors (Comment Period)**
- 3. For Action or Discussion**
 - a. Approve Minutes of GDC Open Session Meeting Held on June 18, 2020 – (Attachment #1) 2 minutes Discussion/Action
 - b. Approve Minutes of GDC Open Session Meeting Held on July 9, 2020 – (Attachment #2) 2 minutes Discussion/Action
 - c. Establish a Date for the 2020 Stockholders' Meeting 2 minutes Discussion/Action
 - d. Report on the Operations of GDC for the Year 2019 – (Attachment #3) 5 minutes Discussion/Action
 - e. Review 2020 1st Half-Year Financial Statements – (Attachment #4) 5 minutes Discussion/Action
 - f. Inquiry from Realtor about GDC's Interest in Selling Parkway Apartments 5 minutes Discussion/Action



GREENBELT HOMES, INC.

HAMILTON PLACE, GREENBELT, MARYLAND 20770

Area Code (301) 474-4161 Fax (301) 474-4006



MANAGER'S MEMORANDUM

TO: GDC Board of Directors
FROM: Eldon Ralph, General Manager *E. Ralph*
DATE: September 24, 2020
SUBJECT: Items for the **GDC REGULAR SESSION** Board Meeting on
October 1, 2020.

GDC Open Session

3a. Approve Minutes of GDC Open Session Meeting Held on June 18, 2020 – (Attachment #1)

Motion: I move that the Board of Directors approve the minutes of the Open Session meeting that was held on June 18, 2020 (as presented/as revised).

3b. Approve Minutes of GDC Open Session Meeting Held on July 9, 2020 – (Attachment #2)

Motion: I move that the Board of Directors approve the minutes of the Open Session meeting that was held on July 9, 2020 (as presented/as revised).

3c. Establish a Date for the 2020 Stockholder's Meeting

GDC's bylaws requires the GDC Board of Directors to set a date for an annual meeting of the stockholders in June of each year to elect a Board of Directors and discuss any other business as may come before the meeting.

After the election of the 2020-21 GHI Board of Directors, it is necessary to designate Greenbelt Development Corporation (GDC) stockholders. These persons are designated by the GHI Board to hold proxies for GDC stock that GHI owns. Traditionally, the GHI Board grants each GHI Director a proxy for 1/9 of the GHI shares of stock in GDC. Since the GHI annual membership meeting was rescheduled from May 14, 2020 to October 29, 2020, due to the COVID-19 pandemic, the 2020 GDC stockholders' meeting should be held after October 29th. Staff recommends it should be held on November 19th.

This item is on the agenda for discussion and action.

Suggested motion: I move that the Board of Directors hold the 2020 GDC stockholders' meeting on November 19, 2020, beginning at 7:45 p.m.

3d. Report on the Operations of GDC for the Year 2019 – (Attachment #3)

GDC's bylaws stipulate that the President shall cause a report of the operations of GDC for the year to be submitted to the Directors at their meeting preceding the annual meeting of the stockholders, and to the stockholders at their annual meeting. The President's report is in attachment #3.

This item is on the agenda for discussion and action.

Suggested Motion: I move that the Board of Directors accept the report submitted by the Board President regarding GDC's 2019 operations.

3e. Review 2020 1st Half-Year Financial Statements – (Attachment #4)

GDC's 2020 1st half-year financial statements are submitted as attachment #4. Joe Perry, GHI's Finance Director, will present them during the Board meeting.

This item is on the agenda for discussion.

3f. Inquiry from Realtor about GDC's Interest in Selling Parkway Apartments

Mr. Cameron Manesh, President, Cameron's CRE has inquired whether GDC is interested in selling its 60 apartment units on Parkway. He indicated that current prices per unit are over \$100,000. Mr. Manesh sold the following two properties in Old Greenbelt

- a) Greenbelt Park – 28-Crescent Place, Greenbelt. The purchase price was \$124k per unit or \$5.2m for the 42 units.
- b) The Lawrence - 12-26 Crescent Rd., Greenbelt. The purchase price was \$4.8m or \$100,000 per unit for the 48 units.

Mr. Manesh is currently marketing Parkway Gardens at 2-Parkway, Greenbelt at a list price of \$4.75m for the 42 units or \$113k per unit.

This item is on the agenda for discussion and possible action.

Suggested motion: I move that the Board of Directors (*request/not request*) the GHI Board of Directors to direct GHI's Finance Committee to recommend (with pros and cons stated) whether GDC should sell its two apartment buildings on Parkway.

Draft Minutes
Board of Directors
GDC Regular Open Session
June 18, 2020

Board Members Present: Brodd, Hess, Holland, James, Jones, Ready, Skolnik and Socrates

Excused Absence: Watkins

Others in Attendance

Eldon Ralph, General Manager	Debbie McKinley, 55-H Ridge Road
Tom Sporney, Assistant General Manager	Cynthia Newcomer, 4-U Laurel Hill Road
Joe Perry, Director of Finance	Meg Haney, <i>No address</i>
Stuart Caplan, Director of Technical Services	Lyonie Hinshaw, 33-A Ridge Road
Joe Wiehagen, Director of Homes Improvement Program	Tom Adams, 33-Q Ridge Road
Maesha McNeill, Human Resources Manager	Dorian Winterfeld, 36-J Ridge Road
Bruce Mangum, Contract Processor	Amethyst Dwyer, 36-J Ridge Road
Agnes Erskine, Executive Assistant	Francis DeBernardo, 13-D Laurel Hill Road
Joyce Campbell, Audit Committee Member	Dan & Daya Solomon, 14-A Laurel Hill Road
Carol Griffith, Audit Committee Chair	John Cooper, 9-M Research Road
Robin Everly, Audit Committee Member	Katy Gaughan, 38-K Ridge Road
Ben Fischler, 14-V4 Ridge Road	Kiki Theodoropoulos, 45-A Ridge Road
Aileen Kroll, 14-Z2 Laurel Hill Road	Maryanne Creighton, <i>No Address</i>
Juan Jesus Haro, 11-J Ridge Road	Paul Kapfer, 6-E Hillside Road
Amy Odegaard, 35-G Ridge Road	Rachel Glick, 31-D Ridge Road
Hopi Auerbach, 14-X Ridge Road	Rhonda Neuhaus, 14-Z3 Laurel Hill Road
Tim Murray, 33-L Ridge Road	Rob Petrie, 43-B Ridge Road
Tom Taylor, 11-G Laurel Hill Road	Aviva Glasser, 19-B Ridge Road
David & Amy Glenn, 2-R Plateau Place	Susan Barnett, 12-H Plateau Place
Molly Lester, 6-M Hillside Road	Kathleen Bartolomeo, 15-R Laurel Hill Road
Barbara Glick, 44-Q Ridge Road	Monica Johnson, Recording Secretary
April Ashpes, 3-F Eastway	

President Skolnik called the meeting to order at 7:52 p.m.

Approval of Agenda

Motion: To approve the agenda as presented.

Moved: James

Seconded: Hess

Carried: 8-0

Director Watkins was absent during the vote.

2. Visitors (Comment Period)

None.

3. For Action or Discussion

3a. Review 2020 1st Quarter Financial Statements

Joe Perry, GHI's Finance Director, presented the GDC's 2020 1st quarter financial statements and answered questions from the Board.

3b. City of Greenbelt's Letter to Property Owners re: Tenants Financially Affected By COVID-19

Attachment #2 is a letter from the Greenbelt City Council that requests Property Owners to provide financial relief to tenants, whose failure to pay rent is due to COVID-19.

Motion: I move that the Board of Directors request GHI's Board of Directors to direct GHI's Finance Committee to review the letter from the Greenbelt City Council and recommend by July 2, 2020, financial relief measures that should be provided to tenants at the Parkway Apartments, whose failure to pay rent is due to COVID-19.

Moved: Hess

Seconded: Holland

Carried: 8-0

Director Watkins was absent during the vote.

Motion: To adjourn.

Moved: Hess

Seconded: Holland

Carried: 8-0

Director Watkins was absent during the vote.

The meeting adjourned at 8:04 p.m.

Ed James
Secretary

Draft Minutes
Board of Directors
GDC Regular Open Session
July 9, 2020

Board Members Present: Brodd, Hess, Holland, James, Jones, Ready, Skolnik, Socrates and Watkins

Excused Absence:

Others in Attendance

Eldon Ralph, General Manager

Tom Sporney, Assistant General Manager

Joe Perry, Director of Finance

Bruce Mangum, Contract Processor

Joyce Campbell, Audit Committee Member

Carol Griffith, Audit Committee Chair

Robin Everly, Audit Committee Member

Jackie Neighbor, No Address

Lauren Wisniewski, 57-B Ridge Road

Ben Fischler, 14-V4 Ridge Road

Tom Jones, N&E Chair

Wayne Williams, 7-H Crescent Road

Sam Lee, 8-M Plateau Place

Kiki Theodoropoulos, 45-A Ridge Road

Donna Hoffmeister, 6-N Plateau Place

Claudia Jones, 7-D Laurel Hill Road

Candice Shipp, 65-A Ridge Road

Andrea Wiggen, 2-C Woodland Way

Molly Lester, 6-M Hillside Road

Aviva Glasser, 19-B Ridge Road

Aileen Kroll, 14-Z2 Laurel Hill Road

Agnes Erskine, Recording Secretary

President Skolnik called the meeting to order at 7:48 p.m.

Approval of Agenda

Motion: To approve the agenda as presented.

Moved: Hess

Seconded: Brodd

Carried: 9-0

2. Visitors (Comment Period)

None.

3. For Action or Discussion

3a. Approve Minutes of Open Session Meeting Held on May 7, 2020

Motion: I move that the Board of Directors approve the minutes of the Open Session meeting that was held on May 7, 2020 as presented.

Moved: James

Seconded: Hess

Carried: 9-0

3b. Finance Committee's Recommendation re: Financial Relief Measures for Parkway Apt. Tenants Due to COVID-19

At the request of the GDC's Board of Directors, the GHI Board directed GHI's Finance Committee to review a letter from the Greenbelt City Council (attachment #2) and recommend financial relief

measures that should be provided to tenants at the Parkway Apartments, whose failure to pay rent is due to COVID-19.

GHI's Finance Committee discussed this matter on June 25, 2020 and passed the following motion:

Motion: The GHI Finance Committee recommends that the GDC Board of Directors establish the following policies for Parkway tenants who can show that their failure to pay rent was the result of COVID-19, and were not delinquent on their rent during the twelve months preceding March 1, 2020:

1. The only interest or late fee for calendar year 2020 will be one-half percent per month on the unpaid balance. Rationale: This is about \$5 per month of rent
2. Payment plans will be arranged for late payments of rent, based on individual circumstances.
3. Rent increases will be frozen until the end of 2020.
4. There will be no evictions due to late or non-payment of rent for the remainder of 2020.

Motion: I move that the Board of Directors adopt the following recommendation from GHI's Finance Committee as revised, regarding financial relief measures for tenants at the Parkway Apartments who were not delinquent on their rent during the twelve months preceding March 1, 2020, and whose failure to pay rent is due to COVID-19:

1. **The only interest or late fee for calendar year 2020 will be one-half percent per month on the unpaid balance.**
2. **Payment plans shall be arranged for late payments of rent, based on individual circumstances.**
3. **Rent increases shall be frozen until the end of 2020.**
4. **There shall be no evictions due to late or non-payment of rent for the remainder of 2020.**

Moved: Holland

Seconded: Socrates

Amended and carried
by a later vote

Motion to Amend: I move to strike “who were not delinquent on their rent during the twelve months preceding March 1, 2020, and”.

Moved: Ready

Seconded: James

Carried: 8-0-1

Opposed: Jones

Motion as Amended: I move that the Board of Directors adopt the following recommendation from GHI’s Finance Committee as revised, regarding financial relief measures for tenants at the Parkway Apartments whose failure to pay rent is due to COVID-19:

1. There will be no interest or late fees for calendar year 2020.
2. Payment plans shall be arranged for late payments of rent, based on individual circumstances.
3. Rent increases shall be frozen until the end of 2020.
4. There shall be no evictions due to late or non-payment of rent for the remainder of 2020.

Moved: Holland

Seconded: Socrates

Carried: 9-0

Motion: To adjourn.

Moved: Hess

Seconded: Holland

Carried: 9-0

The meeting adjourned at 8:08 p.m.

Ed James
Secretary

Greenbelt Development Corporation

President's Report for 2019

This report presents the major activities that GDC's Board of Directors, GHI Committees and staff accomplished during 2019 on behalf of Greenbelt Development Corporation (GDC). GDC's financial statements as of December 31, 2019 are attached. GDC is in a strong financial position, with a net income of \$100,402 in 2019, no outstanding loans, cash assets of \$234,730 and a total equity of \$401,317 at the end of 2019.

Major Activities

1. GDC stockholders met on June 6 and elected a new Board of Directors. The new Board elected officers for the 2019-20 term, during its first meeting on June 6.
2. The GDC Board requested that GHI's Finance Committee review a capital improvements plan for the Parkway Apartments (that was revised in 2018) and recommend sources of financing for the planned improvements. The Finance Committee is currently working on this assignment.
3. The Board passed a motion to establish a task force to accomplish the following tasks:
 - a) Review GDC bylaws and recommend changes that should be made.
 - b) Recommend changes to GHI/GDC bylaws that are needed to make it legal and easier for acquisition of additional GDC properties.
 - c) Prepare a proposed written agreement of GHI/GDC responsibilities to each entity.
 A task force was appointed in January 2020 and is currently working on this assignment.
4. GHI's Finance Committee presented a report to GDC's Board of Directors that estimated the annual financial rate of return on the apartments at 15-19 and 21-27 Parkway to be between 5% and 7%.
5. GDC paid off the outstanding \$100,000 balance on a \$550,000 loan that it obtained from GHI in 2002.
6. The following capital improvement projects were completed at 15-19 and 23-27 Parkway:
 - Cooling towers on the rooftops were replaced for \$94,083.
 - Heat exchangers in the boiler rooms were replaced for \$23,626.
7. The Board authorized the following service contracts for the apartment buildings at 15-19 and 21-23 Parkway:
 - 5-year contract with FMB laundry to provide laundry services with ten front load washers and ten electric dryers.
 - 3-year contract with Goode Companies to remove solid waste, commencing in February 2020.
 - 3-year contract with Artistic Landscaping Inc. beginning in January 2020, to provide landscape maintenance services to external common areas.
 - 3-year contract with Stratus Building Solutions commencing in September 2019 for the janitorial cleaning of interior common areas.
8. GHI's maintenance staff completed 585 maintenance work orders at 15-19 and 21-23 Parkway:

9. On November 21, the Board of Directors considered and approved a 2020 budget of \$677,560.

Respectfully submitted,



Steve Skolnik

President, Greenbelt Development Corporation

**Greenbelt Development Corporation
Year-End Financial Statements
2019**

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Greenbelt Development Corporation
Balance Sheet
As of 10/31/2019

CURRENT ASSETS:

Cash	\$ 234,750	
Accounts receivable (net)	11,264	
Prepaid expense	4,200	
	<u>250,214</u>	
Total current assets		\$ 250,214

PROPERTY & EQUIPMENT

Buildings & improvements (net)	143,695	
Boiler equipment (net)	180,978	
Total property and equipment	324,673	
Total property, equipment & other assets		<u>324,673</u>
TOTAL ASSETS		<u>\$ 574,887</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts payable & accrued expenses	\$ 123,798	
Deposits & deferred revenue	49,772	
Total current liabilities	173,570	
Total liabilities		\$ 173,570

EQUITY

Capital stock	150	
Accumulated equity	300,765	
Net income	100,402	
Total equity		<u>401,317</u>
TOTAL LIABILITIES & EQUITY		<u>\$ 574,887</u>

Greenbelt Development Corporation
Income Statement
For the Year Ending 12/31/2019

	Year-To-Date <u>Actuals</u>	Year-To-Date <u>Budgets</u>	Y-T-D Dollar <u>Variance</u>	Y-T-D % <u>Variance</u>
INCOME				
Rental Income	\$ 645,470	\$ 645,470	\$ -	0.0%
Vacancy Loss	(23,851)	(22,600)	(1,251)	5.5%
	<u>621,619</u>	<u>622,870</u>	<u>(1,251)</u>	<u>-0.2%</u>
OTHER INCOME				
Garage Fee Income	43,352	41,950	1,402	3.3%
Other Income	(A) 10,123	5,000	5,123	>100%
Total Income	<u>675,094</u>	<u>669,820</u>	<u>5,274</u>	<u>0.8%</u>
EXPENSES:				
Contract Work	(B) 55,054	51,475	3,579	7.0%
Materials	48,245	49,820	(1,575)	-3.2%
Electricity	15,848	15,000	848	5.7%
Gas	17,860	16,700	1,160	6.9%
Water	(C) 21,190	16,500	4,690	28.4%
Licenses/Permits	7,509	7,200	309	4.3%
Insurance	19,770	19,770	-	0.0%
Telephone	942	1,200	(258)	-21.5%
Real Estate Taxes	(D) 56,885	65,000	(8,115)	-12.5%
Labor	108,000	108,000	-	0.0%
Management Fee	159,460	159,450	10	0.0%
Legal/Professional	7,634	8,100	(466)	-5.8%
Bad Debts Expense	3,504	3,500	4	0.1%
Interest Expense	(E) 2,011	5,000	(2,989)	-59.8%
Depreciation	33,988	35,450	(1,462)	-4.1%
Miscellaneous	(F) 16,456	100	16,356	>100%
Total Operating Expense	<u>574,692</u>	<u>562,265</u>	<u>12,427</u>	<u>2.2%</u>
Net Income	<u>\$ 100,402</u>	<u>\$ 107,555</u>	<u>\$ (7,153)</u>	<u>-6.7%</u>

Greenbelt Development Corporation
Notes to Income Statement
For the Year Ending 12/31/2019

(A) Other Income (Up >100%) **\$ 5,123**

This favorable variance reflects the revised/corrected washer/dryer commission rate for 2019.

(B) Contract Work (Up 7.0%) **\$ 3,579**

Contract work for 2019 consists of the following components:

	<u>Actual</u>	<u>Annual Budget</u>
•Janitorial	\$ 16,189	\$ 16,275
•Fire protection	3,477	400
•Boiler maintenance & repair	3,956	5,000
•Home inspection (lead testing)	2,636	3,000
•Solid Waste Disposal	2,672	4,100
•Chemical management	2,145	2,600
•Landscape work	5,191	5,200
•Unit patch, paint and renovation	14,530	9,000
•Pest extermination	-	600
•Bathtub reglazing	1,035	1,500
•Tree maintenance	-	3,800
•Sidewalk repairs	3,223	-
Total contract work	\$ 55,054	\$ 51,475

(C) Water (Up 28.4%) **\$ 4,690**

This unfavorable variance was caused by an unusually large bill that has been researched by management and appears to be valid.

(D) Real estate taxes (Down 12.5%) **\$ (8,115)**

This favorable variance results from a successful appeal of GDC's real estate taxes by a real estate tax attorney, William Monks.

(E) Interest expense (Down 59.8%) **\$ (2,989)**

This favorable variance results from the early payoff of GDC's loan from GHI.

(F) Miscellaneous (Up >100%) **\$ 16,356**

This line item includes estimated Maryland state income taxes of \$10,204.

Greenbelt Development Corporation
Financial Statements
June 2020

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Greenbelt Development Corporation
Balance Sheet
As of 6/30/2020

CURRENT ASSETS:		
Cash	\$ 205,714	
Accounts receivable (net)	2,639	
Prepaid expense	<u>7,200</u>	
		<u>215,553</u>
Total current assets		\$ 215,553
PROPERTY & EQUIPMENT		
Buildings & improvements (net)	137,426	
Boiler equipment (net)	<u>171,997</u>	
Total property and equipment		309,423
Total property, equipment & other assets		<u>309,423</u>
TOTAL ASSETS		<u><u>\$ 524,976</u></u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued expenses	\$ 27,379	
Deposits & deferred revenue	<u>51,589</u>	
Total current liabilities		78,968
Total liabilities		\$ 78,968
EQUITY		
Capital stock	150	
Accumulated equity	401,167	
Net Income	<u>44,691</u>	
Total equity		<u>446,008</u>
TOTAL LIABILITIES & EQUITY		<u><u>\$ 524,976</u></u>

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**Greenbelt Development Corporation
Income Statement
For the Period Ending 6/30/2020**

	Year-To-Date <u>Actuals</u>	Year-To-Date <u>Budgets</u>	Y-T-D Dollar <u>Variance</u>	Y-T-D % <u>Variance</u>
INCOME				
Rental Income	323,238	323,238	\$ -	0.0%
Vacancy Loss	(A) <u>(12,121)</u>	<u>(11,316)</u>	<u>(805)</u>	<u>7.1%</u>
	311,117	311,922	(805)	-0.3%
OTHER INCOME				
Garage Fee Income	21,973	22,236	(263)	-1.2%
Other Income	<u>4,596</u>	<u>4,626</u>	<u>(30)</u>	<u>-0.6%</u>
Total Income	<u>337,686</u>	<u>338,784</u>	<u>(1,098)</u>	<u>-0.3%</u>
EXPENSES:				
Contract Work	(B) 29,049	26,850	2,199	8.2%
Materials	(C) 21,432	25,668	(4,236)	-16.5%
Electricity	5,011	7,500	(2,489)	-33.2%
Gas	8,410	10,600	(2,190)	-20.7%
Water	12,274	10,375	1,899	18.3%
Licenses/Permits	3,600	3,600	-	0.0%
Insurance	10,380	10,380	-	0.0%
Telephone	347	600	(253)	-42.2%
Real Estate Taxes	29,900	29,898	2	0.0%
Labor	54,110	54,108	2	0.0%
Management Fee	86,505	86,508	(3)	0.0%
Legal/Professional	3,749	4,050	(301)	-7.4%
Bad Debts Expense	(D) 7,328	1,752	5,576	>100%
Depreciation	15,250	15,252	(2)	0.0%
Miscellaneous	30	48	(18)	-37.5%
Total Operating Expense	<u>287,375</u>	<u>287,189</u>	<u>186</u>	<u>0.1%</u>
Taxes	(E) 5,620	-	5,620	>100%
Net Income	<u>\$ 44,691</u>	<u>\$ 51,595</u>	<u>\$ (6,904)</u>	<u>-13.4%</u>

Greenbelt Development Corporation
Notes to Income Statement
For the Period Ending 6/30/2020

(A) Vacancy Loss (Down 7.1%)

The number of vacant units by month are as follows: January (5), February (5), March (3) April (3), May (3), and June (5). **\$ (805)**

(B) Contract Work (Up 8.2%)

Contract work for through June consists of the following components: **\$ 2,199**

	<u>Actual</u>	<u>Annual Budget</u>
•Janitorial	\$ 10,907	\$ 17,700
•Fire protection	683	3,000
•Boiler maintenance & repair	200	5,000
•Home inspection (lead testing)	2,231	2,500
•Solid Waste Disposal	2,911	5,000
•Chemical management	1,170	2,600
•Landscape work	1,760	5,300
•Unit patch, paint and renovation	7,141	10,000
•Pest extermination	-	600
•Bathtub reglazing	-	1,200
•Tree maintenance	-	800
•Eviction Costs	2,047	-
Total contract work	\$ 29,049	\$ 53,700

(C) Materials (Down 16.5%)

This favorable variance is due to timing differences in material usage. **\$ (4,236)**

(D) Bad Debts Expense (Up > 100%)

This unfavorable variance is due to the write off of two tenants accounts that exceed the current balance in the allowance for doubtful accounts. **\$ 5,576**

(E) Taxes

This unfavorable variance is due estimated state income taxes which will be included in the 2021 budget. **\$ 5,620**