

**NOTICE OF MEETING AND AGENDA**  
**GDC BOARD OF DIRECTORS**  
**OPEN SESSION**  
*starts at 7:45 pm*

**Thursday, November 4, 2021**

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 the Open Meeting Held on September 2, 2021 – (Attachment #1)      2 minutes      Discussion/Action
  - b. Review Preliminary GDC 2022 Operating Budget – (Attachment #2)      15 minutes      Discussion/Action
  - c. Decide on Date to Update a Strategic Plan for GDC – (Attachment #3)      3 minutes      Discussion/Action
  - d. Property Management Agreement Between GHI and GDC – (Attachment #4)      5 minutes      Discussion/Action

Ed James  
Board Secretary

## MANAGER'S MEMORANDUM

TO: GDC Board of Directors

FROM: Eldon Ralph, General Manager

DATE: October 28, 2021

SUBJECT: Items for the **GDC Open Meeting** on November 4, 2021.

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### GDC Open Meeting

3a. Approve Minutes of the Open Meeting Held on September 2, 2021 – (Attachment #1)

**Motion: I move that the Board of Directors approve the minutes of the Open Meeting that was held on September 2, 2021 (as presented/as revised).**

3b. Review Preliminary GDC 2022 Operating Budget – (Attachment #2)

Attachment #2 is the preliminary 2022 GDC operating budget. This item is on the agenda for discussion. Thereafter, the budget will be revised and included on the agenda of the November 18<sup>th</sup> meeting for discussion and action.

3c. Decide on Date to Update a Strategic Plan for GDC – (Attachment #3)

The Board initially began a strategic planning review of GDC Operations during a work session on September 28, 2017. The Board subsequently held work sessions on November 13, 2017, and November 29, 2018, to refine its strategic objectives for GDC. The Board should establish a date (by consensus) to continue the strategic planning review. The purpose of the work session should be as follows:

- a. To review the strategic objectives in Attachment #3 that the Board developed in 2017-2018.
- b. Establish GDC's goals and objectives for the next two to five years.
- c. Establish GDC's action plan and priorities during the next year.

**By Consensus: That the GDC Board of Directors shall meet on \_\_\_\_\_, at \_\_\_\_ pm for Continuation of GDC's Strategic Planning Review.**

3d. Property Management Agreement Between GHI and GDC – (Attachment #4)

On January 17, 2019, the Board established a task force to accomplish the following tasks and authorized the Manager to hire a corporate attorney to assist the task force:

- a. Review GDC bylaws and recommend changes that should be made.
- b. Prepare a proposed written agreement of GHI/GDC responsibilities to each entity.
- c. Recommend changes to GHI/GDC bylaws that are needed to make it legal and easier to acquire additional GDC properties.

Attachment #4 is a draft business agreement regarding GHI/GDC responsibilities to each entity that the task force formulated. On June 3, 2021, the Board approved a motion to request that the GHI Board of Directors direct GHI's Finance Committee to consider and recommend the compensation amount to be included in Exhibit A of the proposed Property Management Agreement.

The Finance Committee recommends the compensation amount to be included in Exhibit A be \$359,030 which consists of the following:

|  |                          |
|--|--------------------------|
| Labor and benefits                                       | \$108,000                |
| Legal expenses   | 8,100                    |
| Insurance  | 21,790                   |
| Materials  | 33,420                   |
| Backoffice infrastructure, staffing and support services | <u>\$ 187,720</u>        |
| <b>Totals</b>  | <b><u>\$ 359,030</u></b> |

This item is on the agenda for discussion and action.

**Suggested motion: I move that the Board of Directors approve the Property Management Agreement between GDC and GHI (as presented/ as revised) that includes a compensation amount of \$359,030 to be paid to GHI during 2021, for the services it provides to GDC.**

GDC Board of Directors  
**Open Meeting**  
**(Virtual Zoom)**  
**September 2, 2021**

Board Members Present: Bilyeu, Brodd, Carter-Woodbridge, James, Lambert, and McKinley

Excused Absences: Carbone, Luly, and Mortimer

Others in Attendance:

Eldon Ralph, General Manager

Joe Perry, Director of Finance

Bruce Mangum, Contract Processor

Stuart Caplan, Director of Technical Services

David Benack, Audit Committee

Sam Lee, Audit Committee

Molly Lester, 6-M Hillside Road

Joe Ralbovsky, 62-E Ridge Road

Chuck Hess, 42-D Ridge Road

Stephen Holland, 56-E Ridge Road

Judith Davis, Greenbelt City Council

Kris White, 14-K Hillside Road

Maya Robinson, 11-A Hillside Road

Altoria Ross, Recording Secretary

President Brodd called the meeting to order at 7:46 pm.

1. Approval of Agenda

**Motion: To approve the agenda as presented.**

Moved: James

Seconded: Carter-Woodbridge

Carried: 6-0

2. Visitors (Comment Period)

None.

3. For Action or Discussion

3a. Approve Minutes of Meeting Held on July 1, 2021- (Attachment #1)

**Motion: I move that the Board of Directors approve the minutes of the Open Meeting that was held on July 1, 2021 as presented.**

Moved: James

Seconded: Lambert

Carried: 6-0

3b. Board Resolutions re: Signatures on Documents for Bank Accounts (Attachments #2a-2b)

GDC has the following account with the National Cooperative Bank (NCB):

- Greenbelt Development Corporation General Checking Account

GDC has the following accounts with Greenbelt Federal Credit Union (GFCU):

- Greenbelt Development Corporation Tenant Security Deposit Checking and Savings Accounts

Both NCB and GFCU require corporate authorization resolutions to be executed.

Attachment #2a is a copy of the resolution for the National Cooperative Bank account. Attachment #2b is a copy of the resolution for Greenbelt Federal Credit Union accounts. The Board is requested to approve both of them. It is necessary for the Board President to sign the resolutions and each copy to be witnessed by the Board Secretary.

**Motion #1: I move that the Board of Directors adopt the National Cooperative Bank corporate authorization resolution as presented on September 2, 2021, and authorize the following individuals as signers: Stefan Brodd, President; Jason Luly, Treasurer; Eldon Ralph, General Manager; Joseph Perry, Jr., Director of Finance, and specify that no fewer than two (2) of the specimen signatures shall be required for actions on this account.**

Moved: McKinley

Seconded: Carter-Woodbridge

Carried: 6-0

**Motion #2: I move that the Board of Directors adopt the Greenbelt Federal Credit Union corporate authorization resolution as presented on September 2, 2021, and authorize the following individuals as signers: Stefan Brodd, President; Jason Luly, Treasurer; Eldon Ralph, General Manager; Joseph Perry, Jr., Director of Finance, and specify that no fewer than two (2) of the specimen signatures shall be required for actions on this account.**

Moved: Lambert

Seconded: McKinley

Carried: 6-0

3c. Review 2021 Second Quarter Financial Statements – (Attachment #3)

GHI's 2021 second quarter financial statements are submitted as attachment #3 for your review. Joe Perry, GHI's Finance Director, presented them during the Board meeting and answered questions.

**Motion: To adjourn.**

Moved: Bilyeu

Seconded: Carter-Woodbridge

Carried: 6-0

The meeting adjourned at 7:55 pm.

Ed James  
Secretary

# Greenbelt Development Corporation

## 2022 Budget



- **November 4, 2021 – Preliminary Budget**

GREENBELT DEVELOPMENT CORPORATION  
2022 BUDGET NARRATIVE

Rental Income - Apartments – (No change from 2021 budget of \$659,820). Rental income reflects a no change in rental rates for 2022, but does take into consideration some month to month rentals. In 2021, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are \$833 per month. One-bedroom units are \$1,027 per month. One-bedroom with an open porch are \$1,062 per month. One-bedroom with an enclosed porch are \$1,125 per month.

Vacancy Loss – (No change from 2021 budget of \$252,730). This item is budgeted at 3.9% of rental income.

Rental Income - Garages – (No change from the 2021 budget of \$44,470). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2021 budget of \$9,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2021 budget of \$359,030 to \$376,980). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management labor costs to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2021 budget of \$55,030 to \$60,270). This expense consists of the following items:

|  |                 |
|--|-----------------|
| Annual servicing of boilers & cooling towers       | \$ 6,000        |
| Custodial cleaning for halls and basements         | 18,000          |
| Fire extinguisher servicing                        | 1,850           |
| Landscape maintenance                              | 6,000           |
| Install vinyl composition in hallways (1260 sq ft) | 6,300           |
| Rehab/repaint apartments (12 units)                | 14,000          |
| Solid waste disposal                               | 5,300           |
| Tree maintenance                                   | 500             |
| Tub reglazing (5)                                  | 1,500           |
| Turnover – lead dust cleaning (12)                 | 4,720           |
| Water treatment for boilers & cooling towers       | <u>2,400</u>    |
| Total  | <u>\$66,570</u> |

Materials – (No change from the 2021 budget of 19,500).

Depreciation - recognizes the current year's portion of capitalized expenditures. Includes depreciation associated with capitalization of \$30,000 for replacement of heat pumps for various units and roof replacements for buildings 15-19 and 21-27.

Greenbelt Development Corporation  
2022 Budget

|                           | 2021 Y/E<br>Projection | 2021<br>Budget   | 2022<br>Proposed<br>Budget | %<br>Change   |
|---------------------------|------------------------|------------------|----------------------------|---------------|
| <b>REVENUE</b>            |                        |                  |                            |               |
| Rental Income--Apartments | \$ 659,820             | \$ 659,820       | \$ 659,820                 | 0.0%          |
| Vacancy Loss              | (21,528)               | (25,730)         | (25,730)                   | 0.0%          |
| Rental Income--Garages    | 44,470                 | 44,470           | 44,470                     | 0.0%          |
| Other Income              | 7,000                  | 9,000            | 8,000                      | -11.1%        |
| <b>TOTAL REVENUE</b>      | <b>689,762</b>         | <b>687,560</b>   | <b>686,560</b>             | <b>-0.1%</b>  |
| <b>EXPENSES</b>           |                        |                  |                            |               |
| Expenses Paid to GHI      |                        |                  |                            |               |
| Labor                     | 108,000                | 108,000          | 108,000                    | 0.0%          |
| Legal                     | 8,100                  | 8,100            | 8,100                      | 0.0%          |
| Insurance                 | 21,790                 | 21,790           | 22,870                     | 5.0%          |
| Materials *               | 33,420                 | 33,420           | 35,080                     | 5.0%          |
| Management fee            | 187,720                | 187,720          | 202,930                    | 8.1%          |
| Subtotal                  | 359,030                | 359,030          | 376,980                    | 5.0%          |
| Other GDC Expenses        |                        |                  |                            |               |
| Contract work             | 60,815                 | 55,030           | 66,570                     | 21.0%         |
| Materials *               | 19,500                 | 19,500           | 19,500                     | 0.0%          |
| Licenses & permits        | 7,200                  | 7,200            | 7,200                      | 0.0%          |
| Electricity               | 15,000                 | 15,000           | 15,000                     | 0.0%          |
| Gas                       | 16,700                 | 16,700           | 16,700                     | 0.0%          |
| Telephone                 | 1,200                  | 1,200            | 1,200                      | 0.0%          |
| Water                     | 28,190                 | 16,500           | 16,500                     | 0.0%          |
| Bad Debts                 | 3,500                  | 3,500            | 3,500                      | 0.0%          |
| Misc. expenses            | 0                      | 100              | 100                        | 0.0%          |
| R/E taxes                 | 59,800                 | 90,000           | 90,000                     | 0.0%          |
| Depreciation              | 30,500                 | 30,500           | 38,170                     | 25.1%         |
| Subtotal                  | 242,405                | 255,230          | 274,440                    | 7.5%          |
| <b>TOTAL EXPENSES</b>     | <b>601,435</b>         | <b>614,260</b>   | <b>651,420</b>             | <b>6.0%</b>   |
| Net income before taxes   | 88,327                 | 73,300           | 35,140                     | -52.1%        |
| Income tax expense        | 7,290                  | 6,050            | 2,900                      | -52.1%        |
| <b>NET INCOME</b>         | <b>\$ 81,037</b>       | <b>\$ 67,250</b> | <b>\$ 32,240</b>           | <b>-52.1%</b> |

\* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.



| <b>Objectives</b>  |
|--|
| <b>Corporate Organization</b>  |
| 1. Review GDC Bylaws   |
| 2. Consider hiring a Property Management Company to Manage the Parkway Apartments  |
| 3. Consider modifying the GDC Board of Directors to include non – GHI Board members.   |
| 4. Prepare a written agreement of GHI/GDC responsibilities to each entity  |
| 5. Determine GHI/GDC bylaws’ changes that are needed to make it legal and easier for acquisition of additional GDC properties  |
| <b>FINANCIAL MATTERS</b>   |
| 1. Establish a line of credit to finance capital improvement projects  |
| 2. Undertake a financial analysis to determine the real rate of return on investment for the GDC Parkway Apartments  |
| 3. Undertake analysis to ascertain the pros and cons of keeping the Parkway Apartments vs. selling them  |
| 4. Determine whether GHI’s investment policy allow GHI to loan funds to GDC  |
| 5. Update the capital improvements plan for the Parkway Apartments to establish funds that are required for major improvements in the near and medium terms.   |
| 6. Improve marketing of the Parkway Apartments to reduce vacancy losses.   |
| <b>PARKWAY APARTMENTS INFRASTRUCTURE</b>   |
| 1. Consider whether tenants should be allowed to have pets   |
| 2. Consider whether bicycle stations could be established.   |
| 3. Consider installing solar hot-water systems for the apartments  |
| 4. Consider how to utilize some of the empty spaces in the basements   |
| 5. Establish a smoke-free facility   |
| 6. Undertake landscape improvements to make the exterior appearance more attractive  |
| 7. Consider décor upgrades for the apartments  |
| 8. Re-design and utilize roof tops for recreation purposes (note that roofs will be replaced within 5yrs)  |
| 9. Maintain Historic Style of Apartments.  |
| <b>BUSINESS EXPANSION OPPORTUNITIES</b>  |
| 1. Establish a dog park  |
| 2. Consider whether the Parkway Apartments should be sold  |
| 3. Pro-actively seek to acquire new apartment properties with the assistance of a commercial real estate firm  |
| 4. Expand ownership of properties e.g. construction of business entities on the site in lieu of rental garages; a residential facility at 10 Laurel hill Rd or areas of GHI woodlands that may be suitable for new properties. |
| 5. Consider allowing telecommunication companies to erect high speed internet/cell towers  |
| 6. Establish an entity that would provide home improvement services to GHI members and other Greenbelt residents   |

State of Maryland

# PROPERTY MANAGEMENT AGREEMENT

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This Property Management Agreement (this "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between Greenbelt Development Corporation ("OWNER") and Greenbelt Homes, Inc. ("AGENT").

The parties agree as follows:

**1. Managing Agent.** Owner appoints Agent to exclusively manage the property located in Greenbelt MD 20770 (the "Premises"). Agent accepts the appointment and agrees to provide building management services for the Premises, as set forth in this Agreement. Owner agrees to pay all reasonable expenses in connection with those services. Agent agrees to use due diligence in the performance of this contract and in all matters involved with the management of these Premises.

**2. Term.** The term of this Agreement will be for a period of one year from the date first set forth above, unless earlier terminated. At the end of the initial term, and on each anniversary date of this Agreement thereafter, this Agreement shall renew automatically for additional one-year renewal terms.

**3. Agent's Responsibilities.** Owner grants Agent full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following:

- i. To manage the Premises and to rent, lease, maintain and operate the Premises.
- ii. To collect all rents and other monies from Tenants as they become due. Agent does not guarantee tenant obligations. Agent may employ collection agencies, attorneys, or any other reasonable and lawful means to collect from a Tenant. Agent is authorized to file suit on behalf of Owner, and at Owner's expense, to recover unpaid rent or other unpaid amounts owed by Tenants, and for loss or damage to any part of the Premises. Agent is authorized to settle any such lawsuits with Owner's prior approval. Agent is responsible for making mortgage payments, taxes, fire or other insurance premiums, or any recurring expenses, all of which shall be paid out of Owner's funds.
- iii. To render to Owner a monthly financial report, including an accounting of rents and other amounts received and expenses paid; and to remit to Owner all income, less any sums paid out.
- iv. To advertise for, screen, and select tenants in compliance with all relevant laws and regulations. Owner will set rents that reflect the market conditions.
- v. To decorate, inspect, maintain, and repair the Premises as reasonably necessary, and to engage and supervise all employees, contractors and other labor needed for such work. Owner may authorize Agent in writing to make improvements to the Premises from time to time, at Owner's expense. Agent is not responsible for any damage to the Premises by Tenants or others. Any improvements and repairs that may cost more than \$7500 must receive prior written approval from Owner.
- vi. To provide, for a separate fee, unless nominal effort is involved, atypical tasks such as planning and implementing major improvements, and advising Owner on future business development.

**4. Agent Liability.** Owner agrees to indemnify and hold Agent harmless from any claims, charges, debts, demands, injuries, damages, actions, causes of action, proceedings, penalties and lawsuits arising in connection with Agent's services under this Agreement or arising in connection with the leasing, occupancy, maintenance, repair or use of the Premises, including costs and attorney's fees. Agent is not liable for any nonpayment by Tenants or theft of any service, including utilities, by Tenants. Owner agrees to maintain sufficient property insurance and liability insurance on the Premises, and shall arrange to have Agent designated as an additional insured on the liability insurance policy. Owner shall provide a copy of all insurance policies to Agent.

**5. Compensation.** Owner agrees to compensate Agent for managing the Premises, as set forth on Exhibit A to this Agreement.

**6. Termination.** The parties may terminate this Agreement by mutual agreement at any time, or by either party with 60 (sixty) days' notice. This Agreement shall terminate automatically upon the conveyance of the Premises to a different owner.

**7. Successors.** This Agreement shall be binding upon Owner and Agent's successors and assigns.

**8. Waivers.** No waiver of any condition or covenant in this Agreement by either party shall be deemed to imply or constitute a further waiver of the same or any other condition or covenant of this Agreement.

**9. Governing Law.** This Agreement has been executed under and shall be governed by the laws of the State of Maryland without regard to the state's conflict of law principles. The parties covenant and agree that any and all claims, disputes, and actions arising from this Agreement or as a result of the relationship of the parties shall be filed and heard in the Circuit Court of Prince Georges County, Maryland, or in the Maryland District Court for Prince George's County, Maryland, and that jurisdiction shall lie in such county and state.

**10. Force Majeure.** If either party is delayed or hindered in or prevented from doing or performing any act or thing required in this Agreement by reason of strikes, lock-outs, casualties, acts of God, labor troubles, inability to procure materials, failure of power, governmental laws or regulations, riot, insurrection, war or other causes beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

**11. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

**12. Complete Agreement.** This Agreement contains a complete expression of the agreement between the parties and there are no promises, representations or inducements except such as are herein provided.

The parties have signed this Agreement as of the first date written above.

Greenbelt Development Corporation

\_\_\_\_\_  
**Owner Signature**

\_\_\_\_\_  
**Owner Name**

Greenbelt Homes, Inc.

\_\_\_\_\_  
**Agent Signature**

\_\_\_\_\_  
**Agent Name**

**EXHIBIT A**

**COMPENSATION TO BE PAID BY OWNER TO AGENT**

|  |                          |
|--|--------------------------|
| Labor and benefits                                       | \$108,000                |
| Legal expenses   | 8,100                    |
| Insurance  | 21,790                   |
| Materials  | 33,420                   |
| Backoffice infrastructure, staffing and support services | <u>\$ 187,720</u>        |
| <b>Total</b>   | <b><u>\$ 359,030</u></b> |