

**NOTICE OF MEETING AND AGENDA**

**GDC BOARD OF DIRECTORS**

**OPEN MEETING**

*Begins At 7:45 p.m.*

**Thursday, April 21, 2022**

**VIRTUAL ZOOM MEETING ROOM**

Members & Visitors may attend remotely.

**1. Approval of Agenda**

**2. Visitors and Members (Comment Period)**

**3. For Action or Discussion**

- |  |            |                   |
|--|------------|-------------------|
| a. Approve Minutes of the Board Meeting Held on December 16, 2021-<br>(Attachment #1)          | 2 Minutes  | Discussion/Action |
| b. GDC Objectives Arising from the Strategic Planning Work Session Held<br>on January 27, 2022 | 10 Minutes | Discussion/Action |
| c. Establish a Date for the 2022 Annual Stockholders' Meeting                                  | 2 Minutes  | Discussion/Action |
| d. Review GDC's 2021 Year-end Financial Statements – (Attachment #2)                           | 10 Minutes | Discussion/Action |
| e. President's Report on GDC's Operations for the Year 2021 –<br>(Attachment #3)               | 5 Minutes  | Discussion/Action |

Ed James  
Secretary

**MANAGER'S MEMORANDUM**

TO: GDC Board of Directors

FROM: Eldon Ralph, General Manager 

DATE: April 13, 2022

SUBJECT: Items for the **GDC REGULAR SESSION** Board Meeting on April 21, 2022.

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**GDC Open Meeting**

3a. Approve Minutes of the Board Meeting Held on December 16, 2021- (Attachment #1)

**Motion: I move that the Board of Directors approve the minutes of the Open Meeting, held on December 16, 2021 (as presented/as revised).**

3b. GDC Objectives Arising from the Strategic Planning Work Session Held on January 27, 2022

Following the Strategic Planning Session that was held on January 27, 2022, Board President Brodd documented the following objectives that the Board discussed:

2022

1. Ask GHI's Buildings Committee to consider pipe relining or replacement in GDC buildings, including supply, waste, and heating piping infrastructure. Determine whether or not it would be best to do this work at the same time as GHI's pipe replacement program.
2. Ask GHI's Finance Committee to determine whether GDC should purchase insurance separately from GHI.
3. Ask GHI's Finance Committee to determine whether GHI's investment policy allows GHI to loan funds to GDC, including conformance with the prudent person or prudent investor rules. If this is not possible, consider establishing a line of credit to finance GDC improvements.

## 2023

1. Include GDC properties in the planned Replacement Reserve Study to be undertaken by GHI.
2. Investigate improvements to apartment decor, including such items as cabinets, countertops, and flooring.
3. Consider improved landscaping of GDC properties.
4. Determine the status of boiler equipment and when repair or replacement might be necessary.
5. Continue to update the capital improvements plan. Ensure that adequate funds are available to implement plan provisions.

## Future Years

1. Determine changes to GHI and GDC bylaws that are needed to legally and more easily acquire additional GDC properties.
2. Consider allowing pets.
3. Consider establishing some smoke-free apartments.
4. Consider installing solar hot water systems.
5. Consider providing recreational amenities on the roofs of GDC properties.
6. Consider expanding GDC to offer home improvement services to GHI members and other area residents.

This item is on the agenda for discussion and action in pursuit of fulfilling the objectives that were established for 2022.

**Suggested motion #1: I move that the Board of Directors request the GHI Board of Directors to direct GHI's Buildings Committee to recommend the most appropriate piping repair and/or replacement options for water supply, wastewater, and heating piping infrastructure for GDC's Parkway Apartment Buildings and whether or not this work should be done at the same time as the pipe replacement program in GHI's masonry and frame units.**

**Suggested motion #2: I move that the Board of Directors request the GHI Board of Directors to direct GHI's Finance Committee to recommend whether or not GDC should purchase insurance separately from GHI and state the pros and cons for the committee's recommendation.**

**Suggested motion #3: I move that the Board of Directors direct the Manager to obtain an opinion from legal counsel about whether GHI's investment policy allows GHI to loan funds to GDC, based on the State of Maryland's prudent person and prudent investor rules.**

3c. Establish a Date for the 2022 Annual Stockholders' Meeting

GDC's bylaws stipulate that the annual meeting of the stockholders shall be held in June of each year, with the exact date set by the GDC Board of Directors, at which meeting they shall elect, by plurality vote, a Board of Directors and Officers and may transact such other business as may come before the meeting.

This item is on the agenda for the Board of Directors to establish a date for the 2021 stockholders' meeting.

**Suggested motion: I move that the Board of Directors hold the 2021 GDC stockholders' meeting on June 2, 2022, commencing at 7.45 p.m.**

3d. Review GDC's 2021 Year-end Financial Statements – (Attachment #2)

GDC's 2021 year-end financial statements are included as attachment #2 for your review. Joe Perry, GHI's Finance Director, will present them during the meeting.

3e. President's Report on GDC's Operations for the Year 2021 – (Attachment #3)

GDC's bylaws stipulate that the President shall cause to be submitted, a report of the operations of GDC for the year, 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. The 2021 Year-end Financial Statements that the report refers to, is included in the Manager's memorandum as attachment #2.

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 2021 operations.**



3b. Approve Minutes of the Open Meeting Held on November 18, 2021- (Attachment #2)

**Motion: I move that the Board of Directors approve the minutes of the Open Meeting that was held on November 18, 2021, as presented.**

Moved: James                      Seconded: Bilyeu                      Abstain: Hess                      Carried: 8-0-1

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

Joe Perry, GHI’s Finance Director, presented the financial statements for 3<sup>rd</sup> quarter 2021. Joe explained variances found in lines for Contract Work as well as Water.

Director Luly asked for an explanation of what is covered in the Insurance line item, which Joe provided. No additional questions or comments were posed.

**Motion: To adjourn.**

Moved: Hess                                      Seconded: Bilyeu                                      Carried: 9-0

The meeting adjourned at 7:56 pm.

Ed James  
Secretary

**Greenbelt Development Corporation  
Financial Statements  
December 2021**

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Greenbelt Development Corporation  
Balance Sheet  
As of 9/30/2021

Item 3d. Attachment #2

<b>CURRENT ASSETS:</b>		
Cash	\$ 327,648	
Accounts receivable (net)	<u>4,853</u>	
	332,501	
Total current assets		\$ 332,501
<b>PROPERTY &amp; EQUIPMENT</b>		
Buildings & improvements (net )	121,789	
Boiler equipment (net)	<u>158,717</u>	
Total property and equipment	280,506	
<b>OTHER ASSETS:</b>		
Prepaid expenses	<u>6,185</u>	
Total property, equipment & other assets		<u>286,691</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 619,192</u></u>
 <b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable & accrued expenses	\$ 11,253	
Deposits & deferred revenue	<u>57,191</u>	
Total current liabilities	68,444	
Total liabilities		\$ 68,444
<b>EQUITY</b>		
Capital stock	150	
Accumulated equity	486,540	
Net Income	<u>64,058</u>	
Total equity		<u>550,748</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<u><u>\$ 619,192</u></u>

**Greenbelt Development Corporation**  
**Income Statement**  
**For the Period Ending 12/31/2021**

	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>
<b>INCOME</b>				
Rental Income	\$ 659,820	\$ 659,820	\$ -	0.0%
Vacancy Loss	(19,444)	(25,730)	6,286	-24.4%
	<u>640,376</u>	<u>634,090</u>	<u>6,286</u>	<u>1.0%</u>
<b>OTHER INCOME</b>				
Garage Fee Income	44,170	44,470	(300)	-0.7%
Other Income	6,105	9,000	(2,895)	-32.2%
Total Income	<u>690,651</u>	<u>687,560</u>	<u>3,091</u>	<u>0.4%</u>
<b>EXPENSES:</b>				
Contract Work	<b>(A)</b> 78,109	55,030	23,079	41.9%
Materials	55,329	52,920	2,409	4.6%
Electricity	15,820	15,000	820	5.5%
Gas	16,493	16,700	(207)	-1.2%
Water	<b>(B)</b> 30,262	16,500	13,762	83.4%
Licenses/Permits	7,209	7,200	9	0.1%
Insurance	21,790	21,790	-	0.0%
Telephone	1,291	1,200	91	7.6%
Real Estate Taxes	<b>(C)</b> 68,050	90,000	(21,950)	-24.4%
Labor	108,000	108,000	-	0.0%
Management Fee	187,720	187,720	-	0.0%
Legal/Professional	7,750	8,100	(350)	-4.3%
Bad Debts Expense	1,269	3,500	(2,231)	-63.7%
Depreciation	<b>(D)</b> 21,472	30,500	(9,028)	-29.6%
Miscellaneous	(206)	100	(306)	<-100%
Total Operating Expense	<u>620,358</u>	<u>614,260</u>	<u>6,098</u>	<u>1.0%</u>
Taxes	6,235	6,050	185	>100%
Net Income	<u>\$ 64,058</u>	<u>\$ 67,250</u>	<u>\$ (3,192)</u>	<u>-4.7%</u>

**Greenbelt Development Corporation  
Notes to Income Statement  
For the Period Ending 12/31/2021**

**(A) Contract Work (Up 41.9%) \$ 23,079**

Contract work for the year consists of the following components:

	<u>Actual</u>	<u>Budget</u>
• Janitorial	\$17,856	\$18,000
• Fire protection	3,978	1,200
• Boiler maintenance & repair	17,983	5,000 *
• Home inspection (lead testing)	3,299	3,500
• Solid Waste Disposal	7,127	5,130
• Chemical management	2,340	2,600
• Landscape work	5,280	5,300
• Unit patch, paint and renovation	16,397	12,000
• Pest extermination	30	500
• Bathtub reglazing	1,780	1,200
• Tree maintenance	1,245	600
• Building security	795	-
Total contract work	<u>\$78,109</u>	<u>\$55,030</u>

\* Includes service of hydronic heat plate exchangers

**(B) Water (Up 83.4%) \$ 13,762**

This unfavorable variance is due to excessive water usage for units 25-27. Despite several detailed inspections, water usage continued to be excessive. Staff registered on several occasions to have the WSSC meter changed but they have refused to do so. Staff has acquired a water flow meter to monitor the volume of waste water leaving the building and compare those readings with the WSSC meter readings.

**(C) Real Estate Taxes (Down 24.4%) \$(21,950)**

This favorable variance resulted from the successful appeal of real estate taxes by a real estate tax attorney.

**(D) Depreciation (Down 29.6%) \$ (9,028)**

This favorable variance results primarily from an accounting correction to accumulated depreciation.

# Greenbelt Development Corporation

## President's Report for 2021

This report presents the major activities that GDC's Board of Directors, GHI Committees and staff accomplished during 2021 on behalf of Greenbelt Development Corporation (GDC). GDC is in a strong financial position, with a net income of \$ 64,058 earned in 2021, no outstanding loans, cash assets of \$327,648 and a total equity of \$550,748 at the end of 2021. GDC's financial statements as of December 31, 2021 are attached.

### Major Activities

1. Due to the Covid-19 pandemic and statutory restrictions on public gatherings, the annual meeting of the stockholders was held via internet audio/video conference on June 3, 2021. Stockholders elected a new Board of Directors comprised of Directors Erin Bilyeu, Stefan Brodd, Christopher Carbone, Zoe Carter-Woodbridge, Edward James , Denna Lambert, Jason Luly, Deborah McKinley and Heather Mortimer. The new Board elected the following officers for the 2021-22 term, during its first meeting on June 3, 2021.
  - Stefan Brodd – President
  - Denna Lambert – Vice President
  - Jason Luly – Treasurer
  - Ed James – Secretary

After Christopher Carbone resigned from the Board, the remaining Directors elected Charles Hess on November 18, 2021, to serve on the Board for the remainder of the 2021-2022 term.

2. In January 2020, the GDC Board appointed 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.

On May 6, 2021, the Board adopted revised GDC Bylaws that were drafted by the task force and reviewed by legal counsel.

On November 18, 2021, the Board approved a Property Management Agreement between GDC and GHI that was drafted by the task force and reviewed by legal counsel. The Board authorized Board President Brodd to sign the Agreement for fiscal year 2022, which included a compensation amount of \$376,980 to be paid to GHI, for its services to GDC.

On June 6, 2021, the task force recommended no change to the GHI Bylaws (Article VIII, Section 8) regarding a GDC purchase of additional property. Instead, it was decided that the GHI Board of Directors would seek pre-approval from the GHI membership for a purchase within the following parameters:

- A description of the type of property being sought and the geographic area within which the property would be located;

- The “not to exceed” acquisition price (total and per square foot) and likely acquisition costs;
  - A market analysis of properties in the area under consideration including information about rents, cost, anticipated income and likely financial impact of individual GHI members; and
  - A timeframe of 3 years within which the GHI’s membership’s pre-approval will expire if an acquisition contract has not been signed.
3. On April 1, 2021, the Board of Directors adopted a recommendation from the GHI Finance Committee and declined a proposal from a client of Cameron's Commercial Real Estate to purchase GDC’s Parkway Apartments.
  4. Due to legislation that Prince George’s County Council and the City of Greenbelt enacted as a result of the Covid-19 pandemic, late fees and rent increases were frozen for all tenants of GDC’s Parkway Apartments until September 1, 2021, i.e., until 60 days after the end of the Covid-19 emergency declared by Maryland’s Governor Larry Hogan. There was only one tenant who suffered substantial loss of income and was unable to make rental payments because of the Covid pandemic.
  5. GHI’s maintenance staff completed 501 maintenance work orders at 15-19 and 21-23 Parkway during 2020.
  6. On November 18, 2021, the Board of Directors considered and approved a 2022 budget of \$686,560.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stefan Brodd".

Stefan Brodd

President, Greenbelt Development Corporation