

Notice of Meeting
GDC Annual Stockholders' Meeting
Starts at 7:45 p.m.
Thursday, June 1, 2023

Virtual Zoom Meeting Room


Agenda:

1. Approval of Agenda
2. Action on Minutes for Stockholders' Meeting held on June 2, 2022
(Attachment #1)
3. President's Report re: GDC's Operations for the Year 2022 (Attachments
#2a-2b)
4. Election of Board of Directors for 2023-2024
5. Adjournment

Ed James

Secretary

Manager's Memorandum

To: GDC Stockholders and Board of Directors, GHI Audit Committee
From: Eldon Ralph, General Manager 
Date: May 25, 2023
Subject: Items for GDC Stockholders' Meeting – June 1, 2023

1. Approval of Agenda

Suggested Motion: I move approval of the agenda as presented.

2. Action on Minutes for Stockholders' Meeting on June 2, 2022 (Attachment #1)

Suggested Motion: I move that the Stockholders of GDC approve the minutes for the June 2, 2022 Annual Stockholders' meeting (as presented/as revised).

3. President's Report re: GDC's Operations for the Year 2022 (Attachments #2a-2b)

Attachments #2a and #2b contain the President's report.

Suggested Motion: I move that the Stockholders of GDC accept the report submitted by the GDC Board President regarding GDC's 2022 operations.

4. Election of GDC Board of Directors for 2023-2024

The following suggested motion is offered:

Suggested Motion: I move that the stockholders of GDC elect the following persons to serve on the Board of Directors for Greenbelt Development Corporation during 2023-2024:

- Sabrina Baron
- Nancy Boyd
- Stefan Brodd
- Chuck Hess
- Ed James
- Paul Kapfer
- Philip Larkin
- Deborah McKinley
- James Whipple

Draft GDC Annual Stockholders Meeting
Open Meeting
(Virtual Zoom)
June 2, 2022
7:45 pm

Board Members Present: Brodd, Hess, James, Lambert, Luly, McKinley, Mortimer, Whipple

Excused Absences: Bilyeu

Others in Attendance:

Eldon Ralph, General Manager

Deanna Washington, Director of Member Services

Joe Perry, Director of Finance

Bruce Mangum, Contract Processor

Dave Benack, Audit Committee

Bill Jones, Audit Committee

Grace Fisher, Audit Committee

Stephanie O'Brien, [REDACTED]

Molly Lester, [REDACTED]

Henry Haslinger, [REDACTED]

President Brodd called the meeting to order at 7:45 pm.

1. Approval of Agenda

Motion: I move approval of the agenda, as presented.

Moved: McKinley

Seconded: Mortimer

Carried: 8-0

2. Action on Minutes for Stockholders Meeting on June 3, 2021 - (Attachment #1)

Motion: I move that the Stockholders of GDC approve the minutes for the June 3, 2021 Annual Stockholders' meeting as presented.

Moved: James

Seconded: Whipple

Carried: 8-0-2

3. President's Report re: GDC's Operations of GDC for the Year 2022-2023 - (Attachment #2) Attachment #2 is the President's report

Motion: I move that the Stockholders of GDC accept the report submitted by the GDC Board President regarding GDC's 2021 operations.

Moved: Hess

Seconded: Lambert

Carried: 8-0

4. Election of GDC Board of Directors for 2022-2023 The following suggested motion is offered

Motion: I move that the stockholders of GDC elect the following persons to serve on the Board of Directors for Greenbelt Development Corporation during 2022-2023:

- Erin Bilyeu
- Stefan Brodd
- Chuck Hess
- Ed James
- Denna Lambert
- Jason Luly
- Deborah McKinley
- Heather Mortimer
- James Whipple

Moved: Hess

Seconded: James

Carried: 8-0

Motion: To adjourn.

Moved: Hess

Seconded: McKinley

Carried: 8-0

The meeting adjourned at 7:51 pm.

Ed James
Secretary

Greenbelt Development Corporation
President's Report for 2022

This report presents the major activities that the Board of Directors and staff accomplished during 2022 on behalf of Greenbelt Development Corporation (GDC). GDC continues to be in a strong financial position, with a net income of \$ 19,208 earned in 2022, no outstanding loans, cash assets of \$376,936 and a total equity of \$569,956 at the end of 2022. GDC's financial statements as of December 31, 2022 are attached.

Major Activities

1. The 2022 annual meeting of the stockholders was held via internet audio/video conference on June 2nd. Stockholders elected a new Board of Directors for the 2022-2023 term, comprised of Directors Erin Bilyeu, Stefan Brodd, Chuck Hess, Edward James , Denna Lambert, Jason Luly, Deborah McKinley, Heather Mortimer, and James Whipple. The new Board elected the following officers for the 2022-23 term, during its first meeting on June 2, 2022.
 - Stefan Brodd – President
 - Deborah McKinley – Vice President
 - Chuck Hess – Treasurer
 - Ed James – Secretary

2. The GDC Board of Directors held a strategic planning meeting on January 27, 2022 and later requested specific actions to be taken on three items that resulted in the following outcomes:
 - a) Funds were included in the 2023 budget for hiring an engineering firm, to evaluate the condition of water supply, waste pipe and heating pipe systems at the GDC Parkway Apartments and recommend appropriate repair and/or replacement options for the existing piping.

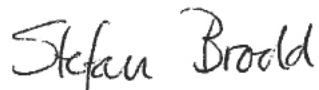
 - b) USI Insurance Services, the insurance broker for Greenbelt Homes Inc. (GHI), advised that there would be no financial benefit to either GDC or GHI, if GDC's insurance coverage were decoupled from GHI's; hence, GDC will continue to be insured under GHI's policy, for a cost of \$23,530 in 2023.

 - c) GDC's legal counsel advised that GHI could continue to loan funds to GDC in the future, based on GHI's investment policy and the State of Maryland's prudent person and prudent investor rules. Such loans would not be considered an "investment" in the conventional sense, and should be managed by the Board and Management, rather than by GHI's investment advisor.

3. Operational Matters re: GDC's Parkway Apartments During 2022

- a) Leasing and occupancy statistics were as follows:
- Tenant move-ins processed – 11.
 - Tenant move-outs processed – 12.
 - Average turnover period for a vacant unit – 60.2 days
 - Average monthly occupancy ratio – 95.37%.
 - Loss of income due to vacant apartments - \$17,176 (33.2% below budget)
 - Evictions – 1 tenant was evicted due to financial delinquency.
- b) Maintenance Operations
- A contractor was hired to repair crumbling balconies at two apartments for a cost of \$11,960.
 - Roofs were replaced on both buildings at 15-19 Parkway and 21-27 Parkway for a total cost of \$140,500.
 - The Board approved a new 3-year contract with a janitorial cleaning company to clean interior common areas of the Parkway Apartment Buildings commencing on September 1, 2022, at a cost of \$22,279 during the first year, with cost increases of 3% during the second and third years of the contract.
 - GHI's maintenance staff completed a total of 492 work orders during 2022.
4. On November 17, 2022, the Board of Directors considered and approved a 2023 budget of in the amount of \$739,660 with an 8% increase in rental fees for tenants in GDC's Parkway Apartments. The Board also authorized Board President Brodd to sign an Agreement between GDC and Greenbelt Homes Inc. (GHI), which included a compensation amount of \$376,980 to be paid to GHI during 2023, for its services to GDC.

Respectfully submitted,



Stefan Brodd

President, Greenbelt Development Corporation

**Greenbelt Development Corporation
Financial Statements
December 2022**

Greenbelt Development Corporation
Balance Sheet
As of 12/31/2022

Item 3. Attachment #2b

CURRENT ASSETS:

Cash	\$ 376,936	
Accounts receivable (net)	(3,541)	
Intercompany receivable (GHI)	<u>46,877</u>	
	420,272	
Total current assets		\$ 420,272

LAND

26,573

PROPERTY & EQUIPMENT

Buildings & improvements (net)	217,166	
Boiler equipment (net)	<u>131,962</u>	
Total property and equipment	349,129	

OTHER ASSETS:

Prepaid expenses	<u>3,425</u>	
Total land, property, equipment & other assets		<u>379,127</u>
TOTAL ASSETS		<u>\$ 799,399</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts payable & accrued expenses	\$ 135,359	
Deposits & deferred revenue	<u>94,084</u>	
Total current liabilities	229,443	
Total liabilities		\$ 229,443

EQUITY

Capital stock	150	
Accumulated equity	550,598	
Net Income	<u>19,208</u>	
Total equity		<u>569,956</u>
TOTAL LIABILITIES & EQUITY		<u>\$ 799,399</u>

Greenbelt Development Corporation
Income Statement
For the Period Ending 12/31/2022

	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	\$ 659,820	\$ 659,820	\$ (0)	0.0% tried to zero ou
Vacancy Loss	(17,176)	(25,730)	8,554	-33.2%
	<u>642,643</u>	<u>634,090</u>	<u>8,553</u>	<u>1.3%</u>
OTHER INCOME				
Garage Fee Income	44,470	44,470	-	0.0%
Other Income	6,526	8,000	(1,474)	-18.4%
Total Income	<u>693,640</u>	<u>686,560</u>	<u>7,080</u>	<u>1.0%</u>
EXPENSES:				
Contract Work	(A) 68,198	66,570	1,628	2.4%
Materials	(B) 63,426	54,590	8,836	16.2%
Electricity	(C) 20,291	15,000	5,291	35.3%
Gas	18,377	16,700	1,677	10.0%
Water	(D) 26,479	16,500	9,979	60.5%
Licenses/Permits	7,200	7,200	-	0.0%
Insurance	23,530	23,530	0	0.0%
Telephone	2,057	1,200	857	71.4%
Real Estate Taxes	(E) 67,175	90,000	(22,825)	-25.4%
Labor	108,258	108,000	258	0.2%
Management Fee	202,260	202,260	-	0.0%
Legal/Professional	8,085	8,100	(16)	-0.2%
Bad Debts Expense	(F) 16,550	3,500	13,050	>100%
Interest Expense	708	0	708	>100%
Depreciation	37,542	38,170	(628)	-1.6%
Miscellaneous	0	100	(100)	-100.0%
Total Operating Expense	<u>670,135</u>	<u>651,420</u>	<u>18,715</u>	<u>2.9%</u>
Taxes	4,297	2,900	1,397	>100%
Net Income	<u>\$ 19,208</u>	<u>\$ 32,240</u>	<u>\$ (13,032)</u>	<u>-40.4%</u>

**Greenbelt Development Corporation
Notes to Income Statement
For the Period Ending 12/31/2022**

(A) Contract Work (Up 2.4%) \$ 1,628

Contract work for 2022 consisted of the following components:

	<u>Actual</u>	<u>Annual Budget</u>
• Janitorial	\$16,605	\$18,000
• Fire protection	1,075	1,850
• Boiler maintenance & repair	15,829	6,000
• Home inspection (lead testing)	3,561	4,720
• Solid Waste Disposal	2,527	5,300
• Chemical management	2,480	2,400
• Landscape work	5,368	6,500
• Unit patch, paint and renovation	13,039	14,000
• Bathtub reglazing	1,914	1,500
• Parking Lot Repairs	5,800	-
• Vinyl composition hallways	-	6,300
Total contract work	<u>\$68,198</u>	<u>\$66,570</u>

(B) Materials (Up 16.2%) \$ 8,836

The unfavorable variance is due to higher costs of materials used in maintenance of the parkway apartments.

(C) Electricity (Up 35.3%) \$ 5,291

The unfavorable variance is due to an increase in rates compared to 2021. Rates increased by 9%.

(D) Water (Up 60.5%) \$ 9,979

The unfavorable variance is due to an increase in both rates and usage compared to 2021. Rates increased 6% and usage increased 10%.

(E) Real Estate Taxes (Down 25.4%) \$ (22,825)

This favorable variance reflects the actual bill significantly less than the budgeted amount.

(F) Bad debts (Up >100%) \$ 13,050

This unfavorable variance is due to the write off of uncollectible accounts. In these cases staff will seek to collect through a collection agency or attorney to recover a portion of the bad debt.