



GREENBELT HOMES, INC.

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To: GHI Board of Directors, GHI Audit Committee
CC: Finance Committee, Buildings Committee
From: James Claggett, General Manager
Date: 9/22/2023
Subject: Items for the Virtual Work Session on Thursday, September 28, 2023, at 7:00 p.m. re: Replacement Reserves Study Prepared by DMA Reserves Inc.

9-28-2023 GHI Board Working Session

Presentation of the 2023 Replacement Reserves Study Prepared by DMA Reserves Inc. (Attachments #1a-4c)

On March 16, 2023, the Board authorized the Manager to sign a contract with DMA Reserves Inc. to conduct a complete reserve study for each home type and home/building addition components. The home types are frame – 992, masonry – 579 (318 brick, 256 block, 5 pre-fabricated), and larger homes – 29.

To produce the study, Mr. Doug Green with DMA considered GHI's current replacement reserve funding amounts for the different home types within the community. He also reviewed the replacements by year of components for each home type since their previous study for GHI. The board accepted the prior study on October 4, 2018. After reviewing the materials, Mr. Green met with staff to clarify the scope of pending projects and to confirm allowances for replacements.

Mr. Green's first meeting with staff was on August 15, 2023. We focused on funding requirements for the future pipe replacement program.

A second meeting with staff was held on August 24, 2023. We reviewed and confirmed allowances for home/building additions at that meeting.

At the third meeting with Mr. Green, he presented a draft of the reserve studies to staff and Finance and Building Committee representatives.

The result of those meetings was to recommend that the pipe replacement program begin in 2024 with frame homes. GHI would complete the frame homes over five years. Pipe replacement in masonry and larger homes would begin in 2034. Spacing the pipe replacement in this manner reduces the financial impact of the pipe replacement project.

The reserve studies are provided as attachments for your review. Mr. Green provides component details, yearly expenses, and an executive analysis for each home type and the home/building additions. Attachments #1a-1c refer to the component details, yearly expenses, and an executive analysis for frame homes; Attachments #2a-2c refer to component details, yearly expenses, and an executive analysis for masonry homes; Attachments #3a-3c refer to component details, yearly expenses, and an executive analysis for larger homes, and Attachments #4a-4c refer to component details, yearly expenses, and an executive analysis for the building additions.

This is an action item. Please see the suggested motion below.

Suggested Motion: I move that the Board of Directors accept the replacement reserve studies prepared by DMA Inc. for GHI and authorize the use of the revised data in the preparation of GHI's budgets until the above-referenced study is updated or another study is conducted.