

NOTICE OF MEETING AND AGENDA
GHI FINANCE COMMITTEE
Thursday, June 8, 2023, 5:30 PM
Virtual Zoom Meeting

1. Discussion of agenda
2. Member comment period
3. Discussion of minutes – April 24, 2023
4. May 2023 aged receivables
5. Review 1st Quarter 2023 Financial Statements GDC and GHI
6. Discussion of refund for optional improvement reserves program
7. Discussion of GHI and GDC summary fee schedule

Supporting Documents:

- a) Minutes – April 24, 2023
- b) May 2023 aged receivables
- c) 1st Quarter 2023 Financial Statements GDC and GHI (to be provided in separate email)
- d) Proposed refund report for optional improvement reserves program
- e) Summary Fee Schedule (with last increases)

Chuck Hess
Chair

Distribution:

Committee Members: Hess, Holland, James, Jones, Miller
Board of Directors and Audit Committee
Caruso, Fischler, T. Jones, Kahn, Kroll, Lester, Legendre, McClellan, Morse, Schmidt,
Wilhelm
Eldon Ralph, General Manager
Joseph Perry, Jr., CPA, Director of Finance (Staff Liaison)
Hamid Abdelmoneim, Accounting Manager

GHI FINANCE COMMITTEE MEETING NOTES

Date of Meeting: April 24, 2023

DRAFT

Attending:

Committee: (circle attendees) Chuck Hess, Stephen Holland, Ed James, Bill Jones, Jason Luly, Silvia Maria Miller

Guests: Haslinger, Legendre, Lester

Staff: Joseph Perry, Jr., Director of Finance (Staff Liaison)

Meeting called to order by Chair, Chuck Hess, at 5:45 pm.

1. **Agenda:** Was it revised? No.
Motion to approve agenda as presented
Moved by: Miller
Seconded: James
Motion carried: 5-0
2. **Member and comment period**
No comments made
3. **Minutes:** Were there changes to the minutes? No.
Move to approve the minutes of the March 9, 2023 meeting as presented.
Moved by: Miller
Seconded: James
Motion carried: 5-0
4. **Aged Receivables**
No action taken.
5. **Agenda item description: Review 2022 Year-End Financial Statements for GDC and GHI**
No action taken.
6. **Next Meeting: June 8, 2023.**
7. **Meeting adjourned at 6:15 pm.**
Motion by: James
Seconded: Holland
Motion carried: 5-0

Respectfully submitted,

Joseph Perry, Jr.

Aged Receivables

Age As Of: 05/31/2023 Post To: 05/2023

Property	Property Name	Total Unpaid Charges	0-30 days	31-60 days	61-90 days	Over 90 days	Prepays	Balance
frame	GHI Frame Homes	114,737.39	65,472.21	18,702.81	-661.40	31,223.77	-305,447.68	-190,710.29
larger	GHI Larger Homes	1,058.79	1,009.80	-5.00	0.00	53.99	-5,752.88	-4,694.09
masonry	GHI Masonry Homes	47,274.43	24,915.02	7,532.74	13,778.83	1,047.84	-438,196.99	-390,922.56
parkwy01	Greenbelt Development Corp	8,049.05	5,599.00	900.83	-303.65	1,852.87	-21,815.32	-13,766.27
Total		171,119.66	96,996.03	27,131.38	12,813.78	34,178.47	-771,212.87	-600,093.21

Elimination of the Optional Improvement Replacement Reserve Program

During the Homes Improvement Program which began in 2016, the Board of Directors offered members, who had optional improvements installed in their GHI units, the ability to participate in an optional improvement replacement reserve program. Participating members would make monthly contributions into the reserve program so that regular annual maintenance and eventual replacement of the optional component would be done through GHI. While this seemed like a good idea for members at the time, staff and the membership quickly realized the difficulties which would mount if an HVAC service provider was unable to meet the performance standards of GHI.

When the program began, Capps Mechanical, the contractor who installed the optional improvements during the HIP, was generally successful in meeting the needs of GHI members. After the contract with Capps ended, GHI went out for bids. Capps did not participate in this bidding, so GHI went to another company. Unfortunately, the performance of the new company wasn't good. The contractor failed to meet GHI's standards of service. The contractor made appointments with members and did not meet appointment times. There were times when the contractor did arrive to service the equipment and the member was not there. When the contractor called to reschedule, the contractor was not able to reach the member. When appointments were canceled or missed, members would contact GHI for help in reaching the contractor. The contractor, when unsuccessful in rescheduling with the member, would reach out to GHI for help in reaching the member. GHI maintenance staff was placed in the middle of running this program, but that was not the intention when the program began.

Another point to consider is GHI does not have certified HVAC technicians on staff. If any of these optional units were to break down after hours, GHI maintenance staff would be expected to take care of it. But since there is no one on staff certified to address these components, members would have to wait until a contractor can be reached. Members would not be happy with paying for something and not receiving the same high level of service they get from GHI.

Members have expressed an interest to opt out of the program and to recover fees paid into the program to whatever extent may be available. Staff has reviewed the accounts of members who are still contributing to the program. There are 191 members who are currently being charged the optional improvement replacement reserve fee (HVAC members-79, thermostat only members-112). The total amount contributed by these members through December 2022 was \$205,464. The year-end balance calculated to be available in the Optional Improvement Replacement Reserve program as of December 31, 2022 was \$235,031. Several members opted to leave the program or sold their membership from 2018 through 2023 which resulted in them forfeiting any refund. Members who opted out or sold their membership interest prior to this request by the board contributed more than \$20,000.

Motions for Consideration

Suggested motion #1: I move the Finance Committee recommend the Board of Directors cease the charging of optional improvement replacement reserve funds as of August 1st 2023 for members who choose to opt out of the program.

Suggested motion #2: I move the Finance Committee recommend the Board of Directors authorize refunds to members who choose to opt out of the optional improvement replacement reserve program

only if they are contributing to the optional improvement replacement reserve program at the time the refund is issued. The amount of the refund will be equal to the full amount of what GHI has already collected from the member. The refund will be in the form of a credit against the eligible member's coop fees as of July 31, 2023.

Suggested motion #3: The Finance Committee recommends if all members opt out of the optional improvement replacement reserve program that any remaining funds be considered unreserved operating funds. Such funds may be considered in future allocations as the bylaws allow.

Last increase

Summary Fee Schedule

GHI	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Storage Canoe (monthly)	never	\$ 5	\$ 5	\$ 5
Storage lot (monthly)	2017 was \$25	\$ 27	\$ 27	\$ 27
Open garage (monthly)	2017 was \$30	\$ 32	\$ 32	\$ 32
Closed garage (monthly)	2019 was \$52	\$ 55	\$ 55	\$ 55
Storage garage (monthly)	2017 was \$100	\$ 108	\$ 108	\$ 108
Storage boiler (monthly)	2016 was \$100	\$ 110	\$ 110	\$ 110
Late fee (current month only) (at max)	at max	5%	5%	5%
Returned check fee (at max)	at max	\$ 35	\$ 40	\$ 40
Admin fee (intent to sell)	2019 was \$1,020	\$ 1,060	\$ 1,060	\$ 1,060
Membership fee (new member)	2019 was \$655	\$ 685	\$ 685	\$ 685
Admin fee (membership change)	2019 was \$490	\$ 510	\$ 510	\$ 510
Admin fee (MOC add)	2019 was \$81	\$ 85	\$ 85	\$ 85
Termite Inspection	2013 was \$35	\$ 50	\$ 50	\$ 50
Credit check (per applicant)	2013 was \$35	\$ 50	\$ 50	\$ 50
Sublease Fee (no charge for credit rpt)	policy began 2013	\$ 50	\$ 50	\$ 50
Re-key charge (new lock)	never	\$ 50	\$ 50	\$ 50
Assignment fee (4-24 months)	policy began 2017	\$1,400- \$5,800	\$1,400- \$5,800	\$1,400- \$5,800
Cut new key (existing lock)	never	\$ 15	\$ 15	\$ 15
Fee for Service (handy man) (hrly)	2014 was \$50	\$ 60	\$ 60	\$ 60
Fee for Service (skilled labor) (hrly)	2016 was \$60	\$ 70	\$ 70	\$ 70
Fee for Service (landscaping) (hrly)	began 2015 @\$45	\$ 45	\$ 45	\$ 45
Fee for Service (correct violation) (hrly)	2016 was \$65	\$ 75	\$ 75	\$ 75
Re-inspection fee	2019 was \$60	\$ 75	\$ 75	\$ 75
Lockout fee	never	\$ 50	\$ 50	\$ 50
Duplicate 1098 (current yr/prior yrs)	never	\$10/\$25	\$10/\$25	\$10/\$25
Permit for additions (initial charge)	n/a			
Permit other than additions (initial charge)	n/a			
Submeter credit (members)	2019 was (\$3)		\$ (5)	\$ (5)
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Parkway				
Efficiencies		\$900 leased/ \$970 Mo2Mo	\$833 leased/ \$898 Mo2Mo	\$833 leased/ \$898 Mo2Mo
1 Bedroom		\$1,110 leased/ \$1,196 Mo2Mo	\$1,027 leased/ \$1,107 Mo2Mo	\$1,027 leased/ \$1,107 Mo2Mo
1 Bedroom/open porch		\$1,147 leased/ \$1,237 Mo2Mo	\$1,062 leased/ \$1,145 Mo2Mo	\$1,062 leased/ \$1,145 Mo2Mo
1 Bedroom/enclosed porch		\$1,215 leased/ \$1,310 Mo2Mo	\$1,125 leased/ \$1,213 Mo2Mo	\$1,125 leased/ \$1,213 Mo2Mo
Late fee (current month only) (at max)	at max	5%	5%	5%
Returned check fee (at max)	at max	\$ 35	\$ 40	\$ 40
Earnest Deposit	never	\$ 50	\$ 50	\$ 50
Credit & Criminal Report	2013 was \$35	\$ 50	\$ 50	\$ 50
Lockout fee (during business hrs)	never	\$ 35	\$ 35	\$ 35
Lockout fee (after business hrs)	2019 was \$50	\$ 75	\$ 75	\$ 75
Entry door new key	2019 was \$50	\$ 75	\$ 75	\$ 75
Apt. door new key	never	\$ 15	\$ 15	\$ 15