

NOTICE OF MEETING AND AGENDA

GHI INVESTMENT COMMITTEE

THURSDAY, APRIL 4, 2023, 5:00 PM

VIRTUAL ZOOM MEETING

1. Discussion of agenda
2. Member comment period
3. Discussion of minutes – March 9, 2023
4. Review Draft 2022 Investment Committee Report

Supporting Documents:

1. Minutes – March 9, 2023
2. Draft 2022 Investment Committee Report

Chuck Hess
Investment Committee Chair

Distribution:

Committee Members: Hess, James, B. Jones, Luly, McClelland
Board of Directors, Audit Committee, Holland, L. Irwin, Lester, Legendre,
Miller
Eldon Ralph, General Manager
Joseph Perry, Jr., CPA, Director of Finance (Staff Liaison)

GHI INVESTMENT COMMITTEE MEETING NOTES 2023

Draft

Date of Meeting: March 9, 2023

Attending:

Committee: (circle names) Chuck Hess, Ed James, Bill Jones, Jason Luly, Andrea McClelland

Guests: S. Holland, C. Jones, S. Legendre, M. Lester

Staff: Joe Perry, Director of Finance (Staff Liaison)

Meeting called to order by Chair, Chuck Hess, at 5:03 PM.

1. Agenda: Was it revised? No.

Motion to approve by: Jones

Seconded: James

Motion carried: 4-0

2. Member Comment Period

Holland – Rent stabilization bill – What effects will it have on GHI? Do we know? Do we need a legal opinion?

3. Minutes: Were there changes to the minutes? No.

Move to approve the minutes of the January 12, 2023 meeting as presented.

Motion by: Jones

Seconded: McClelland

Motion carried: 4-0

4. Review investment portfolio

No action taken.

5. Next Meeting: Will be held on April 27th at 5:00 pm.

6. Meeting adjourned at 5:27 pm.

Move to adjourn.

Motion by: Jones

Seconded: McClelland

Motion carried: 4-0

Respectfully submitted,

Joseph Perry, Jr.

Draft Investment Committee Report as of December 31, 2022

The Investment Committee has the responsibility of investing funds on behalf of Greenbelt Homes, Inc. (GHI). Those funds include amounts that are set aside for replacement reserves. Building components (roofs, windows, doors, hot water heaters, for example) wear out. GHI has a plan for their replacement, and has set up a replacement reserve fund to take care of future capital costs. Members' coop fees include the cost of maintaining an adequate reserve to meet this need. The current replacement reserve plan from 2018 is scheduled to be updated in 2023.

In the 4th quarter of 2022, GHI signed an agreement with Farr, Miller & Washington, LLC (FMW), an investment advisory firm, to actively managed GHI's investment portfolio.

As of December 31, 2022, GHI held \$13,487,744 in investments. Our investment portfolio was comprised of individual corporate bonds, United States Treasury and Agency securities and the Vanguard Short Term Investment Grade Fund Admiral Shares (VFSUX). All investments are custodied with Fidelity Investments.

Net income from Greenbelt Development Corporation (The Parkway Apartments) totaled \$3,952 through December 31, 2022.

GHI income from investments totaled \$205,260 for 2022 which is more than three times 2021 results. The interest rates on individual bonds held in GHI's bond ladder currently range between 1.45% and 4.4% of face value for a weighted average of 2.86%. The aggregate market value of these bonds was \$2,772,097. Treasury and Agency Securities range between 0% and 5.48%. The aggregate market value of these securities was \$10,491,148. As of December 31, 2022, the one-year return was (-4.08%) for the VFSUX.

Corporate Bond Investments					
<u>Face Value</u>	<u>Company Name</u>	<u>Coupon</u>	<u>Maturity</u>		
200,000	Allergan Inc.	2.800%	03/15/23	\$ 2,950,000	Total Corporate Bonds
750,000	Truist Bank	1.500%	03/10/25	10,600,000	Total Treasury/Agency Securities
750,000	Lowes	4.400%	09/08/25	(318,930)	Unamortized Bond Discount
750,000	Mondelez Intl	3.625%	02/13/26	152,163	Vanguard ST Investment Grade Fund (VFSUX)
500,000	Goldman Sachs	1.450%	09/14/26		
\$ 2,950,000	Total Corporate Bonds			13,383,233	Total Investments
Treasury/Agency Securities					
<u>Face Value</u>	<u>Company Name</u>	<u>Coupon</u>	<u>Maturity</u>		
3,600,000	US T Bills (zero coup)	0.000%	02/23/23	104,511	Cash & Cash Equivalent
3,000,000	US T Bills (zero coup)	0.000%	04/27/23		Fidelity Government Cash Reserves
1,000,000	US T Bills (zero coup)	0.000%	11/02/23		
1,500,000	Fed Home Loan BA	4.750%	03/08/24		
1,500,000	Fed Farm Cr Bks Bond	5.480%	10/25/27		
\$ 10,600,000	Total Treasury/Agency Securities			\$ 13,487,744	Total Investments and Cash Equivalents

National Cooperative Bank stock of \$885,000 recorded at cost is not included above.