

NOTICE OF MEETING AND AGENDA
GHI BOARD OF DIRECTORS
SPECIAL OPEN MEETING

Starts at 7:00 p.m.

Thursday, April 13, 2023

VIRTUAL ZOOM MEETING ROOM
Members & Visitors may attend remotely.

1. Approval of Agenda

2. For Discussion/Action

- | | |
|--|-------------------------------|
| a. Presentation of the 2022 Audit Report Prepared by an External Auditor (Attachment #1) | 35 Minutes Discussion/Action |
| b. Review Minutes of the Special Membership Meeting Held on December 8, 2022 (Attachment #2) | 2 Minutes Discussion/Action |
| c. 2022 GHI Investment Performance Report (Attachment #3) | 10 Minutes Discussion/ Action |
| d. Proposed Agenda for the May 11, 2023 Annual Membership Meeting (Attachment #4) | 10 Minutes Discussion/Action |

Ed James
Secretary



GREENBELT HOMES, INC.


HAMILTON PLACE, GREENBELT, MARYLAND 20770

Area Code (301) 474-4161 Fax (301) 474-4006



MANAGER'S MEMORANDUM

TO: GHI Board of Directors

FROM: Eldon Ralph, General Manager 

DATE: April 13, 2023

SUBJECT: Items for the **GHI SPECIAL OPEN** Board Meeting on April 13, 2023

GHI Special Open Meeting

2a. Presentation of the 2022 Audit Report Prepared by an External Auditor (Attachment #1)

On January 5, 2022, the Board authorized the Manager to sign a contract with Ed Kwiatkowski, CPA, LLC to conduct a full audit of the 2022 Consolidated Financial Statements for GHI and GDC and prepare federal and state tax returns for the year ending December 31, 2022. The audit report will be provided to the Board early next week, prior to the Special Open Meeting.

2b. Review Minutes of the Special Membership Meeting Held on December 8, 2022 (Attachment #2)

Attachment #2 is a draft of the minutes of the December 8, 2022 Special Membership meeting. After the Board reviews and accepts the minutes, they will be included on the agenda for the 2023 Annual Membership Meeting for review and approval by the membership.

Suggested Motion: I move that the Board of Directors accept the draft minutes for the December 8, 2022 Special Membership Meeting (as presented/as amended) and direct staff to include them on the Agenda for the 2023 Annual Membership Meeting, for review and approval by the membership.

2c. 2022 GHI Investment Performance Report (Attachment #3)

GHI's Bylaws state that the Board shall report to the members annually on the status and performance of all investments. Attachment #3 is the 2022 Investment Performance Report that the Investment Committee prepared.

After the Board accepts the report, it will be included in the 2022-23 Annual Report that the membership will receive prior to the Annual Membership Meeting on May 11, 2023.

This item is on the agenda for discussion and action.

Suggested Motion: I move that the Board of Directors accept the 2022 Investment Performance Report presented by the Investment Committee and direct that it be included in the 2022-23 Annual Report that will be distributed to the membership prior to the Annual Membership Meeting on May 11, 2023.

2d. Proposed Agenda for the May 11, 2023 Annual Membership Meeting (Attachment #4)

Attachment #4 is the proposed Agenda for the 2023 Annual Membership Meeting on May 11, 2023. The Board should review the proposed Agenda and decide what changes should be made.

Suggested Motion: I move that the Board of Directors accept the agenda for the 2023 Annual Membership Meeting on May 11, 2023 *(as presented/as revised.)*

**Draft Minutes
Greenbelt Homes Inc.
Special Membership Meeting
December 8, 2022
Virtual via Zoom with GetQuorum
Registration/Login at 7:00 pm
Meeting at 7:30 pm**

1. Proof of due notice of meeting.

I have in my possession documentation to verify that notices of this meeting were mailed or delivered to 1,600 addresses of Members of record as of twenty days ago. Furthermore, I personally did a “spot check” to verify that random Members did indeed receive such notices.

This constitutes due notice of meeting in accordance with the GHI Bylaws, Article IV, Section 4, which requires that notice of meeting shall be “mailed or delivered not less than ten and not more than twenty days before the meeting to each member of record on the Corporation’s books as of the date twenty days before the meeting.”

2. Certification of Presence of a quorum.

As of 7:29 pm, 80 Members had registered, signifying that a quorum is present to conduct business. President Brodd called the meeting to order at 7:52 pm.

3. Approval of order of agenda items.

Motion: I move approval of the order of the agenda items.

Moved: Ed James (56-D Crescent Road)

Seconded: Daniel Siebert (5-B Eastway)

Motion Carried: 125-1-1

4. Proposed contract for tree maintenance services during 2023 – 2025 – (refer to the attachment)

4a. Proposition by the Board of Directors that the membership approve a motion to authorize the Board of Directors to enter into a 3-year contract for tree maintenance services within the Gill community during 2023 to 2025.

See attachment.

4b. Membership vote on the motion presented.

Motion: Be it moved that the membership of Greenbelt Homes Inc. authorize GHI's Board of Directors to enter into a contract with Brightview Tree Care Services, to provide tree maintenance services to GHI, covering the period January 1, 2023 to December 31, 2025, in accordance with the price schedule for 2023 listed below, with price increases of 5% for 2024 and 5% for 2025.

Price Schedule

Trunk Diameter Size of Tree	Price for Trimming Tree	Price for Removing Tree
Up to 6"	\$ 34.00	\$ 71.00
> 6" to 12"	\$ 114.00	\$ 177.00
>12" to 18"	\$ 117.00	\$ 282.00
>18" to 24"	\$ 345.00	\$ 564.00
>24" to 30"	\$ 444.00	\$ 1,084.00
>30" to 36"	\$ 592.00	\$ 1,774.00
>36" to 42"	\$ 789.00	\$ 1,972.00
>42" to 48"	\$ 1,034.00	\$ 2,999.00
>48"	\$ 1,084.00	\$ 3,391.00

Miscellaneous Tree Maintenance Services	Unit Prices
Trimming cost per tree to remove branch from roofline	\$ 200.00
Fertilization - application cost per sq. ft	\$ 86.00
Cabling - cost per linear ft	\$ 50.00
Vertical mulching - cost per sq. ft	\$ 100.00
Stump grinding - cost per sq ft	\$ 18.00
Cost for disposal of tree trunk and branch debris per ton	\$ 3.00
Price for disposal of wood chip material per ton	\$ 3.00

Prices for Emergency Services After a Severe Storm	
Crew rate (3-man crew) - cost per hour	\$ 450.00
Dump Truck - cost per hour	\$ 95.00
Skid Steer Loader - cost per hour	\$ 165.00

Motion Carried: 103-13-5

5. Proposed contract for landscape maintenance services during 2023 - 2025 - (refer to the attachment)

5a. Proposition by the Board of Directors that the membership approve a motion to authorize the Board of Directors to enter into a 3-year contract for landscape maintenance services in common areas within the GHI community during 2023 to 2025.

See attachment.

5b. Membership vote on the motion presented.

Motion : Be it moved that the membership of Greenbelt Homes Inc. authorize GHI's Board of Directors to enter into a contract with Brightview Landscapes, LLC, to provide landscape maintenance services to GHI's common areas at the contractor's bid price of \$88,959 for the year 2023, with a 5% price escalation in 2024 and a further 5% price escalation in 2025, plus a 5% allowance for contingencies that may arise, for costs not to exceed \$93,407 in year 2023, \$98,077 in year 2024, and \$102,981 in year 2025.

Motion Carried: 107-3-3

6. Adjournment.

Motion: I move to adjourn.

Moved: Chuck Hess (42-D Ridge Road)
Seconded: Ed James (56-D Crescent Road)
Carried: 98-1-1

The meeting adjourned at 9:53 pm.

Ed James
Secretary

Attachment

A. Why Is The Membership Being Requested To Authorize These Contracts?

In GHI's bylaws, Article VIII. Financial Regulations §11. Expenditure of Funds and Contracts states: "*The total aggregate costs of the following multi-year contracts shall not exceed \$400,000 at any one time: (i) every outstanding multi-year contract costing more than \$40,000 per year, without regard to the total duration of the contract, and (ii) every outstanding multi-year contract costing \$40,000 or less per year, if such contract runs for a period of more than five years.*"

The \$400,000 aggregate limit shall not apply to the following contracts:

- I. Contracts for which the purpose and amount shall be approved at a membership meeting by a two-thirds vote;*
- II. Contracts with respect to borrowing money, mortgages, and mortgage notes;*
- III. Contracts relating to insurance with a one-year cancellation clause;*
- IV. Contracts relating to assignments now or hereafter made by members of their Mutual Ownership Contracts; or*
- V. Contracts relating to matters connected with loans to members."*

The estimated total aggregate costs of a proposed 3-year tree maintenance contract and a 3-year landscape maintenance contract exceed \$400,000; hence the Board is requesting the membership to approve the two contracts.

B. SUGGESTED MOTION #1 RE: PROPOSED CONTRACT FOR TREE MAINTENANCE SERVICES DURING 2023 – 2025 AND RATIONALE FOR THE MOTION

Motion #1 : Be it moved that the membership of Greenbelt Homes Inc. authorize GHI's Board of Directors to enter into a contract with Brightview Tree Care Services, to provide tree maintenance services to GHI, covering the period January 1, 2023 to December 31, 2025, in accordance with the price schedule for 2023 listed below, with price increases of 5% for 2024 and 5% for 2025.

Price Schedule

Trunk Diameter Size of Tree	Price for Trimming Tree	Price for Removing Tree
Up to 6"	\$ 34.00	\$ 71.00
> 6" to 12"	\$ 114.00	\$ 177.00
>12" to 18"	\$ 117.00	\$ 282.00
>18" to 24"	\$ 345.00	\$ 564.00
>24" to 30"	\$ 444.00	\$ 1,084.00
>30" to 36"	\$ 592.00	\$ 1,774.00

>36" to 42"	\$ 789.00	\$ 1,972.00
>42" to 48"	\$ 1,034.00	\$ 2,999.00
>48"	\$ 1,084.00	\$ 3,391.00

Miscellaneous Tree Maintenance Services	Unit Prices
Trimming cost per tree to remove branch from roofline	\$ 200.00
Fertilization - application cost per sq. ft	\$ 86.00
Cabling - cost per linear ft	\$ 50.00
Vertical mulching - cost per sq. ft	\$ 100.00
Stump grinding - cost per sq ft	\$ 18.00
Cost for disposal of tree trunk and branch debris per ton	\$ 3.00
Price for disposal of wood chip material per ton	\$ 3.00

Prices for Emergency Services After a Severe Storm	
Crew rate (3-man crew) - cost per hour	\$ 450.00
Dump Truck - cost per hour	\$ 95.00
Skid Steer Loader - cost per hour	\$ 165.00

Rationale for suggested motion #1

At the beginning of January 2020, GHI entered a three-year contract with Brightview Tree Care Services to provide tree maintenance services within our community. That contract expires at the end of 2022. GHI's tree maintenance budget for 2023 is \$210,000; it is expected that \$12,000 of this amount will be paid to a professional arborist and \$198,000 will be paid to a contractor for tree maintenance work.

During the 2nd quarter of this year, staff solicited bids from eleven (11) tree maintenance contractors for a three-year contract period, commencing from January 2023.

Contractors were requested to quote unit prices for the following routine tree maintenance services:

- Trimming trees for 9 diameter sizes
- Removing trees for 9 diameter sizes
- Trimming tree branches from a roofline
- Fertilizer application
- Cabling tree branches on a tree
- Vertical mulching
- Stump grinding
- Disposal of tree trunks and branches
- Disposal of wood chips

Contractors were also requested to submit bids for supplying a three-man crew with a dump

truck and skid-steer loader to remove trees and branches after a severe storm similar to one experienced on July 12, 2022, when there was widespread tree damage throughout the GHI community.

The tables in sections A, B and C below list the prices that three (3) contractors bid for providing tree maintenance services in 2023, after they attended a pre-bid meeting to discuss the contract specifications and tour the site. Table D lists the percentage increases in prices that each contractor will charge during Years 2 and 3 of the contracts.

Table A. Bids for Trimming and Removing Trees

Trunk Diameter of Tree	The Davey Tree Expert Co.		Empire Landscape LLC		Brightview Tree Care Services	
	Price For Trimming	Price For Removal	Price For Trimming	Price For Removal	Price For Trimming	Price For Removal
Up to 6"	\$125.00	\$125.00	\$125.00	\$250.00	\$34.00	\$71.00
> 6" to 12"	\$375.00	\$375.00	\$345.00	\$685.00	\$114.00	\$177.00
>12" to 18"	\$750.00	\$1,500.00	\$675.00	\$1,340.00	\$117.00	\$282.00
>18" to 24"	\$1,125.00	\$2,125.00	\$800.00	\$1,600.00	\$345.00	\$564.00
>24" to 30"	\$1,500.00	\$2,750.00	\$1,090.00	\$2,175.00	\$444.00	\$1,084.00
>30" to 36"	\$2,250.00	\$3,750.00	\$1,500.00	\$3,000.00	\$592.00	\$1,774.00
>36" to 42"	\$2,625.00	\$4,500.00	\$1,800.00	\$3,600.00	\$789.00	\$1,972.00
>42" to 48"	\$3,000.00	\$5,000.00	\$2,250.00	\$4,500.00	\$1,034.00	\$2,999.00
>48"	\$3,750.00	\$6,250.00	\$2,500.00	\$5,000.00	\$1,084.00	\$3,391.00
Increase	Year 2 = 3.5%		Year 2 = 5%		Year 2 = 5 %	
	Year 3 = 3.5 %		Year 3 = 5%		Year 3 = 5 %	

Tree trimming and removal costs that Brightview Tree Care Services bid for each trunk diameter category are considerably lower than those of the two other contractors during the three-year contract period, considering the percentage increases in prices that each contractor will charge during Years 2 and 3 of the contracts, as outlined in Table D.

Table B. Bids for Miscellaneous Tree Maintenance Services

Miscellaneous Tree Maintenance Activities	The Davey Tree Expert Co.	Empire Landscape LLC	Brightview Tree Care Services
a. Trimming cost per tree to remove branches from roofline	\$575.00	\$1,000.00	\$200.00
b. Fertilization - application cost per sq. ft	\$8.50	\$5.00	\$86.00

c. Cabling - cost per linear ft	\$40.00	\$25.00	\$50.00
d. Vertical mulching - cost per sq. ft	\$17.00	\$15.00	\$100.00
e. Stump grinding - cost per sq ft	\$100.00	\$50.00	\$18.00
f. Cost for disposal of tree trunk and branch debris per ton	\$300.00	\$425.00	\$3.00
g. Price for disposal of wood chip material per ton	\$300.00	\$75.00	\$3.00

The costs that Brightview Tree Care Services bid for items a., e., f., and g., in Table B are considerably lower than those of the other two contractors. GHI spends less than \$3,000 per year on items b. through d; hence Brightview's overall prices are the most competitive for miscellaneous tree maintenance services, considering the percentage increases in prices that each contractor will charge during Years 2 and 3 of the contracts, as outlined in Table D.

Table C. Bids for Providing a three-man Crew and Equipment After a Severe Storm

Contractor	Emergency Rate (cost per hour)			Cost for Drop-off and Removal of One Dumpster
	Crew rate per three-man crew	Dump Truck	Skid-Steer Loader	
The Davey Tree Expert Co.	\$450	\$150	\$150	\$575.00
Empire Landscape LLC	\$775	\$175	\$100	\$575.00
Brightview Tree Care Services	\$450	\$95	\$165	\$500.00

Brightview's total cost per hour for providing a three-man crew and equipment after a severe storm is lower than the costs that the other two contractors bid, considering the percentage increases in prices that each contractor will charge during Years 2 and 3 of the contracts, as outlined in Table D.

Table D. Percentage Increases in Bid Prices During Years 2 and 3 for Each Contractor

	The Davey Tree Expert Co.	Empire Landscape LLC	Brightview Tree Care Services
Increases	Year 2 = 3.5%	Year 2 = 5%	Year 2 = 5 %
	Year 3 = 3.5 %	Year 3 = 5%	Year 3 = 5 %

The contractor who submitted the lowest overall prices over the three-year period is Brightview Tree Care Services. This company is currently under contract with GHI and has

provided satisfactory service in the past. On November 3, 2022, GHI’s Board of Directors reviewed the bids that were submitted and passed a motion recommending that the membership approve a contract with Brightview Tree Care Services to provide tree maintenance services to GHI during the period January 1, 2023 to December 31, 2025, based on the bid prices that the contractor submitted.

C. SUGGESTED MOTION #2 RE: PROPOSED CONTRACT FOR LANDSCAPE MAINTENANCE SERVICES DURING 2023 – 2025 AND RATIONALE FOR THE MOTION

Motion #2: Be it moved that the membership of Greenbelt Homes Inc. authorize GHI’s Board of Directors to enter into a contract with Brightview Landscapes, LLC, to provide landscape maintenance services to GHI’s common areas at the contractor’s bid price of \$88,959 for the year 2023, with a 5% price escalation in 2024 and a further 5% price escalation in 2025, plus a 5% allowance for contingencies that may arise, for costs not to exceed \$93,407 in year 2023, \$98,077 in year 2024, and \$102,981 in year 2025.

Rationale for suggested motion #2

GHI’s contract with Brightview Landscapes, LLC to provide landscape maintenance services within GHI common areas and common areas at GDC’s Parkway Apartment Complex expires on December 31, 2022.

During the 3rd quarter of this year, staff solicited bids from a total of nine (9) landscape maintenance firms. Bids were requested for a three-year contract, commencing in January 2023. The contractor selected will maintain both GHI and GDC common areas, since cost savings due to economies of scale will be obtained by both organizations with this arrangement. The summary of the scope of work for GHI common areas is detailed below.

Landscape Maintenance Activity	General Common Areas in GHI	Administration Building and Garages at 17 Ct. Ridge.
Mowing & trimming	Required 18 times per year	Required 18 times per year
Edging curbs and sidewalks	Required every other mowing or 9 times per year	Required every other mowing or 9 times per year
Manual weed control and mulching		All landscaped beds and tree wells

Five (5) contractors attended a pre-bid meeting to discuss the specifications and tour the site. Four (4) contractors submitted bids for the years 2023 through 2025 along with their annual percentage increases as presented in the following table:

	Bid Costs for Year 2023	% Increase	Total 3-yr Cost
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Company	GHI Common Areas	GHI Specific Areas	GDC	Total Cost	Year 2	Year 3	
Complete Industries, Inc.	\$36,700	\$8,800	\$4,100	\$49,600	0.00%	0.00%	\$148,800
Landstone LLC	\$80,830	\$5,600	\$6,960	\$93,390	3.00%	3.00%	\$288,659
Green Forever Landscaping	\$81,900	\$8,550	\$6,460	\$96,910	0.00%	3.00%	\$293,637
Brightview Landscapes, LLC	\$83,943	\$5,016	\$2,882	\$91,839	5.00%	5.00%	\$289,529

It is recommended that a contract should not be awarded to Complete Industries since their total bid cost is approximately 50 to 51 percent of the amounts bid by the three other contractors. Staff consider their bid price to be unrealistic.

Over the 3-year period, the total cost charged by Brightview Landscapes, LLC is \$870 higher than the cost charged by Landstone LLC, the second lowest bidder. It is recommended that the membership approves a contract with Brightview Landscapes, LLC to provide landscape maintenance services to GHI's common areas for its bid price based on the following reasons:

- a. The common areas that require mowing are diverse, and performance of the contract requires careful attention to detail. A new contractor takes several months to understand the boundaries of the common areas that must be mowed.
- b. Brightview has proven to be very responsive to GHI's requests and satisfactorily performed landscape maintenance duties throughout the last three (3) years.

On November 3, 2022, GHI's Board of Directors reviewed the bids that the four (4) landscape maintenance contractors submitted and recommended that the membership approve a contract with Brightview Landscapes, LLC to provide landscape maintenance services to GHI's common areas during the period January 1, 2023 to December 31, 2025, based on the bids that the contractor submitted.

GHI's Manager has the authority to sign a contract with Brightview Landscapes, LLC for mowing the common areas at the GDC Parkway Apartments Complex.

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 manage GHI's investment portfolio. The agreement includes an annual fee to FMW of 0.50% of assets under management.

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 \$25,008 through December 31, 2022.

GHI income from investments totaled \$207,182 for 2022. The yield-to-maturity on individual bonds held in GHI's corporate bond ladder currently range between 3.7% and 5.9%. The aggregate market value of these bonds was \$2,772,097. The yield-to-maturity on Treasury securities range from 4.2% to 4.7% and on Agency securities range from 4.8% and 5.5%. The aggregate market value of the Treasury/Agency securities was \$10,491,148. As of December 31, 2022, the one-year return was (-5.75%) 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	Lowe's	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		
<u>\$ 2,950,000</u>	Total Corporate Bonds			<u>13,383,233</u>	Total Investments
Treasury/Agency Securities					Cash & Cash Equivalent
<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	Fidelity Government Cash Reserves
3,000,000	US T Bills (zero coup)	0.000%	04/27/23		
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		
				<u>\$ 13,487,744</u>	Total Investments and Cash Equivalents
<u>\$ 10,600,000</u>	Total Treasury/Agency Securities				

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

2023 ANNUAL MEMBERSHIP MEETING

May 11, 2023

7:30 p.m.

MEETING LOCATIONS:

1. A virtual Zoom meeting for members to participate remotely via computer or smartphone.
2. An in-person meeting option at Greenbelt Youth Center Multi-Purpose Room located at 99 Centerway, Greenbelt, MD 20770.

AGENDA

1. Issuance of voting cards beginning at 7:00 p.m. (only for members physically attending the meeting at the Greenbelt Youth Center) *.
2. Proof of due notice of meeting.
3. Certification of presence of a quorum.
4. Approval of agenda.
5. Action on minutes for the Annual Meeting held on May 12, 2022
6. Reports of Officers, Directors, and elected committee (refer to Annual Report).
7. Presentation of Candidates.
8. Nomination and Election of the Nominations and Elections Committee.
9. Old Business.
10. New Business:
 - Proposal to amend Bylaw provisions as outlined in the attachment to this agenda.
11. Good and Welfare.
 - a. Announcements and Comments.
 - b. Prizes for attending the meeting:
 - i. Three (3) certificates toward co-op fees - \$100 each.
 - ii. Four (4) gift certificates to the Co-op Supermarket - \$25 each.
 - iii. Five (5) gift certificates to the New Deal Café - \$20 each.
12. Recess.

Ed James
Secretary

Agenda Item 11 - New Business - Proposal to Amend Bylaw Provisions

The following motion is offered by the Board of Directors for amending the Bylaws with a supporting rationale.

- **Motion: I move that the GHI membership approve an amendment to the GHI Bylaws whereby Article VIII Financial Regulations, Section 11 Expenditure of Funds and Contracts, paragraph d. is removed and under the same Article and Section, paragraph e. is re-lettered to d. and paragraph f. is re-lettered to e.**

Rationale:

Article VIII Financial Regulations, Section 11 Expenditure of Funds and Contracts, paragraph d. states as follows:

The total aggregate costs of the following multiyear contracts shall not exceed \$400,000 at any one time: (i) every outstanding multiyear contract costing more than \$40,000 per year, without regard to the total duration of the contract, and (ii) every outstanding multiyear contract costing \$40,000 or less per year, if such contract runs for a period of more than five years.

The \$400,000 aggregate limit shall not apply to the following contracts:

- I. Contracts for which the purpose and amount shall be approved at a membership meeting by a two-thirds vote;*
 - II. Contracts with respect to borrowing money, mortgages, and mortgage notes;*
 - III. Contracts relating to insurance with a one-year cancellation clause;*
 - IV. Contracts relating to assignments now or hereafter made by members of their Mutual Ownership Contracts; or*
 - V. Contracts relating to matters connected with loans to members.*
1. Paragraph d. restricts the ability of the Board of Directors to select certain multi-year contracts in excess of specified amounts. In December of 2022, routine multiyear contracts for grounds maintenance and tree maintenance exceeded these amounts, and so necessitated a Special Membership Meeting.
 2. Special Membership Meetings require considerable time and effort from both the Board and staff to arrange and conduct. There is also the chance that a quorum will not be present, and so the meeting must be rescheduled. It should not be the case that Special Membership Meetings be required for routine business, such as the example above. Delays imposed by holding Special Membership Meetings could also result in a gap in needed services or in contractors withdrawing their bids.
 3. The interest of the membership in overseeing the fiscal activities of the Board is well served by the provision in paragraph b. of this Article and Section that requires membership approval of any annual increase of ten percent (10%) or more in monthly "Operating

Payments". This includes multi-year contracts and is a provision that is easy to understand and adhere to.

4. Publicly revealing the details of contractors' bids, as is necessitated by a Special Membership Meeting, means that competing contractors are able to know each other's prices and presents the possibility of lower bidders increasing their bids in the future. This will possibly lead, in the example given above, to increased prices for grounds and tree maintenance that could have been avoided if the contractors' bids had been reviewed only in Closed Meetings.
5. GHI staff has identified this paragraph as the most cumbersome and complicated provision in the Bylaws to administer.
6. Fixed dollar amounts should not be included in the Bylaws, since the usual economic environment of low to moderate inflation means that they must be repeatedly adjusted upwards via Bylaw amendments.