

NOTICE OF MEETING AND AGENDA
GDC BOARD OF DIRECTORS

Thursday, November 19, 2020

This meeting will be held electronically. Members & Visitors may attend remotely.

REGULAR SESSION (Open to Visitors & Members)
Begins after the GDC Annual Stockholders' meeting adjourns.

- 1. Approval of Agenda**
- 2. Visitors (Comment Period)**
- 3. For Action or Discussion**
 - a. Election of Officers for the 2020 – 21 Term 5 minutes Discussion/Action
 - b. Approve Minutes of Open Session Meeting Held on October 1, 2020 – (Attachment #1) 2 minutes Discussion/Action
 - c. Review 2021 GDC Operating Budget – (Attachment #2) 15 minutes Discussion/Action
 - d. GHI Finance Committee Recommendation re: Financing a Capital Improvement Plan for GDC Apartments 10 minutes Discussion/Action

GDC REGULAR SESSION



GREENBELT HOMES, INC.

HAMILTON PLACE, GREENBELT, MARYLAND 20770

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



MANAGER'S MEMORANDUM

TO: GDC Board of Directors
FROM: Eldon Ralph, General Manager *Eldon Ralph*
DATE: November 12, 2020
SUBJECT: Items for the **GDC REGULAR SESSION** Board Meeting on
November 19, 2020.

GDC Regular Open Session Meeting

3a. Election of Officers for the 2020 – 21 Term

The following suggested motion is offered:

Motion: I move that the following Directors be elected by acclamation to serve as Officers on the Board of Directors of Greenbelt Development Corporation during 2020 – 21:

- President – Stefan Brodd
- Vice President – Steve Skolnik
- Treasurer – Chuck Hess
- Secretary – Ed James

3b. Approve Minutes of Open Session Meeting Held on October 1, 2020 – (Attachment #1)

Motion: I move that the Board of Directors approve the minutes of the Open Session Meeting that was held on October 1, 2020 (as presented/as revised).

3c. Review 2021 GDC Operating Budget – (Attachment #2)

Attachment #2 is the 2021 GDC Operating budget. Questions regarding the budget may be directed to Joe Perry, Director of Finance, at any time prior to the Board meeting.

This item is on the agenda for discussion and action.

Suggested motion: I move that the Board of Directors adopt the 2021 operating budget for Greenbelt Development Corporation in the amount of \$ 687,560.

3d. GHI Finance Committee Recommendation re: Financing a Capital Improvement Plan for GDC Apartments

At the request of the Board of Directors of GDC, GHI's Board of Directors directed GHI's Finance Committee on January 17, 2019 to review a capital improvements plan for the Parkway Apartments that staff prepared, and recommend sources of financing for planned improvements at the Apartment Complex. Staff estimated that a total of \$3.948 million would need to be spent on capital improvements during 2019 to 2048.

After deliberations, the Finance Committee made the following recommendation:

The Finance Committee recommends that the GDC Board of Directors issue a request to the GHI Board of Directors to provide financing for GDC's capital improvements with terms similar to those granted between the two organizations in the past.

This item is on the agenda for discussion and action.

Suggested motion: I move that the GDC Board of Directors request the GHI Board of Directors to provide financing for GDC's capital improvements when needed, with loan terms similar to those granted by GHI to GDC in the past.

Draft Minutes
Board of Directors
GDC Regular Open Session
October 1, 2020

Board Members Present: Brodd, Hess, Holland, James, Jones, Ready, Skolnik, Socrates and Watkins

Excused Absence:

Others in Attendance

Eldon Ralph, General Manager
Tom Sporney, Assistant General Manager
Joe Perry, Director of Finance
Stuart Caplan, Director of Technical Services
Neron Adams-Escalera, Director of Member Services
Bruce Mangum, Contract Processor
Joyce Campbell, Audit Committee Member
Carol Griffith, Audit Committee Chair

Robin Everly, Audit Committee Member
Agnes Erskine, Recording Secretary
Cynthia Matsakis, 14-H Laurel Hill Rd.
Laurie Wood, 9-Q Southway
Alexandra Nelson, 20-A Ridge Rd.
Jessica Forshee, 14-W Laurel Hill Rd.
Tom Jones, 1-C Woodland Way
Bill Cantwell, 17-F Parkway
Molly Lester, 6-M Hillside Rd.

President Skolnik called the meeting to order at 7:47 p.m.

1. Approval of Agenda

Motion: To approve the agenda as presented.

Moved: Brodd

Seconded: Socrates

Carried: 9-0

2. Visitors (Comment Period)
None.

3. For Action or Discussion

3a. Approve Minutes of GDC Open Session Meeting Held on June 18, 2020

Motion: I move that the Board of Directors approve the minutes of the Open Session meeting that was held on June 18, 2020 as presented.

Moved: James

Seconded: Hess

Carried: 9-0

3b. Approve Minutes of GDC Open Session Meeting Held on July 9, 2020

Motion: I move that the Board of Directors approve the minutes of the Open Session meeting that was held on July 9, 2020 as presented.

Moved: James

Seconded: Jones

Carried: 9-0

3c. Establish a Date for the 2020 Stockholders' Meeting

GDC's bylaws requires the GDC Board of Directors to set a date for an annual meeting of the stockholders in June of each year to elect a Board of Directors and discuss any other business as may come before the meeting.

After the election of the 2020-21 GHI Board of Directors, it is necessary to designate Greenbelt Development Corporation (GDC) stockholders. These persons are designated by the GHI Board to hold proxies for GDC stock that GHI owns. Traditionally, the GHI Board grants each GHI Director a proxy for 1/9 of the GHI shares of stock in GDC. Since the GHI annual membership meeting was rescheduled from May 14, 2020 to October 29, 2020, due to the COVID-19 pandemic, the 2020 GDC stockholders' meeting should be held after October 29th. Staff recommends it should be held on November 19th.

This item is on the agenda for discussion and action.

Motion: I move that the Board of Directors hold the 2020 GDC stockholders' meeting on November 19, 2020, beginning at 7:45 p.m. as presented.

Moved: Hess

Seconded: Jones

Carried: 9-0

3d. Report on the Operations of GDC for the Year 2019

GDC's bylaws stipulate that the President shall cause a report of the operations of GDC for the year to be submitted to the Directors at their meeting preceding the annual meeting of the stockholders, and to the stockholders at their annual meeting. The President's report was presented for discussion.

Motion: I move that the Board of Directors accept the report submitted by the Board President regarding GDC's 2019 operations as presented.

Moved: Brodd

Seconded: Hess

Carried: 9-0

3e. Review 2020 1st Half-Year Financial Statements

GDC's 2020 1st half-year financial statements are submitted as attachment #4. Joe Perry, GHI's Finance Director, presented the statements for discussion.

3f. Inquiry from Realtor about GDC's Interest in Selling Parkway Apartments

Mr. Cameron Manesh, President, Cameron's CRE has inquired whether GDC is interested in selling its 60 apartment units on Parkway. He indicated that current prices per unit are over \$100,000. Mr. Manesh sold the following two properties in Old Greenbelt

- a) Greenbelt Park – 28-Crescent Place, Greenbelt. The purchase price was \$124k per unit or \$5.2m for the 42 units.
- b) The Lawrence - 12-26 Crescent Rd., Greenbelt. The purchase price was \$4.8m or \$100,000 per unit for the 48 units.

Mr. Manesh is currently marketing Parkway Gardens at 2-Parkway, Greenbelt at a list price of \$4.75m for the 42 units or \$113k per unit.

This item is on the agenda for discussion and possible action.

Motion: I move that the Board of Directors request the GHI Board of Directors to direct GHI's Finance Committee to recommend (with pros and cons stated) whether GDC should sell its holdings on Parkway.

Moved: Hess

Seconded: James

Carried: 9-0

Motion: To adjourn.

Moved: Hess

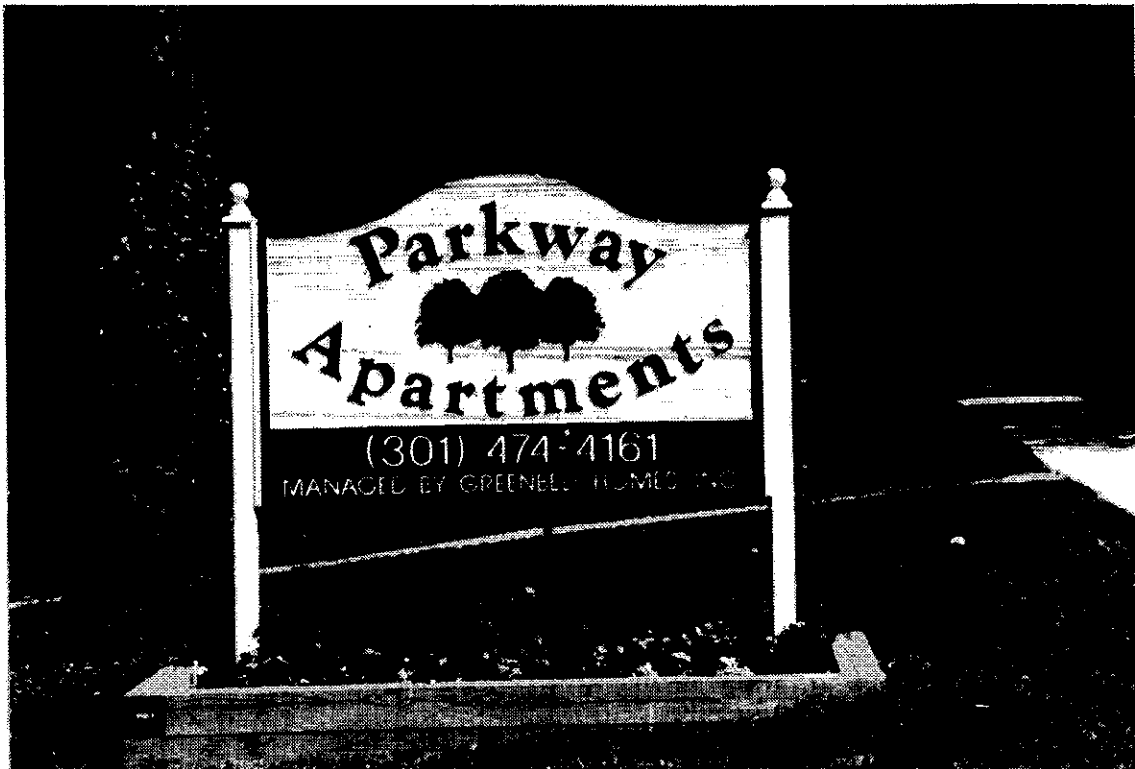
Seconded: Brodd

Carried: 9-0

The meeting adjourned at 8:09 p.m.

Greenbelt Development Corporation

2021 Budget



- **November 19, 2020 – Presentation to Board of Directors**

**GREENBELT DEVELOPMENT CORPORATION
2021 BUDGET NARRATIVE**

Rental Income - Apartments – (Increased from 2020 budget of \$645,470 to \$659,820). Rental income reflects a no change in rental rates for 2021, but does take into consideration some month to month rentals. In 2020, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to month lease and will be charged a rent premium of 4% over approved rental rates. Efficiency units are \$809 per month. One-bedroom units are \$997 per month. One-bedroom with an open porch are \$1,031 per month. One-bedroom with an enclosed porch are \$1,092 per month.

Vacancy Loss – (Increased from 2020 budget of \$22,600 to \$25,730). This item is budgeted at 3.9% of rental income.

Rental Income - Garages – (No change from the 2020 budget of \$44,470). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (Increased from 2020 budget of \$5,000 to \$9,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2020 budget of \$341,930 to \$359,030). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management labor costs to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2020 budget of \$53,700 to \$55,030). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 5,000
Custodial cleaning for halls and basements	18,000
Fire extinguisher servicing	1,200
Landscape maintenance	5,300
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	5,130
Tree maintenance	600
Tub reglazing (5)	1,200
Turnover – lead dust cleaning (12)	3,500
Water treatment for boilers & cooling towers	<u>2,600</u>
Total	<u>\$55,030</u>

Materials – (No change from the 2020 budget of 19,500).

Interest Expense – (Reduced from the 2020 budget of \$5,000 to \$0). This item has been removed since the intercompany note from GHI has been satisfied.

Depreciation recognizes the current year's portion of capitalized expenditures. Includes depreciation associated with capitalization of \$10,000 for replacement of heat pumps for various units.

Greenbelt Development Corporation
2021 Budget

	2020 Y/E Projection	2020 Budget	2021 Proposed Budget	%
				Change
REVENUE				
Rental Income--Apartments	\$ 645,470	\$ 645,470	\$ 659,820	2.2%
Vacancy Loss	(24,990)	(22,600)	(25,730)	13.8%
Rental Income--Garages	43,170	41,950	44,470	6.0%
Other Income	9,060	5,000	9,000	80.0%
TOTAL REVENUE	672,710	669,820	687,560	2.6%
EXPENSES				
Expenses Paid to GHI				
Labor	108,220	108,220	108,000	-0.2%
Legal	8,100	8,100	8,100	0.0%
Insurance	20,760	20,760	21,790	5.0%
Materials *	31,840	31,840	33,420	5.0%
Management fee	173,010	173,010	187,720	8.5%
Subtotal	341,930	341,930	359,030	5.0%
Other GDC Expenses				
Contract work	53,960	53,700	55,030	2.5%
Materials *	19,500	19,500	19,500	0.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	13,930	15,000	15,000	0.0%
Gas	13,540	16,700	16,700	0.0%
Telephone	720	1,200	1,200	0.0%
Water	19,370	16,500	16,500	0.0%
Bad Debts	7,000	3,500	3,500	0.0%
Misc. expenses	50	100	100	0.0%
R/E taxes	59,800	59,800	90,000	50.5%
Depreciation	30,500	30,500	30,500	0.0%
Subtotal	225,570	223,700	255,230	14.1%
TOTAL EXPENSES	567,500	565,630	614,260	8.6%
Net income before taxes	105,210	104,190	73,300	-29.6%
Income tax expense	8,680	0	6,050	N/A
NET INCOME	\$ 96,530	\$ 104,190	\$ 67,250	-35.5%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.