

Minutes
GHI Board of Directors
Regular Session
(Virtual Zoom)
January 21, 2021

Board Members Present: Brodd, Carter-Woodbridge, Hess, James, Jones, McKinley, Ready, Skolnik, and Socrates

Others in attendance:

Eldon Ralph, General Manager

Tom Sporney, Assistant General Manager

Joe Wiehagen, Director of Homes Improvement Program

Kathleen McNamara, Audit Committee

Sam Lee, Audit Committee

Christopher Carbone, Audit Committee

Ben Fischler, 14-V4 Ridge Road

Tom Jones, 1-C Woodland Way

Terry Henderson, 1-H Laurel Hill Road

Altoria Ross, Recording Secretary

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

1. Approval of Agenda

Added item 6h. to the agenda.

Motion: The Board of Directors does approve the agenda as revised.

Moved: Hess

Seconded: Skolnik

Carried: 9-0

2. Announcement of Executive Session Meetings

2a. Announcement of an Executive Session Meeting held on January 21, 2021 (Attachment #1)

GHI's Board of Directors held an Executive Session meeting on January 21, 2021 via internet audio/video conference, with Board members Stefan Brodd, Zoe Carter-Woodbridge, Chuck Hess, Ed James, Bill Jones, Deborah McKinley, Sue Ready, Steven Skolnik, Anna Socrates and Audit Committee members Christopher Carbone, Sam Lee and Kathleen Mcnamara participating.

The following motion to call this meeting was made during a prior open meeting that evening and approved by Board members Stefan Brodd, Zoe Carter-Woodbridge, Chuck Hess, Ed James, Bill Jones, Deborah McKinley, Sue Ready, Steve Skolnik and Anna Socrates.

Motion: I move that the Board of Directors adjourn this open meeting for the purpose of conducting a closed meeting to discuss the following agenda items, as authorized by the pertinent sub-paragraphs of the Maryland Cooperative Housing Act § 5-6B-19 (e)(1).

Agenda item	Sub-paragraph of § 5-6B-19 (e)(1)
1. Approve Minutes of Executive Session Meeting Held on December 17, 2020	(vii)
2. Approve Minutes of Informal Hearing Held on December 14, 2020	(vii)
3. Approve Minutes of Informal Hearing Held on December 28, 2020	(vii)
4. Contract for Tub-reglazing – 2 nd reading	(vi)
5. Member Financial Matters	(viii)

During the meeting, the Board approved the following contract:

- A two-year contract with Porcelain Tub Restoration for re-glazing bathtubs at \$280 per tub, stripping tubs at \$80 per tub, applying non-skid at \$100 per tub, and removing tub drains at \$60/tub drain during 2021, with a 5% escalation in these prices for the 2nd contract year.

The meeting began at 7:05 p.m. and adjourned at 7:35 p.m.

3. Visitors and Members (Comment Period)

None.

4. Approval of Membership Applications

None.

5. Committee and Homes Improvement Program Reports

Homes Improvement Program: Wiehagen reported:

Windows completed at 71%.

Doors completed at 91%.

Siding completed at 93%.

HVAC completed at 82%.

Hess reported that the **Finance Committee** will present a report at the next Board meeting concerning city and county laws involving GHI.

Carter-Woodbridge reported on the **Woodlands Committee**'s removal of invasive species in the woods and the development of a database of trees that need to be removed.

6d. Preparations for the 2021 Annual Membership Meeting

On November 5, 2020, the Board agreed by consensus that the 2021 annual membership meeting should be held on May 13, 2021. If the meeting is to be held on that date, preparations should begin now, e.g., the Nominations and Elections (N&E) Committee usually publishes its Candidate Packet in January and staff must select a venue soon if an in-person meeting is held.

Due to public gathering restrictions that are currently in effect because of the COVID-19 pandemic and uncertainty about when the restrictions will be lifted; it is highly possible that GHI may not be able to hold a wholly in-person meeting on May 13, 2021. Hence the Board should consider which of the following options should be selected for the 2021 annual meeting:

- a) Hold a wholly virtual annual meeting on May 13, 2021. Staff would hire Get Quorum (the company that hosted the 2020 annual meeting) to host the meeting.
- b) Hold a hybrid (in-person and virtual) annual meeting on May 13, 2021. Staff would hire Get Quorum to host the virtual component of the meeting. *(Aside from members who officiated at the 2020 annual meeting, only two members attended the in-person meeting. Also, it was technically challenging to synchronize communications between in-person and virtual participants during the meeting).*
- c) Postpone the 2021 annual meeting to a later date after public gathering restrictions are lifted, for the purpose of holding a wholly in-person meeting. If the restrictions are not lifted by the end of July 2021, proceed to hold either a wholly virtual or hybrid meeting in October 2021.

Motion: I move that the Board of Directors stipulate May 13, 2021, beginning at 7:30 p.m. as the date for holding a hybrid 2021 annual membership meeting.

Moved: Hess

Seconded: James

Carried: 9-0

Discussion moved forward to Item 7.

6e. Next Steps in Planning for the Future Repair/Replacement of Water Supply/Wastewater Pipes in Frame and Masonry Homes – (Attachment #5)

In GHI's replacement reserves plan, wastewater pipes in frame homes are scheduled for repair/replacement during 2024 to 2028; the water supply pipes were replaced during 1981-82 and have an estimated life of 50 years. Water supply and wastewater pipes in masonry homes are scheduled for repair/replacement during 2030 to 2034.

The following actions have been undertaken in pursuit of an initial evaluation of the water supply and wastewater pipes:

- December 20, 2018 – the Board accepted a report from the Buildings Committee on pipe repair/replacement options.
- January 17, 2019 – based on the Buildings Committee recommendation, the Board approved hiring a consultant to evaluate and provide a written report on pipe rehabilitation options with cost estimates.

- February 20, 2020 - the Board approved a contract with ETC Inc. to undertake the following actions regarding the pipes in frame and masonry homes.
 - Provide a written report on repair/replacement options for both water supply and wastewater pipes.
 - Provide a written report on the current performance of epoxy lined pipes in 2 GHI units at 62-A and 62-B Crescent Rd., including water quality tests.
 - Design a pilot study to evaluate both the repair and replacement of piping systems in frame and masonry homes.

ETC Inc. completed the following components of the work scope during 2020:

Evaluation of Pipes in Frame & Masonry Homes	Cost
Inspection, Frame homes waste pipe, 20 buildings, 106 units	\$9,500
Inspection, Brick homes waste pipe, 8 buildings, 40 units	\$3,600
Inspection, Brick Homes supply pipe, 8 buildings, 40 units	\$4,100
Inspection, Block homes waste pipe, 6 buildings, 36 units	\$3,200
Inspection, Block Homes supply pipe, 6 buildings, 36 units	\$3,700
Evaluation/Report of findings	\$7,400
Evaluation/Report of epoxy lined pipes, 2 units	\$3,400
Total	\$34,900

The Board reviewed the ETC report on November 19, 2020. Acting on the Building Committee’s recommendation, the Board decided to cancel the final phase of ETC's work scope to design a pilot project for the repair/replacement of the pipes for a cost of \$11,000.

ETC provided responses to several questions (attachment #5) that a Board member and staff asked, following the Board meeting on November 19, 2020.

Staff suggests that at a minimum, a pilot program should be undertaken in 2022 or 2023 to determine the costs of repairing/replacing the wastewater pipes in one or two rows of frame homes and assess the accommodations that must be made to minimize the disruption of such a project on members’ lives.

Motion: I move that the Board of Directors direct the Buildings Committee to recommend the next actions that should be undertaken in planning for the future repair/replacement of pipes in frame and masonry homes.

Moved: James

Seconded: Ready

Carried: 9-0

6f. Consider Actions GHI Should Pursue to Overcome Investment Restrictions Imposed by the Prudent Person Rule

The Board's 12-month action plan states that GHI should pursue legislative action to address Prudent Person Rule restrictions on GHI investments. Our current investment policy allows investments in commercial paper rated BBB or better; corporate notes and bonds rated BBB or better; and mutual bonds having an average rating of at least "A".

Two attorneys previously advised that the standard of care under the Prudent Person Rule stated in Maryland Code, Corporations and Associations section 2-405.1, applies to GHI's investments. The first attorney advised that investments subject to the Prudent Person Rule should be limited to federal-insured deposits, U.S. government securities and other investments insured or guaranteed as to principal by the U.S. government. However, the second attorney advised that GHI's existing investment policy appeared to be in line with the Prudent Person Rule.

After further reviewing the two attorneys' opinions and consulting with three fee-only investment advisors, the Investment Committee prepared the following report which the Board reviewed on July 11, 2019:

Investment Committee Report – Prudent Person Rule & Investment Advisor

The Investment Committee reviewed the communications from the attorneys regarding the Prudent Person Rule stated in the Maryland Code, Corporations and Associations section 2-405.1. The Investment Committee also received communications from three fee only investment advisors: Brighton Jones, CliftonLarsonAllen Wealth Advisors, LLC (CLA) and Creative Planning, Inc. Brighton Jones communicated their business model better matched with investors who operated according to the Prudent Investor Rule rather than the Prudent Person Rule. They, therefore, chose not to engage in further discussions with the Investment Committee. CliftonLarsonAllen Wealth Advisors, LLC (CLA) and Creative Planning, Inc. did provide the Investment Committee with copies of their respective service agreements and John Langon, Chief Industry Officer at CLA participated in the conference call with the Investment Committee. During that call, Mr. Langon also discussed the Prudent Person Rule in which he agreed with the Investment Committee's concern of the Prudent Person Rule that it limits the investment tools of the corporation to investments that are not designed to, at a minimum, keep up with the rate of inflation.

After careful consideration of the information that was provided and discussed by the Investment Committee, we are seeking guidance from the Board of Directors on how to proceed. The Board of Directors directed the Investment Committee to engage a fee-only investment advisor; however, the benefits of engaging an investment advisor under the restrictions of the Prudent Person Rule are virtually insignificant. The Investment Committee recommends the Board of Directors seek assistance from the Legislative and Governmental Affairs Committee to take steps to have the Maryland Code, Corporations and Associations section 2-405.1 revised or otherwise changed such that the cooperative is not hindered by this law. In this economic

environment as well as in future years, the cooperative would not be able to effectively maintain its buying power. Inflation would essentially erode GHI's investment assets as a result of this rule.

The Investment Committee recommends this report be provided to the Board of Directors seeking action to address the Prudent Person Rule found in the Maryland Code, Corporations and Associations section 2-405.1 and not to engage an investment advisor until that rule has been addressed.

Following discussion of the Investment Committee's report on July 11, 2019, the Board passed a motion that directed the Manager to defer action on hiring a fee-only investment advisor to advise the Investment Committee, until further notice. The Board did not act on the Investment Committee's recommendation that the Legislative and Governmental Affairs Committee should take steps to have the Maryland Code, Corporations and Associations section 2-405.1 revised or otherwise changed such that GHI is not hindered by this law.

Motion: I move that the Board of Directors direct the Legislative and Government Affairs Committee to consult with the Investment Committee and recommend by March 31, 2021, specific actions that GHI should pursue to have the Maryland Code, Corporations and Associations section 2-405.1 revised or changed so that GHI's investments are not hindered by this law.

Moved: Ready

Seconded: Hess

Carried: 9-0

6g. Substitute Holidays for Staff During 2021

GHI full time regular employees are offered eleven holidays per year which include the day after Thanksgiving and Christmas Day. During 2021, the day after Thanksgiving (November 26) falls on Friday of a compressed work week, when the office will be closed. Christmas Day falls on Saturday; hence this holiday would normally be observed by staff on December 24 which also falls on Friday of a compressed work week when the office will be closed.

To maintain our holiday policy, staff requests that the Board designate two floating holidays for full-time staff as substitute holidays for November 26, 2021 and Friday, December 24, 2021.

Motion: I move that the Board of Directors authorize two floating holidays for full-time staff as substitutes for Friday, November 26, 2021 and December 24, 2021. This is a one-time adjustment necessitated by the compressed workweek schedule during 2021.

Moved: Hess

Seconded: Skolnik

Carried: 9-0

6h. Proposed Renovation of the GHI Playground at 2 Research Rd by the City of Greenbelt- (Attachment # 8a-8c)

In 2005, the City of Greenbelt and GHI signed a Playground Use and Maintenance Agreement (attachment #8a) granting the City an easement that allows long-term public access of GHI-

owned playgrounds in exchange for city maintenance of the playground equipment and surfacing. Under the agreement, GHI is obligated to reimburse the City for 25% of the total cost for new playground equipment and new surfacing materials.

On December 3, 2020, the Board of Directors authorized Board President Brodd to sign a joint-use agreement that the City of Greenbelt subsequently submitted to the Maryland Department of Natural Resources, seeking approval to utilize Program Open Space funds to renovate the existing playground at 2 Research Rd (attachment #8b). Approval is expected in late February or early March 2021. Attachment # 8c shows the design for the renovated playground with new equipment.

The Playground Use and Maintenance Agreement states that the City may not eliminate any playground equipment without obtaining written permission from GHI; hence this item is on the agenda for the Board to consider whether the City of Greenbelt should be allowed to proceed with the renovation of the playground at 2 Research Rd. as proposed.

Motion: I move that the Board of Directors allow the City of Greenbelt to renovate the GHI playground located at 2 Research Rd. in accordance with the playground design presented.

Moved: Ready

Seconded: James

Carried: 9-0

Discussion moved backward to Item 6d.

7. Items of Information

7a. Board 12 Month Action Plan and Committee Task List (Attachments #6a-6b)

7b. Monthly GHI and City Calendars (Attachments #7a-7b)

7c. President's Items

Brodd commended the quality of people on the Member Outreach Committee.

7d. Board Members' Items

Skolnik said there was a removal of weight from his shoulders by the joy of the inauguration.

James said the world seemed brighter.

Socrates said she had the best night's sleep.

McKinley said she has not received an official notification of her liaison assignment. Brodd said he would generate one for her.

Ready said there are many knowledgeable members on the Reasonable Accommodations Committee.

Carter-Woodbridge said the Reasonable Accommodations Committee had done a lot of good work due to the members who have joined.

7e. Audit Committee's Items

None.

7f. Manager's Items

GM Ralph wanted to know if he should send out a notice to the Reasonable Accommodations Committee, but Ready said she wanted to review the policy first.

Motion: To adjourn.

Moved: Hess

Seconded: McKinley

Carried: 9-0

The meeting adjourned at 8:48 p.m.

Ed James
Secretary