

Minutes
GHI Board of Directors
November 16, 2006

Present: Agans, Alpers, Hudson, Lauber, Lewis, McFadden, Morse, Moore, Ready

Others in Attendance:

Gretchen Overdurff, General Manager	Michael Iacangelo, Audit Committee
Steve Ruckman, Director of Finance	Genevieve Courbois, Recording Secretary
Eldon Ralph, Director of Physical Services	Molly Lester
Joan Krob, Director of Member Services	Beverly Dziduch
Brenda Lewis, Director of Human Resources	Doug Love
Tom Sporney, Staff Engineer	Don Comis
Dianne Wilkerson, Chair, Audit Committee	Bill Orleans

President Lewis called the meeting to order at 7:39 p.m.

1. Approval of Agenda

MOTION: MOVE APPROVAL OF THE AGENDA.

Moved: Lauber

Seconded: Moore

Carried

2. Visitors and Members

Doug Love, said that when he mails his coop payment to the GHI lockbox he has no indication that it has been received. He asked that he be provided with a dated receipt as a reassurance that he is not being charged late fees. While he has not been assessed any late fees for non-receipt of a payment or a late payment, he is concerned about the US Postal Service's ability to deliver his payment as well as the possibility that it could be intercepted and cashed by a third party. He stated his willingness to pay for this verification.

The Board acknowledged his concern. A suggestion was offered that a receipt could be given at the reception desk for those members who drop off their payment and ask for a receipt. General Manager Overdurff pointed out that this service would need to be provided to all members and guidelines for this process would need to be established. President Lewis announced that the Board would issue a decision at its next meeting.

3. Approval of Minutes

MOTION: MOVE APPROVAL OF THE MINUTES OF OCTOBER 19, 2006.

Moved: Moore

Seconded: Alpers

Carried

Abstained: Agans

4. Approval of Membership Applications

MOTION: THAT THE FOLLOWING PROSPECTIVE MEMBERS ARE ACCEPTED INTO THE COOPERATIVE AND MEMBERSHIP AFFORDED THEM AT THE TIME OF SETTLEMENT:

- **WILLIAM G. SALMOND**
- **JOHN P. KOCHENDORFER**
- **JULIE K. PHELPS**
- **FREDA WOLLMAN**
- **PHILIP KEVIN TOPPER AND AMELIA MARCETTI TOPPER**
- **ELLEN J. CARTER**
- **JOSE VANDERIEL MARTINS & MARINES A.Z. MARTINS**
- **ERIC M. WILCOX AND ERIN F. WILCOX**
- **BONNIE C. CAWTHORNE AND JOHN H. CAWTHORNE**

Moved: Lauber
Abstained: Hudson

Seconded: Alpers

Carried

5. Committee Reports

There were no committee reports.

6a. GHI Insurance Overview – Brent Polkes, Guest

Mr. Brent Polkes of Polkes Insurance took questions from the Board regarding insurance. In terms of GHI's existing added-on wood burning stoves, he stated that there is nothing in writing in terms of such stoves, per se, which will have a negative effect on GHI's policy. However, like all installations added after original construction, wood-burning stoves are considered more hazardous as a whole by the industry. While those existing in GHI do not affect premiums, an increased quantity might be looked upon unfavorably by an underwriter and that those companies with which he works would prefer not to underwrite this type of stove. He clarified that the issue for the underwriter is not how much to increase a premium to accommodate these installations, but rather an assessment of the risk involved. He said that a change in GHI policy regarding these stoves, e.g., a ban, would not affect the GHI master policy. If an added-on wood burning stove was the cause of a fire, there would not be a problem in finding an underwriter, said Mr. Polkes. He enthusiastically commended GHI staff for its cost-effective and proactive approach in managing and maintaining the property dedication and said this would positively influence an underwriter. He also added that in the case of a fire linked to such a stove, GHI would be reimbursed for the full cost of repair and replacement above the deductible.

In terms of upgrades to houses, he explained that while the physical structure of a member's unit is covered by the master policy, coverage only extends to features originally there. Any upgrades to the structure after membership was purchased would be the responsibility of the member.

He explained that claims are expected from organizations such as GHI, and the historical record indicates that GHI has been within the limits of anticipated claims. If the claims were above the limits, a red flag would be raised. Director Alpers inquired if Board members are insured against malfeasance, misfeasance and nonfeasance. Mr. Polkes responded in the affirmative.

6b. Delinquency Policy

Director of Finance Ruckman explained that there are two delinquency policies in effect dating to 1996 and 2002. As GHI has been using the 1996 policy (he described the 2002 policy as “extremely harsh”), he stated that staff is presenting the 1996 policy in which changes have been incorporated by staff for Board consideration. Don Comis, presented his concerns about the draft document. General Manger Overdurff said that the revised policy would be publicized in the Newsletter after adoption. Board members suggested changes to the right of redemption text.

MOTION: THE BOARD OF DIRECTORS ADOPTS THE REVISED ACCOUNTS RECEIVABLE/DELINQUENCY POLICY PROCEDURES AS REVISED AND DATED NOVEMBER 16, 2006 AND DIRECTS THAT THEY BE IMPLEMENTED IMMEDIATELY.

Moved: Moore

Seconded: McFadden

Carried

Audit Committee Chair Wilkerson advised that the Audit Committee recommends that this policy be printed on the back of the M-2 and M-3 letters.

6c. Rental Garage Rules Revision – Section XIV.C.3.i

General Manager Overdurff explained that while the Board implemented a change in section XIV.C.3.i regarding the inspection of garages, the member handbook was not updated in section XIV under Parking. Director Ready suggested that the new language be simplified as it is very detailed.

MOTION: THE BOARD OF DIRECTORS APPROVES OF THE CHANGE IN WORDING TO SECTION XIV.C.3i OF THE MEMBER HANDBOOK, WHICH REFLECTS THE BOARD CHANGE IN POLICY APPROVED FEBRUARY 17, 2006.

Moved: Lauber

Seconded: Moore

Carried

Opposed: Ready

6d. 2007 Proposed Operating Budget – 2nd Reading

MOTION: THE BOARD OF DIRECTORS ADOPTS FOR SECOND READING AND FINAL PASSAGE THE OPERATING BUDGET FOR THE YEAR 2007 IN THE AMOUNT OF \$7,554,745 WITH ESTIMATED DEPRECIATION ON MEMBERS’ HOMES AT \$503,508.

Moved: Ready

Seconded: Alpers

Carried

6e. Expenditure Authorization #1 – 1st Reading

In response to a question from Director Agans, Director Ready explained that this document is an implementation authorization for the year 2007 budget.

MOTION: THE BOARD OF DIRECTORS APPROVES FOR FIRST READING EXPENDITURE AUTHORIZATION #1 FOR 2007 IN THE AMOUNT OF \$7,119,387.

Moved: Alpers

Seconded: Agans

Carried

6f. Pre/Post Settlement Occupancies

General Manager Overdurff explained that while a written policy on pre/post settlement occupancies is in effect, for the past several years staff has not granted permission for such occupancy as a number of problems were experienced by staff. Board members questioned Overdurff about educating sellers, buyers and community members about the existing policy and ways to address the associated problems. Director Hudson supported the idea of a prohibition of pre/post settlement occupancies and stated that exception requests could be heard.

MOTION: THE BOARD OF DIRECTORS ADOPTS THE POLICY THAT PRE/POST SETTLEMENT OCCUPANCY IS PROHIBITED.

Moved: Alpers

Seconded: McFadden

Carried

Overdurff stated that any exception requests to this policy as the result of extenuating circumstances would be addressed by the Board.

7. Items of Information

No discussion.

8. President

President Lewis announced that the two final distribution days for leaf bags at the 6 Court Hillside garage are Saturday, December 2 and 9. She commended the recent rain garden workshop and noted that it was videotaped. She will be serving as a Grassroots Advocate for NCBA and encouraged other Board members to take this on if they are interested in advocating for cooperatives. She expressed her appreciation for staff holiday party invitation.

9. Board Members

No discussion.

10. Manager

General Manager Overdurff conveyed that currently GHI is unable to accommodate many FFS requests due to staffing constraints, and anticipates that this is a temporary situation. She said that she would not be at the December 7th Board meeting.

MOTION: TO ADJOURN.

Moved: Moore

Seconded: McFadden

Carried

The meeting adjourned at 9:25 p.m.

Dorothy Lauber
Secretary