

Minutes - GHI Board of Directors
February 22, 2007

Present: Agans, Alpers (7:39 p.m.), Hudson, Lauber, Lewis, McFadden, Moore, Morse, Ready

Others in Attendance:

Gretchen Overdurff, General Manager	Beverly Dziduch
Stephen Ruckman, Director of Finance	Robin Everly
Eldon Ralph, Director, Physical Plant Oper.	Jennifer Tschabrunn
Joan Krob, Director of Member Services	Karen Morgenstern
Tom Sporney, Staff Engineer	Lora Katz
Dianne Wilkerson, Chair, Audit Committee	Don Comis
Michael Iacangelo, Audit Committee	Sonya Lowery
Marat Moore, Audit Committee	Judith "J" Davis, Mayor, City of Greenbelt
Genevieve Courbois, Recording Secretary	

President Lewis called the meeting to order at 7:30 p.m. She said that an Executive Session would be held after the meeting for approval of minutes and to address member and complaint issues.

1. Approval of Agenda

The agenda was approved by consensus.

2. Visitors and Members

There were no visitors or members who wished to address the Board at this time.

3. Approval of Minutes

President Lewis requested that if a Board member has an extensive change to the minutes, the member should draft the new language in advance and submit it to the Secretary at the meeting.

MOTION: MOVE APPROVAL OF THE MINUTES OF JANUARY 25, 2007, AS REVISED.

Moved: Ready

Seconded: Morse

Carried 7-0

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:

- ERIC W. LEULIETTE AND XOCHITL C. ZAMORA-THOMPSON
- GLORIA N. MUSCARDIN
- STEVEN R. O'HARA AND JOHANNA E. O'HARA
- SHERRI A. LEGALL
- MEREDITH A. WAGNER

Moved: Lauber

Seconded: Moore

Carried 7-0

- **MOTION: THAT THE BOARD OF DIRECTORS APPROVES THE FOLLOWING MUTUAL OWNERSHIP CONTRACT CHANGE HERBERT L. FINCHAM AND GLENNA G. FINCHAM (DECEASED) TO HERBERT L. FINCHMAN, SOLE OWNER**

Moved: Lauber

Seconded: Moore

Carried 7-0

5. Committee Reports

Reports from the Yard Line Committee and Ethics Sub-Committee appear as agenda items.
Director Alpers arrived (7:39 p.m.).

6a. Member Request to Purchase Boiler Room Adjacent to 32G Ridge Road

Ms. Tschabrunn, stated her desire to remain in the GHI community. She would like to add to her living space by purchasing the boiler room next to her unit, otherwise she will need to consider building an addition to her unit or have to move. General Manager Overdurff stated that she has spoken with Ms. Tschabrunn over a number of years regarding the issue. Overdurff mentioned that traditionally, boiler rooms were sold to members for \$1,000; however, this would not be realistic today based on the amount that has been invested to date as well as other improvements needed to make the boiler room habitable. She felt it important to bring this issue to the Board so that the member can have some resolution. The following was brought out during discussion: a) members have not always maintained the boiler rooms after purchase; b) the Board placed a moratorium on member purchases until all associated maintenance issues with the rooms were resolved; c) further research is needed before a decision is made and the decision should benefit the entire cooperative rather than one member; d) the Board should expedite consideration of the matter; and e) the membership should get full value for the sale of boiler rooms.

Director of Physical Plant Operations Ralph inquired if the member would be willing to pay the costs associated with needed improvements, roughly estimated at \$13,665 per boiler room, which includes drainage improvements, installing a sump pump, repairing concrete slabs, replacing doors, and waterproofing. Ms. Tschabrunn opined that had GHI properly maintained the boiler rooms; they would not be in such poor condition.

MOTION: THE BOARD OF DIRECTORS DEFERS CONSIDERATION OF THIS ISSUE FOR FURTHER DISCUSSION AT A WORK SESSION.

Moved: Ready

Seconded: Moore

Carried 8-0

Ms. Tschabrunn requested that she be notified when this item next appears on the Board agenda or at a work session.

MOTION: THE BOARD OF DIRECTORS DECLARES A MAXIMUM 6-MONTH MORATORIUM ON THE SALE OF BOILER ROOMS TO MEMBERS PENDING FURTHER RESEARCH INTO THE VIABILITY OF THE IDEA, THE FAIR MARKET PRICE AND THE HVAC STUDY.

Moved: Ready

Seconded: Agans

Carried 8-0

6b. Unpermitted Plastic Lattice Privacy Screen, 55F Ridge Road

On 27Dec06 during a site visit to investigate drainage issues on the gardenside of 55E-H Ridge Road, GHI staff noted a plastic lattice panel attached to the chain link fence between units 55E & F. This lattice is in conflict with GHI rules.

Director Ready said that the A&E committee recommends that Ms. Lowery be given one year to remove the lattice panel to enable her to replant and for GHI to work with the adjacent neighbor. Ms. Lowery says that she has lived with her neighbor's unkempt yard for ten years; recently, she has seen some improvement to the gardenside yard. General Manager Overdurff confirmed that GHI has been working with the member at 55E Ridge Road for a number of years on yard upkeep. Director of Member Services Krob noted that the neighbor has been recently cited to repair their serviceside brick walkway. Board members and staff inquired about the condition of the neighbor's dogs. Krob said that staff found the dogs lively and well on a recent visit.

MOTION: THE BOARD OF DIRECTORS DOES NOT APPROVE AN EXCEPTION TO ALLOW THE UNPERMITTED LATTICE PRIVACY SCREEN AT 55F RIDGE ROAD, AND DIRECTS THE MEMBER TO MAKE ARRANGEMENTS TO REMOVE IT WITHIN ONE YEAR.

Moved: Moore

Seconded: Ready

Carried 8-0

6c. Ad-hoc Yard Line Committee Recommendation for Encroachment Resolution

Director Hudson presented the Ad Hoc Yard Line Committee's recommendation for yard line encroachment resolution. He emphasized that this resolution would only apply for encroachments caused by the redrawing of yard lines. Such encroachments would be addressed in the event of replacement or repair of the encroaching personal property. Any encroachments would be identified at the time of resale, and this resolution would apply to the new owners. Lora Katz, 42E Ridge Road, said that this resolution is "condition-based."

MOTION: THE BOARD OF DIRECTORS DOES ADOPT THE RECOMMENDED ENCROACHMENT RESOLUTION POLICY AS PRESENTED IN THE MANAGER'S MEMORANDUM OF FEBRUARY 16, 2007 AND ATTACHED TO THE OFFICIAL MINUTES.

Moved: Hudson

Seconded: Lauber

Carried 8-0

6d. Contract for Repairs - 11F Laurel Hill Road – 1st Reading

GHI terminated the Mutual Ownership Contract of the member at 11F Laurel Hill Road for cause. GHI proposes to repair the unit in preparation for resale. Once the unit is sold, GHI will recover the debts owed to the co-op and the remaining funds will be provided to the former member. Because of the considerable work involved in bringing the unit into compliance with GHI resale standards, bids were sought from three contractors: Gehring Construction Co. - \$19,030.00; J&M Woodworking Inc. - \$25,150.00; and Warring Builders - \$19,215.00. Staff recommends awarding a contract to the low bidder – Gehring Construction Co. with an extra 15% to cover any unforeseen contingencies. General Manager Overdurff distributed the scope of work to Board members at the meeting.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER FOR FIRST READING TO SIGN A CONTRACT WITH GEHRING CONSTRUCTION TO RENOVATE THE UNIT LOCATED AT 11F LAUREL HILL AS DIRECTED BY GREENBELT HOMES, INC. AT A COST NOT TO EXCEED \$21,884.50.

Moved: Ready

Seconded: Moore

Carried 8-0

6e. Status of Electrical and Bathroom Inspection Program

The Board of Directors reviewed the data on the 870 GHI units inspected since January 2004 as part of the electrical and bathroom inspection program. President Lewis noted that member response to this program has been very positive. In response to a question from Director Morse, Director of Physical Plant Operations Ralph clarified that tile surface repair is the responsibility of the member. Ralph said that missing smoke detectors are being replaced at no charge as part of this program. Director Moore said the Greenbelt Fire Department will change batteries and install smoke detectors at no charge, provided it has adequate stock in house. Director Agans suggested publicizing program data and smoke detector information in the *Communicator*.

6f. Ethics Sub-Committee Report

Director Ready presented an overview of the draft Director's Code of Ethics the sub-committee has developed based on the National Association of Housing Cooperatives' Director's Code of Ethics. Director Agans suggested publicizing this in the *Communicator*. President Lewis commended the sub-committee for their thorough work.

6g. Suggested Bylaws Changes

President Lewis said that the Board needs to decide if the Bylaws committee should consider the following topics towards recommending changes to the bylaws: annual meeting voting, Audit committee duties and the topic of multiple memberships.

Director Ready, chair of the Bylaws Committee, stated her support for change in the annual meeting voting times. She expressed hesitancy on the suggested change to the Audit committee duties as it implies that no Board or committee meeting can be held without an Audit committee member present. She was not in support of the multiple membership bylaw change. General Manager Overdurff said that the impetus behind this change is to have the by-laws concur with the MOC and was suggested by counsel. She said that people need to understand that they are making a commitment to be members when they co-sign with others. Director Agans suggested changing the MOC to require that members reside in their units. Overdurff said that this would require that current members sign MOCs.

Director Ready said that she believes that changing this bylaw is a step in the wrong direction. She surmised that multiple memberships were originally allowed to enable GHI parents to co-sign with their children who would not otherwise qualify for membership. She said that she wants to see children of members become members themselves and hopes the co-op can find a better way to support this. However, she explained that there are some situations in which a non-member lives in the unit while the member lives outside of GHI. She believes that currently the MOC says that the member must live in the unit. Further, that the member is defined as all of the individuals on the MOC. Therefore, her interpretation is that all the individuals on the MOC must live in the unit. Director

Lauber has observed that situations like this can occur when a parent moves out due to illness and children or grandchildren who often are not members or do not know how cooperatives operate, remain in the unit.

Don Comis, concurred with Director Ready based on the core principle of GHI being “member-resided” and brought up the issue of speculation. Director Ready said that to her understanding GHI has always discouraged speculators from buying in GHI and should continue to do so. She noted that the language introduced by the attorney regarding multiple memberships is conflicting, e.g., use of “member” and “individual.”

MOTION: THE BOARD OF DIRECTORS MOVES THAT “MULTIPLE MEMBERSHIPS” BE STUDIED FURTHER BY A SUBCOMMITTEE OF THE BOARD (TO BE NAMED) AND BROUGHT BACK TO THE BOARD AT A LATER DATE.

Moved: Agans

Seconded: Moore

Carried 8-0

MOTION: THE BOARD OF DIRECTORS MOVES THAT THE BYLAWS COMMITTEE CONSIDER “ANNUAL MEETING VOTING.”

Moved: Alpers

Seconded: Moore

Carried 8-0

After a brief discussion, the Board decided not to refer the Audit committee duties to the Bylaws committee. Audit Committee Chair Wilkerson noted that requiring an audit committee member to be present at all of the Board and committee meetings would be an impossible task for the three members.

6h. Schedule Manager’s Review

The Manager’s annual review was scheduled for Monday, March 5th from 7:30 – 9:00 p.m.

6i. Fee-For-Service (FFS) Loan Origination Fee

Members who are selling their homes and do not have the financial resources to bring them up to GHI standards can have FFS work done and then defer payment of the FFS work until settlement. Director of Finance Ruckman said that FFS loan origination fee is being introduced as a way to minimize costs for the coop while still helping members. General Manager Overdurff said that such FFS work is bid and contracted out, but is staff-supervised. She noted that settlements are becoming more difficult and FFS is putting money in escrow which gets the work done and facilitates settlement. She emphasized that this has been very helpful for members as they do not have to front the funds and it becomes part of the HUD-1.

Director Alpers said that by consensus and in consultation with Ruckman, the Finance Committee decided on a GHI loan origination fee equal to 5% of the FFS estimate and an 18-month interest-free period from the time the FFS service contract is signed (after which the prime rate will apply). Board members suggested 18-months might be too long a period.

Audit Committee member Iacangelo questioned whether a loan origination fee is the ideal solution and inquired about GHI’s role as a creditor and collector. Ruckman responded that the most efficient course of action seemed to be a flat fee as an origination for a loan. Overdurff said that in advance of

FFS, staff evaluates whether GHI might incur a loss. Director of Physical Plant Operations Ralph said that a 15% fee is built into the FFS work.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES GHI TO CHARGE A LOAN ORIGINATION FEE EQUAL TO 5% OF THE FEE-FOR-SERVICE ESTIMATE FOR MEMBERS WISHING TO DELAY PAYMENT OF THEIR FEE-FOR-SERVICE WORK UNTIL SETTLEMENT. THE LOAN ORIGINATION FEE WILL APPLY TO FEE-FOR-SERVICE WORK IN EXCESS OF \$1,000. THE INTEREST-FREE PERIOD WILL LAST 12 MONTHS AFTER WHICH INTEREST EQUAL TO THE PRIME RATE WILL APPLY.

Moved: Ready

Seconded: McFadden

Carried 8-0

7. Items of Information: No discussion.

8. President: President Lewis commended staff for their efforts during the recent weather conditions. She read a letter from a law firm commending Kathy Linkenhoker.

9. Board Members

Director Agans inquired if the e-mail from member Lucia regarding soundproofing would be responded to. President Lewis said it would be forwarded to a Board committee. Agans voiced surprise that certain sidewalks were not cleared by members during the recent inclement weather. She inquired if a reminder should be issued to members or if GHI should consider expanding its coverage.

Director Moore noted that some extended sidewalks were not cleared after the inclement weather. Director of Physical Plant Operations Ralph said that some of these are city-owned sidewalks. He also explained that there are nine miles of sidewalks in GHI, and the Board decided by consensus that the focus should be on primary egress to units as GHI cannot afford to clear all nine miles. Mayor Davis explained that some sidewalks are never cleared as it melts before they get to them, adding that this recent storm was unusual as it consisted of snow and ice so an essential decision was made to let everything sit until it all stopped; this is not their usual procedure.

Director McFadden announced that the Companion Animal Committee has been nominated for an award by the Metropolitan Washington Council of Governments.

Audit Committee member Michael Iacangelo expressed his appreciation for the work and research done on the FFS Loan Origination Fee.

10. Manager

In response to an inquiry from General Manager Overdurff, Board members said they would be interested in attending an "open house" at GHI. It has been years since one was held, and will enable the Board to better understand how each department operates.

MOTION: TO RECESS TO EXECUTIVE SESSION FOR APPROVAL OF MINUTES AND MEMBER COMPLAINT ISSUES.

Moved: Moore

Seconded: Agans

Carried 8-0

The meeting recessed at 9:40 p.m.

Dorothy Lauber
Secretary