

Minutes
GHI Board of Directors
May 11, 2006

Present: Able, Alexanderwicz, Alpers (7:33 p.m.), Eichhorst, Hudson, Lauber, Lewis, Moore

Excused Absence: Hess

Others in Attendance:

Gretchen Overdurff, General Manager	Ann Bauman
Stephen Ruckman, Director of Finance	Dorian Winterfeld
Eldon Ralph, Director of Physical Services	David Morse
Joan Krob, Director of Member Services	Suzette Agans
Brenda Lewis, Director of Human Resources	Matt Berres
Matt Berres, Landscape Specialist	Susan Ready
Tom Sporney, Staff Engineer	Richard Menis
Dianne Wilkerson, Chair, Audit Committee	Jodi Vilardo, Deleon & Stang
Mary Crellin, Audit Committee	Stuart Landry, Patriot Mortgage
Diana McFadden, Audit Committee	Nadeem Bhatti, Patriot Mortgage
Genevieve Courbois, Recording Secretary	Matt Whalen, National Cooperative Bank

President Eichhorst called the meeting to order at 7:30 p.m. She stated that there were no revisions to the Agenda and that Executive Session had been held prior to the meeting.

1. Approval of Agenda

MOTION: MOVE APPROVAL OF THE AGENDA.

Moved: Alexanderwicz

Seconded: Lauber

Carried

2. Visitors and Members

Matt Whalen of National Cooperative Bank (NCB) said that he recently spoke with Treasurer Lewis about reverse mortgages. He explained that while NCB is offering reverse mortgages through its New York office, NCB does not have the capacity or the broker relationship to move into the Washington, DC area. Treasurer Lewis inquired of Mr. Whalen how to change this climate, as Freddie Mac and Fannie Mae do not offer reverse mortgages either. Mr. Whalen encouraged the cooperative to pursue this through lobbying. Treasurer Lewis asked about potential support from NCB in this respect, as both NCB and GHI are cooperatives. He stated that this would not be possible based on past concerns with GHI in terms of “loans going to other lenders” and “perceived interference from the office.” He said that in 2004 NCB addressed these concerns in writing to GHI but these concerns were never addressed. Treasurer Lewis emphasized that lender selection is up to the member, not GHI. She emphatically questioned if NCB’s unwillingness to assist GHI in terms of reverse mortgages was based on its perception that GHI is “not playing fair.” Mr. Whalen responded in the negative and questioned why GHI was not approaching National City. Treasurer Lewis responded that, as a cooperative GHI naturally likes to do business with other cooperatives.

Nadeem Bhatti of Patriot Mortgage expressed his appreciation for working with GHI members since Patriot Mortgage was added to the list of approved lenders last year. While he

wants this relationship to continue to grow, he expressed his concern that Patriot Mortgage has been identified as having the highest fees and rates (two GHI clients brought this to his attention). He will continue working with GHI clients but stressed that he would like to have a “fair playing field.”

3. Discussion of Minutes

Treasurer Lewis inquired about presentations at the Annual Meeting having a 10-minute time limit. President Eichhorst responded that this was an approximation.

MOTION: MOVE APPROVAL OF THE MINUTES OF APRIL 13, 2006.

Moved: Moore

Seconded: Hudson

Carried

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:

- DAVID M. GIVENS AND MARY STACEY RICCI
- GREGORY N. GOBLICK AND CAROLYN R. GOBLICK
- LOUIS LORET DE MOLA AND THELMA LORET DE MOLA

Moved: Lauber

Seconded: Abell

Carried

MOTION: THAT THE BOARD OF DIRECTORS APPROVES THE FOLLOWING MUTUAL OWNERSHIP CONTRACT CHANGE: JENNIFER TSCHABRUNN, CHRISTOPHER GIBSON AND GARY AND MARY TSCHABRUNN, TO JENNIFER TSCHABRUNN, SOLE OWNER

Moved: Lauber

Seconded: Alexanderwicz

Carried

5. Committee Reports

President Eichhorst stated that written reports have been provided by both the Finance Committee and the Member and Community Relations Committee.

6a. Presentation of 2005 Audit

Jodi Vilardo, a partner at DeLeon & Stang in charge of community associations, presented a report on the financial position of the Cooperative based on audited financial statements of GHI and GDC for the year ended December 31, 2005. She reported that the Cooperative had a great year and she issued a clean opinion. She noted that the Cooperative was fully staffed, completed a technical review, began the process of securing new hardware/software for accounting and maintenance, continued to build up the reserves, kept investments up amidst big expenses from the reserve fund, and had a windfall from a mutualization benefit. While a \$22,000 profit was realized she noted that the Cooperative was adequately covering expenses and

shoring up investments. She appreciated working with the GHI accounting staff whose cooperation and preparedness made the audit go very smoothly.

She explained the concept of a prior period adjustment, which came up at the end of last year's audit in relation to restating the insurance expense. She explained that the way it is presented this year is correct despite the fact the previous year's ending balance is not the same as the current year's beginning balance.

Director Alpers inquired about the checks and balances system in place. Ms. Vilardo responded that any changes DeLeon & Stang has suggested in this respect, e.g., use of a lockbox, have been taken by the Cooperative. She feels that once the software/hardware is in place a better picture will be provided. At the request of Susan Ready, 30C Ridge Road, Ms. Vilardo explained the concept of a lockbox. Director of Finance Ruckman explained that with the lockbox and EZ Pay staff no longer handles cash. President Eichhorst expressed her appreciation to staff for their hard work in preparation for the audit.

6b. Bamboo Control Behind 36-J Ridge Road

Matt Berres, Landscape Specialist, summarized key points from a memo, which he prepared for the Board regarding bamboo. He emphasized that in 2003 the Board adopted an invasive plant management plan to manage non-native invasive plants in GHI common areas and woodland parcels and that a key aspect of this policy was controlling the spread of bamboo from members' yards into common areas. Since last year, he has been working on enforcing this policy and GHI has taken action to remove invasives from common areas and woodlands. Two large stands of dense bamboo approximately 3,000 square feet in size were removed earlier this year, he explained, and no under story was present. In the case of the stand of bamboo behind 36 Court, said Berres, no other plants are growing in the bamboo's midst, which strongly indicates that the bamboo is preventing other plants from taking root. In keeping with the present GHI policy, to alleviate the continued maintenance of this stand by staff, and to ensure the bamboo does not infiltrate the common area and woodlands, Berres is recommending that staff remove the stand of bamboo. He emphasized that the stand continues to be a long-term challenge for staff to maintain.

On behalf of the Woodlands Committee, Director Alexanderwicz said the committee continues to be in support of the invasive plant management plan. Suzette Agans, added that the committee passed a resolution to this effect at the last meeting. The committee is concerned about the amount of time being devoted by staff to maintain the stand, said Alexanderwicz, and feels common areas should be preserved for the benefit of members especially as 2006 is the "year of the common area" in GHI. The committee feels that loss of common areas negatively affects member participation.

Dorian Winterfeld stated his opposition to the idea that bamboo is encroaching into the woodlands and harming trees. He said that a great deal of effort is being invested by staff in regards to this stand of bamboo and suggested that this energy be channeled into controlling invasives in the woodlands. Berres responded that a triage plan is in effect to address the 30-40 invasive plants in GHI and the plan calls for targeting "low hanging fruit" first such as those plants which spread aggressively by vegetative means and those that can be controlled successfully. He said the bamboo was chosen based on its presence in the woodlands and the

available control methods available. Over the past 18 months, said Berres, staff and volunteers have been working on removing invasives from a number of woodland parcels. He said that the goal is to have complete control of vine growth in the canopy of the forest by the end of the year and ensure that legacy growth is knocked back.

Treasurer Lewis stated that because the policy specifies bamboo as a prohibited plant and seeks to control the spread of invasives into common areas, she feels an exception should not be granted. She recommends that the invasive plant management plan be adhered to particularly since the bamboo is strangling the trees and the shoots continue to come up. Director Alpers stated her opposition to the retention of bamboo in common areas for the benefit of individual members especially in light of the existing policy. She said the Board must look at the big picture for the benefit of the community and cannot justify an exception in this case.

Mr. Winterfeld made reference to an email he sent to the Board in which he proposed a rhizome barrier, which is a less severe method than eradication. He emphasized that he does regularly cut the stand back and, as a result, it is smaller in size than it was ten years ago. He suggested the bamboo be “grand fathered.”

Director Alexanderwicz acknowledged Mr. Winterfeld’s passion for the bamboo and the difference its absence will make in his yard, however, she reiterated that it is an invasive species, which causes damage. She said that grand fathering this bamboo stand would be setting a precedent for allowing an invasive species. Secretary Lauber recounted her experience with a stand of bamboo in her yard that was cleared for an addition – she said the contractor needed 3 ½ weeks to remove it because the roots were three feet deep.

CONSENSUS: THE BOARD OF DIRECTORS WILL FOLLOW THE INVASIVE PLANT MANAGEMENT PLAN ADOPTED IN 2003.

President Eichhorst thanked Matt Berres for bringing this issue to the Board. Director Hudson commended Berres for his excellent presentation to the Board.

6c. Finance Committee Recommendations

The Finance Committee is recommending the extension of the insurance deductible grace period to September 1, 2006, before enforcing member responsibility for the payment of GHI’s deductible of \$5,000 on the master business policy. The committee was evenly split as far as the issue of the \$5,000 deductible, but in terms of the grace period, the committee felt that more time was needed to educate members about this policy.

MOTION: THE BOARD OF DIRECTORS RESCINDS ITS MOTION OF MARCH 23, 2006, WHICH STATES: TO ENACT A GRACE PERIOD FROM MARCH 23 TO JULY 1, 2006, AFTER WHICH TIME THE MEMBER WILL BE FINANCIALLY RESPONSIBLE FOR THE INSURANCE DEDUCTIBLE UNDER \$5,000.

Moved: Lewis

Seconded: Lauber

Carried

President Eichhorst inquired about an education plan for members about HO-6. General Manager Overdurff said that this could include sending a letter to members, holding a seminar,

creating a brochure, and having a question and answer sheet available in the reception area. She said that an HO-6 policy has been available to members through Polks Insurance for \$129 per year and GHI should continue to educate members about this opportunity. Treasurer Lewis suggested that case studies/examples from the cooperative be used as an education tool.

At the encouraging of Richard Menis, Ann Bauman, who had to vacate her unit after a fire which destroyed the unit above hers, explained that the process of securing temporary housing through her insurance company was very vague. She said that there is a maximum amount of funds allotted for temporary housing and these funds can be exceeded very quickly without proper planning and research. President Eichhorst suggested educating members about what to expect in such a situation from an insurance company. In response to a question from Director Hudson, Staff Engineer Sporney said that Ms. Bauman's unit would be ready on Friday, May 19.

Susan Ready, stated her belief that a member being responsible for the payment of GHI's deductible of \$5,000 on the master business policy is in conflict with the mutual ownership contract. She stated that the Cooperative is proposing to pass on the cost of the higher deductible to members, which violates the mutual ownership contract and encouraged that GHI seek counsel from an attorney versed in cooperatives. General Manager Overdurff said she would seek counsel and report back to the Board.

Director Alpers inquired if the Finance Committee discussed GHI sharing the cost of the \$5,000 deductible with members. Treasurer Lewis responded that the committee felt having members who pay for \$5,000 coverage subsidizing those who do not have coverage would be inequitable. Director Alpers stated that she has mixed feelings about this focus on the individual rather than on members helping other members. Director Hudson voiced his opposition in requiring members to have HO-6 insurance especially when they have not had to pay \$5,000 in the past. He feels that the Cooperative is saving money on the policy by making members more liable than before.

David Morse, recommended making sample figures available to members, for example, a cost benefit analysis of the financial benefits of social insurance vs. individual insurance. He also questioned if charting the projected cost of the insurance over a 10-20 year period with the allowance for a certain number of claims would provide a better picture of the actual cost of bearing a low deductible.

General Manager Overdurff said that securing a lower deductible at this point would be unlikely. She clarified that in past years members have not been responsible for the \$5,000 deductible and that this is a recent action of the Board to have the members be responsible. When the deductible was increased, she explained, the old policy was still in effect which provided that the Cooperative would pay the \$5,000 deductible if a member did not have adequate coverage.

Mary Crellin, said that increasing her deductible to \$5,000 was \$4-5/year extra. Director Moore had a similar experience.

MOTION: THE BOARD OF DIRECTORS EXTENDS THE GRACE PERIOD TO SEPTEMBER 1, 2006 FOR THE EFFECTIVE DATE OF MEMBER RESPONSIBILITY

FOR THE \$5,000 DEDUCTIBLE IN WHICH CLAIMS ARE MADE INVOLVING DAMAGE TO THEIR UNIT.

Moved: Lewis
Opposed: Hudson

Seconded: Moore

Carried

The Finance Committee is also recommending an increase in electric sub meter credits given to members who pay for electric service to power the sump pumps and lights within the crawl space beneath their row. This increase was requested by a member and will affect 296 members.

MOTION: THE BOARD OF DIRECTORS APPROVES OF AN INCREASE IN THE MONTHLY CREDIT GIVEN MEMBERS WHOSE ELECTRIC METER PROVIDES ELECTRICITY FOR LIGHTS AND SUMP PUMPS WITHIN THE CRAWL SPACE FROM \$2.00 TO \$3.00 PER MONTH EFFECTIVE JUNE 1, 2006, TO OFFSET THE INCREASE IN COST OF ELECTRICITY.

Moved: Moore
Abstained: Lewis

Seconded: Alexanderwicz

Carried

6d. Lighting Survey Report

Director of Physical Plant Services Ralph and Staff Engineer Sporney recently completed a survey of specific common areas based on severity and lighting impact in an effort to ascertain lighting conditions. Based on these findings, Ralph and Sporney recommend addressing ten areas as a matter of high priority as well as encouraging members to install wall-mounted fixtures with motion detectors on the back of their units in areas that are exceptionally dark. He suggested securing a contractor twice each year to install these fixtures for members through the Fee-for-Service program (he approximates roughly \$250 for the fixture and \$50 for installation). He said that lighting installed by members would greatly benefit other members and would generate a savings for GHI, as standard freestanding lighting fixtures are very expensive. He recommended that a portion of the \$6,000 in the budget for lighting be used to install lighting on the serviceside sidewalk of 17 Ridge Road – he said that this \$6,000 would probably only cover two sites but a number of factors could influence this, e.g., members installing unit fixtures.

Richard Menis inquired about solar lighting and its associated economic savings. Ralph explained that GHI has not pursued this and the freestanding fixtures in the common areas need to meet certain requirements in terms of illumination and durability. Director Hudson, who recently installed a solar lamp for a neighbor, suggested pursuing ordering them in bulk. Sporney said that the lighting survey report offers site-specific recommendations for types of lighting. President Eichhorst acknowledged Ralph and Sporney for their in-depth report.

David Morse, suggested that increased lighting might encourage more people to walk in the community on the inner walkways. He thought that perhaps the Sustainable Design Committee could pursue this.

CONSENSUS: THE BOARD OF DIRECTORS ACCEPTS STAFF RECOMMENDATIONS ON AREA LIGHTING AS PRESENTED IN A REPORT TO THE BOARD ON MAY 11, 2006.

6e. 2006 Addition Roof Replacement Contract – 1st Reading

In the first quarter of this year, GHI determined that the nine addition roofs covered by the addition maintenance program were in need of repair. In April, GHI formally requested bids from eight (8) contractors who indicated that they specialize in this type of work for projects of this magnitude and received bids from five (5) contractors:

NAME OF COMPANY	TOTAL
Roofworks	\$17,900.00
Area Roofing & Siding Co., Inc.	\$12,390.00
Crowley Construction	\$14,990.00
Capital Roofing, Inc.	\$11,150.00
Northeast Contracting Corp.	\$27,000.00

Based on its performance replacing EPDM roofs on block homes in 2003, staff recommends that Board of Directors endorse Capital Roofing, Inc. of Annapolis, MD for the addition roof repair contract, for the amount of its bid, with an additional 10 percent to cover contingencies.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING TO ENTER INTO A CONTRACT WITH CAPITAL ROOFING INC. FOR THE REPAIR OF ADDITION ROOFS AT 9 HOMES FOR A COST NOT TO EXCEED \$12,265.

Moved: Moore

Seconded: Hudson

Carried

6f. Request to Plant Memorial Tree

The Member and Community Relations Committee recommended approval of the planting of a tree by the garages at 17 Court Ridge Road in memory of Mr. Quentin Maule.

MOTION: THE BOARD OF DIRECTORS APPROVES THE REQUEST FROM DAVID RUDYKOFF FOR THE PLANTING OF A YOSHINO CHERRY TREE IN THE VICINITY OF THE GARAGES AT 17 COURT RIDGE ROAD AT SOUTHWAY TO MEMORIALIZE QUENTIN MAULE, A FORMER MEMBER OF GHI. ALL COSTS ASSOCIATED WITH THE PLANTING OF THE TREE WILL BE BORNE BY THE REQUESTER, MR. RUDYKOFF.

Moved: Hudson

Seconded: Moore

Carried

7. Items of Information

No discussion.

8. President

President Eichhorst noted that Tom Baker sent a moving letter commending Herb Jackson for his work in replacing a serviceside threshold. She said that she would be attending the National Association of Housing Cooperatives Board Meeting in Washington, D.C. that will include strategic planning, committee meetings and a Board meeting. She wished all seven Board candidates well in the upcoming Annual Elections on May 18-19 and noted that the Candidate's Forum would take place on May 15 in the City Council chambers at 7:30 p.m. She expressed her appreciation to Audit Committee member Mary Crellin for her service and welcomed her as a court liaison. She also recognized Director Alexanderwicz for all of the work she has done as a member of the Board and the Woodlands Committee.

9. Board Members

Director Alexanderwicz said that she has learned a lot as a Board member and has a great deal of respect for those people in the room. She has appreciated the opportunity to serve and said that she will be back. She enthusiastically reported that she would be going to China very soon to bring back her adopted child.

Treasurer Lewis found the National Cooperative Summit she attended to be very inspirational, in particular, a presentation by Dame Pauline Green, CEO of Co-operatives UK, who spoke about a marketing campaign which emphasized the importance of cooperatives as well as the number of members within the UK. Treasurer Lewis suggested GHI pursue a joint marketing effort with other cooperatives to raise visibility. President Eichhorst acknowledged that such an effort would be powerful and that housing cooperatives represent a small number of cooperatives. Treasurer Lewis stated that over 60 million members belong to cooperatives in the United States; one of these cooperatives, Cabot Cheese, will be offering a cheese basket as a raffle prize at the Annual Meeting.

10. Manager

No discussion.

MOTION: TO ADJOURN.

Moved: Moore

Seconded: Abell

Carried

The meeting adjourned at 9:12 p.m.

Dorothy Lauber
Secretary