

Minutes
GHI Board of Directors
May 13, 2010

Present: James, Morse, McFadden, Mazursky, Boswell, Hickey, Agans, Lewis

Excused Absence: Novinski

Others in Attendance:

Gretchen Overdurff, General Manager
Tom Sporney, Staff Engineer
Dianne Wilkerson, Chair, Audit Committee
Dorothy Lauber, Audit Committee
Michael Kennedy, MESC
Tim Murphy, Murphy and Murphy
Susan Jones
Mark Drummer

Joan Krob, Director of Member Services
Joe Perry, Director of Finance
Henry Haslinger, Audit Committee
Patty Muldowney, Recording Secretary
Chris Cather, K-Energy Solar
Jenny MacGuyver, Murphy and Murphy
Judith Davis, Mayor of Greenbelt
Kris White, Companion Animal Cmte.

President Agans called the meeting to order at 7:31 p.m.

1. Approval of Agenda

MOTION: TO APPROVE THE AGENDA.

Moved: James

Seconded: Hickey

Carried 7

2. Visitors and Members

Mayor Davis informed the Board and visitors/members present about a new law recently passed in Maryland; this law includes tax credits and can be applied to housing cooperatives.

3. Approval of Membership Applications

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

- KRISTEN L. MICHAUD, SOLE OWNER
- HEATHER S. COADY AND ZACHERY L. FERIS

Moved: James

Seconded: Lewis

Carried 7

FOR THE RECORD: BOARD POLL ON MAY 5, 2010 ACCEPTED THE FOLLOWING PROSPECTIVE MEMBERS INTO THE COOPERATIVE AND MEMBERSHIP AFFORDED THEM AT THE TIME OF SETTLEMENT:

- OKECHUKWU HENRY EDEOGU, SOLE OWNER
- CHRISTOPHER R. DWYER, SOLE OWNER

MEMBER MUTUAL OWNERSHIP REFINANCE:

- LINDA DAVIS, SOLE OWNER

4. Committee Reports

There were no written committee reports to review. Each Board member present shared updates on the committee to which they are Board liaison.

- a. Communications Committee: The committee has not met since the last Board meeting.

- b. Companion Animal Committee: The Board will consider a rule change brought forth by the CAC at tonight's meeting.
- c. Finance: A work session was held on May 6; the committee is now finalizing its report for presentation at the May 27 Board meeting.
- d. Member and Community Relations Committee: The committee is working on two major events: the community yard sale will be held on May 22, and the Home and Garden Tour will take place on June 13.
- e. Woodlands Committee: There were only five people in attendance at the last trail event. The committee will try a new date and time, a Thursday in June from 8-10 a.m., and will advertise the event on the Greenbelters Yahoo group.
- f. Buildings Committee: The committee met this week to finalize their presentation and handout for the annual membership meeting. Director Boswell suggested that each director get a copy of the handout, as this will state the official position of GHI regarding the community upgrade. The Buildings Committee will have a table at the annual meeting with handouts and posters on the pilot project, an opportunity for members to write their questions, and a sign-up sheet for friends of the committee.
- g. Web Team: The team is moving forward in trimming down the amount of content on the new GHI website; they are focusing on removing redundant material. They are also looking at what needs to be available at the time of the new website's launch, versus what can be added at a later date. The team has been using specific members' expertise in specific areas to get help for the project without bogging anyone down. The team is currently looking at pieces on the current website that may need to be rewritten, which can be done by volunteers on an ongoing basis.
- h. Marketing Committee: The committee heard a report from Eileen Boswell about social media and will explore advantages and disadvantages of this type of media exposure. While the committee does not have a chairperson, members will rotate carrying out responsibilities of the chair.
- i. Architectural Review Committee: The committee is hearing requests for exception.

5. Consent Agenda

MOTION: TO APPROVE THE CONSENT AGENDA.

Moved: Boswell

Seconded: James

Carried 7

6a. Approval of Minutes: March 11, 2010

MOTION APPROVED BY CONSENT AGENDA: TO APPROVE THE MINUTES OF MARCH 11, 2010.

6b. 2010 Slate Roof Contract, Additional Units – 2nd Reading

MOTION APPROVED BY CONSENT AGENDA: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO SIGN A CONTRACT WITH RRH & ASSOCIATES TO PERFORM THE SLATE ROOF REPLACEMENT PROGRAM AT 14 HOMES AS DESCRIBED ABOVE, AS DIRECTED BY GREENBELT HOMES, AT THE BID, \$163,440, PLUS 10% FOR CONTINGENCIES, FOR A TOTAL NOT TO EXCEED \$179,784.

6c. Invitation for GHI to Join the Maryland Energy and Sustainability Cooperative

Mike Kennedy of the Maryland Energy and Sustainability Cooperative passed out handouts and explained the mission of his cooperative: to make it easier and less expensive for members to make their homes and businesses green. He explained that the coop is member-owned; its suppliers are

members as well. Mr. Kennedy briefly explained the screening process for approving supplier members. He then shared the various benefits and services available to all members of the cooperative.

Mr. Kennedy then gave an overview of the membership fees for GHI as a cooperative (\$1000 as an organization member), as well as fees for individual GHI members to join (\$100). Members would receive a 6-10% discount on any item or service from the cooperative's supplier members.

Mr. Kennedy answered questions from the Board. He explained that there are written agreements with supplier members which allows the suppliers to grow with the cooperative; if the coop outgrows a particular supplier, it has the right to bring in another supplier member. Mr. Kennedy stated that the coop is 21 months old. He has been collecting supplier members for a year, and the first individual member joined in January of this year. The coop's Board of Directors meets monthly, suppliers meet monthly, and a regular monthly meeting for members will soon be initiated. All organization members have a vote in the cooperative.

The Board decided that staff should investigate the cooperative further to determine if it would be of benefit to GHI, and then make a recommendation for action at a future Board meeting.

6d. Audit Presentation

Mr. Tim Murphy and Ms. Jenny MacGuyver of Murphy and Murphy shared the year-end audit for GHI and GDC. In the interest of time, President Agans asked that Board members share comments or ask questions of Mr. Murphy for each page of the report. Mr. Murphy shared that all of GHI's cash and investments are FDIC insured or collateralized by third party banks, meaning that all investments are insured and are receiving good return. He stated that GHI's stock in NCB has many restrictions; it is almost impossible to get a good value on that stock. The Board and staff explained that the NCB stock is required in order to obtain a loan from NCB in the future.

Mr. Murphy pointed out a comment about the alleged employee theft on page 15 of the audit report; it is expected that GHI will recover 100% of the loss, minus the amount of the deductible to the insurance company. He explained that this disclosure is limited to a footnote because there is no real impact on the financial statement and is recoverable through an insurance claim. Mr. Murphy shared that the alleged theft showed weaknesses within GHI that can be improved upon; some suggestions are included in the management letter included in the audit report. Murphy and Murphy found GHI management to be satisfactory and cost effective. Mr. Murphy explained that if the jobs in the finance department were separated out enough to have one person handle each step, it would not be cost effective to have so many positions.

Mr. Murphy then shared the management letter with the Board. Some items that need attention include timesheets that have not been signed by a supervisor or employee, an instance when a cash deposit amount did not agree with what was posted to the ledger, and filing issues. He stated that these issues are being addressed and the filing system has already been corrected.

In response to a question from a Board member, Mr. Murphy explained that GHI and GDC have separate columns in the back of the audit report. The balance sheet done this year consolidated both entities; this can be separated out in next year's audit.

Mr. Murphy explained that even though the audit was unqualified, it is not a perfect report. The firm's responsibility is to disclose weaknesses within GHI; these weaknesses are already in process of being corrected. He stated that most of the weaknesses identified were concentrated in the finance department. Finance employees were forced to do a great deal of multitasking; one solution would be to hire an additional staff person. While multitasking does not necessarily result in errors, Mr. Murphy explained that it often results in delays. Overall, he stated, the finance department is doing a good job with the time allotted them.

The Board discussed the possibility of educating members on proper care for chickens instead of prohibiting them. Ms. White stressed that allowing chickens could result in animal suffering if members do not know how to properly care for them. The Board also discussed the many steps that would need to be taken by the county to enforce the rule prohibiting chickens. It was discussed that it would be helpful not to have to rely on the county government to rectify a situation in which chickens were not properly cared for. Other Board members shared that they would like to be able to provide education so as to be able to permit chickens and move more toward greenness for the community.

The Board then discussed the wording of the proposed rule, debating the word “poultry” versus “livestock”. Director Morse suggested a modification to the proposed rule, which would state:

“No person shall own, keep or harbor an agricultural or farm animal within GHI, as defined by Prince Georges County law. This includes, but is not limited to, all livestock, poultry, horses, cattle, sheep, and swine.”

He stated that this wording would be clearer, and would be more closely in line with the Prince George’s County animal ordinance.

MOTION: THE BOARD OF DIRECTORS APPROVES OF THE PROPOSED RULE CHANGE TO §XV.B.13. AS AMENDED IN THE MEMBER HANDBOOK, IN WHICH CHICKENS AND OTHER ANIMALS ARE PROHIBITED FROM BEING KEPT WITHIN THE COOPERATIVE, IN CONCURRENCE WITH PRINCE GEORGE’S ANIMAL CONTROL ORDINANCE 3-101, 2003 ADDITION.

Moved: Morse

Seconded: McFadden

Carried 5-2

6g. Strategic Plan Revisions

After reading the item stating that there is a goal of increasing member involvement in committees, Director Mazursky asked if staff knew how many members are currently involved in committees. He further stated that the question about how the new website should look and function should be removed from the document, as the intent of the action plan is not to ask questions.

Director Lewis stated that the date of the Board meeting under item number 7 should be changed to May 27; a work session will be held.

Director Morse stated that the plan needs a good deal of copy editing. It was decided that the plan can be adopted as is, with copy editing to be done if it is to be publicized. The name was changed to the GHI Board Action Plan, and will be used as an internal document. President Agans explained that to formally adopt the action plan means that the Board will follow it, and it will become part of the record.

MOTION: THE BOARD OF DIRECTORS ADOPTS THE MAY 13, 2010 VERSION OF THE GHI BOARD ACTION PLAN.

Moved: Agans

Seconded: James

Carried 8

6h. 1st Quarter Operating Statements

Director of Finance Joe Perry answered questions from the Board about the first quarter operating statements. There was a question about unexpected income; Mr. Perry explained that unexpected income includes interest income not allocated to individual reserves, and is not out of the ordinary. Mr. Perry then answered a question about high administrative and computer expenses this quarter. He explained that bills from Jenark are processed when they are received, while the overall yearly expense is budgeted quarterly. In addition, services received from ATC Solutions were not part of the original budget plan. General Manager Overdurff stated that a virus had infected several computers, and software was purchased to protect all staff computers. Mr. Perry then answered questions about

insurance and utility costs. He explained that the insurance quote from Polkes and Goldberg was less than what was budgeted, resulting in a favorable variance in that area. Utility costs were higher than expected due to higher heating costs through the winter.

6i. Garage Delinquency Policy

Mr. Perry explained that he and the Finance Committee are looking to the Board for guidance on how to manage members with garages, boiler rooms, and all other rented spaces who are delinquent on their coop fees. There is no policy on delinquent accounts and garage privileges and welcomes support from the Board in this area. Director Lewis added that the Finance Committee is not making a judgment about which members cannot afford a garage; rather, the garage fee is a part of the larger monthly coop fee. If a member is delinquent on his coop fees, then he is not paying the garage fee either. Director Lewis pointed out that there is a waiting list for garages.

Mr. Perry and Director Lewis explained the proposed process of evicting delinquent members from their garages. An M3 letter will be issued, the member will need to vacate the garage, and another garage will not be issued until after all bills have been paid in a timely manner for six months. Mr. Perry explained that an M3 letter is the highest level of notification given to members before legal proceedings begin for eviction. The Board discussed whether an M3 letter is significant notification to members, or if an M1 and M2 letter should be sent prior to the M3 notification. Additional notification would remind members of consequences of delinquency, as well as providing additional incentive to rectify their finances. Mr. Perry stated that it is the goal of the Finance Committee to have members' finances rectified so that they may continue to enjoy the benefits they have.

There was a question about when the locks on the garage would be changed, and what would be done with member belongings left in the garage. Mr. Perry stated that the current eviction policy requires initiation of legal action and a judgment from court before the locks could be changed. If a member's car or items were still in the garage at that time, the car would need to be towed and items removed; this will be added to the notification letters.

It was decided that the notification process will begin with M1 and M2 letters. Mr. Perry will notify all delinquent members who are currently renting garages or other spaces. The process would then begin after the date listed on the M1 letter. If a member remains in default through the July coop payment and are eligible for an M3 letter, one will be issued at that time.

MOTION: THE BOARD OF DIRECTORS APPROVES OF THE GARAGE/STORAGE LOT DELINQUENCY POLICY AS PRESENTED AND REVISED MAY 13, 2010 AND DIRECTS STAFF TO IMPLEMENT IT, EFFECTIVE JULY 1, 2010 , AFTER HAVING NOTIFIED ALL GARAGE/STORAGE LOT LEASE-HOLDERS. NOTIFICATION SHALL BE MADE TO MEMBERS IN *THE COMMUNICATOR* AND ON THE WEBSITE.

Moved: Boswell

Seconded: McFadden

Carried 7

6j. 2010 Attached Garage Roof Repair Contract – 1st Reading

There was no discussion on this matter before a motion was made.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH CROWLEY CONSTRUCTION FOR THE REPAIR OF 5 ATTACHED GARAGE ROOFS AT 3 SITES INDICATED AT ITS BID, \$7,690, PLUS 15% FOR CONTINGENCIES, FOR A TOTAL NOT TO EXCEED \$8,844.

Moved: Morse

Seconded: Lewis

Carried 7

6k. Schedule Stakeholder Meeting with City Council

The stakeholder meeting with the City Council was scheduled for Monday, June 14 at 7:30 in the GHI office building. Brainstorming of topics for this meeting will be on the next Board meeting agenda.

7. Items of Information

There will be a Board candidate debate tomorrow at 7:30.

A candidate forum for the Prince George's County volunteer fire and rescue will be held on May 18 at 6:30 at Eleanor Roosevelt High School. This forum conflicts with the follow-up meeting on the Spellman Overpass. Anyone that is unable to attend the overpass meeting is welcome to write letters to Kelly Lawson of the Greenbelt Police Department.

President Agans shared that she received a citizen's handbook for zoning in Prince George's County and will make it available to anyone who wants to see it.

8. President

President Agans shared updates from the NCB meeting. NCB did not have a good year; next year should be better based on changes made. Director Boswell also attended the meeting and shared that he had an opportunity to talk to the chairman of the board for a New York City housing coop facing problems with hoarders. He also spoke with someone from Brooklyn about energy improvements. Director Boswell then gave a NCB money clip that he received at the meeting to Mark Drummeter. President Agans shared that she was able to meet the coordinator of NASCO and other cooperative organizations at the meeting.

President Agans also attended the NCBA conference. She stated that there were several good topics covered including: active engagement of members; terms of being a member versus a tenant, renter, or owner; email and social networking sites; and turning a strategic vision into a map to guide the Board. She said that these might be useful for future Board discussion. President Agans shared concerns expressed to her by a member about the number of homes for sale and the dropping prices. General Manager Overdurff explained that the coop has been through this in the past and home prices always rebounded. Director Lewis shared that a member had asked the Board to pass a rule stating that members cannot sell their homes below a certain price; such a rule would not be possible.

President Agans spoke further with Kate Simons of the Chevy Chase housing coop about the tax issue. She explained that regulations will need to be changed as to how the taxes are assessed. A few members from the new Board will meet with senators and representatives to help GHI understand the process.

9. Board Members

Director Lewis sat in on a webinar hosted by NCBA and the National Association of Accountants for Cooperatives. The webinar focused on grants available for coops and while most were for agricultural coops, there were some that GHI could pursue. Lewis also shared an article on cooperatives from *Forbes* magazine.

Director McFadden shared that she switched to 100% wind energy. She signed on for two years with Clean Currents and her bill is slightly lower than her regular Pepco bill.

Director James shared that he met with Directors Lewis and Novinski to discuss changing the name of the Member and Community Relations Committee to the Member Activities Committee.

He will write up the proposed name change and send it to President Agans. Director James shared that FIOS installers were in his area recently; he has been receiving questions from members about when FIOS will be available for subscriptions in GHI. He also asked about the community beautification program; yard inspections were started last week.

Director Boswell shared reports from the National Cooperative Bank reception. He stated that the trend for cooperatives represented at the reception is to require a larger down payment; members of other coops reported that some home values in California and Michigan are down 50%. Director Boswell then asked if any follow-up had been done on the flood light wattage maximum, which was referred to ARC. The Board discussed whether the maximum wattage would refer to the wattage of the fixtures or of the bulbs themselves. It was decided that Directors Boswell and James would determine the issue and the next step; this matter will be brought back to the Board for a formal directive to ARC. Finally, Director Boswell shared that he has some opinions about the presentation made by Mr. Kennedy. Any Board members with opinions on the topic should send them to Ms. Overdurff and Mr. Ralph.

Audit Committee member Wilkerson stated that the other representative from the energy cooperative left information on solar energy for the Board and asked Wilkerson to make it available.

Director Mazursky stated that tonight's meeting was his last full meeting. He expressed thanks to the Board, the membership, staff, and management, and stated that the Board is stronger now than it was when he began serving.

Director Hickey shared that he noticed copper gutters going up while he was walking to the meeting; he asked what was being done with the old copper gutters. Mr. Sporney explained that the existing copper gutters were being reused, with the exception of those at 35 Ridge Road. The old gutters are being taken down, realigned, reset, and put back up.

Audit Committee member Haslinger stated that his time on the Audit Committee has been educational. He expressed that he hopes to attend Board meetings in the future as a spectator.

Audit Committee member Lauber shared that she learned a great deal in her 14 years and hopes that she has contributed to GHI. She expressed that she will probably continue donating her time to good causes and possibly some political work.

Mr. Drummeter shared that this was the first meeting he has attended and it has been very interesting.

Mayor Davis explained that the sustainable community tax credit is for commercial as well as residential property. She shared that this is important to keep in mind for improvements on the possible new acquisition for GDC.

10. Manager

General Manager Overdurff expressed her thanks to Director Mazursky and Audit Committee members Lauber and Haslinger for their service. She explained that the Board and Audit Committee work hard, and that not many people realize how much is done.

Ms. Overdurff gave an update on the Lawrence Apartments. She expressed thanks to Wilkerson, Lauber, and Lewis for reviewing each lease. The contract has been ratified and there are many things left to do. Overdurff also expressed thanks to Mr. Sporney, Mr. Ralph, and members of the Technical Services department for looking at the structure and needs of each unit. There are several units with a great deal of work that needs to be done. In addition, an insurance agent

came out and identified work that would need to be done in order to obtain insurance coverage, including emergency lighting and alarm pull systems. Mr. Sporney is in the process of soliciting bids for work so that staff may determine how much the work will cost; at that point staff will have another conversation with the sellers. Staff also needs to explore financing for the potential purchase.

Ms. Overdurff shared information about a webinar hosted by the United Nations General Assembly on May 26 that will focus on 2012 as NCBA's year of national cooperatives. Mayor Davis pointed out that 2012 is the year of Greenbelt's 75th anniversary; this would be a great opportunity to tie together Greenbelt's cooperatives.

Finally, Ms. Overdurff shared highlights from the NCBA conference attendees' visit to Greenbelt. The 32 visitors loved Greenbelt; they visited the museum, ate at the New Deal Café, and visited the cooperative grocery store. Various representatives spoke to the group and were well-received.

MOTION: TO ADJOURN.

Moved: McFadden

Seconded: Boswell

Carried 7

The meeting adjourned at 9:58 p.m.

Ed James
Secretary