

Minutes
GHI Board of Directors
June 7, 2007

Present: Agans, Alpers, Hickey, Lauber, Lewis, McFadden, Mazursky, Morse

Excused Absence: Robles

Others in Attendance:

Gretchen Overdurff, General Manager	Genevieve Courbois, Recording Secretary
Stephen Ruckman, Director of Finance	Christine Frego
Eldon Ralph, Director of Physical Plant Operations	Roger Kingsley
Joan Krob, Director of Member Services	Mary Kinglsey
Tom Sporney, Staff Engineer	Yoni Siegel
Dianne Wilkerson, Chair, Audit Committee	Lucia Pugnali
Michael Iacangelo, Audit Committee	Jim Cohen
	Bill Orleans, Visitor

President Lewis called the meeting to order at 7:45 p.m. She added *Rescheduling Strategic Planning* as Item 6h. and *Signature Cards* as Item 6i.

1. Approval of Agenda

MOTION: TO APPROVE THE AGENDA AS REVISED.

Moved: Alpers

Seconded: Lauber

Carried 7-0

2. Visitors and Members

Yoni Siegel, said that she would like to request an exception to the hedge height rule based on her Community Beautification inspection. President Lewis explained the procedure for requesting exceptions. Ms. Siegel provided written materials at the meeting which President Lewis said would be given to Landscape Specialist Matt Berres. President Lewis said also that that Ms. Siegel's request for exception will be included on the next Board agenda, until then she does not have to comply with the hedge height rule.

3. Approval of Minutes

MOTION: MOVE APPROVAL OF THE MINUTES OF APRIL 26, 2007.

Moved: Alpers

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:

- **DIONNE A. HEMMINGS, MARY JANE HEMMINGS, AND GREGORY S. HEMMINGS**
- **DMITRI Y. PETROVYKH**

Moved: Lauber

Seconded: McFadden

Carried 7-0

MOTION: THAT THE BOARD APPROVES THE FOLLOWING MUTUAL OWNERSHIP CONTRACT CHANGE:

- **KATHRYN A. LOWELL. SOLE OWNER, TO KATHRYN A. LOWELL AND SUSAN A. MADISON, JOINT TENANTS.**

Moved: Lauber

Seconded: McFadden

Carried 7-0

5. Committee Reports

A report from the marketing committee appears as Item 6b.

For the benefit of new Board members, Jim Cohen, Chair of the Green Ribbon Task Force, provided an overview of the task force and outlined its objectives. He said that the task force wants to ensure that the cooperative and Greenbelt reflect the original intent of the community as designed. He announced a visioning process scheduled for September 28 – 30. He thanked the staff and Board for their support.

6a. Proposed Gardenside Trellis, 73B Ridge

In April 2007, Ms. Lucia Pugnali submitted a revised permit request to install three 6' tall x 3' wide top fan x 2' wide bottom fan trellises mid-yard adjacent to the chain link fence on the shared yardline between 73B & 73A Ridge Road. Staff had forwarded this request to the ARC Committee knowing that these trellises are to act as a privacy screen, and that GHI rules permit only 6' high x 8' long (maximum) privacy screens next to a unit.

At its meeting of 9May07, ARC recommended 3-0-0 that the proposed trellises be allowed, on the basis that the proposed trellises were sufficiently open and did not offensively block the vista.

MOTION: THE BOARD OF DIRECTORS DOES ALLOW INSTALLATION OF THE PROPOSED TRELLISES IN THE GARDENSIDE YARD AT 73B RIDGE ROAD.

Moved: Alpers

Seconded: Lauber

Carried 7-0

6b. GHI Membership Approval – Income Criteria

General Manager Overdurff explained that since the beginning of 2007, GHI has received approximately six requests for exceptions from applicants who had strong applications but could not meet GHI's policy of 28% housing ratio to debt. The Marketing Committee met with lenders about GHI's income criteria and is making three recommendations to the Board. The first criterion the Board discussed involved the minimum down payment percentage:

1. Have the ability to pay a minimum ten percent (10%) down payment of the purchase price, plus application and membership fees, **or have the ability to pay a minimum of 5% down**

payment of the purchase price, plus application and membership fees with an average credit score of 720 or higher. The down payment, closing costs and GHI fees shall be 100% of the borrower's funds (no seller closing help).

Overdurff said that lenders support a 5% down payment provided the applicant has excellent credit, and GHI will now secure credit scores on applicants. Mary Kingsley, a realtor, said that a 5% down payment will encourage younger families who do not have enough for a 10% down payment to purchase in GHI. Director Morse inquired about the credit score ranking system. Overdurff said that anything above 650 - 750 is very good; Director Alpers also provided an explanation of credit scores. President Lewis said that staff will continue to process applications which meet the criteria; exceptions by applicants would still be considered by the Board.

MOTION: THE BOARD OF DIRECTORS APPROVES OF A 5% DOWN PAYMENT IN INSTANCES WHERE THE APPLICANT HAS A CREDIT SCORE OF 720 OR HIGHER. THE DOWN PAYMENT, CLOSING COSTS, AND GHI FEES SHALL ALL BE 100% OF THE BUYER'S OWN FUNDS.

Moved: Alpers

Seconded: Hickey

Carried 7-0

General Manager Overdurff said that the Marketing Committee is recommending that the Finance Committee study the current working capital requirement of one percent (1%) and the feasibility of reducing it to one half percent (.5%). Overdurff said that currently working capital is paid strictly by the buyer. Mary Kingsley explained that closing costs can take the form of the seller buying down the interest rate and offering allowances.

2. One percent (1%) of the purchase price is currently required at settlement to be used as a working capital loan to the Corporation, **which may be included in closing help by the seller in instances where buyer is making a ten percent (10%) down payment only.**

MOTION: THE BOARD OF DIRECTORS APPROVES OF THE INCLUSION OF THE WORKING CAPITAL IN CLOSING HELP OFFERED BY SELLERS IN INSTANCES WHERE THE BUYER IS MAKING A TEN PERCENT (10%) DOWN PAYMENT.

Moved: Lauber

Seconded: Mazursky

Carried 7-0

General Manager Overdurff explained that GHI looks at two types of debt ratios: the housing (% paid for monthly housing costs) and the total debt ratio (gross monthly income.) Director Alpers said that GHI policy states "available monthly income" not "gross monthly income." She also said that debt ratios can be calculated differently depending on the type of loan. Overdurff concurred that the language should be "gross monthly income" as that is the figure GHI uses. In response to a question from President Lewis, Overdurff offered an explanation of how debt is calculated and said that student loans are not considered debt, if deferred. She said that those individuals who made requests for exceptions to this criterion could not meet the housing ratio (based on entry-level salaries and/or one-income households) but always met the debt ratio.

Audit Committee member Iacangelo inquired if the GHI application is reconciled with the lender application. Overdurff said that the information on the lender applications is confidential. She said that banks do provide ratios, but overall each bank has different practices and follows different rules -

therefore, there is no standardization. She plans a meeting with lenders and realtors to explain these new guidelines, and to improve communication. In her observation, lenders do not respect GHI rules - which can be frustrating when they assure applicants that they will be approved by GHI.

MOTION: THE BOARD OF DIRECTORS APPROVES THE USE OF GROSS MONTHLY INCOME INSTEAD OF AVAILABLE MONTHLY INCOME IN CALCULATING DEBT RATIOS.

Moved: Alpers

Seconded: Lauber

Carried 7-0

3. Demonstrate a steady source of household income such that no more than ~~28%~~ **33%** of available monthly income is required to pay monthly housing charges and no more than 42 % for total monthly debt payment. **If there is no other monthly debt (credit cards, student loans, car loans, revolving credit, etc.), 38% of the monthly income is allowed to pay monthly housing charges.** Purchasers may combine their incomes to meet the purchase requirements and may include alimony, child support payments and governmental assistance income in meeting purchase requirements.

MOTION: THE BOARD OF DIRECTORS APPROVES THE USE OF A HOUSING DEBT RATIO OF NO MORE THAN 33% OF GROSS MONTHLY INCOME EXCEPT THAT IN INSTANCES WHERE THERE IS NO OTHER MONTHLY DEBT, 38 % OF MONTHLY TOTAL INCOME IS ALLOWED TO PAY MONTHLY HOUSING COSTS.

Moved: Agans

Seconded: Morse

Carried 7-0

Christy Frego, expressed her appreciation to the Board for implementing these changes as her house is currently on the market and these changes are favorable to buyers. She inquired how this will be communicated to those who have recently attended a pre-purchase orientation.

CONSENSUS: THE BOARD OF DIRECTORS REQUESTS THE FINANCE COMMITTEE STUDY THE CURRENT WORKING CAPITAL REQUIREMENT OF ONE PERCENT (1%) FOR CONSIDERATION OF REDUCING THIS AMOUNT TO ONE HALF PERCENT (.5%) OF THE PURCHASE PRICE.

In conjunction with this, Director of Finance Ruckman will also provide an analysis to determine if it would be financially feasible as GHI gives back a working capital of 3%.

6c. 2007 Underground Utility & Drainage Improvement Contract – 1st Reading

Underground Utility Repairs

Director of Physical Plant Operations Ralph explained that staff is recommending repairs of underground sanitary sewer and storm drain piping at ten locations:

Sewer only

36A-R Ridge
24N-P Ridge
32K Ridge
62E-H Ridge
3E-F Laurel Hill

Storm only

65F-G Ridge
1E-F Westway
1C-D Gardenway

Sewer & storm

6K-L/R-S Hillside
16A-B Ridge

He said that a 15% contingency is included for the contract as there are sections near 1 C-D Gardenway which necessitate repair but the extent of the repairs cannot be diagnosed at this time due to a clog.

Drainage Improvements: Ralph said that drainage improvements are needed in the yards of 12E-H Hillside, 22E-F Hillside, and 6F Plateau Place.

Bids Received: In April, GHI formally solicited bids from seven (7) contractors who indicated that they specialize in this type of underground utility work. Of the three (3) contractors who responded, J&M Utilities, Inc. was the lowest bidder.

COMPANY	Sewer & storm Replacements (reserves)	Drainage improvements (operating budget)
J & M Utilities	\$99,089.00	\$38,378.00
B & P Utilities, Inc.	\$128,500.00	\$48,000.00
Magnolia Plumbing, Inc.	\$107,091.00	\$42,185.00

J&M Utilities has worked with GHI on recent projects. Based upon its record of reliability, staff recommends that the Board of Directors endorse J&M Utilities, Inc. to perform the Underground Utility Repairs and Surface Drainage Improvements at the cited locations for the amount of its bid, with an additional 15 per cent to cover contingencies for underground repairs and an additional 10 percent to cover contingencies for drainage improvements.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH J&M UTILITIES, INC., FOR THE REPAIRS OF UNDERGROUND SANITARY SEWAGE AND STORM DRAIN UTILITIES AT TEN (10) SITES FOR AN AMOUNT NOT TO EXCEED \$113,952 WHICH INCLUDES A 15% CONTINGENCY.

Moved: Alpers

Seconded: Agans

Carried 7-0

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH J&M UTILITIES, INC., FOR DRAINAGE SYSTEM IMPROVEMENT AT THREE (3) LOCATIONS FOR AN AMOUNT NOT TO EXCEED \$42,216 WHICH INCLUDES A 10% CONTINGENCY.

Moved: Alpers

Seconded: Hickey

Carried 7-0

Pipe Relining: Ralph said that the pipe relining involves repair of defective storm drain pipes at two sites (9F Ridge and 33N-Q Ridge). GHI requested bids from four companies that specialize in pipe relining; one bid was received from Chesapeake Pipe Restoration Company for \$16,456.00. He explained that there are not many companies which specialize in this type of work. Staff recommends that the Board award a contract to Chesapeake Pipe Restoration to re-line storm drain piping at 9F and 33N-Q Ridge at a cost not to exceed \$18,101.16 including 10% to cover contingencies.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH CHESAPEAKE PIPE RESTORATION

FOR RELINING DEFECTIVE STORM DRAIN PIPING AT 9F RIDGE AND 33N-Q RIDGE ROAD FOR A COST NOT TO EXCEED \$18,102 WHICH INCLUDES A 10% CONTINGENCY.

Moved: Alpers

Seconded: Lauber

Carried 7-0

6d. 2007 Masonry Repairs Contract – 1st Reading

Physical Plant staff has had concerns in recent years about the condition of exterior surfaces of brick homes. In 2006, staff surveyed brick home exteriors and identified two (2) locations (13U-V Ridge, 19T-V Ridge) which are significantly damaged and currently in need of repair, as well as one (1) garage (6 Ridge) whose columns are damaged. An amount of \$55,000 has been budgeted in 2007 for these masonry repairs.

In June, GHI formally specified these repairs for bids from seven (7) independent preservation contractors who were identified as capable of performing such repairs. One bid was received from American Window and Building Cleaning for \$53,500. Staff's past experience with this contractor was positive. Staff recommends that GHI contract with this contractor to perform the masonry repair for the amount of its bid, with an additional 10% to cover contingencies.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR FIRST READING, TO ENTER INTO A CONTRACT WITH AMERICAN WINDOW & BUILDING CLEANING, INC., FOR MASONRY REPAIRS AT 3 LOCATIONS FOR A COST NOT TO EXCEED \$58,630 WHICH INCLUDES A 10% CONTINGENCY.

Moved: Alpers

Seconded: Hickey

Carried 7-0

Director Morse inquired why a non-bidding contractor expressed concern that quantities were not "defined." Staff Engineer Sporney explained that this contractor attended the pre-bid meeting but did not research the job subsequently. Sporney said that the contractor asked GHI to provide quantities at the last minute which GHI was unwilling to do - each contractor has different methods of estimating and contractors should take the extra time to survey jobs on which they are bidding. Director of Physical Operations Ralph said that GHI would not want to use a contractor who did not invest this time in advance. He also stressed that this work cannot be postponed in an attempt to find more bidders.

6e. 2007 Parking Lot Contract – 1st Reading

Director of Physical Plant Operations Ralph said that six parking lots will be repaired this year, and four next year. In addition, a rain garden will be added to capture storm water from parking areas and alleviate drainage problems. GHI is looking for new opportunities to install rain gardens.

Ralph said that GHI has had difficulty getting contractors to do parking lot work; he suggested that CPE may be such a competitive bidder that others do not bid. In support of CPE, he provided comparable price comparisons from past bids, and said CPE has always been the lowest bidder. He explained that GHI benefits price-wise from CPE's geographical location in the area. The proposed 2007 parking lot repair program consists of repairs to the sites that are shown on the following page:

#1 STRIPE & NUMBER	#2 MINOR RECONSTRUCTION SEALCOAT/STRIPE/NUMBER	#3 MAJOR RECONSTRUCTION	
12 Hillside Road	2 L Eastway Road	Repair depression 27'-0" x 1'-0"	1 Ct. Gardenway
19 Hillside Road	3 Ct. Eastway Road	Repair depression & sealcoat/stripe & number. Depression in spaces 1-5 (42' x 3')	8 Woodland Way
7 Ct. Laurel Hill Road	3 A-B Gardenway	Repair depression 8'-0" x 2'-6"	6 Ct. Plateau Place (OIP) plus Rain garden storm drain inlet details
8 Ct. Laurel Hill Road	22 Hillside Road	Repair area 12'-0" x 8'-0"	
12 Ct. Laurel Hill Road	13 Ct. Ridge Road	Repair area along garage doors on both sides to allow drainage.	
13 Ct. Laurel Hill Road	24 Ct. Ridge Road	Repair area 6' x 6'	
7 Ct. Plateau Pl.	36 L Ridge Road	Repair depression 12' x 4"	
56 Ct. Ridge Road	38 Ct. Ridge Road	Sealcoat and stripe	
59 Ct. Ridge Road	45 Ct. Ridge Road	Sealcoat and stripe	
61 Ct. Ridge Road	53 Ct. Ridge Road	Repair area 42'-0" x 2'-6" x 8" Replace 10'-0" of concrete curb	
	71 Ct. Ridge Road	Repair area 58' x 3' x 8"	
	73 Ct. Ridge Road	Repair area 3' x 6'.	
	9 Ct. Southway	Sealcoat and stripe	
	7 Woodland Way	Driveway	

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. GHI received bids from one (1) contractor, CPE, Inc.:

NAME OF COMPANY	SEAL, RESTRIPE & NUMBER	MINOR RECONSTR.	MAJOR RECONTR. OPTIONS	TOTAL
CPE, INC.	\$2,411.	\$23,501.	\$49,796.	\$75,708.

CPE is a local contractor that undertook the parking lot repairs during past years, and recently performed well on the 2006 Concrete Sidewalk & Parking Lot Repair Contracts. Staff recommends that the Board of Directors contract with CPE, Inc. to perform the Parking Lot Repairs at all the locations 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 CPE, INC., FOR THE REPAIRS OF PARKING LOTS FOR AN AMOUNT NOT TO EXCEED \$83,279 WHICH INCLUDES A 10% CONTINGENCY.

Moved: Alpers

Seconded: Morse

Carried 7-0

6f. Agenda for Stakeholders Meeting

The Board reviewed the list of topics suggested for discussion at the Stakeholders' Meeting with the City Council on June 13. New topics were offered including survey results, sidewalks/stripping (walkability), and storage building zoning.

6g. First Quarter GHI Financial Statements

Director of Finance Ruckman gave an overview of the new format of these statements. He said that the balance sheet information was not included as staff would like to hold a training session on financial statements before they are reviewed. It was decided to do this at the next Finance Committee which was scheduled for June 21st at 7 pm.

6h. Rescheduling Strategic Planning

The Board selected July 28 for the strategic planning session.

6i. Signature Cards

MOTION: THE BOARD DESIGNATES THE PRESIDENT, TREASURER, GENERAL MANAGER, DIRECTOR OF FINANCE, AND DIRECTOR OF MEMBER SERVICES AS SIGNATORIES ON ITS BANK ACCOUNTS WITH NORTHSTATE BANK AND THE GREENBELT CREDIT UNION.

Moved: Agans

Seconded: Alpers

Carried 7-0

9. Items of Information

A few corrections were suggested to the forms/lists which were disseminated.

10. President

President Lewis welcomed Directors Hickey and Mazursky. She said that she has assigned Board liaisons to committees and is willing to swap with any Board member who is uncomfortable with his/her assignment. She gave an overview of her recent trip to southern Utah.

11. Board Members

Director Morse commented on internet service being disrupted and wondered if this could be attributed to wiring being subjected to wet conditions. Director Agans recalled a posting on the Greenbelters list with a similar observation.

Director Agans suggested increasing the number of members on ARC and the Finance Committee.

12. General Manager

General Manager Overdurff said that CJ Evans will be back in September and that Patty Bergemann will be serving in her position in the meantime. Overdurff said she would be scheduling a court meeting open house.

CONSENSUS: TO ADJOURN.

The meeting recessed at 9:52 p.m.

Dorothy Lauber
Secretary