

**Minutes
Board of Directors
GHI Regular Open Session
August 16, 2018**

Board Members Present: Hess, James, Jones, Kapfer, Seely, Skolnik and Watkins

Excused Absent: Brodd, Holland

Others in Attendance:

Eldon Ralph, General Manager

Lola Skolnik

Tom Sporney, Assistant General Manager

Kris White

George Bachman, Director of Maintenance

Girale Wilson-Takahashi, Recording Secretary

Molly Lester, Audit Committee Member

Henry Haslinger, Audit Committee Member

Carol Griffith, Audit Committee Member

President Skolnik called the meeting to order at 7:48 p.m.

1. Approval of Agenda

Motion: To approve the agenda.

Moved: James

Seconded: Hess

Carried: 7-0

2a. Announcement of Executive Session Meeting Held on August 2, 2018

GHI's Board of Directors held an Executive Session meeting on August 2, 2018, in the Board Room of the Administration Building. Board members Stefan Brodd, Chuck Hess, Stephen Holland, Ed James, Bill Jones, Paul Kapfer, Steve Skolnik, Tami Watkins and Audit Committee members Carol Griffith, Henry Haslinger and Molly Lester attended the meeting.

The following motion to call this meeting was made during a prior open meeting on the same date and approved by Board members Brodd, Hess, Holland, James, Jones, Kapfer, Skolnik and Watkins:

Motion: I move that the Board of Directors adjourn this open meeting for the purpose of conducting a closed meeting to discuss the following matters:

- a. **Approve minutes of the Executive Session Meeting held on July 5, 2018**
- b. **Consider the terms and conditions of a business transaction in the negotiation stage**
- c. **Consider the terms and conditions of the following contract in the negotiation stage:**
 - **Proposed contract for installation of a Solar PVES for the Administration Building**
- d. **Member financial matters.**
- e. **A member complaint matter**

The meeting commenced at 7:03 p.m., recessed at 7:46 p.m.; resumed at 9:50 p.m.; and adjourned at 10:22 p.m.

Authority for the above closed meeting was derived from Subtitle 6b of the Maryland Cooperative Housing Corporation Act, § 5-6B-19 “Meetings of cooperative housing corporation open to members of corporation or their agents.” Paragraph (e) (1)

2. Visitors and Members (No Comment)

None.

4. Approval of Membership Applications

Motion: I move that the Board of Directors approve the following persons into the cooperative and membership be afforded them at the time of settlement:

- **Rebeca Flores, Sole Owner;**
- **Peter Sutor, Jr., Sole Owner;**
- **Vijay Parameshwaran, Sole Owner;**
- **Charles F. Niedner, Dianne G. Neidner, Malcolm B. Niedner, Jr., Third Party Supplemental Need Trust/Joint Tenants;**
- **Zachary L. Conron, Sarah M. Conron, Tenants by the Entirety.**

Moved: James

Seconded: Kapfer

Carried: 5-2

Opposed: Hess and James

Motion: I move that the Board of Directors approve the following Mutual Ownership Contract change.

- **Michael Wills, Robin R. Russell, Tenants by the Entirety is changed to Robin R. Russell, Darrell W. Russell, Joint Tenants.**

Moved: James

Seconded: Hess

Carried: 8-0

5. Committee and Homes Improvement Program Reports

Homes Improvement Program – Sporney reported:

- Windows – 70% completed
- Doors – 48% completed
- Siding – 24% completed
- Electric baseboard – 99% completed
- HVAC – 41% completed
- Masonry crawlspaces – completed
- Attic – 58% completed
- Asbestos – no change

Bicycle Committee: Watkins reported that the Committee is looking into placing bicycle racks in the community.

Audit Committee: Lester reported that the next meeting is scheduled for August 28, 2018.

Woodland Committee: Kapfer reported that the Committee met Wednesday, August 15, 2018.

Companion Animals: Kris White of 14K Hillside Road reported that they are looking into sharing information about companion animals.

Architectural Review Committee: Lola Skolnik reported that ARC is looking into issues with fences.

6. For Action or Discussion

6a. Approve Minutes of the Special Open Session Meeting Held on July 19, 2018

Motion: I move that the Board of Directors approve the minutes of the Special Open Session Meeting held on July 19, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 7-0

6b. Approve Minutes of the Regular Open Session Meeting Held on July 19, 2018

Motion: I move that the Board of Directors approve the minutes of the Regular Open Session Meeting held on July 19, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 7-0

6c. Review the ARC's Proposed "Forever Homes" Flyer

Since Q3 2017, the Architectural Review Committee (ARC) has discussed undertaking a campaign to collect already-proven concepts for renovations to GHI homes that support the idea of enabling members to live in their units through changing life stages. After considerable discussion, the committee has finalized a flyer (Attachment #4.) to promote its "Forever Homes" campaign. It was presented here for the Board's acceptance.

Motion: I move that the Board of Directors accept the proposed flyer for promotion of ARC's "Forever Homes" campaign.

Moved: Hess

Seconded: Seely

Carried: 7-0

6d. Finance Committee's Recommendations re: GHI's Replacement Reserves Plan

During a Board/Finance Committee work session on June 28, 2018 when DMA Inc. (a reserves advisor firm hired by GHI) presented a draft report of the updated replacement reserves' plan, Director Bill Jones made the following suggestions:

1. DMA should present a cash flow analysis showing the combined annual fund balances so that some home categories may be able to finance another category across particular time periods. In this scenario, some home categories would essentially be loaning funds to another.

2. Members should not have to pay exorbitant increases in contributions during the first year. He cited the example of a 16% increase for masonry units and a 25% increase for larger homes during the first year which are necessary to fund the expenditures for the two home categories in the short term; with modest increases to follow thereafter. A better alternative would be to have a larger uniform annual increase instead of a large first-year jump.
3. Use a zero dollar threshold instead of the 2% threshold for each category of homes. For any year in which the fund balance for one category would be projected to be at zero dollars, the other categories would have sufficient funds for a cushion.

The Finance Committee discussed Mr. Jones' suggestions during its meeting on July 26, 2018 and took the following actions:

1. **Agenda item description:** Discussion of combining home groups to allow one home group to borrow from others.

Action Taken: The Finance Committee to recommend to the Board of Directors that the annual projected percentage increase in each group's replacement reserves be constant each year until the replacement reserve reaches its lowest projected balance. Note: DMA proposed a 25% increase the first year for larger homes.

Motion carried - For (4) Against (1) Abstention (0)

2. **Agenda item description:** Discussion of appropriate minimum threshold for a particular home group within the replacement reserves update.

Action Taken: The Finance Committee to recommend to the Board of Directors that a zero dollar threshold or a 0% threshold be established for each home category.

Motion carried - For (3) Against (1) Abstention (1)

Motion: I move that the Board of Directors direct the Manager to request DMA Inc. to present the following analysis for the Board's review fee contributions for each home category based on a zero dollar balance threshold for each category and constant annual fee increases for each category until the year that the projected fund balance for an individual home category reaches its lowest level.

Moved: Hess

Seconded: Jones

Carried: 7-0

6e. Consider the 2017-18 Audit Committee's Recommendations

The 2017-18 Audit Committee made the following recommendations in its annual report to the membership:

- For the Board to obtain a legal opinion on the separation of GHI and its subsidiary, Greenbelt Development Corporation, as recommended by the 2016-2017 Audit Committee.
- That the Board make itself aware of, and comply with, all applicable GHI bylaws when considering the expenditure of GHI funds not included in the current fiscal year's budget. For example, the Board's recent consideration of acquiring a solar energy system involving a

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potential expenditure of nearly \$280,000 (including contingencies), using unbudgeted funds without first obtaining the GHI membership's approval, as required by GHI's bylaws. For the Board's reference, a copy of the 2016-2017 Audit Committee's recommendation regarding the separation of GHI and GDC is in Attachment #5a. During its June 15, 2017 meeting, the Board discussed the recommendation of the 2016-17 Audit Committee regarding the separation of GHI and GDC and voted not to seek a legal opinion.

Suggested Motion: I move that the Board of Directors accept the 2017-18 Audit Committee's recommendations included in its annual report to the membership.

No Action Taken.

6f. Review Updated Strategic and 12-Month Action Plan Reports

The Board met on July 22, 2018 to update its strategic plan. The facilitator (Ms. Becky Roberts) recently submitted a meeting report that is Attachment #6a. The manager, Board President and Board Vice President subsequently made revisions to the 12 month action plan that Ms. Roberts submitted.

Motion: I move that the Board of Directors accept the meeting report on the strategic planning session that was held on July 22, 2018, and the 12 –month Board of Directors action plan as presented on August 16, 2018.

Moved: Hess

Seconded: James

Carried: 7-0

Items of Information:

7a. Closure of Offices on Monday, September 3, 2018

GHI Offices will be closed on Monday, September 3, 2018 for the Labor Day holiday.

7b. Smoke detector update

Lithium –ion smoke detectors have finally been installed in all GHI units.

7c. Board 12 Month Action Plan and Committee Task List

7d. Monthly GHI and City Calendars

7e. President's items

- Skolnik reported that GHI staff is no longer storing discarded air conditioners and heat pumps in GHI's storage lot, instead the air conditioners and heat pumps are left in the members' service side yard for the City to pick up.
- Annual Summer Picnic to be held at Allen Pond Park
- City is researching whether there are zoning restrictions to cell towers.

7f. Board Members' items

None.

7g. Audit Committee's items

Lester thanked Staff for the Open House.

7h. Manager's items

- Committee Training Session is scheduled for September 27, 2018 at 7:00 p.m. All Committee Members are invited.
- Meeting with WSSC is tentatively to be held in October.

Motion: To adjourn.

Moved: Hess

Seconded: James

Carried: 7-0

The meeting adjourned at 9:34 p.m.

Ed James
Secretary