

Minutes  
GHI Board of Directors  
September 6, 2007

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

Others in Attendance: Gretchen Overdurff, General Manager  
Steven Ruckman, Director of Finance  
Eldon Ralph, Director of Physical Services  
Joan Krob, Director of Member Services  
Brenda Lewis, Director of Human Resources  
Tom Sporney, Staff Engineer  
Matt Berres, Landscape Specialist  
Dianne Wilkerson, Chair, Audit Committee  
Michael Iacangelo, Audit Committee  
Genevieve Courbois, Recording Secretary  
Barbara Havekost, Chair of Marketing Committee  
Ruth Wilson  
Rachel Carter  
Lora Katz

President Lewis called the meeting to order at 7:34 p.m.

1. Approval of Agenda

**CONSENSUS: TO APPROVE THE AGENDA.**

2. Visitors and Members

Dianne Wilkerson remarked that a very active group of yellow jackets living in a stump on GHI common area made an appearance on Labor Day. She posted signage to alert others to this situation. Landscape Specialist Berres said that a contract exterminator will need to investigate the situation as GHI staff is not equipped to handle ground bees. He said that posting signage was the best idea in such a situation.

3. Approval of Minutes

**MOTION: TO APPROVE THE MINUTES OF JULY 19, 2007, AS REVISED.**

Moved: Alpers

Seconded: McFadden

Carried 7-0  
1 abstention

**MOTION: TO APPROVE THE MINUTES OF AUGUST 9, 2007, AS REVISED.**

Moved: Hickey

Seconded: Robles

Carried 8-0

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:**

- MANUELA FORTENBERRY
- EMILY C. SHAPIRO
- MICHELE A. TOUCHET
- RICHARD MENIS AND JANE JAWOROKI MENIS

Moved: Lauber

Seconded: McFadden

Carried 8-0

**FOR THE RECORD: BOARD POLL ACCEPTED THE FOLLOWING PROSPECTIVE MEMBERS INTO THE COOPERATIVE ON AUGUST 16, 2007, AND MEMBERSHIP WAS AFFORDED THEM AT THE TIME OF SETTLEMENT:**

- SCOTT A. KROMER AND RAQUEL V. KROMER
- MARK E. DRUMMETER

**MOTION: THAT THE BOARD APPROVES THE FOLLOWING MUTUAL OWNERSHIP CONTRACT CHANGES:**

- MELISSA REELEY(MITCHELL) AND CLARENCE MITCHELL, JOINT TENANTS, TO MELISSA MITCHELL, SOLE OWNER
- MARGERET RUNDLE AND THOMAS RUNDLE, JOINT TENANTS, TO MARGARET RUNDLE, SOLE OWNER
- RAYLENE HARRIS (PALUDNEVICIENCE), RACHEL STONE AND RAY HARRIS, JOINT TENANTS TO RAYLENE PALUDNEVICIENCE AND ZILVINAS PALUDNEVICIENCE , TENANTS BY THE ENTIRETY RALPH KELLEY, ELAINE S. KELLEY, AND CHARLES M. KELLEY, TO CHARLES M. KELLEY AND RALPH W. KELLEY, JOINT TENANTS

Moved: Lauber

Seconded: Robles

Carried 8-0

5. Committee Reports

No discussion.

6a. Proposed Modification of G/S Window to Entry Door, 54B Ridge Road

This item was postponed for consideration until the next Board meeting as member Ronald Walter was not present. Staff Engineer Sporney confirmed that Mr. Walter was notified about the meeting.

6b. 5% Down Payment Criteria

Barbara Havekost, Marketing Committee Chairperson, explained that at the July 19<sup>th</sup> Board meeting, the Board voted to require that in an instance where an applicant is making a 5% down payment, all funds must be the buyer's own money. In a meeting with GHI-approved lenders on July 24<sup>th</sup>, it became apparent that an applicant could actually be required to have more cash when making a 5% down payment than for a 10% down payment, as the latter would allow closing help from a seller or other party. Based on this information the Committee reviewed the down payment requirements of the membership selection criteria, and is now recommending that closing help from the seller be allowed with a 5% down payment from the buyer; however, the working capital should be the buyer's own funds. Ms. Havekost estimated that closing help could be about \$600.

**MOTION: THE BOARD OF DIRECTORS MODIFIES THE MEMBER SELECTION CRITERIA APPROVED JULY 19, 2007, IN ITEM #4 TO READ: HAVE THE ABILITY TO PAY A MINIMUM 10% DOWN PAYMENT OF THE PURCHASE PRICE, PLUS APPLICATION AND MEMBERSHIP FEES. THE BOARD HAS APPROVED OF A 5% DOWN PAYMENT IN INSTANCES WHERE THE APPLICANT HAS A CREDIT SCORE OF 720 OR HIGHER. IN SUCH INSTANCES, THE DOWN PAYMENT, WORKING CAPITAL AND GHI FEES SHALL ALL BE 100% OF THE BUYER'S OWN FUNDS.**

Moved: Lauber

Seconded: Alpers

Carried 8-0

Audit Committee Iacangelo commented that the amount of closing help does not affect comparables.

6c. Employee Home Ownership Grant Program

President Lewis explained that the Board has received a request for an exception for this program. She suggested that perhaps the Board would like to consider whether or not to continue this program rather than making an exception. Board members inquired about the purpose of the program. Director of Human Resources Lewis responded that it serves as an extra incentive and goodwill gesture for employees to purchase a GHI membership. She said that while the grantee must remain a GHI employee for a minimum of four years after the approval of the grant, this requirement may not necessarily keep the employee here. Director Mazursky suggested reducing the minimum length of GHI employment for eligibility from three years to two years, thereby providing this incentive closer to the beginning of the employee's tenure. Audit Committee member Iacangelo questioned the effectiveness of this program if only two employees have received grants since the program's inception in April 2001. Director of Finance Ruckman responded that these

two grants represent a 67% ratio of usage which is a large percentage, and the other employee who is seeking a grant has not been employed for three years.

**MOTION: TO REVISE THE EMPLOYEE HOME OWNERSHIP GRANT PROGRAM, IN ITEM #2, TO REFLECT THAT AN EMPLOYEE MUST BE EMPLOYED FOR A MINIMUM OF (2) YEARS RATHER THAN (3) YEARS.**

Moved: Mazursky

Seconded: Robles

Carried 8-0

6d. 2007 Garage Door Replacement Contract – 2<sup>nd</sup> Reading

**MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO ENTER INTO A CONTRACT WITH FRED C. JOHNSON, INC., FOR THE REPLACEMENT OF 28 RENTAL GARAGE DOORS, FOR THE AMOUNT OF THE BID PLUS A 5% CONTINGENCY, NOT TO EXCEED \$13,230.**

Moved: Hickey

Seconded: Lauber

Carried 8-0

6e. Requests for Contributions

**MOTION: THE BOARD OF DIRECTORS APPROVES FOR FIRST READING A CONTRIBUTION IN THE AMOUNT OF \$160 TO NASCO INSTITUTE FOR THEIR LOW INCOME SCHOLARSHIP FUND.**

Moved: Agans

Seconded: Lauber

Carried 7-0

6f. Second Quarter Financial Statements

The Board reviewed the second quarter operating statements and comments for the six-month period ending June 30, 2007. Director of Finance Ruckman said that a balance sheet has been included for the first time in five years, and it is sound. He noted that the budget is \$60,000 over, but this will balance out.

6g. Parcel B – Treatment of Invasive Plants – 2<sup>nd</sup> Reading

**MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO ENTER INTO A CONTRACT WITH GREENSKEEPER ENVIRONMENTAL, LLC TO REMOVE AND TREAT INVASIVE PLANT SPECIES IN PARCEL B AT A COST OF \$4,280.**

Moved: Agans

Seconded: Morse

Carried 8-0

6h Tax Appeal

Director of Finance Ruckman explained that in response to GHI's new tax assessment of \$250 million, the current tax bill is \$1.8 million. GHI is filing an appeal to lower this assessment for 2007-2009. Ruckman stated the Board needs to decide whether to retain the services of Mr. William Monks, a tax attorney who has represented GHI in the past, as well as Mr. Bill Amonett, the appraiser who performed the appraisal for the last tax appeal. Ruckman said that Monks and Amonett are both well-known and highly respected in Prince George's County, and make a powerful team.

Ruckman explained that GHI has completed the first step in the process which is to file intent to appeal. The Commission will counter with an amount, generally less than the state's assessment and higher than the appraiser's assessment, which goes to the County for review. Discussion addressed the financial benefits to be gained from a reduced tax assessment versus the \$50,000 estimated cost for Monks' and Amonett's services. Ruckman explained that a successful reduction of the assessment will not reduce the taxes this year or in subsequent years, rather it will reduce the base upon which future assessments will be made. Director Alpers said that an appraisal could prove useful; she suggested that perhaps housing values will go down with the next assessment. Ruckman reiterated that the intent to appeal has already been filed, and the next assessment will not take place for another three years. He said the question before the Board is whether to retain Monks, and stressed the need for GHI to go on record by challenging this heavy tax assessment. Ruckman stated his belief that the tax assessment stems from a bias against cooperatives. He supported Director Agans' suggestion to challenge related legislation at the state and federal levels.

Director Agans expressed her concern that the bylaws were not followed in regards to the retainer. President Lewis responded that it is ultimately a contingency based on Monks' success, and that the Audit Committee could look into the application of the bylaws in this context.

**MOTION: THAT GHI PAY A \$2,500 RETAINER TO MR. MONKS TO BEGIN WORK ON THE TAX ASSESSMENT APPEAL; THE BOARD EXPECTS PROGRESS REPORTS AND FINANCIAL INFORMATION ON A REGULAR BASIS.**

Moved: Morse

Seconded: Lauber

Carried 8-0

6i. 2008 Salary and Benefits

President Lewis emphasized that staff will prepare the GHI budget first draft using Board-directed percentages which will apply to salary increases and employee contributions toward medical and any other insurance premiums.

**MOTION: THE BOARD OF DIRECTORS APPROVES OF A 4% INCREASE IN THE OVERALL SALARY LINE ITEM FOR THE 2008 BUDGET YEAR AND**

**AUTHORIZES THE MANAGER TO UTILIZE THE 2007 SALARY SCALES WHEN APPLYING MERIT INCREASES TO STAFF 2008 SALARIES.**

Moved: Agans

Seconded: Morse

Carried 8-0

**MOTION: THE BOARD OF DIRECTORS APPROVES OF A PREMIUM COST SPLIT OF 90%/ 10% BETWEEN GHI AND EMPLOYEES FOR THE PAYMENT OF HEALTH CARE PREMIUMS FOR THE BUDGET YEAR 2008.**

Moved: Morse

Seconded: McFadden

Carried 8-0

The Board discussed the issue of how often funds should be deposited to employee Health Savings Accounts – monthly, quarterly, or in one lump contribution. Staff recommends the Board consider funding Health Savings Accounts at the beginning of the calendar year at 85% of respective plan deductibles rather than monthly. Director of Human Resources Lewis said that with monthly deposits, employees simply do not have the funds early in the year to cover their co-payments and other medical expenses before their deductibles have been met. She said that if deposits could be made in a more compact way, this would help employees. Audit Committee member Iacangelo felt that going to quarterly would be a regression, and that the intent of the Board last year was excellent. Director Agans made a motion to fund quarterly which was not seconded.

**MOTION: THE BOARD OF DIRECTORS DIRECTS THAT THE EMPLOYEE HEALTH SAVINGS ACCOUNTS BE FUNDED AT 85% OF THE DEDUCTIBLES IN ONE LUMP CONTRIBUTION AT THE START OF 2008.**

Moved: Morse

Seconded: Robles

Carried 8-0

6j. Proposal for Board Training – Meeting Facilitation Skills

President Lewis said that member Alice Mitchell is proposing a training opportunity to the Board of Directors including meeting facilitation skills to Board members and any Committee members who wish to participate.

**CONSENSUS: TO PROCEED WITH THIS TRAINING.**

7. Items of Information

No discussion.

8. President

President Lewis announced the appointment of Steve Kane to the SDP committee. She congratulated everyone for their work on the Labor Day festivities, particularly Cindy Cutright, Frank DiBernardo, Lora Katz and GHI staff, and noted that GHI won third prize in both the booth and float contests. She met with State Senator

Paul Pinsky, and County Delegates Anne Healy, Justin Ross and Tawanna Gaines to discuss the Charrette as well as accessible homes for seniors. She reported that they are hopeful about implementing strategies regarding accessible homes for seniors. She toured Greenbelt Elementary School and said that Beatrice Saunders is very supportive of the Greener Greenbelt Initiative. She asked Board members to encourage committee members to participate in the Charette for 1-2 hours shifts.

#### 9. Board Members

Director Hickey said he will be doing more research on boiler rooms. Director Robles announced she would be away from September 12 - October 3. Director Alpers stated she would be away from September 15 - October 9. Director Agans expressed her concern that ARC only has four members. Director McFadden said that the New Deal Café is having financial difficulty. Director Mazursky suggested that perhaps GDC should consider taking over the operations of the New Deal Café and make it a for-profit restaurant. Audit Committee member Iacangelo noted that this idea could be incorporated into strategic planning.

#### 10. General Manager

Director of Member Services Krob reminded everyone not to enter events onto the calendars in the Board room, but rather to notify the Dionna in the Member Services Department. A suggestion was made to possibly provide post-it notes next to the calendars to add potential events.

#### **MOTION: TO RECESS TO EXECUTIVE SESSION.**

Moved: McFadden

Seconded: Morse

Carried 8-0

The meeting recessed at 9:06 p.m.

Dorothy Lauber  
Secretary