

Minutes
GHI Board of Directors
October 27, 2005

Present: Abell, Alexanderwicz, Alpers, Eichhorst, Hudson, Lauber, Lewis, Moore

Excused Absence: Hess

Others in Attendance: Gretchen Overdurff, General Manager
Stephen 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
Diane Wilkerson, Chair, Audit Committee
Mary Crellin, Audit Committee
Diana McFadden, Audit Committee
Genevieve Courbois, Recording Secretary
Marat Moore
Chris Shuman
David Morse
Maria Sylvia Miller
Nancy Solomon
Lora Katz
Robin Everly
Elizabeth Shepard
Esther Yalowitz
Henry Haslinger
Ray and Sarah Stricklin, prospective members

President Eichhorst called the meeting to order at 7:33 p.m. She moved Item 6a to Item 6e and stated that there was no need for Executive Session as it was held prior to the meeting.

1. Approval of Agenda

MOTION: MOVE APPROVAL OF THE AGENDA AS REVISED.

Moved: Abell

Seconded: Moore

Carried

2. Visitors and Members

Chris Shuman, addressed the Board regarding a drainage problem at 1 Court Gardenway where a sump pump is discharging water onto the sidewalk. He is concerned about the potential for icing up of the water in the winter. Director of Physical Plant Operations Ralph stated that there is an underground water line break that is allowing water to enter the crawl space of the building. Ralph is working with WSSC to have the water line repaired.

6b. 2006 Proposed Operating Budget – First Reading

The first draft of the proposed 2006 operating budget was presented for Board review. Staff has taken a hard look at ways to trim costs, yet provide conservatively for some uncontrollable expenses such as insurance premiums and property taxes. The Finance Committee reviewed the budget projections on October 20th, and recommended that staff complete the spread to the three home's groups, although the Finance Committee had expressed some reservation about the results. Following the Finance Committee meeting, staff received the health insurance renewal premiums for 2006, which came in at a 33% increase; staff had originally budgeted for a 20% increase. Staff met with a benefits broker and is confident that GHI will be able to bring the percentage below 33.3% and hopefully back down to 20%. With an expected increase of 33.3%, the budget will have a 4.22% overall increase which will mean an increase of 4.39% for frame units, 4.0% for masonry units and 3.95% for larger units.

Treasurer Lewis encouraged the Board to approve a budget reflective of the higher figures for first reading. After first reading, the Board can reduce the budget as necessary, but cannot increase it, said Lewis. If the Board were to approve a budget reflective of the lower figures at first reading and then an increase in the budget becomes necessary, the budget would have to be resubmitted for first reading, according to Lewis.

President Eichhorst stated that members need to be informed of their 2006 fees in December. She voiced her concern regarding a nearly 5% increase (\$15/month) in fees for frame homes especially, stating that many members struggle month-to-month to pay their fees. She emphasized that the Board is very concerned and aware of this and encouraged staff to continue to look for ways to trim the budget. Treasurer Lewis stated that she is not comfortable with the increase in member fees as a result of this unanticipated increase in health insurance premiums.

MOTION: THE BOARD OF DIRECTORS ADOPTS FOR FIRST READING THE OPERATING BUDGET FOR THE YEAR 2006 IN THE AMOUNT OF \$7,340,758 WITH ESTIMATED DEPRECIATION ON MEMBERS' HOMES AT \$503, 508 (WITH THE UNDERSTANDING THAT THE BOARD WILL LOOK TO REDUCE IT AT THE SECOND READING.)

Moved: Lewis

Seconded: Alexanderwicz

Carried

6c. Fee-for-Service Policy Change

At the last Finance Committee meeting, the financial aspect of the Fee-for-Service program was discussed. Most of the jobs being done by Fee-for-Service are subcontracted out due to the size and nature of the work. It is recommended that members be required to make an advanced deposit when signing the acceptance of the proposal. The Finance Committee recommends a deposit of one-third of the cost for jobs proposed to cost over \$100. Additionally, it was recommended that no Fee-for-Service proposals should be offered to members who have an outstanding balance on their account.

MOTION: THE BOARD OF DIRECTORS APPROVES OF A FEE-FOR-SERVICE PAYMENT POLICY TO BECOME EFFECTIVE IMMEDIATELY, WHICH REQUIRES A ONE-THIRD DEPOSIT OF THE COST FOR JOBS PROPOSED TO COST \$100 OR MORE AT THE TIME THE PROPOSAL IS ACCEPTED. ADDITIONALLY, NO PROPOSALS WILL BE OFFERED TO MEMBERS WITH AN OUTSTANDING BALANCE ON THEIR ACCOUNT.

Moved: Lewis

Seconded: Hudson

Carried

President Eichhorst inquired of staff if the FFS Program is paying for itself. Staff was unsure; General Manager Overdurff said she would provide this information at the next finance committee meeting.

6d. A&E Committee CLEAR Rules for Additions

At the last meeting, the A&E Committee provided the Board with draft language to the current rules on additions in section 10-F, G, and H of the member handbook. Staff has been working on surveying the numbers and types of additions that currently exist to possibly assist the board in making a decision on the proposed rules by having an accurate picture of additions that currently exist throughout the cooperative community. Director of Physical Plant Operations Ralph confirmed that the survey is in progress, detailed the data that is being collected and estimated that the project will take another 6-8 weeks to complete.

Director Alexanderwicz asked if it was possible to determine how many additions have increased the number of bedrooms in a unit. Staff Engineer Sporney responded that this was not possible without an internal inspection. Director Alpers' inquiry about statistical evidence on the number of children in GHI brought forth discussion on where to seek such information, and whether there is a need to conduct a demographic survey. General Manager Overdurff suggested a door-to-door survey as the most effective way to gather information; a survey tool would need to be developed and an organization hired to conduct the survey.

Board members suggested gathering information on vacant units, number of vehicles associated with one unit, members' internet/computer access, how members feel about the proposed addition sizes, and any member plans for an addition in the next 1, 5, or 10 years. It was suggested that data for recent home purchases be analyzed in terms of who is moving into GHI, who is moving out and having the marketing committee or staff ask members why they are leaving GHI.

Member Esther Yalowitz, questioned GHI's right to gather this information and raised the issue of privacy. President Eichhorst responded that as a cooperative, GHI members have a right to know who their neighbors are. Director Hudson suggested that these demographics would not yield a "big picture". A&E Committee Chair Elizabeth Shepard stated that the collected demographics should be compared with the same demographics for the whole metro area for context. Lora Katz, stated that these statistics would be extremely valuable in providing community services to GHI.

Chris Shuman, stated his opposition to members being allowed to add on “another house.” He encouraged looking at how the community is evolving through time, what keeps members in GHI, and what discourages potential buyers. He voiced concerns about security in the community and the fact that his monthly fee will soon surpass his mortgage payment.

Robin Everly, said that the addition on her unit positively influenced her decision to buy in GHI. Maria Silvia Miller, said she raised two children in 500 square feet and doesn’t feel a lot of square footage is needed to raise children. She voiced her concerns with additions in GHI as they have the potential to encroach upon neighbors, obstruct views, disrupt the scale, airflow and drainage, and interfere with the communal aspect between neighbors. One of the reasons she chose to live in GHI was based on the guidelines and the communal living aspect.

Nancy Solomon, suggested that communal structures could perhaps meet some of the needs of the community and discourage the need for additions. She said that looking at size of additions is the first step towards sustainable design. She said that this issue needs to be looked at environmentally, economically, and socially and dealt with in a holistic way so that GHI can flourish indefinitely. She explained that additions increase maintenance expenses and property values, interfere with the patterns of design, and encourage members to stay in their homes.

President Eichhorst agreed that storm drainage, parking, and environmental impacts need to be looked at in terms of additions and emphasized that good design can alleviate some of the damage caused by additions. She mentioned an article about eco gardens in the 2003 issue of the *American Gardener* written by the Maryland Department of Natural Resources. She inquired about information that could be gathered on water runoff and drainage systems; Staff Engineer Sporney stated that storm water analyses are available for particular areas. Eichhorst also said that addition sizes should perhaps correlate with the size of the yard and questioned having two sets of policies for different types of houses within GHI. She stated the Board is not ready to take a vote on this issue and said that it important that the Board hear from members.

CONSENSUS: TO COLLECT DEMOGRAPHICS ON GHI MEMBERS; STAFF WILL DRAFT QUESTIONS FOR A ONE-PAGE SURVEY.

6e. Right of Way Proposed Agreement with the City

In June of this year, staff received a draft Memorandum of Understanding from Celia Craze, Director of Planning and Community Development, with suggested guidelines for GHI units and yards within the City right of way. While this item appeared on the June 16 Agenda for discussion, at that time no decision was made. The City is requesting the Board’s feedback so that this item can go to the council for approval. The right of eminent domain allows the City to take back the use of its property in the right of way at any time, with or without such an agreement in place.

MOTION: THE BOARD OF DIRECTORS DOES NOT APPROVE OF ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH SUGGESTED GUIDELINES FOR GHI HOMES/YARDS WITHIN THE CITY RIGHT OF WAY AND DIRECTS STAFF TO ADVISE THE CITY MANAGER OF THE BOARD'S POSITION.

Moved: Lewis

Seconded: Hudson

Carried

The Board felt that the MOU does not address the issue of the City using GHI property, is restrictive and does not offer any allowances in cases where yards are in the City right-of-way (221 yards according to Staff Engineer Sporney). Treasurer Lewis also raised the issue of GHI having to maintain underground sewers despite the fact they are on City property.

Staff acknowledged that determining GHI property that is being used by the City would be difficult as the two entities have different perceptions regarding the right-of-way and have not agreed on one official map. General Manager Overdurff explained that GHI has worked very well with the City and entering into such a formal agreement may interfere with the relationship that has been cultivated. According to GHI's counsel, the City has a right to use property for a public purpose. She suggested focusing on yard lines, indicating any overlap with City property on a member's yard plat, and getting an understanding from the City that anything built in the right-of-way should adhere to GHI architectural guidelines.

Director Hudson emphasized that there are members whose traditional yards do not exist because their yard is on City property and the MOU proposal does not rectify this situation. Hudson stated that he would like the City to stop using GHI property, change its map to reflect that GHI yard lines are not in the City right-of-way or provide letters to members stating the City is not likely to use that portion of their yard which is on City property. Overdurff responded that the City made it very clear that it would not take that course of action. Maria Silvia Miller, suggested that staff research the right of proscription in Maryland and its relevance in this situation.

9. President

President Eichhorst reminded everyone that the next Board meeting is on Thursday, November 3, GHI offices will be closed in recognition of Veteran's Day on Friday, November 11, and a new member orientation is scheduled for Tuesday, November 1.

10. Board Members

Treasurer Lewis reminded everyone to turn his or her clocks back over the upcoming weekend.

Director Alpers noted that the author of *The Not So Big House* is giving a lecture at the National Building Museum on November 1.

11. General Manager

Staff Engineer Sporney stated a new issue of the *Communicator* is on the website.

Director Hudson expressed his appreciation for member's attending and participating in meetings. He commended staff for their implementation of his idea to post signs about the board meetings.

MOTION: TO ADJOURN.

Moved: Moore

Seconded: Hudson

Carried

The meeting adjourned at 9:00 p.m.

Dorothy Lauber
Secretary