

**Minutes  
Board of Directors  
GHI Regular Open Session  
January 5, 2017**

Board Members Present: Brodd, Hess, Holland, James, Jones, Marcavitch, McFadden, Novinski

Excused Absence: Skolnik

Others in Attendance:

Eldon Ralph, General Manager	Molly Lester, Audit Committee
Tom Sporney, Assistant General Manager	Henry Haslinger, Audit Committee
Joe Wiehagen, Director of Homes Improvement Program	Diane Wilkerson
Joan Krob, Director of Member Services	Anna Socrates
Joe Perry, Director of Finance	Montrese Hamilton
Bruce Mangum, Contract Processor	Zachary Feris
	Altoria Ross, Recording Secretary

Vice President Brodd called the meeting to order at 7:41 p.m.

**An Executive Session meeting was held on January 5, 2017 at 7:03 p.m. in the Board Room of the GHI Administration Building per the Maryland Cooperative Housing Corporation Act, Section 5-6B-19(e) (1) (vi). The motion to call this meeting was made during an Open Session Meeting at 7:00 p.m. of the same day, and passed unanimously by a vote by Directors Brodd, Hess, Holland, James, and Novinski. The purpose of the Executive Session was to discuss the following issues:**

- 1) Approval of the Executive Session meeting minutes for December 1, 2016**
- 2) Consider the terms and conditions of contracts,**
- 3) Member financial matters,**
- 4) Discussing complaint matters pertaining to two members, and**
- 5) Discussing complaint matters with mortgage lenders pertaining to two unoccupied units.**

1. Approval of Agenda

Vice President Brodd added the following item to the agenda: 2c. Announcement of Closed Meeting Held on December 15, 2016.

**Motion: I move approval of the agenda as revised.**

Moved: Hess

Seconded: James

Carried: 8-0

2. Announcement of Closed Meetings

Vice President Brodd reported on three executive sessions:

2a. Announcement of Closed Meeting Held on December 22, 2016

Heard and discussed a report from a three-panel of the GHI Board of Directors that met with two mortgage lenders regarding two vacant units.

2b. Announcement of Closed Meeting Held on January 4, 2017

Heard and discussed a report from a three member panel of the GHI Board of Directors that met to resolve a violation of the rules by a member.

2c. Announcement of Closed Meeting Held on December 15, 2016

Discussed the following issues: 1) approval of minutes; 2) consider the terms and conditions of contracts; 3) member financial matters; and 4) discuss a complaint issue pertaining to a member.

During the meeting, the Board of Directors authorized the Manager for second and final reading to sign a contract with Ecosite Inc. to design a storm water drainage system in the vicinity of the court at 20 Ridge Rd. and provide engineering consulting services prior to and during construction, at a cost of \$16,800 with an allowance of 10% for contingencies for a total amount not to exceed \$18,480.

3. Visitors and Members (Comment Period)

None present wish to address a matter that was not already on the agenda.

4. Approval of Membership Applications

**Motion: I move that the Board of Directors approve the following person into the cooperative and membership is afforded him at the time of settlement:**

- **John E. Ravenscroft, Jr., Sole Owner.**

Moved: James

Seconded: Hess

Carried: 8-0

**Motion: I move that the Board of Directors approve the following Mutual Ownership changes:**

- **Thomas McKnight, sole owner, is changed to Thomas McKnight and Emily McKnight, Tenants by the Entirety;**
- **Kristen L. Michaud, sole owner, is changed to Kristen Michaud Gonzalez, David Gonzalez, Tenants by the Entirety; and**
- **Christopher John, Ryan John, Joint Tenants, is changed to Christopher John, sole owner.**

Moved: James

Seconded: Hess

Carried: 8-0

## 5. Committee Reports

Additions Maintenance Program Task Force – McFadden mentioned that the committee met last night where Jim Cooney volunteered to prepare a write up of the pros and cons for requiring the 136 units to join the program.

Woodlands Committee – Novinski mentioned that the committee has lost some members and gained others but still need members. She said the December work day was cancelled due to weather, but hope to resume work on the third Saturday of the month. Novinski said in November the committee cleared leaves from 24 Ridge Road.

Buildings Committee – James mentioned that the committee is reconciling two policies: photo-voltaics installation and the solar hot water systems. He said by consensus the committee is developing the photovoltaics taskforce. The task force is considering installation of the system at the administration building. Concerning following up on the installation of natural gas, the membership feedback was as follows:

- 142 Opposed
- 90 In favor
- 92 Needed more information
- 7 No preference

Thus, the Buildings Committee recommends not pursuing natural gas.

Homes Improvement Program - Sporney mentioned the Acadia contract will come to the Board.

## 6. For Action and Discussion.

### 6a. Approval of Minutes: December 1, 2016

**Motion: I move that the Board of Directors approve the minutes for the December 1, 2016 regular meeting.**

Moved: James

Seconded: Hess

Carried: 8-0

### 6b. Approval of Special Session: December 1, 2016

**Motion: I move that the Board of Directors approve the minutes for the December 1, 2016 special open session.**

Moved: James

Seconded: Hess

Carried: 8-0

### 6c. Certification of Yardlines of 14A-V Hillside Rd.

The Yard Line Committee recommends that the Board certify yard plats for 14A-V Hillside Rd that the committee prepared. Staff submitted the recommended yard plats to the pertinent members for comment and did not receive any adverse feedback.

**Motion: I move that the Board of Directors certify yard plats for 14A-V Hillside Rd as presented.**

Moved: Hess

Seconded: Jones

Carried: 8-0

6d. Request by the Member of 2-L Gardenway for An Exception to Install a 8’x4’ Shed in the End Yard

Mr. Zach Feris and Ms. Heather Coady at 2-L Gardenway submitted a permit request to install an 8’-0”x4’-0” cedar shed in the end yard. Technical Services denied the request because the shed’s size exceeds the maximum permitted area according to GHI rules in Section IX.C.1 of the Member handbook which states “A shed shall not exceed 8% of the yard area where it is to be located”. Based upon the end yard area, the maximum permitted size of shed should be 23 square feet.

After discussions with Technical Services, Mr. Zach Feris and Ms. Heather Coady requested an exception from the ARC and Board of Directors to allow the installation of a 32 square ft. shed. The members sent a letter to the ARC and Board of Directors that includes a picture showing the style of the shed they propose to install and photographs of the gardenside and end yard of the unit.

The ARC discussed the request with Mr. Feris during its December 14, meeting. His main reasons for installing the shed in the end yard are as follows:

1. The shed will be less visible to neighbors and anyone using the nearby access-way if it is located in the end yard instead of the gardenside yard. An end yard location does not block anyone’s field of vision. However, locating the shed on the garden side would block the neighbor’s view of the access-way bordering the garden side, as well as the open space in front of the end of his row – where neighbors feel comfortable allowing their children to play because they can see them clearly.
2. The proposed location is relatively level and plumb whereas the garden side location is on a slope adjacent to a swale.

During the meeting, Mr. Feris also requested permission to place the shed against the unit instead of locating it a minimum distance of 2’-0” away from the existing structure as stated in GHI rule, Section IX.D.3. of the Member handbook.

ARC voted 7-0 that the Board of Directors grant an exception for Mr. Feris and Ms. Coady to install the shed against the building in the end yard of the unit.

**Motion: I move that the Board of Directors grant the members of 2-L Gardenway an exception to GHI’s rules in Section IX.C.1 and Section IX.D.3. of the Member Handbook, thereby allowing the members to install a 8’-0”x4’-0” cedar shed in the end yard, against the end wall of the unit.**

Moved: James

Seconded: Marcavitch

Carried: 8-0

6e. 2016-2017 Audit Committee Recommendations to the Board of Directors

The Audit Committee sent a memorandum to the Board dated November 19, 2016 that contained four recommendations. Each recommendation is stated below with either a suggested motion or a report on action that is currently being taken to address the Audit Committee's concern.

1) Overview of Revisions to Maryland Corporations and Associations Law

The Audit Committee recommends the Corporation engage legal counsel to provide an overview to the Board of Directors and the Audit Committee of revisions made to the Maryland Corporations and Associations Article, effective October 1, 2016, governing the duties and liability of directors of Maryland corporations. We recommend this overview include the opportunity for Board and Audit Committee members to ask legal counsel questions regarding the revisions during a meeting of the Board of Directors. We further recommend legal counsel provide guidance on the potential impact to the GHI Board of Directors with regard to the following revisions:

- Statute allows shareholders to bring direct claims for a breach of fiduciary duties.
- Duties apply to each director individually, director by director, and not collectively to the Board of Directors as a whole.
- "Acts" of Directors includes not only an overt act, but also an omission, a failure to act or a determination made not to act.

The Audit Committee further requests legal counsel clarify the impact of the revised statute with respect to the following practice: Currently, when issues are raised to the Board of Directors, it is the Board President, in consultation with the General Manager, who makes the determination about whether such issue will be considered by the Board of Directors during a Board meeting. Under the revised statute, if the Board President determines an issue will not be considered and responded to by the full Board, would individual Board Members potentially be liable for the "failure" of the Board to hear and act on such issue based upon the decision of the President of the Board and General Manager?

The Audit Committee further recommends the Board get elucidation of the provision found on p. 3(d)(ii) of the Director's Code of Ethics, which states "Member shareholders who may have been wronged by the failure of the board of directors to comply with the bylaws may have a case of personal liability against the directors who violate the bylaws."

**Motion: I move that the Board of Directors authorize the Manager to engage legal counsel to provide an opinion on the potential ramifications for GHI's Board of Directors, resulting from revisions to the Maryland Corporations and Associations Article, effective October 1, 2016, that govern the duties and liability of directors of Maryland corporations.**

Moved: Jones

Seconded: Hess

Failed: 3-4-1

For: Marcavitch, Holland, Jones  
 Against: Brodd, James, McFadden, Novinski,  
 Abstained: Hess

At a later meeting, an agenda item will be added for board education on the article.

2) Authorities to Utilize GHI Funds or Personnel to Purchase Additional Apartment Buildings

Over the past few years, several offers have been made by GDC for the purchase of additional apartment buildings. It is not clear from the governing documents whether GHI funds or personnel may be utilized to purchase or operate such additional buildings.

The Audit Committee had requested clarification re the authorities from the Board of Directors with respect to the potential purchase of additional apartment buildings. To date we have not received a response from the Board. The item was on the preliminary agenda for the October 20, 2016, Board Open Session Meeting but was pulled by the Board President. We recommend the Board of Directors seek a legal opinion to answer the questions raised in the Audit Committee memo dated September 20, 2016, and provide such information to the Audit Committee, so the information re the authorities is available next time consideration is given to the purchase of additional apartments.

**Action Taken: This matter was referred to legal counsel on October 19 for an opinion. The attorney responded on November 28 and again on December 19 that he is consulting with one of the partners in his firm's corporate practice group on this matter and will respond to our inquiry within the coming weeks.**

3) Correspondence of Board President

The Audit Committee recommends the Corporation maintain an official file of all correspondence sent by the Board President (or any board member who communicates on behalf of the Corporation). The file should include emails, letters and social media postings made by the Board President in his/her role as President or speaking on behalf of the Corporation. The Audit Committee further recommends this file be maintained in a way as to separate correspondence open to member examination under the Maryland Cooperative Housing Corporation Act, Subsection 5-6B-26 and correspondence that may be withheld from public inspection under the same subsection.

The rationale for such recommendation is the Board President utilizes a personal email account for official corporation correspondence. Accordingly, there is no easily accessible record for the Corporation, its agents, or members to review official correspondence. The Audit Committee believes consideration should be given to setting up official GHI email accounts for Board

members and a GHI social media account for the Board President or any other board member posting or responding to social media posts in their capacity as a Board member. The motion below was not moved because of the Board thought it was not well thought out. Ralph said perhaps the Board could have help in electronic correspondence storage. Brodd said a task force may be needed to examine this issue closer.

**Suggested Motion: I move that the Board of Directors direct the Manager to obtain an opinion from legal counsel regarding the Audit Committee's recommendation.**

*Brief discussion, no action taken.*

4) Recommendation re: Revision to Bylaws

The Audit Committee recommends the Board support a proposed revision to the bylaws at the May 2017 Annual Meeting offering GHI committee and task force members the same indemnification protections provided under Article XI – Indemnification which is offered to present or former directors. We further recommend this revision be drafted by GHI's corporate counsel.

**Action Taken: The Bylaws Taskforce that was established, has recommended that the Board consider the revision to the bylaws, suggested by the Audit Committee.**

6f. Bylaws Task Force's Recommendations re: Revisions to GHI's Bylaws

Last September 15, the Board appointed a Bylaws Taskforce to review GHI's Bylaws and recommend amendments that should be made. The members of the taskforce are Bill Jones (Chair), Linda Orrin, Susan Walker and Paul Kapfer. Maesha McNeill is the staff liaison.

**Motion: I move that the Board of Directors accept the Bylaws Taskforce's recommendations for revising GHI's Bylaws, as presented on January 5, 2017. Further, I move that the Board direct the Manager to engage legal counsel to review the proposed revisions to the Bylaws and advise what changes should be made.**

Moved: Hess

Seconded: James

Carried: 8-0

7. Items of Information

7a. Removal of Asbestos from Masonry Crawlspace Scheduled to Begin on January 17, 2017

GM Ralph said letters have been sent to members of masonry units informing them that

GHI's contractors are scheduled to begin removing asbestos materials from the crawlspaces of their buildings on January 17. The project is expected to be completed by the end of June 2017.

- 7b. Design and Installation of a Stormwater Drainage Project at 20 Court Ridge Rd  
GM Ralph said a pre-design meeting was held with the members of 20 Court Ridge Rd. on January 3rd to inform them about the conceptual design plan for a stormwater drainage project that will be constructed to intercept stormwater that floods crawlspaces in Units 20 A-D Ridge Rd. This project is funded by a grant from the Chesapeake Bay Trust (CBT).
- 7c. Staff Changes
- Tom Sporney, Director, Homes Improvement Program, will be promoted to the position of Assistant General Manager, Physical Plant Operations went into effect January 1, 2017.
  - Joe Wiehagen, HIP Project Manager, will be promoted to the position of Project HIP Director with effect from January 1, 2017.
  - Peter Joseph has been temporarily assigned to the position of Director, Technical Services Department. This position has been vacant for several months and will hopefully be filled permanently in the near future.
  - Tim Goins, Fee for Service/ Contract Coordinator, has been temporarily assigned to the position of Project Manager that was held by Peter Joseph in the Technical Services Department. He will report to Peter.
  - Dwayne White, Carpenter 1 has been temporarily assigned to the position of Fee-for-Service/Contracts coordinator.
  - Shawnta Cermeno, formerly the administrative assistance in maintenance, has been appointed to executive assistant in the management office.
  - Beverly Carroll has been hired to replace Shawnta.

Peter Joseph and Joe Wiehagen will report to Tom Sporney. In the interim, the Director of the Maintenance Department will continue to report to the General Manager.

- 7d. Closure of Offices on Monday, January 16, 2017  
GHI's offices will be closed on Monday, January 16, 2017 for Martin Luther King, Jr.'s Day.
- 7e. Board 12 Month Action Plan and Committee Task List
- 7f. Monthly GHI and City Calendars
8. Vice President

Vice President Brodd reminded those present of the Town Hall meeting on Sunday, January 29.

9. Board Members

Hess asked about the location of this year's and last year's Board pictures and was told that they were in the front lobby. He also wanted to know if staff will be meeting with the 2017 cohort members to give them on their options. Joe Wiehagen, Director of HIP, is preparing for the help sessions for that cohort.

Marcavitch said work happening and its impact on work on members' homes should be included in E-news. He also congratulated Tom and asked about grooming him for general manager. Ralph said we need to worry about now. In the interim, he will create development plans for Tom, Joe Perry and Joe Wiehagen and work on association courses for them to take.

10. Manager

No comments.

**Motion: To adjourn.**

Moved: Hess

Seconded: Marcavitch

Carried: 8-0

The meeting adjourned at 9:20 p.m.

Ed James  
Secretary