

Minutes
GHI Board of Directors
June 16, 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 Plant 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
Damien Del Russo
Bill Wilkerson
Kris White
Mark Commins
John Abell
Chris Logan
Nancy Solomon
Greg Johnson
Patricia Novinski

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

1. Approval of Agenda

MOTION: MOVE APPROVAL OF THE AGENDA AS REVISED.

Moved: Alexanderwicz Seconded: Lauber Carried

2. Visitors and Members

There were no visitors or members who wished to approach the Board at this time.

3. Discussion of Minutes

MOTION: MOVE APPROVAL OF THE MINUTES OF MAY 12, 2005 AS REVISED.

Moved: Alexanderwicz Seconded: Moore Carried

MOTION: MOVE APPROVAL OF THE MINUTES OF MAY 26, 2005.

Moved: Hudson Seconded: Moore Carried

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:

- ELLEN A. HANYOK
- JASON C. KUO
- GREGORY A. EVANS AND BLANCA E. EVANS
- JEFFREY W. HEATH
- PAUL B. EVANS
- LUIS R. VASQUEZ
- NATALIE D. BAILEY AND DAVID B. EUBANKS
- ELLEN M. WUERTZ
- JENNIFER A. KEVORKIAN
- ELAINE C. SNODDY
- ANN REID PERRY
- JAMES R. COHEN

Moved: Lauber

Seconded: Alexanderwicz

Carried

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

- **CARL BOUSHELL AND AUDREY BOUSELL CARL BOUSHELL AND AUDREY BOUSELL, TRUSTEE UNDER TRUST DATED JANUARY 11, 2005**

Moved: Lauber

Seconded: Lewis

Carried

5. Approval of Addendum for Trust Ownership and Trustee's Affidavit, 5-H Ridge Road

Members Carl F. Boushell and Audrey A. Boushell, request the approval of their Addendum for Trust Ownership and Trustee's Affidavit. They will serve as trustees and beneficiaries, under a trust agreement dated January 11, 2005. Their updated Mutual Ownership Contract was presented for approval under Item 4.

MOTION: THE BOARD OF DIRECTORS APPROVES THE ADDENDUM FOR TRUST OWNERSHIP AND TRUSTEE'S AFFIDAVIT OF CARL F. BOUSHELL AND AUDREY A. BOUSHELL, 5-H RIDGE ROAD, THEREBY ALLOWING THEM TO PLACE THEIR MEMBERSHIP AND EQUITY INTEREST INTO A LIVING TRUST DATED JANUARY 11, 2005.

Moved: Lewis

Seconded: Abell

Carried

6. Committee Reports

Presentations from the A & E Committee and the Management and Technology Audit Committee appear on the Agenda.

7a. A&E Committee CLEAR Project Update

A&E Committee Co-Chair Bill Wilkerson outlined the CLEAR project chronology and gave an update on progress to date; he also explained the written Committee report presented to the Board. He anticipates that based on its momentum, the CLEAR Subcommittee will continue to work on parts of the project after submitting a final report with recommendations to the Board at the July 14th Board meeting. He explained that the rule changes are not extensive and that the most challenging and controversial issue addressed is sheds. According to Wilkerson, the Subcommittee used the revised historic guidelines from the City of Greenbelt as well as the 1980 *GHI Design Book* as guidance.

Member Patricia Novinski, said that the members of the Subcommittee are representative of the community. In response to a question posed by Vice President Abell regarding Novinski's comment, it was determined that two members of the Subcommittee reside in frame homes. Member Kris White, "found it interesting" that with 1,000 frame homes there are two members who live in frame homes on the Subcommittee.

Director Alexanderwicz asked if the Subcommittee could present recommendations to the Board as they are available in advance of the July 14th Board meeting to ease the review process by Board members and to obviate the need for a work session. She explained that receiving a large amount of information all at once is often overwhelming. Treasurer Lewis commended the Subcommittee for its work on the report within the context of the project timeline and said she appreciated the prioritization of the subjects. Director Hudson expressed his appreciation for the tremendous time and effort Subcommittee members have invested.

7b. Evaluation Report of Proposals for the GHI Management Audit

Director Alpers summarized the Evaluation Report of Proposals for the GHI Management Audit submitted by the Management and Technology Audit Committee. In response to the fact that prices for this service have come in over-budget, Director Alpers explained that the Committee made additional reference inquiries to justify the cost and, while the Committee looked at narrowing the scope of work, the Committee decided it could not do so. Committee member Chris Logan noted that the Committee had originally narrowed the scope of work early on and stressed the need to look at how much can be saved in the operating budget based on a management audit. Committee member John Abell explained the basis behind the Committee's endorsement of Cummings and Associates and emphasized the firm's experience with cooperatives.

Treasurer Lewis stated her reluctance to authorize \$41,000 for the Management Audit as this figure is double the amount allowed in the budget. She said she had hoped to see a line item list of expenses from each firm to gain a better understanding of the firm's bid amount. She said that GHI practices cost-avoidance and focuses on employee appreciation. The area in which GHI could benefit from a management audit is learning how to distribute its workforce more effectively, she said, but she admitted this may be hard to quantify and as a result difficult to

evaluate. Director Hudson stated his concerns about a firm's ability to provide returns that will offset the cost of a management audit and expressed his preference for a list detailing what GHI should expect to gain. He emphasized looking at measurables, for example, the cost of employee retention and questioned if GHI has management issues relative to cost. In response, Vice President Abell offered that a management audit is designed to identify management issues of which GHI may be unaware and endorsed the audit on the basis of any financial savings that may be realized. She also noted that a management audit has not been conducted in a long time.

President Eichhorst thanked the Committee members for their work and said that a lot of good ideas have resulted from this endeavor.

MOTION: THE BOARD OF DIRECTORS REQUESTS THAT CUMMINGS AND ASSOCIATES (CAI) ATTEND THE JULY 14TH BOARD MEETING TO ADDRESS ITS PROPOSAL FOR GHI'S MANAGEMENT AUDIT.

Moved: Lewis

Seconded: Hudson

Carried

7c. Rules on Use of Portable Gazebos

Member Damien Del Russo, was asked by staff to remove a portable gazebo recently installed in his yard. The structure is mounted on a wooden platform and secured which makes it appear more permanent in nature. Therefore, staff considered it an accessory structure which requires a permit. Currently, the Board has placed a moratorium on the review of any new permits. Mr. Del Russo disagrees with the need for a permit, as he believes GHI's rules are not specific enough to prohibit such a structure, *or* require a permit for temporary use. He has submitted two letters documenting his reasoning and justification for retaining the gazebo. During Board discussion, Mr. Del Russo stated that while the wooden platform (made of stacked wood to be used to build a future shed) may perhaps necessitate a permit, the 10' x 10' temporary gazebo should not. In discussions with the County, Mr. Del Russo learned that a county permit would not be required for a structure of this nature. Mr. Del Russo plans to take down the gazebo in September/October and does not believe it is currently situated in a swale.

Staff Engineer Sporney cited Board minutes of March 27, 2003, which lists gazebos as accessory structures and read the County's definition of a gazebo. In his own discussion with the County, Staff Engineer Sporney stated that a supervisor of permits indicated that this type of a gazebo would require a county permit. Sporney said that staff would have appreciated an opportunity to comment on the gazebo and its placement prior to installation as well as receiving documentation in advance of the gazebo's temporary nature. According to Sporney, staff would not have approved the current placement of the platform and gazebo as they are located in a swale. Sporney also indicated that because Mr. Del Russo has not completed work on his fence, a permit for new work would not have been issued.

On behalf of the Member Complaints Panel, Director Alexanderwicz encouraged Board discussion in an effort to lay a foundation for future conversations about potential rule changes regarding the use of portable, seasonal structures. She specifically asked Board members to provide guidance as to whether the existence of a seemingly permanent wooden platform beneath a temporary gazebo makes the entire unit permanent. Board members addressed the characteristics of the wooden platform, the platform's effect on any swale obstruction, and the existence of other similar gazebos in the community. Treasurer Lewis stated that if a structure is

going to be moved, it should be considered temporary. Staff Engineer Sporney offered that the ability to move a structure would be an indication of non-permanence. In an effort to provide the Board with time over the summer to generate a long-term policy regarding portable, seasonal structures, Treasurer Lewis proposed the following motion:

MOTION: THE BOARD OF DIRECTORS DIRECTS OWNERS OF ALL REMOVABLE/TEMPORARY GAZEBOS TO SIGN AN AGREEMENT STATING THAT GAZEBOS (AND CORRESPONDING BASES) SHALL BE REMOVED AT THE END OF SEPTEMBER AND ANY GAZEBOS (AND CORRESPONDING BASES) WHICH ARE OBSTRUCTING A SWALE MUST BE MOVED IMMEDIATELY.

Moved: Lewis

Seconded: Hudson

Carried

Treasurer Lewis instructed that staff disseminate this to all members with such structures in their yards.

7d. First Quarter Operating Statements

Director of Finance Steve Ruckman clarified some specific information presented in the First Quarter Operating Statements for the benefit of the Board. Treasurer Lewis expressed her appreciation to Ruckman for the analysis he provided with the statements.

7e. Allocation of Unallocated Revenue – First Reading

GHI ended 2004 with an excess of revenue over expenses and unallocated equity. As directed by the Board, interest has been allocated to the replacement and addition maintenance reserve funds. In addition, the contingency reserves for each category of home have been fully funded at their Board mandated levels. After these adjustments, there are \$340,538.64 in unallocated funds remaining.

As part of GHI's on-going replacement reserves analysis, a number of expenses were determined to have been incorrectly charged against replacement reserves. Because the misallocated items are for prior periods (years 2003 and 2004), our auditors advised that they must be brought before the Board of Directors for approval of the corrections. The misallocated items are:

- 1) CY 2003 \$868.47 for work on owned garage doors
- 2) CY 2003 \$35,143.20 for drainage installation work
- 3) CY 2004 \$16,208 for roof work that should have been coded to addition maintenance
- 4) CY 2004 \$2,833 for garage roof repairs

In addition, in order to fully fund the admin building rehabilitation reserve, a contribution was taken from the replacement and contingency reserve funds for each category of home. For

the larger homes, however, the contribution of \$5,000 from its replacement reserve fund has had an inordinate effect on the replacement reserve projections, as there are very few homes over

which to spread the contribution. Accordingly, staff recommends that the Board of Directors authorize a contribution from unallocated funds in the amount of \$5,000 for the larger homes replacement reserve fund.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE FOLLOWING REPLACEMENT RESERVE ADJUSTMENTS: 1) \$868.47 FROM UNALLOCATED FUNDS TO THE MASONRY REPLACEMENT RESERVE, 2) \$35,143.20 FROM UNALLOCATED FUNDS TO THE FRAME (62%), MASONRY (36%) AND LARGER HOMES REPLACEMENT (2%) RESERVE FUNDS ACCORDING TO THEIR PERCENTAGE OF TOTAL HOMES WITHIN GHI, 3) \$16,208 FROM THE ADDITION MAINTENANCE RESERVE TO THE FRAME HOME REPLACEMENT RESERVE, 4) \$2,833 FROM UNALLOCATED FUNDS TO THE MASONRY REPLACEMENT RESERVE FUND AND 5) \$5,000 FROM UNALLOCATED FUNDS TO THE LARGER HOME REPLACEMENT RESERVE FUND.

Moved: Lewis

Seconded: Alexanderwicz

Carried

After making the preceding allocations, there is a balance of \$296,693.97 in unallocated funds. Staff is recommending that the unallocated equity be applied to replacement reserves according to the number of homes within each category as a percentage of total homes within GHI.

Frame (62%)	\$ 183,950.26
Masonry (36%)	\$ 106,809.83
Larger (2%)	\$ 5,933.88
Total:	\$ 296,693.97

MOTION: THE BOARD OF DIRECTORS APPROVES THE FOLLOWING ALLOCATION OF YEAR-END EXCESS REVENUE OVER EXPENSES AND OTHER UNALLOCATED FUNDS: A CREDIT OF \$183,950.26 TO THE FRAME REPLACEMENT RESERVE; A CREDIT OF \$106,809.83 TO THE MASONRY REPLACEMENT RESERVE AND A CREDIT OF \$5,933.88 TO THE LARGER HOMES REPLACEMENT RESERVE.

Moved: Lewis

Seconded: Lauber

Carried

Proposed Maintenance Improvement Projects for Funds Allocated from 2004

The following projects were proposed for execution in 2005. However, based on bids received, their actual costs will exceed budgeted costs.

Table A – Projects

Project	2005 Budgeted Cost	Estimated Costs	Additional Funds Required
1. Removal of 19 underground storage tanks	\$81,000	\$101,817	\$20,817
2. Drainage improvement projects at 51E-K Ridge, 53 E-K Ridge, 25 B-G Ridge	\$44,000	\$74,800	\$30,800

3. 2005 Parking Lot Repairs	\$55,000	\$94,626	\$39,626
4. Concrete Repairs	\$42,000	\$58,517	\$16,517
Total Cost			\$107,760

The respective estimated costs for the removal of underground tanks, drainage improvement projects and parking lot repairs include amounts for contingencies (10% of the costs that were bid by each successful contractor). The estimated cost for the spring concrete repair project that is currently being undertaken is \$28,517. Staff recently completed a comprehensive survey of all concrete sidewalks throughout the community and estimates that a further \$30,000 will be needed to repair the deficiencies that were observed, in the fall of this year.

MOTION: THE BOARD OF DIRECTORS APPROVES USING REPLACEMENT RESERVE FUNDS TO COVER THE ACTUAL COSTS OF THE PROJECTS OUTLINED IN TABLE A WHICH WILL REQUIRE AN ADDITIONAL \$107,760 ALLOCATED BY PERCENTAGE ACROSS THREE CATEGORIES: \$66,811.20 (FRAME), \$38,793.60 (MASONRY) AND \$2,155.20 (LARGER).

Moved: Lewis

Seconded: Hudson

Carried

Director of Physical Plant Services Ralph questioned if the Board would need to rescind a prior approved motion regarding the expenditure of \$81,000 for the removal of underground storage tanks and authorize the expenditure of up to \$101,817. It was decided that the above project funding could be approved and the contract for the removal of underground storage tanks will come before the Board again at its July 14th meeting.

7f. 2005 Parking Lot Repair Contract – 2nd Reading & Final Passage

In response to a question from Treasurer Lewis, Director of Physical Plant Services Ralph said that in accordance with the International Fire Code regulations, a large number of new fire lane signs will be installed in GHI.

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO ENTER INTO A CONTRACT WITH CPE, INC., FOR THE REPAIRS OF PARKING LOTS FOR AN AMOUNT NOT TO EXCEED \$94,627.

Moved: Lewis

Seconded: Alpers

Carried

7g. Memorandum Of Understanding – Right of Way

The Board reviewed the draft Memorandum Of Understanding from the City of Greenbelt regarding the use of City property by GHI and its members where yardlines or buildings and street rights-of-way overlap, resulting in encroachment. Overall, Board members were not satisfied with the draft MOU as they felt the MOU did not adequately benefit GHI members. The Board discussed possible “property swapping” between GHI and the City, pushing for the City to deed property back to GHI, and the impact the current draft MOU could

have on property value. Staff Engineer Sporney explained that the right-of-way line is not symmetrical or consistent throughout GHI. Determining to what extent the City is using GHI property would be a four-hour project according to Sporney.

CONSENSUS: TO CONDUCT MORE RESEARCH INTO THE CITY'S USE OF GHI PROPERTY AND THEN REVIEW THE DRAFT M.O.U AT A FUTURE MEETING.

7h. Greenbelt News Review Editorial

In response to an editorial that appeared in the June 9th *Greenbelt News Review* regarding CB 134-1988 and the process for approving additions in GHI, President Eichhorst submitted a response letter clarifying GHI's procedures. The Board felt that perhaps some friendly meetings with the *Greenbelt News Review* would be productive for both parties.

CONSENSUS: THAT STAFF SET UP A MEETING WITH THE BOARD OF DIRECTORS AND THE GREENBELT NEWS REVIEW.

7i. Boiler Room Renovation Contract, 34F Ridge Road – 2nd Reading and Final Passage

MOTION: THE BOARD OF DIRECTORS AUTHORIZES THE MANAGER, FOR SECOND READING AND FINAL PASSAGE, TO ENTER INTO A CONTRACT WITH C.A. LINDMAN, INC., FOR THE WATERPROOFING REPAIRS OF THE BOILER ROOM AT 34F RIDGE ROAD FOR AN AMOUNT NOT TO EXCEED \$12,070.

Moved: Abell

Seconded: Alexanderwicz

Carried

8. Items of Information

A written update on the Community Beautification Program as of June 7, 2005, was provided to the Board. Treasurer Lewis inquired about what factors would earn a unit a passing inspection. Director of Physical Plant Services responded that the receipt of no citations would constitute passing. Manager Overdurff acknowledged that there may be some confusion among members as to whether their unit passed or not based on the number of second inspections being conducted. Director Alexanderwicz heard from a number of members who were unhappy about being cited for having bagged trash awaiting pick-up.

In response to the Strategic Planning Notes from June 9th which were distributed, Treasurer Lewis clarified the prioritization process for discussion that evening.

President Eichhorst reminded everyone that GHI Offices will be closed on Monday, July 4th, in observance of Independence Day; emergency maintenance will be provided as always. She also noted that Potomac Association of Housing Cooperatives will be holding a summer educational session in Newport News, Virginia.

9. President

President Eichhorst commended Director of Human Resources Lewis for a very successful and well-orchestrated Employee Awards Day on June 15th. She observed that the event reflected the positive leadership at GHI as well as strong morale. She congratulated Tom Sporney for winning the Board Award and J.D. Duckett for winning the Manager's Award.

Along with Treasurer Lewis, President Eichhorst attended the City Council hearing on CB 42-2005 and reported that the City Council voted 5-0 to take the issue to the County Council.

10. Board Members

Treasurer Lewis said that the Employee Awards Day held on June 15th exemplified how GHI is like a family to the staff.

11. General Manager

On behalf of the staff, General Manager Overdurff expressed appreciation to the Board for its ongoing support.

MOTION: TO RECESS.

Moved: Moore

Seconded: Abell

Carried

The meeting recessed to Executive Session at 9:46 p.m.

Dorothy Lauber
Secretary