

GHI Board of Directors
Open Meeting
(Virtual Zoom)
June 2, 2022
Following the Conclusion of the GDC Open Meeting

Board Members Present: Brodd, Hess, James, Lambert, Luly, McKinley, Mortimer, Whipple

Excused Absences: Bilyeu

Others in Attendance:

Eldon Ralph, General Manager

Deanna Washington, Director of Member Services

Joe Perry, Director of Finance

Bruce Mangum, Contract Processor

Dave Benack, Audit Committee

Bill Jones, Audit Committee

Grace Fisher, Audit Committee

Scott Legendre

Stephanie O'Brien

Ben Fischler

Stephen Holland

Molly Lester

Henry Haslinger

Joe Ralbovsky

Karen Gregoire

President Brodd called the meeting to order at 7:54 pm.

1. Approval of Agenda

Motion: To approve the agenda, as presented.

Moved: James

Seconded: Hess

Carried: 8-0

2. Statements of Closed Meetings

2a. Statement of an Informal Hearing Held in a Closed Meeting on May 16, 2022

On May 16, 2022, the Board of Directors held an Informal Hearing with a member regarding a complaint matter. The hearing was conducted in a closed meeting, via internet audio/video conference.

The closed meeting was authorized by sub-paragraph§ 5-6B-19 (e)(1)(iv) ofthe Maryland Cooperative Housing Act.

The motion to hold the hearing was approved by a 9-0 vote of the Board of Directors during a closed meeting on April 21, 2022.

2b. Statement of Closed Meeting Held on May 19, 2022

GHI's Board of Directors held a closed meeting at 8:10 PM on May 19, 2022, via internet audio/video conference to discuss the following matters, as specified in the noted sub-paragraphs of the Maryland Cooperative Housing Corporation Act § 5-6B-19 (e) (1):

1. Approve Minutes of the Closed Meeting held on April 7, 2022.	(vii)
2. Consider Approval of the Following Contracts: <ul style="list-style-type: none">• 2022 Contract for Replacing Roofs on Frame Homes and Additions - 2nd reading• 2022 Contract for Exterior Repairs to Masonry Units - 2nd reading• Extension of Contract with Current IT Services Provider - 1st and only reading	(vi)
3. Request by a Non-Member for Permission to Reside in a GHI Unit	(iv)
4. Request by a Member for a Rental Permit Extension	(iv)
5. Request by a Member for an Exception to the Two-Year Profit Limitation Provision in the MOC	(iv)
6. Member Financial Matter.	(viii)

During the meeting, the Board authorized the following contracts:

- A contract with RRH Associates to replace the shingles and gutters on the roofs at 136 frame homes and 35 additions with Certain Teed Landmark Pro AR architectural shingles and new gutters, at the contractor's bid price of \$483,292, with a 10% allowance for contingencies, for a total contract amount not to exceed \$531,621.20.
- A contract with American Exteriors Inc. to undertake masonry repairs at 15 locations, at the contractor's bid of \$31,280, plus 10% for contingencies, for a total not to exceed \$34,408.
- A contract addendum with FedSolutions (FSI), to manage GHI's Information Technology systems from July 1, 2022 to no later than February 28, 2023, at a monthly cost of \$2,336 plus an allowance of 10% for unanticipated charges; with a termination clause included in the contract addendum, whereby either GHI or FedSolutions could terminate the contract by serving the other party a 90-day notice of termination.

The motion to hold the closed meeting was approved during the open meeting of May 19, 2022, by Directors Bilyeu, Brodd, Hess, James, Lambert, Luly, McKinley, Mortimer, and Whipple.

2c. Statement of a Closed Meeting on May 24, 2022

On May 24, 2022, the members of the Member Handbook and Board Policy Manual Standardization Task Force, comprised of Board members Erin Bilyeu, Deborah McKinley, Heather Mortimer, and staff member Eldon Ralph held a closed meeting, via internet audio/video conference.

The closed meeting was authorized by sub-paragraph § 5-6B-19 (e)(1)(VI) of the Maryland Cooperative Housing Act.

The motion to hold the closed meeting was approved by an 3-0 vote of Board members Bilyeu,

McKinley and Mortimer during an open meeting on May 24, 2022. The closed meeting began immediately after the open meeting ended.

2d. Statement of a Closed Meeting on June 2, 2022

This meeting is currently in recess and will be reported on at a subsequent Open Meeting.

3. Visitors and Members (Comment Period) - 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.

- **Mary T. Curtis, Harold D. Taylor; Joint Tenants.**

Moved: James

Seconded: McKinley

Carried: 8-0

5. Committee Reports

Director McKinley reported that the Buildings Committee discussed the Board request to study replacing GDC piping along with GHI piping replacement, but the committee believes the evaluation should be handed independently and by a third party due to the GDC HVAC systems. The committee will be submitting a formal report to the Board.

Director McKinley reported that the Storm Water Management Subcommittee stands ready to assist with writing rule revisions.

Director McKinley also advised the Board would be receiving the consultant recommendation for the Member Handbook revisions during the Closed Meeting on June 2nd.

The Audit Committee provided the Board with a suggestion that surplus cash from 2021 be placed in accordance with bylaw requirements.

Treasurer Hess advised of a change to the regular schedule for Investment and Finance Committee meetings for June.

6. For Action or Discussion

6a. Approve Minutes of the Special Open Meeting held on April 14, 2022 - (Attachment #5)

Motion: I move that the Board of Directors approve the minutes of the Special Open Meeting held on April 14, 2022 as presented.

Moved: James

Seconded: Hess

Carried: 8-0

6b. Approve Minutes of the Regular Open Meeting held on April 21, 2022 - (Attachment #6)

Motion: I move that the Board of Directors approve the minutes of the Regular Open Meeting held on April 21, 2022 as presented.

Moved: James

Seconded: Hess

Carried: 8-0

6c. Proposed Rules for Pools and Outdoor Recreation Structures - (Attachments #7a-7c)

On April 1, 2021, the Board established an Outdoors Structures Liability Task Force to recommend changes in policies and procedures to mitigate GHI's liability associated with certain types of outdoor structures that members wish to install. On December 2, 2021, the Board reviewed member comments about the task force's report and requested that legal counsel draft revised rules, based on the report.

Attorney Joe Douglass proposed that the current Member Handbook rule XIII. SWIMMING POOLS AND ORNAMENTAL PONDS (attachment #7a) be replaced with XIII. POOLS AND OUTDOOR RECREATION EQUIPMENT (attachment #7b). The proposed new rule states that as a condition of GHI approval, each member who wishes to install a pool or recreation equipment must sign a Recreation Structure Indemnification Agreement (attachment #7c).

The proposed new rule also states that each member who wishes to install a pool or recreation equipment must obtain and at all times maintain liability insurance providing coverage for any injury or damage arising, in connection with use of the pool or recreation equipment. Ms. Theresa Melson, Senior Vice President of USI Services (GHI's insurance broker) stated as follows: *"A standard H06 policy usually has a personal liability limit of \$300,000 or \$500,000. From what I understand, the cost for the \$500,000 is not significantly more than the \$300,000 so many of the brokers have started using the \$500,000 limit as a matter of practice. We generally recommend the higher limit on these policies - if a swimming pool or trampoline is involved, we may also recommend consideration of an umbrella since both of these amenities are considered "higher risk". Actually, many commercial insurance policies are now excluding coverage for trampolines and "bounce houses" due to the high risk involved"*.

After reviewing Attorney Douglass's opinion on January 6, 2022, the Board decided to send the proposed language back to the task force for review, consideration, and recommendation on adoption. Mr. Joe Ralbovsky, Chair of the Outdoors Structures Liability Task Force, informed the Manager that he reached out to task force members asking if they were willing to convene virtually to discuss this assignment from the Board, but did not get a response. Mr. Ralbovsky stated that he approves the rule changes that Attorney Douglass recommended.

No action taken. Any action to be taken will be decided on at a subsequent Board meeting.

6d. Member Comments re: Proposed Rules for Impervious Surfaces and Water Run-off Capture and Control Requirements - (Attachments #8a-8c)

On April 7, 2022, the Board of Directors reviewed rules that the Storm Water Management Subcommittee recommended regarding Impervious Surfaces (attachment #8a) and Run-off Capture and Control Requirements (attachment #8b) and requested the manager to obtain comments from GHI's membership about the proposed rules, over a period of 30 days. Eleven members submitted comments that are documented in attachment #8c.

This item is on the agenda for discussion and action.

Motion: I move that the Board of Directors direct the Storm Water Management Subcommittee to review member comments about the recommended Impervious Surface Rules and Rule regarding Run-off Capture and Control Requirements, and to revise the proposed rules, as necessary.

Moved: Hess

Seconded: Whipple

Carried: 8-0

6e. Proposed Revisions to GHI's Complaint Procedures - (Attachment #9a-9c)

During a work session between the Board of Directors and GHI's legal counsel Joe Douglass on March 31, 2022, it was discussed that GHI's member complaint procedures do not expressly address complaints against non-member tenants or by a non-member against a member regarding an incident that occurs on GHI's premises.

Mr. Douglass was subsequently requested to revise GHI's member complaint procedures. Attachment #9c is Mr. Douglass' response to GHI's request and the revised procedures he drafted are presented as attachment #9a (a red-lined copy) and attachment #9b (a clean copy).

This item is on the agenda for discussion and action.

Motion: I move that the Board of Directors direct the Manager to solicit member comments regarding proposed revisions to GHI Complaint Procedures as presented via GHI's e-newsletter, over a period of 30 days.

Moved: Hess

Seconded: James

Carried: 8-0

6f. Review GHI's Replacement Reserves Program - (Attachment #10)

In 1987, the Board created the RR fund for GHI's three (3) groups of homes - 992 frame, 579 masonry (318 brick, 256 block, 5 pre-fabricated units), and 29 larger homes. The RR fund is the amount of money set aside from members' co-op fees to fund the future replacement of major components. In 2018, GHI hired DMA Inc. to revise the RR plan. Taking into consideration the fund balance at the beginning of 2018, an average projected annual inflation rate of 2.49%, an average annual interest of 2.9% on reserve fund deposit accounts, the life expectancy and replacement cost of each building component, DMA calculated the contributions that were necessary to fund the replacement of the various components over a 30-year period.

Attachment #10 provides a breakdown of the estimated future repair and replacement costs for each home group as of December 31, 2021, and the annual percentage increases in member contributions that are being charged to fund the replacements.

The audited reserves' fund balance at the end of 2021 was \$5,800,679; the estimated 2021 fund balance in the DMA report was \$5,496,520. In accordance with the provisions of Maryland Code, Corporations and Associations Section 5-6B-26.1, GHI must hire a reserves' advisor firm to update the reserves' plan at least every 5 years; hence the next update is due in 2023.

The Board may wish to consider holding a work session for a more in-depth discussion of the replacement reserves program. In preparation for a work session, it would be helpful if the Board

informed staff about the various aspects of the program it would like to review. Staff thinks that there are several important factors that should be considered before the study is updated in 2023, including but not limited to the following:

- The average rate of return that GHI estimates it will earn on future investments of reserve fund balances.
- Who is responsible for funding the future replacement of underground water supply pipes for frame homes; GHI or WSSC?
- Who is responsible for funding the replacement/repairs of main storm drains on GHI's property; GHI or the City of Greenbelt?
- What portion of the unreserved operating fund of \$3,832,234 at the end of 2021, should be allocated to the replacement reserves fund?

No action taken. The Finance Committee will provide the Board with additional information.

6g. Yards and Exteriors' Inspection Program

Two Board members requested that this item be placed on the agenda for discussion. The Director who initiated the request felt that the 2022 Exterior Buildings and Yards Inspection Program should be cancelled, because the inspection form has a number of errors, the list of courts to be inspected that staff initially posted on the website was inaccurate, and he didn't think that there are enough 'eyeballs' on the project to keep it correct.

GHI's Community Beautification Program (CBP) was implemented following a 1983 member petition at an annual membership meeting, requesting enforcement of regulations and subsequent action by the Board of Directors. In 2017, the Board asked a Yard Solutions Task Force to review the program and recommend solutions to its reported problems. On February 15, 2018, the Board accepted a report from the Yard Solutions Task Force which recommended changes to the program, including a new inspection form that was used to conduct the program during 2018 and 2019.

Due to feedback from several members, the Board decided to forego a program of community beautification inspections during 2020 and establish an Exterior Building and Yards Inspection Task Force to recommend the scope of an exterior building and yard inspection program that should be implemented. On February 18, 2021, the Board accepted the task force's report and stipulated that one third of GHI units must be inspected each year, using a revised inspection form that the task force prepared.

On October 17, 2021, the Board reviewed staff's report on the 2021 Exterior and Yard Inspection Program and on February 17, 2022 the Board directed staff to utilize the same form that was used in 2021 for this year's program. Last Tuesday, staff published a corrected list of courts whose units will be inspected this year, beginning on June 6.

This item is on the agenda for discussion.

No action was taken.

6h. Motion to Hold a Closed Meeting on June 16, 2022

Motion: I move to hold a Closed Meeting of the Board of Directors at 7:00 pm on June 16, 2022.

Moved: Hess

Seconded: McKinley

Carried: 8-0

7. Items of Information

7a. President's Items

President Brodd asked that the Finance Committee Worksession with the Board be changed to June 21st due to June 20th being a holiday. The changed date was agreed to by the Board.

President Brodd reminded members of the worksession with the Buildings Committee on June 23, 2022 at 7 pm.

President Brodd reminded members that ARC would be hosting a presentation about grants for aging in place on June 14, 2022 at 7 pm.

President Brodd acknowledged a member request to have the June 16, 2022 Board meeting delayed due to a community discussion on policing. President Brodd advised that after discussing with the General Manager, the decision was made to not present this request to the Board based on other opportunities for the conversations and/or questions.

President Brodd reported that the Strategic Planning Session was being recommended for Sunday, July 17, 2022 from 1-4 pm and Monday, July 18, 2022 from 6-9 pm.

7b. Board Members' Items

Treasurer Hess reminded members of the Finance and Investment Committee meeting date changes for June.

Director Lambert advised she received a request from the mayor of the City of Greenbelt asking for participation from GHI at the Planning Committee 2022 Council Candidate Forum.

7c. Audit Committee Items - None

7d. Manager's Items - None

Motion: To adjourn.

Moved: Hess

Seconded: Whipple

Carried: 8-0

The meeting adjourned at 8:50 pm.

Ed James
Secretary