

**Minutes
Board of Directors
GHI Regular Open Session
August 2, 2018**

Board Members Present: Brodd, Hess, Holland, James, Jones, Kapfer, Skolnik and Watkins

Excused Absent: Seely

Others in Attendance:

Eldon Ralph, General Manager

Tom Sporney, Assistant General Manager

Joe Perry, Director of Finance

George Bachman, Director of Maintenance

Joe Wiehagen, Director of Homes Improvement Program

Molly Lester, Audit Committee Member

Henry Haslinger, Audit Committee Member

Carol Griffith, Audit Committee Member

Jean Snyder

Bob Snyder

Lynne Slater

Montrese Hamilton

Monica Johnson, Recording Secretary

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

1. Approval of Agenda

Motion: To approve the agenda.

Moved: Hess

Seconded: Jones

Carried: 8-0

2. Announcement of Executive Session Meetings

2a. Announcement of Executive Session Meeting Held on July 19, 2018

GHI's Board of Directors held an Executive Session meeting on July 19, 2018, in the Board Room of the Administration Building. Board members Stefan Brodd, Chuck Hess, Stephen Holland, Ed James, Bill Jones, Paul Kapfer, Linda Seely, Steve Skolnik, Tami Watkins and Audit Committee members Henry Haslinger, Molly Lester and Carol Griffith attended the meeting.

The following motion to call this meeting was made during a prior open meeting on the same date and approved by Board members Brodd, Hess, James, Jones, Kapfer, Seely, Skolnik and Watkins:

Motion: I move that the Board of Directors adjourn this open meeting for the purpose of conducting a closed meeting to discuss the following matters:

a. Approve Minutes of the Executive Session Meeting Held on June 21, 2018

b. Request by a Member for a Rental Permit

- c. Consider the terms and conditions of the following contracts in the negotiation stage:**
- **Selection of an Independent Audit Firm for the 2018 External Audit - 1st reading**
 - **Contract for 16-hour Asbestos Operations and Maintenance Training for Employees**
- d. Member Financial Matters.**
- e. A member complaint matter**

During the meeting, the Board authorized the Manager to enter into a contract with Aerosol Monitoring and Analysis, Inc. for two sessions of on-site 16-hour operations & training for employees, for a total not to exceed \$9,750.

The meeting commenced at 7:03 p.m., recessed at 7:44 p.m.; resumed at 9:04 p.m.; and adjourned at 9:24 p.m.

Authority for the above closed meeting was derived from Subtitle 6b of the Maryland Cooperative Housing Corporation Act, § 5-6B-19 “Meetings of cooperative housing corporation open to members of corporation or their agents.” Paragraph (e) (1)

2b. Announcement of Informal Complaint Hearing Held in an Executive Session on July 17, 2018

GHI’s Board of Directors conducted an informal complaint hearing on July 17, 2018 with a member regarding complaints of objectionable conduct by the member towards staff. Board members Brodd, Hess, Holland, James, Jones, Kapfer, Seely, Skolnik and Watkins, and Audit Committee member Haslinger attended the hearing.

The motion to call this meeting was made during an Executive session meeting on July 5, 2018 and approved by Brodd, Hess, Holland, James, Jones, Seely and Skolnik.

The hearing commenced at 7:00 p.m. and adjourned at 8:50 p.m.

Authority for the above closed meetings was derived from Subtitle 6b of the Maryland Cooperative Housing Corporation Act, § 5-6B-19 “Meetings of cooperative housing corporation open to members of corporation or their agents.” Paragraph (e) (1)

3. Visitors and Members (Comment Period)

Jean Snyder asked the Board if GHI could have someone clean the dumpster area at building 15 where tenants are not putting their trash in the dumpster. She suggested that a letter go out to every tenant at Parkway.

Bob Snyder, also mentioned that tenants do not put their trash in the dumpster.

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:

- C. Jenise Williamson, Sole Owner;
- Brenda E. Fawcett, Owen R. Fawcett;
- Stella M. Filippa, Sole Owner;
- Patrica J. Zapor, Sole Owner;
- Ralph Koziarski, Erin K. Bilyeu, Tenants by the Entirety;
- Karen R. Gregoire, Sole Owner;
- David A. Patton, Sole Owner;
- Nolan G. Soter, Sole Owner;
- Jordan A. Hinshaw, Lindsay A. Powers, Tenants by the Entirety.

Moved: James

Seconded: Hess

Carried: 8-0

Motion: I move that the Board of Directors approve the following Mutual Ownership Contract change:

- Linnea R. Berge, Ellen M. Holder, Joint Tenants, changed to Ellen M. Holder, Sole Owner.

Moved: James

Seconded: Hess

Carried: 8-0

5. Committee and Homes Improvement Program Reports

Homes Improvement Program – Wiehagen reported:

- Windows – 61% completed
- Doors – 41% completed
- Siding – 19% completed
- Electric baseboard – 85% completed
- HVAC – 3% completed
- Masonry crawlspaces – 100% completed
- Attic – 48% completed

Long Range Planning Task Force – Kapfer reported that the task force met and is working on the charter.

Member Outreach Committee – Brodd reminded the Board and Audit Committee, that the New Member Social is Thursday August 9 at 7pm.

Audit Committee – Lester reminded the Board that last year's Audit Committee's 2017-2018 recommendations still needs to be considered by the Board.

6. For Action or Discussion6a. Approve Minutes of the Special Open Session Meeting Held on July 5, 2018

Motion: I move that the Board of Directors approve the minutes of the Special Open Session meeting held on July 5, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 7-0-1

Abstained: Kapfer

6b. Approve Minutes of the Regular Open Session Meeting Held on July 5, 2018

Motion: I move that the Board of Directors approve the minutes of the Regular Open Session meeting held on July 5, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 7-0-1

Abstained: Kapfer

6c. Review Report re: Execution of Years 1 and 2 of the Homes Improvement Program

In 2017, the Board decided that there should be a historical record regarding the execution of the Homes Improvement Program (HIP) that is currently underway.

A report regarding the execution of the HIP during its first two years is presented in Attachment #4. The report was prepared by HIP Director Joe Wiehagen, who attended the Board meeting to present it.

Motion: I move that the Board of Directors accept the report that staff prepared, regarding the execution of the Homes Improvement Program during 2016 and 2017.

Moved: Hess

Seconded: James

Carried: 8-0

6d. Request by the Member of 3-B Eastway for an Exception to Install New Double-Hung Windows in the Gardenside Addition

Ms. Lynne Slater, the member at 3-B Eastway (a masonry unit) submitted a permit request (Attachment #5a. and 5b.) on June 21, 2018 to Technical Services staff for remodeling work in her kitchen and gardenside addition. The improvements to the addition included replacement of windows. Staff advised that the installation of double-hung windows was contrary to GHI rules as follows:

§X.N.2.

All replacement windows must be reviewed by the Technical Services office. A GHI permit is required.

Double-hung windows

Masonry (brick or block) [original home or addition]

Unacceptable, except for small bath opening and 2nd floor end locations of end units only

During the ARC meeting of July 11, 2018, the committee discussed the following points:

- The member desires to replace the windows in her gardenside addition. The existing windows are double-hung, and she prefers to install new double-hung windows, just making them somewhat larger, with lower sills.
- The member doesn't like casement windows or horizontal slider windows.
- There will be no additional windows, just replacements that are a bit taller.
- No muntin grids are being proposed.

ARC recommended 5-1-0 that the GHI Board of Directors grant an exception allowing the installation of new double-hung windows in the gardenside addition at 3-B Eastway.

The reason for supporting this motion was that the style of the new windows is similar to the existing double-hung windows. One committee member objected to the motion because of the lack of clear drawings showing the proposed design. Ms. Slater subsequently submitted elevation and revised plan view drawings of the windows (refer to Attachments #'s 5ba and 5b).

Motion: I move that the Board of Directors allow an exception to GHI's rules in Section X.N.2 Building Openings, Doors, Skylights of the Member Handbook; thereby allowing the member at 3-B Eastway to install new double-hung windows in the gardenside addition to the unit.

Moved: Hess

Seconded: Kapfer

Carried: 8-0

For the record: *The Board moved back to Item 4, Approval of Membership for clarification.*

6e. Audit Committee's Recommendation re: Selection of an Audit Firm for the 2018 External Audit

On July 19, 2018, the Board approved a contract with Wegner CPA's for first reading, to conduct an independent audit of the 2018 consolidated financial statements and prepare federal and state tax returns for GHI and GDC for the year ending December 31, 2018. A second reading has been deferred pending the Board's review of the Audit Committee's recommendation regarding the selection of an audit firm.

Motion: I move that the Board of Directors accept the Audit Committee's recommendation either to not hire Wegner CPAs to perform the 2018 financial audit or to hire Wegner to perform the audit without the engagement of the prior lead auditor who participated in previous audits.

Moved: James

Seconded: Kapfer

Amended and carried by a vote later.

Amendment: I move to amend the motion to after the words "Audit Committee's" delete everything and add the word "report".

Moved: Jones

Seconded: Hess

Carried: 5-3

Against: Holland, James, Kapfer

Motion as Amended: I move that the Board of Directors accept the Audit Committee's report.

Moved: James

Seconded: Kapfer

Carried: 8-0

6f. Appoint Ad-hoc Committee to Recommend Changes to GHI's Bylaws

Changes to the bylaws were last made during the annual membership meeting in May 2017. Since that time, some Board members have expressed the view that the Board should consider requesting the membership to revise the following Bylaws' provisions:

A. Expenditure of Funds for Multi-year Contracts

- Article VIII. §11. Expenditure of Funds and Contracts.

d. The total outstanding amount required for multiyear contracts greater than \$40,000 per year and/or of duration in excess of five years shall not exceed \$400,000, subject, however, to the following exceptions:

I. Contracts for which the purpose and amount shall be approved at a membership meeting by a two-thirds vote;

On January 11, 2018, Attorney Joe Douglass provided the following interpretation:

“Under this provision, the total permitted amount for all multiyear contracts costing more than \$40,000 per year and/or lasting more than five years is \$400,000. The key term is “and/or”. The \$400,000 total is an aggregate of the prices of all such multiyear contracts, and includes all multiyear contracts costing more than \$40,000 per year, even if their duration is less than five years, and all multiyear contracts with durations of more than five years, even if they are for amounts less than \$40,000 per year.”

There has been much confusion interpreting the language of this particular bylaws' provision; its language should be revised so that it is more easily understood.

B. Acquisition of Property by GHI/GDC

- Article 11. Purpose and Powers. §1. Purpose

The purpose for which the Corporation has been organized is to purchase or otherwise acquire, operate, and manage housing projects in Greenbelt on a non-profit basis, and in the interest of and for the housing of its members, to purchase or otherwise acquire memberships or interests in a non-profit cooperative mortgage company organized by the Corporation and the National Consumer Cooperative Bank or its successors for the purpose of making unit loans to members of housing cooperatives, including the Corporation. In connection with such projects, the Corporation may either itself or by or through a subsidiary corporation or corporations, or by contract, lease, or otherwise, provide such community facilities, services, and benefits as may be necessary or convenient for the welfare of its members and the usefulness of the projects, provided the membership shall determine such facilities, services, or benefits are needed and are not available through other competent authority, institution, or agency.

- Article VIII. §8. Purposes for Which Funds of the Corporation May Be Used.

No funds of the Corporation shall be used for any purpose other than expenses incident to taxes, insurance, financing charges, operations, management, maintenance and repairs, necessary additions to and replacements of property, and the repurchase of the equity of withdrawing members; nor shall any obligation or contract be entered into for any other purpose without the prior affirmative approval of the membership given (a) at a meeting of the membership at which a quorum is present at the time the item or items are voted upon, and (b) after full details of the proposed expenditure(s), including the initial and estimated subsequent annual costs to the Corporation and increased monthly charges to each member, shall have been given to each member in writing at least thirty (30) days prior to such membership meeting. Notwithstanding the foregoing, the Board of Directors may use funds up to \$2,500 for planning each new transaction, not-to-exceed a total of \$15,000 per year and not-to-exceed \$2,000 a year for civic and community purposes without prior membership approval.

On January 11, 2017, Attorney Joe Douglass advised the Board as follows:

“Based on the above under Article II, Section 1, and Article VIII, Section 8 of the current Bylaws, any new acquisition of property by GDC for the benefit of GHI, the funding of such an acquisition by GHI, and the funding by GHI of any activities in connection with such an acquisition, would have to be authorized by the GHI membership. The GHI Board could not exercise the Corporation’s authority to do these things without first obtaining a membership vote authorizing such action.”

Some Board members have expressed concern that due to the current language of the bylaws’ provisions, purchase negotiations for properties may be inhibited through premature public disclosure of proposed acquisition costs and the timeliness of a purchase transaction may also be affected.

The Board should consider whether to appoint an ad-hoc Committee to review and recommend whether the above-mentioned and other bylaws’ provisions should be revised.

By Consensus: That the President, Vice President, General Manager and Assistant General Manager determine what direction to give to the attorney.

- 6g. Appoint a Task Force to Recommend a Draft MOU re: Guidelines for GHI Yards Within City's Rights-of way

In 2005, City of Greenbelt staff submitted a draft memorandum of understanding to GHI with suggested guidelines for resolving issues with GHI units and yards that encroached on the City rights-of-way (refer to Attachment #7.) GHI’s Board of Directors did not approve the Memorandum of Understanding at that time.

Remaining yard encroachments on City of Greenbelt rights-of-way can be classified into two categories:

- Category 1 - (81) GHI yard boundaries are outside GHI property lines, but only by about a foot or so.

- Category 2 - (92) natural GHI yard boundaries are outside GHI property lines, but by a more substantial amount.

Based on a directive from GHI's Board, GHI staff requested the City's Planning and Community Development staff in 2016 to prepare a new draft memorandum of understanding for GHI's consideration, regarding yard use and future permitting of improvements for the remaining locations where rights-of-way encroachments exist. During the recent City of Greenbelt/GHI work session on July 16, 2018, the City's Manager requested GHI to submit a draft memorandum of understanding for the City's consideration.

The Board should consider appointing a task force to draft a memorandum of understanding for the Board's review.

By Consensus: To have GHI's Attorney to draft an MOU to submit to the City of Greenbelt.

6h. Request the Buildings Committee to Recommend a Security Plan for the Administrative Building

Due to the spate of incidents of workplace violence across America and experiences with a few angry members in the past, staff believes that GHI should improve security measures within the Administration Building Complex to enhance the security of staff as well as participants at Board and committee meetings.

The Board of Directors may wish to consider requesting the Buildings Committee to recommend a security plan for the Administrative Building Complex.

By Consensus: To form an open Task Force consisting of a wide-range of Community leaders.

6i. Review Minutes of the 2018 Annual Membership Meeting

Attachment #8. is a draft of the minutes of the May 10, 2018 annual membership meeting. After the Board reviews and accepts the minutes, they will be included on the May 9, 2019 annual meeting agenda for review and approval by the membership.

Motion: I move that the Board of Directors accept the draft minutes for the May 10, 2018 annual membership meeting as presented on August 2, 2018 and direct staff to include them on the agenda for the May 9, 2019 annual membership meeting, for review and approval by the membership.

Moved: James

Seconded: Hess

Carried: 8-0

Items of Information:

7a. Monthly GHI and City Calendars

7b. President's items

Skolnik mentioned that the Strategic Planning meeting was held recently, and that he received the draft report from the Facilitator; Skolnik directed staff to create a ghi.coop email for the Audit Committee; Skolnik also mentioned if the Audit Committee should sign an Ethics statement.

7c. Board Members' items

James mentioned another parking issue about GHI towing.

Hess reminded staff of the time changes for the Investment and Finance Committees.

Holland mentioned that the National Night Out that will be held on Tuesday at the Roosevelt Center; He thanked the General Manager for looking into the foot bridge.

7d. Audit Committee's items

Lester requested that all task force meetings be added to the GHI web calendar.

7e. Manager's items

None.

Motion: To adjourn.

Moved: Hess

Seconded: Kapfer

Carried: 8-0

The meeting adjourned at 9:38 p.m.

Ed James
Secretary