

**Minutes**  
**GHI BOARD OF DIRECTORS**  
**September 1, 2016**

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

Others in Attendance:

Eldon Ralph, General Manager

Tom Sporney, Director of Homes  
Improvement Program

Joan Krob, Director of Member Services

Joe Perry, Director of Finance

Bruce Mangum, Contract Processing

Molly Lester, Audit Committee

Henry Haslinger, Audit Committee

Paul Kapfer, Audit Committee Chair

Kathie Jarva

Ethel Dutky

Montrese Hamilton

Michael Hartman

Altoria Ross, Recording Secretary

President Skolnik called the meeting to order at 7:40 p.m.

1. Approval of Agenda

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

Moved: Hess

Seconded: Holland

Carried: 9-0

2. Report on Executive Session

Skolnik said at that evening's executive session, the Board approved one set of minutes, considered two service contracts, and discussed one unit that a bank plans to sell. Perry also reported on a financial meeting he had with a member.

During the August 18 executive session, Skolnik said the Board considered financial delinquencies matters, terms and consideration of contracts and matters concerning protecting members' privacy and one legal matter.

3. Visitors and Members (Comment Period)

Skolnik welcomed visitors and members. None wished to address the Board concerning items not already on the agenda.

4. Approval of Membership Applications

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

- Daniel Rhode, Sole Owner;
- Roald Sagdeev, Sole Owner
- Patricia Scully, Sole Owner; and
- Monica Jerbi, Sole Owner.

Moved: James

Seconded: Hess

Carried: 9-0

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

- **William F. Gutwein, III, Mary E. Gutwein, Tenants by the Entirety.**

Moved: James

Seconded: Hess

Carried: 9-0

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

- **Gregory A. Evans, Blanca E. Evans, Tenants by the Entirety, is changed to Gregory A. Evans, Sole Owner.**

Moved: James

Seconded: Hess

Carried: 9-0

5. Committee Reports

Homes Improvement Program (HIP) – Director of Homes Improvement Program Sporney gave the following progress report:

- Windows have been installed in 208 of 327 units (63%);
- Siding has been installed on 134 of 201 units (66%);
- Doors have been installed in 75 of 327 units (23%);
- Electrical baseboards have been installed in 255 of 327 units (78%); and
- The optional attic work was completed on Monday with 23 units choosing full-storage space insulation, six units selecting the 192 square-foot insulation, 22 picking the perimeter sealing; and 49 getting the insulation of the attic hatch.

6a. Approval of Minutes: August 4th Special and Regular Meetings

**Motion: I move that the Board of Directors approve the minutes for the August 4, 2016 special session meeting.**

Moved: James

Seconded: Hess

Carried: 6-0-3

Brodd, McFadden, and Novinski abstained.

**Motion: I move that the Board of Directors approve the minutes for the August 4, 2016 regular session meeting.**

Moved: James

Seconded: Hess

Carried: 6-0-3

Brodd, McFadden, and Novinski abstained.

6b. Woodlands Committee's Recommendation re: Trees to Be Purchased with a Pepco Line of Credit.

**Motion: I move that the Board of Directors accept the Woodlands Committee's recommendation as presented to the Board on September 1, 2016, regarding the acquisition of specific types of trees under Pepco's voucher program, and the locations to plant them within the GHI community.**

Moved: Marcavitch

Seconded: Hess

Carried: 9-0

6c. Review 2nd Quarter Financial Statements

Director of Finance Joe Perry reviewed the 2<sup>nd</sup> quarter financial statements and answered questions from Board members.

6d. Review Investment Committee's Semi-Annual Report

Board Director Chuck Hess, chair of the Investment Committee, presented the Investment Committee's 2016 semi-annual report during the meeting.

Molly Lester, Audit Committee member, noted the semi-annual report did not include a report on the performance of GHI's investments. She reminded the Board that pursuant to Article VIII - Financial Regulations, Section 9 - Loans and Investments of the GHI bylaws, the Board is responsible for ensuring the performance of GHI's investments is carefully monitored.

6e. Definition of Operating Funds re: GHI's Investment Policy

At a prior board meeting, Audit Committee Member Molly Lester requested that an item be added to a future board meeting agenda to discuss the definition of operating funds in the context of GHI's Investment Policy. Staff has provided the following definition:

*Staff defines operating funds for the purpose of the investment policy as the financial resources necessary for the continued operation of the cooperative within a budget year. Collections for routine expenses such as real estate taxes, trash collection, insurance, administrative costs, and maintenance are classified as operating funds. From time to time financial resources will be necessary to replace components of the replacement and addition maintenance reserves within the current budget year. When this necessity arises those funds are classified as operating funds.*

The Board discussed the matter at length.

Molly Lester, Audit Committee member, requested the Board incorporate the definition of operating funds into the Investment Policy next time the policy is revised.

6f. Board of Directors' Sub-Committee Recommendation re: Revisions to GHI's Parking Rules

Due to discrepancies in GHI's current parking rules that staff encountered in the past, staff recommended and the Board approved the establishment of a committee to review and recommend revisions to those rules. The Board appointed a sub-committee of the Board that included Sue Ready, Chuck Hess, and Stefan Brodd (the committee chair). Christine Gyemfi served as the staff liaison to the sub-committee.

Last May 5, the Board reviewed the initial draft of the revised parking rules that the sub-committee submitted and directed staff to submit it to the membership for comment. The sub-committee reviewed the members' comments and consequently made further revisions to the rules.

**Amended Motion: I move to amend Rule A: Basic Regulations item 3 to “A household may store up to one or two canoe, kayak, or other type of hand-carried watercraft within the yard of said household’s unit”.**

Moved: McFadden

Seconded: Marcavitch

Failed: 3-6

Against: Brodd, Hess, Holland, Jones, Novinski, Skolnik

**Motion: I move that the Board of Directors adopt the revised GHI’s parking rules as presented on September 1, 2016.**

Moved: Brodd

Seconded: Hess

Carried: 6-2-1

Against: Marcavitch and Holland

Abstained: McFadden

6g. Review Minutes of 2016 Annual Membership Meeting

Skolnik asked the Board to send him revisions to the draft minutes of the May 2016 Annual Membership Meeting for collation. After the Board reviews and accepts the draft minutes, they will be included on the May 11, 2017 Annual Meeting agenda for review and approval by the membership.

6h. Establish a Date for a Work Session with the Legislative & Government Affairs Committee re: Zoning Re-write Project.

P.G. County’s Planning Department is conducting a comprehensive re-write of the Zoning Ordinance and Subdivision Regulations. The County’s effort is to modernize the Zoning Ordinance and Subdivision Regulations in a multi-year project and encourage public input throughout the process. Last August 4, Mr. Derick Berlage, Chief of the Countywide Planning Division, attended the Board meeting to discuss the Project.

Module 1 of the Zoning Re-write project proposes a Neighborhood Conservation Overlay Zone (NCOZ) for Greenbelt. A NCOZ is designed to protect and preserve the unique development features and characteristics of established neighborhoods while encouraging development that is compatible with existing neighborhoods. On behalf of GHI, President Skolnik recently sent a letter to the Maryland National Park and Planning Commission (M-NCPPC) that commented on the zoning rewrite and the proposed NCOZ to ensure GHI’s input is officially on record and considered for incorporation into the NCOZ.

During his presentation on August 4, Mr. Berlage stated that if Old Greenbelt became a Historic District, GHI may be able to obtain the protection it desires in maintaining its historic character.

**By Consensus: The Board decided to hold a work session on September 26 at 7:00 p.m. with the Legislative and Government Affairs Committee to discuss the next steps that GHI should pursue to ensure a favorable outcome for GHI with regard to the zoning re-write project.**

6i. Establish a Date for a Work Session to Finalize Revisions to the Board’s Strategic Plan

**By Consensus: The Board decided to meet on October 3, 2016 at 7pm to conduct a work session to finalize revisions to its strategic plan and one-year action plan.**

6j. Establish a Taskforce to Recommend a Policy re: Assignment of Units to GHI

For several years, GHI has entered into agreements with members and estates of deceased members, whereby the Mutual Ownership Contracts and the Sale of the Right of Perpetual Use of the members' units are voluntarily assigned to GHI. GHI has done this when there is sufficient equity in a unit that will enable us to recover all of our costs after the unit is repaired and re-sold. Most of the units that GHI takes back are in a poor condition and the member, member's power of attorney or estate representative do not have the financial resources and/or time to repair and sell the units. In many situations, the units would go to foreclosure or sell at prices far below market values if GHI allowed them to be sold without pre-sale repairs.

Director Brodd has pointed out there is no written policy that stipulates the terms and conditions for GHI's acceptance of unit assignments. Hence, the Board should consider appointing a task force to recommend such a policy.

Hess and Marcavitch volunteered to serve on the task force, and members of the community will be invited to join.

**Motion: I move that the Board of Directors approve the establishment of a task force to recommend a policy that stipulates the terms and conditions for the voluntary assignments of Mutual Ownership Contracts and the Sale of the Right of Perpetual Use of Units to GHI. The task force shall submit its recommendation to the Board by October 31, 2016.**

Moved: Marcavitch

Seconded: McFadden

Amended

**Amendment: I move to amend the date to January 31, 2017.**

Moved: Brodd

Seconded: Holland

Carried 9-0

**Amended Motion: I move that the Board of Directors approve the establishment of a task force to recommend a policy that stipulates the terms and conditions for the voluntary assignments of Mutual Ownership Contracts and the Sale of the Right of Perpetual Use of Units to GHI by members. The task force shall submit its recommendation to the Board by January 31, 2017.**

Moved: Marcavitch

Seconded: McFadden

Carried 9-0

6k. Recommendation from the Finance Committee to Establish a Task Force to Review the Addition Maintenance Program

During its meeting on August 4, the Board directed the Finance Committee to examine the financial impact of replacing all siding on additions which are enrolled in the addition maintenance program during the HIP.

The Finance Committee discussed this matter on August 11<sup>th</sup>. It became apparent that a recommendation on the financial impact of replacing siding on additions could not be made without considering the Addition Maintenance Program (AMP) in its entirety. For example, the committee considered that there are other impacts on the addition maintenance program that have not yet been determined e.g.:

- a) The financial implications of replacing not only siding, but also doors and windows during the HIP, before their useful lives have expired. The funding plan for the addition maintenance program is predicated on replacing those components at the end of their useful lives.
- b) The financial implications of undertaking crawlspace improvements for additions, similar to those in crawlspaces for the main units. This proposed expenditure is not currently being funded in the addition maintenance program.
- c) There are currently 138 additions which are not enrolled in the addition maintenance program. Should there be a policy for bringing them into the addition maintenance program and if so what contributions should those members make towards replacement of components on the additions that are nearing the end of their useful lives?

The Finance Committee made the following recommendation to the Board of Directors:

*“The Finance Committee recommends to the Board of Directors that a task force be appointed to examine the Addition Maintenance Program.”*

**Motion: I move that the Board of Directors approve the establishment of a task force to examine the Addition Maintenance Program and recommend the following:**

- a) **Replacement life assumptions for windows, siding, and doors and criteria for crawlspace improvements to additions on the addition maintenance program that would guide a reserve advisor in determining the amount of contributions to be collected from members.**
- b) **Should there be a policy for bringing additions not currently enrolled on the addition maintenance program into the program, and if so what criteria should be used by a reserve advisor to determine the contributions that those members should make towards the future replacement of components on those additions.**
- c) **Other related items.**

Moved: Hess

Seconded: Jones

Carried: 9-0

6l. Payment of GHI's Legal Fees Due to an Unsuccessful Lawsuit Brought by a GHI Member

Some Board members have expressed the view that language should be inserted in new Mutual Ownership Contracts (MOCs) whereby in any unsuccessful legal action brought by a member against GHI, that member shall be required all pay GHI's expenses resulting from that legal action. The Board members felt that the inclusion of this MOC provision may deter a member from being over-litigious.

A review of the minutes of prior Board meetings revealed the following:

1. On August 8, 1991, staff and legal counsel presented a draft of a new proposed Mutual Ownership Contract (MOC) to the Board for the purpose of bringing the existing document into compliance with recent changes in Maryland Court procedures. The following provision was added to the draft MOC:

*14. PAYMENT OF LEGAL EXPENSES. Member and GHI hereby agree that in any legal action in any forum brought by member against GHI or against any of its directors, officers, or employees relating to any act or omission under this contract, the Bylaws, or the Rules, which action is decided against Member, Member shall pay the expenses of GHI and its directors, officers, and employees resulting from that legal action. The term “expenses” includes but is not limited to actual attorneys’ fees and all other costs (including administrative costs), fees, disbursements, and court fees incurred.*



7. Items of Information

Items of information included Committee Task List and the Monthly GHI and City Calendars. GHI offices will be closed on Monday, September 5<sup>th</sup> in observance of Labor Day. Emergency maintenance service will be available, as usual.

8. President

Skolnik said he wanted to clarify a statement he made at the Maryland National Park and Planning Commission meeting. He said he had misspoken on GHI's voting down the historic district. Skolnik said the point of fact was May 1999 President Keith Jahoda had a member referendum resulting in 774 cast ballots. The vote was 492-229 with 53 ballots disqualified. The city was presented with three options to defer the question. Skolnik said he will be visiting national parks out West from September 6 to September 23.

Skolnik also encouraged the Board to attend the annual conference of the National Association of Housing Cooperatives in Las Vegas in October. Last year Skolnik said he enjoyed the conference and thought it worthwhile. For Labor Day, he said GHI will have a table for information day for which staff coordinated the logistics.

9. Board Members

Hess said the Finance Committee moved its meeting from September 8 to 22, the same night as the Member Complaint Panel on the 22. However, the Board and audit committee members will meet in the board room.

Marcavitch urged those present to support the PTA book sale and reminded them that school is in session.

McFadden said Labor Day weekend she will attend the Annual Community Conference at Twin Oaks in Virginia.

10. Manager

None to report.

11. Staff

None to report.

**Motion: To Adjourn.**

Moved: Hess

Seconded: Marcavitch

Carried 9-0

The meeting adjourned at 9:54 p.m.

Ed James  
Secretary