

**Minutes
Board of Directors
GHI Regular Open Session
September 6, 2018**

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

Excused Absent: Brodd

Others in Attendance:

Eldon Ralph, General Manager

Brooke Bailey

Tom Sporney, Assistant General Manager

Jamie Bailey

Joe Perry, Director of Finance

Kevin Townsend

Molly Lester, Audit Committee Member

Aileen Kroll

Henry Haslinger, Audit Committee Member

Lauren Wisniewski

Carol Griffith, Audit Committee Member

Monica Johnson, Recording Secretary

Ben Fischler

Jackie McFarland

President Skolnik called the meeting to order at 7:45 p.m.

1. Approval of Agenda

Motion: To approve the agenda.

Moved: Hess

Seconded: James

Carried: 8-0

2a. Announcement of Executive Session Meeting Held on August 16, 2018

GHI's Board of Directors held an Executive Session meeting on August 16, 2018, in the Board Room of the Administration Building. Board members: Hess, James, Jones, Kapfer, Seely, Skolnik and Watkins and Audit Committee members Lester, Griffith and Haslinger 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: 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 July 19, 2018**
- b. **Consider the terms and conditions of the following contracts in the negotiation stage:**
 - **Proposed contract for installation of a Solar PVES for the Administration Building -2nd reading**
 - **Selection of an Independent Audit Firm for the 2018 External Audit - 2nd reading**
 - **Contract for Underground Drainage System Repairs at 56-C Crescent Rd**
- c. **Member financial matters.**

During the meeting, the Board approved the following contracts:

- a. A contract with Wegner CPA's 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 for a cost not to exceed \$ 18,500.
- b. A contract with B&P Utilities to undertake storm drain repairs at 56-C Crescent at its bid of \$17,850, plus 10% for contingencies, for a total not to exceed \$19,635.

The meeting commenced at 7:02 p.m., recessed at 7:45 p.m.; resumed at 9:46 p.m.; and adjourned at 9:52 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 Executive Session Meeting Held on September 6, 2018

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

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 August 2, 2018**
- b. **Consider and approved proposed contract for installation of a Solar PVES for the Administration Building -2nd reading**

Motion: I move that The Board of Directors authorize the manager, for second reading and final passage, to enter into a contract with Sustainable Energy Systems (SES) for construction of a 133KW solar PVES for the GHI Administration buildings as stated in the contractor's proposal as presented on September 6, 2018, for a Power Purchase Agreement to provide energy for a minimum of 15% less than the rate that PEPCO charges.

- c. **Considered a contract for 2018 Fall Concrete Repair Contract – 1st reading.**
- d. **Member complaint matter**

The meeting commenced at 7:02 p.m., and adjourned at 7:25 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)

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:

- **Felix Gaschick, Melanie Gaschick, Tenants by the Entirety;**
- **Edmund J. Hodges-Kluck, Jana M. Hodges-Kluck, Tenants by the Entirety;**
- **Robert E. Wright, Jr., Shontell F. Wright, Tenants by the Entirety;**
- **David Lagomasino, Sole Owner;**
- **Yahshauh A. Ford, Sole Owner.**

Moved: James

Seconded: Hess

Carried: 8-0

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

- **Christopher A. Ruffner, Sole Owner, changed to Christopher A. Ruffner, Jennifer G Ruffner, Tenants by the Entirety;**
- **Jason A. Roe, April C. Davenport, Joint Tenants, changed to Jason A. Roe, Sole Owner;**
- **Mary Moien, Sole Owner, changed to Mary Moien, Barry P. Moien, Tenants by the Entirety.**

Moved: James

Seconded: Hess

Carried: 8-0

5. Committee and Homes Improvement Program Reports

Homes Improvement Program – Sporney reported:

- Windows – 78% completed
- Doors – 59% completed
- Siding – 30% completed
- Electric baseboard – 99+% completed
- HVAC – 49+% completed
- Frame crawlspaces – 10% completed
- Attic – 68% completed

Buildings Committee – Skolnik reported that he received two notes from the Chair of the Buildings Committee asking for an extension on their report.

Long Range Planning Committee – Kapfer solicited volunteers for the LRPC. Next meeting is scheduled for September 18 at 7 pm.

6. For Action or Discussion6a. Approve Minutes of Special Open Session Meeting Held on August 2, 2018

Motion: I move that the Board of Directors approve the minutes of the Special Open Session meeting held on August 2, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 8-0

6b. Approve Minutes of Regular Open Session Meeting Held on August 2, 2018

Motion: I move that the Board of Directors approve the minutes of the Regular Open Session meeting held on August 2, 2018 as presented.

Moved: James

Seconded: Hess

Carried: 8-0

6c. Member Concern re: Pedestrian Foot-bridge in the Woodlands behind 3 Laurel Hill Rd

An email dated July 30, 2018 by Ms. Aileen Kroll (a GHI member) was sent to the Board and staff, in which she expresses concern about the condition of a foot-bridge that is located in the woodlands behind 3 Laurel Hill Rd.

On August 1, 2018, the Manager communicated to Ms. Kroll that Mr. Bachman (GHI's Maintenance Director) had inspected the bridge and felt that it was stable; however he noticed wood-rot on two posts which did not affect the walkway, and would place a work order to replace the posts. Ms. Kroll was not satisfied with Mr. Bachman's assessment; hence the Manager inspected the bridge on August 2nd. The Manager informed Ms. Kroll that he concurred with Mr. Bachman's assessment.

Ms. Kroll was apparently not satisfied with the Manager's assessment and sent four photographs of the bridge to the Board on August 8th, which are also included.

After some discussion, Ralph stated that routine inspections would be done annually on the foot-bridge.

6d. Proposed Replacement Fence in the Serviceside Yard of 6K Hillside Rd

Ms. Diane Oberg, the member at 6-K Hillside Rd, submitted a permit request on June 11, 2018 to Technical Services staff for the replacement of existing serviceside and gardenside fences with flat-topped picket fences. Staff advised that the installation of a fence in the serviceside yard was contrary to the following GHI rule:

§VII.B.1.c. Fences are allowed to enclose the gardenside yard, or the side yard, or the combined gardenside and side yards, as defined in Yard Line Descriptions VI.B.3. No interior fences shall be permitted.

During the ARC meeting on August 18, 2018 the committee discussed the following:

- a. The member desires to replace her existing aged wood picket fences around her serviceside and gardenside yards with new wood picket fences that match a neighboring fence style.

- b. The member would like to replace her existing fences with new fences in the exact same locations. Since the rules no longer permit new serviceside yard fences, she would need an exception from the Board.
- c. The member initially fenced in her service side yard since many people – neighbors, city workers, and postal delivery personnel - were traversing her service side yard to get from the parking lot to the shared walkway.

ARC recommended 5-0-0 that the GHI Board of Directors grant an exception to allow the replacement of the existing fence in the serviceside yard of 6K Hillside Road. The reason given in support of the motion was that a fence would prevent pedestrians from traversing the member's serviceside yard.

Motion: I move that the Board of Directors grant an exception to the GHI rule paragraph VII. B.1.c in the GHI Member handbook; thereby permitting the member of 6-K Hillside to replace the existing fence in the serviceside yard of the unit.

Moved: James

Seconded: Hess

Carried: 8-0

6e. Proposed Replacement Fence in the Gardenside Yard at 3J Eastway

Ms. Jackie McFarland, the member at 3-J Eastway, submitted a permit request on July 6, 2018 to Technical Services staff for the proposed installation of a green chain link fence with one side offset about 2 feet from the yardline in the gardenside yard. Staff advised that the installation of the fence was not in compliance with the following GHI rules:

§VII.B.1.c. Fences are allowed to enclose the gardenside yard, or the side yard, or the combined gardenside and side yards, as defined in Yard Line Descriptions.

§VII.B.9. Fence styles within the row should harmonize.

During the ARC meeting on August 18th, the committee discussed the following:

- a. There are existing gardenside screened-in porches at 3-J and 3-K Eastway that are both 2 feet from the shared yard line, creating a difficult-to-reach space between the porches.
- b. The member is proposing that her fence should be off-set 2' from the shared yard line so that it aligns with the end of the screened porch. The ARC is concerned that this will create problems in the future, should the fence or the screened porches ever be removed.
- c. The ARC prefers that the fence be installed on the shared yard line, extending to the face of the original structure, even though this will create a difficult-to-access zone between the fence and each screened porch.

ARC recommended 5-0-0 that the GHI Board of Directors not grant an exception allowing the placement of a fence that is off-set from the yard line boundary between 3-J and 3-K Eastway. The reason in support of the motion was that a fence located away from the yard line boundary has the potential of creating confusion in the future.

Subsequently, the member provided a revised proposal that places the fence on the yardline boundary between 3-J and 3-K Eastway.

Regarding the issue of whether the proposed chain link fence is harmonious, the committee discussed the following:

- a. There is currently a section of split rail fence along the common walkway that the member proposes to remove. The neighbor's split rail fence at 3K Eastway is to remain in place. There is a chain link fence at 3-L Eastway.
- b. A fence style using three horizontal boards and welded wire fabric was discussed as an alternative to chain link. For clarity, this fence style will be referred to as a "board fence style".

ARC recommended 5-0-0 that either the proposed chain link fence style or the board fence style would be harmonious with neighboring fence styles in this location at 3-J Eastway. The reason given in support of the motion was that existing chain link and split rail fences are visible in this location.

The member's revised proposal is for a black chain link fence. The Board should consider whether a black chain link fence is harmonious with fence styles within the row of units.

Motion: I move that the Board of Directors approve the proposed installation of a black chain link fence in the gardenside yard by the member of 3-J Eastway.

Moved: James

Seconded: Hess

Carried: 8-0

6f. Review 2018 - 2nd Quarter GHI Financial Statements

Perry reviewed the 2018-second quarter financial statements and answered questions from the Board.

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

The Investment Committee's semi-annual report was sent to the Board. Director Chuck Hess (Chair of the Investment Committee) presented the report during the meeting.

Motion: I move that the Board of Directors accept the Investment Committee's 2018 semi-annual report, as presented.

Moved: Hess

Seconded: Jones

Carried: 8-0

6h. Review GHI's Current Investment Procedures

On May 5, 2018, the Board reviewed an opinion from the law firm Pentiuik, Couvreur and Kobiljak P.C, a nationwide housing cooperative law firm, regarding the applicability of the Prudent Person Investor Rule to GHI. The firm stated that GHI is governed by the Prudent Person rule and made the following recommendations:

- a) Certain types of investments, such as hedge funds or speculative stock, are viewed as intrinsically speculative and therefore considered inappropriate as fiduciary investments. Based on the existing policy, it appears GHI's investments are in line with the rule. It may be advisable for the Board to nevertheless revisit its investment policy and its committee policy to clarify that the Committee itself is not to do any act that binds the Corporation and that it only makes recommendations. Such recommendations would then be more appropriately addressed by a financial advisor who is licensed and bonded for handling investment portfolios. That is not to say that the Corporation could not act through its own Board to make these investments, although in our opinion it creates more risk than necessary for Directors and committee members who are unpaid volunteers.
- b) We recommend that the existing policy for investment and the committee procedures be revisited by the Board in order to correct any ambiguities in the authority of the committee members. We also recommend contacting the insurance carrier to make sure that such actions as investment on behalf of the Corporation are covered under the D&O policy. If such acts are not covered, we encourage the Board to either obtain the necessary coverage, or, forego further actions involving investment of corporate monies and instead engage a professional who is certified to carry out such actions and make such recommendations for the corporation.

Staff contacted GHI's insurance broker who stated as follows: *"The very basic and simple purpose of GHI's Directors & Officers Liability policy is to indemnify and defend the "Insured Entity" (GHI) and "Insured Persons" against third party claims alleging mismanagement of common funds or policies. All past, present and future Directors, Officers and Board Members as well as appointed members of duly constituted committees are "Insured Persons" by definition under the terms of the policy. There are no coverage exclusions or limitations specific to the management of investment funds under the terms of the policy. Accordingly, subject to the terms of the policy, the Directors & Officers Liability insurance would respond to indemnify and defend the "Insured Entity" and "Insured Persons" against third party claims alleging mismanagement of investment funds. The Umbrella Liability policy we have in place for GHI would provide follow form excess coverage."*

GHI's investment committee charter and investment policy are in Attachment #9b. Attachment #9c is the Request for Proposal document for investor advisor services that staff sent to 14 firms in 2014 and the sole bid that was received. The Investment Committee decided not to recommend the bid for consideration by the Board.

After some discussion, Board members should submit their questions in writing to the General Manager to give back to the attorney.

By Consensus: That the Investment Committee should submit its report to the Board by year-end.

6i. Consideration of Further Directives to Consultant re: GHI Replacement Reserves Study

During its meeting on August 18, 2018, the Board considered the Finance Committee's recommendations regarding the GHI replacement Reserve study that was undertaken by DMA Inc. Staff also presented and discussed DMA's proposal for additional work. The Board passed a motion to base contributions for each home category on a zero balance threshold and constant annual fee increases for each category.

Director Jones presented further recommendations during the meeting. Since those proposals were first presented during the meeting, discussion was delayed until Board members had an opportunity to review them.

Motion: I move that the Board of Directors direct the manager to request DMA to incorporate the following suggestions into its reserve analysis:

- a. For frame homes, spread the 2024-2028 plumbing project over six years, thus 2024-2029.
- b. For masonry homes, delay the 2030-2034 plumbing project by one year, thus 2031-2035.
- c. For larger homes, delay the 2036 drainage project by one year, thus 2037

Moved: Jones

Seconded: Kapfer

Failed: 2-6

Against: Hess, Holland, James, Seely, Skolnik, Watkins

Motion: I move that the Board of Directors direct the manager to request DMA to incorporate the following suggestion into its reserve analysis:

- c. For larger homes, delay the 2036 drainage project until 2037.

Moved: Hess

Seconded: Jones

Carried: 8-0

Motion: I move to extend the meeting by 10 minutes.

Moved: Hess

Seconded: Jones

Carried: 8-0

6j. Woodlands Committee Recommendation re: Reforestation of a Former Landfill Site

In 1991, GHI was required by various agencies to regrade a former landfill site that is behind the boatyard lots, to build and permanently maintain a storm water management system (SWMS) and to reforest a portion of the area.

It does not appear that the designated area was reforested as required under the remediation plan. On July 5, 2018, the Board directed the Woodlands Committee to assess the extent of reforestation that was done and recommend actions that should be taken to comply with the reforestation requirements of the remediation plan. The Woodlands Committee report is in Attachment #11.

Motion: I move that the Board of Directors accept the Woodlands Committee report as presented regarding actions that should be taken to re-forest a former landfill site that is behind the boat yard lots and direct the Manager to implement the recommendations contained in the report.

Moved: Kapfer

Seconded: Seely

Carried: 8-0

6k. Authorizing GHI's Representatives to Negotiate with WSSC re: Replacement of Pipes for Masonry Homes

GHI, the City of Greenbelt and WSSC will resume negotiations on October 5, 2018, regarding WSSC's proposal to replace underground water supply and sewer pipes for masonry homes.

This item is on the agenda for the Board to consider which Board and staff members should represent GHI during the negotiations, besides GHI's attorney, Mr. James McCollum.

Motion: I move that the following Board members and staff personnel represent GHI during negotiation with the Washington Suburban Sanitary Commission regarding the proposed replacement of underground water and sewer pipes for masonry homes: Eldon Ralph, Tom Sporney, Steve Skolnik, Linda Seely,

Moved: Hess

Seconded: Kapfer

Carried: 8-0

7. Items of Information:

7a. NAHC Benefits available to Members

GHI is a member of the National Association of Housing Cooperatives (NAHC). This organization seeks to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership. Additionally, it provides some direct benefits to GHI members, including:

- A share listing program, where members can advertise units for sale for a nominal fee and gain national exposure to potential buyers.
- A Pharmacy Discount Program, providing the potential for members to save money on their monthly prescriptions.

The Share listing program can be accessed through the NAHC [website](#) and costs \$60.00 for a 90 day listing. The listing will be placed on the NAHC website under the share listing section. Members will have the opportunity to share seven (7) photos of the home and provide a description of up to one hundred fifty (150) words.

The Pharmacy Discount Program will save members 10% to 85% on many prescriptions at more than 60,000 national, independent & regional pharmacy chain stores including CVS, Walgreens, Wal-Mart, and Target. Members can get their cards either by downloading them [online](#), or collecting them from GHI's offices at Hamilton place..

Members will be informed about these benefits in the next issue of the e-newsletter.

7b. Letter from P.G. County Dept. of Environment re: Entering GHI Property to Conduct Topographic Survey

A letter notifying GHI that the P.G. County Department of Environment has retained Soltesz, LLC. to designate and perform test holes for utility lines for a storm drainage project at 127 Greenhill Rd, and it will be necessary for the firm's survey crew to enter GHI's property.

7c. Letter from the Maryland Department of Administration re: Entering GHI Property to Conduct Surveys

A letter from the Maryland Department of Transportation (MDOT) which notifies GHI that either MDOT State Highway Administration or consultant personnel may need to step onto GHI's property over the next year, to undertake field research and survey activities as part of an environmental study

to identify transportation solutions to reduce congestion for millions of drivers. The study, which is the first element of a broad traffic relief plan, extends along I-495 from south of the American Legion Bridge to east of the Woodrow Wilson Bridge and along I-270 from I-495 to I-370 including the I-270 east and west spurs.

7d. Board 12 Month Action Plan

7e. Monthly GHI and City Calendars

7f. President's Items

Skolnik mentioned that:

The Admin. Bldg. Security task force is seeking members
 September 13 Board/Finance Committee work session – (2019 Budget)
 GHI had an information table on Information Day during Labor Day
 September 27 is Committee Training

7g. Board Members' Items

Kapfer mentioned that he read in the News Review that the Maryland library received a grant, and that GHI should apply for a supplementary grant, He also mentioned that he would not be attending the second board meetings in September and October.

7h. Audit Committee's Items

Griffith mentioned that the Co-Chairs of the Communications Committee has prepared a memo to submit to the Board.

7i. Manager's Items

Ralph mentioned that the material for the Board/Finance Committee work session on September 13 has been submitted to each board member at tonight's meeting.

Motion: To adjourn.

Moved: Hess

Seconded: Kapfer

Carried: 8-0

The meeting adjourned at 10:27 p.m.

Ed James
 Secretary