

**Minutes
Board of Directors
GHI Regular Open Session
September 7, 2017**

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

Excused Absent: Seely

Others in Attendance:

Eldon Ralph, General Manager

Tom Sporney, Assistant General Manager

Joe Wiehagen, Director of Homes
Improvement Program

Joe Perry, Director of Finance

George Bachman, Director of Maintenance

Henry Haslinger, Audit Committee

Jacqueline Lilly, Audit Committee

Molly Lester

Dianne Wilkerson

Bill Phelan

Pam Bozzi

Monica Johnson, Recording Secretary

President Skolnik called the meeting to order at 7:30 p.m.

1. Approval of Agenda

Motion: The Board of Directors does approve the agenda.

Moved: James

Seconded: Holland

Carried:8-0

2. Announcement of Closed Meetings

2a. Announcement of Informal Complaint Hearings Held in Executive Session Meetings

1. Informal Complaint Hearing Conducted By the Board of Directors on August 10, 2017

GHI's Board of Directors held an Informal Complaint Hearing on August 10, 2017 for the purpose of discussing a matter regarding a unit that has been unoccupied for a period of time in violation of GHI's 'Policy for Addressing the Problem of Unoccupied Units', and to decide what actions should be taken to resolve the violation. Board members Stefan Brodd, Chuck Hess, Stephen Holland, Ed James, Bill Jones, Paul Kapfer and Audit Committee members Jacqueline Lilly, Henry Haslinger attended the meeting.

The motion to call this meeting was made during an Executive Session meeting on July 6, 2017 and approved by Directors Stefan Brodd, Stephen Holland, Ed James, Bill Jones, Paul Kapfer, Linda Seely and Steve Skolnik.

The meeting commenced at 7:00 p.m., and adjourned at 7:28 p.m.

2. Informal Complaint Hearing Conducted By the Board of Directors on August 24, 2017

GHI's Board of Directors held an Informal Complaint Hearing on August 24, 2017 for the purpose of discussing a complaint issue involving two members and deciding what actions should be taken to resolve the matter. Board members Stefan Brodd, Chuck Hess, Stephen

Holland, Ed James, Bill Jones, Linda Seely, Steve Skolnik and Audit Committee members Jacqueline Lilly, Henry Haslinger attended the meeting.

The motion to call this meeting was made during an Executive Session meeting on July 20, 2017 and approved by Directors Stefan Brodd, Chuck Hess, Stephen Holland, Ed James, Bill Jones, Paul Kapfer, Diana McFadden, Linda Seely and Steve Skolnik.

The meeting commenced at 7:00 p.m., and adjourned at 9:30 p.m.

Authority for each of the two 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)

Bill Phelan mentioned his concerns about the Community Beautification Program inspection; the Maintenance Department and the delay of receiving his door during the Homes Improvement Program.

Molly Lester thanked the Board for the letter regarding the NCOZ within the Zoning Re-Write Project.

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:

- **Jeffrey P. Herbert, Sole Owner;**
- **Kathleen Anderson, Sole Owner;**
- **Jennifer Ireland, Sole Owner.**

Moved: James

Seconded: Hess

Carried: 8-0

5. Committee and Homes Improvement Program Reports

Homes Improvement Program – Sporney reported that:

HVAC 39 units out of 70 at 56% completed

Electric work for baseboard heaters are done

Windows installed in 242 out of 318 at 76% complete

Siding is installed on 19 out of 41 46% complete

Doors are complete without features 168 units 53% / Doors are complete with features at 146 out of 318 units at 46%

Attics 8 of 96 units complete at 8%

Buildings Committee – Skolnik mentioned that Buildings Committee Solar Task Force has issued the RFP for the solar for the Administration complex due date is September 15.

Bicycle Task Force – McFadden mentioned that the Task Force will have its first meeting on Wednesday September 20 at 7pm.

IT Task Force – Holland mentioned that the Task Force is moving along. The Next meeting is scheduled for September 26.

6. For Action or Discussion

6a. Approve Minutes: GHI Special Open Session Meeting Held on August 3, 2017

Motion: I move that the Board of Directors approve the minutes of the August 3, 2017 Special Open Session meeting as presented.

Moved: James

Seconded: Hess

Carried: 6-0-2

Abstained: Brodd, McFadden

6b. Approve Minutes: GHI Regular Open Session Meeting Held on August 3, 2017

Motion: I move that the Board of Directors approve the minutes of the August 3, 2017 Regular Open Session meeting as presented.

Moved: James

Seconded: Hess

Carried: 6-0-2

Abstained: Brodd, McFadden

6c. Certification of Yard lines for Units at 33/35 Ridge Rd., 9-11 Hillside Rd. and 7 Research Rd.

In Q2 2014, GHI staff initiated discussions with City staff regarding known situations where substantive GHI property extended beyond the defined property boundaries at 33/35 Ridge Rd, 9/11/13 Hillside Rd and 7 Research Rd, otherwise known as abandonment of rights-of-way. Staff members from the two organizations inspected the areas in question, and suggested acceptable boundaries.

Preliminary yard plats were prepared and sent to members, and the Yardline Committee reviewed them in the Q3 & Q4 2014.

In October 2014, Oyster Imus & Petzold (OIP) prepared a proposal for survey work that was necessary, and in December 2014, the GHI Board approved a contract for OIP to layout new proposed boundaries.

In early 2015, OIP provided field stake-out of the proposed new boundaries for members to physically be able to observe the proposed boundaries. Staff did not receive any objections.

The City of Greenbelt reviewed the drawings for the abandonment and prepared documents for the abandonment at these three locations. Prince Georges County approved the petitions for abandonment on 31Jul17.

Motion #1: I move that the Board of Directors certify yard plats for 33-V and 35-A Ridge Rd as presented.

Moved: Hess

Seconded: Kapfer

Carried: 8-0

Motion #2: I move that the Board of Directors certify yard plats for 9A-D, 11A&H, and 13A-D Hillside Rd as presented.

Moved: Hess

Seconded: James

Carried: 8-0

Motion #3: I move that the Board of Directors certify the yard plat for 7J Research Rd as presented.

Moved: Hess

Seconded: Kapfer

Carried: 8-0

6d. External Auditor's Responses to the Board's Questions re: the 2016 AU-C §265 Letter and Tax Provision in the Consolidated Financial Statements

After the issuance of the 2016 Audited Consolidated Financial Statements by De Leon and Stang, the Board of Directors asked Mr. Allen De Leon, Founding Partner of the auditing firm several questions. The **questions in bold font** and Mr. De Leon's *responses in italics* are stated below.

1. Did the DeLeon and Stang staff investigate and verify the comments made by the Audit Committee that were included in the following paragraphs of the section " Other Management Comments" of the original AU-C §265 Letter:

- **Safeguard of Sensitive Information**

No. The Audit Committee voiced concerns and we included those concerns in the letter.

- **Audit Committee Oversight**

No. The Audit Committee voiced concerns and we included those concerns in the letter.

2. Can you provide an explanation or correction of the provision for income taxes totaling \$259,651 which seems an unusually high amount, considering the audited financials reflect a consolidated net loss of (\$9,264)? The work papers sent to us indicate a consolidated net income of \$560,190 was used in the calculation.

The \$560K amount used to calculate the provision for income taxes did not include adjustments GHI staff provided prior to the last draft report which was issued. This resulted in an overstatement of the provision for income taxes.

3. Question asked by Treasurer Hess – How can the provision of income tax be justified based on the reality that GHI has not been paying income taxes at all? GDC has been paying Maryland income taxes.

GAAP requires the provision for income taxes to be calculated and booked even though the likelihood of the taxes being payable in the future has yet to be determined. We utilized the same work papers used by the prior auditors to calculate the provision for income taxes.

As a result of the incorrect calculation of the provision for income taxes, the 2016 audited financial statements were restated. A draft of the restated audited statements, as well as drafts of the 2016 AU-C §260 Letter and AU-C §265 Letter.

Motion: I move that the Board of Directors accept the audit reports from DeLeon and Stang CPAs and Advisors comprising the third drafts of the 2016 consolidated financial statements of Greenbelt Homes, 2016 AU-C §260 Letter and AU-C §265 Letter.

Moved: Hess
 Abstained: Kapfer

Seconded: Brodd

Carried: 7-0-1

6e. External Auditor's Report re: Review of GHI's Procedures for Compliance with Investment Policy

The Board of Directors directed staff to engage the independent audit firm of DeLeon and Stang to undertake a review of GHI's investments for compliance with the current investment policy and to issue a report.

Motion: I move that the Board of Directors accept the report from DeLeon and Stang CPAs and Advisors of GHI, about whether GHI's procedures for purchases and redemptions of investments for the period ended December 31, 2016, conformed with the requirements of GHI's investment policy.

Moved: Hess
 Abstained: Kapfer

Seconded: Jones

Carried: 7-0-1

6f. Review the Plumbing Compensation Task Force's Report

GHI's current replacement reserves' plan proposes that water supply piping and waste water piping in all frame and masonry units should be replaced during 2024 to 2028. These replacements may have a significant impact on the living conditions within the homes while they are underway. The replacement reserves' plan does not include costs for compensating members who may wish to relocate during the repair work.

Last June, the Board approved the establishment of a task force to recommend whether GHI should compensate members who are unable to use plumbing fixtures during the planned replacements of the water supply and waste water piping, and if so, what level of compensation should be paid to them.

The members of the task force are Stephen Holland (Chair), Bill Jones, Anna Socrates and Tom Sporney (Staff Liaison).

Motion: I move that the Board of Directors accept the Plumbing Compensation Task Force's report as presented on September 7, 2017. Further, I move that the Board of Directors direct the Manager to include the estimated costs of future compensation/relocation in the replacement reserves program.

Moved: Holland

Seconded: Jones

Carried: 8-0

6g. Proposed Establishment of a Long-Range Planning Committee

One of the goals in the Board's current 12-month plan is to establish a Long-Range Planning Committee that would assist the Board in formulating a master plan to guide future developments in our community for the next thirty years. One of the major components of the master plan should be a program to ensure future orderly and economical major improvement, renovation and/or replacement of the present housing stock.

Motion: I move that the Board of Directors approve a Long-Range Planning Committee that would assist the Board to formulate a master plan to guide future developments in the GHI community during the next thirty years.

Moved: Hess

Seconded: James

Carried: 8-0

Committee Members: Hess, James, Kapfer

7. Items of Information

7a. Update on City of Greenbelt/GHI Hoarding Taskforce Initiative

Greenbelt Cares (the City of Greenbelt’s Social Services Division) and Greenbelt Homes Inc., are currently participating in a pilot project to develop best practices for addressing the problem of hoarding in Greenbelt. The project is being funded by a \$5,000 grant obtained from the Greenbelt Community Foundation.

Greenbelt Cares and GHI will be sponsoring a workshop on Thursday, September 14, 2017 titled **“What to Do With What You See: Encountering Hoarding Disorder”**.

7b. Board 12 Month Action Plan and Committee Task List

7c. Monthly GHI and City Calendars

7d. President’s Items

None

7e. Board Members’ Items

None

7f. Audit Committee’s Items

None

7g. Manager’s Items

None

Motion: To adjourn.

Moved: Hess

Seconded: Holland

Carried: 8-0

The meeting adjourned at 8:25 p.m.

Ed James
Secretary