

DWELLING PLACE OF GRAND RAPIDS

BOARD OF DIRECTORS

June 5, 2019

*Approved August 7, 2019*

**MEMBERS PRESENT** Annamarie Buller, David Byers, Juan Daniel Castro, Francine Gaston, Kyle Irwin, Rich Kogelschatz, Rick Stevens, Marvin Thomas, Larry Titley, Pete VanderVeen, Tommie Wallace, Renee Williams (via phone)

**MEMBERS ABSENT** Thomas Carpenter, Mike McDaniels, LaTarro Traylor

**STAFF AND GUESTS PRESENT** Chris Bennett, Kim Cross, Jessica Johnson, Rebecca Long, Karen Monroe, Liz Mui, Laurie Mullennix, Scott Page, Zoe Post, Steve Recker, Justin Rhodes, Jenn Schaub, Latrisha Sosebee, Dennis Sturtevant, Grace Thuo, Brandon Watson, Stephen Wooden

Andre Butler, NeighborWorks  
Carol Hubbard, Justin Hawkes, and Jordan VanderWall, Beene Garter

The meeting was convened at 7:30 AM by Annamarie Buller.

**MISSION MOMENT** All meeting attendees viewed the new Dwelling Place corporate video.

**NEIGHBORWORKS UPDATE** Mr. Butler announced an opportunity for Dwelling Place to meet with the Low Income Housing Institute (LIHI), a NeighborWorks member, to share best practices. He also described two grant applications currently underway: the competitive Strategic Investment Fund (\$50,000) and the smaller Supplemental Funding grant (\$25,000), for CLT consulting and strategic planning, respectively. Lastly, he outlined future NeighborWorks initiatives in health care and housing and disaster relief.

**APPROVAL OF CONSENT AGENDA** The consent agenda for the June 5, 2019 meeting contained the following items:

1. Board of Directors minutes (04/03/19)
2. Committee minutes:
  - a. Executive Committee minutes (03/12/19)
  - b. Executive Committee minutes (04/09/19)
  - c. Finance Committee minutes (03/27/19)
  - d. Governance Sub-committee minutes (03/11/19)
  - e. Governance Sub-committee minutes (04/16/19)
  - f. Marketing & Development Committee minutes (02/26/19)
  - g. RED & Asset Management Committee minutes (03/11/19)
  - h. RED & Asset Management Committee minutes (04/08/19)
3. Governance Sub-Committee Documents:
  - a. Board Orientation Plan
  - b. Governance Policies
  - c. Board of Directors Job Description
  - d. Board Application & Conflict of Interest

**Consent agenda for the Board of Directors meeting was approved by motion of Pete VanderVeen, supported by Francine Gaston, and carried unanimously.**

**HONORING RETIRING BOARD MEMBERS** Ms. Buller thanked Mr. VanderVeen for his years of service on the Board and his particular expertise on the Real Estate Development Committee and mentorship of Scott Page, Director of Facilities and Maintenance. Mike McDaniels and LaTarro Traylor have also retired after many years of faithful Board service.

**RENEWALS FOR EXPIRING BOARD MEMBER TERMS**

**The renewal of an additional three-year Board term for Francine Gaston, Juan Daniel Castro, Marvin Thomas, and Renee Williams was approved by motion of David Byers, seconded by Rich Kogelschatz, and carried unanimously.**

**BOARD OFFICER ELECTIONS**

The slate for Board officers was as follows:  
Chairperson: Annamarie Buller  
Vice Chairperson: Juan Daniel Castro  
Treasurer: David Byers  
Secretary: Francine Gaston

**The 2019-2020 Board slate was approved by motion of Larry Titley, supported by Kyle Irwin, and carried unanimously.**

Mr. Sturtevant announced that the Governance Sub-committee, after discussing recruiting needs of the Board, is considering Chelsea Sheafor, Sadie Erickson, and Gil Segovia for the Board of Directors. Board members may direct any feedback about these individuals to Ms. Buller.

**RATIFICATION OF ACTIONS ON BEHALF OF RELATED ENTITIES OF DWELLING PLACE**

Mr. Sturtevant explained that Dwelling Place and Heartside NPHC have 17 related entities, on which he serves as President, Ms. Buller as Vice President, Mr. Byers as Treasurer, and Ms. Gaston as Secretary. To expedite the ratification process, these members signed consent resolutions for each related entity.

By consent resolution, the Board of each subsidiary entity resolved to elect Board officers and ratify all past actions taken by these officers on behalf of the entity since the last annual meeting. **Motion to accept the consent resolutions of all subsidiary entities of Dwelling Place was approved by motion of David Byers, supported by Annamarie Buller, and carried unanimously.**

The Dwelling Place Board of Directors meeting adjourned momentarily at 8:14AM.

**RATIFICATION OF ACTIONS ON BEHALF OF RELATED ENTITIES OF HEARTSIDE NPHC**

The Heartside Nonprofit Housing Corporation Board of Directors meeting convened at 8:14AM by Dennis Sturtevant, President.

By consent resolution, the Board of each subsidiary entity resolved to elect Board officers and ratify all past actions taken by these officers on behalf of the entity since the last annual meeting. **Motion to accept the consent resolutions of all subsidiary entities of Heartside NPHC was approved by motion of Francine Gaston, supported by Marvin Thomas, and carried unanimously.**

The Heartside NPHC Board of Directors meeting adjourned at 8:16AM.

**ANNUAL AUDIT PRESENTATION**

The Dwelling Place Board of Directors meeting resumed at 8:16AM.

Ms. Hubbard presented highlights from the 2018 Audit. First was the January 14 Governance letter to the Board, which states auditor responsibility is to opine on financial statements, detail the audit process, note newly implemented accounting standards, and inform the Board there were no Single Audit of Housing Audit findings. She explained the new accounting standards required for nonprofit organizations. The first reduces net assets from three to two categories: those with restrictions and those

without. The second requires a financial statement disclosure on liquidity; assets available to fund the next 12 months of operating expenditures must be disclosed.

The Management Letter addressed to the Board does not express an opinion on the effectiveness of Dwelling Place's internal control, but does point out areas for improvement and informs management of new accounting updates that will have future impact on financial statements. Several tenant file minor discrepancies were noted during audit testing of compliance. Beene Garter recommends strengthening the internal tenant file review process. The Management Letter included brief descriptions of two new accounting pronouncements; the first regards revenue recognition, the second, lease accounting.

The Single Audit provides a schedule of expenditures of Federal Awards and notes to the schedule. Overall, actual cash expenditures was approximately \$1.3 million. Awards received in prior years totalled \$21 million. Each audit year, different programs are tested. This year Beene Garter tested Section 223f loans, which are mortgages held by Elmdale and Villa Esperanza, and the Tax Credit Assistance Program (T-CAP), which provided recession era, stimulus funds to the development of Midtown Village and Goodrich Apartments. There were no findings for either the financials or major programs; Beene Garter expressed an unmodified opinion.

The Combined Financial Statements for the organization as a whole were presented using graphic slides. The Revenue and Support pie chart showed slightly less rental income for 2018 at \$8.1 million (\$8.7 million in 2017). Traded securities increase is due to the \$3.7 million received from Michigan NPHC in the form of donations. There are three components to the loss on securities. First, an unrealized loss of \$750,000 that denotes the market change in value. Second, an actual loss of \$7,538 from a sale. The third loss of \$154,000 is mostly due to the acquisition of Harrison Park properties. The total assets slide shows a slow steady growth of assets. The significant change in current liabilities illustrated on the liabilities and net assets slide is explained by the \$7.5 million loan outstanding at the end of 2017 for Roosevelt Apartments. The same slide shows a huge drop in Restricted Net Assets. Funding from the Grand Rapids Community Foundation was used for Harrison Park. The \$1 million increase in expenditures shown on the Revenue and Support vs. Expenses slide is due to LCH36 being in operation for the entire year. Operating Expenses remained fairly static. Breaking out just Dwelling Place NPHC shows a significant increase in revenue and support. A comparison of financial ratios measuring the financial health of the organization against NeighborWorks benchmarks shows Dwelling Place outperforming in all areas except Days Cash on Hand. However, if securities were included in the measurement Dwelling Place would be far above the benchmark.

**The 2018 audited financial statements were accepted by motion of Rick Stevens, supported by Kyle Irwin, and carried unanimously.**

#### **ANNOUNCEMENTS**

Board members received the new corporate brochure and tri-fold, part of the new marketing materials for Dwelling Place.

All attendees were invited to attend a film festival in Muskegon Heights co-sponsored by Dwelling Place and Community Encompass.

#### **ADJOURNMENT**

The Board of Directors meeting was adjourned at 9:09 AM by Annamarie Buller.

