

DWELLING PLACE OF GRAND RAPIDS  
FINANCE COMMITTEE  
May 29, 2019  
*Approved June 26, 2019*

**MEMBERS PRESENT:** David Byers, Michael McDaniels, Angela Sanborn, Holly Jacoby, Sadie Erickson (phone)

**MEMBER ABSENT:** Chelsea Schaefer

**GUEST PRESENT:** Darryl Mulder (Buiten Insurance)

**STAFF PRESENT:** Karen Monroe, Steve Recker, Kim Cross, Chris Bennett, Scott Page, Laurie Mullennix, Grace Thuo, Jessica Johnson, Dennis Sturtevant, Justin Rhodes, Brandon Watson, Rebecca Long, Alonda Trammell, Jessica Beeby

The meeting was convened at 12:00 pm by David Byers.

**APPROVAL OF APRIL MINUTES** **Minutes of the Finance Committee meeting of April 24, 2019 were approved by motion of Michael McDaniels, supported by Holly Jacoby and carried unanimously.**

**INSURANCE PRESENTATION** Darryl Mulder of Buiten Insurance presented the revised Master Insurance Summary for Dwelling Place Non-Profit Housing Corporation 2019-2020.

The coverages highlighted in the summary included: property, general liability, professional liability, crime, umbrella, and Directors & Officers/Employment Practices. Mr. Mulder noted that the four different insurance carriers for the coverages had very high ratings, ranging from A to A++.

He provided background on the state of the market (pages 2-3), underscoring the trends in builder's risk and real estate. He further noted that Dwelling Place coverage has focused on valuation of property and in so doing, kept up with inflation in order to provide coverage to rebuild and maintain properties.

In the Highlight Summary (pages 4-5), he described how having secured an agreement with Philadelphia to reduce pricing in the 5-8% range for well performing properties was a benefit as the affordable housing market pushed pricing up about 8-10% in 2018 due to the 2017 catastrophes that negatively impacted reinsurance pricing. As a result, Dwelling Place's risk management expense decreased while the industry saw increases overall. He noted that Philadelphia looks at "Affordable Housing", but we present it as "Supportive Housing" which reduces the exposure for liability.

Several risk management recommendations have been adopted with the Finance Committee's assistance, notably an increase in the Directors &

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Officers coverage limit and the inclusion of a \$1,000,000 umbrella coverage for all Dwelling Place properties.

He briefly reviewed the property enhancements and general liability enhancements outlined on pages 6-8.

Mr. McDaniels asked for a definition of equipment coverage. Mr. Mulder clarified that coverage is meant for a “sudden, accidental incident”, such as for equipment failure as a result of a power outage/surge.

There was a request for an updated rate summary and claims history. Mr. Mulder confirmed that he would send Ms. Monroe the information to distribute to the Committee.

**EVICTION PROCESS**

Ms. Cross presented information clarifying Dwelling Place eviction processes, which also included data on the rate of evictions compared to overall move outs in 2018 and the data thus far for 2019. A PDF copy of the PowerPoint will be distributed to the Committee.

Mr. Sturtevant added that Dwelling Place is also considering the development of internal financial literacy programs that could coincide with repayment plans and support services to help residents retain their housing.

**2018 AUDIT DRAFT**

Mr. Recker presented the 2018 Audit Draft and briefly described each of the notes on the combined financial statements (pages 10-36).

A graphic presentation of the audit will be distributed and discussed at the next Board Meeting on June 5, 2019, and then to NeighborWorks in six months. He noted that the Combined Balance Sheet (pages 39-70) is a property by property view that has been similarly presented in previous meetings.

**UPDATES /  
ANNOUNCEMENTS**

Mr. Sturtevant provided updates on ongoing construction projects: Harrison Park, Pine Avenue, Plaza Roosevelt, and Ferguson Apartments. He mentioned that there are a number of parties who have approached Dwelling Place regarding joint ventures in Holland, Newaygo, and Muskegon.

The Committee on Community Land Trust met for the first time last month and is scheduled to meet again tomorrow and will include James Jones.

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**PROPOSED AGENDA AND NEXT MEETING DATE** The next Finance Committee meeting will be held on Wednesday, June 26, 2019 at 12:00 pm.

**ADJOURNMENT** The Finance Committee meeting was adjourned at 1:49 pm by David Byers.