

DWELLING PLACE OF GRAND RAPIDS

BOARD OF DIRECTORS

June 3, 2020

Board Approved August 5, 2020

MEMBERS PRESENT Annamarie Buller, David Byers, Juan Daniel Castro, Sadie Erickson, Francine Gaston, Rich Kogelschatz, Eleanor Moreno, Gil Segovia, Rick Stevens, Larry Titley, Tommie Wallace, Lee Nelson Weber, Renee Williams, Troy Zapolski

MEMBERS ABSENT Thomas Carpenter, Kyle Irwin

STAFF PRESENT Jessica Beeby, Chris Bennett, Kim Cross, David DeVelder, Rebecca Long, Karen Monroe, Zoe Post, Steve Recker, Justin Rhodes, Alonda Trammell, Jenn Schaub, Latrisha Sosebee, Denny Sturtevant

Justin Hawes, Carol Hubbard, Larissa Van Putten -- Beene Garter

The board meeting convened via conference call at 7:34 AM by Annamarie Buller.

MISSION MOMENT Mr. Sturtevant read a letter from the NeighborWorks Executive Director, Marietta Rodriguez responding to the pandemic and the death of George Floyd.

APPROVAL OF CONSENT AGENDA The consent agenda for the June 3, 2020 meeting contained the following items:

1. Board of Directors minutes (04/01/20)
2. Committee minutes:
 - a. Executive Committee Minutes (03/10/20)
 - b. Executive Committee Minutes (04/07/20)
 - c. Finance Committee Minutes (01/29/20)
 - d. Finance Committee Minutes (03/25/20)
 - e. Governance Committee Minutes (03/17/20)
 - f. Governance Committee Minutes (04/21/20)
 - g. Marketing & Development Committee Minutes (02/25/20)
 - h. RED & Asset Management Committee Minutes (03/09/20)
 - i. RED & Asset Management Committee Minutes (04/13/20)

Consent agenda for the meeting was approved by motion of Lee Nelson Weber, seconded by Francine Gaston, and carried unanimously.

ELECTION OF NEW BOARD MEMBER **At the recommendation of the Governance Committee, appointment of Eleanor Moreno to the Board of Directors was approved by motion of Gil Segovia, seconded by Larry Titley, and carried unanimously.**

HONORING RETIRING BOARD MEMBERS Ms. Buller thanked Mr. Titley for his 12 years of faithful service to Dwelling Place, where he served as a member of many committees and spent several years as Chair of the board.

RENEWALS FOR EXPIRING BOARD MEMBER TERMS **At the recommendation of the Executive Committee, the renewal of an additional three-year Board term for Annamarie Buller, David Byers, Kyle Irwin, Rich Kogelschatz, and Tommie Wallace was approved unanimously.**

BOARD OFFICER ELECTIONS

The Executive Committee recommended the following slate of Board officers:
Chairperson: Annamarie Buller
Vice Chairperson: Juan Daniel Castro
Treasurer: David Byers
Secretary: Sadie Erickson

The 2020-2021 Board slate was approved unanimously.

RATIFICATION OF ACTIONS ON BEHALF OF RELATED ENTITIES

Dwelling Place is the sole shareholder of each of its corporate subsidiary entities. The following actions were resolved for each subsidiary entity:

- Appoint as directors to the board Dennis Sturtevant (President), Annamarie Buller (Vice President), Juan Daniel Castro (Vice President), David Byers (Treasurer), and Sadie Erickson (Secretary).
- Ratify, adopt, and affirm all actions taken by any officer of the subsidiary board in the previous year.
- Waive any required notice of annual board meeting.

Motion to approve these actions was made by Gil Segovia, seconded by Rick Stevens, and carried unanimously.

The meeting of the Dwelling Place Board of Directors was temporarily suspended at 8:07 AM.

RATIFICATION OF ACTIONS ON BEHALF OF RELATED ENTITIES OF HEARTSIDE NPHC

The Heartside NPHC Board of Directors convened at 8:07 AM.

Heartside NPHC is the sole shareholder of each of its corporate subsidiary entities. The following actions were resolved for each subsidiary entity:

- Appoint as directors to the board Dennis Sturtevant (President), Annamarie Buller (Vice President), Juan Daniel Castro (Vice President), David Byers (Treasurer), and Sadie Erickson (Secretary).
- Ratify, adopt, and affirm all actions taken by any officer of the subsidiary board in the previous year.
- Waive any required notice of annual board meeting.

Motion to approve these actions was made by Juan Daniel Castro, seconded by Annamarie Buller, and carried unanimously.

The meeting of the Heartside NPHC Board of Directors adjourned at 8:08 AM and the meeting of the Dwelling Place Board of Directors resumed.

ANNUAL AUDIT PRESENTATION

Ms. Hubbard, Beene Garter partner, began the audit presentation by explaining the auditor, management, and governance responsibilities; speaking relevant qualitative aspects of accounting practices; and providing highlights from the management letter. Mr. Hawkes, the lead on the single audit this year, proceeded with a review of the 2019 Single Audit.

Mr. Hawkes explained a Single Audit is the compliance part of an audit, triggered when an entity expends \$750,000 or more in federal awards in a fiscal year. Dwelling Place expended approximately \$23 million in 2019. Three programs were tested this year: Community Development Block Grants, the Neighborhood Stabilization Program, and the Continuum of Care Program, which account for 25% of the \$23 million. Mr. Hawkes announced there were no findings.

Ms. Hubbard moved on to a high level summary of the Combined Statement of Operations comparing 2019 to 2018. In 2019 revenue was down slightly, although rental income remained steady, and expenses were slightly up, primarily due to wage increases. Overall, the two years are fairly comparable. Of note, there was a 36% decrease in vacancy loss and 52% decrease in bad debt. Michigan Nonprofit Housing contributions of about \$2.2 million was a decrease from last year's \$3.8 million. There was a significant \$1.1 million unrealized gain on investments. However, much of that gain has been lost due to the COVID-19 pandemic. The City of Grand Rapids forgave \$500,000 HOME loan funding on the Ferguson project along with \$85,000 accrued interest on that loan. Ms. Hubbard then delved into details of the organization's assets, liabilities, net assets, revenues and support, and expenses using graphs and charts to provide visual depictions and historical trends.

Ms. Hubbard introduced Ms. Van Putten, the audit engagement manager, to compare Dwelling Place's financial ratios to the 2018 Neighborworks Peer Group ratios. Ms. Van Putten remarked the key takeaway is that Dwelling Place is outperforming the peer group for all ratios measured.

UPDATES & ANNOUNCEMENTS

Mr. Kogelschatz gave a brief overview of the work the Succession Planning Committee has already accomplished and will keep the board apprised of the committee's future actions.

Ms. Schaub described a \$28,950 grant from MCACA supporting the expanded Community Arts series, which would create opportunities for Dwelling Place residents to connect to city-wide arts and cultural opportunities. This application will be submitted by Community Building & Engagement department staff. **Motion to approve this application was made by David Byers, supported by Larry Titley, and carried unanimously.**

ADJOURNMENT

The Board of Directors meeting was adjourned at 9:11 AM by Annamarie Buller.