

DWELLING PLACE OF GRAND RAPIDS
FINANCE COMMITTEE
October 28, 2020
Minutes – DRAFT

MEMBERS PRESENT: David Byers, Gil Segovia, Sadie Erickson, Angela Sanborn

MEMBERS ABSENT Michael McDaniels, Troy Stressman, Holly Jacoby

STAFF PRESENT: Dennis Sturtevant, Steven Recker, Chris Bennett, Jessica Johnson, Brandon Watson, Grace Thuo, Rebecca Long, Francisco Ramos Jr., Karen Monroe, Justin Rhodes, and Jessica Beeby

COMMENCEMENT The meeting was convened at 12:03 pm by Mr. Byers

APPROVAL OF AUGUST MINUTES **Minutes of the Finance Committee meeting of August 26, 2020 were approved by motion of Ms. Erickson, supported by Mr. Segovia and carried unanimously.**

403(b) UPDATE Mr. Recker explained that the plan is reviewed annually by the Officers and summarized changes to the restated plan document for Dwelling Place’s 403(b), effective January 1, 2021:

- Automatic Enrollment – new and existing eligible employees will be enrolled at a pre-tax rate of 5% or may opt out. Automatic Enrollment was not previously offered.
- In-Plan Roth Transfer and Conversions – allows plan participants to make a request to convert pre-tax contributions into Roth contributions. The In-Plan option was not previously offered.
- Safe Harbor Contributions – a matching contribution equal to 100% of each participant’s elective deferrals but not to exceed 5% of the participant’s compensation. The previous maximum match was 4% of compensation.
- Hardship Amendment – language amended to conform to the hardship distribution provisions required under the Bipartisan Budget Act of 2018, effective 1/1/20. The plan does not allow for hardship distributions, but IRS requires plan documents to amend for the language in the Act.

There were additional questions about employee participation in the matching contribution portion of the plan and financial advisor support from Nationwide. While an exact figure wasn’t immediately available, Mr. Recker stated that he anticipates a 3-5% increase in participation due to implementing auto-enrollment and estimated approximately 15% of employees would choose to opt out. It was noted that Duncan Purvis (BHS Insurance) has been accessible to all employees, on an individual basis and via the Annual Benefits Briefing, to explain plan

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details and options, though he is not a financial advisor per se. Mr. Recker also clarified that Beene Garter's role is as the plan administrator and this includes reviewing the plan for compliance and notifying the Officers of changes during the annual review.

Approval of the updates to the 403(b) Plan were approved by motion of Mr. Segovia, supported by Ms. Erickson and carried unanimously.

The Board resolutions for the restated 403(b) plan document will go to the Executive Committee for approval in order to meet the December 1st deadline, as the next full Board meeting is not until December 2nd.

**MSHDA AND RURAL
DEVELOPMENT 2020
PROPERTY BUDGET
REVIEW**

Mr. Recker presented the 2020 budget review for MSHDA and Rural Development properties, adding that the budgets were averaged but do take into account the annual survey data and current vacancy loss and turnover rates. He noted that property performance compared to the budget would be addressed in the quarterly review presentation and that auditors will also comment if they have concerns during their review.

Each property was discussed individually, noting properties with surplus cash and/or break even pro forma and anticipated changes in cash flow within the next 2-3 years, related to various deal structures or expected changes, such as the transition to the Community Land Trust (CLT) model for Martineau and New Hope or re-syndication for Verne Barry Place (2022).

**DEI PLAN
IMPLEMENTATION
DISCUSSION**

Mr. Sturtevant provided background on the Dwelling Place Diversity, Equity, and Inclusion (DEI) Plan and the suggested generative questions for facilitating discussion on the plan and its goals with the intention to gather feedback from all departments and committees to develop a specific DEI work plan.

In alignment with the third goal of the plan, Mr. Recker described how some Dwelling Place accounts will be transitioned away from PNC Bank to United Bank. This was in part motivated by a reduction in bank fees, but also to strengthen the existing community partnership as United Bank is a commercial tenant and active local community member, including their participation in Dwelling Place's Mindful Money Program, a resident-focused financial capabilities education initiative.

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Ms. Erickson noted that the third goal (3.a) suggested a review and update of existing vendor procurement policies to increase opportunities neighborhood-based and minority- and women-owned business enterprise and this may be an area that the Finance Committee could review. Mr. Sturtevant added that this was a focus of the Real Estate Development and Asset Management Committee – to explore other options for contractors and sub-contractors, including a potential collaboration with Next Steps (Mel Trotter), which employs returning citizens. Along the same line, Ms. Sanborn suggested further review of Dwelling Place’s investments in an effort to be involved with more socially responsible companies. There was a general consensus that this information would be valuable as part of the analysis considering a complete investment opportunity.

Related to the first goal of the plan, Mr. Recker shared that the Finance Department staff has committed to additional communication measures to increase inclusion, including: a daily email thread, weekly team briefing, and quarterly team building events. Mr. Byers indicated he would like to explore ways something similar could be implemented between the non-staff Finance Committee members.

Mr. Sturtevant requested that the notes related to the DEI discussion be sent separately to Alex Valentine and/or Zoe Post.

**UPDATES AND
ANNOUNCEMENTS**

There was a brief discussion about the upcoming deadline for filing 990s and Mr. Recker explained that he is waiting to file in order to include a K-1 from a partnership organization, but also noted that the information could be included in next year’s tax return so it will not prevent him from filing on time.

**PROPOSED AGENDA
AND NEXT MEETING
DATE**

The next Finance Committee meeting will be held on Wednesday, December 9th from 12:00 PM to 1:30 PM.

ADJOURNMENT

The Finance Committee meeting was adjourned at 1:35PM by Mr. Byers