MEMBERS PRESENT: Sadie Malady, Holly Jacoby, Gilbert Segovia, Angela Sanborn

MEMBERS ABSENT: Troy Stressman

STAFF PRESENT: Jessica Beeby, Rebecca Long, Karen Monroe, Steve Recker, Jeremy DeRoo, Grace Thuo, Brandon Watson, Mason Lundsted, Sarah Tafelsky, Kim Cross, Rachel Osbon, Chris Bennett

COMMENCEMENT: The meeting was convened at 12:02 pm by Ms. Malady

APPROVAL OF JULY MINUTES: Minutes of the Finance Committee meeting of July 28, 2021 were approved by motion of Mr. Segovia, supported by Ms. Jacoby and carried unanimously.

REVIEW DEI IMPLEMENTATION AND WORK PLAN: Ms. Malady provided background on the approved organizational plan and the Finance Committee’s current goal. Ms. Sanborn clarified the process of reviewing departmental goals from the perspective of the DEI Committee. Ms. Thuo commented on the focus of the Finance department, including updates to the vendor policy and vendor approval process.

Ms. Malady referred to the investment policy and noted that the Committee chose to invest in a socially responsible fund (ESG), per the recommendation of our financial advisors at Northern Trust. She posed the question of reviewing the investment policy further for other DEI-focused opportunities. There was a consensus that specifying a set dollar amount or percentage for investments may not be helpful, but rather to communicate directions to Northern Trust and review their recommendations. She concluded that there may not be a need to make changes or add new goals immediately but rather it’s something the Committee should review on a regular basis.

Ms. Sanborn inquired if the Committee or Finance Department had set a budget for DEI-related efforts. Mr. Recker clarified that there were no budget items specifically for DEI, although a new position for a DEI Coordinator has been proposed and will be under consideration in the next budget review.

DWELLING PLACE 2ND QUARTER DRAFT FINANCIAL STATEMENT REVIEW: Mr. Recker presented the June 30, 2021 draft financials noting points of interest and answering questions. A few minor errors in the presentation materials were noted. The Committee was advised to watch for corrected materials to be distributed after the meeting.

Revenue was over budget largely due to some contributions from the Michigan Non-Profit Housing Corporation. One of the reserve funds was released because they met the metrics needed for the limited partner. Mr. Recker described that the cash flow is negative because the financial statement is only reviewing cash and there was a $2 million transfer into the
Dwelling Place Non-Profit Housing Corporation trading securities account in February.

He reported that Year-to-Date CLT expenses are also a little over budget due to a combination of factors: the renovations at Grandville Homes are on the former property's account and construction costs have increased. Mr. Recker met with Mr. DeRoo, David DeVelder and Chris Bennet to discuss the CLT conversion process to better understand the expenses for budgeting and requested a projected Comprehensive Needs Assessment (CNA) for current projects. He promised to share those documents with the Committee when completed.

Ms. Malady announced Troy Stressman accepted a job opportunity outside of Grand Rapids and submitted his resignation for the Board of Directors and by extension the Finance Committee. There was a consensus that a discussion of recruiting a replacement for his seat on the Committee should be added to the September meeting agenda.

Ms. Malady inquired about the fire at Ferguson Apartments on August 22nd and the potential financial impact. Mr. DeRoo stated that there will be a $250,000-$300,000 claim that is anticipated to be fully covered. He noted there is still a question about additional impact if the investigation determines a fault in the solar panel equipment, as the same panels are located at other properties. Mr. Recker observed that there is a $10,000 deductible for the insurance claim. Ms. Cross commented that there was minimal water damage to residences and resident personal belongings.

Mr. Recker provided the Investment Policy document for review. Ms. Jacoby proposed discussing the investment policy at the next meeting and Mr. Recker suggested inviting Northern Trust advisors to be available for comment.

The next Finance Committee meeting will be held on Wednesday, September 29, 2021 from 12:00 PM to 1:30 PM.

The Finance Committee meeting was adjourned at 1:11 pm by Ms. Malady.