

## **Southwest Home Equity Assurance Program**

### **BOARD MEETING MINUTES**

August 12, 2019

#### CALL TO ORDER

Immediately following the Tax Levy meeting at 6:41 pm, the regular scheduled meeting followed. Chairman Nice called the regular meeting and asked Commissioner Tully to take roll call.

#### COMMISSIONER IN ATTENDANCE:

Ray Nice  
John Kurtovich  
Chris Koczwar  
John Tully

#### ALSO PRESENT:

Victoria M. Gaspar, Executive Director  
Elsa Bekele, CPA

#### APPROVAL OF MINUTES

Chairman Nice introduced the approval of minutes. The Commission took some time to go over the minutes needed for approval. Commissioner Koczwar motioned to accept the minutes, Chairman Nice second the motion.

#### FINANCIAL REPORT

Chairman Nice asked Commissioner Chris Koczwar to introduce the Financial report. Commissioner Koczwar deferred to Mrs. Bekele. Mrs. Bekele then went over the Financial report with the Commission and informed the Commissioners that the Auditors will be here the week of October 22nd. Mrs. Bekele went over items in the budget. Most notably, she went over the building maintenance as several work projects had just been completed like the indoor lighting and the repair of the air conditioner that unexpectedly stopped working. Mrs. Bekele

continued to go over the report citing that there is a favorable budget on the expense side from receiving the 2<sup>nd</sup> installment of 2018 and early payments of taxes. Vice Chairman Kurtovich had a question regarding the format of the report and Mrs. Bekele answered his questions and provided clarification. Commissioner Tully made a motion to approve the financial report and Commissioner Kurtovich second the motion.

#### CHAIRMAN REPORT

Chairman Nice asked how many paid claims we had this year and the previous year. Chairman Nice continued to state that SWHEAP is currently paying a 71% payout. The Home Comparison Study suggested that 14% to 25% of the total sale price decline within the district was due to market factors in the district. The remainder of the sale price decline within the district is 0% to 75% and would then be attributable to the larger National State of Illinois, Cook County and Chicago market conditions. Using this report, the payout percentage should then be 75%, Chairman Nice suggested. Commissioner Koczwarra added that the range given was between 0 to 75% and historically the Commission has always voted for the highest payout percentage - in favor of the member. Vice Chairman Kurtovich motioned to vote for the 75% payout, pending publication, and this motion was second by Commissioner Tully. The payout increase would be brought up at the October meeting for an official vote.

#### EXECUTIVE DIRECTOR'S REPORT

Ms. Gaspar began her Executive Director's report by providing the Commission with general numbers of registrations, home improvement loans and claims paid. She also informed the Commission of the new mailing set to go out in a few weeks. She passed around a draft design to the Commission. This would be the first time that SWHEAP would adopt a new design in at least 10 years as its annual literature. She continued to inform the Commission of recent updates like the various social media platforms SWHEAP has a presence on now (Facebook, Instagram and Twitter). Ms. Gaspar also shared her experiences representing SWHEAP at Iman's Farmers Market in Chicago Lawn, Metropolitan Family Service's Family Fair in West Lawn and McKinley Park Development Council's meeting in McKinley Park.

Continuing in her report, Ms. Gaspar informed the Commission of a new issue regarding a member that needed the Commission's discussion and their expertise. The Commission had questions regarding this member and offered solutions. Among the topics mentioned was to set a precedent for members that did not comply with scheduling a home inspection within the 6-month date. The Commission agreed that the member-in question should be given a letter in which SWHEAP would underline the fiduciary agreement. It was then directed that if the member does not correspond with our office after the letter, to consult with Marquette Bank. The Commission decided that while this was the first ever to happen in SWHEAP history, a written procedure and protocol should be devised on a member's inability to comply to the 6-month home inspection. Vice Chairman Kurtovich also suggested that the Commission be notified when a member does not comply with the 6-month inspection, at the following board meeting. Lastly, the Commission agreed to give the member mentioned above an opportunity to respond.

## OLD BUSINESS

Ms. Gaspar updated the Commission on the Home Improvement Loan modifications. During the introduction of the Northwest Home Equity Assurance Program's Home Improvement Loan Program, Southwest Home Equity Assurance Program's rates were reevaluated. To ensure that both sister agencies were on the same page it was recommended and suggested that Marquette Bank reevaluate the rates and implement new ones. Program 2 would see a loan rate decrease from 4% to 2%. Program 3 would see a loan rate decrease from 5% to 3.5% and Program 4 would see a loan rate decrease from 6% to 4%. All other conditions would stay the same and was implemented to better help the member. This was to be effective August 15<sup>th</sup>. Commissioner Koczwara motioned to approve and Chairman Nice second the motion.

Following after Ms. Gaspar went over a review of the bids to repair the roof. The Commission discussed both bids and decided to accept the most cost-efficient bid contingent to the 5-sheet replacement. Commissioner Koczwara motioned to accept the most cost-efficient bid contingent to the 5-sheet replacement. It was second by Chairman Nice and all in favor voted aye.

In conclusion, a vote for a landscape bid ensued. The Commission voted for the most inexpensive bid as it also offered more work. There was a motion by Commissioner Koczwara to accept the lowest bid and it was second by Chairman Nice.

## ADJOURNMENT

Vice Chairman Kurtovich made a motion to adjourn and Commissioner Tully second the motion. The meeting was adjourned.

Regards,

John Tully  
Secretary