

**COMMONWEALTH OF VIRGINIA
ASSISTIVE TECHNOLOGY LOAN FUND AUTHORITY
Board of Directors Meeting**

Minutes Adopted by Board of Directors on April 22, 2010

January 14, 2010

MEMBERS PRESENT

Linda Harris, Chairperson
Amy Odhner, Treasurer
Dean Bonney
Robin Jefferson
Mike Haydon
Thomas Hock
Ron Lanier
Barbie Ostrander

ABSENT

Juan Martinez, Vice-Chair
Seville Allen

ALSO PRESENT

Joey Wallace, Executive Director
Sandra Prince
Shilpa Joshi

CALL TO ORDER

The Assistive Technology Loan Fund Authority Board of Directors met for a regular quarterly meeting at ATLFA, 1602 Rolling Hills Drive, Suite 107, Richmond, Virginia on January 14, 2010. Linda Harris, Chairperson, called the meeting to order at approximately 10:10 AM.

APPROVAL OF MINUTES

Linda Harris, Chairperson, asked if everyone had an opportunity to review the Board minutes of the October 29, 2009 meeting.

A motion was made by Robin Jefferson to approve the October 29, 2009 minutes. The motion was seconded by Amy Odhner and unanimously carried.

PUBLIC COMMENT

There was no public comment.

PROGRAM

Old Business

Dean Bonney asked if a policy had been developed for the use of the unrestricted funds that was received. Dr. Joey Wallace, Executive Director, stated that a discussion had been held, but no official policy has been developed. He informed the Board that

another unrestricted donation of \$100.00 was received from a doctoral student that will be surveying consumers of several state loan programs as part of her dissertation. He noted that a policy will be developed and presented at the April meeting for action. Dean Bonney requested that the policy be developed and sent out to the Board for review prior to the next meeting.

Financial Report

Shilpa Joshi, Financial Director, requested that the Board members refer to the statement of net assets through December 31, 2009 and statement of revenues and expenditures from July 1, 2009 through December, 2009 provided to them in the Board packets. She noted that the current assets are approximately \$10.2 million, with total assets of \$11.3 million. Ms. Joshi updated the Board on the money market account for guaranteed loans and noted that \$9,520 has been transferred to checking to keep the money market account at 30% of the required balance for the SunTrust guaranteed loan portfolio. Dean Bonney requested that Ms. Joshi check into on-line banking so she could review bank statements prior to them being received in the mail. Ms. Joshi noted that she could provide more detail on any line item if the Board needed additional information regarding the expense. Amy Odhner, Treasurer, asked why the marketing budget expenditures were high. Shilpa Joshi noted that the cost of the public service announcement was included in the marketing line item.

Shilpa Joshi pointed out that the contingent liabilities (SunTrust guaranteed loans) at December 30, 2009 is \$755,155. The actual net expenditures in excess of revenues as of December 30, 2009 were negative \$181,384. Ms. Joshi noted that the interest earned on the LGIP accounts was .23%. Ms. Joshi noted that five loans have been written off with the delinquency rate now at 6%. Sandra Prince noted that 55 defaulted loans have been entered into the Virginia Department of Taxation Debt Set Off for collection.

Ms. Joshi discussed the handout of the comparison of select data for the direct loans, booked SunTrust loans and cash receipts for Fiscal Years 2009 and 2010. She noted that three guaranteed notes were purchased from SunTrust as of December 2009 as compared to one for the same period last year.

Director's Report

Dr. Joey Wallace, Executive Director, directed the Board members to the Director's Report that is included in the Board packets and discussed training and activities that staff have been involved in since the last Board meeting. He noted that there are currently two Board vacancies; one for a person with a disability and one for a person with investment finance experience. He asked the Board members to send any referrals to him for submission to the Secretary of the Commonwealth.

Dr. Wallace noted that the loan committee met monthly from October 2009 through December, reviewing 51 applications and approving 25 requests totaling \$157,205. This does not include the four non-guaranteed loans approved by SunTrust Bank totaling \$123,949.96. Sandy Prince provided a loan activity summary report for the period October 1, 2009 to December 31, 2009 for FY 10 and a comparison for the same time period for FY 09. She noted that the number of applications received and approved has increased for FY 10, but the dollar amount approved has decreased as compared to FY 09. Ms. Prince noted that the consumers are opting to purchase less expensive equipment which decreases the amount of funding requested and approved.

Dr. Wallace reported that he has been presenting at various events around the state such as Rappahannock Disabilities Network, Woodrow Wilson Assistive Technology Training, AARP, and Eastern Shore Center for Independent Living. He noted that he will be providing RESNA technical assistance to the loan programs in Saipan and Guam from January 15-January19.

Dr. Wallace noted that Sandy Prince and Christy Crowther will represent the NewWell Fund at the Virginia Wounded Warriors Conference in February and the Brain Injury Association "Opening Doors" conference in March.

BOARD ISSUES FOR DISCUSSION

Investment Options

Joey Wallace, Executive Director, noted that the Finance Committee had met several times to discuss investment options with each meeting being a discovery to narrow the investment options. Dr. Wallace noted that he discussed CDARS and Quick Rate software with Eric Gregory, Assistant Attorney General, and George Strudgeon, APA to obtain an opinion if the NewWell Fund could use Quick Rate for certificates of deposits. Both agreed that Quick Rate was just a vehicle to be used for investment. He noted that he has had discussions with the State Treasury Board and that the NewWell Fund can only invest in Treasury approved Virginia banks. The State Treasury Board does approve of investments through the CDARS program. Dr. Wallace noted that not all Virginia banks choose to participate in CDARS and the Quick Rate program. He noted that the only options for our investments outside of LGIP are CDs purchased through Treasury Board approved banks, or the CDARS program through Treasury Board approved banks. Shilpa Joshi noted that she had spoken with FDIC and the FDIC does not endorse Quick Rate or CDARS, but FDIC stated that it is up to the NewWell Fund to be the official custodians of public deposits and ensure that the banks are covered by the FDIC.

Dr. Wallace noted that no recommendation has been made by the Finance Committee as to which investment strategy to use. A discussion was held on investments of funds through the CDARS program versus certificate of deposits at various Treasury Board approved banks. Mike Haydon noted that the Board would improve their return on investments by going with CDARS since there are more banks that can be used. Dr. Wallace noted that there is a \$2,500 administrative cost to use Quick Rate and staff would have to invest the funds at each approved bank. Robin Jefferson noted that you will be paying up front to purchase the software with Quick Rate whereas with CDARS the administrative costs are taken out of the investments. Amy Odhner noted that CDARS is FDIC insured up to \$50 million and would be more secure than Quick Rate.

A recommendation was made by the Finance Committee that the Board invest up to 75% from all accounts except AFP2 in the CDARS program, with equal amounts over 3 months, 6 months, 9 months and 1 year. **It was the unanimous consent of the Board to accept the recommendation of the Finance Committee.**

Dr. Joey Wallace handed out a draft investment policy for review and discussion. After discussing each section, the following additions and changes were suggested by the Board.

On page 2, under "III: Investment Goals", remove word "to" at end of first sentence and in first bullet point, remove word "to" in first sentence and change "for" to "to" in second sentence.

Under IV: Investment Guidelines, first bullet point, change entire bullet to read: "The NewWell Fund should maintain 25% of its total principle balance in liquid vehicle which includes, but not limited to, SunTrust reserve and AFP 2." The second bullet point should be deleted. Under the fourth bullet point, change word "remaining" to "total".

A motion was made by Amy Odhner to adopt the investment policy as discussed and amended. The motion was seconded by Mike Haydon and unanimously carried.

Draft Budget Review

Shilpa Joshi directed the Board members to the draft budget for 2011 included in the Board packets. She noted that this was a draft for review and for discussion at the April Board meeting. Ms. Joshi noted that she highlighted in red areas that have changed and included a budget narrative for each line item. She noted that the provision for loan loss has been increased from 3% to 5% for next year. Linda Harris, Chairperson, requested that the line item for attendant services be increased due to the appointment of any new Board member who might need these services. Dr. Wallace requested that the Board members review the proposed budget and send any suggestions to him for action at the April Board meeting.

CLOSED SESSION

Amy Odhner made the following motion to go to closed session:

I, Amy Odhner, move that the Board convene in closed meeting pursuant to Virginia Code Section 2.2-3711A(1) and A(4) for discussion of personnel issues and loan approvals. Additionally I move that Joey Wallace and, if necessary, staff members Sandra Prince and Shilpa Joshi attend the closed meeting because their presence will aid the Board in its consideration of these matters. The motion was seconded by Mike Haydon and unanimously carried.

RESULTS OF THE CLOSED SESSION

Linda Harris, Chairperson, convened the Board meeting in regular session.

Linda Harris, Chairperson, stated that a roll call vote will be held and all those who certify to the best of their knowledge that only business lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and that only business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting certify by stating your name and saying "Yea". Those who do not certify say "Naye".

**Yeas – Harris, Odhner, Ostrander, Bonney, Jefferson, Hock, Haydon, Lanier
Nayes – None**

A motion was made by Robin Jefferson that the Board ratify the Loan Committee decisions as presented to the Board. The motion was seconded by Amy Odhner and unanimously carried.

A motion was made by Amy Odhner that Shilpa Joshi become a permanent part-time employee effective July 1, 2010 with half-time annual leave and half-time sick leave. The motion was seconded by Robin Jefferson and unanimously carried.

The meeting was adjourned at 2:55 PM by Linda Harris, Chairperson. The next ATLFA Board meeting is scheduled for April 22, 2010, at the ATLFA office, Richmond, Virginia.