

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

Amended Minutes Adopted by Board of Directors on July 23, 2009

May 21, 2009

MEMBERS PRESENT

Amy Odhner, Chairwoman
Linda Harris, Vice-Chairperson
Robin Jefferson, Treasurer
Dean Bonney
Mike Haydon
Thomas Hock
Susan Klein
Barbie Ostrander
Mitch Wesolowski
Juan Martinez
Seville Allen, via conference phone

ABSENT

Ron Lanier

ALSO PRESENT

Joey Wallace, Executive Director
Sandra Prince
Christy Crowther
Shilpa Joshi

CALL TO ORDER

The Assistive Technology Loan Fund Authority Board of Directors met for a regular quarterly meeting at the ATLFA, 1602 Rolling Hills Drive, Richmond, Virginia on May 21, 2009. Amy Odhner, Chairwoman, called the meeting to order at approximately 9:10 AM.

APPROVAL OF MINUTES

Amy Odhner, Chairwoman, asked if everyone had an opportunity to review the Board minutes of the January 15, 2009 meeting. **A motion was made by Linda Harris to approve the January 15, 2009 minutes. The motion was seconded by Robin Jefferson and unanimously carried.**

PUBLIC COMMENT

There was no public comment.

PROGRAM

Financial Report

Shilpa Joshi, Financial Director, requested that the Board members refer to the statement of net assets through April 30, 2009 and statement of revenues and expenditures from July 1, 2008 through April 30, 2009 provided to them in the Board package. She noted that the current assets are approximately \$11.5 million. The

current interest rate on funds held in the accounts at the Department of Treasury is 0.89%. Ms. Joshi noted that five inactive accounts totaling \$948,013 had been closed at SunTrust Bank and moved to Department of Treasury to earn more interest. There are currently four active accounts at SunTrust Bank, earning .029 percent interest.

Shilpa Joshi pointed out that the contingent liabilities (SunTrust guaranteed loans) at April 30, 2009 is \$840,774. Ms. Joshi noted that we have \$320,000 in the money market account as required by the agreement with SunTrust Bank for guaranteed loans. SunTrust Bank requires 30% deposit based on the dollar amount of the guaranteed loan portfolio. Mitch Wesolowski noted that the money market needs to be lowered based on the current number and dollar amount of the guaranteed loans. A discussion followed on the money market account and the dollar amount needed in the account based on the current guaranteed loan portfolio. **A motion was made by Dean Bonney that staff reassess the amount needed in the money market account and bring a recommendation back to the July 23, 2009 meeting for action. The motion was seconded by Susan Klein and unanimously carried.**

Amy Odhner asked why consumer counseling was over budget. Ms. Joshi and Dr. Wallace both noted that there was one unusual case where a consumer needed additional counseling for his loan application. Dr. Wallace noted that discussions have been held with the Center for Independent Living regarding this consumer counseling issue and they now totally understand the reimbursement process. Ms. Joshi noted that consulting fees for the information technology database was way over budget due to new federal reporting requirements and the need to have a new module developed for the existing database. Mitch Wesolowski asked if the rent line item will be within budget at the end of the fiscal year. Ms. Joshi noted that an invoice for common area maintenance had been received for the previous year that was not factored into the rent line item and the line item will be over budget. Ms. Joshi noted that she would be happy to provide more detailed information on any specific line item that might be of interest of anyone.

The actual net expenditures in excess of revenues as of April 30, 2009 were negative \$173,903.

Shilpa Joshi handed out a revised FY-09 budget based on expenditure projections for year ending June 30, 2009 for information purposes only. She noted that we will be in the red by approximately \$300,000 due to investment income being down. Ms. Joshi noted that she had revised the interest rate buy down from \$48,000 to \$6,000 to reflect declining loan volume with SunTrust due to the economy. Ms. Joshi noted that she decreased the loan loss from \$75,000 to \$35,000 for the year due to active collections. She noted that the information technology database consulting fee was increased from \$1,000 to \$6,000, and rent was increased from \$45,000 to \$52,000 due to an invoice received for previous year's common area maintenance charge.

Ms. Joshi discussed the handout of the comparison of select data for the direct loans, booked SunTrust loans and cash receipts for Fiscal Years 2008 and 2009. Dean Bonney asked that the figures be rechecked on the comparison data since one column does not add up. Amy Odhner asked why there was a larger increase in cash receipts for September. Sandy Prince noted that it was due to the collection activity that had finally gotten underway. Amy Odhner requested that this spreadsheet be sent

electronically to her in order for the select comparative data to be reformatted for future Board meetings.

Proposed FY 2010 Budget

Shilpa Joshi handed out a copy of the proposed budget for Fiscal Year 2010. Amy Odhner stated that this was the first time that any of the Board members had seen the proposed budget and did not feel that it could be voted on at this meeting. Ms. Joshi reviewed the assumptions she had developed for the FY 2010 budget. Dean Bonney noted that he wanted Ms. Joshi to discuss the justification for each line item. Ms. Joshi discussed some of the line items that had major changes and noted that the other line items were the same as last year's budget. Linda Harris noted that the contract for the Executive Director will end June 30, 2009, and that the payroll line item will be discussed in closed session.

After much discussion on the proposed budget, Thomas Hock asked if the budget should be referred to the Finance Committee to develop a proposed budget for action at the next Board meeting. Amy Odhner stated that it would not be necessary to refer the budget to the Finance Committee since the budget needs action by the full Board. Mitch Wesolowski requested that the Executive Director and staff work on development of a new budget to decrease the deficit because he could not support the current deficit. Amy Odhner noted that she does not like the deficit, but will support a deficit until the investments and loan volume increases. **It was the consensus of the Board that a new budget needs be developed with the description of each line item and justification for changes and submitted to the Board prior to the July 23 meeting for review and discussion.**

A discussion was held on what would be the base overhead for the loan program to have a balanced budget. Mitch Wesolowski felt that the *authority* has become complacent *because of its large cash balances*. Dean Bonney noted that we may never be out of a deficit. Mitch Wesolowski noted that a change in the Code of Virginia *would be necessary for the authority to continually* operate in the red. Mike Haydon stated that we may need to change interest rate on direct loans and structure the rate based on the type of loan. Mitch Wesolowski requested that the loan committee take a look at the direct loan numbers and see what interest rates would fit within each loan type category. Joey Wallace, Executive Director, noted that he would develop options for proposed fees and other charges to loan holders for discussion and possible vote by the Board. Mitch Wesolowski noted that the direct loan amount was increased over a year ago and asked are we better off today. Christy Crowther noted that we are saving \$400 in bank administrative fees and we are able to keep interest earned on the direct loans.

Amy Odhner noted that part of the long term planning is to look at investments that weren't budgeted for and the possibility of fund raising. Mitch Wesolowski requested Sandy Prince to research the tobacco settlement funds to determine if there is any possible funding available that could be used for the loan programs.

Amy Odhner, Chairwoman, noted that the proposed budget for a new fiscal year should go out to the Board for review at the January meeting instead of the May meeting since the budget is effective July 1 of each year. Ms. Odhner requested that the change in the budget procedure be made by the Executive Director in the procedure manual.

A motion was made by Mitch Wesolowski to approve a one month extension to the existing budget with submission of a new proposed budget for action by the Board at the July 23, 2009 meeting. The motion was seconded by Linda Harris and unanimously carried.

Loan Summary Review

Christy Crowther directed the Board members to the Loan Activity Summary Report included in the Board packets. Ms. Crowther provided a comparison of the activity for period January 1, 2009 through March 31, 2009 and for the same period in 2008. She noted that 47 applications had been received with 25 applications being approved for a total of \$265, 81.98. She noted that applicants do not want to increase their debt, so you will see a decrease in dollar amount requested with an increase in the direct loan volume. Mitch Wesolowski noted that the approved direct loans noted on the loan activity summary report does not compare to what Ms. Joshi had reported. Ms. Crowther noted that the loan summary report reflects applications received and approved while Ms. Joshi's report reflects loans closed.

Review of Audit Report

Dr. Joey Wallace provided a brief update on the audit recommendations resulting from the report issued by the Auditor of Public Accounts. He noted that contact had been made with SunTrust on the issue of having a bank take over the direct loan program. Dr. Wallace also noted that he had obtained an opinion from the Rehabilitation Services Administration on the issue of state loan programs being able to operate in the red. He noted that one recommendation was the development of a business plan which is in the process of development with the five year financial projections that will be discussed later. The collateralization of funds at SunTrust has been resolved with excess funds being moved from SunTrust to State Treasurer and the remaining funds at SunTrust being reported to the State Treasurer as public funds.

Marketing/Collection Report

Sandy Prince discussed the biennial report development and asked the Board members for any feedback. She noted that she and Christy Crowther worked with the consumers to get their statements for the report once they had written a story about each consumer. She noted that a thank you letter will be written to each consumer to thank them for being a part of our "Story of Hope".

Sandy Prince discussed her contacts with the Department of Taxation regarding the debt setoff program. She noted that the Department of Taxation could not believe that the NewWell Fund was not already enrolled in the program, and that she has already received the training information for the program. Based on the information provided, the NewWell Fund may be able to go back and collect from any loan holder who owes money and never paid back the loan. Ms. Prince noted that she will provide an update to the Board at the July meeting once she has completed the training and has been able to access the necessary systems at Department of Taxation.

Ms. Prince provided an update on the delinquency report and collection efforts that have been undertaken. She noted that many of the loan holders are beginning to pay back their loans with four individuals paying their total delinquent amount. She noted that four loans that had been guaranteed to SunTrust have been assigned to the NewWell Fund and have been restructured by us as direct loans.

Ms. Prince stated that an unrestricted donation had been received from the U. S. Navy Veterans Association Virginia Chapter. The Virginia Chapter has 998 members throughout the Commonwealth, representing every county of the Commonwealth. Ms. Prince quoted from the letter that was received, "that the Virginia Chapter does not currently do a loan program for needy Virginia veterans and therefore they applaud the NewWell Fund as a function of the Commonwealth government as one which is needed and worthy of support." Ms. Prince noted that a thank you letter will be sent to the Commander of the Virginia Chapter and noted that a telephone call had been placed to the Director of Development of the U. S. Navy Veterans Association in Washington, DC.

Ms. Prince noted that she and Dr. Wallace will be meeting on June 2 with the VA Hospital, Spinal Cord Injury Unit and Social Workers to discuss the NewWell Fund. Ms. Prince noted that approximately 1,800 brochures have been given out since the last Board meeting. She also noted that she had contacted the Association for Wounded Veterans Changing Lifestyle, a center that opened in Petersburg, Virginia recently. The Director of the organization will invite the NewWell Fund to speak at special sessions for veterans that will begin in June.

Ms. Prince provided a handout on the cost of production and air time of the public service announcement (PSA) for discussion. She noted that Dr. Wallace had met with Metro HD Productions and that she and Dr. Wallace had met with Park Group, Channel 12, Channel 8 and ComCast Cable. The Board discussed the costs of production and air time with possible scenarios. It was the consensus of the Board that the Story Boards from each production company be brought before the Board for review prior to any decision to move forward. It was also the consensus of the Board that staff should hold further discussions with Channel 12 graphic department on the cost of production and bring the story board and cost back to the Board.

Ms. Prince informed the Board members that she had included in the Board packets for their information a section from the Annual Report to Congress on the Assistive Technology Act of 1998, As Amended, for Fiscal Year 2006, for the loan programs across the country.

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 he had provided a keynote address to the Maine loan program as a kick off to their strategic planning process. Dr. Wallace also presented three strategic plan development conference calls for RESNA to other state loan programs. Dean Bonney requested that staff look at a five year plan for the NewWell Fund to become a fee for service center within the existing loan program that could assist other loan programs and report back to the Board.

Dr. Wallace noted that the loan committee met monthly from January through April 2009, reviewing 55 applications and approving 28 requests totaling \$250,004.18. This does not include the two non-guaranteed loans approved by SunTrust Bank totaling \$78,800.01.

Dr. Wallace pointed out that a new lease had been negotiated with Grubb and Ellis at a savings of \$3.00 per square foot.

Dr. Wallace discussed a NIDRR research proposal for Technology Access in Resource-Limited Environments. Virginia Commonwealth University RRTC has invited the NewWell Fund to participate in this grant proposal.

Dr. Wallace noted that staff and Amy Odhner, Chairwoman, attended the RESNA conference in Philadelphia. Amy Odhner stated that Virginia, even though there is more to be done, is much further ahead of the other loan programs after she listened to the other states present in the break out sessions. Dr. Wallace noted that a coalition had come together to pursue money in the Assistive Technology Act in Congress and that he would keep the Board posted on the status of this effort.

Dr. Wallace noted that he attended the Telework Conference in Northern Virginia and that RSA wants the state loan programs to make loans from the Telework grant if a request is considered as employment related. Dr. Wallace noted that he hopes this change will lead to new loans. He noted that he does not expect an opinion to be written on the required changes from RSA, but that the policies and procedures manual for telework will have to be revised to reflect the change in making loans.

BOARD ISSUES FOR DISCUSSION

Business Plan

Shilpa Joshi handed out the planning/projection report summary that was prepared to begin the development of a business plan. She noted that the front sheet is a summary of the additional sheets attached to the packet. Amy Odhner, Chairwoman, asked why the investment line is not moving up each year over the five year period. Ms. Odhner noted that the investment income cannot remain flat for the five year period. Ms. Joshi noted that the economic forecast web sites did not show the interest rates as moving up and the information contained in the summary was based on this forecast information. Mitch Wesolowski stated that he had developed the loan projections for long term strategic business planning template to assist staff in building the projections over a five year period. Dean Bonney noted that he would like to see where the program will break even and be a deficit free operation. Mr. Bonney asked if any progress had been made on a new lender. Dr. Joey Wallace noted that there has been no progress made. Amy Odhner asked Dr. Wallace what is the goal for the Board at today's meeting. Joey Wallace noted that the handout was just a planning document for review and suggestions prior to meeting and discussion at another meeting. Mitch Wesolowski noted that he would like to see the development of an actual business plan and not just pages of information provided to the Board for review.

After much discussion, Amy Odhner, Chairwoman, requested that the Board members take the packet that was handed out and review prior to a future planning meeting. Ms. Odhner noted that it would behoove all Board members to pass along questions and thoughts to Dr. Wallace for outcomes and decisions on development of the business plan at the planning meeting. Ms. Odhner also noted that the investment plan should be a part of the proposed planning meeting.

Dr. Wallace noted that he had requested an opinion from Eric Gregory, Assistant Attorney General, on the type of investments that the loan program could make as defined by the Investment Act. Dr. Wallace noted that the NewWell Fund cannot invest in the general fund since we are not a state agency, but has to invest in the Local

Government Investment Pool at the State Treasurer. Once the opinion is received from Mr. Gregory, he will send it out to the Board for review.

Check Signing Policy

Dr. Joey Wallace, Executive Director, discussed the need to look at the current policies and procedures for check signing. He noted that the proposed policy had been brought before the Finance Committee for review. Mike Haydon asked the members to review the proposed new policy provided in the Board packets. **After presentation of the policy by Mike Haydon, Mitch Wesolowski noted that he would like a section added whereby the Executive Director would sign off on any documentation after his absence if checks under \$5,000 have been signed in his absence by the Program Manager or Board Chair. A motion was made by Dean Bonney to approve the proposed policy with the changes as amended by Mitch Wesolowski. The motion was seconded by Susan Klein and unanimously carried.**

Election of Officers

The Board members selected the slate of officers for the term July 1, 2009 – June 30, 2010 as follows:

Linda Harris, Chairperson
Juan-Martinez, Vice-Chairperson
Amy Odhner, Treasurer

A motion was made by Mike Haydon to accept the slate of officers as presented. The motion was seconded by Robin Jefferson and unanimously carried.

Amy Odhner, Chairwoman, noted that Board meetings need to start at 10:00 AM instead of 9:00 AM in order to accommodate anyone with special needs. Ms. Odhner also noted that information needs to be gotten out to the Board members in advance of the meeting for review so there are no surprises at the meetings.

Amy Odhner, Chairwoman, suggested that a retreat be held for development of the business plan in order to address it as a group and not in a silo. After discussing various dates, it was the consensus of the Board that the retreat be held on September 25-27 at a location to be determined. A facilitator will be obtained by the Executive Director for this retreat and planning meeting.

CLOSED SESSION

Robin Jefferson made the following motion to go to closed session:

I, Robin Jefferson, 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 staff members Christy Crowther, 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

Amy Odhner, Chairwoman, convened the Board meeting in regular session.

Amy Odhner, Chairwoman, 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 – Odhner, Harris, Ostrander, Wesolowski, Jefferson
Hock, Haydon, Klein, Martinez, Allen
Nayes – None**

A motion was made by Susan Klein that the Board ratify the Loan Committee decisions as presented to the Board. The motion was seconded by Juan Martinez and unanimously carried.

A motion was made by Mitch Wesolowski to use the unrestricted donation to payoff the loan in the amount of \$670 for the hardship case discussed in closed session. The motion was seconded by Juan Martinez and unanimously carried.

A motion was made by Mike Haydon to ratify the contract for the Executive Director. The motion was seconded by Thomas Hock and unanimously carried.

The meeting was adjourned at 4:10 PM by Amy Odhner, Chairwoman. The next ATLFA Board meeting is scheduled for July 23, 2009, at the office of the ATLFA in Richmond, Virginia.