

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

Amended Minutes Adopted by Board of Directors on October 20, 2011.

July 21, 2011

MEMBERS PRESENT

Dean Bonney, Chair
David Axselle, Vice-Chair
Rose Ann Janis, Treasurer
Amy Odhner
Linda Harris
Mike Haydon
Keri Hughes
Michael VanDyke
Barb Ostrander
Ron Lanier
Jay McLaughlin

ABSENT

Juan Martinez

ALSO PRESENT

Joey Wallace, Executive Director
Rachel Baer, Assistant Attorney General
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 office of ATLFA, 1602 Rolling Hills Drive, Suite 107, Richmond, Virginia on July 21, 2011. Dean Bonney, Chair, called the meeting to order at approximately 9:30 AM.

PUBLIC COMMENT

There was no public comment.

INTRODUCTION OF NEW BOARD MEMBERS

Dean Bonney, Chair, introduced two new Board members and welcomed them to the Board of the Assistive Technology Loan Fund Authority. The newly appointed members are Keri Hughes from Vienna, Virginia and Michael VanDyke, from Rosedale, Virginia.

APPROVAL OF MINUTES

Dean Bonney, Chair, asked Board members to review the minutes of the April 15, 2011 meeting as presented.

A motion was made by Mike Haydon to approve the April 15, 2011 minutes. The motion was seconded by David Axselle and unanimously carried.

PROGRAM

Old Business

Dean Bonney, Chair, noted that since the last Board meeting, he has implemented Executive Committee meetings consisting of the Board Chair, Vice-Chair and Treasurer, and they are held on a monthly basis. The Executive Committee will meet with staff and Executive Director to provide guidance for the operations of the organization. He noted that this action was necessary due to full Board meetings only being held quarterly. The Executive Committee meetings are open meetings and are posted in the Commonwealth Calendar of Public Meetings.

Ethics Presentation

Rachel Baer, Assistant Attorney General, noted that she does not have a formal ethics presentation, but will be sending out a link for Board members to access on-line ethics training. She noted that under the Freedom of Information Act (FOIA), meetings must be public meetings and can only be closed for specific reasons under FOIA regulations. She noted that FOIA does allow exemptions for access to meetings for persons with temporary or permanent disabilities. A person who has a disability and cannot attend due to the disability can call in as long as there is a physical quorum present. If a person just wants to call into a meeting, then the individual must be in a public location and the meeting must be posted as a public meeting and open to the public. ATLFA Board needs seven members present in order to have a quorum.

Ms. Baer noted that the Board is bound by Virginia's Conflict of Interest Act (COIA) and referred Board members to Tab 6 and 7 of the Board Reference Manual for copies of FOIA and COIA. Ms. Baer requested that Sandra Prince, Program Manager, send out the most recent copy of FOIA and COIA to the Board members to read. Standards of conduct for Board members can be included in the Governance Manual and for employees in the Employee Handbook. Dean Bonney noted that David Axselle, Vice-Chair, along with staff will be reviewing the Governance Manual that was adopted in whole from the Department of Game and Inland Fisheries to ensure that the language and policies and procedures in the manual are appropriate for the Board of the Assistive Technology Loan Fund Authority.

Credit Analysis Training

Dean Bonney noted that all Board members are required to receive credit training in order to carry out the core mission of the organization which is to make loans to individuals who need assistive technology. He noted that he has been participating on Loan Committee and that Mike Haydon, who is the designated banker on the Board, reviews the credit reports each month as required by the Loan Committee. Mr. Bonney emphasized that it is a very important part of what the organization does and urged each Board member to participate.

Joey Wallace, Executive Director, introduced Steve Fletcher, from Fletcher Performance Solutions. Mr. Fletcher provided credit training for the Board of Directors, and covered the rules which must be followed, the basics of extending consumer credit, and the existing NewWell Fund lending criteria.

Lender Agreement Draft

Joey Wallace, Executive Director, noted that the Board had requested a draft model lender agreement be developed that could be used during negotiations with any lending institution. He noted that Steve Fletcher, Fletcher Performance Solutions, had been retained to develop this agreement. Mr. Fletcher referred the Board members to the

copy of the draft model provided in the Board packets. Mr. Fletcher noted the significant differences between the existing lender agreement and the proposed generic bank partner agreement. Sandra Prince, Program Manager, noted that the required state language needed to be included in the draft agreement. Rachel Baer, Assistant Attorney General, requested that the draft agreement be sent to her for review prior to final implementation.

CDARS Review

Joey Wallace, Executive Director, referred Board members to the handout on the background of the CDARS program. Amy Odhner explained the CDARS program and explained how Old Point National Bank was selected as the investment bank. Amy Odhner noted that the funds are invested in CDs for 26 weeks and 52 weeks. Rose Ann Janis requested a schedule of the maturities of the CDs so the Board will be prepared to make a decision on investing upon maturity of a CD. Keri Hughes asked if the Board had researched banks with trust departments in which to invest funds since the FDIC becomes irrelevant and there is no mark up on investments. Amy Odhner noted that this was a great suggestion and should be researched as an investment option prior to the CDs reaching maturity.

Financial Report

Shilpa Joshi, Financial Director, requested that Board members refer to the statement of net assets through June 30, 2011 and statement of revenues and expenditures from July 1, 2010 through June 30, 2011 provided to them in the Board packets. Ms. Joshi noted that the current assets are approximately \$9.56 million, with total assets of approximately \$10.7 million.

Shilpa Joshi pointed out that the contingent liabilities (SunTrust guaranteed loans) at June 30, 2011 are \$552,929. The actual net expenditures in excess of revenues as of June 30, 2011 were negative \$339,623. Ms. Joshi discussed the Statement of Revenue and Expenditures from July 1, 2010 through June 30, 2011 and highlighted the areas that were over budget with an explanation for each item. The total expenditures are approximately 25% over the budgeted amount. Rose Ann Janis requested that a column with the previous year's revenue and expenditures be added to the Statement of Revenue and Expenditures sheet for comparison.

Rose Ann Janis noted that expenses are constant, but the interest income is much less. Dean Bonney asked Joey Wallace, Executive Director, what was his assessment of the revenues and expenditures. Joey Wallace noted that the expenditures are in line with the budget, and the budget is over due to the expenses of the outside consultant for development of a business plan. Dean Bonney asked Joey Wallace about the labor cost and how the Board might mitigate expenses. Joey Wallace stated that he did not see how we could cut costs and meet projections. Amy Odhner noted that in development of the business plan, the consultant recommended looking at other reporting models to share an Executive Director. Ms. Odhner noted that the Auditor of Public Accounts also made some recommendations in this regard. Rose Ann Janis asked what the recommendations were. Amy Odhner stated that the Auditor of Public Accounts recommended in a previous audit that the Board consider an alternative management model with having staff report to another agency to cut costs. Dean Bonney requested that Rachel Baer, Assistant Attorney General, provide guidance on what options the Board had to possibly move forward with some of the recommendations.

Ms. Joshi discussed the handout of the comparison of select data for the direct loans, booked SunTrust loans and cash receipts for Fiscal Years 2010 and 2011. Cash receipts increased significantly in FY 11 as compared to FY 10.

Strategic Plan Review

Joey Wallace, Executive Director, discussed the draft Strategic Plan that resulted from the Board retreat held in April. Dean Bonney requested that the Executive Director provide information on events that are currently underway in the first quarter since development of the plan. After discussing the Strategic Plan, Amy Odhner under Section 1.1.2 requested clarification for ratifying loans after the loans have already been approved. Dean Bonney noted that the Board delegated the review and approval of loans to the Loan Committee, but the Board only ratifies loans during the quarterly meetings. Dean Bonney noted that originally the Board met monthly and could ratify loans, but then somewhere in the past the Board started meeting quarterly. Dean Bonney noted that this has been a concern since the Board is ratifying loans after the loan has been closed and check released to the loan holder. Mike Haydon noted that this is typical of how a bank ratifies loans, and if a loan was made that should not have been made by the loan officers, then the Board would recommend that this type of loan not be made in the future. Rachel Baer, Assistant Attorney General, noted that she will review the statute for the Board and the ratification of loans and provide a recommendation to the Board.

Rose Ann Janis asked how can the Board follow-up on the Strategic Plan as to what happens in each quarter and how will it be reported back to the Board. She stated that she wants to see upticks in each of the goals. Amy Odhner asked what are the deliverables and actions and how can this be measured. Joey Wallace, Executive Director, noted that actions on each of the goals will be reported out to the Board at the quarterly meeting. Dean Bonney noted that we have a Strategic Plan, but now we need an action plan with outcomes and deliverables.

Consumer Service Fund Legislation

Joey Wallace, Executive Director, referred the Board members to the packet of information on the Consumer Service Fund (CSF). The packet of information included a legislative action plan, a one page informational sheet, and a list of the House Appropriations Committee members and Senate Finance Committee members. He noted that it is priority of the organization to reestablish the Consumer Service Fund. Dean Bonney noted that the reestablishment of the Consumer Service Fund is a priority of the Disability Commission, and he briefed the Board on the meetings that he and staff have attended with the Disability Commission. Dean Bonney discussed the strategy for getting the CSF reestablished and noted that he has met with his legislators to discuss the CSF. He encouraged the Board members to meet with their legislators in the coming months to educate them about the CSF. Dean Bonney noted that Amy Odhner will be attending the Brain Injury Report Out Day hosted by the Department of Rehabilitative Services on July 22. He hoped that she would have an opportunity to meet the Executive Director of the Wounded Warriors Program to establish a relationship with the Wounded Warriors program and the CSF. Linda Harris noted that she will be attending an event at VMI in August and will pass out information to the wounded warriors.

Rose Ann Janis asked what was the Consumer Service Fund and was this the 501(c)3 designated program. Dean Bonney stated that the Assistive Technology Loan Fund

Authority (ATLFA) is the designated 501(c)3 entity and that the Consumer Service Fund was a grant program administered by the ATLFA. Rose Ann questioned whether a designated state entity can be a 501(c)3. Dean Bonney noted that the ATLFA had received one grant and applied for another that can only go to a non-profit and that these funds might have to be returned if the ATLFA is not able to receive them under the non-profit status. Rachel Baer noted that she will provide an opinion on this issue once she has received a copy of the designated status letter from the ATLFA issued in 1996 by the IRS.

Director's Report

Dr. Joey Wallace, Executive Director, directed the Board members to the Director's Report included in the Board packets. He briefly discussed training and activities that staff have been involved in during the last quarter.

Dr. Wallace noted that the loan committee met monthly from April through June 2011, reviewing 62 applications and approving 33 direct loans totaling \$257,385.96. There were no approved guaranteed loans. This does not include the six non-guaranteed loans approved by SunTrust Bank totaling \$256,509.54. Christy Crowther noted that a loan activity summary report for the period April through June for FY 11 and a comparison for the same time period for FY 10 was included in the Board notebook and would be happy to answer any questions they might have.

Dr. Wallace reported that staff have been presenting or attending various events around the state. He noted that he attended the grant recipient ceremony at the Richmond Community Foundation to collect a check for \$25,000; this is the first installment of the \$50,000 grant to establish the Consumer Service Fund. Linda Harris requested that information on the grant be sent to the local Community Colleges. He noted that a grant was submitted to the Sheltering Arms Foundation for \$25,000, and the notification of awards will be issued in September. He reported events where staff had exhibited or groups they had presented to such as the Hampton Center for Community Development, National MS Society Blue Ridge Chapter, Center for the Blind and Visually Impaired, disAbility Resource Center in Fredericksburg, Connections Fair for Children in Richmond, and the open house of the Ability Center in Norfolk. He noted that he and Amy Odhner met with the State Director of the Virginia Small Business Development Centers to expand the telework loan network. He noted that he has participated in the Virginia Executive Institute Leadership Training and participated in a RESNA sponsored conference call to plan for a national Best Practices Institute of Loan Program Directors and Board members in Berkley, CA in September.

Rose Ann Janis asked for the anticipated costs to attend the conference in Berkley, CA in light of the budget deficit. Joey Wallace said that he had not done a cost analysis for attendance. Joey Wallace noted that Virginia is a model program for other states around the country and a program that has financial stability. Rose Ann Janis asked him to explain the benefit to our program of attendance at this conference. Joey Wallace noted that we will benefit from the telework best practices from other loan programs. He noted that Virginia has not made as many telework loans as some of the other states and would be an opportunity to garner expertise from them. Amy Odhner noted that she has attended several of the conferences and has been the facilitator at a lunch table for Board members which was not very productive. She noted that attendance at the conferences can be valuable depending on the topics of discussion and what the other states have learned as they grow their programs. Dean Bonney and Rose Ann Janis

requested that Joey Wallace bring the cost of the conference to the Executive Committee meeting for review prior to endorsing this travel.

Loan Committee Report

Mike Haydon noted that the Loan Committee always aims to make timely loan decisions and discussed the possibility of having the Executive Director approve loans that meet certain criteria to expedite the process. He noted that a decision has been provided by the Assistant Attorney General noting that the Board could not delegate loan approval for specific loans to the Executive Director. Rachel Baer, Assistant Attorney General, stated that only the Loan Committee can approve loans on behalf of the Board. Mike Haydon stated that the Loan Committee is recommending to the Board that loans up to \$22,500 which require a quick decision due to a consumer losing the vehicle be sent to the bank for decision rather than waiting for the next meeting of the Loan Committee. **A motion was made by Amy Odhner to allow the NewWell Fund to send vehicle loans under \$22,500 to SunTrust Bank for quick decisions when time is of the essence.** The motion was seconded by Rose Ann Janis and unanimously carried.

Mike Haydon also discussed the issue with having a quorum for Loan Committee and encouraged the Board members to try to attend Loan Committee meetings each month. Dean Bonney requested that Joey Wallace, Executive Director, provide a calendar of loan committee meetings and requested that Board members sign up to serve on Loan Committee. Staff will look at options and the cost of holding meetings around the state, especially where two or more members are in the same location, but this may be an issue when the banker is required to be in attendance at Loan Committee.

Preliminary Audit Findings

Dean Bonney noted that he and Rose Ann Janis met with Jennifer Schreck from the office of the Auditor of Public Accounts. He noted that the auditors will begin the Fiscal Year 2011 audit once the year end closing has been completed by the Financial Director. They are in the process of completing the audit for Fiscal Year 2010 and will not have to audit again until the end of Fiscal Year 2012. A final report for the two years will be issued upon completion of the FY 2011 audit.

Chairperson's Report

Dean Bonney noted that he has spent a lot of time at the organization since he was elected Chair in April, at least two to three times a month, spending one day to meet with the Executive Director, one day with Loan Committee and one day with the Executive Committee. Mr. Bonney stated that the Executive Committee meetings going forward will be folded in with the Executive Director meetings. He noted that he will try to be an active Board member to represent the NewWell Fund. Mr. Bonney stated that he has attended meetings of the Disability Commission, the Richmond Community Foundation, and the office of the Auditor of Public Accounts, and will represent the NewWell Fund at the Remote Area Medical in Southwest Virginia on July 22-24.

NEW BUSINESS

Dean Bonney noted that action needs to be taken on issues that were discussed under the "Program" portion of the meeting and referred the Board to the action items in the Board packet.

Adoption of Ethics Policies

Rachel Baer stated that the proposed ethic policies conflict with the State Conflict of Interest policy. She stated that Standards of Conduct can be included in the Governance Manual and the Employee Handbook.

Lender Agreement

Dean Bonney noted that the lender agreement needs to have specific language included in the agreement and reviewed by the Assistant Attorney General prior to proceeding with adoption of the Lender Agreement.

Strategic Plan

A motion was made by Amy Odhner to adopt the Strategic Plan as presented in the Board meeting. The motion was seconded by Mike Haydon and unanimously carried.

Consumer Service Fund Legislative Plan

A motion was made by Amy Odhner to adopt the Consumer Service Fund Legislative Plan as presented in the Board meeting. The motion was seconded by Mike Haydon and unanimously carried.

Signatory Procedure

Dean Bonney presented the proposed signatory procedure. He noted that when the new officers were elected, the Chair and Treasurer were immediately asked to sign signature cards and funds transfer documents without any prior knowledge of the process. **A motion was made by Rose Ann Janis to adopt the signatory procedure to be included in the Fiscal Procedures Manual under “cash disbursements” section as presented to the Board. The motion was seconded by Amy Odhner and unanimously carried.**

Identity Theft Policy

Sandra Prince noted that this policy is required to be compliant with the Federal Trade Commission’s Red Flag Rule 16 CFR Part 681 which implements Section 114 of the Fair and Accurate Credit Transactions Act (FACT Act) for any covered accounts of our consumers. **A motion was made by Mike Haydon to adopt the Identity Theft Policy as presented to the Board. A motion was made by Amy Odhner and unanimously carried.**

Social Media Policy

Joey Wallace noted that the NewWell Fund needs to adopt a social media policy to provide guidance to the public for all organizational interactive web tool sites on acceptable and unacceptable postings. Amy Odhner recommended that the Assistive Technology Loan Fund Authority be changed to the NewWell Fund on the social media policy and also add a contact name to the policy. **A motion was made by Amy Odhner to adopt the Social Media Policy as presented to the Board and amended to change the name and add a contact person. The motion was seconded by Keri Hughes and unanimously carried.**

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,**

loan approvals and other Board matters that are appropriate. Additionally I move that Rachel Baer, Assistant Attorney General, and Joey Wallace and, if necessary, staff members Sandra Prince, Christy Crowther 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

Dean Bonney, 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 – Odhner, Ostrander, Harris, Lanier, VanDyke, Janis, Hughes,
Haydon, Bonney

Nayes – None

A motion was made by Keri Hughes 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 Mike Haydon that the Board forgive the loan in the amount of \$2,371.44 based on the hardship case presented and the inability to repay the loan. The motion was seconded by Barb Ostrander and unanimously carried.

A motion was made by Amy Odhner that the previous Executive Director contract for the period July 1, 2010 through June 30, 2011, be extended for one year ending June 30, 2012, and authorize the Chairman to sign the contract extension. The motion was seconded by Keri Hughes and unanimously carried.

Dean Bonney adjourned the meeting at 2:15 PM. The next Board meeting is scheduled for October 20, 2011 at the NewWell Fund, 1602 Rolling Hills Drive, Richmond, Virginia.