

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

**DRAFT**

October, 2011

**MEMBERS PRESENT**

Dean Bonney, Chair  
Rose Ann Janis, Treasurer  
Amy Odhner  
Mike Haydon  
Michael VanDyke  
Barb Ostrander  
Jay McLaughlin

**ABSENT**

Juan Martinez  
David Axselle, Vice-Chair  
Linda Harris  
Keri Hughes  
Ron Lanier

**ALSO PRESENT**

Joey Wallace, Executive Director  
Rachel Baer, Assistant Attorney General  
Jennifer Schreck, Office of APA  
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 October 20, 2011. Dean Bonney, Chair, called the meeting to order at approximately 9:30 AM.

**PUBLIC COMMENT**

There was no public comment.

**APPROVAL OF MINUTES**

Dean Bonney, Chair, asked Board members to review the minutes of the July 21, 2011 meeting as presented.

Amy Odhner noted that the minutes need to reflect that Linda Harris was present for the July 21, 2011 meeting. **A motion was made by Amy Odhner to approve the July 21,, 2011 minutes as amended to include Linda Harris as present. The motion was seconded by Mike Haydon and unanimously carried.**

**PROGRAM**

**Old Business**

No old business to be brought forward.

## **Financial Report**

Joey Wallace, Executive Director, requested that Board members refer to the statement of net assets through September 30, 2011 and statement of revenues and expenditures from July 1, 2011 through September 30, 2011 provided to them in the Board packets. Dr. Wallace noted that the current assets are approximately \$9.3 million, with total assets of approximately \$10.6 million.

Dr. Wallace noted that investment income is below the projections outlined in the budget. The current rates for the certificates of deposits are 0.12% for 26 weeks and 0.43% for 52 weeks. Mike Haydon asked if the interest income is compounded. Shilpa Joshi noted that the interest is compounded monthly and credited back to the certificates of deposits. Dr. Wallace noted that there is \$10,000 in prepaid expenses. Rose Ann Janis asked why there is \$10,000 more in prepaid expenses this year versus \$851 last year. Shilpa Joshi noted that the items are being posted as prepaid items in the current financials as opposed to last year when everything got posted to a line item.

Joey Wallace pointed out that the contingent liabilities (SunTrust guaranteed loans) at September 30, 2011 are \$489,904. The actual net expenditures in excess of revenues as of September 30, 2011 were negative \$74,131. Dr. Wallace discussed the Statement of Revenue and Expenditures from July 1, 2011 through September 30, 2011 and highlighted the areas that were over the quarterly budget amount with an explanation for each item. Amy Odhner asked why the credit report fees are less than projected for the quarter and if this is related to lower application volume. Joey Wallace noted that this is lower and results from less application volume. Christy Crowther noted that the application volume is holding steady. Sandy Prince noted that more money was budgeted in this line item due to the increase in cost of extensive credit reports because of fraud protection by the credit bureaus, but we found that the new credit formant is not beneficial.

Joey Wallace referred the Board members to the proposed budget amendment included in the Board packets. Dean Bonney noted that he has been an active Chair and has been traveling more to the office of the ATLFA for meetings and that the line item for Board and loan committee expenses needed to be increased. Joey Wallace noted that funds from the marketing line item will be moved to increase the Board meeting line item by \$12,900. **A motion was made by Amy Odhner to approve the budget amendment to increase the line item for Board and loan committee meetings by an additional \$12,900. The motion was seconded by Mike Haydon and unanimously carried.**

Dean Bonney noted that the organization this year will spend \$513,000 and bring in \$128,000 for a loss of \$385,000 and is repeating this level of loss for the third year in a row. He noted with the reductions in the investment portfolio and the loss of the administrative funding provided by the Consumer Service Fund to administer the grant has created a spending crisis that can't be resolved with making structural changes in the way we do business. He noted that the Board will need to look at restructuring the organization with leaving no stone unturned and with all options on the table which could include possible elimination of positions. Dean Bonney noted that he would like to request that Amy Odhner review the current organizational structure and business model, review restructuring options with the help of a consultant, if needed, and report back to the Board in 2012. He also would like to request that the Board provide a budget line item of \$10,000 for this function. **Rose Ann Janis made a motion that the**

**Board approve a line item in the budget of \$10,000 for the restructuring analysis. The motion was seconded by Mike Haydon and unanimously carried.**

Joey Wallace briefly discussed the handout of the comparison of select data for the direct loans, booked SunTrust loans and cash receipts for Fiscal Years 2011 and 2012.

#### **Audit Report**

Jennifer Schreck, Audit Director from the Office of the Auditor of Public Accounts, presented the findings of the 2010 and 2011 audit report that was recently completed. She handed out a summary of the audit report and results. She noted that the audit did find one instance of noncompliance in information systems security and how access to applications is managed. She noted that the audit identified some opportunities for enhancement to the personnel policies and contracts to help minimize the potential appearance of impropriety in the day to day activities of staff. Ms. Schreck noted that she would be happy to answer any questions as the Board moves forward with the restructuring. Ms. Schreck noted that she would inform Mr. Kurcharski of the Board's decision to restructure and felt that he would be pleased since there has always been a tendency to erode the principal with having a federal mandate to live into perpetuity as he has pointed out in previous audit reports. Dean Bonney thanked Ms. Schreck for her presentation and looked forward to conferring with her on any issues as they move forward with restructuring.

#### **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 July through September 2011, reviewing 55 applications and approving 24 direct loans totaling \$256,427, and one approved guaranteed loan for \$30,000. This does not include the three non-guaranteed loans approved by SunTrust Bank totaling \$86,511. Christy Crowther noted that a loan activity summary report for the period July through September for FY 12 and a comparison for the same time period for FY 11 was included in the Board notebook and would be happy to answer any questions they might have. Ms. Crowther noted that approximately 50% of the loans are being approved as compared to 75% previously.

Dr. Wallace noted that notification was received from Richmond Community Foundation of the award of the \$25,000 grant from Sheltering Arms pending status of the 501(c)3 designation. He noted that one individual has been awarded a grant for hearing aids from the Richmond Eye and Ear Foundation grant.

Dr. Wallace reported that staff have been presenting or attending various events around the state, and included a list of activities in the Director's report provided to the Board members. Dean Bonney asked Dr. Wallace to provide an update on the agency head meeting that he had attended.

Dr. Wallace noted that a copy of the strategic plan with first quarter accomplishments was included in the notebook for their information. Dean Bonney requested that Dr. Wallace provide the top accomplishments during the first quarter. Dr. Wallace noted that an evaluation form and draft marketing calendar had been developed as well as decisions made on reducing bottlenecks in the loan application process.

### **Consumer Service Fund Legislation**

Dr. Wallace noted that the Consumer Service Fund (CSF) budget amendment submitted through DRS to Secretary of Health and Human Resources did not get approved. Dean Bonney noted that he, Sandy Prince, and Joey Wallace met with DRS Commissioner Rothrock to discuss the CSF and a budget recommendation was prepared that would give first priority to CSF funds to consumers transferring from institutions to community settings. Dr. Wallace noted that a CSF budget request was submitted by the Disability Commission to the Governor. Amy Odhner noted that she and Joey Wallace attended a meeting with Senator Saslaw and he was supportive of the CSF request. Joey Wallace noted that a schedule of meetings with the Senators and Delegates was included in the Board notebook. Rose Ann Janis noted that she had spoken with Delegate O'Bannon and he is interested in the CSF and wants to be involved. Rose Ann Janis noted that a meeting will be scheduled with Delegate Cox. Dean Bonney noted he attended a meeting with Delegate Hope and that Delegate Hope is willing to propose legislation to establish the CSF. Dean Bonney noted that meetings with others in the legislature need to be scheduled since they can also be co-patrons on a bill.

Dean Bonney noted that he had a meeting with the Executive Director of the Virginia Association of CSBs. He noted that our strategy should be to have consumers attend the budget hearings once meetings are scheduled around the state to speak on behalf of the CSF. Mr. Bonney requested that the dates be provided to the Board members once they are scheduled. Mr. Bonney noted that the Centers for Independent Living need to be contacted and ask if they have consumers who can speak at these hearings. Michael VanDyke noted that he has one consumer who has written a letter on behalf of the CSF and that this individual may be willing to speak at the hearings.

Dr. Wallace noted that he and Dean Bonney had been written a letter to the Governor regarding the CSF and included the letters of support from various state agencies and other disability organizations. Dean Bonney asked Joey Wallace to discuss the situation surrounding the reply from the Governor's office and the circuitous route of the letter. Dr. Wallace noted that the letter that was prepared by the Executive Director and Chair of the Board and sent to the Governor was routed to the Secretary of HHR for reply. The Office of the Secretary of HHR sent the letter to Jim Rothrock at DRS and then DRS sent the letter to Joey Wallace to prepare a response to the letter that was written by the Chair and Executive Director. Dean Bonney noted that Joey Wallace failed to notify the Board members that a request for response to the original letter written by the Chair and Executive Director was sent to him for response, and ultimately the letter that the Chair received from the Governor's office was written by Joey Wallace.

### **Loan Ratifications**

Rachel Baer, Assistant Attorney General, noted that she is in the process of reviewing the ratifications of loans by the full Board of Directors, but she does not have a final opinion on this issue. She noted that the legislation delegating loan review and approval to a loan committee was split on giving authority to the full Board versus the loan committee. Mike Haydon asked if the opinion from the Assistant Attorney General is that the full Board has to ratify the loans prior to final loan approval, can the Board meet with a minimum number of members. Mr. Baer noted that a quorum of the full Board will need to be in place which would be half of the members plus one. Dean Bonney requested that the Board give the Executive Committee the power to discuss and resolve the loan ratification issue with the Assistant Attorney General. **A motion was made by Amy Odhner that the Board give the Executive Committee power to discuss and follow the ratification issues with the Assistant Attorney General and**

**others to resolve the loan ratification process for the Board. The motion was seconded by Jay McLaughlin and unanimously carried.**

**Chairperson's Report**

Dean Bonney noted that it has been an active first quarter as Chair of the Board. He noted that Rose Ann Janis, Dack Axselle and he had formed the Executive Committee and the monthly meetings have been very positive. The meetings of the Executive Committee give the Board insight into the ATLFA organization since the full Board only meets quarterly. Rose Ann Janis noted that she appreciated Dean Bonney implementing the Executive Committee. Dean Bonney noted that he is pleased with strides made on the CSF and the possibility of getting a Department of Planning and Budget code without funding. Dean Bonney noted that he had sent an email to the Board members informing them of the proposed recommendations of the Executive Committee to be discussed at the full Board meeting. Dean Bonney noted that he is pleased with how the program staff have been operating on a day to day basis.

**NEW BUSINESS**

**2012 Meeting Dates**

Dean Bonney noted that meeting dates of 2012 need to be scheduled. Dean Bonney requested that Sandy Prince sent out the dates of the upcoming meetings. The scheduled dates are:

January 26, 2012  
April 19, 2012  
July 19, 2012  
October 18, 2012

**New Policies and Procedures**

Joey Wallace noted that policies and procedures had been developed as a result of the recent audit findings. He asked the Board members to refer to the action items provided in the Board notebook, and provided a brief summary for each action item noting the section of the employee handbook or fiscal procedures manual that the policy will be placed.

**Adoption of Hours of Work Policy**

**A motion was made by Mike Haydon to adopt the policy on hours of work for ATLFA employees as presented. The motion was seconded by Amy Odhner and unanimously carried.**

**Adoption of Outside Employment Policy**

**A motion was made by Amy Odhner to adopt the policy on outside employment as presented. The motion was seconded by Barb Ostrander and unanimously carried.**

**Travel Authorization Request Form**

**A motion was made by Amy Odhner to adopt the travel authorization request guidelines as presented. The motion was seconded by Michael VanDyke and unanimously carried.**

**Emergency Office Closing Guidelines**

**A motion was made by Rose Ann Janis to adopt the emergency office closing policy as presented. The motion was seconded by Amy Odhner and unanimously carried.**

#### Performance Planning and Evaluation

**A motion as made by Amy Odhner to adopt the performance planning and evaluation policy as amended to change the date from December 1 to November 30. The motion was seconded by Rose Ann Janis and unanimously carried.**

#### Standards of Conduct

**A motion was made by Rose Ann Janis to adopt the standards of conduct policy as presented. The motion was seconded by Amy Odhner and unanimously carried.**

#### Internal Database Password Protection

**A motion was made by Amy Odhner to adopt the policy on internal database password protection as presented. The motion was seconded by Mike Haydon and unanimously carried.**

#### Lender Agreement

Rachel Baer noted that she has reviewed and approved the lender agreement, but Section 2 of the agreement may need to be changed based upon the loan ratification decision. Once the opinion has been received from the Office of the Attorney General regarding loan ratifications, the lender agreement will be changed accordingly. Dean Bonney noted that no action needs to be taken on the lender agreement at this time.

Rachel Baer also noted that she has reviewed the reporting options for the ATLFA and that if the ATLFA wanted to share resources with other states agencies, a Memorandum of Understanding (MOU) would need to be in place. She noted that the purpose and mission of the ATLFA is defined in the Code of Virginia as well as for each state agency. Jennifer Schreck noted that if a Memorandum of Understanding is implemented, internal controls need to be identified and authority given to other agencies as to the implementation of the internal controls. Dean Bonney asked Ms. Schreck if there is a model MOU that could be shared. Ms. Schreck noted that they cannot provide this type of document to organizations, but that the Department of Accounts could provide assistance on a model MOU.

#### Non-Profit Status

Rachel Baer noted that she has reviewed the application with Joey Wallace and Sandra Prince. Ms. Prince noted that a summary of the issues with the original application submission to the IRS is included in the Board notebook along with a copy of the application. Rachel Baer noted that any grants or donations to the ATLFA are tax exempt under the current 501(c)3 status. Dean Bonney asked if the organization could continue with the grants that were received from the Richmond Eye and Ear Foundation. Ms. Baer noted that the organization is currently a 501(c)3 non-profit organization and will continue to be exempt unless the IRS changes the designation. Ms. Baer noted that the ATLFA can surrender the 501(c)3 status or file a new application with the IRS to update the status. **A motion was made by Amy Odhner that staff begin to prepare an application update to the IRS and that the Board give power to the Executive Committee to review and submit the application to the IRS. The motion was seconded by Mike Haydon 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.

Dean Bonney, 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, Janis, VanDyke, McLaughlin, Haydon, Bonney

Nayes – None

#### **Public Accounting Position**

Dean Bonney noted that the Executive Committee had discussed the need to update the accounting function. He noted that a part-time CPA could be hired for 10 to 15 hours per week on a contract basis. Rose Ann Janis noted that the hourly rate would be around \$30.00-\$35.00 per hour. She noted that the current Financial Director duties would be split between a Financial Director and Bookkeeper and would strengthen the organization's internal controls. **A motion was made by Mike Haydon to create a part-time CPA position for organizational accounting. The motion was seconded by Amy Odhner and unanimously carried. A motion was made by Amy Odhner that the Board give the Executive Committee the approval to hire the CPA for the part-time contract position. The motion was seconded by Barb Ostrander and unanimously carried.**

#### **Executive Director Contract Template**

Dean Bonney noted that a template for the Executive Director contract has been developed based on the existing contract and that no action needs to be taken at this time.

#### **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.**

**Dean Bonney, 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, Janis, VanDyke, McLaughlin, Haydon, Bonney  
Nayes – None**

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

Dean Bonney informed Dr. Wallace that the Board had made an executive decision that they no longer needed his services as the Executive Director of the Assistive Technology Loan Fund Authority and would be terminating his contract.

**A motion was made by Amy Odhner that the Board give the Executive Director, Joseph Wallace, notice that the Board intends to terminate his employment contract as of 31 December 2011 and authorizes the Board Chair to issue a written notice to Joseph Wallace stating this his contract will be terminated as of 31 December 2011. The motion was seconded by Mike Haydon and carried. Jay McLaughlin abstained.**

**A motion was made by Amy Odhner that the Board relieve the Executive Director of his duties effective immediately. The Executive Director is no longer authorized by the Board to represent it or the ATLFA. The Executive Director will continue to receive full pay prior to the termination of his employment contract on 31 December 2011. The motion was seconded by Mike Haydon and unanimously carried.**

**A motion was made by Rose Ann Janis to appoint Sandra Prince as Acting Executive Director effectively immediately. The motion was seconded by Mike Haydon and unanimously carried.**

**A motion was made by Amy Odhner to delegate authority to the Chair to further negotiate the terms of the termination of Joseph Wallace. The motion was seconded by Mike Haydon and unanimously carried.**

**Dean Bonney adjourned the meeting at 1:50 PM.** The next Board meeting is scheduled for January 26, 2012 at the ATLFA, 1602 Rolling Hills Drive, Richmond, Virginia.