

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

MINUTES ADOPTED BY BOARD OF DIRECTORS ON AUGUST 8, 2012

April 19, 2012

MEMBERS PRESENT

Dean Bonney, Chair, via conference call
Rose Ann Janis, Treasurer
Dack Axselle, Vice-Chair
Amy Odhner
Keri Hughes
Michael VanDyke
Barb Ostrander
Mike Haydon
Juan Martinez
Ron Lanier

ABSENT

Jay McLaughlin

ALSO PRESENT

Sandra Prince, Acting Executive Director
Rachel Baer, Assistant Attorney General
Christy Crowther
Joe Stepp, Financial Director

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 April 19, 2012. Dack Axselle, Vice-Chair, called the meeting to order at approximately 9:05 AM.

Dack Axselle, Vice-Chair, noted that Dean Bonney, Chair, would be attending the meeting via conference call due to an immediate emergency of a family member that required his presence last night. **A motion was made by Amy Odhner that Dean Bonney, Chair, be allowed to attend the meeting via conference call and his vote to be counted on any action taken as allowed under Section 2.2-3708.1(A)1 of the Virginia Freedom of Information Action. The motion was seconded by Mike Haydon and unanimously carried.**

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

Dack Axselle, Vice-Chair, asked Board members to review the minutes of the January 26, 2012 meeting as presented. Mike Haydon noted that he should be included in the list of members present for the meeting and Ron Lanier noted on page three that the word "kneel" should be "keel". **A motion was made by Amy Odhner to approve the January 26, 2012 minutes with corrections as noted. The motion was seconded by Juan Martinez and unanimously carried.**

PROGRAM

Old Business

No old business to be brought forward.

Presentation of Plaques

Dack Axselle, Vice-Chair, presented plaques to Amy Odhner, Mike Haydon and Juan Martinez honoring their time and commitment to the Board for eight years as their terms expire on June 30, 2012. The three Board members are not eligible for reappointment. Mr. Axselle highlighted accomplishments of each Board member as a plaque was presented to them.

Financial Report

Joe Stepp, Financial Director, requested that Board members refer to the statement of net assets as of March 31, 2012 and statement of revenues and expenditures from July 1, 2011 through March 31, 2012 with comparative information for 2011 provided to them in the Board packets. Mr. Stepp discussed the line items of the net assets and statement of revenues and expenditures. The total net assets as of March 31, 2012 are \$10,556,946. Loans receivable as of March 31, 2012 are \$1,357,159. He noted that the investment income is still low due to the historically low interest rates.

The actual net expenditures in excess of revenues as of March 31, 2012 were negative \$195,558. Mr. Stepp discussed the comparison of loan data with graphs that were provided in the Board packets. He noted that for the first three quarters of FY 12, 54 direct loans were booked totaling \$451,722 and 11 SunTrust loans were booked totaling \$313,299. Mr. Stepp also provided a chart of the summary of the most recent direct loan payments as of April 19, 2012.

Rose Ann Janis, Treasurer, thanked Mr. Stepp for the well presented information and the new formatted financial statements, graphs and charts. **A motion was made by Amy Odhner to accept the financial statements as presented. The motion was seconded by Mike Haydon and unanimously carried.**

ATLFA Loan Program Data

Sandra Prince, Acting Executive Director, provided the Board with an update on loan program data included in the Board notebooks. She noted that included under the loan program data is the loan activity summary report since the January 26, 2012 Board meeting through the April 18, 2012 loan committee. She also noted that a chart noting the referral source of applications was included as requested at the last Board meeting, resulting in about half of the referrals from vendors and the next highest referrals from the Centers for Independent Living. Ms. Prince also discussed updates on special initiatives/legislative activity, agency administration and marketing events since the last Board meeting.

Ms. Prince noted that staff will be exhibiting at Care Connections for Children on April 28, Centers for Independent Living Conference on May 1-2, and the Durable Medical Equipment Vendors conference on July 19-20. Dean Bonney, Chair, will represent the loan program at the Remote Area Medical in Wise County in July.

NEW BUSINESS

Reorganization Update

Amy Odhner, Chair of the Reorganization Committee, noted that a corrected copy of the consultant report was included in the Board packets. Amy Odhner discussed the results of the meetings held with Floricane and the outcomes of each meeting. She noted that stakeholders were interviewed as well as the Acting Executive Director to gather their input into the mission and restructuring of the organization. Ms. Odhner noted that the committee was leaning toward the option of not hiring an Executive Director, and use the Acting Executive Director and Lead Program Manager option. She also noted that they did not feel that the timing was right for fund raising due to the economic times with difficult investment and finance environments and that fund raising could begin later after the economic picture improves. **After discussing the pros and cons of the report, a motion was made by Mike Haydon that the Board adopt the option of not hiring an Executive Director at this time, and that the Board review the options again in July 2013. The motion was seconded by Barb Ostrander and unanimously carried.**

Legislative Code Change for Loan Committee

Sandra Prince noted that a copy of the legislation that has been signed by the Governor is included in the Board packets. Ms. Prince stated that the language regarding ratification of loans by the full Board at its next regular meeting had been removed and loan committee of six members had been added.

Update on 501(c)3 Attorney

Sandra Prince noted that Williams Mullen had provided an opinion on updating the application to the IRS and is included in the notebooks. She noted that she and Rachel Baer, Assistant Attorney General, met with Williams Mullen to discuss the application update and to provide additional documentation to them. Based on the opinion, a letter to the IRS noting any changes in the *Code of Virginia* and bylaws is required to be submitted. Ms. Prince noted that a draft letter has been sent to Williams Mullen for their review and submission to the IRS.

Draft Lender Agreement

Sandra Prince, Acting Executive Director, noted that a copy of the draft lender agreement was included in the Board notebook. Ms. Prince noted that approval of the draft lender agreement was tabled pending the outcome of the General Assembly legislation. Rachel Baer, Assistant Attorney General, noted that she reviewed the draft lender agreement again as a result of the legislative change that has now been signed by the Governor. She noted that a few minor changes in wording had been made in addition to the change in the loan committee section of the lender agreement. **A motion was made by Amy Odhner to adopt the draft lender agreement as presented with the proposed changes. The motion was seconded by Keri Hughes and unanimously carried.**

Adoption of 2013 Budget

Joe Stepp, Financial Director, noted that the proposed 2013 budget along with the comparison of the 2012 budget was included in the Board notebooks. Mr. Stepp noted that interest income on direct loans was increased and that investment income was decreased due to the low interest rates. Keri Hughes asked where could the funds be invested and what would be required to allow funds to be invested in other investments not approved by Treasury. Sandra Prince stated that an opinion had been received from the former Assistant Attorney General regarding investment options and noted that she would provide a copy of the letter to Ms. Hughes. Joe Stepp also noted there are

decreases in line items from last year's budget in loan services, payroll and benefits and general and administrative with an increase in the marketing line item. **After discussion, a motion was made by Rose Ann Janis to adopt the FY 2013 budget as stated. The motion was seconded by Amy Odhner and unanimously carried.**

Election of Officers

Amy Odhner presented the following slate of officers for FY 2013 as selected by the Nominating Committee:

**Dean Bonney, Chair
Dack Axselle, Vice-Chair
Rose Ann Janis, Treasurer**

Dack Axselle, Vice-Chair, asked for nominations from the floor. **There being none, a motion was made by Keri Hughes to accept the slate of officers for FY 2013 as presented. The motion was seconded by Mike Haydon and unanimously carried.**

Loan Policy for MAP 225

Sandra Prince, Acting Executive Director, noted that the proposed policy for issuing loans to the Department of Medical Assistance Services' (DMAS) approved Medicaid adjusted program (MAP) 225 recipients residing in nursing facilities was again included in the Board packets. This policy was discussed at the January meeting and Keri Hughes was researching whether you could charge a loan application fee and processing fee if you don't charge interest. Keri Hughes noted that the loan application fee and processing fee can be charged by the ATLFA and that part of the fees should be allocated as minimal interest. **After discussion, a motion was made by Amy Odhner to adopt the loan policy for MAP 225 loans as presented. The motion was seconded by Barb Ostrander and unanimously carried.**

Policy for Paid Time Off

Joe Stepp, Financial Director, noted that the proposed policy for paid time off was included in the Board notebooks. Mr. Stepp stated that the Executive Committee had requested that the current leave policies be reviewed. He noted that the current leave policies are very similar to the traditional state leave policies except ATLFA employees can only carry over a very limited amount of leave (5 days) to the following year. The proposed policy would provide for one bucket of leave that can be used during the year, and at the end of the year, employees would be eligible to receive pay for up to five days of unused leave. Any unused leave remaining above the five days would be lost. The proposed policy would be retroactive to January 10, 2012. **After discussion, a motion as made by Amy Odhner to adopt the leave policy as presented. The motion was seconded by Mike Haydon and unanimously carried.**

Policy for Pay Bands

Joe Stepp, Financial Director, noted that the proposed pay bands for the ATLFA employees were included in the Board notebooks. He stated that the Executive Committee had requested a review of the positions within the ATLFA in order to bring the positions in line with industry standards by using some type of pay bands or salary ranges for each position. He stated that the proposed pay bands were developed using the Commonwealth's current pay band structure and were classified according to the duties of the positions within ATLFA. **After discussion, a motion was made by Amy Odhner to adopt the pay bands for ATLFA employees as presented. The motion was seconded by Keri Hughes and unanimously carried.**

Policy for Debt Forgiveness

Sandra Prince, Acting Executive Director, noted that the current policy of forgiving loans as outlined in the AFP/Teletwork Loan Manual needed to be corrected. She noted that the current policy states that the Executive Director can forgive loans based on certain criteria, but the ultimate responsibility of forgiving loans rests with the full Board of Directors. The proposed change in policy notes that the Board of Directors will consider any loans for forgiveness based on certain criteria. Keri Hughes noted that forgiven loans may need to be reported to the IRS. Sandra Prince noted that in the past any loans that were forgiven were not reported to the IRS. Keri Hughes noted that she would research the changes in IRS reporting and provide an update at the next loan committee meeting. **After discussion, a motion was made by Amy Odhner to change the policy outlined in the loan manual for debt forgiveness as presented. The motion was seconded by Keri Hughes and unanimously carried.**

CLOSED SESSION

Amy Odhner made the following motion to go into 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, and A(7) to consult with counsel. Additionally I move that Rachel Baer, Assistant Attorney General, and Sandra Prince, Acting Executive Director and, if necessary, staff members Christy Crowther and Joe Stepp, 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

Dack Axselle, Vice-Chairperson, convened the Board meeting in regular session.

Dack Axselle, Vice-Chairperson, state 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 – Axselle, Odhner, Ostrander, Janis, VanDyke, Hughes, Bonney, Lanier, Haydon, Martinez

Nayes – None

A motion was made by Keri Hughes that the Board ratify the 53 pending 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 the Board forgive the two loans in the amounts of \$2,392 and \$4,036 and to waive late fees and penalties on one loan in the amount of \$5,153. The motion was seconded by Mike Haydon and unanimously carried.

A motion was made by Rose Ann Janis to hire Joe Stepp, Financial Director, as permanent part-time employee. The motion was seconded by Mike Haydon and unanimously carried.

A motion was made by Rose Ann Janis to adopt the proposed salary increases for employees effective July 1, 2012 as presented. The motion was seconded by Keri Hughes and unanimously carried.

Dean Bonney, Chair, noted that the service of Amy Odhner, Juan Martinez and Mike Haydon on the Board has been exemplary and thanked them for their time and commitment.

Dack Axselle, Vice-Chair, adjourned the meeting at 12:15 PM. The next Board meeting is scheduled for July 26, 2012 at the ATLFA, 1602 Rolling Hills Drive, Richmond, Virginia.