



Building Communities, One Vermont Business at a Time

Mailing address: PO Box 342, Barre, VT 05641
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www.communitycapitalvt.org

Community Capital of Vermont Board of Directors

Full Board Meeting Minutes

June 20, 2018, 4pm – 6pm

Location: Capstone Community Action, 20 Gable Place, Barre, VT

Attending: Ela Chapin, Dave Keenan, Hope Crifo, Mary Niebling, Peggy Henry, Peter Hood, Chris Bailey, Karen Winchell, Trish Sears (Phone), Rich Grogan (CCVT Staff)

Regrets: Tyler Richardson, David Chevalier, Kate Whelley McCabe

Early Departure: Peggy Henry

I. Review & Accept Minutes

Est. 5 minutes

- a. Motion to approve April 2018 minutes – *Peter*, Second – *Hope*, Abstentions – *Karen*, Motion approved, unanimous

II. Executive Director Updates

Est. 15 minutes

- a. Executive Director provided updates to the Board regarding CCVT operations, funding sources, and lending capital.

III. Board Discussions

Est. 60 minutes

- a. Executive Director shared revised annual budget & projections for remainder of the year
- b. Fundraising plan discussion
- c. Executive Director recommends re-casting “Loan Officer” position to “Junior Lender” or “Credit Analyst” position. Board support for this position.
- d. Board discussion regarding Management Letter portion of the CY 2017 audit

IV. Executive Session:

Est. 15 minutes

- a. Motion to enter Executive Session – *Mary*, Second – *Peter*, Motion approved, unanimous



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- b. Motion out of Executive Session – *Mary*, Second – *Karen*, Motion approved, unanimous

V. **Public Comment:**

Est. 5 minutes

- a. Allowance for public comments

VI. Adjourn

2018 Meeting Dates:

Executive Committee:

- September 5, 4pm
- October 31, 4pm

Full Board:

- September 19, 4pm
- November 14, 4pm [Note: Annual meeting, please allow 3 hours]

VII. **Review & Accept Minutes**

Est. 5 minutes

- a. Approve meeting minutes from September 2017, and January & February 2018.
1. Motion to approve September 2017 minutes – *Peggy*, Second – *Tyler*, Abstentions – *Trish, Chris, David, Kate* – Motion approved, unanimous.
 2. Motion to approve January 2018 minutes – *Peggy*, Second – *Mary*, Abstentions – *Chris* – Motion approved, unanimous.
 3. Motion to approve February 2018 minutes – *Peter*, Second – *Peggy*, Abstentions – *Trish, Mary* – Motion approved, unanimous.

VIII. **Executive Director Updates**

Est. 15 minutes



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- a. Rich to provide summary of recent activities, and major events on the horizon
 1. Will continue to share weekly updates so that Board meetings can focus on high level topics
 2. Time spent: Getting up to speed, getting to know CCVT staff (i.e., challenges, opportunities, what about the mission drives them)
 3. Stakeholder engagement – on the agenda later, but will look for the Board to assist with a list. Rich has already met with SBA and USDA, who are high on the list.
 4. Bringing technology as a topic to the Board: Working with Eleanor to walk through technology / potential upgrades.
 5. Discussion of compliance issues with reporting – particularly with CCVT’s Federal CDFI award. Major priority to get caught up on reports.
 6. Funding update: CCVT has operating funds available from State of VT, and a potential grant from Granite State Development Corp (earmarked for upgrading DLM software).
 7. Hiring: Hiring a new loan officer, and Hope is serving with Rich on a hiring committee.
 8. Professional development: Mary & Hope discussed opportunities for professional development / training, potentially using third-party trainer and partnering with another organization to split the cost.

- b. Board document sharing & posting

Discussion of using BOX for Board docs, and Loan Committees.

IX. CCVT Loan Portfolio, Heather Hurlbert, Loan Officer

Est. 40 minutes

- a. Discussion of CCVT’s overall loan portfolio
- b. Discussion of credit quality of the portfolio / credit quality committee

Rich:

1. Executive Committee expressed an interest in getting back to sharing about portfolio at Board meetings.
2. Tonight is a starting point for future conversations – would like feedback on whether this is a useful format.
3. CCVT staff prepared information today at the aggregate level.



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4. Discussion of roll forward report – the challenges, and internal work to combine this report with fund “grid” that explains funder intent. The goal is to get to *one* document that will be easy to use, and it will be less “manual” of a process when making a loan.

Heather:

1. Heather explains that she is sharing a list of all of our active loans as of the end of the previous week. This includes borrower name, current balance, date loan closed, loan rate, reserve %.
2. CCVT has 131 active loans.
3. Discussion about restrictions on certain funds; particularly SBA & USDA, which make up about 80% of CCVT funds.
4. Questions & Comments:
 - Suggestion that CCVT can work with larger deals by approaching banks to let them know what roles we can play.
 - Need to continue to have the conversation about appropriate loan size, and what is the right size for CCVT?
5. Next conversation is about the “watch list,” and CCVT’s internal process for discussing these at staff meetings.
 - Question RE staying on top of the watch list borrowers – Leah staying in touch, BAS services.
 - Heather presents peer data (other CDFIs) suggesting that CCVT is with the “average” range of defaults for CDFIs nationwide.
6. Last piece is a map of the state with percentage of loans / county, and request to map this based on population and proportion of businesses @ aggregate level.

Comments / Suggestions:

1. Update the loan committees on loans that they approve that get into trouble...in the spirit of continuous improvement.
2. Want the loan committee members to feel like they are part of the organization, and giving some CCVT updates and loan updates might help that.
3. Heather reminds everyone that staff are working on an event to try to get loan committee members together with CCVT staff and Board members.
4. Request to see industry segmentation / concentration.
5. Request to think through whether / how Board members might visit borrowers on a regular basis. Heather suggests that we need to find out



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which clients have a release form signed to ensure no confidentiality violations.

X. Executive Session:

Est. 15 minutes

Motion to go into Executive Session made by *Mary*, Second – *Peter*. Motion approved, unanimous.

[Following Exec Session] Motion to authorize the Chair of the Board to sign the agreement approving a settlement up to \$15,000 with letter of reference approved by the Executive Committee – *Trish*, Second – *Peter*. Motion approved, unanimous.

XI. Board discussions:

Est. 40 minutes

a. Prioritization of key stakeholders for ED

Prompt: Would be helpful for Rich to know the key stakeholders to meet, given a new environment (VT).

Tyler – EDCs have a monthly meeting (he can connect)

Mary – Micro business development counselor regular meetings (Mary will keep Rich in mind for the agenda). Joe Bradley @ VEDA. Rob Miller @ VSECU (Mary has forwarded Rich notes about a previous meeting she had with him).

Dave – Meet SBDC business advisors throughout the state.

Trish – Mike Marcotte, House Econ Dev Co-Chair. Liz Gamache @ VT Community Foundation.

Chris – Slow living VT folks (he will connect). Strolling of the Heifers folks (he will connect).

Kate – new nonprofit in Burlington called “Generator,” and these are tech and manufacturing businesses. She can connect.

b. Discussion of opportunity to expand BAS program & additional SBA funding



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Rich described the opportunity for 2018 SBA funding at BAS. First, CCVT may need to de-obligate funds from current year grant, but SBA intends to give CCVT *additional* funds in the next year. Rich has kept SBA apprised of the reasons why CCVT hasn't used our funds this year.

c. Discussion of COI policy & lending

Rich shared that CCVT has made loans internally, and relayed details of a pre-meeting conversation with Ela regarding the strengths and weaknesses of the current policy.

Two action items:

1. Rich to add language to COI policy before June meeting that establishes clear black and white guidelines against lending to staff or contractors.
2. Board members, loan committee members, staff members to review COI annually and sign.

No formal motions, but general agreement on these items expressed by Board members present.

d. USDA IRP funds for Orleans, Essex, Caledonia Counties

Rich to reach out to Jon Freeman to find out how CCVT can complement NCIC's IRP funding. Regardless, general support, and agreement around the table that the Board already voted to sign off on this award.

Next step: Rich to share summary of conversation with Jon Freeman to Board members following meeting on May 2nd.

XII. Public Comment:

Est. 5 minutes

a. Allowance for public comments

Dave Keenan serving as chair in Ela's absence (left early), notes that no members of the public are in attendance, so no public comments are solicited.



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XIII. Adjourn

Adjourned at 5:50pm.

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- September 5, 4pm
- October 31, 4pm

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- September 19, 4pm
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