



110 Marble Street, West Rutland, VT 05777
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Board of Directors Meeting

Date 2/9/22

Location Zoom

Present: Karen Bartlett, Gabe Gladding, Jen Yakunovich, Keri Franzoni, Melinda Humphrey, Peg Flory

Absent: None

Staff Present: Heather Starzynski, Tania Ezzo, Liz Karle

Guest: Liz Weinmann

- Jen called the meeting to order at 5:31 and established the existence of a quorum.
- Tonight's meeting started with comments from everyone to help transition from "work mode" to "meeting mode." All board, staff, and guests participated.
- **Proposed Changes to the Agenda:** Jen proposed change to move the PROMPT discussion to earlier in the agenda and executive session to discuss personnel issues.
- Peg motioned to approve minutes from January meeting, seconded by Melinda. Motion passed unanimously (Karen Bartlett did not vote as she had not yet joined meeting).
- **Keri and Liz presented the monthly financial review from our Finance Committee:** The Finance Committee met this month. Keri thanked Liz for help educating the board on the organization's financials. Right now, there is a small surplus projected for the year. We are waiting to hear on ARPA funding for 2022. Program expenses will come out of operating cash if we don't get the funds. The number of days of reserve has crept up to 399 at the end of 2021 but are being spent down. Liz is expecting a change to reserve due to write off recommendations, timing of grants, refunds and uncertainty of ARPA funds. May have to revise the budget if no movement on budgeted grants. Our debt-to-equity ratio is great. Liz wants to make sure she hands off a well-structured budget. Jen pointed out that finance committee minutes show meeting date of 12/21, which is not correct, and will be fixed. Jen wished Liz the best and thanked her for her service. She reiterated that there is a plan in place for moving forward. Liz left meeting.
- **Lending Committee Update** - Tania said the first loan committee meeting of 2022 was held and went well. New workbook is provided to all loan committee members and is hopefully helping them to better understand the activity of the Lending Department. Tania and her team are trying to restructure write offs and bankruptcies. Currently 10 loans being recommended for write offs, 5 due to bankruptcy. Tania explained how they come to the recommendation of write off vs hold. Loan committee minutes need to be corrected to show 10 not 9 loans for write off. Peg asked if bankruptcies are all Chapter 7. Heather said she believed so, they are getting a confirmation, but all loans are residential and not business loans. Heather also explained that with the write off we keep position on title so if the property sells down the road, we could potentially get funds back at that



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point. Tania explained that the risk rating column reflects score based on criteria at the time the loan was issued. Loan policy (page 30) shows what goes into the calculations. Karen asked if we are required to issue forgiveness of debt for unsecured debt. Heather said Liz could answer that if she was still here, but that the auditors have not noted if we are failing to do something. Karen pointed out we could argue management point if auditor brings an issue with so many write offs. It was recommended we write off the 10 loans as presented by the loan committee. Peg motioned to approve recommendation, seconded by Melinda. Motion passed unanimously. Tania presented several loan policy changes, mostly rewording or clarifying processes. Some language being removed due to grant agreement. Major change is that we're recommending home repair loan be increased to \$40,000, due to increased cost of materials. Heather strongly encouraged us to read loan policies, provides us with details on Tania's job and how loans approved. Tania has spent an incredible amount of time on them. Jen motion to approve changes, Melinda seconded. Motion passed unanimously.

- **Governance Committee Update** – The committee met to discuss the nominating, onboarding, and orientation process. Not a lot of changes, mostly clarifications to nominating process. The nomination form is completed by board member, but staff can submit nominees as well to the leadership team. Form is given to the Governance Committee who will then follow the appropriate process. Candidate is then presented to the board and an official vote will take place. Keri suggested we develop an exit path for someone who is not approved. Nominating forms and board application forms will be on board portal for us to access. Board orientation (hopefully orientation will be in person in future) will be a brief intro to organization whereas onboarding is a longer process. Keri suggested that nominator could be the “board buddy” for new member.
- **Generative Discussion** – Jen explained what generative discussion is and why it's important for the board to engage. Our last generative discussion was when we asked ourselves if we wanted to merge with another organization. Generative discussion does not mean we will always leave with answers or with the issue resolved. Tonight's question is: We need to expand board, who do we need at the table? Lived experiences count, but how do those experiences benefit the organization? Melinda suggested going outside Rutland County, gender and age group could be targeted areas. Keri asked if matrix should be looked at for holes, or if those holes should be filled because that benefits us. She also pointed out someone in Social Services would connect us to our client base. Jen pointed out our investment column, how best to use money, could someone in that column point out lending sources we are missing. A real estate connection (not necessarily a realtor) was suggested by Heather. She asked we think about gaps in sustainability of strategic plan. We don't just want to check boxes on matrix, we need to think strategically about gaps. Think broadly and make connections. Don't worry if they have board experience. Also do they fit the board culture. What is the board culture we want? Due to time constraints we had to move on from generative discussion.



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- **OAD and PROMPT Review** - As we prepare for our individual board interviews with Mia, we need to be comfortable with loan polices, financials, access to board portal committee descriptions. Executive Director review is done annually, Heather's review will be later this year.
- Jen motioned to move into executive session, Melinda seconded, motion approved unanimously.

Meeting adjourned after executive session at 7:57.