

## **Board Meeting Minutes**

February 4, 2022

Via Zoom

The board joined the CU Staff for All Hands Conference Call for stories from the field.

**Call to Order** at 10:16 a.m.

**Board Members Participating:** Chris Page, Billy Hix, Wayne Fawbush, Dominique Gomez, Donna Kay Yeargan, Debby Warren, Max Sprinkle, Salomon Torres

**Staff Members Participating:** Bryn Bagwell, Elaine Crutchfield, Kim Griffey, Scott Wallace, Ines Polonius

**Other Participants:** Karl Eck of the audit firm, WIPFLI

**Approval of Minutes** from Meeting November 5, 2021. Donna Kay Yeargan moved to approve the minutes. Billy Hix seconded the motion. The minutes were approved unanimously.

### **FY2021 Audit**

Karl Eck of WIPFLI presented the audit to the board. The auditors provided an unmodified opinion with no findings. Wayne Fawbush moved to approve the audit as presented. Debby Warren seconded the motion. The audit was approved unanimously.

### **Financial Report** through December 31, 2021

CU's CFO, Kim Griffey, presented the FY2022 financial report through December 31, 2021. The organization has grown to \$25 million in total assets with healthy liquidity. Max Sprinkle moved to accept the financial statements. Billy Hix seconded the motion. The financial report was accepted unanimously.

### **Limited English Proficiency Policy**

Dir. of Research and Support Services, Elaine Crutchfield, presented CU's new LEP policy now required by a number of federal agencies. Given the analysis conducted by Elaine, CU is only subject to providing critical documents in Spanish. Debby Warren moved to approve the new LEP Policy for implementation within 60 days. Donna Kay Yeargan seconded the motion. The LEP Policy was approved unanimously.

**Resolutions for USDA Applications:** The following three resolutions were approved with one motion but listed separately for inclusion in federal applications:

1. **USDA RBDG Board Resolution - Arkansas:** CU is making a federal grant request for the Rural Business Development Grant for \$98,000 requires a match of \$35,000. Donna Kay Yeargan moved to approve the resolution. Max Sprinkle seconded the motion. The Board Resolution was approved unanimously.
2. **USDA RBDG Board Resolution - Texas:** CU is making a federal grant request for the Rural Business Development Grant for \$98,000 requires a match of \$35,000. Donna Kay Yeargan moved to approve the resolution. Max Sprinkle seconded the motion. The Board Resolution was approved unanimously.

3. **USDA RCDI Board Resolution:** Federal Grant Request for the Rural Community Development Initiative for \$250,000 requires a match of \$250,000. Donna Kay Yeargan moved to approve the resolution. Max Sprinkle seconded the motion. The Board Resolution was approved unanimously.

### **Report on Affirmative Action Plan**

HR Coordinator, Scott Wallace, informed the board about Executive Order 11246 requiring CU to take affirmative measures or make good faith efforts to ensure proportionate and equitable representation of minorities & females at all levels of the organization. The board reviewed CU employee demographics and noted that the percentage of African Americans, Native Americans, veterans and individuals with disabilities exceed the national population percentages. The report from Office of Federal Contract Compliance Programs (OFCCP) concluded that there are no groups with significant adverse impact. The plan for FY2022 did not require any specific recruiting goals. CU contracted with a new affirmative action consultant, Outsolve, to evaluate CU and provide the report. The HR Coordinator reported that CU will return to its former consultant who was more responsive while not under contract than the paid firm.

### **Lending Report**

Director of Lending, Bryn Bagwell, reviewed the quarterly lending report through December 31, 2021. She alerted the board to the CDFI Fund Compliance issue resulting from CU not meeting its Environmental Lending goals as proposed at the time of application. The compliance issue was cured by the deadline on January 31, 2022. Ms Bagwell also alerted the board that she was hiring an attorney specializing in lender liability to educate her team and the Entrepreneurship Team on matters that could lead to a lender liability issue.

### **Strategic Plan**

The CEO reviewed the second draft of the Strategic Plan with the board. This draft included 3 strategic goals whose objectives were detailed by the Senior Leadership Team. The plan is scheduled to be completed by March 2022.

### **FY2021 Metrics**

In preparation for the evaluation of the CEO, she reviewed the metrics by program for FY2021, highlighting the impact of the Payroll Protection Program loans on the lending metrics.

### **Executive Session:**

The board opened an executive session at 3:00 p.m. through a motion by Dominique Gomez, seconded by Max Sprinkle. The purpose of the executive session was the annual evaluation of the CEO. Executive session was closed with a motion by Debby Warren, seconded by Wayne Fawbush at 3:42 p.m.

### **Evaluation of the CEO**

The board chair summarized the performance feedback by the board of directors to the CEO. While in executive session, the board approved a 6% salary increase for the CEO effective March 1, 2022.

### **Policy Monitoring by CEO**

Summary of Compliance: The CEO confirmed that Communities Unlimited is in compliance with the three policies monitored below and compliance has been documented.

- Financial Planning and Budgeting Policy
- Financial Condition and Activities Policies

- Emergency Chief Executive Office Succession Policy

**Policy Monitoring by Board**

The board monitored each policy. The board concluded that it was acting in compliance with the following four policies monitored:

- Accountability of the Chief Executive Officer
- Agenda Planning Policy - New
- Chairman's Role Policy
- Board Committee Principles Policy

**Dates for 2022 Board Meetings** virtual/in person

2<sup>nd</sup> Quarter - Fayetteville office – May 20, 2022. COVID permitting

3<sup>rd</sup> Quarter - Site visit September 8<sup>th</sup> travel date / September 9<sup>th</sup> Meeting date. Amarillo/ Panhandle

4<sup>th</sup> Quarter - Zoom – November 4<sup>th</sup> - Approval of FY2023 budget

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Billy Hix, Secretary/Treasurer

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Date