

Board Meeting Minutes

December 16, 2022

Via Zoom - **DRAFT**

The board joined the Communities Unlimited staff for its All Hands Conference Call

Call to order of board business meeting at 10:16 a.m.

Approval of Minutes: Minutes for meeting on September 9, 2022. Debby Warren moved to approve the minutes. Wayne Fawbush seconded the motion. The minutes were approved unanimously.

Carolyn Haley, Program Associate responsible for supporting CEO in organizing board meetings, introduced herself to the board

401K Trustee Annual Report: Tommy Ricks in his function as chair of the 401K Trustees reviewed the list of trustees with the board. He reported that CU has 96% participation with 76 of 79 eligible employees participating for total portfolio of \$6.4 million. Billy Hicks moved to accept the trustees' annual report. Wayne Fawbush seconded the motion. The report was accepted unanimously.

Financial Report for FY2022: Kim Griffey, CFO, reported on financial statements for the fiscal year 2022. She highlighted that the organization had grown to total assets of \$26 million with \$9.1 million available for lending. Salomon Torres moved to accept the financial report. Max Sprinkle seconded the motion. The financial report was accepted unanimous.

Budget for FY2023: Kim Griffey reviewed the program and total organizational budget for FY2023 with the board. She explained that several of the grants for RCAP for FY2023 had not been announced and sub-agreements were not yet available and will change the budget. Billy Hix moved to approve the budget for FY2023. Donna Kay Yeargan seconded the motion. The budget for FY2023 was approved unanimously.

Lending Policy Annual Review: Bryn Bagwell, Director of Lending, highlighted the minor suggested changes for the CU Loan Policy. Donna Kay Yeargan moved to approve the changes and the new Lending Policy. Wayne Fawbush seconded the motion. The Loan Policy was approved unanimously.

Lending Report: Bryn reviewed the quarterly lending report. She reported a new process for analyzing loans that must be written off so that loan officers can learn from the circumstances that forced the entrepreneur to close their business. Donna Kay Yeargan moved to accept the lending report. Wayne Fawbush seconded the motion. The Lending Report was accepted unanimous.

Affirmative Action Policy – Annual Report: Scott Wallace, Human Resources Coordinator, reported that the Affirmative Action Plan was approved without setting goals suggesting compliance with all Affirmative Action regulations. He reported that there are two areas that we are working on:

1. CU is not promoting women into mid-level management at the same rate as men. CU currently has only 12 mid-level management positions available. SLT has been made aware of this issue and asked to continue to consider qualified women for promotions.

2. Of CU's total staff 6% have disclosed disabilities. The benchmark is 7%. The deviation from this benchmark is not significant enough to create a new goal. It challenging to get existing staff and new hires to disclose a disability despite encouragement by HR. HR will continue to discuss CU's openness to hiring individuals with disabilities and ask new hires to self-identify.

Wayne Fawbush moved to accept the affirmative action report. Dominique Gomez seconded the motion. The report was accepted unanimously.

Policy Monitoring:

1. Revisions of Board Conflict of Interest Policy: Salomon Torres, the board member who had requested the change discussed the ad hoc committee's language changes to the policy. Donna Kay Yeargan moved to approve the revised policy. Wayne Fawbush seconded the motion. The revised conflict of interest policy was approved unanimously.
2. Policy Monitoring by CEO
401K Retirement Plan Policy
Lending Policy
Ends Focus of Grants

The organization is fully in compliance with each of these policies. The CEO explained that she reviewed the 401K and Lending policies after the responsible person on the team had documented compliance with each part. Wayne Fawbush moved to accept the policy monitoring report of the CEO. Salomon Torres seconded the motion. CEO monitoring report accepted unanimously.

3. Policy Monitoring by Board
Delegation to Chief Executive Officer Policy
Chief Executive Officer Job Description Policy

Board reviewed the two policies and found the organization to be in compliance

Conflict of Interest Disclosure: Salomon Torres discussed the new partnership between CU and Hope for Small Farm Sustainability. Together, we applied for the USDA Food Business Center grant. If successful, Salomon will become Director of the center and CU its contractor. At that time, Salomon will need to resign from the board due to the inherent conflict of interest.

Update on Legal Complaint: Elizabeth Lilly, et.al. vs Barton-Lexa Water Assoc, Phillips County Sewer, CU. The CEO reported that CU is continuing to wait to be dismissed from the case which the plaintiff's attorney has already agreed to verbally. No progress to report.

Strategy Discussion:

1. Launch of CU Rural Housing Strategy – Audra Butler, Area Director for Rural Housing, provided context for CU's housing strategy stating that housing cost burden needs to be 30% of income or less. Rural communities lack comprehensive needs assessments in rural communities. The creation

of WE Center in Pine Bluff and CU's partnership with CDCB around MiCasita was explained in some detail.


2. Holistic Rural Development – Dale Rutherford, Entrepreneurship Team Special Projects Coordinator explained a diagram he developed about the holistic approach CU takes to rural development. Debby Warrant suggested that we include leadership, health and education needed.

Operations Plan 2022-2025 – The CEO drew the board's attention to the Operations Plan developed to achieve the strategic plan. The operations plan was posted to the board website.

Scheduling board meetings for 2023

- March 24, 2023 – Zoom
- May 24, 2023 – Fayetteville in person
- September 7, 2023 – Montgomery, site visit and meeting
- November 3, 2023 - Zoom

4:03 p.m. Adjourned

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|  | 03/24/2023 |
| _____ Billy Hix Secretary/Treasurer | _____ Date |