



Board Meeting Minutes
Fayetteville Public Library
May 10, 2024

Board Members in Attendance: Chris Page, Billy Hix, Dominique Gomez, Max Sprinkle, Debby Warren, Donna Kay Yeargan. Salomon Torres joined via Zoom at 11:30 a.m.

Call to Order at 9:20 a.m.

Approval of Minutes from Meeting on

- February 9, 2024
- March 19, 2024
- April 12, 2024

Donna Kay Yeargan moved to approve all three sets of minutes. Max Spinkle seconded the motion. The minutes were approved unanimously.

Introduction of New Director of Environmental Services Team

The CEO reviewed the recruiting process with the board and introduced Karen Conrad as the new Director. Karen shared her background. She outlined the need for greater responsiveness to the whole team with a constant focus on strategic blending. She pointed to past communications issues that need to be streamlined. She discussed her vision for improving the training of new staff through the use of CU's Learning Management System.

Strategy Conversation

Green House Gas Reduction Funds – The CEO discussed the various national coalitions of which CU is a part in order to access both the loan and technical assistance funds tied to this EPA program. The board discussed the cascade of workforce money coming for the climate related skills and careers and a potential partnership with the Bullard Center for Environmental and Climate Justice at Southern Texas University and their program to support minority entrepreneurs take advantage of the new opportunities in this field.

Financial Report

The CFO, Kim Griffey, reviewed the financial report for FY2024 through March 2024. The organization now has Total Assets \$37 million with \$29 million in loan fund. The CFO disclosed to the board the no-interest strategy for managing the existing mortgages from CRG's housing

program. She also discussed how CU fully implemented an electronic check system that addresses the challenges of not having enough check signers in the office.

Investment Options

Cash investment policy will include the following options:

- CDs that are FDIC insured
- AAA rated bonds of all kinds
- US Treasury bills

Donna Kay Yeargan moved to reaffirm our current cash investment policy. Dominique Gomez seconded the motion. The investment options were approved unanimously.

Affirmative Action Plan

HR Coordinator, Scott Wallace, provided the required annual presentation of CU's Affirmative Action Plan. There were no affirmative action flags that require action. Data highlights from the plan:

- 17% of employees have a disability compared to 7% national rate
- 80% rule achieved of males hired to male applicants. The only challenge is hiring Hispanic males where the percentage drops to 25%. Not enough applicants had the minimum qualifications. Most recruiting for Hispanic males is in South Texas and we need to work on expanding the pool in other geographies.
- Hispanic/Latino – 16% of staff vs 18% of population.
- 9 individuals can retire in this year. 16 people can hire in next 5 years. We need to continue to grow and strengthen the leadership at every level of the organization so we are prepared to promote when someone retires.

Scott's analysis shows that CU does need to focus on promoting more minorities and females into the Operations Leadership Team and we need to build the system to coach employees interested in progressing in the organization.

Lending Report

Director of Lending, Michael Rivera, reported that there were no policy exceptions over the past quarter. He explained a new lending product—Line of Credit for small businesses. He discussed the mortgage portfolio inherited from CRG and transferring majority of mortgages (13 in total) to cdcb for maintenance and servicing. CU will pay small fee for our services. All but one mortgage will be paid off in 7 years. He also informed the board of the new loan software – IvyTek – that is being implemented across all portfolios. Under problem loans, CU's environmental loan to Smith Management was discussed. This loan has been transferred to South Plains. TX Water Development Board will take us out but this required extending a new

loan to South Plains for \$250,000 in order to take out the original loan and provide needed working capital.

PRT Lending Strategy: The Partners for Rural Transformation are requesting that the board authorize Communities Unlimited to participate in loans with partner CDFIs in geographies beyond CU's target market. The board discussed limiting these loans to a percentage of each portfolio. The Director of Lending will set those limits and communicate them back to the board.

PRT Resolution – Donna Kay Yeargan moved to authorize Communities Unlimited to participate in loans with PRT partner CDFIs in geographies beyond CU's target market. Billy Hix seconded the motion. The resolution was approved unanimously.

Executive Session –

Motion: Billy Hix moved to start the board's executive session. Max Sprinkle seconded the motion. At 1:03 p.m. the board voted unanimously to enter Executive Session.

1. **Board Term Limit Policy:** Continuation by a board member requires formal reappointment of after 4 years and recommitment by the board member. An annual meeting will be held at each 4th quarter meeting of the year in order to renominate board members while new board members can be seated during any board meeting.

Motion: Debby Warren moved to adopt the board term limits policy. Billy Hix seconded the motion. The term limits of four years with the opportunity for a formal reappointment was approved unanimously.

2. **Board Chair:** Chris Page shared that he will step down as board chair at the end of 2024.
3. **Board Recruitment –**
 - Deb Markley – recently retired from LOCUS and expressed interest in serving on the CU Board in conversation with CEO. The board agreed to have her join as a candidate during the September board meeting.
 - Board matrix – need connection to philanthropy and rural housing expertise as well as representatives of those who have benefitted from our programming.
4. **CEO Compensation –**

During the CEO evaluation in January, the board chair did not have access to the current salaries of the Senior Leadership Team to determine a change in CEO compensation. Billy Hix moved to increase CEO compensation by 6% retroactive to January. Max Sprinkle seconded the motion. The increase was approved unanimously. [Later clarified: Retroactive to January board meeting, effective February 1, 2024 ip].

At 1:52 p.m. Dominique Gomez moved to exit the Executive Session. Donna Kay Yeargan seconded the motion. Approved unanimously.

Policy Monitoring by CEO

- General Limitations – Donna Kay Yeargan moved to have CEO draft revised policy to reflect new corporate values developed in 2023. Billy Hix seconded the motion. The board voted unanimously to have the CEO propose a revised policy.
- Consumer Treatment – no exceptions
- Staff Treatment – The CEO reported on the exception to this policy based on the formal investigation by ADP in March 2024.

Billy Hix moved to accept the policy monitoring by CEO. Donna Kay Yeargan seconded the motion. The monitoring report was accepted unanimously.

Monitoring of Policies by Board

- Board Members' Code of Conduct
- Unity of Control
- Global Governance Commitment
- Governing Style
- Board Job Description
- Board Committee Principles Policy – from last meeting

The board reviewed and affirmed the policies it monitored.

CEO Updates:

- Update on Heron Initiative
- Update on Legal Complaint by SIXELA
- Partnership with Business Consortium Fund – Entrepreneurship Team. BCF can help us raise the numbers of MBEs we work with through the MBDA. It may introduce us to their funders. We would have to work outside of 7 states but can limit that to the use of our Learning Management System. The board agreed that we should leverage what we have already built.

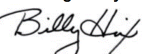
Confirming 2024 Board Meetings:

September 13, 2024 – Virtual (Later rescheduled to September 26, 2024)

November 14th and 15th – site visit - East Texas

Adjourn at 3:02 p.m.

DocuSigned by:



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Billy Hix, Secretary/Treasurer

9/26/2024

Date