

Draft Minutes

VSAC Board of Directors Meeting

Monday, June 16, 2014

11:00 a.m.

Board Room, VSAC Offices

10 East Allen Street

Winooski, VT

Members Present:	Dodie Mitchell (chair)	Staff Present:	Scott Giles
	Pam Chisholm		Tom Little
	Virginia Cole-Levesque		Mike Stuart
	Katharine Hutchinson		Marilyn Cargill
	Dennis O'Brien		Patrick Leduc
	Beth Pearce (via phone)		Kristi Rocheleau
	David Coates		
	Martha Heath		
	Dave Larsen		
	Ann Cummings		

Members Absent: Michael Smith

Other Members: Robert Irvin, Esq., Kutak Rock, Chris Keevil and Malini Sridharan,
Wellspring Consulting

Chair Dodie Mitchell called the meeting to order at 11:01 a.m., and a quorum was declared present. The Board then acted on the following motions:

Approval of Minutes of the Board

Upon a motion made by Beth Pearce and seconded by David Coates, the Board voted unanimously to approve the meeting minutes of the April 14 and May 6, 2014, as presented.

Reimbursement Resolution Re: 2014A Bonds

Tom Little outlined the details of a proposed reimbursement resolution, intended to support students with scheduled disbursements dates prior to the July 9 closing of the new bonds. A copy of the proposed resolution was previously distributed to the Board members. Given that the cash proceeds from the new bonds will not be available until July 9, VSAC's bond counsel recommends a reimbursement resolution, which accomplishes two things. First, it would express the Corporations' official intent to reimburse itself from the Series 2014A Bonds for up to \$200,000 for loans expected to be disbursed prior to the bond settlement. Second, it would appoint Mike Stuart, Vice President and Chief Financial Officer, to make such a determination in the future. Any future determination would need to be documented each time.

The Board discussed the resolution and requested that the resolution be modified to include Mike Stuart or his successor, and then made the following motion:

Upon a motion made by David Coates and seconded by Virginia Cole-Levesque, the VSAC Board of Directors voted unanimously to approve the reimbursement resolution declaring VSAC's official intent to reimburse the Corporation with proceeds of future taxable or tax-exempt borrowings.

Human Resources and Finance Committee Updates

Human Resources Committee - Chair Dennis O'Brien outlined the medical benefit change for Fiscal Year 2015, and the compensation strategy for Fiscal Year end 2014. The compensation plan follows the general distribution plan followed in the past two years. The Human Resources Committee set some upper limits and recommends a 2% base wage increase, and a one-time merit benefit for those who at least meet expectations. VSAC management is implementing a merit benefit of 4% for meeting expectations, 6% for high meeting expectations, and 8% for exceeding expectations, which is a percentage point lower than what was originally presented and approved by the Committee in May. This adjustment was made to align with budget projections.

Finance Committee - Mike Stuart reviewed the structure of the Budget Resolution presented to the Finance Committee, and distributed to Board Members. The Board discussed and acted on the following motion:

Upon a motion made by David Coates and seconded by Dave Larsen, the Board voted unanimously to approve the FY15 Budget Resolution as presented and attached.

Strategic Planning

Chris Keevil and Malini Sridharan of Wellspring Consulting presented the outcomes of the strategic planning work to date. Scott Giles and the Executive Committee request Board authorization to develop action plans, timelines and performance metrics for implementation of the strategic goals.

- 1) Increase operational efficiency of current business activities to decrease cost
- 2) Grow revenues from VSAC's existing businesses
- 3) Proceed with Direct Loan servicing if the business model seems viable and likely to break even or generate net surplus
- 4) Pursue new business that may generate net surplus to subsidize VSAC's mission-related activities
- 5) Pursue new activities that forward VSAC's mission and are financially neutral or net positive.
- 6) Develop and implement a plan for decision-making about use of unrestricted assets and bond residuals

Upon a motion made by Martha Heath, and seconded by Katharine Hutchinson, the board voted unanimously to approve the six strategic goals and to authorize the VSAC

executive committee to develop action plans, timelines and performance metrics for implementation of the strategic goals.

CEO Evaluation

Upon a motion made by David Coates, and seconded by Virginia Cole-Levesque, the Board voted unanimously to enter executive session at 3:05 p.m. in order to consider the evaluation and employment of public officers, i.e., VSAC employees, and related contractual matters, premature public knowledge of which would clearly place VSAC at a substantial disadvantage.

The Board exited executive session at 4:02 p.m.

Upon motion made by Martha Heath and seconded by Virginia Cole-Levesque, the Board voted unanimously to establish compensation of the CEO for FY2015 at \$253,800.

Other Business

Upon a motion made by Dennis O'Brien and seconded by Virginia Cole-Levesque, the Board voted unanimously to adjourn at 4:03 p.m.

Respectfully submitted,

David Larsen, Secretary