

# **DRAFT VSAC Board of Directors Meeting Minutes**

**February 13, 2017**

**1:00 p.m.**

**Board Room, VSAC  
10 East Allen Street  
Winooski, Vermont 05404**

**Members Present:** Dodie Mitchell (chair), Martha Heath, Pam Chisholm, Ann Cummings, Katharine Hutchinson, Dennis O'Brien, David Coates, Michael Smith, Dave Larsen, and Scott Baker, Designee for State Treasurer Beth Pearce

**Members Absent:** N/A

**Staff Members Present:** Scott Giles, Tom Little, Mike Stuart, Marilyn Cargill, Patrick Leduc, and Kristi Rocheleau

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Chair Dodie Mitchell called the meeting to order at 1:03 p.m. With the majority of Members participating via phone, a roll call was taken. A quorum of directors was determined present, and the meeting, having been duly convened, was ready to proceed with business.

## **Approval of Minutes**

*Upon a motion made by Martha Heath and seconded by Dennis O'Brien, the Directors voted unanimously, with no abstentions, to approve the meeting Minutes of December 12, 2016, as presented.*

## **Chair's Report**

Dodie Mitchell directed the Board's attention to the upcoming June retreat dates and solicited feedback for topics. Board Members expressed the importance of a retreat for purposes of providing the Board with dedicated time to review and discuss the Federal and State landscape. Board members will forward topic suggestions to Dodie.

## **President's Report**

To respect the meeting format and the Board's time, Scott Giles communicated that he would forward a written communication of the current Federal and State activities underway later in the week.

## **Committee Reports**

### *Audit*

Committee Chair David Coates provided a report of the January 23 meeting, noting that the Internal Audit activity is on schedule and has seen a reduction in required audits as a result of the departure from federal direct loan servicing. The Committee had also reviewed and approved the proposed Audit Plan for FY17, and completed a Committee Self-Evaluating resulting in a unanimous effective rating. Tom Little then

provided background and summarized the results of the Annual FTC Red Flags Policy and Report that the Committee approved, as delegated by the Board.

#### *Finance*

Chair Mike Smith summarized the January 23 Finance Committee meeting Minutes and directed the Board's attention to the upcoming loan bond schedule. The Board discussed the capital intensive nature of the private loan bonds. Mike Stuart also noted that the 2013-1 subordinated bond was recently upgraded to a AAA rating, aligning with the 2013-1 senior bonds. The Executive Management team will continue to report out on the 2017 loan bond schedule as it becomes available.

#### *Governance*

Dave Larsen invited Tom Little to walk the Board through the Bylaw recommendations so that the Board could make an informed vote. Tom advised that there are no substantive changes, rather housekeeping updates that present themselves upon review, and then directed the Board's attention to the specific changes.

***Upon a motion made by Dave Larsen, and seconded by Pam Chisholm, the Board of Directors voted unanimously, with no abstentions, to accept the VSAC Bylaw revisions, as presented.***

Dave Larsen and the Committee then shared the Board leadership and recruitment work underway. Tom Little and Scott provided an update on the status of the process around the appointment to fill the seat held by Sarah Buxton. Rather than enter an executive session, Dodie encouraged that Board Members contact Scott or Tom with specific questions regarding potential appointees.

#### *Human Resources*

Dennis O'Brien briefed the Board of Directors on the January 9 meeting. The Committee will continue its focus on compensation and performance evaluation efforts during its March meeting.

#### *Programs & Services*

As part of the Programs & Services ongoing policy review, Marilyn Cargill explained the three policies requiring Board approval, noting that none of the policies reviewed by the Committee or Board include changes to the policies.

***Upon a motion made by Pam Chisholm, and seconded by Katharine Hutchinson, the Board of Directors voted unanimously, with no abstentions, to accept the Programs & Services Committee's recommendation to approve the Change of School, Confidentiality, and Cost Attendance policies, as presented.***

Pam Chisholm then briefed the Board on the topics and discussion noted in the meeting Minutes of January 9, 2017.

#### **Vermont Scholarship Fund Discussion**

Tom Little then provided an overview of the Vermont Scholarship Fund governance:

In the late 1990's, VSAC explored the possibility of establishing a development officer position to raise funds for annual and endowed scholarships. Christine Graham undertook a feasibility study that showed promise for the proposal, and in June 2000, VSAC incorporated Vermont Student Development Fund, Inc., doing business as the Vermont Scholarship Fund (VSF). In December 2000, the Internal Revenue Service granted VSF official 501(c)(3) charitable, tax-exempt status. (In October 2004, the IRS confirmed VSF's public charity status, the more favorable designation than "private foundation.")

Under VSF's incorporation documents, the VSAC Board of Directors is, ex officio, the VSF Board of Directors. The VSF adopted its own Bylaws, files its own biennial reports with the Vermont Secretary of State, and files an annual Form 990 with the IRS. The VSF Board strives to have its own board meeting at least annually, in order to take care of simple house-keeping items (e.g., election of officers).

General Counsel is reviewing whether the meetings should instead be twice a year, possibly concurrent with the VSAC Board's annual retreat and its February meeting. No uptick of VSF Board activity is anticipated, but meeting twice a year at the least would make it harder to forget to hold an annual meeting.

Tom then provided some facts and figures and advised the Board that a future VSF Board meeting would be announced.

**Other Business & Meeting Review**

There being no other business, the meeting adjourned at 2:28 p.m.

Respectfully submitted,

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David Larsen, Secretary