

**COMMUNITY FUTURES WEST YELLOWHEAD
BOARD MEETING MINUTES
10:00 am Thursday, June 18, 2015
CFWY Office, Hinton**

PRESENT:

Gilbert Wall	Chair, Municipality of Jasper
Shawn Berry	IRC Chair, Yellowhead County
Rob Staples	Director, Town of Grande Cache
Marcel Michaels	Vice-Chair, Town of Hinton
Helen Kelleher-Empsey	Director, Municipality of Jasper
Johannes Zwart	Director, Town of Grande Cache
Trevor Bevan	Alternate, Town of Edson
Tammy Strang	Secretary/Treasurer, Town of Edson

STAFF PRESENT:

Nancy Robbins	General Manager
Tim Shain	Business Analyst

APOLOGIES:

Stuart Taylor	Director, Town of Hinton
Anthony Giezen	Director, Yellowhead County

SPECIAL GUESTS:

Clayton Seely	Carlson, Roberts, Seely
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1. CALL TO ORDER:

Chair **WALL** called the meeting to order at 10:00 am

2. ADDITIONS TO THE AGENDA

There were no additions to the agenda.

3. APPROVAL OF THE AGENDA

ZWART That agenda be accepted as amended
CARRIED

4. APPROVAL OF MINUTES

4.1 IRC Minutes May 21, 2015

STAPLES Minutes are accepted as presented
(CARRIED)

4.2 Board Minutes May 21, 2015

BEVAN Minutes are accepted as presented
(CARRIED)

5. NEW BUSINESS

5.1 Presentation by Clayton Seely on 2014-2015 Audited Financial Statements

Mr. Seely presented the 2014-2015 Audited Financial Statements to the Board of Directors. Questions and discussed ensued.

Mr. Seeley and Business Analyst Tim Shain left the meeting after the presentation

Action item: A letter of thank you for the professional and exemplary work of Mr. Seely and his staff on the audit and his presentation this year.

5.2 Loan Appeals Process (Internal and External)

The Internal and External Loans Appeals Process was presented by Nancy and discussed by the Board of Directors.

Internal and External Loans Appeals Process

Community Futures West Yellowhead takes pride in its long history of working with small business clients in the region. We encourage applicants to have a strong business plan and to revisit this business plan after a rejection to make suggested changes. Many applicants have been very successful with their loan requests at Community Futures West Yellowhead in our 30 year history.

All declined loans are immediately discussed by the Business Analyst with the client by phone and followed up in writing by the General Manager with information on how to appeal a loan decision.

At any point following the loan rejection and/or during the appeal process applicants have the option to re-apply for financing with a new and improved complete application package. This will be considered a new application.

All appeals must be made in writing to the General Manager and/or the Chair of the Board of Directors. CFWY reserves the right to charge a \$50 loan appeal fee.

Internal Loan Appeals Process

Manager Rejected Loans (loans under \$10,000):

If a client's loan application for under \$10,000 is rejected by the General Manager, the applicant shall have the option of appealing the decision to the Investment Review Committee.

Clients have three (3) business days to appeal a manager rejected loan. The client's appeal must be in writing or by email. The appeal goes to the Investment Review Committee.

Investment Review Committee Rejected Loans (loans over \$10,000):

If the Investment Review Committee declines a loan application, clear rationale must be provided to the staff in order to provide feedback to the client.

The client must submit an appeal request to the General Manager and/or Board Chair in writing or by email. Clients have seven (7) business days to appeal an Investment Review Committee rejected loan.

The loan appeal is presented by the Business Analyst and/or the General Manager to the Board of Directors at the next regularly scheduled board meeting.

The Board of Directors will create an Appeal Sub-committee consisting of the Five (5) Directors who did not sit on the Investment Review Committee to discuss the specific loan under appeal.

This Appeal Sub-committee will meet within ten (10) business days of the appointment of the committee.

If the client's loan application appeal is rejected by the Appeals Sub-committee, the applicant can then follow the CFNA approved external appeals process stated below.

External Loan Appeals Process

A client may request an external appeal if they are rejected by the Board of Directors in the internal appeal process.

An Application for External Appeal must be completed within ten (10) business days from the date of the Internal Review decision being communicated by CFWY to the client.

An Application for the External Appeal is received by the Chair of the Board of Directors and then sent to the Executive Director of the CFNA within two (2) business days of being received.

Within two (2) business days of having received the application, the CFNA will complete all arrangements for the Regional Appeal Committee meeting.

All information required by the CFNA and the Regional Appeal Committee will be submitted by CFWY as requested.

The meeting of the Regional Appeal Committee will be held within fifteen (15) days of the application being received by the Chair of the Board of Directors.

Once a decision is reached, the CFNA will, on behalf of the Regional External Appeal Committee, submit written communication for prompt submission to the attention of the CFWY Board of Directors.

The appeal decision of the External Loan Appeals process is considered final.

BERRY Motion to approve the internal and external loans appeals process for Community Futures West Yellowhead
(CARRIED)

5.3 Investment Review Committee Policy Changes

Nancy presented the following amendments to the IRC policy to reflect current practices and changes to the internal and external appeals process.

Current Policy

7. The maximum amount of financial assistance per SME or Social Enterprise will normally not exceed \$150,000 outstanding at any one time. **Loans over \$150 K are subject to WD approval**

Suggested Change:

7. The maximum amount of financial assistance per SME or Social Enterprise will normally not exceed \$150,000 outstanding at any one time. **Community Futures West Yellowhead will not consider loan over \$150,000. Clients are encouraged to find additional financing in partnership with another CF office and/or financial institution with support and coaching from CFWY staff.**

Current Policy

16. Loans will be assessed to determine if they fit Government of Canada priorities related to economic diversification, **including: value-adding, productivity, innovation, development of new markets and products.**

Suggested Change:

16. Loans will be assessed to determine if they fit Government of Canada priorities related to economic diversification. **These priorities are established annually by Western Economic Diversification.**

Current Policy

41. All loan approvals shall be documented in the Minutes of the meetings when the loan is approved. The applicable Minute must be recorded in sufficient detail, including clearly outlining the dollar value where the loan is approved, **the official name of the borrowing client**, any and all specific loan terms (loan security) and the date of the meeting. Board Chair (or corporate Secretary) or Investment Review Committee Chair shall sign approved Minutes of Meetings.

Suggested Change:

41. All loan approvals shall be documented in the Minutes of the meetings when the loan is approved. The applicable Minute must be recorded in sufficient detail, including clearly outlining the dollar value where the loan is approved, **the assigned loan number from TEA**, any and all specific loan terms (loan security) and the date of the meeting. Board Chair (or corporate Secretary) or Investment Review Committee Chair shall sign approved Minutes of Meetings.

Current Policy

43. f. Rejected Applications/Appeals Process

- i. The IRC may approve, defer for more information/work OR decline an application. If declined, clear rationale will be provided.
- ii. The General Manager or Business Analyst will inform the client immediately following the Investment Review Committee decision meeting.
- iii. The applicant will be sent a letter outlining the **reason(s) for rejection.**
- iv. **Appeals will be addressed by the Board of Directors only if the reasoning for decline is mitigated or a significant misunderstanding with the application has occurred or if there is clear rationale for appealing the rejected application.**
- v. **Appeals must be made in writing with a new loan application and loan report submitted by the General Manager or Business Analyst.**
- vi. **The appeal decision by the Board of Directors will be final.**

Suggested Change:

43. f. Rejected Applications/Appeals Process

At any point following the loan rejection and/or during the appeal process applicants have the option to re-apply for financing with a new and improved complete application package. This will be considered a new application.

i. Rejected Applications

- a. The IRC may approve, defer for more information/work OR decline an application. If declined, clear rationale will be provided.
- b. The General Manager or Business Analyst will inform the client immediately following the Investment Review Committee decision meeting.
- c. The applicant will be sent a letter outlining the **rejection and the appeals process.**
- d. **The internal and external appeals process will be posted on the CFWY website.**

ii. Internal Appeal Process

- a. Loans denied by the General Manager under \$10,000 can be appealed to the IRC within three business days of receiving the rejection.
- b. Loans denied by the Investment Review Committee can be appealed to the Board of Directors within seven business days of receiving the rejection.
- c. All loan appeals must be directed in writing or email to the General Manager and/or Chair within the time period for appeals as allocated.
- d. Loan appeals will be discussed at the next scheduled meeting of the IRC or BOD.
- e. The BOD will appoint an Appeals Sub-committee consisting of five (5) directors who did not hear the original loan application at the IRC.

iii. External Appeal Process

- a. Clients who wish to appeal a decision by the Board of Directors Appeals Sub-committee are able to appeal the loan decision to the Regional Appeals Committee for the Northwest Region.
- b. An Application for External Appeal must be completed within ten (10) business days from the date of the Internal Review decision being communicated by CFWY to the client.
- c. An Application for the External Appeal is received by the Chair of the Board of Directors and then sent to the Executive Director of the CFNA within two (2) business days of being received.
- d. Within two (2) business days of having received the application, the CFNA will complete all arrangements for the Regional Appeal Committee meeting.
- e. All information required by the CFNA and the Regional Appeal Committee will be submitted by CFWY as requested.
- f. The meeting of the Regional Appeal Committee will be held within fifteen (15) days of the application being received by the Chair of the Board of Directors.
- g. Once a decision is reached, the CFNA will, on behalf of the Regional External Appeal Committee, submit written communication for prompt submission to the attention of the CFWY Board of Directors.
- h. The appeal decision of the External Loan Appeals process is considered final
- i. Once an appeal is rejected, a client cannot bring back the same business idea to Community Futures West Yellowhead for funding.

Current Policy:

54. Cash on Hand

- a. **Community Futures West Yellowhead shall undertake to maintain sufficient investment fund cash on hand to ensure it is able to maintain normal investment fund activities. Investment fund cash on hand shall normally be maintained at 15% of principal loan portfolio balance (not greater than 20%) of the total value of the investment fund at any point in time.**
- b. **Community Futures West Yellowhead shall undertake to deposit surplus investment fund cash on hand (see 54a) into the professionally managed/administered Community Futures Lending & Investment Pool (CFLIP)**
- c. The **Board** shall be responsible for the quarterly review of cash on hand percentage (see 54a) and undertake to deposit surplus investment funds into CFLIP.

Suggested Change:

54. Cash on Hand

- a. **Community Futures West Yellowhead shall ensure that a minimum of 75% of its Investment Fund is maintained in active business loans at all times. Active business loans include loans provided to clients as well as loans or deposits provided to the Community Futures Lending and Investment Pool (CFLIP). Should Community Futures West Yellowhead have less than 75% in active business loans, Community Futures West Yellowhead must deposit excess amounts into CFLIP.**
- b. The **General Manager** shall be responsible for the quarterly review of cash on hand percentage and undertake to deposit surplus investment funds into CFLIP.

BEVAN Motion to approve changes to the Investment Review Committee Policy as recommended
(CARRIED)

5.4 General Manager Contract Renewal and Performance Evaluation

General Manager's contract is up for renewal on September 5th. The Executive will meet to discuss the contract and performance evaluation prior to the September meeting.

5.5 Annual Board Evaluation

Board Directors completed the Annual Board Evaluation that will be presented to BOD at the September meeting.

6. OLD BUSINESS

6.1 Operational Surplus Funds

STRANG

KELLEHER-EMPEY (2nd) Motion to allocate surplus of \$157,945.83 as of March 31, 2015 as follows:

- \$20,000 per year for 5 years starting fiscal year 2016-2017 for additional training and economic development projects; allocation will be discussed annually at strategic planning in November / December of each year;
- \$20,000 for Edson Business Visitation Program in 2016-2017;
- \$29,000 for wages for Business Advisor in 2016-2017;
- Remainder to be held in account to be discussed at strategic planning of each year starting December 2015 for 2016-2017 fiscal year

(CARRIED)

6.2 General Policy Review Part 4: Technology Policies

Nancy reviewed section 4 of the General Policy related to technology.

6.3 RRSPs proposal

ZWART

BEVAN (2nd) Motion to support the new RRSP program for the staff that includes RRSP contributions by both the employer and employee and is based on years of service
(CARRIED)

7. GENERAL MANAGER'S UPDATE

7.1 National Conference Review

Nancy and Gilbert discussed the National Conference in Quebec.

7.2 Provincial Conference Attendance

Nancy reminded everyone of the provincial conference in Jasper in September and asked for registrations to be in by June 30, 2015.

7.2 Monthly Update

General Manager Updates from May 19, 2015 to June 12, 2015 were discussed. The focus over the next month will be on the installation and training of TEA X.

8. IN CAMERA

ZWART

STAPLES (2nd) Motion to go in camera at 12:10 pm
(CARRIED)

8.1 Delinquency Report and Loan Portfolio Review – May 2015

ZWART

STAPLES (2nd) Motion to leave in camera at 12:20 pm
(CARRIED)

9. REGIONAL ROUND TABLE

Issues around the region were discussed.

10. FINANCIAL REPORTS

Due to the audit, there are no financial reports to be presented.

11. ADJOURNMENT

ZWART

(CARRIED)

Motion to adjourn at 12:45 pm

Chair

Secretary/Treasurer