



BOARD MEETING

June 11th, 2019

CCV Winooski – Winooski, VT

MEETING MINUTES

Board Members Participating & Voting: David Coates (arrived at 9:15 am), David Kimel, Debbie Winters, Mary Alice McKenzie, and Scott Baker (as designee for Treasurer Beth Pearce)

Board Members Absent: None

Staff Participating: Michael Gaughan

Guests: James Foley, Jr. - Lynch & Foley, Meghan Burke – Mintz Levin (by phone), & Zach Solomon, Richard Weiss, & Joe Abramson - Morgan Stanley (by phone)

The meeting was called to order by Mr. Kimel at 9:08 am.

Review of Meeting Agenda

Mr. Kimel allowed the Board the opportunity to provide additions and modifications to the order of the agenda. The Board discussed moving the pre-deal summary and transaction outlook up in the agenda.

Approve Prior Meeting Minutes

Mr. Kimel asked if there were any question related to the prior minutes.

Motion: Ms. McKenzie moved and Ms. Winters seconded the motion to approve the meeting minutes of the January 30th, 2019, April 5th, 2019, and May 23rd, 2019 meetings. The minutes were approved unanimously.

2018 Audit Completion

Mr. Gaughan updated the board on the completion of the audit and indicated he would arrange a meeting in the future to allow the Board to speak to the auditor directly.

Mr. Coates arrived following the 2018 audit completion discussion at 9:15 a.m.

Executive Director's Offering Summary

Mr. Gaughan provided the Board an update on key strategic considerations of the summer 2019 bond offering. Included in the discussion was a recommendation for senior underwriter, selling group members, and a cost-benefit analysis of an equity contribution for costs of issuance.

Motion: Mr. Coates moved and Mr. Baker seconded a motion to accept the Executive Director's recommendation on selling group members and the senior underwriter. The motion was approved unanimously.

Transaction Outlook

Mr. Solomon from Morgan Stanley provided an update on market conditions that will precipitate the bond sale and the timing of the offering.

Members of the Morgan Stanley team left the meeting following the transaction outlook at 9:45 a.m.

Review of Annual Monitoring

Mr. Gaughan reviewed the monitoring list and recommendations. Ms. Winters and Mr. Coates discussed the status of borrowers on the list. Following the discussion, Mr. Gaughan suggested that the Board should review the state TIF authorizations that are reviewed by local counsel prior to offering an opinion at an upcoming board meeting.

Motion: Ms. McKenzie moved and Mr. Coates seconded a motion adopting the 2019 monitoring list with the additions noted below. The motion was approved unanimously.

- *Town of Montgomery School District*
- *Town of Newbury School District*
- *Town of Westminster School District*
- *Village of Poultney*

Summary of Loan Applications Received

Mr. Gaughan provided an overview of the Loan Applications received for the 2019 Summer Pool. He stated that the pool includes seventeen (17) borrower requests in the total amount of approximately \$32.99 million. Mr. Kimel noted several positive comments that were included in the notes to the applications including that one of the borrowers found the process helpful and straightforward.

Consideration of 2019 Summer Loan Pool Applicants

Mr. Gaughan provided commentary on the credit summaries prepared by the Bond Bank staff, which accompany each loan application. The commentary included a recommendation following the review of the applicants of borrowers to retain or to add to the monitoring list. The Board discussed applications and asked follow-up questions.

Mr. Kimel indicated he would be recusing himself from voting on the Maple Run Unified School District. Ms. Winters indicated she would be recusing herself from the Village of Swanton and Town of Shelburne votes. Mr. Baker indicated he would recuse himself from the City of Barre vote.

Motion: Mr. Coates moved and Mr. Baker seconded the authorization to accept the following borrowers and related loans into the Summer Bond Pool with recusals as noted. The motion was approved unanimously.

- *City of Barre*
- *Town of Charlotte*
- *Town of Chester*
- *Town of Chittenden*
- *Town of Corinth*
- *Town of Dummerston*
- *Village of Enosburg Falls*
- *Town of Fairfax*
- *Town of Hartford School District*
- *Maple Run Unified School District*
- *Mill River Unified Union School District*
- *Town of Putney*
- *Town of Shelburne*
- *Village of Swanton*
- *West River Modified Educational District*
- *Town of Windsor*
- *City of Winooski*

Motion: Ms. McKenzie moved and Mr. Coates seconded a motion adding the City of Barre to the monitoring list. The motion was approved unanimously

Authorization of Bonds and Form of Series Resolution

Mr. Gaughan introduced the Bond Bank resolution for the bond sale as prepared by Mintz Levin, as bond counsel for the Bond Bank.

Motion: Mr. Coates moved and Ms. Winters seconded a motion to adopt the resolution as follows:

Board Resolutions

June 11, 2019

Resolved,

I. That the Board of Directors of the Vermont Municipal Bond Bank hereby (i) authorizes the issuance of not to exceed \$39,000,000 aggregate principal amount of 2019 Series 2 Bonds (Local Investment Bonds) (the "2019 Series 2 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2019 Series 2 Bonds (the "2019 Series 2 Resolution") in substantially the form presented at this meeting with such changes as may be deemed necessary or desirable by the Executive Director with the approval of the Chair, and (iii) authorizes the Executive Director in consultation with the Chair to determine whether to make an equity contribution towards the costs of issuance for the 2019 Series 2 Bonds and to determine the amount of any such contribution. The definitive form of the 2019 Series 2 Resolution shall be evidenced conclusively by delivery of a copy thereof certified by each of the Executive Director and Chair.

II. That the Board of Directors of the Vermont Municipal Bond Bank hereby authorizes the Executive Director and the Chair to take any and all actions necessary or desirable to effectuate such financing.

The motion was approved unanimously.

Meghan Burke left the meeting following passage of the Board Resolutions at 11:10 a.m.

Review of SRF Construction Loans

Mr. Gaughan presented the SRF loans and noted the diligence performed on the Village of Wells River review that began in October and was most recently completed after the Village evidenced the approval of a rate increase that will fund debt service and a reserve.

Motion: Ms. Winters moved and Ms. McKenzie seconded a motion approving the below loans with conditions noted. The motion was approved unanimously.

Borrower	Loan Number	Amount	Conditions
Town of Troy	RF3-373-3.0	\$491,000	None
Village of Wells River	RF3-353-3.0	\$1,619,000	None

Financial Policy Review

Mr. Gaughan gave an update on the review of policies and reasoning behind the recommended updates to the financial policies. The Board discussed further revisions to the Conflict of Interest policy to be presented at the next meeting.

Motion: Mr. Coates moved and Ms. McKenzie seconded a motion adopting the revised GORF policy. The motion was approved unanimously.

Motion: Mr. Coates moved and Ms. Winters seconded a motion adopting the revised by-laws. The motion was approved unanimously.

Adoption of 2019 SEP Plan Contribution Amount

Mr. Gaughan indicated that the action was needed to adopt the retirement plan contributions incorporated in the 2019 budget.

Motion: Mr. Coates moved and Ms. McKenzie seconded a motion to authorize and approve a contribution equal to 10.00% of wages for all eligible employees for 2019, under the terms of the SEP Plan adopted December 18th, 2018. The motion was approved unanimously.

Adoption of Section 125 Plan

Mr. Gaughan provided an overview of the plan administrator and purpose behind the adoption of the Section 125 plan.

Motion: Ms. McKenzie moved and Mr. Baker seconded a motion to approve the resolutions adopting the Section 125 Plan and Resolutions as attached. The motion was approved unanimously.

2019 SRF Audit Engagement

Mr. Gaughan described the coordination of the SRF audit under the current interagency agreement with DEC that requires the Bond Bank to engage the auditor.

Motion: Mr. Baker moved and Ms. McKenzie seconded a motion authorizing the Chair and the Treasurer to sign the SRF program audit engagement. The motion was approved unanimously.

Enterprise Risk Management

Mr. Gaughan provided an updated on the quarterly ERM assessment.

Other Business

Motion: Mr. Coates moved and Ms. Winters seconded a motion to go into executive session to discuss personnel matters. The motion was approved unanimously.

At 11:27 a.m. the Board went into Executive Session. Mr. Gaughan and Mr. Foley stayed in the room at the request of the Board.

At 11:36 a.m. the Board came out of Executive Session.

There being no other business to come before the Board, on a motion by Ms. McKenzie, the meeting adjourned at 12:01 p.m.

These Minutes were approved by the Board of Directors at a duly warned meeting September 18, 2019.