



Vermont Bond Bank

BOARD MEETING

September 17, 2021 – 9:30 a.m.

Via Zoom and in-person at 100 Bank Street, Suite 401 / Burlington, VT 05401

MEETING MINUTES

Board Members Participating & Voting: David Coates, David Kimel, Debbie Winters, and Scott Baker (as designee for the State Treasurer)

Board Members Absent: Mary Alice McKenzie

Staff Participating: Ashley Lucht, Elizabeth King, and Michael Gaughan

Guests: None

The meeting was called to order by Mr. Kimel at 9:34 a.m.

Administrative

Mr. Kimel proposed changes to the meeting schedule moving the agenda item concerning the loan to Royalton Fire District Number One to third on the agenda.

Approve Prior Meeting Minutes

Mr. Kimel asked for any comments on the prior meeting minutes.

Motion: Mr. Coates moved and Mr. Baker seconded, the motion to approve the meeting minutes of the June 30th, 2021 board meeting. The minutes were approved unanimously following a roll call vote.

Executive Director's Update

Mr. Gaughan provided an update on the Bond Bank's on-going work including a recent off-site meeting to develop staff goals for the next year. He also provided an update on the progress of the application for ARPA dollars. Board members discussed the size of the request for funding that will be sent to the governor's administration.

Consideration of the Loan to the Royalton Fire District No. 1

Mr. Gaughan and Ms. Lucht provided commentary on the credit summaries for the Royalton Fire District No. 1 as well as the purpose of the loan, which is to refund an outstanding loan from USDA. The refunding will save the fire district approximately \$40 thousand that will be realized through a shorter amortization period for the loan.

Motion: Mr. Coates moved and Ms. Winters seconded, a motion to adopt the resolution related to the Royalton Fire District No. 1 loan. The motion was approved unanimously following a roll call vote.

Quarterly Accounting Review

Ms. King provided a summary of Bond Bank financials through June 30, 2021 as well as anticipated changes anticipated by the end of the year.

At 10:30 am, David Kimel left the meeting.

SRF Loan Review

Mr. Gaughan and Ms. Lucht introduced the loans and provided an overview of the credit considerations for the proposed SRF loans. Members asked questions to which Mr. Gaughan and Ms. Lucht responded.

Motion: Mr. Baker moved and Mr. Coates seconded, a motion to approve the loans listed below with conditions as noted. The motion was approved following a roll call vote.

Borrower	Loan Number	Amount	Conditions / Notes
Berlin	RF1-288-2.0	\$157,820	100% forgiveness; no credit model
Brandon	RF1-223-2.0	\$408,900	
Brattleboro	RF3-403-3.1	\$12,500,000	Approved related \$5.4m loan on 5/27/2021
Hardwick	RF1-275-2.0	\$109,325	
Hinesburg	RF1-301-2.0	\$458,200	
Hinesburg	RF1-229-3.0	\$2,575,200	
Jeffersonville	RF3-399-3.0	\$1,041,152	
Montgomery	RF1-295-1.0	\$124,998	100% forgiveness; no credit model

Quarterly Policy Review

Mr. Gaughan discussed proposed changes to the Loan Policies and Procedures related to revenue bonds. After some discussion, the board moved to adopt the revisions.

Motion: Mr. Coates moved and Mr. Baker seconded, a motion to approve the proposed changes to the Loan Policies and Procedures with the amendment that planning and forgivable loans approved by the Executive Director are described to the board at the following board meeting. The motion was approved following a roll call vote.

Quarterly Enterprise Risk Management Review

Mr. Gaughan presented the quarterly risk management review to the board noting that there were no changes from the last review in June.

There being no other business to come before the Board, on a motion by Mr. Coates and seconded by Mr. Baker, the meeting adjourned at 10:54 a.m.

These Minutes were approved by the Board of Directors at a duly warned meeting on _____.

Board Resolutions
September 17, 2021

WHEREAS, the Royalton Fire District No. 1 (the “Fire District”) has applied for a loan from the Vermont Bond Bank to refinance a \$241,770 outstanding loan (the “USDA Loan”) to the Fire District from the United States Department of Agriculture;

WHEREAS, the Vermont Bond Bank has been working with its advisors to develop a program to expand its services to its constituents under which certain loans are funded from time to time from balances in the general operating reserve fund or other available funds rather than from the proceeds of new bonds;

WHEREAS, the terms of the Fire District’s USDA loan, executed in 1991, and the assets financed thereby make it a good candidate for this type of new loan; and

WHEREAS, pledging the new loan to the 2015 Series 4 Bonds would enhance the cash flows supporting such series and provide a mechanism to have the new loan serviced by the bond trustee under the General Bond Resolution;

NOW, THEREFORE, IT IS RESOLVED:

That the Board of Directors of the Vermont Municipal Bond Bank hereby

- (i) authorizes the execution of a loan with the Fire District in such amount as necessary to refinance the USDA Loan, to accept from the Fire District, to assign to the trustee a Fire District bond in an amount equal to the amount of the loan and accrued interest through the closing date, and to make such changes to the Series Resolution for the 2015 Series 4 Bonds as necessary to pledge the loan and the Fire District bond to the 2015 Series 4 Bonds, which loan agreement and Series Resolution modifications shall be in a form approved by the Executive Director and the Chair, the definitive form thereof shall be evidenced conclusively by delivery of a copy thereof certified by each of the Executive Director and Chair;
- (ii) declares the intent to reimburse the general operating reserve fund with the proceeds of bonds; and
- (iii) authorizes the Executive Director and the Chair to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable in connection with the execution of the loan and pledge thereof under the General Bond Resolution.