



# Vermont Bond Bank

## BOARD MEETING

January 27, 2022 – 1:30 p.m.

In-person and via Zoom

## MEETING MINUTES

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

**Board Members Absent:** None

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

**Guests:** Meghan Burke - Mintz Levin, Jim Foley – Lynch & Foley, and Mark Foley – Incoming Board Member

The meeting was called to order by Ms. Winters at 1:32 p.m.

### Administrative

Ms. Winters asked if there were any changes or additions to the agenda.

### Approve Prior Meeting Minutes

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

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

### Recognition of Dave Kimel's Service to the Bond Bank

Mr. Gaughan and Ms. Winters discussed Mr. Kimel's many contributions to the Bond Bank and expressed a sincere thank you on behalf of the board. Mr. Kimel acknowledged the many important contributions of staff, consultants, and board members over his tenure.

*Motion: Mr. Coates moved and Ms. McKenzie seconded, the motion to adopt the attached resolution recognizing Dave Kimel. The motion passed unanimously following a roll call vote.*

Executive Director's Update

Mr. Gaughan provided an update on on-going work at the Bond Bank beyond the matters to be discussed at the meeting.

Special Counsel Representation

Mr. Foley discussed the recommendation to have Elijah Bergman at Larson and Gallivan (formally of Lynch and Foley) represent the Bond Bank on matters related to Soares v. Barnet Fire District #2 to ensure continuity in expertise.

*Motion: Mr. Coates moved and Mr. Kimel seconded, the motion to engage Elijah Bergman at Larson and Gallivan on matters related to Soares v. Barnet Fire District #2. The motion passed unanimously following a roll call vote.*

Consideration of 2022 Winter Loan Pool Applicants

Mr. Gaughan and Ms. Lucht provided commentary on the credit summaries prepared by the Bond Bank staff, which accompany each loan application. The board members discussed each application and asked follow-up questions.

*Motion: Ms. McKenzie moved and Mr. Kimel seconded, a motion to accept the following borrowers and related loans into the Winter Bond Pool with recusals as noted. The motion was approved unanimously following a roll call vote.*

- *Village of Enosburg Falls*
- *Town of Grand Isle*
- *Town of Hartford*
- *Town of Hartland*
- *Town of Middlebury*
- *City of South Burlington*
- *Town of Tinmouth*

*Motion: Mr. Kimel moved and Mr. Coates seconded, a motion to add the Town of Tinmouth to the watchlist. The motion was approved unanimously following a roll call vote.*

Ms. Burke and Mr. Smith joined the meeting at 2:20 p.m.

### Executive Director's Offering Summary

Mr. Gaughan provided the Board an update on key strategic considerations of the winter 2022 bond offering while describing the cost savings analysis that preceded the request for proposals for bank direct purchases of the 2022 Series 1 bonds.

Ms. McKenzie recused herself from all discussion and votes on the 2022 Series 1 bonds after being informed that Northfield Savings Bank submitted a proposal.

Mr. Gaughan then summarized the results proposals received as part of the RFP process noting that the lowest all-in total interest cost was provided by Northfield Savings Bank. He then recommended that the board award the purchase of the bonds to Northfield Savings Bank.

*Motion: Mr. Coates moved and Mr. Baker seconded a motion to accept the Executive Director's recommendation to award the contract for purchase of the bonds to Northfield Savings Bank. The motion was approved unanimously following a roll call vote with recusals noted.*

Mr. Gaughan subsequently discussed the cost-benefit analysis of an equity contribution for costs of issuance and recommended contributing equity to the transaction.

### Authorization of Bonds

Mr. Gaughan introduced the Bond Bank resolution for the bond sale as prepared by Mintz Levin as bond counsel for the Bond Bank. Ms. Burke described similarities and differences for the transaction in light of the bank direct purchase.

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

*Resolved,*

*1. That the Board of Directors of the Vermont Municipal Bond Bank (d/b/a the Vermont Bond Bank) hereby (i) authorizes the issuance of not to exceed \$9,000,000 aggregate principal amount of 2022 Series 1 Bonds (the "2022 Series 1 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2022 Series 1 Bonds (the "2022 Series 1 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 2022 Series 1 Bonds allocable to such portion of the 2022 Series 1 Bonds allocable to new loans made from the proceeds thereof and to determine the amount of any such contribution. The definitive form of the 2022 Series 1 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 financings.*

*The motion passed unanimously following a roll call vote.*

At 2:47 p.m., Ms. Burke and Mr. Smith left the meeting.

#### Internal Control Review

Mr. Gaughan commented on the annual financial control review.

#### Quarterly Policy Review

Mr. Gaughan described updates to the Disaster Recovery Plan. Board members requested minor revisions to the plan.

*Motion: Mr. Kimel moved and Ms. McKenzie seconded, the motion to approve the revised Disaster Recovery Plan. The motion passed unanimously following a roll call vote.*

#### Quarterly Enterprise Risk Management Review

Mr. Gaughan reviewed the ERM summary.

#### SEP Plan Contributions

Mr. Gaughan described the need to annually define the contribution amount under the terms of the plan document.

*Motion: Ms. McKenzie moved and Mr. Coates seconded a motion to authorize and approve a contribution equal to 10.00% of wages for all eligible employees for 2022, under the terms of the SEP Plan adopted December 18th, 2018. The motion passed unanimously following a roll call vote.*

#### Section 125 Plan Amendments

Mr. Gaughan described the need to make amendments to the Section 125 plan given ARPA considerations as directed by Healthy Dollars, the plan administrator.

*Motion: Mr. Coates moved and Mr. Baker seconded a motion to adopt the attached resolutions. The motion passed unanimously following a roll call vote.*

*There being no other business to come before the Board, on a motion by Mr. Baker and seconded by Mr. Coates, the meeting adjourned at 3:00 p.m.*

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These Minutes were approved by the Board of Directors at a duly warned meeting March 31, 2022.

**THE VERMONT MUNICIPAL BOND BANK  
BOARD OF DIRECTORS**

**January 27, 2022**

**Preambles and Resolutions Regarding the Legacy of David Kimel  
on the Vermont Municipal Bond Bank (d/b/a Vermont Bond Bank) Board of Directors**

**WHEREAS**, David Kimel was appointed to the Vermont Municipal Bond Bank (“Bond Bank”) Board of Directors (“Board”) by former Governor Jim Douglas on February 1, 2008 and became board chair on August 5, 2015;

**WHEREAS**, David Kimel displayed his commitment to Vermont in every aspect of the Bond Bank’s work, no matter how small the issue;

**WHEREAS**, David Kimel gave his support and mentorship to the current Executive Director while welcoming him like a native Vermonter;

**WHEREAS**, David Kimel helped in all aspects of the Bond Bank’s stability and success during a time that included many substantial events including, but not limited to, the Great Recession and a worldwide pandemic; and,

**WHEREAS**, David Kimel helped advance \$1.2 billion in bonds issued by the Bond Bank while ensuring both low-cost finance for hundreds of communities and quality investment opportunities for Vermonters.

**NOW, THEREFORE, BE IT RESOLVED**, as follows:

The Board hereby **RECOGNIZES** and **THANKS** David Kimel for his years of leadership and service while noting that he will be missed greatly.