



# Vermont Bond Bank

## BOARD MEETING

May 19, 2022 – 10:00 a.m.

In-person and via Zoom

## MEETING MINUTES

**Board Members Participating & Voting:** David Coates, Debbie Winters, Mark Foley, 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:** Jeff Smith – Omnicap and Meghan Burke – Mintz

The meeting was called to order by Ms. Winters at 10:00 a.m.

### Approve Prior Meeting Minutes

Ms. Winters asked for any comments on the prior meeting minutes. Mr. Coates noted he would abstain from the vote as he was not present at the meeting.

*Motion: Ms. McKenzie moved and Mr. Baker seconded, a motion to approve the meeting minutes of the March 31, 2022 board meeting. The minutes were approved unanimously following a roll call vote with abstentions noted.*

### Executive Director's Update

Mr. Gaughan provided an update on the Bond Bank's first annual Capital Planning Forum that took place in early April.

### Discussion of Potential Bond Resolution Amendments

Mr. Gaughan gave the board an overview of potential modifications to the 1988 bond resolution . He discussed the benefit of changes to both borrowers and the state while noting that the adoption of changes would take several years given the need for two-thirds of bondholders to consent to changes through the purchase of new bonds.

He stated the recommended first step would be engaging Moody's to conduct of a private rating assessment of the hypothetical changes.

*Motion: Mr. Coates moved and Mr. Baker seconded, a motion to authorizing the Executive Director to engage Moody's Investor Services for a Rating Assessment Service. The motion was approved unanimously following a roll call vote.*

Ms. Burke and Mr. Smith left the meeting following the vote.

SRF Loan Reviews

Mr. Gaughan reviewed the credit summaries for the below loans. He noted the considerations that went into the cross-border agreement including provisions for dispute resolution, capital planning, and reserves.

*Motion: Ms. McKenzie moved and Mr. Baker seconded, a motion to approve the SRF loans with conditions noted while adding the Village of Derby Line and Town of Whitingham to the watch list. The motion was approved unanimously following a roll call vote.*

<b>Borrower</b>	<b>Loan #</b>	<b>Loan Amount</b>	<b>Conditions / Notes</b>
Derby Line	RF1-205-3.0	\$1,733,750	
Hartford	RF3-467-3.0	895,000	
Proctor	RF1-241-3.0	1,475,000	
Royalton	RF3-407-3.0	3,700,000	Final loan approval from DEC
Whitingham	RF1-231-3.0	3,915,000	
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		\$7,615,000	

Quarterly Financial Review

Ms. King described the quarterly budget to actual analysis noting any significant variances. Board members asked questions. The status of the prior year audit was discussed as well as plans for future audits.

Reallocation of Bond Bank Transaction Cost Subsidy

Mr. Gaughan described the historic use of Bond Bank equity to subsidize the costs of issuance for pooled bond offerings and a proposal to reallocate the subsidy to a new small loan program to help communities with increased costs stemming from construction inflation and interest rates. He noted the relative small impact on the final cost of loans through the Bond Bank under the current subsidy structure.

Following a favorable discussion by board members, Mr. Gaughan described the next step in developing the potential program, which would be a request for expression of interest from borrowers. He would then provide board members with a more specific proposal for how the program would work in practice.

Loan Officer Job Description

Mr. Gaughan described the intent of the new position to fill the recent absence caused by the Ashley's departure. He indicated that he would advertise the position and conduct interviews with a final recommendation of a compensation package to be forthcoming for board review.

Standing Hold for Executive Session

*Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to go into executive session to discuss personal matters. The motion was approved unanimously following a roll call vote.*

At 11:35 a.m., the Board went into Executive Session. Guests remained at the board's invitation.

At 11:35 a.m., Mr. Gaughan and Ms. King left the meeting.

At 11:39 p.m., the Board came out of Executive Session.

*There being no other business to come before the Board, on a motion by Mr. Foley and seconded by Mr. Baker, the meeting adjourned at 11:39 a.m.*

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These Minutes were approved by the Board of Directors at a duly warned meeting \_\_\_\_\_.