



Vermont Bond Bank

BOARD MEETING

June 27, 2022 – 12:00 p.m.
100 Bank Street, 401 / Burlington, VT 05401

MEETING MINUTES

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

Board Members Absent: None

Staff Participating: Elizabeth King and Michael Gaughan

Guests: Joe Abramson – Morgan Stanley, Meghan Burke - Mintz Levin, Jim Foley – Lynch & Foley, and Jeff Smith – Omnicap

The meeting was called to order by Ms. Winters at 12:15 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: Ms. McKenzie moved and Mr. Baker seconded, the motion to approve the meeting minutes of the May 19th, 2022 board meeting. The minutes were approved unanimously following a roll call vote.

Executive Director's Update

Mr. Gaughan provided an update on on-going work of the Bond Bank.

At 12:09 pm, David Coates entered the meeting.

SRF Loan Review

No loans were required to be approved by the board.

Consideration of the 2022 Summer Loan Pool Applicants

Mr. Gaughan 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. Mr. Baker noted that he would recuse himself from the consideration of the Village of Essex Junction application.

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to accept the following borrowers and related loans into the summer bond pool with recusals as noted. The motion was approved unanimously following a roll call vote.

- Champlain Valley School District
- Town of Duxbury
- Village of Essex Junction
- Town of Fairfax
- Patricia A Hannaford Regional Technical School
- City of St. Albans
- Town of Stowe Electric Department
- City of Montpelier
- Town of Montgomery

Motion: Ms. McKenzie moved and Mr. Coates seconded, a motion to add the Patricia Hannaford Career Center and Village of Essex Junction to the watchlist. The motion was approved unanimously following a roll call vote.

Approval of Darby Kolter & Roberts, LLP

Mr. Gaughan explained that Keith Roberts (formally with Primmer) had moved to a new firm that needed to be approved by the board. Materials related to Keith Roberts municipal background were provided.

Motion: Mr. Coates moved and Ms. McKenzie seconded a motion to accept the Darby Kolter & Roberts, LLP to the pool of approved local bond counsels. The motion was approved unanimously following a roll call vote.

Executive Director's Offering Summary

Mr. Gaughan provided the Board an update on key strategic considerations of the summer 2022 bond offering including the refundings of the callable 2012 bonds. Also included in the discussion was a recommendation for selling group members. He also discussed using equity to pay the costs of bond counsel.

Motion: Mr. Baker moved and Ms. McKenzie seconded a motion to accept the Executive Director's recommendation on underwriters and selling group members. The motion was approved unanimously following a roll call vote.

Authorization of Bonds

Ms. Burke introduced the Bond Bank resolution for the bond sale as prepared by Mintz Levin as bond counsel for the Bond Bank.

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

*Board Resolutions
June 27, 2022*

Resolved,

I. 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 \$28,000,000 aggregate principal amount of 2022 Series 2 (the "2022 Series 2 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2022 Series 2 Bonds (the "2022 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 2022 Series 2 Bonds allocable to such portion of the 2022 Series 2 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 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 (i) authorize the issuance of one or more series of refunding bonds ("Refunding Bonds") pursuant to the 1988 General Bond Resolution; and (ii) approves and adopts one or more Series Resolutions authorizing the issuance of the Refunding Bonds in a form approved by the Executive Director and the Chair, the definitive form of each such Series Resolution shall be evidenced conclusively by delivery of a copy thereof certified by each of the Executive Director and Chair.

III. That the Board of Directors of the Vermont Municipal Bond Bank hereby authorizes the Executive Director and the Chair to (i) determine whether the 2022 Series 2 Bonds and the Refunding Bonds shall be sold or issued on the same or different dates, and (ii) take any and all actions necessary or desirable to effectuate such financing and refinancing.

The motion passed unanimously following a roll call vote.

Market Outlook

Mr. Abramson reviewed the market outlook headed into the transaction for the bond pool. Mr. Smith provided additional commentary as the financial advisor to the Bond Bank.

Motion: Mr. Baker moved and Mr. Coates seconded, a motion to go into executive session to discuss issues related to contracts that could place the Bond Bank at a disadvantage in existing and new contracts. The motion was approved unanimously following a roll call vote.

At 12:55 p.m., the Board went into Executive Session. Guests remained at the board's invitation.

At 1:26 p.m., the Board came out of Executive Session.

Motion: Mr. Coates moved and Ms. McKenzie seconded the motion to authorize the Executive Director and Chair to move forward with changes to the resolution allowing for multiple liens under the 1988 Resolution. The motion was approved unanimously following a roll call vote.

At 1:28 p.m., Mr. Abramson, Ms. Burke, and Mr. Smith left the meeting.

Annual Monitoring Review

Mr. Gaughan gave the board an update on the status of current watch list borrowers shared a summary of portfolio monitoring progress.

Motion: Ms. McKenzie moved and Mr. Coates seconded the motion to remove Green Mountain Unified School District and Town of Windsor from the watch list. The motion was approved unanimously following a roll call vote.

Changes to Polices

Mr. Gaughan described a minor change in the By-laws to the board aligning the date of electing officers with the annual meeting.

Mr. Gaughan also described a recommended change to the Investment Policy incorporating an annual review of third party ESG scoring and analysis of related benchmarks. He noted this was targeted at the general operating reserve fund given all most other holdings are government securities, although the policy may be expanded to other accounts over time.

Motion: Mr. Baker moved and Ms. McKenzie seconded the motion to adopt the proposed changes to the By-laws and Investment Policy. The motion was approved unanimously following a roll call vote.

Other Business

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

At 1:49 p.m., the Board went into Executive Session. Staff other than the Executive Director left the meeting.

At 2:01 p.m., the Board came out of Executive Session.

Motion: Mr. Foley moved and Mr. Coates seconded a motion to increase the Controller's salary by 4 percent in line with cost of living changes. The motion was approved unanimously following a roll call vote.

There being no other business to come before the Board, on a motion by Ms. McKenzie and seconded by Mr. Baker, the meeting adjourned at 2:02 p.m.

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