



BOARD MEETING

June 29, 2023 – 9:00 a.m.

In-person and via Zoom

MEETING MINUTES

Board Members Participating & Voting: David Coates, Debbie Winters, Mary Alice McKenzie, Mark Foley, and Treasurer Mike Pieciak

Board Members Absent: None

Staff Participating: Elizabeth King, Ken Linge, and Michael Gaughan

Guests: Meghan Burke - Mintz Levin, Scott Baker – State Treasurer’s Office

The meeting was called to order by Ms. Winters at 9:02 p.m.

Administrative

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

Approve Prior Meeting Minutes

Mr. Gaughan described a change that was needed in the prior minutes and Ms. Winters asked for any additional comments on the prior meeting minutes.

Motion: Mr. Foley moved and Ms. Winters seconded, the motion to approve the meeting minutes of the May 26th, 2023 board meeting as revised. The minutes were approved unanimously.

Executive Director’s Update

Mr. Gaughan provided an update on on-going work at the Bond Bank including the recent passage of the Bond Bank’s legislative change, status of the RESP application, and the delay in bond subsidy payment from the IRS on the Bond Bank’s RZEB and QSCB bonds.

Consideration of SRF Loan Approvals

Mr. Linge introduced the state revolving loan funds loans and discussed the credit summaries. Mr. Foley recused himself from the City of Rutland vote and Ms. Winters recused herself from the Village of Swanton vote.

Motion: Ms. McKenzie moved and Mr. Pieciak seconded, a motion to approve the below SRF loans. The motion was approved unanimously with abstentions noted.

Borrower	Loan #	Loan Amount	Conditions / Notes
Brighton	RF1-318-2.0	\$270,300	\$126k amendment
Franklin	RF1-269-3.0	403,318	Fully forgivable
Swanton Village	RF3-405-2.1	120,600	\$56,800 amendment
Rutland	RF1-236-3.1	<u>1,918,551</u>	\$488k amendment
		\$2,712,769	

Motion: Ms. McKenzie moved and Mr. Pieciak seconded, a motion to move the Town of Brighton to the watch list. The motion was approved unanimously with abstentions noted.

Mr. Gaughan discussed an upcoming meeting with stakeholders on small water system capacity issues that the Bond Bank will be hosting.

Consideration of 2023 Summer Loan Pool Applicants

Mr. Linge provided commentary on the credit summaries, which accompany each loan application. The board members discussed applications and asked follow-up questions.

Mr. Foley indicated he would recuse himself from the vote related to the City of Rutland.

Motion: Mr. Pieciak moved and Mr. Coates seconded, a motion to accept the following borrowers and related loans into the summer loan pool with recusals as noted. The motion was approved unanimously.

- *Bellows Falls Union High School District*
- *Town of Hardwick*
- *Town of Charlotte*
- *Town of Plymouth VT*
- *Town of Manchester*
- *City of Rutland*
- *South Burlington School District*
- *Town of Dorset*
- *Champlain Valley School District*
- *Town of Williston*
- *Windsor, Town of*

Executive Director's Offering Summary

Mr. Gaughan provided the board with an update on key strategic considerations of the summer 2023 bond offering. He discussed the current market and strategies to realize the lowest relative cost of capital for borrowers.

Approval of Underwriting Syndicate

Mr. Gaughan introduced the proposed underwriting syndicate for the 2023 Series 2 & 3 transaction. He discussed liability levels and justification of the decision following the interviews. Ms. McKenzie and Mr. Foley favorably commented on the soundness of the process used in coming to the selections.

Motion: Mr. Pieciak moved and Mr. Coates seconded, a motion to accept the Executive Director's proposal of the negotiated syndicate composition and accompanying liabilities. The motion was approved unanimously.

Authorization of Bonds

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

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

Board Resolutions
June 29, 2023

Resolved,

I. That the Board of Directors of the Vermont Bond Bank hereby (i) authorizes the issuance of not to exceed \$35,000,000 aggregate principal amount of 2023 Series 2 (the "2023 Series 2 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2023 Series 2 Bonds (the "Series 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 2023 Series 2 Bonds and to determine the amount of any such contribution. The definitive form of the Series 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 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 Bond Bank hereby authorizes the Executive Director and the Chair to (i) determine whether the 2023 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.

At 10:11 a.m., Ms. Burke left the meeting.

Annual Monitoring and Watch List Review

Mr. Gaughan provided an overview of the annual monitoring and watch list review. He noted that portfolio medians would be shared at the September board meeting and recommended several additions and removals from the watch list. He also took time to discuss concerns related to the Village of Poultney financial statement review and the desire of the Bond Bank to have an in-person meeting.

Motion: Mr. Foley moved and Ms. McKenzie seconded, a motion to remove and add the following communities from the watch list. The motion was approved unanimously.

Remove

- *Barre Town*
- *Bennington Town*

Add

- *Brandon Town*
- *Norwich Town*

Quarterly Reviews

Ms. King reviewed budget to actual results and answered questions. Mr. Gaughan and Ms. King discussed the proposed late payment policy as presented in the board materials. Mr. Gaughan indicated that the purpose was primarily to encourage ACH payments given delays related to the Postal Service.

Motion: Mr. Pieciak moved and Ms. McKenzie seconded, a motion to adopt the late payment policy. The motion was approved unanimously.

Mr. Gaughan then reviewed the Enterprise Risk Management summary for the quarter noting reduced risk in the capital markets and legislative categories.

There being no other business to come before the Board, on a motion by Mr. Pieciak and seconded by Mr. Coates, the meeting adjourned at 10:48 a.m.

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