



# Vermont Bond Bank

## **BOARD MEETING**

November 30, 2023 – 9:00 am

In-person at 100 Bank Street, Suite 401 / Burlington, VT and via Zoom\*

## **MEETING MINUTES**

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

**Board Members Absent:** Mark Foley

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

**Guests:** None

The meeting was called to order by Ms. Winters at 9:00 a.m.

### Administrative

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

### Approve Prior Meeting Minutes

Ms. Winters asked for any comments on the prior meeting minutes.

*Motion: Mr. Coates moved and Ms. McKenzie seconded, the motion to approve the meeting minutes of the November 3, 2023 meeting as amended. The minutes were approved unanimously.*

### Executive Director's Update

Mr. Gaughan provided an update on efforts to identify a treasury management provider and the 2024 board meeting schedule.

SRF Loan Approvals

Mr. Gaughan and Mr. Linge discussed the credit summaries for the proposed state revolving loan fund (“SRF”) loans. Ms. Winters indicated that she would be abstaining from the vote on Swanton Village.

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

<b>Borrower</b>	<b>Loan #</b>	<b>Loan Amount</b>	<b>Conditions / Notes</b>
Essex Town	RF3-530-1.0	\$196,185	
Swanton Village	RF1-250-2.0	491,190	
Bethel	RF3-423-3.0	2,500,000	
St. Albans City	RF1-280-3.1	359,816	
Montgomery	RF1-340-2.0	974,948	
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		4,522,139	

The Board then discussed the Loan Policies & Procedures and threshold for board review of SRF planning loans. Staff described the history of the current threshold and requested that change be made from \$100 thousand to \$300 thousand.

*Motion: Mr. Pieciak moved and Mr. Coates seconded, a motion to amend the Loan Policies & Procedures to increase the SRF board review threshold to \$300 thousand. The motion passed unanimously.*

Town of Charlotte Flex Fund Loan Approval

Mr. Linge discussed the purpose of the Flex Fund Loan Fund loan to Charlotte that is to provide financing for a rooftop solar installation on the new town garage. Mr. Gaughan discussed the hope that the loan will be able to be moved into the RESP Fund after finalization of the related loan agreement.

Mr. Linge then discussed the credit summary and answered board questions.

*Motion: Mr. Pieciak moved and Ms. McKenzie seconded, a motion authorizing the Flex Fund loan to the Town of Charlotte and authorizing related actions to fund the loan. The motion passed unanimously.*

2023 Review of Dashboard Indicators

Mr. Gaughan discussed the annual dashboard indicators with special attention paid to the investment performance of the General Operating Reserve Fund relative to inflation.

### 2023-2024 Staff Goal Setting

Mr. Gaughan described the review of 2022-2023 goals and process and results of the 2023-2024 goals. He noted that these were used to inform the budget setting process and that significant impacts on the budget would be discussed in the budget agenda item.

### Presentation & Consideration of the 2024 Budget

Mr. Gaughan provided an overview of key considerations in the 2024 budget, tie to the annual goal setting process, and proposed expenses as well as revenue assumptions. He also reviewed the various funds that will be included in the 2024 budget because of program development.

He noted that the budget had already been discussed with the VEBFA Finance Committee. He noted the change in allocation of the Executive Director's salary to 75 percent attributable to the Bond Bank.

*Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to approve the proposed FY 24 budget. The motion passed unanimously.*

### Election of Officers

Ms. Winters stepped down as Chair. Mr. Gaughan asked for nominations for the positions of Chair, Treasurer, and Secretary.

*Motion: Mr. Coates moved and Ms. McKenzie seconded, the following slate of officers: Debbie Winters, Chair; Mary Alice McKenzie, Treasurer; and Michael Gaughan, Secretary. Mr. Gaughan asked for a vote on the slate of officers with officers abstaining from a vote on themselves. The motion was approved unanimously following a roll call vote.*

### Ratification of Prior Acts

Mr. Foley described the purpose of the motion.

*Motion: Ms. McKenzie moved and Mr. Pieciak seconded, the motion stating that the Board of Directors of the Vermont Municipal Bond Bank ("Bond Bank") met at a duly warned meeting on November 30, 2023. The Board of Directors considered all prior acts of the Bond Bank taken during calendar year 2023 and reaffirmed all such actions and endeavors undertaken. The motion was approved unanimously.*

### RESP LOC Award

Mr. Gaughan presented the outcome of the request for proposals for the letter of credit that will support the RESP program. He highlighted that the longest bid was for 5 years and will need to be renewed during the RESP loan program. Mr. Gaughan indicated his recommendation to award the LOC to JP Morgan following completion of clarification on the parameters of the bid.

*Motion: Mr. Pieciak moved and Ms. McKenzie seconded, the motion accepting the Executive Director's recommendation and authorizing him to negotiate the final form of contract on the letter of credit. The motion was approved unanimously.*

#### Quarterly Reviews

Mr. Gaughan indicated there were no proposed changes to the policies up for review at the meeting. He also discussed changes in the Enterprise Risk Management, related to treasury as a result of the invoicing and disbursement the bond bank will begin undertaking alongside new programs, and environmental risk impacting the potential for borrowers to repay after disasters.

Ms. King reviewed the vendor report and stated that budget to actual was included in budget review.

#### Standing Hold for Executive Session

*Motion: Mr. Pieciak moved and Mr. Coates seconded, a motion to go into executive session to discuss a evaluations of current employees and other employment matters that would place the board at a substantial disadvantage. The motion was approved unanimously.*

At 10:45 a.m., the Board went into Executive Session. Mr. Gaughan remained at the board's invitation.

At 11:00 a.m., Mr. Gaughan left the meeting.

At 11:30 p.m., the Board came out of Executive Session.

*Motion: Ms. McKenzie moved and Mr. Pieciak seconded, a motion to amend the FY 24 budget to increase the Bond Bank's contribution to the Executive Director's salary by 8.00 percent and a onetime bonus of \$10,000. The motion was approved unanimously.*

There being no other business to come before the Board, on a motion by Mr. Coates and seconded by Mr. Pieciak, the meeting adjourned at 11:37 a.m.

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These Minutes were approved by the Board of Directors at a duly warned meeting on February 1, 2024.