



Vermont Bond Bank

BOARD MEETING

Thursday, May 28, 2026 - 9:00 a.m.

In-person and via Zoom

[Recording Link 1](#)

[Recording Link 2](#)

DRAFT MEETING MINUTES

Board Members Present

Debbie Winters
John McSoley
Mark Foley
Scott Baker (as designee for Treasurer Pieciak)

Board Members Absent

Vacancy

Staff Participating

Michael Gaughan
Elizabeth King
Ken Ling
Nick Koleszar

Guests

Chris Valentino, Stifel
Mark Liff, Siebert
Jim Piotrowski, CLA
Seth Bean, CLA
Thomas Melloni, PFC as General Counsel for Vermont Bond Bank

The meeting was called to order by Ms. Winters at 9:03 a.m.

Administrative

Ms. Winters asked whether there were any changes or additions to the agenda. Hearing none, the agenda proceeded as presented. Mr. Gaughan noted that two guests, Chris Valentino of Stifel and Mark of Siebert, were present and that public comment would be taken at the end of the meeting if needed.

Approve Prior Meeting Minutes

Ms. Winters asked whether Board members had reviewed the prior meeting minutes. Hearing no discussion, the Board considered approval.

Motion: Mark Foley moved; John McSoley seconded a motion to approve the prior meeting minutes. The motion passed unanimously.

Executive Director's Update

Mr. Gaughan reported that the Bond Bank is commencing its first single audit in connection with federal receipts under the USDA loan program. He noted that the process is complex and may result in follow-up items or process refinements, but stated that staff had worked to establish policies and procedures in advance. He also reported that the Bond Bank closed its first loan under the Housing Infrastructure Loan



Program, a pilot loan to the City of Barre supporting 31 downtown housing units in a flood-resilient building.

Mr. Gaughan further presented an official intent authorization related to the Housing Infrastructure Loan Program. He explained that the authorization would allow him, on a programmatic basis, to declare the Bond Bank's intent to reimburse itself for qualifying expenditures for tax law purposes as future loans close, avoiding the need for a separate reimbursement resolution for each transaction. He noted that the authorization did not commit the Board to issue debt.

Motion: John McSoley moved; Mark Foley seconded a motion to adopt the attached official intent authorization. The motion passed unanimously.

2025 Audit Presentation

Jim Piotrowski and Seth Bean of CLA presented the 2025 audit results. Mr. Piotrowski reviewed the audit scope, including the financial statement audit, review of internal controls over financial reporting, and the new single audit requirement associated with federal funding received by the Bond Bank. He reported that CLA issued an unmodified opinion on the Bond Bank's 2025 financial statements and identified no internal control matters or material audit adjustments requiring reporting.

Mr. Bean reviewed financial statement highlights, including trends in the operating fund, long-term debt, loans receivable, and the performance of individual funds. He noted significant growth in debt and loans receivable, increased investment income in the operating fund, and summarized changes in net position across the Bond Fund, Special Obligation Fund, Operating Fund, MCRF Fund, EEPF Fund, SCRPFund, and the new VISF Fund.

CLA also provided an update on the single audit, noting that the Bond Bank exceeded the federal expenditure threshold in 2025 and that the Rural Energy Savings Program would be the program subject to compliance testing. Mr. Piotrowski reported that testing was underway and described the additional work required because the program does not have a dedicated OMB compliance supplement. He also reviewed required communications to the Board, including implementation of GASB 103, and reported no uncorrected misstatements, disagreements, or significant difficulties encountered during the audit.

Executive Session

Following the audit presentation, the Board discussed entering executive session to discuss the auditor's review of management.

Motion: Mark Foley moved; Scott Baker seconded a motion to enter executive session to discuss the personnel. The motion passed unanimously.

The Board entered executive session at approximately 9:26 a.m. Upon returning to regular session at approximately 9:48 a.m., the Board proceeded with further business.



Motion: Mark Foley moved; John McSoley seconded a motion to exit executive session. The motion passed unanimously.

Underwriter Pool

Mr. Gaughan described the solicitation process used for the request for qualifications for investment banking services. He noted that the conversation would involve information related to contracts.

Motion: Scott Baker moved; Mark Foley seconded a motion to enter executive session to discuss contract matters for which public discussion would put the Bond Bank at a disadvantage. The motion passed unanimously.

The Board entered executive session at approximately 9:50 a.m. Upon returning to regular session at approximately 10:14 a.m., the Board proceeded with further business.

Motion: Mark Foley moved; Scott Baker seconded a motion to exit executive session. The motion passed unanimously.

Motion: Mark Foley moved; Scott Baker seconded a motion to approve the underwriter pool as presented. The motion passed unanimously.

Mr. Gaughan identified the underwriter pool as Morgan Stanley, Stifel, Raymond James, JP Morgan, Wells Fargo, Siebert, Truist, Fidelity Capital Markets, Huntington, and Academy Securities.

Killington Interim Financing Application

Mr. Gaughan introduced the proposed interim financing for the Town of Killington in advance of a USDA takeout. He described the project as a significant economic development initiative for the State, noted the financing would be structured as a fully pass-through transaction, and summarized the Bond Bank's role in providing technical expertise, access to credit enhancement through the state intercept, and expanded banking relationships. He also reviewed key risk considerations, including project completion, administrative capacity at the town, and headline risk.

Mr. Gaughan and Mr. Linge reviewed the credit profile for Killington, including stressed debt ratios relative to other towns, strong local economic fundamentals, and the project's development and timing risks. The Board discussed the anticipated term of the interim financing, pricing, and conditions. Mr. Gaughan indicated that a related resolution would return to the Board at a subsequent meeting and that the immediate action requested was approval for him to enter into the term sheet with M&T Bank.

Motion: Mark Foley moved; John McSoley seconded a motion to approve the Killington loan and authorize Mr. Gaughan to sign the term sheet with M&T. The motion passed unanimously.



Energy Efficiency Program Loan Review

Mr. Linge presented an Energy Efficiency Program loan to Mountain Views School District for Woodstock Middle High School. He explained that the loan would finance a fuel switch from oil to propane for the boiler system and that, at \$250,000, it was a relatively small loan for the district. He noted that the district had voter authorization for the project and that staff had identified no material credit concerns with respect to the proposed loan.

Motion: Scott Baker moved; John McSoley seconded a motion to approve the Energy Efficiency Program loan to Mountain Views School District. The motion passed unanimously.

SRF Loan Reviews

Mr. Linge presented two SRF loans for Bristol and Middlebury. Staff recommended both loans for approval.

Motion: Scott Baker moved; John McSoley seconded a motion to approve the SRF loans. The motion passed unanimously.

Borrower	Loan #	Loan Amount
Bristol	RF3-553-3.0	\$3,950,000
Middlebury	RF3-478-3.0	2,802,000

MCRF Loan Review

Mr. Linge presented an MCRF refunding for Kirby. He explained that the request was not new money, but rather an extension of the term on an existing \$1 million loan originally made through the EA program and maturing on June 15.

Motion: Scott Baker moved; John McSoley seconded a motion to approve the Kirby MCRF refunding. The motion passed unanimously.

Quarterly Updates

Mr. Gaughan and Ms. King reviewed proposed revisions to the late payment policy and procurement policy. The late payment policy was revised to simplify the fee structure by establishing a flat \$500 late fee at management's discretion, replacing a more complicated escalating approach. Staff explained that the goal of the policy remained to encourage electronic payment and to support timely receipt of borrower payments.

The procurement policy was revised to document an additional compliance step associated with federal funding and the Bond Bank's single audit, requiring review of the applicable federal debarment list in addition to the state list. The Board asked questions regarding the frequency of late payments and the rationale for the proposed revisions.



Motion: John McSoley moved; Scott Baker seconded a motion to approve the policy changes. The motion passed unanimously.

Ms. King then reviewed the budget-to-actual report as of April month-end. Mr. Gaughan noted that he planned to revise the Enterprise Risk Management report format in a future meeting.

Executive Session

The Board discussed entering executive session to discuss personnel related to a board vacancy.

Motion: John McSoley moved; Scott Baker seconded a motion to enter executive session to discuss personnel related to a board vacancy. The motion passed unanimously.

The Board entered executive session at approximately 10:47 a.m. and returned to regular session at approximately 10:52 a.m.

Motion: Scott Baker moved; John McSoley seconded a motion to exit executive session. The motion passed unanimously.

Adjournment

There being no further business to come before the Board, the meeting concluded with a motion to adjourn.

Motion: John McSoley moved; Scott Baker seconded a motion to adjourn. The meeting adjourned at 10:54 a.m.

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

OFFICIAL INTENT AUTHORIZATION

WHEREAS, from time to time the Vermont Bond Bank (the “Bond Bank”) finances capital expenditures through the issuance of tax-exempt bonds, repayment of which is made over a period of years that does not exceed the useful life of the capital assets being financed;

WHEREAS, the Bond Bank has undertaken new programs, including the Vermont Infrastructure Sustainability Fund (marketed as the Housing Infrastructure Loan Program;

WHEREAS, tax-exempt bonds are subject to federal regulations that, among other matters, limit arbitrage or require rebate of earnings in certain circumstances and require ongoing compliance;

WHEREAS, such federal tax regulations provide that the Bond Bank can advance its own funds to purchase programmatic investments in the form of the direct purchase of bonds, notes, and special financing arrangements from Vermont governmental units, who will use proceeds to make capital investments, prior to the issuance of tax-exempt bonds that will be used to reimburse itself for the advanced funds;

WHEREAS, to avail itself of the ability to make such reimbursement, under the applicable tax regulations, the Bond Bank must declare its “official intent” prior to making the capital expenditures expected to be reimbursed from bond proceeds;

WHEREAS, the federal tax regulations permit the Bond Bank to delegate the function of “official intent” to an authorized officer; and

WHEREAS, to streamline the process for “official intent” the Bond seeks to authorize the Executive Director to undertake the process on behalf of the Bond Bank;

NOW, THEREFORE, the Bond Bank hereby approves the following vote:

VOTE: To authorize the Executive Director to adopt on behalf of the Bond Bank one or more written statements of official intent with respect to the making by the Bond Bank of expenditures from internal loans and/or advances (including expenditures made within the 60 days prior to the adoption of each such statement of official intent) from available funds of the Bond Bank for pragmatic investments in the form of the direct purchase of bonds, notes, or special financing arrangements of Vermont governmental units, each such statement to include a general description of the expenditure being made and the purpose thereof, to provide that said loans and advances are to be made in anticipation of reimbursement from proceeds of tax-exempt debt obligations of the Bond Bank, and to set forth a maximum principal amount of any debt to be incurred for the programmatic investment.

May 28, 2026

**Form of Certificate of
Executive Director**

DECLARATION OF OFFICIAL INTENT

This declaration of official intent of Vermont Bond Bank (the “Bond Bank”) is being made by the undersigned on behalf of the Bond Bank pursuant to Treasury Regulations Section 1.150-2. Authority to make such declarations on behalf of the University was delegated to the undersigned by the Board of Directors of the Bond Bank on May 28, 2026.

The Bond Bank hereby declares its official intent to reimburse up to \$_____ of costs temporarily advanced from funds of the Bond Bank for the purpose described on the attached Exhibit A (the “Programmatic Investment”) with proceeds of a subsequent borrowing through the issuance of tax-advantaged obligations.

Dated: [date certificate is executed]

Vermont Bond Bank

By: _____
Michael Gaughan
Executive Director

Exhibit A to Schedule I

Description of Programmatic Investment

[to be inserted prior to certificate being executed]