



Vermont Bond Bank

BOARD MEETING

November 30, 2020 – 2:00 p.m.

Via Zoom

MEETING MINUTES

Board Members Participating & Voting: David Kimel, David Coates, Debbie Winters, Mary Alice McKenzie, and Scott Baker

Board Members Absent: None

Staff Participating: Ashley Lucht and Michael Gaughan

Guests: Jim Foley, Lynch & Foley

The meeting was called to order by Mr. Kimel at 2:00 p.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 Mr. Baker seconded, the motion to approve the meeting minutes of the October 12, 2020 meeting. The minutes were approved unanimously following a roll call vote.

Executive Director's Update

Mr. Gaughan provided an update on recent events and projects at the Bond Bank.

Section 125 Plan Amendments

Mr. Gaughan discussed follow-up questions that arose out of the last board meeting.

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to approve the attached Resolutions, as amended, from Healthy Dollars. The motion was approved unanimously following a roll call vote.

Review SRF Loans

Ms. Lucht introduced the SRF loans in the amounts shown below and discussed considerations related to their credit summaries.

| Borrower | Loan Number | Amount |
|--------------------------|--------------------|---------------|
| Town of Pittsford | RF1-218-3.0 | 970,000 |
| City of Rutland | RF3-371-3.0 | 592,242 |

After some discussion, the following motion was made:

Motion: Mr. Coates moved and Ms. Winters seconded, the motion to approve the SRF loans. The motion was approved unanimously following a roll call vote.

Motion: Mr. Coates moved and Mr. Baker seconded, the motion to add the Town of Pittsford to the Bond Bank’s Watch List. The motion was approved unanimously following a roll call vote.

Election of Officers

Mr. Kimel stepped down as Chair of the meeting and asked Mr. Foley to preside. Mr. Foley asked for nominations for the positions of Chair, Treasurer, and Secretary.

Motion: Ms. McKenzie moved and Mr. Coates seconded, the following slate of officers: David Kimel, Chair; Debbie Winters, Treasurer; and Michael Gaughan, Secretary. Mr. Foley 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. Kimel explained the purpose of the ratification.

Motion: Ms. Winters moved and Mr. Baker 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, 2020. The Board of Directors considered all prior acts of the Bond Bank taken during calendar year 2020 and reaffirmed all such actions and endeavors undertaken. The motion was approved unanimously following a roll call vote.

Presentation & Consideration of the 2021 Budget

Mr. Gaughan provided an overview of key considerations in the 2021 budget and proposed expenses as well as revenue assumptions. He noted that he discussed the proposed budget with VEBFA’s Finance Committee.

Mr. Coates asked questions related to the insurance coverage of the organization. Mr. Gaughan described his efforts to bid directors and officers insurance and work of Lynch & Foley to identify the Bond Bank’s sovereign immunity. Mr. Foley gave additional background on this conclusion.

After discussion, the board asked Mr. Foley to provide a potential resolution to indemnify the Board of Directors.

Memorandum of Agreement

Mr. Gaughan described the draft document that formalizes the relationship with the Vermont Educational and Health Buildings Financing Agency. The board discussed the document and asked Mr. Foley to further provide feedback on the document.

Quarterly Policy Review

Mr. Gaughan noted that he did not have any current suggestions for policy amendments but would anticipate presenting the annual Internal Controls assessment at the January board meeting.

Enterprise Risk Management Review

Mr. Gaughan presented the quarter Enterprise Risk Management review to the Board and highlighting a status changes related to the trustee and reaffirmation of market risk. Mr. Gaughan discussed potential implications of the changes and efforts to mitigate related risks.

At 3:29 p.m., Mr. Foley left the meeting.

Standing Hold for Executive Session

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to go into executive session to discuss a potential real estate lease, evaluations of current employees, and to discuss other employment matters that would place the board at a substantial disadvantage. The motion was approved unanimously following a roll call vote.

At 3:30 p.m., the Board went into Executive Session. Guests remained at the board's invitation.

At 4:00 p.m., Ms. Lucht left the meeting.

At 4:07 p.m., Ms. Winters left the meeting.

At 4:10 p.m., Mr. Gaughan left he meeting.

At 4:15 p.m., the Board came out of Executive Session.

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to adopt the proposed budget subject to future action on assumptions related to occupancy expenses and a three percent increase to the Bond Bank's contribution to the Executive Director's salary. 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. Clasen, the meeting adjourned at 4:25 p.m.

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

_____.

**VERMONT MUNICIPAL BOND BANK
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of Vermont Municipal Bond Bank (the "Employer").

With respect to the amendment of the Vermont Municipal Bond Bank Cafeteria Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended in the form attached hereto which is adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Employer be, and they hereby are, authorized and directed to execute said amendment on behalf of the Employer;

RESOLVED FURTHER: That the officers of the Employer be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2020.

**VERMONT MUNICIPAL BOND BANK CAFETERIA PLAN
CARES ACT AMENDMENT**

WHEREAS, Vermont Municipal Bond Bank (the "Employer") maintains the Vermont Municipal Bond Bank Cafeteria Plan (the "Plan") for the benefit of certain of its employees; and

WHEREAS, pursuant to Section 15.01 of the Plan, the Employer desires to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as set forth below, effective for expenses incurred on or after 01/01/2020.

This Amendment to the Plan is adopted to comply with the requirements of the Coronavirus, Aid, Relief and Economic Security (CARES) Act and is to be construed in accordance with the same. Both the Amendment and the statutory provisions will supersede any inconsistent Plan provisions.

1. Section 6.05(b) of the Plan has been restated as follows:

- (b) *Eligible Expenses.* Except as otherwise provided in the Adoption Agreement, a Participant may be reimbursed from his or her General Purpose Health FSA for expenses that are: (i) incurred in the Plan Year (or Grace Period, if applicable), (ii) incurred while he or she is a Participant in the Plan, and (iii) covered under Code Section 105(b); provided that such expenses are not covered, paid or reimbursed from any other source. For purposes of determining whether an expense is excludable under Code section 105(b), the following applies:
- (1) *Michelle's Law.* "Dependents" shall also include students who have not attained the age of 24 for whom coverage is required under Code section 9813; provided, that treatment as a dependent due to a medically necessary leave of absence under Code section 9813 shall not extend beyond a period of one year.
 - (2) *Coverage of Adult Children.* Expenses for a child (as defined in Code section 152(f)(1)) of the Participant may be covered until the child's 26th birthday or, if provided for in the Adoption Agreement, until the end of the calendar year in which the child turns age 26.

2. Section 7.05(b)(1) of the Plan has been restated as follows:

- (b) *Eligible Expenses.*
- (1) *Limited Purpose Health FSA.* Except as otherwise provided in the Adoption Agreement, a Participant may be reimbursed from his or her Limited Purpose Health FSA for expenses that are: (i) incurred in the Plan Year (except as provided in Section 7.05(c)), (ii) incurred while the Participant participates in the Plan, (iii) excludable under Code section 105(b), (iv) incurred for dental or vision care or for preventive care (as defined under Code section 223(c)(2)(C); and (v) incurred for telehealth services as defined in Code section 223(c)(2)(E); provided that such expenses that are not covered, paid or reimbursed from any other source.

3. Section 7.05(c) of the Plan has been restated as follows:

- (c) For purposes of determining whether an expense is excludable under Code section 105(b), the following applies:
- (1) *Michelle's Law.* Unless otherwise provided in the Adoption Agreement, "Dependents" shall also include students who have not attained the age of 24 for whom coverage is required under Code section 9813; provided, that treatment as a Dependent due to a medically necessary leave of absence under Code section 9813 shall not extend beyond a period of one year.
 - (2) *Coverage of Adult Children.* Expenses for a child (as defined in Code section 152(f)(1)) of the Participant may be covered until the child's 26th birthday or, if provided for in the Adoption Agreement, until the end of the calendar year in which the child turns age 26.

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this ____ day of _____, 2020.

VERMONT MUNICIPAL BOND BANK :

Signature: _____

Print Name: _____

Title/Position: _____

**VERMONT MUNICIPAL BOND BANK CAFETERIA PLAN
SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Vermont Municipal Bond Bank Cafeteria Plan. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

Effective for expenses incurred on or after 01/01/2020, prescriptions are no longer required for over-the-counter medicines or drugs.

**VERMONT MUNICIPAL BOND BANK
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of Vermont Municipal Bond Bank (the "Company").

With respect to the amendment of the Vermont Municipal Bond Bank Cafeteria Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended in the form attached hereto, which amendment is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute said amendment on behalf of the Company;

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2020.

**VERMONT MUNICIPAL BOND BANK
CAFETERIA PLAN**

SUMMARY OF MATERIAL MODIFICATIONS

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Vermont Municipal Bond Bank Cafeteria Plan. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

1. The Plan Year is no longer a short year.
2. ~~Employees working 18.5 hours/week are now eligible for the Plan.~~
3. Prior Plan Year Election will not be automatically applied to Health FSA if election is not made.
4. Prior Plan Year Election will not be automatically applied to DCAP if election is not made.
5. Eligible Contracts for Reimbursement are: Employer Health, Employer Dental, Employer Vision, and Employer Disability.

**VERMONT MUNICIPAL BOND BANK
CAFETERIA PLAN**

AMENDMENT

WHEREAS, Vermont Municipal Bond Bank (the "Company") maintains the Vermont Municipal Bond Bank Cafeteria Plan (the "Plan") for the benefit of certain of its employees; and

WHEREAS, Pursuant to Section 8.01 of the Plan, the Company desires to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, effective as provided therein:

1. The response to Item A.4b. of the Adoption Agreement is changed from Yes to No effective 1/1/2020.
- ~~2. The response to Item B.4d.i. of the Adoption Agreement is changed from 20 to 18.5 effective 1/1/2020.~~
3. The response to Item C.1b. of the Adoption Agreement is changed from Yes to No effective 5/1/2019.
4. The response to Item C.1d. of the Adoption Agreement is changed from Yes to No effective 5/1/2019.
5. The response to Item D.1h. of the Adoption Agreement is changed from Yes to No effective 5/1/2019.
6. The response to Item D.1i. of the Adoption Agreement is changed from Yes to No effective 5/1/2019.
7. The response to Item D.1j. of the Adoption Agreement is changed from Yes to No effective 5/1/2019.

PLAN YEAR END: 12/31

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed this ____ day of _____, 2020.

VERMONT MUNICIPAL BOND BANK :

Signature: _____

Print Name: _____

Title/Position: _____