



Vermont Bond Bank

BOARD MEETING

January 28, 2021 – 1:30 p.m.
Via Zoom

MEETING MINUTES

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

Board Members Absent: None

Staff Participating: Ashley Lucht, Elizabeth King, and Michael Gaughan

Guests: Joe Abramson – Morgan Stanley, Meghan Burke - Mintz Levin, Jim Foley – Lynch & Foley, and Zach Solomon – Morgan Stanley

The meeting was called to order by Mr. Kimel at 1:30 p.m.

Administrative

Mr. Kimel 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. Mr. Baker indicated he would be abstaining from January as he did not attend the meeting.

Motion: Mr. Coates moved and Ms. McKenzie seconded, the motion to approve the meeting minutes of the January 30th, 2020 and November 20th, 2020 board meetings. The minutes were approved unanimously following a roll call vote.

Indemnification Review

Mr. Foley discussed provisions in the bylaws discussing indemnification of board members and employees.

Auditor Engagement Letter

Mr. Gaughan introduced the topic.

Motion: Ms. McKenzie moved and Mr. Baker seconded, the motion to authorize the Treasurer to enter into an agreement with Mudgett, Jennett & Krogh-Wisner, P.C. The motion passed unanimously following a roll call vote.

SEP Closing Agreement

Mr. Gaughan described the purpose of the resolution.

Motion: Ms. McKenzie moved and Mr. Baker seconded, approve the attached resolution related the Simplified Employee Pension. The motion passed unanimously following a roll call vote.

SEP Plan Contributions

Mr. Gaughan described the need to annual define the contribution amount under the terms of the plan document.

Motion: Mr. Coates moved and Ms. Winters seconded a motion to authorize and approve a contribution equal to 10.00% of wages for all eligible employees for 2021, under the terms of the SEP Plan adopted December 18th, 2018. The motion passed unanimously following a roll call vote.

SRF Loan Review

Ms. Lucht provided an overview of the credit considerations for the proposed SRF loans. Members asked questions to which Mr. Gaughan and Ms. Lucht responded.

Motion: Ms. McKenzie moved and Mr. Baker seconded, a motion to approve the loans listed below with conditions as noted. The motion was approved following a roll call vote.

Borrower	Loan Number	Amount	Conditions
Town of Addison	RF1-195-3.0	\$756,466.06	None
Town of Bennington	RF3-401-3.0	\$10,842,329.00	100% forgiveness
Craftsbury FD#2	RF3-419-3.0	\$98,943.00	100% forgiveness
Champlain Water District	RF3-410-3.0	\$2,600,000.00	None
Town of Huntington	INT-006-3.0	\$309,000	100% forgiveness
Town of St. Johnsbury	RF1-215-3.0	\$5,433,943.00	None
Town of St. Johnsbury	RF3-413-3.0	\$2,842,370.42	None

Consideration of 2021 Winter Loan Pool Applicants

Mr. Gaughan and Ms. Lucht 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 indicated he would be recusing himself from the consideration the City of Barre applications.

Motion: Mr. Coates moved and Ms. Winters seconded, a motion to accept the following borrowers and related loans into the Winter Bond Pool with recusals as noted. The motion was approved unanimously following a roll call vote.

- *City of Barre*
- *Barre Unified Union School District*
- *Town of Bennington*
- *Canaan School District*
- *Champlain Valley School District*
- *Town of Hardwick*
- *Town of Hartford*
- *City of Rutland*
- *Town of Thetford*
- *Town of Williston*
- *Town of Woodstock*

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to add the City of Barre to the watchlist with recusals as noted. 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 winter 2021 bond offering including the inclusion of a refunding related to the 2010-4 bonds. Also included in the discussion was a recommendation for selling group members and a cost-benefit analysis of an equity contribution for costs of issuance.

Motion: Mr. Baker moved and Ms. Winters 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.

Market Outlook

Mr. Abramson reviewed the market outlook headed into the transaction for the bond pool.

Authorization of Bonds

Mr. Gaughan introduced the Bond Bank resolution for the bond sale as prepared by Mintz Levin as bond counsel for the Bond Bank.

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

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 \$39,000,000 aggregate principal amount of 2021 Series 1 Bonds (Local Investment Bonds) (the "2021 Series 1 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2021 Series 1 Bonds (the "2021 Series 1 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 2021 Series 1 Bonds allocable to such portion of the 2021 Series 1 Bonds allocable to new loans made from the proceeds thereof and to determine the amount of any such contribution. The definitive form of the 2021 Series 1 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 authorizes the Executive Director and the Chair to take any and all actions necessary or desirable to effectuate such financings.

The motion passed unanimously following a roll call vote.

At 2:27 p.m., Ms. Burke and the representatives from Morgan Stanley left the meeting.

Cyber Security Gap Analysis

Mr. Gaughan described efforts to pursue the cyber security analysis requested by the board at the prior meeting. He introduced the proposed vendor and cost that was not included in the proposed 2021 budget.

Motion: Mr. McKenzie moved and Ms. Winters seconded, the motion to authorize the Executive Director enter into an agreement with VC3 as presented. The motion passed unanimously following a roll call vote.

Internal Control Review and Strategic Plan Check-in

Mr. Gaughan commented on the annual financial control review and goals outlined in the strategic plan noting the importance of the new controller in further implementing control measures.

Office Space Update

Mr. Gaughan described updates to the proposed letter of intent.

Motion: Ms. McKenzie moved and Mr. Baker seconded, the motion to authorize the Executive Director enter into an Letter of Intent with Redstone and delegated the final execution of the lease to the Executive Director in consultation with the Treasurer. The motion passed unanimously following a roll call vote.

Memorandum of Agreement with VEHBFA

Mr. Gaughan introduced the document and indicated that VEHBFA had approved the document at its last meeting on December 15, 2020.

Motion: Ms. Winters moved and Mr. Baker seconded, the motion to authorize the Chair to sign the Memorandum of Agreement concerning joint operations with the Vermont Educational and Health Buildings Financing Agency. The motion passed unanimously following a roll call vote.

There being no other business to come before the Board, on a motion by Mr. Baker and seconded by Mr. Coates, the meeting adjourned at 2:45 p.m.

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