



Vermont Bond Bank

BOARD MEETING

June 30, 2021 – 10:30 a.m.

Via Zoom and in-person at 20 Winooski Falls Way, Suite 305 / Winooski VT 05404

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 Jeff Smith – Omnicap

The meeting was called to order by Mr. Kimel at 10:30 a.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.

Motion: Mr. Coates moved and Mr. Baker seconded, the motion to approve the meeting minutes of the May 27th, 2021 board meeting. The minutes were approved unanimously following a roll call vote.

Executive Director's Update

Mr. Gaughan provided an update on on-going work of the Bond Bank.

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. Coates 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
South Burlington	RF1-289-2.0	\$675,000	100% forgiveness
Hinesburg	RF1-229-2.0	\$200,100	
Burlington (stormwater)	RF1-278-3.0	\$2,560,000	
Richmond	RF3-444-3.0	\$400,000	
Manchester	RF3-440-3.0	\$1,100,000	
Irasburg FD #1	RF3-391-3.0	\$531,500	
South Burlington	RF1-289-2.0	\$675,000	

Consideration of the 2021 Summer 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.

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

- *Addison Northwest School District*
- *Champlain Water District*
- *Town of Chester*
- *Town of Duxbury*
- *Town of Hardwick*
- *Town of Northfield*
- *Town of Pownal*
- *South Burlington School District*
- *City of St. Albans*
- *Town of Williston*
- *Town of Wilmington*
- *Town of Windsor*

Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to add the Town of Duxbury to the watchlist. The motion was approved unanimously following a roll call vote.

Mr. Foley joined the meeting at approximately 11:20 a.m.

Executive Director's Offering Summary

Mr. Gaughan provided the Board an update on key strategic considerations of the summer 2021 bond offering including the refundings related to the 2011-4 and 2011-6 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.

Authorization of Bonds

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

Motion: Mr. Coates moved and Mr. McKenzie 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 \$21,000,000 aggregate principal amount of 2021 Series 3 Bonds (Local Investment Bonds) (the "2021 Series 3 Bonds") pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the 2021 Series 3 Bonds (the "2021 Series 3 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 3 Bonds allocable to such portion of the 2021 Series 3 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 3 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 (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 Municipal Bond Bank hereby authorizes the Executive Director and the Chair to (i) determine whether the 2021 Series 3 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 following a roll call vote.

At 11:50 a.m., Mr. Abramson, Ms. Burke, and Mr. Smith left the meeting.

Market Outlook

Mr. Abramson reviewed the market outlook headed into the transaction for the bond pool. Mr. Smith provided additional commentary as the financial advisor to the Bond Bank.

Annual Monitoring Review

Mr. Gaughan gave the board an update on the status of current watch list borrowers and shared portfolio wide medians. He also shared a summary of the number and loan balances monitored.

Motion: Mr. Coates moved and Ms. Winters seconded the motion to remove the school districts associated with the Athens court case, Thetford School District, and Town of Killington from the watch list. The motion was approved unanimously following a roll call vote.

Presentation of the Vermont Bond Bank Audit

Mr. Gaughan presented the board with the fiscal year 2020 audit, answered questions, and noted that the board would be given opportunity to discuss the audit with the auditor.

There being no other business to come before the Board, on a motion by Ms. McKenzie and seconded by Mr. Baker, the meeting adjourned at 12:27 p.m.

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