



**BOARD MEETING**

February 1, 2024 – 9:00 a.m.

In-person and via Zoom

**MEETING MINUTES**

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

**Board Members Absent:** None

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

**Guests:** Meghan Burke - Mintz Levin, Scott Baker – State Treasurer’s Office, Joe Abramson – Morgan Stanley, John McSoley, and Femi Otitoju – Morgan Stanley

The meeting was called to order by Ms. Winters at 9:02 p.m.

Administrative

Ms. Winters asked if there were any changes or additions to the agenda. Mr. Gaughan facilitated introductions from all guests in attendance as well as staff to John McSoley who is expected to join the board after paperwork is finalized. Mr. Coates indicated that he would be retaining his board position for the duration of the meeting.

Special Resolution Honoring David Coates

Mr. Gaughan read the attached resolution that recognized David Coates’ contributions to the Bond Bank over thirty years.

*Motion: Ms. McKenzie moved and Mr. Pieciak seconded, the motion to adopt the attached resolution honoring David Coates. The motion was approved unanimously.*

Approve Prior Meeting Minutes

Ms. Winters indicated that her abstention from the Village of Swanton vote needed to be added to the minutes.

*Motion: Mr. Foley moved and Mr. Coates seconded, the motion to approve the meeting minutes of the November 30, 2023 board meeting as revised. The minutes were approved unanimously.*

Executive Director’s Update

Mr. Gaughan provided an update on on-going work at the Bond Bank including a need for a late February board meeting and status of the ARPA award with the State of Vermont. Mr. Linge provided an update on the Bond Bank’s letter of intent selection for the UVM Leahy Institute. Ms. King then provided an update on the audit.

Winter 2024 Loan Pool Review

Mr. Linge provided commentary on the credit summaries, which accompany each loan application. The board members discussed applications and asked follow-up questions.

Ms. Winters led a discussion on the appropriate credit metrics given the expectation of large school projects coming in for credit review and the lack of comparisons given low levels of school debt embedded in current benchmarks. Mr. Gaughan responded that he would present the board with an overview of the Moody’s school rating criteria and recommendations on metrics for how to review the credit of large school finance requests going forward.

Mr. Foley indicated he would recuse himself from the vote related to the Town of Rutland.

*Motion: Mr. Foley moved and Mr. Coates seconded, a motion to accept the following borrowers and related loans into the summer loan pool with recusals as noted. The motion was approved unanimously.*

- *Bellows Falls Union High School District*
- *Town of Brattleboro*
- *Town of Calais*
- *Edward Farrar Utility District*
- *Fairfax Town School District*
- *Town of Killington*
- *Town of North Hero*
- *Northwest Vermont Solid Waste Management District*
- *Town of Rutland*
- *City of South Burlington*

Executive Director’s Offering Summary

Mr. Gaughan provided the board with an update on key strategic considerations of the winter 2024 bond

offering. He discussed the current market and strategies to realize the lowest relative cost of capital for borrowers. He also reviewed the impacts of the projects both individually and in aggregate.

Approval of Underwriting Syndicate

Mr. Gaughan introduced the proposed underwriting syndicate for the 2024 Series 1 transaction. He discussed the justification behind the recommendation.

*Motion: Mr. Pieciak moved and Mr. Coates seconded, a motion to accept the Executive Director’s proposal of the negotiated syndicate composition. The motion was approved unanimously.*

Morgan Stanley then provided a market update and outlook for the transaction.

Authorization of Bonds

Mr. Gaughan and Ms. Burke introduced the two resolutions for adoption and the purpose of the Sufficiency Account.

*Motion: Ms. McKenzie moved and Mr. Foley seconded a motion to adopt the resolution as follows:*

Board Resolutions  
February 1, 2024

*Resolved,*

- I. That the Board of Directors of the Vermont Bond Bank hereby (i) authorizes the issuance of not to exceed \$75,000,000 aggregate principal amount of 2024 Series 1 Bonds (the “Bonds”) pursuant to the 1988 General Bond Resolution, (ii) approves and adopts the Series Resolution for the Bonds (the “Series 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 Bonds and to determine the amount of any such contribution. The definitive form of the Series 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 Bond Bank hereby authorizes the Executive Director and the Chair to take any and all actions necessary or desirable to effectuate such financing.*

The motion passed unanimously.

The board then considered the Sufficiency Account resolution.

*Motion: Mr. Foley moved and Ms. McKenzie seconded a motion to adopt the resolution as follows:*

Board Resolution  
February 1, 2024

*Resolved,*

*That the Board of Directors of the Vermont Bond Bank hereby approves and adopts the Supplemental Resolution (the "Supplemental 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. The definitive form of the Supplemental Resolution shall be evidenced conclusively by delivery of a copy thereof certified by each of the Executive Director and Chair.*

At 10:40 a.m., representatives from Mintz Levin, Morgan Stanley, and Omnicap left the meeting.

Consideration of SRF Loan Approvals

Mr. Linge introduced the state revolving loan funds loans and discussed the credit summaries.

*Motion: Mr. Coates moved and Ms. McKenzie seconded, a motion to approve the below SRF loans. The motion was approved unanimously.*

<b>Borrower</b>	<b>Loan #</b>	<b>Loan Amount</b>	<b>Conditions / Notes</b>
South Burlington	RF1-354-2.0	\$986,800	
Rutland City	RF3-513-1.0	<u>800,000</u>	
		\$1,786,800	

SEP Contribution Confirmation

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

*Motion: Mr. Foley moved and Ms. McKenzie seconded a motion to authorize and approve a contribution equal to 10.00% of wages for all eligible employees for 2024, under the terms of the SEP Plan adopted December 18th, 2018. The motion passed unanimously.*

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### Municipal Climate Recovery Fund Update

Mr. Gaughan provided the Board with an update on the MCRF including a signed term sheet with the Treasurer's Office and receipt of municipal applications on January 10<sup>th</sup>. He addressed a proposed allocation methodology given \$35.5 million in requests for \$15 million in capitalization from the treasurer's loan. He discussed the disaster impact ratio that was used to weight requests noting that final recommendations would be after further diligence and credit review. Board members expressed the importance of the program.

The Board and staff then briefly discussed the proposed procurement policy noting that it would be addressed for adoption at the next board meeting.

*There being no other business to come before the Board, on a motion by Mr. Coates and seconded by Ms. McKenzie, the meeting adjourned at 11:17 a.m.*

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These Minutes were approved by the Board of Directors at a duly warned meeting March 12, 2024.

**THE VERMONT BOND BANK  
BOARD OF DIRECTORS**

**February 1, 2024**

**Preambles and Resolutions Regarding the Retirement of David Coates  
from the Vermont Bond Bank Board of Directors**

**WHEREAS**, David Coates was appointed to the Vermont Bond Bank (“Bond Bank”) Board of Directors (“Board”) by former Governor Howard Dean in 1992; and

**WHEREAS**, David Coates has drawn on his years of accounting and audit experience, as well as his keen common sense to help shape finances and policies for countless state programs;

**WHEREAS**, David Coates has always set an example of calm and steady leadership and respectfulness as he mentored, guided, and impacted the lives of so many Vermonters;

**WHEREAS**, David Coates helped to oversee \$2.40 billion in bonds issued by the Bond Bank while ensuring low-cost finance for hundreds of communities throughout Vermont;

**NOW, THEREFORE, BE IT RESOLVED**, as follows:

The Board hereby **RECOGNIZES** and **THANKS** David Coates for his leadership on behalf of the State while noting that no amount of gratitude can express sufficient thanks for his countless contributions.