



BOARD MEETING

January 25th, 2018 – 4:00 pm

Hampton Inn - Colchester, VT

AGENDA

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ADMINISTRATIVE

1a. Review of December 11th, 2017 Board Minutes

Requested Action: Review and approve prior minutes

Background – Draft Minutes



**Board Meeting
Hampton Inn
Colchester, Vermont
December 11, 2017**

Meeting Minutes

Board Members Present: Kathryn Boardman, David Coates; David Kimel; Beth Pearce; and Deborah Winters

Staff: Robert Giroux & Michael Gaughan

Advisors: None

Guests: None

The meeting was called to order by Mr. Kimel at 9:30 am.

Annual Meeting

1. Nomination and Selection of Officers - Mr. Kimel stepped down as Chair of the meeting and asked Mr. Giroux to preside. Mr. Giroux asked for nominations for the positions of Chair, Treasurer and Secretary.

Motion: Mr. Coates moved the following slate of officers: David Kimel, Chair; Deborah Winters, Treasurer; and Michael Gaughan, Secretary. Hearing no further nominations, Mr. Giroux asked for a vote on the slate of officers and the Motion passed.

Mr. Kimel then resumed presiding over the Board meeting.

2. Code of Ethics and Conflict of Interest Disclosure – Mr. Kimel asked that Board Members submit the disclosure statements to Mr. Gaughan.
3. Authorized signers to VMBB Accounts – Signers to VMBB bank accounts, investment accounts and credit card need to be updated.

Motion: Ms. Pearce made the motion to authorize Michael Gaughan, David Kimel and Deborah Winters as signers on the following bank accounts: Peoples United Bank (PUB) operating and investment accounts; PUB SRF loan and investment accounts, US Bank trustee accounts; and McDonnell Management investment accounts. The Motion was seconded by Mr. Coates and it passed.

Motion: Ms. Boardman moved and Mr. Coates seconded the Motion to authorize Michael Gaughan as the signer on the American Express credit card account.

Approve Minutes

Motion: Ms. Pearce moved to adopt the minutes of the June 21, 2017, June 28, 2017, August 8, 2017, September 5, 2017, and September 29, 2017 Board meetings, with one correction. Mr. Coates seconded the motion and it was approved.

Administrative

1. Annual Review
 - a. Dashboard Indicators – Mr. Giroux briefly reviewed the indicators with the Board. He highlighted those that would require further monitoring and additional metrics to be developed.
 - b. Internal Controls Survey – The self-assessment shows that the VMBB’s internal controls are sound and operations are in compliance.
 - c. Disaster Recovery Plan – Mr. Gaughan briefly reviewed the updated Plan with the Board. The Plan will be posted to the Board section of the website.

- d. 2018 Governance /Policy Review Schedule – Mr. Gaughan proposed that policies and governance be reviewed annually and suggested a schedule to do so. At the third quarter’s Board meeting, Mr. Gaughan will propose a new policy, *Loan Policies and Procedures*, for the Board to consider.

The Board discussed moving to regularly scheduled quarterly meetings to facilitate the quarterly review as well as to provide time to discuss VMBB strategy.

2. 2018 Budget - Mr. Gaughan presented the proposed 2018 budget in the amount of \$622K (expense budget) to the Board. This budget is joint and several with the VEHBFA budget. Federal tax reform could have a significant impact on future Agency budgets should private activity bonds be eliminated.

The Bond Bank’s budget is increasing slightly over FY’17’s. Revenue and expense assumptions were discussed. New budget categories have been created to assist with expense tracking by major budget initiatives. After some discussion the following motion was made:

Motion: Ms. Winters moved and Mr. Coates seconded the motion to approve the 2018 budget as presented. The motion was approved.

SRF Loan Approval

The Board then considered Castleton’s request for SRF loan RF1-201-3.0 for a waste water project in the amount \$540,000. After some discussion, the following motion was made:

Motion: Ms. Boardman moved to approve the \$540,000 SRF waste water loan to Castleton. Ms. Winters seconded the motion and it passed.

Reports and Updates

1. Consultant Visits – Mr. Gaughan described his recent visits with the VMBB’s consultants. He found it very helpful to touch bases with each and to establish relationships.
2. Borrower Communications – Mr. Gaughan has begun using HubSpot and MailChimp to track and communicate with potential borrowers. He is finding both platforms to be very helpful and he expects them to add value to marketing and information sharing. He is also planning to use webinars to keep borrowers informed.
3. 2018 Mid-Winter Bond Series – VMBB is planning to issue a new money bond series, the proceeds of which will be used to provide ~\$9.45M in loans to 9 borrowers. The Board will consider the loan requests at the January Board meeting.

At 11:05 am, Mr. Coates made the Motion to go into Executive Session to discuss a personnel matter, with Mr. Gaughan remaining. Ms. Boardman seconded the motion and it passed.

At 11:25 am the Board came out of Executive Session.

Motion: Mr. Kimel moved to compensate Bob Giroux for on-going Executive Director transition assistance a salary of \$22,500 from the VMBB budget for two quarters of work. The salary will be paid bi-weekly and will not include additional benefits. Employment dates will be January 1, 2018 to June 30, 2018. Kathryn Boardman seconded the motion and it passed.

Other Business

Cold Brook Fire District #1 – A recent news story in the Brattleboro Reformer incorrectly stated that the Hermitage had defaulted on its VMBB bond. After a conversation with Mr. Gaughan, the Reformer corrected the story to state that Cold Brook Fire District had made its VMBB debt payment on time and that the Hermitage is late making payment to the Fire District.

Mr. Giroux distributed Cold Brook's FY'16 audit report which shows that the Fire District is operating in the black and that it has a sizeable unrestricted reserve balance. He also reminded the Board that the Fire District is on the Monitoring list and is being annually monitored. The Fire District's FY'17 audit is underway and a copy of the report will be forwarded to the VMBB when it is available

Finally, Mr. Giroux submitted his resignation as the VMBB's Executive Director, effective December 31, 2017. While he is looking forward to his retirement, Mr. Giroux said that he will miss working with the Board and staff on the wonderful work that it does on behalf of Vermont's municipalities and school districts

Ms. Pearce moved and Ms. Boardman seconded the motion to accept Mr. Giroux's resignation with regret, and to thank Mr. Giroux for his service to the VMBB and its clients.

There being no further business, the meeting was adjourned.

These Minutes were approved by the Board of Directors at a duly warned meeting on
_June 11, 2018.