

VSAC Special Finance Committee Meeting

**March 13, 2018
2:30 p.m.**

**Boardroom, VSAC
10 East Allen Street
Winooski, Vermont 05404**

Members Present:	Mike Smith (Chair), David Coates, Beth Pearce, Matt Trieber
Members Absent:	N/A
Other Board Members Present:	Dodie Mitchell, Chuck Soule, Dennis O'Brien
Staff Members Present:	Scott Giles, Tom Little, Marilyn Cargill, Mike Stuart, Kristi Rocheleau
Others Present	Robert Irvin, Kutak Rock, LLP

With a quorum present, Chair Mike Smith called the meeting to order at 2:30 p.m. and invited Mike Stuart and Scott Giles to provide background for the three supplemental indentures and authorizing resolution presented to the Committee for recommendation to the Board.

Mike Stuart explained that as part of VSAC's plan to award loan forgiveness from excess earning from loan over-performance in several bonds, VSAC was required to ask for a 'ratings agency condition' (RAC). This request necessitated updates to the current 2010 and 2011 Supplemental Indentures to incorporate loan forgiveness language. Subsequent concerns were raised regarding liquidity in the 2010A bond during stress case scenarios. Management proposed authorizing a transfer of \$1.8 million from VSAC unrestricted funds to the 2010 Trust to address the stress case liquidity concerns. Management's expectation is that these funds should become available to VSAC within the next two to four years when, as management projects, the stress case does not occur. The authorizing resolution and three supplemental indentures administratively allow all these events to occur.

Upon a motion made by Beth Pearce and seconded by David Coates, the Committee voted unanimously to recommend the Board of Directors approve the three Supplemental Indentures and Authorizing Resolution, as presented.

Adjournment

There being no other business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Mike Stuart, Corporate Secretary