

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

March 25, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on March 25, 2022, beginning at 9:30 a.m. Members present via video conferencing were: S. Voigt, Chair; A. Gagner-Murphy; C. Carpenter; D. Kurzman; K. Hale; L. Graves; R. Shippee; T. Foster; T. Gallagher; and T. Collier. Staff present in VEDA's Montpelier office: P. Samson, Chief Lending Officer; A. Wood, Senior Loan Officer; and A. Wright, Executive Assistant and Office Manager. Staff members present via video conferencing were: C. Polhemus, Chief Executive Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; J. Emens-Butler, Director of Closing; P. Fitzgerald, Director of Loan Resolution; S. Croft, Deputy Director of Commercial Lending; Senior Loan Officers: M. Dussault and E. Denny; Loan Officers: E. Hall; E. Paradee and C. Blais; and K. Kilpatrick, Administrative Assistant. Members J. Goldstein (designee for L. Kurrle) and E. Delhagen (designee for J. Tierney); S. Buckley, Senior Loan Officer; and Loan Officers: C. Leonard and M. Corbett joined the meeting later via video conferencing. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report with a legislative update, noting the VEDA Forgivable Loan Program is currently moving through the legislative process.

At 9:31 a.m. J. Goldstein and C. Leonard joined the meeting.

At 9:33 a.m. E. Delhagen and M. Corbett joined the meeting.

C. Polhemus explained the Senate's omnibus economic development bill has now been combined in the House's community and economic development and workforce revitalization bill, H.159. She is hopeful the program will remain flexible in order to deploy funds more easily to those sectors still feeling the effects of the pandemic. Discussion ensued regarding the potential level of continued need for relief for businesses in various sectors.

VEDA Minutes – March 25, 2022

Next, C. Polhemus discussed the global economic and humanitarian impact of the war in Ukraine; noting fertilizer and wheat, in particular, are experiencing extreme increase in price and volatility. Increasing prices will negatively affect farmers and impact their margins.

C. Polhemus continued, noting a local commercial only bank is in the process of being formed – Burlington Bank. She noted this is another potential partner for VEDA and is looking forward to the possibility of a future relationship.

Next, C. Polhemus described recent staffing changes, noting Eric Hall has re-joined VEDA as an Agricultural Loan Officer based out of the Middlebury office and Jill Reynolds has been hired as an Agricultural Loan Assistant based out of the Montpelier office.

C. Polhemus continued, with an overview of the commercial and agricultural pipelines. She compared the current pipelines with those of a year ago, noting an increase for both, and pointing out the diversity currently being experienced in the agricultural portfolio.

C. Polhemus closed her report noting VEDA staff is currently migrating to in person. A current hybrid system will continue, though as of April 1, 2022 most staff members will be in the office at least three days per week. She continued, noting her hope for an in person strategic planning meeting in September for Members and an in person annual luncheon this fall for Members and VEDA partners. Planning is currently in process for both.

Member Area Review

J. Goldstein provided additional information regarding the VEDA Forgivable Loan Program, noting an earlier economic recovery grant program was so restrictive only a small percentage of applicants qualified for funding. She explained VEDA's new loan program would help those businesses, unable to receive other relief funds, recover from the continued strains brought about by the pandemic however at this point in time the legislature has not allocated funding for the Forgivable Loan Program or the Capital Investment Program.

Consent Agenda

Approval Items

1. Minutes of February 25, 2022

Informational Items

2. Staff Authority – Loan Approval

VEDA Minutes – March 25, 2022

Name	Town	Program	Loan Amount
Stowe Village Inn and Lodge	Stowe	Subchapter 5	\$1,000,000

3. Staff Authority – Other Business
4. Staff Authority – Affiliate Loan Programs – Other Business

On a motion by T. Collier, seconded by R. Shippee, the consent agenda was approved as presented by those Members of the Authority present by a vote of 10 to 0 with the Chair and D. Kurzman abstaining.

Audit Committee Recommendations: KPMG Single and Final Audit Reports, RFP Responses and Audit Committee Charter

R. Shippee explained the Audit Committee met immediately prior to the Board Meeting to discuss KPMG’s Single Audit Report for the period ending June 30, 2021, noting it was a clean audit with the Committee recommending approval by the full board. She explained the Committee also recommends the approval of KPMG’s Final Audit Report.

Next, R. Shippee explained the results of the RFP for an auditing firm for the next three years. Various applicants were discussed with the Audit Committee recommending moving forward with BerryDunn McNeil & Parker, LLC (BerryDunn).

R. Shippee concluded, noting the annual review of the Audit Committee Charter was completed with a change to Committee Member requirements – the committee will strive to have at least one Member with in-depth knowledge of, and experience with, not for profit or governmental accounting. She explained the Committee is recommending the approval of the updated Audit Committee Charter.

On a motion by T. Collier, seconded by J. Goldstein, the KPMG Single Audit and Final Audit Reports for the period ending June 30, 2021 were approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

On a motion by T. Collier, seconded by J. Goldstein, BerryDunn was approved as the new auditing firm for VEDA for the next three years by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

On a motion by K. Hale, seconded by L. Graves, the Audit Committee Charter was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through February 28, 2022 of \$2.0 million was favorable to budget by \$235.2 thousand. Net Interest Income of \$5.3 million was favorable to budget by \$211.5 thousand. Other Income of \$473.2 thousand was favorable to budget by \$15.9 thousand.

Casella Waste Systems, Inc. – Rutland – Subchapter 4 – Inducement – \$60,000,000

M. Dussault explained Casella Waste Systems, Inc. of Rutland is requesting a \$60,000,000 Subchapter 4 Exempt Facility Bond Inducement. M. Dussault indicated the Inducement has no expiration date and bonds issued under this program are not guaranteed or backed by either the direct or moral obligation of the State of Vermont or the Authority.

At 10:13 a.m. J. Goldstein left for the remainder of the day.

On a motion by T. Collier, seconded by C. Carpenter, the following resolution was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Inducement Resolution

WHEREAS, the State of Vermont, acting by and through the Vermont Economic Development Authority (the "Authority"), is empowered to assist in the financing of industrial development facilities through the issuance of industrial revenue bonds pursuant to Title 10 V.S.A., Chapter 12 (the "Act"); and

WHEREAS, for purposes of Subchapter 4 of the Act, facilities for the conduct of any trade or business which is eligible for tax-exempt financing under the United States Internal Revenue Code of 1986, as amended (the "Code") are deemed to be eligible facilities; and

WHEREAS, Casella Waste Systems, Inc. (hereinafter with any parent corporation, subsidiary or other business affiliate referred to as the "Company") has proposed the financing of certain industrial facilities in the State of Vermont described in the Company's application to the Authority for financing and consisting generally of the following (the "Project"):

Capital expenditures in the State of Vermont relating to Casella's solid waste landfill facilities and solid waste collection, organics, transfer, recycling and hauling facilities throughout the State of Vermont, including but not limited to facilities in Arlington, Bennington, Coventry, East Dorset, East Montpelier, Highgate Center, Middlebury, Montpelier, Pownal, Randolph, Rutland, Shaftsbury, St. Johnsbury, Waitsfield, West Rutland, White River Junction, and Williston,

including installation, development, design, engineering, replacements, demolition, improvements, machinery, furnishings, fixtures, equipment, construction, renovation, structures, and permitting fees; and

WHEREAS, the estimated cost of the Project is approximately \$60,000,000, and the Company has requested that the Authority issue its industrial development revenue bonds under the Act at one time or from time to time in an aggregate principal amount not to exceed \$60,000,000 in order to finance the Project in whole or in part, such bonds to be secured by the obligation of the Company to pay the debt service thereon, and the interest on such bonds to be exempt from federal income taxes by virtue of the provisions of Section 103 and 141-150 of the Internal Revenue Code of 1986, as amended and the regulations (collectively, the “Code and Regulations”), as they may now or hereafter exist.

NOW THEREFORE BE IT RESOLVED, THAT:

1. Purpose of Resolution. This resolution is intended as affirmative official action and official intent, as contemplated by the Code and Regulations, toward the issuance of industrial development revenue bonds under the Act to finance the Project and as a declaration of official intent for the reimbursement of Project costs within the meaning of Section 1.150-2 of the Federal Income Tax Regulations.
2. Eligibility for Financing. Based upon the information contained in the Company's application to the Authority for financing, the Project appears to be eligible for financing under the Act. Issuance of the bonds is subject to all requirements of the Act and to the Authority being able to make the findings required by the Act, including a determination by the Authority regarding the priority of financing the Project in relation to the priority for extending financing to other industrial development facilities for which application has been made to the Authority or may be made in the future. Such bonds shall not constitute a general obligation of the State or the Authority nor a pledge of the faith and credit of the State or the Authority but shall be payable solely from the revenues pledged for their payment in accordance with the Act.
3. Further Action Required. This resolution is not a contract or final agreement to issue bonds. The Authority will consider whether to approve the issuance of bonds when the terms of the financing have been finalized and the Authority is in a position to determine that this project should be given priority for the issuance of tax-exempt revenue bonds pursuant to guidelines established by the Authority and by statute.
4. Effective date. This resolution shall take effect upon its adoption.

At 10:18 a.m. S. Buckley joined the meeting.

VEDA Minutes – March 25, 2022

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by D. Kurzman. the meeting adjourned at 10:21 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Cassandra F. Polhemus, Chief Executive Officer

DRAFT