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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

DRAFT: NOT YET APPROVED BY COMMITTEE
Private Activity Bond Advisory Committee
Minutes of Meeting on Friday, November 20, 2015

Committee Members Attending

STEVE WISLOSKI, State Treasurer's Designee, Serving as Chair
PATRICIA MOULTON, Secretary of Commerce and Community Development
DAVID BEATTY, Secretary of Administration Designee

Also Attending

SCOTT BAKER, Vermont State Treasurer's Office
SARAH CARPENTER, Vermont Housing Finance Agency (via telephone)
PAUL GIULIANI, ESQ., Primmer, Piper, Eggleston & Cramer (via telephone)
STEVE GREENFIELD, Vermont Economic Development Authority
TOM LITTLE, ESQ., Vermont Student Assistance Corporation

Mr. Wisloski called the meeting to order at 2:34 p.m.

Ms. Moulton made a motion to approve the minutes of the July 22, 2015 meeting. Mr. Beatty seconded the motion, which passed unanimously by a roll call vote.

Mr. Guiliani explained that \$6,075,000 of volume cap which was allocated to the Cold Brook Fire District at the July meeting will be carried forward. The project should be ready to go in the first quarter of 2016.

Mr. Wisloski noted that VEDA had utilized \$1,883,754 of cap in 2015. He suggested that the remaining 2015 volume cap of \$293,557,246 should be split equally and reallocated to VSAC and VHFA so that this could be carried forward for three years. Mr. Little said that although VSAC did use some of the 2012 allocation this year, a good portion of that is expiring at the end of 2015.

Ms. Moulton made a motion to recommend to the Governor that the remaining 2015 volume cap be reallocated to VSAC and VHFA in the amount of \$146,778,623 each. Mr. Beatty seconded the motion, which passed unanimously.

Mr. Greenfield said that VEDA was requesting \$42,500,000 of the 2016 volume cap allocation. Although their standard annual request is \$25,000,000, they are working a project which would require \$35 million of cap, although the project may not happen until 2018. They are requesting half of the project amount (and will carry the cap forward) in addition to their normal amount. Mr. Wisloski said that the only other request for 2016 cap at this time was \$20,000,000 for the Vermont Municipal Bond Bank.

Ms. Moulton made a motion to recommend to the Emergency Board and the Governor, an initial allocation of the 2016 volume cap of \$42,500,000 to VEDA; \$20,000,000 to VMBB; and \$240,375,000 to Contingency. Mr. Beatty seconded the motion, which passed unanimously.

Mr. Little informed the Committee that VSAC had recently received news that the Internal Revenue Service had issued favorable guidance for student loan bonds, allowing the use of tax-exempt bond to fund parent loans and for refinancing of student loans. Although there are still some issues with the refinancing that they are trying to work out the Treasury, this ruling has the potential to increase the volume of loans considerably. Ms. Moulton suggested that this could also be helpful in trying to attract young people to stay in Vermont.

A discussion followed regarding the dissolution of the Committee. The general feeling is that the uses for private activity bonds are very narrow and that any potential uses would probably be brought before one of the issuing authorities, although there was some concern that a potential opportunity could be missed in the future. Another concern was that an external issuing agency could compete with the Vermont agencies. Wording to the legislation will be added to address this.

Mr. Wisloski will send drafts of the legislation and the annual report to the Committee for review.

Mr. Wisloski invited comments from members of the public, but there were none.

Ms. Moulton made a motion to propose legislation (subject to final comments by the Committee) to the General Assembly to dissolve the Private Activity Bond Advisory Committee, but to provide procedures for the allocation and reallocation of private activity bond volume cap among the Vermont issuing authorities. Mr. Beatty seconded the motion, which passed unanimously.

The meeting was adjourned at 3:17 p.m.