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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

DRAFT

Local Investment Advisory Committee (LIAC)

5/1/2019

LIAC Members Present:

BETH PEARCE, Vermont State Treasurer

CASSIE POLHEMUS, Vermont Economic Development Authority Designee

MAURA COLLINS, Vermont Housing Finance Agency

MICHAEL GAUGHAN, Executive Director, Vermont Municipal Bond Bank

TOM LITTLE, Vice President and General Counsel, Vermont Student Assistance Corporation Designee

DAVID CORLISS, Efficiency Vermont Designee

LIAC Members Not Present:

N/A

Also Attending:

Ashlynn Doyon, Office of the Vermont State Treasurer

Scott Baker, Office of the Vermont State Treasurer

Will Kriewald, Office of the Vermont State Treasurer

Joanne Wilson, NeighborWorks of Western Vermont

CALL TO ORDER:

Ms. Pearce called the meeting to order at 1:00 p.m.

ITEM 1: Approval of August 21, 2018 Minutes

Mr. Little made a motion to approve the minutes from October 22, 2018. Mr. Gaughan seconded the motion. Mr. Gaughan, Ms. Pearce, Mr. Little, and Ms. Polhemus voted to approve the minutes. Ms. Collins abstained.

ITEM 2: Review of Proposal from NeighborWorks of Western Vermont

Ms. Pearce provided an overview of the motion from the October 22, 2018 meeting and presented the request from NeighborWorks of Western Vermont to reduce the credit facility from that motion to \$500,000 and increase the credit facility that NeighborWorks of Western Vermont currently has under Act 187 of 2013, by \$1,000,000, resulting in no net increase to the credit facility.

Mr. Kriewald presented an overview of NeighborWorks of Western Vermont's financial statements. He explained three primary concerns 1) operating cash shortfalls, 2) upcoming balloon payments, and 3) intercreditor agreements - as well as the mitigating factors for each of those concerns.

The committee asked questions of Ms. Wilson, Mr. Kriewald, and Mr. Baker pertaining to the amortization, the process of drawing down the loans, NeighborWorks' balance sheet, any delinquent accounts, and the management and governance structure.

Mr. Little asked that it be reflected in the record that for each Note, interest shall accrue on the principal amount outstanding at a fixed rate (the "Rate") equal to the greater of 2.00 percent, or the closing yield on most recently issued 5-Year U.S. Treasury Note, as published in the Wall Street Journal, Bloomberg™, or another nationally-recognized source mutually agreed upon by the Parties, plus 0.60 percent.

Ms. Pearce requested that NeighborWorks review their written proposal to accurately reflect their current investment request and suggested that the committee defer action until a rewritten proposal is received.

ITEM 3: Public Comment

N/A

ITEM 4: Adjourn

Mr. Little made a motion to adjourn the meeting. Ms. Polhemus seconded the motion. The Committee agreed to adjourn unanimously at 1:47 p.m.