

VERMONT STATE INFRASTRUCTURE BANK

Minutes

August 10, 2016

A meeting of the Vermont State Infrastructure Bank (SIB) was held at the Vermont Economic Development Authority (VEDA) offices in Montpelier, Vermont on August 10, 2016 beginning at 10:04 a.m. Members present were:

1. P. Gregory
2. F. Bullock
3. C. Cole
4. M. Clasen (designee for B. Pearce)
(via phone)
5. W. Patten
6. L. Leriche (designee for P. Moulton)
7. M. Boomhower

Staff present were: S. Greenfield, VEDA Chief Operating Officer and SIB Program Coordinator; C. Brown, VEDA Office Manager and W. Roberts, VEDA Loan Officer.

Others present were: P. Zalinger of Zalinger Cameron & Lambek, PC; K. Songhurst, Vermont Agency of Transportation Policy Analyst; J. Dunleavy, Senior Assistant Attorney General for the Agency of Transportation; M. Breen, Vice President of Merchants Bank and J. Barrett of Barrett Trucking.

Member D. Lanpher joined the meeting later via phone.

P. Gregory conducted the meeting.

Introductions

Those present introduced themselves. P. Gregory welcomed all and thanked everyone for attending the meeting.

Agenda

On a motion by C. Cole, seconded by F. Bullock, the Agenda for today's meeting was approved by those Members present by a vote of 6 to 0 with the Chair abstaining.

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Minutes of February 25, 2015

On a motion by W. Patten, seconded by M. Boomhower, the minutes of the February 25, 2015 meeting were approved by those Members present by a vote of 5 to 0 with the Chair and L. Leriche abstaining.

FY2015 Annual Report

S. Greenfield explained that a SIB Annual Report is prepared every year by Staff. This Report is submitted to the Federal Highway Administration and Vermont Agency of Transportation (AOT). S. Greenfield then presented SIB's Annual Report for the year ended September 30, 2015 to the Members, and briefly reviewed it.

Current Financial Statements

Next, S. Greenfield presented SIB's financial statements as of June 30, 2016 to the Members. He added that VEDA contracts with SIB to provide certain underwriting and loan accounting and collection services on a fee basis. All credit/loan decisions are made by the SIB Board.

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<u>Project Costs</u>		<u>Project Funding</u>	
\$ 675,000	Land (30 acres)	\$2,500,000	MB, fixed rate 4.75%. 5 year term, interest only for the first two months followed by a 15 year amortization.
		\$1,457,883	SIB, fixed rate 3.0%, 5 year term, interest only for the first two months followed by a 15 year amortization.
<u>\$4,860,863</u>	Construction (47,250 sq. ft)	<u>\$1,577,980</u>	Equity
\$5,535,863	Total Project Costs	\$5,535,863	Total Project Funding

Barrett Trucking is requesting \$1,457,883 in SIB financing to fund a portion of the construction of a transload intermodal facility located on land owned by Vermont Railway (VTR) in Shelburne Vermont with the Project consisting of a rail spur, salt shed (approximately 47,250 sf), unloading pit, truck scale, office trailer and equipment staging area.

P. Zalinger explained that the Members may wish to discuss certain aspects of the loan request from Barrett Trucking Company, Inc. in Executive Session. He explained the reasons why an Executive Session may be appropriate, including the fact that premature disclosure of certain information concerning the Project could place Barrett at substantial disadvantage, in particular confidential financial information as well as contractual arrangements.

On a motion by C. Cole, seconded by F. Bullock, those Members present voted 6 to 0 with the Chair abstaining that the Board had found that premature disclosure of certain confidential information in the Barrett loan request would place Barrett Trucking, Inc. at a substantial disadvantage.

At 10:23 a.m. D. Lanpher joined the meeting via phone.

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On a motion by W. Patten, seconded by M. Boomhower, those Members of the Board present voted unanimously by roll call to enter Executive Session at 10:26 a.m. to review confidential borrower information.

At 10:26 a.m. K. Songhurst, M. Breen and J. Barrett left the meeting.

At 10:29 a.m. P. Zalinger left the meeting and returned at 10:36 a.m.

At 10:50 a.m. P. Zalinger left the meeting and returned at 10:53 a.m.

On a motion by W. Patten, seconded by C. Cole, those Members of the Board present voted unanimously by roll call to exit Executive Session at 10:53 a.m.

At 10:53 a.m. K. Songhurst, M. Breen and J. Barrett returned to the meeting.

After discussion regarding the Project's permitting process, court rulings, the Town's appeal of a court decision and the overall Project and its timetable, on a motion by W. Patten, seconded by F. Bullock, those Members of the Board present voted by roll call to approve the following resolution by a vote of 6 to 0 with the Chair and M. Clasen abstaining.

Resolution

WHEREAS, a loan application has been submitted by Barrett Trucking Company, Inc., Vermont (BT) together with supporting documentation, to the Vermont State Infrastructure Bank;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Vermont State Infrastructure Bank hereby approves a loan to BT in the principal amount of \$1,457,883, pursuant to the provisions of Title 10, V.S.A. Chapter 12, Subchapter 11.
2. The Coordinator of the Vermont State Infrastructure Bank Program is authorized to establish loan covenants, operating requirements and limitations upon certain financial activities of BT, which may be waived or modified in the event future financial performance provides justification therefor.
3. The security, collateral, equity contribution and priority terms and all other loan terms, conditions and contingencies recommended by the Staff and Members of the

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Vermont State Infrastructure Bank are hereby ratified and incorporated herein as terms, conditions and contingencies of the loan approved hereby.

4. The Coordinator of the Vermont State Infrastructure Bank is authorized to sign necessary documents as prescribed by counsel for this transaction.

Election of Officers

S. Greenfield reviewed the manner in which SIB Members are appointed and noted the SIB Board consists of 11 voting Members (two legislators and nine others). SIB's Operating Bylaws allow the SIB Board to elect, from among its Members, a Chair and a Vice Chair. S. Greenfield recommended that, since it has been some time since the last SIB Board meeting and election of officers took place, officers should be elected.

On a motion by M. Boomhower, seconded by F. Bullock, P. Gregory was nominated as Chair for a term of one year. A motion by W. Patten, seconded by L. Leriche, to close the nominations and elect P. Gregory as Chair for one year term was passed by acclamation.

It was the consensus of those Members present that no Vice Chair was needed at this time.

Approval of Agenda by Roll Call Vote

The Agenda for the meeting was unanimously approved by roll call vote, with the Chair abstaining.

Approval of the Minutes of February 25, 2015 by Roll Call Vote

The minutes of the February 25, 2015 meeting were unanimously approved by roll call vote, with the Chair and L. Leriche abstaining.

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There being no other business to properly come before the Members, the meeting adjourned at 11:24 a.m.

ATTEST:

Vermont State Infrastructure Bank

By: 

Steven J. Greenfield, SIB Coordinator