



## **BOARD MEETING**

August 6<sup>th</sup>, 2020– 10:00 a.m.

Via Zoom

## **MEETING MINUTES**

**Board Members Participating & Voting:** Scott Baker (as designee for Treasurer Pearce), Bill Bates (as designee for Secretary French), Fritz Burkhardt, Ken Gibbons, Ken Linsley, Peter Moino (as designee for Secretary Smith), Ed Ogorzalek, Neal Robinson, Steve Wisloski, and Stuart Wepler

**Board Members Absent:** Anita Bourgeois, Brad Ferland (as designee for Secretary Susanne Young), and one board seat that is currently vacant

**Staff Participating:** Michael Gaughan

**Guests:** Larry Bauer – Norton Rose Fulbright, Joe Dabreo – PFM, Jim Foley – Lynch & Foley, Matt Hughey – Norton Rose Fulbright, and Twila Perry – Lyndon Institute

The meeting was called to order by Mr. Burkhardt at 10:00 a.m.

### Administrative

Mr. Burkhardt asked if there were any changes to the meeting agenda.

### Approve May 7<sup>th</sup>, 2020 Board Minutes

The Board discussed the prior board meeting.

*Motion: Mr. Wepler moved and Mr. Bates seconded the motion to approve the May 7<sup>th</sup>, 2020 meeting minutes. The minutes were approved unanimously following a roll call vote.*

### Consideration of Financing Application from the Lyndon Institute

Ms. Perry from the Lyndon Institute discussed elements of the Lyndon Institute's application for financing including the need for the proposed financing and an overview of the changes at the institute over the last several years. She discussed changes to the boarding component of the school considering COVID-19.

Mr. DaBreo from PFM then provided an overview of the transaction and their written analysis. He noted that the entire financing package is with Key Government Bank. The security structure of the transaction was discussed and, in particular, the inclusion of a pledge on the endowment and mortgage on the property. Mr. DaBreo stated PFM's positive recommendation to the Board for the transaction.

At approximately 10:30 a.m., Mr. Linsley left the meeting.

Following Mr. DaBreo's briefing, Mr. Gibbons noted that he would be recusing himself from the subsequent conversation and vote given past affiliation with Union Bank that will be refinanced as part of the transaction.

Mr. Wepler asked questions on the current and past uses of the line of credit. Ms. Perry provided further insight into the topic. Mr. Wisloski then discussed the pledge of the endowment and asked Mr. DaBreo if effectively, the loan was fully collateralized by business assets in addition to the mortgage. Mr. DaBreo answered affirmatively.

Mr. Wisloski then asked counsel to clarify statutory clause of "rents and otherwise," to be inclusive of all pledged assets in addition to operating revenue. Counsel noted that, "rents and otherwise" is not defined in statute and, further, under the financing documents, sources of repayment of the bond are not limited to operating revenues.

Mr. Hughey from Norton Rose Fulbright and Mr. Gaughan provided an update on the TEFRA process indicating that the meeting would take place the week of August 17<sup>th</sup>, 2020. Mr. Hughey then described the approving resolutions.

Mr. Baker indicated that he would be recusing himself from the vote due to a conflict with Key Bank.

*Motion: Mr. Wisloski moved and Mr. Robinson seconded a motion to adopt the attached resolutions approving the Lyndon Institute financing recommending the transaction to the Governor for approval. The motion was approved unanimously with after a roll call vote of all members in attendance and not abstaining.*

Representatives from the Lyndon Institute and PFM left the meeting following the vote at 11:10 a.m.

#### PFM Renewal Contract

Mr. Gaughan updated the board on the proposed renewal contract with PFM. He noted the revised economics of the contract that fairly represent the work burden.

*Motion: Mr. Wepler moved and Mr. Ogorzalek seconded the motion allowing the Executive Director to sign the contract renewal with PFM. The minutes were approved unanimously following a roll call vote.*

*There being no other business to come before the Board, on Mr. Ogorzalek moved and Mr. Wisloski seconded a motion to adjourn. The motion passed unanimously.*

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These Minutes were approved by the Board of Directors at a duly warned meeting on December 15, 2020.