VHFA Audit Risk Committee Meeting
VHFA
164 St. Paul Street
Burlington
May 7, 2019 – 10:30 a.m.

VHFA Committee Members Present:
Katie Stuart-Buckley, Fred Baser and Michael Clasen (designee for Beth Pearce) joined the meeting by telephone conference.

Staff Present:
Tom Connors, Tom Kimball, Maura Collins, Lisa Clark, Michelle Baird, George Demas and Brenda Howley.

Guests: Melaine Lien and Frank Kaul from Piper Jaffray; Scott Baker and Will Kriewald from State of Vermont Treasurer’s Office.

COMMITTEE MEETING
Ms. Stuart-Buckley, acting as Chair, called the Audit Risk Committee Meeting to order at 10:33 a.m.

Staff confirmed that a Notice of this meeting was provided to the requesting parties and was posted on the Agency website and with State Department of Libraries, and that the Agenda for this meeting was provided to the requesting parties and posted on the Agency website, all within the statutory time requirements.

Staff confirmed that Minutes to all meetings after July 1, 2014 had been posted on the Agency website not less than 5 days after the meeting.

Ms. Stuart-Buckley confirmed that those attending by telephone could hear the conduct of the meeting and be heard throughout the meeting by the other attendees. Ms. Stuart-Buckley noted that Commissioners would have to vote by roll-call since there were Commissioners participating by telephone conference.

Ms. Stuart-Buckley asked if anyone had any changes to the Agenda, and after discussion it was determined that the approval of September 26, 2018 Audit Risk Committee Minutes would be moved to the next Committee meeting.
FINANCE
Discussion of Issuance of Variable Rate Debt
Mr. Connors introduced Melanie Lien and Frank Kaul from Piper Jaffray. Mr. Connors reviewed his memo regarding the structure of the upcoming bond issuance to finance single family mortgages. Mr. Connors noted that the structure would include issuance of some variable rate debt in order to reduce the overall cost of funds to thereby reduce the mortgage rates the Agency can offer to borrowers. Ms. Collins noted that the Agency and its financial advisors have thoroughly considered the use of variable rate bonds and recommend the approach presented. There was a general discussion around the difference between fixed rate versus variable rate bonds and interest rate risk. Ms. Collins noted that the Agency’s goal is to offer mortgage rates slightly below other generally available rates.

Mr. Connors confirmed that TD Bank, N.A. is in discussions with the Agency to provide the required liquidity facility for the bond at rates and terms similar to those provided previously.

Ms. Collins updated the Board on the status of the downpayment assistance program at the legislature.

After further general discussion, the Committee members confirmed that Staff should continue to move forward with the bond structure as proposed. In addition, there was general agreement to cancel the June 6 Audit Risk meeting and move it to June 20.

Ms. Stuart-Buckley confirmed with Staff that Minutes of the meeting had been kept and would be posted to the Agency’s website within five days.

ADJOURNMENT
Upon motion by Mr. Clasen seconded by Mr. Baser and unanimously approved by roll call vote, the meeting was adjourned at 11:12 a.m.

Respectfully submitted,

Brenda Howley
Legal Coordinator