Board of Finance
8/20/2014

Board of Finance (Wednesday, August 20, 2014)

Generated by Amy Bovee on Thursday, August 21, 2014

Members present

Joan Shannon, Sharon Bushor (via Phone), Jane Knodell (via Phone), Karen Paul (via Phone), CAO Rusten serving as Mayor Weinberger's designee

Absent

Miro Weinberger (CAO Rusten served as his designee)

Also present

City Attorney Eileen Blackwood; ACAO Scott Schrader; Daryl Santerre, BED; Thomas Melloni, Burak, Anderson, Melloni.

Meeting called to order at 4:05 PM

1. Agenda

Action, Procedural: 1.01 Adopt/Amend Agenda

Bob Rusten served as the Mayor's designee as a voting member in the absence of the Mayor and the

Board approved CAO Rusten serving as acting Chair for the meeting.

Motion to adopt agenda.

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Bob Rusten

2. Public Forum

No one spoke on this item.

3. For Board Action

Action, Resolution: 3.01 Authorization to Award Electric Department Revenue Bonds to Roosevelt & Cross Inc. for the Purchase of the Winooski One Hydroelectric Facility

Thomas Melloni, Burak Anderson Melloni, stated the first item is a bond for $12 million that was approved by the voters in March of this year. The second was approved by the Board of Electric Commissioners to refund up to $7 million of bonds that were issued in 2004. The full City Council approved the resolutions on August 11. Those resolutions authorized the Board of Finance to approve the sale, the interest rates, the payments of the bond, and the maturity schedule. They also obtained bond insurance. The City selected Roosevelt and Cross and they made the sale to investors. They presented the numbers to the City's financial advisor. They have prepared a selling resolution that the Board of Finance will need to approve. This will include the full Council resolution, the item passed by the Board of Electric Commissioners, and the schedule that their financial advisors have provided. On the refunding side, the bonds will provide a savings of $515,000. The amount to be issued is $5,820,000 rather than the $7 million that was authorized.

Daryl Santerre, BED, stated the market has come down since July. The average interest cost of the combined package is 3.36%. The split is 2.25% on the refunding series and 3.58% on the Winooski One bond. He is pleased with the market results.

Councilor Knodell inquired why they are not using the Vermont Municipal Bond Bank for this transaction. Mr. Santerre stated it was problematic for this particular financing given the schedule, the licensing with FERC, and the timing. Because of the timing and approvals that they needed, they could not make the commitments that the Bond Bank would have required.

Mr. Melloni stated the maturities of these bonds will be insured by a municipal guarantee. This is a one-time payment that will be made. This one-time insurance payment results in savings to the Electric Department.

Approve the Award of Electric Department Revenue Bonds to Roosevelt & Cross, approve the sale and approve the refinancing

Motion by Joan Shannon, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Bob Rusten

4. Adjournment

Action, Procedural: 4.01 Adjournment

Without objection, acting Chair Rusten adjourned the Board of Finance meeting at 4:12pm.