

VERMONT STATE COLLEGES SYSTEM

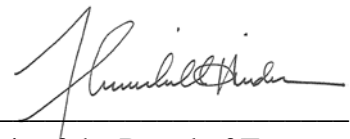
BOARD OF TRUSTEES

RESOLUTION 2020-007

Waiver of Level or Declining Debt Service Requirement of
Policy 433, Debt Management Policy

- WHEREAS, Policy 433 states that “debt principal shall amortize such that annual debt service on a total portfolio basis shall be level or declining over time, and not increasing;” and
- WHEREAS, At its meeting on June 21, 2018, in consideration of the fact that the System’s debt service profile would not meet this requirement following the 2017 restructuring of the System’s 2005, 2008 and 2009 loans, the Board of Trustees waived this requirement until the beginning of fiscal year 2022; and
- WHEREAS, To better enable investment in improvements, the System opted to concentrate the savings from the February 2020 refinancing of the System’s 2010 Series B bond issue upfront during fiscal years 2021 through 2024, as opposed to over the full term of the bonds through fiscal year 2041, by deferring principal repayments for the first four fiscal years; and
- WHEREAS, This principal deferral has caused the System’s maximum annual debt service to occur in fiscal year 2025; therefore, be it
- RESOLVED, That the provision of Policy 433, Debt Management Policy, requiring level or declining total portfolio debt service is hereby waived until the beginning of fiscal year 2025.

Approved: June 18, 2020



J. Churchill Hinder, Chair of the Board of Trustees