

2022



ANNUAL REPORT



**▶▶ Vermont Educational and Health
Buildings Financing Agency**

PURPOSE

The Vermont Educational & Health Buildings Financing Agency (the “Agency” or “VEHBFA”) is dedicated to facilitating tax-exempt and taxable bond finance for qualifying non-profit educational and health organizations throughout the state.

VEHBFA DIRECTORS

Board Member	Term / Ex-Officio Position	Type	2022 Election
Fritz Burkhardt	January 31, 2027	Gubernatorial Appointment	Chair
Ken Linsley	January 31, 2027	Gubernatorial Appointment	Vice Chair
Ed Ogorzalek	January 31, 2026	Gubernatorial Appointment	Treasurer
Anita Bourgeois	January 31, 2027	Gubernatorial Appointment	Director
Lauren Wobby	January 31, 2026	Gubernatorial Appointment	Director
Ken Gibbons	February 29, 2028	Gubernatorial Appointment	Director
Vacant	Vacant	Gubernatorial Appointment	Director
Neal Robinson	December 15, 2022 (Reappointed January 2023)	Board Appointment	Director
Stuart Weppler	December 15, 2022 (Reappointed January 2023)	Board Appointment	Director
Beth Pearce or Designee	State Treasurer	Ex Officio	Director
Dan French or Designee	Secretary of Education	Ex Officio	Director
Jenney Samuelson or Designee	Secretary of Human Services	Ex Officio	Director
Kristen Clouser or Designee	Secretary of Administration	Ex Officio	Director

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TRANSMITTAL LETTER

THE HONORABLE MEMBERS OF THE GENERAL ASSEMBLY
State House
Montpelier, Vermont

THE HONORABLE PHIL SCOTT
Governor, State of Vermont Pavilion Office Building
Montpelier, Vermont

Dear Governor Scott & Members of the General Assembly:

The staff and Directors of the Vermont Educational and Health Buildings Financing Agency (the "Agency" or "VEHBFA") are pleased to submit to you our 2022 Annual Report.

As a conduit bond issuer, the Agency helps facilitate tax-exempt debt issuance's on a pass-through basis to educational institutions, hospitals, and other eligible non-profit borrowers throughout the state.

Over the course of the year, the Agency helped two institutions through the state with refunding and new money transactions in the aggregate amount of nearly \$74.29 million.

Over the course of the Agency's history it has issued over \$3.53 billion of bonds benefiting education and healthcare around the state. Over \$900 million of conduit debt facilitated by the Agency remains outstanding.

The following pages of this report include more information on the Agency's work over the course of the past year as well as an overview of the conduit loan portfolio as of December 31, 2022.

Thank you for your continued support in helping us to finance critical social infrastructure throughout the state.

Sincerely,



MICHAEL GAUGHAN
Executive Director



FRITZ BURKHARDT
Chair

WHO WE ARE

VEHBFA was created by the Vermont legislature in 1966 to benefit the people of Vermont as it relates to their education, health, welfare, and prosperity. VEBFA conducted its first financing in 1969 following additional amendments.

VEHBFA is governed by a nine-member Board of Directors with seven appointed by the governor and two members selected by gubernatorially selected members. In addition, the Agency's board consists of additional four ex-officio members including the State Treasurer, and Secretaries of Education, of Human Services, and of Administration, or their designees.

The Agency provides access to tax-exempt and taxable financing as a conduit issuer of bonds.

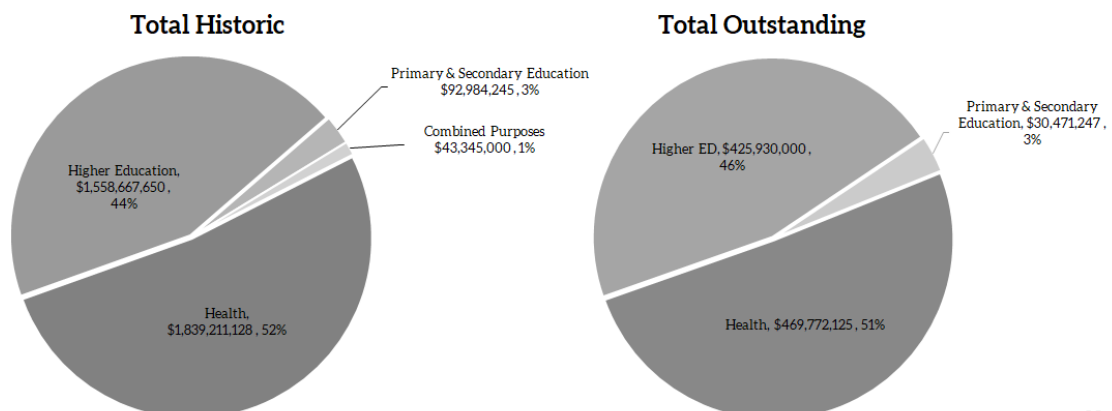
WHO WE SERVE

The Agency facilitates conduit bond transactions around the state to eligible nonprofit borrowers. Statute defines this to include the University of Vermont and the Vermont State Colleges as well as nonprofit private or independent universities, colleges, primary or secondary schools, and nonprofit public libraries.

In addition, borrowers may include nonprofit hospitals and institutions operating diagnostic and therapeutic facilities for medical, surgical, or psychiatric care of ambulatory patients. The Agency may also serve licensed nursing homes and assisted living or continuing care facilities.

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ANNUAL ACTIVITY SUMMARY

Borrower	Transaction Description	Issue Date	Amount of Issue
Putney School	The loan to the Putney School refinanced prior Series 2015 debt and partially funded the construction of two new dormitories each consisting of a two-story building of approximately 16,000 square feet, with 11 double-occupancy dorm rooms and 2 three-bedroom faculty apartments, and related improvements and site work, and other capital projects relating to the School's capital facilities over the next three fiscal years.	5/17/2023	\$13,000,000
Middlebury College	Refunding of 2012 Series A bonds that were originally issued in 1992 to fund, among other uses, improvements to the Commons House, the College's main dining hall located in Proctor Hall, and dormitories on campus, including Milliken, Hadley, Kelly and Lang.	8/23/2022	\$41,000,000
Middlebury College	Improvements associated with multi-year capital plans including renovations to the Johnson Memorial Building, Middlebury Chapel, and athletic fields.	8/23/2022	\$20,290,000
			\$74,290,000

IMPACT CASE STUDY: PUTNEY SCHOOL



BUILDING
THE 
FUTURE

Putney to Erect
Two New Dorms

Founded in 1935, The Putney School is an independent co-educational boarding and day school for students in grades nine through twelve. The School's campus is situated on 600 acres in Putney, Vermont, within sight of Vermont's mountains. Putney is a progressive school, meaning that it believes that people learn best by doing as opposed to being told. Around 230 students are enrolled in the school with 170 those as boarding students.

ASSISTANCE PROVIDED:

The School has a long term plan to place living spaces at the periphery of campus and allow academic activities to occur in the center of campus. The proposed dorm projects furthered this strategy. The total project cost of the dorms was \$15.10 million and the school secured non debt funds for part of the costs but needed to finance the remainder.

In addition, the School needed to secure long term financing to provide long term budget certainty on the cost of the debt. The School applied to VEHBFA for financing after securing a term sheet via a request for proposal.

VEHBFA assisted the School by reviewing and approving the application in a timely manor, which enabled the project to continue on the anticipated timeline. The placement of the bonds occurred through a 30 year direct placement that was structured as a draw down facility. This allowed the school to only pay interest on funds drawn as part of the construction project.

Total Bonds Issued through Agency: \$17.615 million

Total Bonds Outstanding: \$13.000 million

OUTSTANDING LOANS

Borrower	Amount Outstanding as of December 31, 2022
Brattleboro Memorial Hospital	16,766,649
Brattleboro Retreat	8,694,827
Champlain College	66,095,000
Development & Mental Health Acquisition Pool	4,065,000
Gifford Medical Center	15,618,817
Landmark College	18,285,000
Lyndon Institute	3,561,466
Middlebury College	231,985,000
North Country Hospital	13,400,922
Northeastern Vermont Regional Hospital	7,518,794
Northwestern Medical Center	26,335,069
Norwich University	68,895,000
Porter Medical Center	10,983,567
Putney School	13,000,000
Rutland Regional Medical Center	11,393,147
Southwestern Vermont Medical Center	27,710,333
St. Johnsbury Academy	8,166,893
St. Michael's College	40,670,000
Stratton Mountain School	5,742,888
University of Vermont Health Network	327,285,000
Total	\$926,173,372

