



Board Meeting

Vermont Educational & Health Buildings Financing Agency Offices

20 Winooski Falls Way, Winooski, VT

November 20, 2015

Meeting Minutes

Board Members by Telephone: David Beatty (designee of Justin Johnson); Frederick Burkhardt, Kenneth Gibbons; Kenneth Linsley; Edward Ogorzalek; James Potvin; Robert Roberts (designee of Hal Cohen); Neal Robinson (joined the meeting at 8:38 am); Cassandra Ryan (designee of Rebecca Holcomb); Stuart Wepler; and Stephen Wisloski (designee of Beth Pearce).

Staff: Robert W. Giroux

Consultants by Telephone: James Foley (Deppman & Foley – Joined the meeting at 8:34 am); Matt Hughey and Larry Bauer (Sidley Austin); and Robert Guadagno and June Matte (Public Financial Management).

Guests by Telephone: University of Vermont Medical Center – Marc Stanislas & Douglas Viau

The meeting was called to order by Mr. Potvin, at 8:31 am.

Mr. Potvin asked for a roll call of those in attendance.

University of Vermont Medical Center (“UVMC”)

Before describing UVMC’s request to issue refunding bonds, Mr. Stanislas gave a brief update on the status of the Inpatient Certificate of Need (“CON”). UVMC hopes to complete CON negotiations with the Green Mountain Care Board (“GMCB”) in 2016. Upon GMCB approval, UVMC will file a new VEHBFA application to finance the inpatient project.

Mr. Stanislas then described UVMC’s request to refund its 2004B and 2007A bonds. UVMC’s Board has set a minimum 3.0% present value savings threshold for the refunding. If approved, UVMC plans to price the bonds in mid-January and close shortly thereafter.

At current interest rates, UVMC is anticipating PV savings of \$5.4M or 7.1%. An increase in long-term interest rates of 0.25% to 0.30% is expected to reduce the PV savings to \$3.25M or 4.2%.

VERMONT EDUCATION AND HEALTH BUILDINGS FINANCING AGENCY

Bob Guadagno from Public Financial Management then reviewed the Sources and Uses of Funds and the key statistics for the refunding. The refunding bonds will have a matched maturity with the refunded debt and so will leave UVMC's risk profile unchanged. UVMC will also be able to release some of its DSRF which will make the transaction more efficient. Based on the application filed last spring and this new updated information regarding the refunding, PFM recommends the VEHBFA Board approve the financing.

Mr. Hughey reminded the Board that it had approved UVMC's refunding request last May, with a sunset date for the approval of 8/31/15. UVMC was hoping to do the refunding at the same time as the new money issue. In September the VEHBFA Board extended the sunset date to 12/31/15. Because UVMC does not now anticipate CON approval until later in 2016, it has decided to move forward with the refunding as a standalone financing. This will necessitate the Board to adopt a supplanting resolution just for the refunding with a 3/31/16 sunset date for the authorization.

The 2016-A bonds will be issued under the terms of a loan agreement between the Agency and UVMC and will be further secured under the 2004 Master Trust Indenture. Because this is an advanced refunding, the Agency held a TEFRA hearing on May 28, 2015 and will seek the Governor's approval. Mr. Hughey then reviewed the specific resolutions the Board will need to consider for this refunding.

Motion: Mr. Wisloski moved and Mr. Robinson seconded the motion to authorize the issuance of up to \$80,000,000 of Agency Bonds with the proceeds to be loaned to the University of Vermont Medical Center to refund its outstanding 2004B and 2007A bonds. The Board also certifies to the Governor that a TEFRA hearing was held on June 2, 2015 in accordance with Section 147(f) of the Internal Revenue Code of 1986.

There being no further discussion, the motion passed.

Other Business

None.

There being no further business, the meeting was adjourned.

These Minutes were approved by the Board of Directors at a duly warned meeting on February 22, 2016.