



BOARD MEETING

June 24th, 2019 – 9:00 a.m.

Delta Hotels by Marriott Burlington – South Burlington, VT

DRAFT MEETING MINUTES

Board Members Participating & Voting: Jim Potvin, Fritz Burkhardt, Steve Wisloski, Stuart Wepler, Ken Linsley, Ed Ogorzalek (via phone), Neal Robinson (via phone), Scott Baker (as designee for State Treasurer Beth Pearce), and Brad Ferland (as designee for Secretary Susanne Young)

Board Members Absent: Ken Gibbons, Anita Bourgeois, Secretary French or designee, and Secretary Gobeille or designee

Staff Participating: Michael Gaughan

Guests: James Foley, Jr. - Lynch & Foley (via phone), Alberto Citarella – Middlebury College, David Provost – Middlebury College, Derek Hammel – Middlebury College, Matt Hughey - Norton Rose Fulbright (via phone), and Joe DaBreao - PFM (via phone)

The meeting was called to order by Mr. Potvin at 9:00 a.m.

Appoint Board Members

Mr. Gaughan described that the terms for the two board elected members ended in January and they would need to be reappointed.

Motion: Mr. Linsley moved and Mr. Burkhardt seconded the motion to appoint Stuart Wepler and Neal Robinson to the Board of Directors. All gubernatorially appointed members in attendance approved the motion.

Consideration of Financing Application from Middlebury College

Mr. Provost from Middlebury College provided a presentation that served as an update on the financial status and strategy of the College while indicating the additional refinancings that the College will consider over the next several years. Mr. Burkhardt asked follow-up questions on the contents of the presentation.

Mr. DaBreo from PFM then provided an overview of the transaction and their written analysis. Mr. DaBreo stated PFM's positive recommendation to the Board for the transaction.

Mr. Gaughan disclosed that he had used vacation time to teach a winter term class during January at the College on a part-time basis and had received a related stipend. Mr. Burkhardt disclosed that he had made donations to the College.

Mr. Hughey from Norton Rose Fulbright then described the TEFRA notice, the authorizing Resolution and resolution approving certification to the Governor. Prior to the vote, Mr. Robinson noted that he would recusing himself.

Motion: Mr. Wisloski moved and Mr. Linsley seconded a motion to adopt the resolutions approving the Middlebury College refinancing and recommend the transaction to the Governor for approval. The motion was approved unanimously with recusals as noted.

Representatives from Middlebury College, Norton Rose Fulbright, and PFM left the meeting following the vote at 9:42 a.m.

Annual Meeting

Prior to beginning the annual meeting, Mr. Potvin noted that he would remove himself from consideration for nomination to chair of the Agency. The other members thanked him for his hard work as chair over many years.

Mr. Potvin presided over the call for nominations after a discussion of a the slate of officers.

Motion: Mr. Baker moved and Mr. Wisloski seconded a motion to nominate Fritz Burkhardt as Chair, Ken Linsley as Vice Chair, Ed Ogorzalek as Treasurer, and the Executive Director as Secretary. The nominations were approved unanimously.

Mr. Potvin remained as the chair of the meeting.

Ratification of Prior Acts

Mr. Gaughan described the practice of the Ratification of Prior Acts.

Motion: Mr. Wepler moved and Mr. Linsley seconded the motion that the Board of Directors of the Vermont Educational and Health Buildings Financing Agency (“Agency”) met at a duly warned meeting on June 24, 2019. The Board of Directors considered all prior acts of the Agency taken during calendar year 2018 and reaffirmed all such actions and endeavors undertaken. The motion was approved unanimously.

Mr. Foley left the meeting at approximately 10:00 a.m.

Approve November 5th, 2018 Board Minutes

The Board discussed the prior Board minutes and the addition of Ed Ogorzalek to the attendees of the meeting.

Motion: Mr. Wepler moved and Mr. Linsley seconded the motion to approve the November 5th, 2018 meeting minutes as modified. The minutes were approved unanimously.

Review of Fiscal Committee Reports

Mr. Gaughan provided an update on the January 25, 2019 and April 30th, 2019 meetings of the Finance Committee.

2019 Budget

Mr. Gaughan provided an overview of the 2019 budget and key objectives. Mr. Burkhardt noted that the expenses did not account for financial advisor fees and should be incorporated alongside related revenue.

Motion: Mr. Wisloski moved and Mr. Burkhardt seconded a motion to go into executive session to discuss personnel matters as permitted by law. The motion was approved unanimously.

At 10: 21 a.m., the Board went into executive session. Mr. Gaughan left the meeting.

At 10:52 a.m., the Board came out of executive session and Mr. Gaughan rejoined the meeting.

Motion: Mr. Burkhardt moved and Mr. Wisloski seconded a motion for VEHBFA to apply a 3.50% increase to the VEHBFA contribution to the Executive Director’s salary shown in the 2019 budget retroactive to January 2019. The motion was approved unanimously.

Motion: Mr. Linsley moved and Mr. Burkhardt seconded the motion to approve the 2019 budget subject to the inclusion of financial advisor fees and the change to the Executive Director's salary. The motion was approved unanimously.

Members of the board then requested that the Executive Director undertake a review of the cost allocation between the Bond Bank and VEBFA and report back at the next meeting. A discussion followed of possible forms of agreement between the agencies.

Consider Contract for Web Design Service

Mr. Gaughan provided an overview of discussions with New Breed and the needs of the current website.

Motion: Mr. Burkhardt moved and Mr. Ferland seconded the motion to approve the contract for web design services. The motion was approved unanimously.

There being no other business to come before the Board, on a motion by Mr. Linsley and Mr. Wisloski seconded a motion to adjourn. The motion passed unanimously.

These Minutes were approved by the Board of Directors at a duly warned meeting on -
_____.

RESOLUTION RELATING TO THE ISSUANCE AND AWARD OF
VERMONT EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE BONDS
(MIDDLEBURY COLLEGE PROJECT) REFUNDING SERIES 2019

WHEREAS, The President and Fellows of Middlebury College (the “College”) is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Vermont, which operates a college in Middlebury, Vermont; and

WHEREAS, the College desires to (i) currently refund all or a portion of the Agency’s outstanding Revenue Refunding Bonds (Middlebury College Project), Series 2009 (the “Refunded Bonds”), and (ii) pay, or reimburse the College for paying, certain costs incurred in connection with the issuance of the Bonds (hereinafter defined); and

WHEREAS, the College has made application to the Agency for assistance under Title 16, Chapter 131, Section 3851-3862, Vermont Statutes Annotated, as amended (the “Act”) for refunding the Refunded Bonds by the Agency’s lending to the College sufficient funds, with other available funds, to accomplish such purpose; and

WHEREAS, the Agency has considered such application of the College and all other pertinent information, data and materials respecting the need for, and the feasibility and the desirability of, refunding the Refunded Bonds, and has determined that such refunding is necessary and desirable and will effectuate the purposes of the Act and otherwise serve the public interest; and

WHEREAS, the Agency will certify to the Governor of the State, prior to the issuance of the Bonds, that in its opinion the Project is needed and will provide adequate revenue derived from rents or otherwise to repay the Bonds (hereinafter mentioned) and the interest thereon when due; and

WHEREAS, there have previously been presented to the staff of the Agency copies of forms of the following documents relating to the issuance of the Bonds hereinafter mentioned:

(a) the Bond Indenture (the “Indenture”), between the Agency and The Bank of New York Mellon Trust Company, N.A., as Bond Trustee (the “Bond Trustee”), the provisions of which relate to the issuance of and security for the Bonds;

(b) the Loan Agreement (the “Loan Agreement”), between the Agency and the College, pursuant to which the Agency will lend the proceeds of the Bonds to the College;

(c) an Escrow Deposit Agreement (the “Escrow Agreement”), by and among the Agency, the College and The Bank of New York Mellon Trust Company, N.A., in its capacity as the successor trustee for the Refunded Bonds;

(d) the Contract of Purchase (the “Contract of Purchase”), between the Agency and Goldman Sachs & Co. LLC, as representative of the underwriters (the “Underwriters”), relating to the Bonds; and

(e) the Preliminary Official Statement of the Agency relating to the Bonds (the “Preliminary Official Statement”); and

WHEREAS, the Agency will not be obligated to pay the purchase price or principal or redemption price, if any, of and interest on the Bonds except from the revenues and funds derived from the Loan Agreement or the promissory note delivered in accordance therewith, and neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision thereof is pledged as security for the payment of the purchase price or principal of, redemption premium, if any, or the interest on the Bonds; and

WHEREAS, the Agency has determined that the College is financially responsible and capable of fulfilling its obligations under the Loan Agreement;

NOW, THEREFORE, THE BOARD OF VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY HEREBY RESOLVES, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Indenture or the Loan Agreement, as the case may be.

Section 2. Pursuant to the authority granted to it by the Act, the Agency hereby authorizes the issuance of not to exceed \$65,000,000 aggregate principal amount of Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Refunding Series 2019 (the “Bonds”), to be issued in one or more series and on one or more dates, consisting of serial Bonds or term Bonds, dated as of such dates, maturing on such dates in such years not later than November 1, 2049 and in such principal amounts and bearing interest at such rate or rates (none of such rates to exceed 6% per annum), all as contemplated by the Indenture and as determined by the Chairman, the Secretary or the Executive Director (each, a “Delegate”) of the Agency, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds.

Section 3. The Bonds shall be subject to redemption at such times, upon such terms and conditions, and at such prices (none of such prices to exceed 103% of the principal amount of the Bonds being redeemed), all as determined by a Delegate, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds. The term Bonds shall have such amortization requirements, if any, as determined by a Delegate, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds or as may be otherwise set forth in the Indenture.

Section 4. The proceeds of the Bonds (including accrued interest, if any) shall be applied to refund the Refunded Bonds and for such other purposes as shall be set forth in the Indenture.

Section 5. The forms, terms and provisions of the Indenture, the Loan Agreement, the Escrow Agreement and the Contract of Purchase, are hereby approved in all respects, and a Delegate is hereby authorized and directed to execute and deliver the Indenture, the Loan Agreement, the Escrow Agreement and the Contract of Purchase in substantially the forms previously presented to the staff of the Agency, together with such changes, modifications and

deletions as the Delegate, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Agency and of such changes, modifications and deletions. If more than one series of Bonds are to be issued under the terms of this Resolution, a Delegate is authorized to execute and deliver a separate Contract of Purchase and Escrow Agreement in connection with each series of Bonds with such changes, modifications and deletions as the Delegate, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Agency and of such changes, modifications and deletions.

Section 6. The form of the Bonds set forth in the Indenture is hereby approved in all respects, and the Chairman and the Executive Director are hereby authorized and directed to execute by facsimile signature, to attest to the seal of the Agency and to deliver to the Bond Trustee, for authentication on behalf of the Agency, the Bonds in definitive form, which shall be in substantially the form presented to this meeting together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate and consistent with the Indenture; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Agency and of such changes, modifications and deletions.

Section 7. The Agency hereby awards the Bonds to the Underwriters in the aggregate principal amount determined pursuant to Section 2 of this Resolution and at the interest rates determined pursuant to said Section 2 at such purchase price determined by the Chairman or the Treasurer of the Agency (such price not to be less than 98% of said aggregate principal amount nor more than 140% of said aggregate principal amount and resulting in a true interest cost for the Bonds of not in excess of 7%), plus accrued interest, if any.

Section 8. Upon their execution in the form and manner set forth in the Indenture, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Contract of Purchase, the Indenture, the Loan Agreement and Escrow Agreement by the proper parties thereto, the Bond Trustee shall deliver the Bonds to or for the account of the Underwriters against payment therefor in accordance with and subject to the provisions of the Indenture.

Section 9. An official statement, in substantially the form of the Preliminary Official Statement, is hereby approved in all respects, and each Delegate is hereby authorized and directed to execute such official statement, in such form as he, with the advice of counsel, may approve, such execution to be conclusive evidence of the approval thereof by the Agency. The Agency hereby approves and authorizes the distribution and use of copies of the Preliminary Official Statement, the official statement, the Indenture, the Loan Agreement, the Escrow Agreement and the other documents mentioned in Section 5 hereof by the Underwriters in connection with the offering of the Bonds.

Section 10. The Chairman, Treasurer, Secretary and Executive Director are each hereby appointed Agency Representatives, as that term is defined in the Indenture, with full power to carry out the duties set forth therein.

Section 11. Each Delegate is authorized and directed (without limitation except as may be expressly set forth herein) to take such action (including the holding of and supervising at a public hearing in respect of the Bonds as such officer being advised by counsel shall determine) and to execute and deliver any such documents, certificates (including a certificate that the parameters set forth above in respect of the terms of the Bonds have been satisfied), undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Indenture, the Loan Agreement, the Contract of Purchase, the Escrow Agreement and the Official Statement.

Section 12. This Resolution shall take effect immediately upon its passage

RESOLUTION APPROVING CERTIFICATION
TO THE GOVERNOR

WHEREAS, the Board of the Vermont Educational and Health Buildings Financing Agency (herein sometimes called the “Agency”) has adopted a resolution authorizing the issuance and sale of one or more series of its Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project), Refunding Series 2019 (the “Bonds”) in an aggregate principal amount not to exceed \$65,000,000; and

WHEREAS, all or a portion of the proceeds of the Bonds will be used to refund the Agency’s outstanding Revenue Bonds (Middlebury College Project), Series 2009 (the “Refunded Bonds”) and to finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, it is anticipated that weighted average maturity of the Bonds (as calculated in accordance with the Internal Revenue Code of 1986, as amended (the “Code”)) will exceed the remaining weighted average maturity of the Refunded Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that, under such circumstances, approval of an “applicable elected representative” following a duly noticed public hearing must be obtained prior to the issuance of obligations such as the Bonds if such obligations are to be treated as qualified bonds for purposes of the Code; and

WHEREAS, the Agency conducted a duly noticed public hearing on June 18, 2019;

WHEREAS, the Governor is, for purposes of the Code, the “applicable elected representative” for purposes of Section 147(f)(2)(C) of the Code; and

WHEREAS, there has been prepared and submitted to the Board a form of certification to the Governor required under the Code; and

WHEREAS, the Board has examined and considered said form of certification;

NOW, THEREFORE;

BE IT RESOLVED, by the Board of Vermont Educational and Health Buildings Financing Agency that the certification in connection with the issuance of Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Refunding Series 2019, in an aggregate principal amount not to exceed \$65,000,000, is hereby approved in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Chairman, Treasurer, Secretary or Executive Director of the Agency, his signing of such certification to be conclusive evidence of his approval of any such changes, insertions and omissions, and said Chairman, Treasurer, Secretary or Executive Director is hereby authorized and directed to sign said certification in the name of and on behalf of the Agency and to deliver or cause to be delivered said certification to the Governor of the State of Vermont.

June __, 2019

Honorable Philip Scott
Governor, State of Vermont
Pavilion Office Building
109 State Street
Montpelier, VT 05602

Re: NOT TO EXCEED \$65,000,000 VERMONT EDUCATIONAL AND HEALTH
BUILDINGS FINANCING AGENCY REVENUE BONDS
(MIDDLEBURY COLLEGE PROJECT) REFUNDING SERIES 2019

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency proposes to issue one or more series of its Revenue Bonds (Middlebury College Project) Refunding Series 2019 (the “Bonds”), on behalf of The President and Fellows of Middlebury College (the “College”), a private, nonprofit corporation incorporated and existing under the laws of the State of Vermont, and an eligible institution within the meaning of said term as defined in Section 3851 of Title 16, Vermont Statutes Annotated, as amended, to provide funds to the College for the purpose of (i) refunding the Agency’s outstanding Revenue Bonds (Middlebury College Project), Series 2009 and (ii) paying, or reimbursing the College for paying, certain costs incurred in connection with the issuance of the Bonds.

The Agency proposes to enter into a Loan Agreement with the College providing for the loan of the proceeds of the Bonds to the College, which Loan Agreement requires the College, among other things, to make payments sufficient to pay the principal of and premium, if any, and interest on the Bonds as the same becomes due and payable. Further, the Agency has accepted the proposal of Goldman Sachs & Co. LLC, as representative of the underwriters (the “Underwriters”), which Underwriters have been selected by the College, to purchase the Bonds.

Based on the foregoing and, among other things, the proposal of Underwriters, to purchase the Bonds, the Agency hereby certifies it has conducted a duly noticed public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

Vermont Educational and Health
Buildings Financing Agency

Executive Director