



## **BOARD MEETING**

November 12<sup>th</sup>, 2019 – 2:00 p.m.

Hilton Garden Inn –Burlington, VT

## **DRAFT MEETING MINUTES**

**Board Members Participating & Voting:** Anita Bourgeois (via phone), Ed Ogorzalek (via phone), Fritz Burkhardt, Jim Potvin (via phone), Ken Gibbons, Steve Wisloski (via phone), Scott Baker (as designee for Treasurer Pearce), Bill Bates (as designee for Secretary French), Secretary Mike Smith, and Secretary Susanne Young,

**Board Members Absent:** Ken Linsley, Neal Robinson, Stuart Weppeler

**Staff Participating:** Michael Gaughan

**Guests:** James Foley, Jr. - Lynch & Foley, Larry Bauer – Norton Rose Fulbright (via phone), Kevin Connell – Echo Financial (via phone), Joe DaBreao – PFM (via phone), Matt Hughey -Norton Rose Fulbright (via phone), Stephen Murphy – PFM (via phone), and Mike Rogers – BMH (via phone)

The meeting was called to order by Mr. Burkhardt at 2:01 p.m.

### Consideration of Financing Application from Brattleboro Memorial Hospital

Mr. Rogers from Brattleboro Memorial Hospital (“BMH”) presented on the project that will be financed with the proposed bonds. Mr. Connell from Echo financial provided an overview of BMH’s debt profile.

Secretary Smith asked for clarity on key financial ratios and the payer mix of the hospital. Mr. Rogers provided answers to the questions.

Secretary Young asked if the Certificate of Need required an update given the elapsed time from the original issuance date. Mr. Rogers indicated that the hospital is in touch with the relevant parties and that no updates are needed.

Mr. Murphy 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. Burkhardt asked for clarification on financial indicators, which was informed by comments from Mr. Rogers.

Mr. Gaughan provided an update to the Board on the proceedings of the TEFRA hearing that occurred earlier in the day. He stated that no comments were received as will be reflected in the TEFRA minutes submitted to the Governor.

Mr. Bauer from Norton Rose Fulbright then described the authorizing resolution and additional resolution with required certifications to the Governor (attached).

*Motion: Mr. Gibbons moved and Mr. Potvin seconded, a motion to adopt the resolutions approving the Brattleboro Memorial Hospital financing and recommending the transaction to the Governor for approval. The motion was approved unanimously after a roll call vote.*

Representatives from BMH, Echo Financial, Norton Rose Fulbright, and PFM left the meeting following the vote at 2:41 p.m.

#### Approve June 24<sup>th</sup>, 2019 Board Minutes

The Board discussed the prior Board minutes.

*Motion: Mr. Potvin moved and Mr. Baker seconded, the motion to approve the June 24<sup>th</sup>, 2019 meeting minutes. The minutes were approved unanimously following a roll call vote with abstentions from Mr. Bates, Mr. Gibbons, Secretary Smith, and Secretary Young.*

#### Review of Fiscal Committee Reports

Mr. Gaughan provided an update on the August 27<sup>th</sup>, 2019 and October 22<sup>nd</sup>, 2019 meetings of the Finance Committee. He also provided an overview of the Committee's activities and members for new members of the Board.

Mr. Gaughan additionally provided an update on discussions within the Finance Committee and the Vermont Bond Bank on a possible Memorandum of Agreement to codify the longstanding policy of practice concerning joint operations of the two agencies.

#### US Bank Certificate of Representation

Mr. Gaughan described the request from US Bank for official authorized representations from VEBFA following purchase of Peoples United Bank's corporate trust accounts.

*Motion: Mr. Gibbons moved and Mr. Potvin seconded, a motion to approved the Certificate of Representation to provide to US Bank. The motion was approved unanimously following a role call vote.*

Administrative

Mr. Gaughan provided an overview of updates to the website, provided background on a new shared employee with the Bond Bank, and described proposed federal legislation relevant to VEBFA.

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

*The Board adjourned at 2:57 p.m.*

---

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

RESOLUTION RELATING TO THE ISSUANCE AND AWARD  
OF NOT TO EXCEED \$12,500,000  
VERMONT EDUCATIONAL AND HEALTH BUILDINGS  
FINANCING AGENCY REVENUE BOND  
(BRATTLEBORO MEMORIAL HOSPITAL PROJECT) 2019 SERIES A

WHEREAS, Brattleboro Memorial Hospital, Inc. (the “Corporation”) is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Vermont, and is an eligible institution within the meaning of such term as used in the Act (hereinafter mentioned); and

WHEREAS, the Corporation desires (i) to pay, or reimburse itself for paying, a portion of the cost of the acquisition, construction and equipping of capital projects at the Corporation’s hospital facilities in Brattleboro, Vermont, including the acquiring, constructing, renovating or equipping capital projects at the Corporation’s hospital facilities in Brattleboro, Vermont, including constructing a building to house central sterile processing and cardiac rehabilitation, a new operating room suite, medical offices for surgical staff and exam rooms, and physician office space and exam rooms, renovation of vacated space in the main hospital building to house the anesthesia workroom and equipment storage, post-anesthesia care unit, endoscopy, minor procedure suite, and pharmacy, and ancillary renovations, and the purchase and installation of three replacement boilers (the “Project”); and (ii) to finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bond hereinafter mentioned; and

WHEREAS, the Corporation has made application to Vermont Educational and Health Buildings Financing Agency (the “Agency”) for assistance under Title 16, Chapter 131, Sections 3851-3862, Vermont Statutes Annotated, as amended (the “Act”), for (i) financing a portion of the costs of the Project and (ii) paying a portion of the costs of issuance of the Bond all by the Agency’s lending to the Corporation sufficient funds for paying, with other available funds, such costs; and

WHEREAS, the Agency has considered such application of the Corporation and all other pertinent information, data and materials respecting the need for, and the feasibility and the desirability of financing the Project and has determined that such financing 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 Bond, that in its opinion the Project is needed and will provide adequate revenue derived from rents or otherwise to repay the Bond and the interest thereon when due; and

WHEREAS, there have previously been presented to the staff of the Agency forms of the following documents relating to the issuance of the Bond:

a. the Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Agency, the Corporation and People’s United Muni Finance Corp. (the “Purchaser”); and

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

WHEREAS, the Agency will not be obligated to pay the principal or redemption price, if any, of and interest on the Bond except from the revenues and funds derived from the Loan Agreement or obligation delivered by the Corporation to secure its obligations thereunder, 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 principal of or redemption premium, if any, or interest on the Bond; and

WHEREAS, the Agency has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the documents referred to above;

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 Bond Purchase Agreement 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 \$12,500,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Brattleboro Memorial Hospital Project) 2019 Series A (the “Bond”), dated as of such date, maturing on such dates in such years not later than 2050 and in such principal amounts and bearing interest at such rate or rates, all as determined by the Chairman or the Executive Director of the Agency (each, a “Delegate”) after consultation with the Corporation.

Section 3. The Bond shall be subject to redemption at such times, upon such terms and conditions, and at such prices (no such price to exceed 103% of the principal amount of the Bond being redeemed, provided that notwithstanding such maximum price, a make-whole or cost-of-funds premium shall be permitted if, in the opinion of the Agency’s financial advisor, such premium is consistent with comparable, privately placed bonds), all as determined by a Delegate prior to the delivery of the Bond after consultation with the Corporation.

Section 4. The proceeds of the Bond (including accrued interest, if any) shall be applied in accordance with the Bond Purchase Agreement.

Section 5. The forms, terms and provisions of the Bond Purchase Agreement and the Loan Agreement are hereby approved in all respects, and any Delegate is hereby authorized and directed to execute and deliver the Bond Purchase Agreement and the Loan Agreement in substantially the forms presented to this meeting together with such changes, modifications and deletions as such Delegate, with the advice of counsel, may deem necessary and appropriate; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency.

Section 6. The form of the Bond set forth in the Bond Purchase Agreement is hereby approved in all respects, and the Chairman and Executive Director are hereby authorized and directed to execute, by facsimile or manual signature, the Bond 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 Bond Purchase Agreement; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency.

Section 7. Based on the selection of the Purchaser by the Corporation and after consultation with the Corporation and advisors to the Agency, the Agency hereby awards the Bond to the Purchaser in the aggregate principal amount determined pursuant to Section 2 of this Resolution and at the interest rate or rates determined pursuant to said Section 2 at a purchase price equal to 100% of the principal amount of the Bond.

Section 8. Upon its execution in the form and manner set forth in the Bond Purchase Agreement, the Bond shall, upon due and valid execution and acceptance of the Bond Purchase Agreement and the Loan Agreement by the proper parties thereto, be delivered to the Purchaser against payment therefor in accordance with and subject to the provisions of the Bond Purchase Agreement.

Section 9. Each Delegate is hereby appointed an Agency Representative, as that term is defined in the Bond Purchase Agreement and the Loan Agreement, with full power to carry out the duties set forth therein.

Section 10. 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 one or more public hearings as may be required by applicable law) and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Purchase Agreement and the Loan Agreement, and all prior actions undertaken by the Agency, including by such officers, in connection with the transactions authorized in this Resolution are hereby ratified, approved and confirmed.

Section 11. This Resolution shall take effect immediately upon its passage.

RESOLUTION APPROVING CERTIFICATION  
TO THE GOVERNOR

WHEREAS, the Board of Vermont Educational and Health Buildings Financing Agency (herein sometimes called the “Agency”) has adopted a resolution authorizing the issuance and sale of not to exceed \$12,500,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Brattleboro Memorial Hospital Project) 2019 Series A (the “Bond”); and

WHEREAS, all or a portion of the proceeds of the Bond will be used to (i) pay, or reimburse Brattleboro Memorial Hospital, Inc. (the “Corporation”) for paying, a portion of the cost of the acquisition, construction and equipping of capital projects at the Corporation’s hospital facilities in Brattleboro, Vermont, including constructing a building to house central sterile processing and cardiac rehabilitation, a new operating room suite, medical offices for surgical staff and exam rooms, and physician office space and exam rooms, renovation of vacated space in the main hospital building to house the anesthesia workroom and equipment storage, post-anesthesia care unit, endoscopy, minor procedure suite, and pharmacy, and ancillary renovations, and the purchase and installation of three replacement boilers (the “Project”); and (ii) to finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bond; and

WHEREAS, Section 3856 of Title 16, Vermont Statutes Annotated, as amended, provides that no bonds of the Agency may be issued to acquire or construct any facilities unless the Agency first certifies to the Governor of the State of Vermont that in its opinion such facilities are needed and will provide adequate revenue derived from rents or otherwise to repay such bonds and the interest thereon when due; and

WHEREAS, the Board has considered pertinent information, data and material respecting the need for and the feasibility and desirability of issuing the Bond; and

WHEREAS, the Board has examined the financial records of the Corporation relating to its ability to make payments under the Loan Agreement mentioned in said resolution to repay the Bond and the interest thereon when due; 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 Bond, 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 November 12, 2019; and

WHEREAS, the Governor is 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 by Section 3856 of Title 16, Vermont Statutes Annotated, as amended; 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 not to exceed \$12,500,000 aggregate principal amount of Vermont Educational and Health Buildings Financing Agency Revenue Bond (Brattleboro Memorial Hospital Project) 2019 Series A, is hereby approved in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Chairman 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 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.



November \_\_, 2019

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

Re: NOT TO EXCEED \$12,500,000 VERMONT EDUCATIONAL AND HEALTH  
BUILDINGS FINANCING AGENCY REVENUE BOND  
(BRATTLEBORO MEMORIAL HOSPITAL PROJECT) 2019 SERIES A

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency proposes to issue its Revenue Bond (Brattleboro Memorial Hospital Project) 2019 Series A (the “Bond”), on behalf of Brattleboro Memorial Hospital, Inc. (the “Corporation”), 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 Corporation for the purpose of (i) paying, or reimbursing the Corporation for paying, a portion of the costs of acquiring, constructing and equipping certain capital projects at the Corporation’s hospital facilities in Brattleboro, Vermont, including constructing a building to house central sterile processing and cardiac rehabilitation, a new operating room suite, medical offices for surgical staff and exam rooms, and physician office space and exam rooms, renovation of vacated space in the main hospital building to house the anesthesia workroom and equipment storage, post-anesthesia care unit, endoscopy, minor procedure suite, and pharmacy, and ancillary renovations, and the purchase and installation of three replacement boilers (the “Project”) and (ii) paying certain costs incurred in connection with the issuance of the Bond.

The Agency proposes to enter into a Loan Agreement with the Corporation providing for the loan of the proceeds of the Bond to the Corporation, which Loan Agreement requires the Corporation to make payments sufficient to pay the principal of and premium, if any, and interest on the Bond as the same become due and payable. The Corporation will bear all costs incurred in connection with, and will pay certain costs and expenses of the Agency relating to, the Project.

The members of the Agency have considered pertinent information, data and material respecting the need for and the feasibility and desirability of financing the Project and issuing the Bond. Based on the purchaser selection by the Corporation, the Agency has accepted the proposal of People’s United Muni Finance Corp. to purchase the Bond.

Based on the foregoing and, among other things, the commitment of People's United Muni Finance Corp., to purchase the Bond, in compliance with the provisions of Section 3856 of Title 16, Vermont Statutes Annotated, as amended, the Agency hereby certifies that, in its opinion, the Project is needed and that the Corporation will generate sufficient revenues from all operations to meet its obligations under the Loan Agreement in order to repay the Bond and the interest thereon when due.

Vermont Educational and Health  
Buildings Financing Agency

---

Executive Director

**CERTIFICATE AS TO AGENCY REPRESENTATIVES  
OF VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY**

I, MICHAEL GAUGHAN, Executive Director of Vermont Educational and Health Buildings Financing Agency (the “Agency”), DO HEREBY CERTIFY that Frederick Burkhardt, Chairman of the Agency, and I have each been designated by the Board of the Agency, to act on behalf of the Agency as an Agency Representative and are authorized to act on behalf of the Agency in connection with bond issues heretofore issued for which the Agency has served as the issuer and People’s United Bank, N.A. serves as Trustee or successor Trustee, and that the following are specimen signatures of such Agency Representatives.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Frederick Burkhardt	Chair	
Michael Gaughan	Executive Director	<hr/> <hr/>

IN WITNESS WHEREOF, I have hereunto set my hand this 20<sup>th</sup> day of September, 2019.

---

Michael Gaughan  
Executive Director