



BOARD MEETING

October 29, 2021 – 10:00 a.m.

100 Bank Street, Suite 401 / Burlington VT 05401 and via Zoom

MEETING MINUTES

Board Members Participating & Voting: Scott Baker (as designee for Treasurer Pearce), Bill Bates (as designee for Secretary French), Anita Bourgeois, Fritz Burkhardt, Kristin Clouser as Acting Secretary of Administration, Ken Gibbons, Ken Linsley, Peter Moino (as designee for Secretary Smith), Stuart Weppler, Lauren Wobby, and Steve Wisloski

Board Members Absent: Ed Ogorzalek and Neal Robinson

Staff Participating: Michael Gaughan and Elizabeth King

Guests: Larry Bauer – Norton Rose Fulbright, Joe DaBreo – PFM, Matt Hughey – Norton Rose Fulbright, Stephen Majetich – SVMC, Stephen Murphy – PFM, and Mike Rosadini – M Rosadini Consultants

The meeting was called to order by Mr. Burkhardt at 10:05 a.m.

Administrative

Mr. Burkhardt asked if there were any changes to the meeting agenda. No changes were made.

Approve May 4, 2021 Board Minutes

Mr. Burkhardt asked if there were any comments on the prior meeting minutes. Mr. Gibbons and Mr. Bates indicated they would abstain as they did not attend.

Motion: Ms. Bourgeois moved and Ms. Wobby seconded the motion to approve the May 4, 2021 meeting minutes. The minutes were approved unanimously with abstentions as noted.

Consideration of Southwestern Vermont Medical Center Application

Mr. Burkhardt introduced the application for financing as well as Mr. Majetich from Southwestern Vermont Medical Center Application. Mr. Majetich then presented the board with an overview of current hospital operations and the project.

Mr. Gaughan then discussed the proceedings of the TEFRA Hearing with the Board.

Mr. Burkhardt asked PFM to review the revised financing and their related analysis. Mr. Murphy described the key features of the transaction and supporting credit analysis. Mr. Murphy stated PFM's recommendation to approve the transaction.

Mr. Bauer introduced the resolutions to the board.

Motion: Ms. Bourgeois moved and Mr. Wisloski seconded a motion to adopt the attached resolutions approving the Southwestern Vermont Medical Center financing. The motion was approved unanimously with after a roll call vote of all members in attendance.

Representatives from the Southwestern Vermont Medical Center, PFM, and Norton Rose left the meeting following the vote at 10:55 a.m.

There being no other business to come before the Board, on Ms. Wobby moved and Mr. Gibbons seconded a motion to adjourn.

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 \$30,000,000
VERMONT EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE AND REVENUE REFUNDING BONDS
(SOUTHWESTERN VERMONT MEDICAL CENTER PROJECT) 2021 SERIES A AND 2021
SERIES B

WHEREAS, Southwestern Vermont Medical Center, Inc. (the “Corporation”), is a private, not-for-profit corporation duly organized 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 (as hereinafter defined); and

WHEREAS, Vermont Educational and Health Buildings Financing Agency (hereinafter sometimes called the “Agency”) has previously issued its Variable Rate Demand Revenue Bonds (Southwestern Vermont Medical Center Project) 2008 Series A (the “Refunded Bonds”) for the benefit of the Corporation; and

WHEREAS, the Corporation has made application to the Agency for assistance under Title 16, Chapter 131, Sections 3851-3862, Vermont Statutes Annotated, as amended (the “Act”), for (i) refinancing the Refunded Bonds, (ii) paying, or reimburse itself for paying, a portion of the cost of the acquisition, construction and equipping of capital projects at the Corporation’s health facilities campus in Bennington, Vermont (collectively, the “Project”), and (iii) paying a portion of certain expenses incurred in connection with the issuance of the Bonds (hereinafter mentioned) by the Agency’s lending to the Corporation sufficient funds, with other available funds, for such purpose; 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 refinancing the Refunded Bonds and financing a portion of the cost of the Project and has determined that such financing and refinancing are necessary and desirable and will effectuate the purposes of the Act and otherwise serve the public interest; and

WHEREAS, TD Bank, N.A. (the “Purchaser”), has agreed to purchase the Agency’s Revenue Refunding Bond (Southwestern Vermont Medical Center Project) 2021 Series A (the “2021A Bond”) and the Agency’s Revenue Bond (Southwestern Vermont Medical Center Project) 2021 Series B (together with the 2021A Bond, the “Bonds”), the net proceeds of which in the aggregate will be used, with other available moneys, for the purposes described above, subject, among other things, to the terms and conditions set forth in the Bond Purchase Agreement (hereinafter mentioned); and

WHEREAS, there has previously been presented to the staff of the Agency copies of forms (or in the case of (c) below, the executed copy) of the following documents relating to the issuance of the Bonds:

- (a) the Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Agency, the Corporation and the Purchaser;

- (b) the Loan Agreement (the “Loan Agreement”) between the Agency and the Corporation, pursuant to which the Agency will lend the proceeds of the Bonds to the Corporation;
- (c) the Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2008, as amended and supplemented, between the Corporation, on behalf of itself and the other Members of the Obligated Group (as therein defined), and U.S. Bank, National Association, as successor master trustee (the “Master Trustee”); and
- (d) Supplemental Indenture for Obligation No. 3 (“Supplemental Indenture No. 3”), between the Corporation and the Master Trustee providing for the issuance of Obligation No. 3 under the Master Indenture (“Obligation No. 3”); and

WHEREAS, the Agency will not be obligated to pay the principal of and redemption premium, if any, and interest on the Bonds except from the revenues and funds derived from the Loan Agreement or Obligation No. 3, 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 and redemption premium, if any, and the interest on the Bonds; and

WHEREAS, the Agency has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the agreements referred to above to which it is a party;

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 the Bonds in an aggregate principal amount of not to exceed \$30,000,000. The Bonds shall be dated as of such date, mature on such date or dates in such year or years, not later than December 31, 2031, and in such principal amount or amounts and bear interest at such rate or rates, all as determined by the Chairman, the Secretary or the Executive Director of the Agency (each, a “Delegate” and together, the “Delegates”) prior to the award of the Bond.

Section 3. The Bonds 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 Bonds (or portions thereof) 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 award of the Bonds.

Section 4. The proceeds of the Bonds shall be applied in accordance with the Bond Purchase Agreement and the Loan Agreement.

Section 5. The forms, terms and provisions of the Bond Purchase Agreement and the Loan Agreement are hereby approved in all respects, and each 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 they, 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, terms and provisions of Supplemental Indenture No. 3 (including the form of Obligation No. 3 contained therein) are hereby approved in substantially the form previously presented to the staff of the Agency, together with such changes, modifications and deletions as a Delegate with the advice of counsel, may deem necessary and appropriate; the execution and delivery of the Bond Purchase Agreement and Loan Agreement pursuant to this Resolution to be conclusive evidence of the approval by the Agency of such agreement.

Section 7. The form of the Bonds set forth in the Bond Purchase Agreement is hereby approved in all respects, and the Chairman and the Secretary or Executive Director are hereby authorized and directed to execute, by facsimile or manual signature, 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 Bond Purchase Agreement; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency.

Section 8. The Agency hereby awards the Bonds to the Purchaser in the aggregate principal amount determined pursuant to Section 2 of this Resolution, at the interest rate or rates determined pursuant to said Section 2 and at a purchase price equal to 100% of the principal amount of the Bonds.

Section 9. The Chairman, the Secretary and the Executive Director are each hereby appointed Agency Representatives, 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. The Delegates are authorized and directed (without limitation except as may be expressly set forth herein) to take such action (including the holding of one or more public hearings in connection with the issuance of the Bonds 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. Any such action taken prior to the date hereof is 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, among other things, the issuance and sale of not to exceed \$30,000,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Refunding Bond (Southwestern Vermont Medical Center Project) 2021 Series A and its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Southwestern Vermont Medical Center Project) 2021 Series B (together, the “Bonds”); and

WHEREAS, all or a portion of the proceeds of the Bonds will be used to (i) pay, or reimburse Southwestern Vermont Medical Center, Inc. (the “Corporation”) for paying, a portion of the cost of the acquisition, construction and equipping of capital projects at the Corporation’s health facilities campus in Bennington, Vermont (collectively, the “Project”); (ii) refinance the Agency’s currently outstanding Variable Rate Demand Revenue Bonds (Southwestern Vermont Medical Center Project) 2008 Series A (the “Refunded Bonds”); and (iii) finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bonds; 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 Bonds; 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 Bonds and the interest thereon when due; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that 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 will conduct a duly noticed public hearing on or about October 27, 2021; 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 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 not to exceed \$30,000,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Refunding Bond (Southwestern Vermont Medical Center Project) 2021 Series A and its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Southwestern Vermont Medical Center Project) 2021 Series B is hereby approved in substantially the form presented at this meeting, with such changes, insertions and omissions as may be approved by the Chairman, 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, 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.

_____, 2021

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

Re: NOT TO EXCEED \$30,000,000 VERMONT EDUCATIONAL AND HEALTH
BUILDINGS FINANCING AGENCY REVENUE AND REVENUE
REFUNDING BOND (SOUTHWESTERN VERMONT MEDICAL CENTER
PROJECT) 2021 SERIES A AND 2021 SERIES B

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency proposes to issue its Revenue Refunding Bond (Southwestern Vermont Medical Center Project) 2021 Series A and its Revenue Bond (Southwestern Vermont Medical Center Project) 2021 Series B (together, the “Bonds”) on behalf of Southwestern Vermont Medical Center, 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 cost of the acquisition, construction and equipping of capital projects at the Corporation’s health facilities campus in Bennington, Vermont (collectively, the “Project”); (ii) refinancing the Agency’s currently outstanding Variable Rate Demand Revenue Bonds (Southwestern Vermont Medical Center Project) 2008 Series A (the “Refunded Bonds”); and (iii) financing the payment of a portion of certain expenses incurred in connection with the issuance of the Bonds.

The Agency proposes to enter into a Loan Agreement with the Corporation providing for the loan of the proceeds of the Bonds to the Corporation, which Loan Agreement requires the Corporation, among other things, to make payments sufficient to pay the principal of and premium, if any, and interest on the Bonds 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 issuance of the Bonds.

The members of the Agency have considered pertinent information, data and material respecting the need for and the feasibility and desirability of issuing the Bonds to finance the Project and refinance the Refunded Bonds. Further, based on the purchaser selected by the Corporation, the Agency has accepted the proposal of TD Bank, N.A., to purchase the Bonds.

Based on the foregoing and, among other things, the commitment of TD Bank, N.A. to purchase, upon satisfaction of certain conditions, the Bonds, and in compliance with the provisions of Chapter 131 of Title 16, Vermont Statutes Annotated, as amended, the Agency hereby certifies that it has conducted a duly noticed public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, 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, and respectfully requests your approval, as applicable elected representative, of the issuance of the Bonds.

Vermont Educational and Health
Buildings Financing Agency

Executive Director