



## **BOARD MEETING**

January 5, 2023 – 9:00 a.m.

100 Bank St, Suite 401 / Burlington VT and via Zoom

## **DRAFT MEETING MINUTES**

**Board Members Participating & Voting:** Fritz Burkhardt, Ken Linsley, Ed Ogorzalek, Anita Bourgeois, Lauren Wobby, Ken Gibbons, Stuart Wepler, Scott Baker (as designee for Treasurer Pearce), Bill Bates (as designee for Secretary French), Kristin Clouser, and Peter Moino (as designee for Secretary Smith)

**Board Members Absent:** Neal Robinson, vacancy

**Staff Participating:** Michael Gaughan, Elizabeth King, and Ken Linge

**Guests:** None

The meeting was called to order by Mr. Burkhardt at 9:33 a.m.

### Administrative

Mr. Burkhardt recommended moving the UVM Medical Center application the first item to which the other members agreed.

### Consideration of UVM Medical Center Application

Mr. Stanislas and Mr. Viau provided an overview of the status of the Medical Center finances and the reason for the financing. Members asked questions of the Medical Center.

Mr. Murphy introduced PFM's credit memo and described PFM's recommendation to approve the transaction. Mr. Baker indicated he would be abstaining from the vote.

Mr. Bauer introduced the resolutions to the board.

Ms. Clouser joined at 10:07 a.m.

*Motion: Ms. Wobby moved and Mr. Moino seconded a motion to adopt the attached supplemental resolution approving the UVM Medical Center financing as well as to certify the transaction and request the governor's approval of the TEFRA. The motion was approved unanimously following a roll call vote with abstentions noted.*

Representatives from UVM Medical Center and PFM left the meeting following the vote at 10:23 a.m.

#### Approve July 15, 2022 Board Minutes

The Board discussed the prior board meeting. Mr. Burkhardt noted he would abstain from the vote.

*Motion: Mr. Gibbons moved and Mr. Baker seconded the motion to approve the July 15, 2022 meeting minutes. The minutes were approved unanimously following a roll call vote.*

#### Finance Committee Report

Members discussed the finance committee meetings between meetings.

#### Annual Meeting

Mr. Burkhardt stepped down as chair of the meeting and asked for a nominating slate of officers.

*Motion: Mr. Wepler moved and Mr. Moino seconded a motion to reappoint the current slate of officers. All members in attendance approved the motion following a roll call vote.*

#### Annual Ratification of Prior Acts

Mr. Gaughan explained the purpose of the Ratification of Prior Acts.

*Motion: Mr. Moino moved and Mr. Gibbons seconded a motion that the Board of Directors of the Vermont Educational and Health Buildings Financing Agency ("Agency") met at a duly warned meeting on January 5, 2023. The Board of Directors considered all prior acts of the Agency taken during calendar year 2022 and reaffirmed all such actions and endeavors undertaken. The motion was approved unanimously following a roll call vote.*

## FY 2023 Budget

Mr. Gaughan presented the board staff's annual strategic goals and the related FY 2022 budget noting that the Bond Bank approved the corresponding portion.

*Motion: Ms. Wobby moved and Mr. Gibbons seconded a motion to approve the budget as presented and set a floor of \$500 on the annual fee and eliminate fees for balances under \$2 million. The motion was approved unanimously following a roll call vote.*

## Board Member Recruitment

The board discussed the current board vacancy and the need to identify potential candidates.

Mr. Burkhardt then described the need to go into executive session to discuss personnel matters.

*Motion: Mr. Linsley moved and Mr. Moino seconded a motion to go into executive session to discuss evaluations of current employees as allowed by law. The motion was approved unanimously following a roll call vote.*

At 11:11 a.m., the Board went into executive session. Mr. Gaughan, Ms. King, and Mr. Linge the meeting.

At 11:17 a.m., the board came out of executive session and all attendees rejoined the meeting.

*Motion: Ms. Wobby moved and Ms. Bourgeois seconded a motion to increase the VEHBFA contribution to the Executive Director's salary by 7.00 percent effective January 2, 2022 and approve the amended budget. The motion was approved unanimously follow a roll call vote.*

Mr. Burkhardt noted that the board was very pleased with the performance of the Executive Director and staff.

*There being no other business to come before the Board, on Mr. Linsley moved and Mr. Wepler seconded a motion to adjourn.*

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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 \$27,000,000  
VERMONT EDUCATIONAL AND HEALTH BUILDINGS  
FINANCING AGENCY REVENUE BOND  
(THE UNIVERSITY OF VERMONT MEDICAL CENTER PROJECT) REFUNDING SERIES  
2023A

WHEREAS, The University of Vermont Medical Center Inc. (formerly known as Fletcher Allen Health Care, 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 on behalf of the Corporation the Agency’s Hospital Revenue Bond (Fletcher Allen Health Care Project) Refunding Series 2013A, of which \$26,250,000 stated to mature on December 1, 2027 are outstanding (the “Refunded Bond”) ; 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”), with other available moneys of the Corporation for (i) refinancing the Refunded Bond, and (ii) paying a portion of certain expenses incurred in connection with the issuance of the Bond (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 Bond and has determined that such refinancing is 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 Bond (The University of Vermont Medical Center Project) Refunding Series 2023A (the “Bond”), 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 have 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 Bond:

- (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 Bond to the Corporation;

- (c) the Master Trust Indenture dated as of January 1, 1993, as amended and restated on March 1, 2004 (the “Master Trust Indenture” and, together with all such supplements and amendments thereto as therein permitted, the “Master Indenture”), by and between the Hospital and U.S. Bank Trust Company, National Association, as successor trustee (the “Master Trustee”); and
- (d) Supplemental Indenture for Obligation No. 53 (“Supplemental Indenture No. 53”), between the Corporation and the Master Trustee providing for the issuance of Obligation No. 53 under the Master Indenture (“Obligation No. 53”); and

WHEREAS, the Agency will not be obligated to pay the principal of and redemption premium, if any, and interest on the Bond except from the revenues and funds derived from the Loan Agreement or Obligation No. 53, 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 Bond; 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 Bond in an aggregate principal amount of not to exceed \$27,000,000. The Bond shall be dated as of such date, mature on such date or dates in such year or years, not later than December 31, 2027, 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 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 (or portions thereof) being redeemed, provided that notwithstanding such maximum price, a make-whole or cost-of-funds premium shall be permitted if required as condition of purchase by the Purchaser), as determined by a Delegate prior to the award of the Bond.

Section 4. The proceeds of the Bond 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. 53 (including the form of Obligation No. 53 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 Supplemental Indenture No. 53 and Obligation No. 53.

Section 7. The form of the Bond 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 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 8. The Agency hereby awards the Bond 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 Bond.

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 Bond 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 \$27,000,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (The University of Vermont Medical Center Project) Refunding Series 2023A (the “Bond”); and

WHEREAS, all or a portion of the proceeds of the Bond will be used, with other available moneys of The University of Vermont Medical Center Inc. (the “Corporation”) to (i) refinance the Agency’s currently outstanding Revenue Bond (Fletcher Allen Health Care Project) Refunding Series 2013A (the “Refunded Bond”); and (ii) provide for the payment of a portion of certain expenses incurred in connection with the issuance of the Bond; 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 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 will conduct a duly noticed public hearing on or about January 3, 2023; 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 to the Governor of the State of Vermont in connection with the issuance of not to exceed \$27,000,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (The University of Vermont Medical Center Project) Refunding Series 2023A 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.



\_\_\_\_\_, 2023

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

Re: NOT TO EXCEED \$27,000,000 VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY REVENUE BOND (THE UNIVERSITY OF VERMONT MEDICAL CENTER PROJECT) REFUNDING SERIES 2023A

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency proposes to issue its Revenue Bond (The University of Vermont Medical Center Project) Refunding Series 2023A (the “Bond”) on behalf of The University of 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, with other available moneys of the Corporation, (i) refinancing the Agency’s currently outstanding Revenue Bond (Fletcher Allen Health Care Project) Refunding Series 2013A (the “Refunded Bond”); and (ii) providing for the payment of a portion of certain expenses 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, among other things, 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 issuance of the Bond.

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

Based on the foregoing and, among other things, the commitment of TD Bank, N.A. to purchase, upon satisfaction of certain conditions, the Bond, 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, and respectfully requests your approval, as applicable elected representative, of the issuance of the Bond.

Vermont Educational and Health  
Buildings Financing Agency

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Executive Director