



BOARD MEETING

February 17, 2023 – 9:30 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, Lauren Wobby, Ken Gibbons, Neal Robinson, Stuart Wepler, Treasurer Mike Pieciak, and Peter Moino (as designee for Secretary Smith)

Board Members Absent: Bill Bates (as designee for Secretary French), Kristin Clouser, Anita Bourgeois, and vacancy

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

Guests: Larry Bauer – Norton Rose Fulbright, Joe DaBreo – PFM, Matt Hughey – Norton Rose Fulbright, Andrew Estrada – PFM, Scott Baker – State Treasurer’s Office, Rob Robinson– Saint Michael’s College, Jim Foley, Jr. – Foley and Lynch, and Casey Fox – RBC Capital Markets

The meeting was called to order by Mr. Burkhardt at 9:36 a.m.

Administrative

Mr. Burkhardt discussed the agenda and the need to reappoint the two at large members.

Motion: Ms. Wobby moved and Mr. Linsley seconded a motion to reappoint Neal Robinson and Stuart Wepler for a two year term. The motion was approved unanimously following a roll call vote by the gubernatorial appointees in attendance.

Policy Review

Mr. Gaughan described the background behind the policy amendments and experiences of other conduit issuers surveyed through the National Association of Health and Educational Facilities Finance Authorities.

Motion: Mr. Gibbons moved and Mr. Wepler seconded a motion to adopt the proposed changes to the Debt Issuance and Debt Management Policy. The motion was approved unanimously following a roll call vote.

Consideration of the Saint Michael's College Application

Mr. Robinson provided an overview of the current and future status of the College's finances and the reasons for the financing. Members asked questions of the College and commented on key aspects of the presentation.

Mr. Fox clarified the expected security and covenant package for the transaction.

Mr. Ogorzalek left the meeting at approximately 10:20 am.

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

Mr. Bauer introduced the resolutions to the board.

Motion: Ms. Wobby moved and Mr. Gibbons seconded a motion to adopt the attached authorizing resolution for the Saint Michael's College financing. The motion was approved with Mr. Wepler, Mr. Burkhardt, Mr. Gibbons, Mr. Linsley, Ms. Wobby, and Treasurer Pieciak voting affirmatively and Mr. Moino voting against the proposed motion.

Motion: Mr. Linsley moved and Mr. Gibbons seconded a motion to authorize the certification of the transaction and request the governor's TEFRA approval for the Saint Michael's College financing. The motion was approved with Mr. Wepler, Mr. Burkhardt, Mr. Gibbons, Mr. Linsley, Ms. Wobby, and Treasurer Pieciak voting affirmatively and Mr. Moino voting against the proposed motion.

Representatives from the College, Norton Rose, RBC Capital Markets, and PFM left the meeting following the vote at 10:40 a.m.

Approve January 5, 2023 Board Minutes

The Board discussed the prior board meeting. Treasurer Pieciak indicated he would abstain as he did not attend the meeting.

Motion: Mr. Gibbons moved and Mr. Linsley seconded the motion to approve the January 5, 2023 meeting minutes. The minutes were approved unanimously following a roll call vote with abstentions noted.

Board Member Recruitment

Mr. Gaughan discussed a potential candidate for the vacant board position. Board members reacted positive to the potential applicant. Mr. Gaughan indicate he would follow-up by asking the candidate to formally apply.

There being no other business to come before the Board, on Mr. Linsley 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 \$40,000,000
VERMONT EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE BONDS
(SAINT MICHAEL'S COLLEGE PROJECT) SERIES 2023

WHEREAS, Saint Michael's College, Inc. (the "College") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Vermont, that operates a college in Colchester, Vermont; and

WHEREAS, the College has determined to undertake the acquisition, construction and equipping of certain educational facilities to be located on the College's campus (the "Project," as more fully described in the Loan Agreement hereinafter mentioned); and

WHEREAS, the College has determined also to refund all or a portion of the Agency's outstanding Revenue Bonds (St. Michael's College Project) Series 2012 in the original aggregate principal amount of \$46,595,000 issued for the benefit of the College (the "Refunded Bonds"); and

WHEREAS, the College has made application to the Agency for assistance under Title 16, Chapter 131, Sections 3851-3862, Vermont Statutes Annotated, as amended (the "Act"), for refinancing the Refunded Bonds and financing a part of the costs of the Project, including all or a portion of the interest due on the Bonds (hereinafter defined) during construction, and all or a portion of the costs of issuance of the Bonds; 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 refinancing the Refunded Bonds and financing the Project and has determined that each of such refinancing and 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 Bonds (hereinafter defined), that in its opinion the Project is needed and will provide adequate revenue derived from rents or otherwise to repay the Bonds 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:

(a) the Trust Agreement (the "Trust Agreement"), 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 Preliminary Official Statement of the Agency relating to the Bonds (the “Preliminary Official Statement”); and

(e) the Bond Purchase Agreement (the “Bond Purchase Agreement”), between the Agency and RBC Capital Markets, LLC (the “Underwriter”), relating to the Bonds; and

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

WHEREAS, the Bonds will be a limited obligation of the Agency, the principal of and the premium, if any, and interest on which will be payable solely from the Loan Repayments (as defined in the Loan Agreement) made by the College under the Loan Agreement and other revenues and funds derived under the Trust Agreement to the extent provided therein; and

WHEREAS, the Agency will not be obligated to pay the Bonds or the premium, if any, or the interest thereon except from the revenues and funds derived from the Loan Agreement and assigned to the Trustee or otherwise pledged therefor pursuant to the Trust Agreement, 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 premium, if any, or the interest on the Bonds;

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 Trust 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 \$40,000,000 aggregate principal amount of Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Saint Michael’s College Project) Series 2023 (the “Bonds”), consisting of Serial Bonds and Term Bonds, dated as of such dates, maturing on such dates in such years not later than 2053 and in such principal amounts and bearing interest at such rate or rates, all as contemplated by the Trust Agreement and as determined by the Chairman, the Treasurer, the Secretary or the Executive Director of the Agency (each, a “Delegate”), 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, provided that notwithstanding such maximum price, a make-whole or cost-of-funds premium shall be permitted if, in the opinion of the College’s financial advisor, such premium is advantageous given market conditions and is consistent with comparable bonds issued by borrowers comparable to the College), 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 Sinking Fund Requirements 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 Trust Agreement.

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

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

Section 6. The form of the Bonds set forth in the Trust Agreement is hereby approved in all respects, and the Chairman, the Secretary or the Executive Director are hereby authorized and directed to execute by facsimile signature, to attest the seal of the Agency and to deliver to the Bond Registrar, for authentication on behalf of the Agency, the Bonds in definitive form, which shall be in substantially the form previously presented to the staff of the Agency together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate and consistent with the Trust Agreement; such execution and delivery to 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 Underwriter 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 a Delegate (such price not to be less than 97% of said aggregate principal amount nor more than 125% 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 Trust Agreement, the Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Bond Purchase Agreement, the Trust Agreement and the Loan Agreement by the proper parties thereto, the Bond Trustee shall cause the Bond Registrar to deliver the Bonds to or for the account of the Underwriter against payment therefor in accordance with and subject to the provisions of Section 208 of the Trust Agreement.

Section 9. An official statement, in substantially the form of the Preliminary Official Statement, is hereby approved in all respects, and any Delegate is hereby authorized and directed to execute such official statement, in such form as he or she, with the advice of counsel, may approve (the "Official Statement"), 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 Trust Agreement, the Escrow Agreement, the Loan Agreement and the other documents mentioned in Section 5 hereof by the Underwriter in connection with the offering of the Bonds.

Section 10. The Chairman, Secretary, Treasurer and Executive Director are each hereby appointed Agency Representatives, as that term is defined in the Trust Agreement and the Loan Agreement, 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 coordinate and take such action (including the holding of and supervising at a public hearing in respect of the Bonds as the Delegate supervising such hearing, being advised by counsel, shall determine) 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 Trust Agreement, the Loan Agreement, the Escrow Agreement, the Bond Purchase 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 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 \$40,000,000 aggregate principal amount of its Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Saint Michael’s College Project) Series 2023 (the “Bonds”); and

WHEREAS, all or a portion of the proceeds of the Bonds will be used to (1) finance a portion of the costs of the acquisition, construction and equipping of capital projects relating to the College’s capital facilities, including, but not limited to renovations and upgrades of its athletic facilities, upgrades to its WiFi and other technological infrastructure, upgrades to its building control systems and classroom, laboratory, artistic performance and office spaces to be located on the main campus of Saint Michael’s College, Inc. (the “Project”), including all or a portion of the interest due on the Bonds during construction, (2) refund the Agency’s outstanding Revenue Bonds (St. Michael’s College Project) Series 2012, and (3) pay certain costs of 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 Saint Michael’s College, Inc. 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, under such circumstances, approval by 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 February 15, 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, Chapter 131, 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 \$40,000,000 aggregate principal amount of Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Saint Michael's College Project) Series 2023, 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.

February __, 2023

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

Re: VERMONT EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE BONDS
(SAINT MICHAEL'S COLLEGE PROJECT) SERIES 2023

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency (the "Agency") proposes to issue its Revenue Bonds (Saint Michael's College Project) Series 2023 (the "Bonds"), on behalf of Saint Michael's College, Inc. (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, Chapter 131, Vermont Statutes Annotated, as amended, to provide funds to the College to (1) finance a portion of the costs of the acquisition, construction and equipping of capital projects relating to the College's capital facilities, including, but not limited to renovations and upgrades of its athletic facilities, upgrades to its WiFi and other technological infrastructure, upgrades to its building control systems and classroom, laboratory, artistic performance and office spaces at the main campus of the College (the "Project"), including all or a portion of the interest due on the Bonds during construction, (2) refund the Agency's outstanding Revenue Bonds (St. Michael's College Project) Series 2012, and (3) pay certain costs of 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 become due and payable. The College 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 Bonds. The Agency has authorized its Executive Director to accept the proposal of RBC Capital Markets, LLC (the "Underwriter") to purchase the Bonds.

Based on the foregoing and, among other things, the proposal of the Underwriter to purchase the Bonds, in compliance with the provisions of Section 3856 of Title 16, Chapter 131, Vermont Statutes Annotated, as amended, the Agency hereby certifies that, in its opinion, the Project is needed and that the College will generate sufficient revenues from all operations to meet its obligations under the Loan Agreement in order to repay the Bonds and the interest thereon when due and that it has conducted a duly noticed public hearing in accordance with Section 147(f) of the Internal Revenue Code, as amended.

Vermont Educational and Health
Buildings Financing Agency

Executive Director