



Vermont Educational
and Health Buildings
Financing Agency

2021 Annual Report

PURPOSE

The Vermont Educational & Health Buildings Financing Agency (the “Agency” or “VEHBFA”) is dedicated to facilitating tax-exempt and taxable bond finance for qualifying non-profit educational and health organizations throughout the state.

VEHBFA DIRECTORS

As of December 31, 2021

Gubernatorial Appointment

Board Member

Fritz Burkhardt

Ken Linsley

Ed Ogorzalek

Anita Bourgeois

Ken Gibbons

Steve Wisloski

Lauren Wobby

2021 Election

Chair

Vice Chair

Treasurer

Director

Director

Director

Director

Board Appointment

Neal Robinson

Stuart Wepler

Director

Director

Ex-Officio

Beth Pearce or Designee

Dan French or Designee

Mike Smith or Designee

Kristin Clouser or Designee

Director

Director

Director

Director

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TRANSMITTAL LETTER

THE HONORABLE MEMBERS OF THE GENERAL ASSEMBLY

State House
Montpelier, Vermont

THE HONORABLE PHIL SCOTT

Governor, State of Vermont Pavilion Office Building
Montpelier, Vermont

Dear Governor Scott & Members of the General Assembly:

The staff and Directors of the Vermont Educational and Health Buildings Financing Agency (the "Agency" or "VEHBFA") are pleased to submit to you our 2021 Annual Report.

As a conduit bond issuer, the Agency helps facilitate tax-exempt debt issuances on a pass-through basis to educational institutions, hospitals, and other eligible non-profit borrowers throughout the state.

Over the course of the year, the Agency helped four institutions through the state with refunding and new money transactions in the aggregate amount of nearly \$57 million.

Over the course of the Agency's history it has issued over \$3.46 billion of bonds benefitting education and healthcare around the state. Nearly \$1 billion of conduit debt facilitated by the Agency remains outstanding.

The following pages of this report include more information on the Agency's work over the course of the past year as well as an overview of the conduit loan portfolio as of December 31, 2021.

Thank you for your continued support in helping us to finance critical social infrastructure throughout the state.

Sincerely,



MICHAEL GAUGHAN
Executive Director



FRITZ BURKHARDT
Chair

WHAT WE ARE

VEHBFA was created by the Vermont legislature in 1966 to benefit the people of Vermont as it relates to their education, health, welfare, and prosperity. VEHBFA conducted its first financing in 1969 following additional legislative amendments.

VEHBFA is governed by a nine-member Board of Directors with seven appointed by the governor and two members selected by gubernatorially selected members. In addition, the Agency's board consists of an additional four ex-officio members including the State Treasurer, and Secretaries of Education, of Human Services, and of Administration, or their designees.

The Agency provides access to tax-exempt and taxable financing as a conduit issuer of bonds.

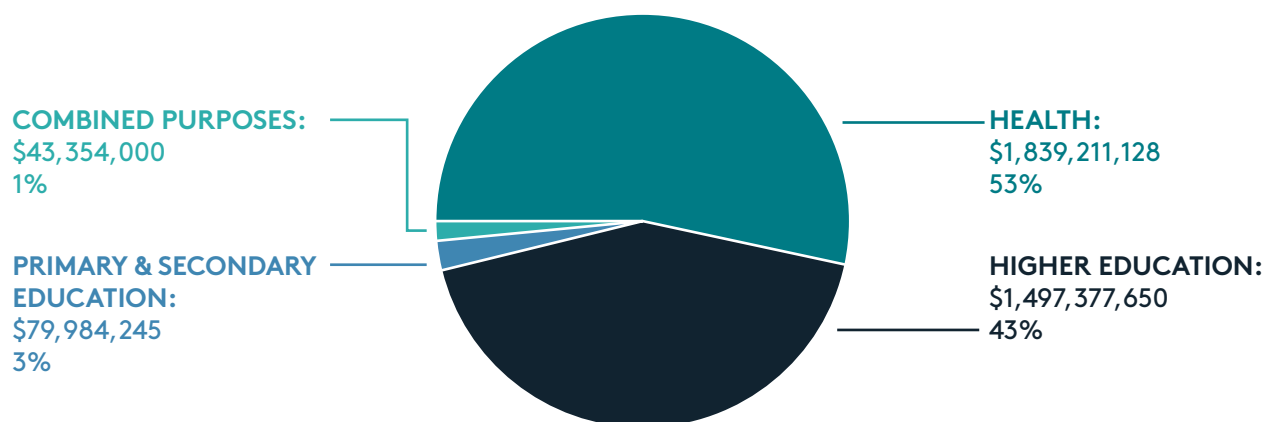
WHO WE SERVE

The Agency facilitates conduit bond transactions around the state to eligible nonprofit borrowers. By statute, this includes the University of Vermont and the Vermont State Colleges as well as nonprofit private or independent universities, colleges, primary or secondary schools, and nonprofit public libraries.

In addition, borrowers may include nonprofit hospitals and institutions operating diagnostic and therapeutic facilities for medical, surgical, or psychiatric care of ambulatory patients. The Agency may also serve licensed nursing homes and assisted living or continuing care facilities.

The Agency has facilitated nearly \$3.46 billion in financing over the course of its history.

All data below as of 12/31/2021.



ANNUAL ACTIVITY SUMMARY

BORROWER	TRANSACTION DESCRIPTION	ISSUE DATE	AMOUNT OF ISSUE
Lyndon Institue	Bonds refinanced and consolidated prior debt.	1/15/2021	\$3,689,545
Gifford Medical Center	Bonds issued to refund the Medical Center's prior 2014 Series A bonds for savings.	4/1/2021	\$16,899,942
St. Johnsbury Academy	Transaction allowed a rate adjustment to be made on the 2018 Series A bonds, which resulted in savings for the Academy.	5/20/2021	\$8,166,893
Southwestern Vermont Medical Center Project	Bonds will finance an addition and renovations to SVMC's Emergency Department. Improvements will include the creation of a new main entrance and lobby, relocation of outpatient registration, phlebotomy, and the imaging department's waiting room, minor upgrades to othe café and laboratory, and creation of a mental health crisis area. Additionally, the improvements will include equipment to support telemedicine communication and equipping the Emergency Department with negative pressure and other safety features to deal with potentially infectious situations.	12/1/2021	\$21,727,000
Southwestern Vermont Medical Center Project	Bonds issued to currently refunded SVMC's 2008 Variable Rate Demand Revenue Bonds.	12/1/2021	\$6,300,000
			\$56,783,379

IMPACT CASE STUDY

The Agency helped Southwestern Vermont Medical Center, a 501(c)(3) borrower, with a combined \$28.027 million Private Activity Bonds (PABs) that both refinanced a prior bond as well as provided funding for renovations to the Emergency Department.

CASE STUDY: SOUTHWESTERN VERMONT MEDICAL CENTER

Total Bonds Issued through Agency: **\$61.532 MILLION**

Total Bonds Outstanding: **\$28.027 MILLION**

PROFILE:

Southwestern Vermont Medical Center ("SVMC"), part of Southwestern Vermont Health Care (SVHC), is located in Bennington, Vermont and includes a 99-bed community hospital on its Bennington, Vermont campus. In total, SVHC includes 25 primary care and specialty care practices, two nursing homes, and a foundation at nine total locations in Bennington and nearby New York and Massachusetts. Through partnerships with Dartmouth-Hitchcock, Castleton University, and others, nearly 1,400 employees emulate the values of quality, empathy, safety, teamwork and stewardship to fulfill their mission of exceptional care and comfort for the 75,000 people they serve.

ISSUE:

The SVMC had two primary objectives when applying to VEBFA for financing. First, it sought to refinance prior bonds. Two, it needed to finance multiple improvements to the Emergency Department that would be combined with over \$9 million fundraising. In total, the bonds will finance an addition and renovations to the Medical Center's Emergency Department. Improvements will include the creation of a new main entrance and lobby, relocation of outpatient registration, phlebotomy, and the imaging department's waiting room, minor upgrades to the café and laboratory, and creation of a mental health crisis area.

Notably, the improvements to the Emergency Department will also include changes that would allow SVMC to respond to needs exacerbated by the COVID-19 pandemic. This included negative pressure capabilities as well as expanded telemedicine capabilities.

ASSISTANCE PROVIDED

VEBFA worked with SVMC to ensure necessary hearings and approvals occurred on a timely basis. VEBFA and other members of the deal team worked diligently to ensure a closing prior to the end of the year. The bonds were issued in two series for the corresponding purposes of the financing. This includes the 2021 Series A bonds in the amount to \$6.300 million to refinance the prior bonds and the 2021 Series B bonds in the amount of \$21.727 million for the Emergency Department improvements. Both series of bonds as well as a related taxable loan were sold via direct purchase to TD Bank.

OUTSTANDING LOANS

BORROWER	\$ OUTSTANDING AS OF DECEMBER 31, 2021
Brattleboro Memorial Hospital	17,812,556
Brattleboro Retreat	9,570,392
Capital Asset Pool #2	100,000
Champlain College	67,530,000
Development & Mental Health Acquisition Pool	12,495,000
Gifford Medical Center	16,401,642
Landmark College	19,070,000
Lyndon Institute	3,656,638
Middlebury College	215,700,000
North Country Hospital	14,302,594
Northeastern Vermont Regional Hospital	8,330,875
Northwestern Medical Center	27,950,930
Norwich University	72,060,000
Porter Medical Center	11,693,581
Rutland Regional Medical Center	13,447,293
Southwestern Vermont Medical Center	28,027,000
St. Johnsbury Academy	8,166,893
St. Michael's College	43,255,000
Stratton Mountain School	5,911,119
University of Vermont Health Network	333,970,000
TOTAL	929,451,516



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www.VEHBFA.org