



BOARD MEETING

Thursday, March 26, 2026 – 1:00 pm ET

In-person and via Zoom

[Recording Link](#)

DRAFT MEETING MINUTES

Board Members Present	Fritz Burkhardt Anita Bourgeois Ken Linsley Lauren Wobby Mario Hankerson Neal Robinson Peter Moino (as designee for Secretary Samuelson) Scott Baker (as designee for Treasury Pieciak) Sean Cousino (as designee for Secretary Saunders) Nick Kramer (as designee for Secretary Clark)
Board Members Absent	Ken Gibbons Vacancy Vacancy
Staff Participating	Michael Gaughan Nick Koleszar
Guests	Cheyenne Holland - Gifford Medical Center Michael Costa - Gifford Medical Center Andrew Estrada - PFM Financial Advisors Joe DaBreo - PFM Financial Advisors Matt Hughey - Norton Rose Fulbright Cameron Ferrante - Preti

The meeting was called to order by Mr. Burkhardt at approximately 1:01 pm ET. Mr. Burkhardt confirmed the meeting was being recorded.

Administrative

Mr. Burkhardt reviewed the agenda and asked if there were any additions. Mr. Gaughan introduced Nick Koleszar as the Bond Bank's new financial analyst.

Motion: Ken Linsley moved; Lauren Wobby seconded a motion to approve the minutes of the January 7, 2026 meeting. The motion passed unanimously.



Gifford Medical Center Application

Mr. Gaughan described the purpose of the meeting as consideration of a proposed amendment to the 2021 direct placement financing for Gifford Medical Center. He noted that the request was structured as a one-year extension/refinancing intended to move the tender date to April 1, 2027, with a principal paydown at closing and additional principal paydowns over the year.

Ms. Holland stated that Gifford Medical Center had operated under a waiver and forbearance agreement and had continued to make principal and interest payments. She described Gifford's multi-year financial turnaround plan and stated that management and its financial advisor believed the organization would be in a stronger position to complete a full refinancing after additional financial improvement and updated financial results.

Mr. Estrada reviewed the proposed financing terms and summarized Gifford Medical Center's current operations and financial position. He described the proposed amendment as a direct placement between JP Morgan and Gifford Medical Center, with an issue amount of approximately \$12.5 million, a higher interest rate than the existing facility, a required \$1.0 million paydown at closing, and additional monthly principal paydowns. He noted that certain covenant terms were revised, including a reduction in the minimum days cash on hand covenant and replacement of the debt service coverage covenant with a quarterly minimum EBITDA test.

Board members asked questions regarding the electronic medical record (EMR) transition. Mr. Costa and Ms. Holland described issues associated with the implementation. Management stated they had taken steps to address these issues, including strengthening internal staffing and continuing work with the vendor to remediate the system.

Ms. Wobby asked about reliance on travel nurses and plans to reduce related costs. Mr. Costa described efforts to recruit and retain staff, including implementation of a new graduate nurse residency program, and noted that Gifford also participated in a regional collaborative to negotiate staffing rates.

Mr. Robinson asked what would occur if the transaction was not approved. Mr. Costa stated that management would continue discussions with JP Morgan to identify a path forward and reiterated that the request was intended to provide time for further operational progress and a future refinancing.

Mr. Burkhardt asked about the projected covenant levels under the proposed minimum EBITDA test. Ms. Holland stated that the covenant levels were based on projections she



provided to JP Morgan and described the sequencing of operational improvement initiatives, with additional improvements planned to mature into 2027.

Mr. Hughey reviewed the resolutions for Board consideration, noting that the modifications were significant enough to be treated as a new bond for federal income tax purposes and that a TEFRA hearing had been held. He stated that the Board was being asked to adopt two resolutions, including approval of certification to the Governor.

Motion: Neal Robinson moved; Lauren Wobby seconded a motion to adopt both resolutions approving the modifications to the bond and approving certification to the Governor. The motion passed unanimously.

Distressed Borrower Review

Mr. Gaughan provided an update on distressed borrowers and stated there were no material changes from the January discussion. He noted that Brattleboro Memorial Hospital had been served a default notice in December and that counsel had continued outreach with M&T Bank regarding a potential agreement. Mr. Hughey stated that discussions with bank counsel were ongoing.

Other Business

No other business was raised.

Adjournment

Motion: Ken Linsley moved; Peter Moino seconded a motion to adjourn. The motion passed unanimously.

The meeting adjourned at approximately 1:59 p.m.

These Minutes were approved by the Board of Directors at a duly warned meeting

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RESOLUTION RELATING TO MODIFICATIONS TO
AND DEEMED REISSUANCE OF
VERMONT EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE BOND
(GIFFORD MEDICAL CENTER PROJECT) 2021 SERIES A

WHEREAS, Gifford Medical Center, Inc. (the “Corporation”), is a private, not-for-profit hospital 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 Revenue Bond (Gifford Medical Center Project) 2021 Series A (the “Bond”) at the request and for the benefit of the Corporation to provide funds (i) to refinance the Agency’s Revenue Bond (Gifford Medical Center Project) 2014 Series A and (ii) pay a portion of the of certain expenses incurred in connection with the issuance of the Bond; and

WHEREAS, the Bond was purchased by JPMorgan Chase Bank, N.A. (the “Purchaser”) pursuant to the terms and conditions of a Bond Purchase Agreement, dated as of April 1, 2021 (as heretofore amended and supplemented, the “Bond Purchase Agreement”), among the Purchaser, the Agency and the Corporation; and

WHEREAS, the Bond was originally subject to mandatory tender for purchase on April 1, 2028 (the “Original Tender Date”); and

WHEREAS, following events of noncompliance with certain terms of a Continuing Covenant Agreement, dated as of April 1, 2021 (as heretofore amended and supplemented, the “Continuing Covenant Agreement”), entered into by the Corporation and the Purchaser in connection with the issuance of the Bond, the Corporation and the Purchaser negotiated certain revisions to the Continuing Covenant Agreement, the Bond Purchase Agreement and the Bond (such revisions being collectively referred to herein as the “2024 Modifications”), including, but not limited to, a change in the Original Tender Date from April 1, 2028 to April 1, 2026 (the “Current Tender Date”); and

WHEREAS, the Agency consented to the 2024 Modifications; and

WHEREAS, in light of subsequent events of noncompliance with certain terms of the Continuing Covenant Agreement, the Purchaser and Corporation have agreed to make further modifications to the Bond Purchase Agreement, the Continuing Covenant Agreement and the Bond (such modifications being collectively referred herein as the “New Modifications”), subject to the consent and approval of the Agency, including, but not limited to changing the Current Tender Date from April 1, 2026 to April 1, 2027 (the “New Tender Date”), the final maturity date of the Bond from April 1, 2036 to February 1, 2035, and the interest rate payable on the Bond; and

WHEREAS, the New Modifications are sufficiently material that the Bond will be deemed reissued for federal income tax purposes on the effective date of the New Modifications; 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”) to consent to the New Modifications; 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 the New Modifications and deemed reissuance of the Bond and has determined that such is necessary and desirable and will effectuate the purposes of the Act and otherwise serve the public interest; and

WHEREAS, there has previously been presented to the staff of the Agency copies of forms (or in the case of (c), (d) and (e) below, the executed copies) of the following documents relating to the issuance of the Bond and the New Modifications:

- (a) the Supplement to Bond Purchase Agreement (the “Bond Purchase Agreement Supplement”), among the Agency, the Corporation and the Purchaser;
- (b) the Second Amendment to Continuing Covenant Agreement, between the Corporation and the Purchaser;
- (c) the Loan Agreement (the “Loan Agreement”) between the Agency and the Corporation, pursuant to which the Agency lent the proceeds of the Bond to the Corporation;
- (d) the Master Trust Indenture (the “Master Indenture”), dated as of December 1, 2014, as amended, 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
- (e) Supplemental Indenture for Obligation No. 3 (“Supplemental Indenture No. 3”), between the Corporation and the Master Trustee, which provided for the issuance of Obligation No. 3 under the Master Indenture (“Obligation No. 3”); and

WHEREAS, the Agency is not obligated to pay the principal or tender purchase price 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. 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 or tender purchase price 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 Supplement or the Loan Agreement, as the case may be.

Section 2. The form, terms and provisions of the Bond Purchase Agreement Supplement are hereby approved in all respects, and each of the Chairman, the Secretary and the Executive Director of the Agency (each, a “Delegate” and together, the “Delegates”) is hereby authorized and directed to execute and deliver the Bond Purchase Agreement Supplement 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; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency.

Section 3. The form of the Bond, as amended by the Bond Purchase Agreement Supplement, 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 Supplement; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency.

Section 4. 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 5. 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 deemed reissuance 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 Supplement. Any such action taken prior to the date hereof is hereby ratified, approved and confirmed.

Section 6. 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, modifications (the “Modifications”) to be made to the terms of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Gifford Medical Center Project) 2021 Series A (the “Bond”); and

WHEREAS, the Agency has been advised by counsel that the Modifications will result in a deemed reissuance of the Bond for federal income tax purposes; 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 or reissuance 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 has been further advised by counsel that a consequence of the deemed reissuance of the Bond as a result of the Modifications is that the Agency should hold a duly noticed public hearing relating to the deemed reissuance of the Bond; and

WHEREAS, in light of such advice, the Agency has determined to and has conducted a duly noticed public hearing relating to the deemed reissuance of the Bond; 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 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 Modifications to and deemed reissuance of its Vermont Educational and Health Buildings Financing Agency Revenue Bond (Gifford Medical Center Project) 2021 Series A 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.

_____, 2026

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

Re: MODIFICATIONS TO AND DEEMED REISSUANCE OF VERMONT
EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY
REVENUE BOND (GIFFORD MEDICAL CENTER PROJECT) 2021 SERIES A

Dear Governor Scott:

JPMorgan Chase Bank, N.A., the original purchaser of the Bond described below, and Gifford Medical Center, Inc. (the “Corporation”) have negotiated certain modifications to be made (the “Modifications”) to the terms of that certain Revenue Bond (Gifford Medical Center Project) 2021 Series A (the “Bond”) issued by Vermont Educational and Health Buildings Financing Agency on behalf of 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.

The Agency has been advised by counsel that the Modifications to be made to the Bond will result in a deemed reissuance of the Bond for federal income tax purposes.

The Agency has previously entered 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 modified by the Modifications and 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 Modifications and the deemed reissuance 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 the Modifications and reissuance of the Bond. JPMorgan Chase Bank, N.A. will continue to hold the Bond following such Modifications and deemed reissuance.

Based on the foregoing and, among other things, the commitment of JPMorgan Chase Bank, N.A. to continue to hold, upon satisfaction of certain conditions, the Bond after the Modifications, 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, and respectfully requests your approval, as applicable elected representative, of the deemed reissuance of the Bond as a result of the Modifications.

Vermont Educational and Health
Buildings Financing Agency

Executive Director