

VERMONT ECONOMIC DEVELOPMENT AUTHORITY
LOAN COMMITTEE

Minutes

November 13, 2020

A video conferencing meeting of the Vermont Economic Development Authority's Loan Committee convened on November 13, 2020 beginning at 9:04 a.m. Those Committee Members present via Zoom video conferencing were: T. Gallagher, Chair; A. Eastman (designee for A. Tebbetts); D. Kurzman; E. Delhagen (designee for J. Tierney); L. Graves; M. Tuttle; R. Shippee; S. Voigt and T. Foster. Staff present in VEDA's Offices were: S. Buckley, Senior Commercial Loan Officer and K. Kilpatrick, Administrative Assistant. Staff present via Zoom video conferencing were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Porter, Director of Commercial Lending and A. Wright, Executive Assistant. B. Pearce, Member, joined the meeting later. Those Committee Members present constituted a quorum.

Minutes of July 17, 2020

On a motion by D. Kurzman, seconded by L. Graves, the minutes for the July 17, 2020 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 8 to 0 with the Chair abstaining.

B. Pearce joined the meeting at 9:07 a.m.

Washington County Mental Health Services, Inc. – Barre – Subchapter 4 Final – \$5,430,000 Series A (tax exempt); \$320,000 Series B (taxable)

S. Buckley explained Washington County Mental Health Services, Inc. of Barre is requesting final approval of tax-exempt and taxable revenue bond financing. The total amount of the project is not expected to exceed \$6.0 million however the proposed Resolution for \$6.5 million includes a cushion for potential changes in market conditions or project costs. The credit analysis shows the Borrower can comfortably support the higher amount.

After discussion regarding potential reduction in energy consumption and the sources of revenue, on a motion by L. Graves, seconded by E. Delhagen, the following loan resolution was approved by those Members of the Committee present by a vote of 7 to 0 with B. Pearce, M. Tuttle and the Chair abstaining.

Resolution

A Resolution Authorizing the Issuance and Sale of up to \$6,500,000 of Vermont Economic Development Authority Revenue Bonds (Developmental and Mental Health Services Capital Asset Issue), Series 2020A and Series 2020B (Federally Taxable) (together, the “Bonds”), Approving the Form of Loan Agreement between the Vermont Economic Development Authority (the “Authority”) and Washington County Mental Health Services, Inc., a Vermont 501 (c) (3) corporation (the “Borrower”), Approving the Form of Trust Indenture between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”), and other Matters.

BE IT RESOLVED BY THE VERMONT ECONOMIC DEVELOPMENT

AUTHORITY AS FOLLOWS:

1. Based upon the information and documentation submitted to the Authority relating to the proposed (i) financing and refinancing of a project consisting of (1) the refinancing of the Vermont Economic Development Authority Revenue Bonds, Washington County Mental Health Service Issue, Series 2012, which financed (a) the purchase of land and the building located thereon at 579 South Barre Road, Barre (“579 South Barre”), (b) renovations to and expansion of 579 South Barre for classroom space on a newly constructed second floor, a multipurpose cafeteria/gymnasium/auditorium, family conference rooms and staff offices, and (c) the purchase of land and an office building located at 885 South Barre Road, Barre (“885 South Barre”), and renovations to expand 885 South Barre into a larger central administration and information technology building; (2) the refinancing of currently outstanding bank loans that financed the acquisition of properties located at 45 Pearl Street, Barre (“45 Pearl”), 60 Prospect Street, Montpelier (“60 Prospect”), 34 Barre Street, Montpelier (“34 Barre”), and 225 VT Rte. 14 South, East Montpelier; and (3) the financing of renovations and improvements at (a) 34 Barre, including, but not limited to, the build-out of office space, driveway/parking paving and grading, ADA compliance work, roof and window replacements and interior and exterior painting; (b) 60 Prospect, including, but not limited to, improvement of walkways, landscaping and tree removal, roof repair, repair and painting of a back fire escape, window replacements and garage repairs;

(c) 45 Pearl, including, but not limited to, installation of a new 500-gallon LP gas tank, window replacements, side porch and deck repair, exterior door replacements, roof replacement and chimney repairs; and (d) 7 St. Paul Street, Montpelier, including, but not limited to, driveway replacement, addition of a lift to rear entrance (ADA access), addition of handicap parking space, roof and window replacement, refurbishing of fire escape and repair of the porch and deck and (2) the financing of a reserve account for the Borrower and paying a portion of the costs of issuance (collectively, the “Project”) for the benefit of the Borrower,

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including the proposed forms of the Loan Agreement dated as of December 1, 2020 between the Authority and the Borrower (the “Loan Agreement”) and the Trust Indenture dated as of December 1, 2020 between the Authority and the Trustee (the “Indenture,” and together with the Loan Agreement, the “Agreements”), and the most recent financial statements of the Borrower, and after giving consideration to the factors enumerated in Section 253(d) of Chapter 12 of Title 10 of the Vermont Statutes Annotated, as amended (the “Act”), the Authority hereby makes the following findings:

- (a) the Project and its proposed financing are feasible;
- (b) the acquisition, improvement and operation of the Project will create or preserve employment opportunities directly or indirectly within the State of Vermont (the “State”);
- (c) the Project consist of property of a type which may be financed under Subchapter 4 of the Act;
- (d) the Borrower has the skills and financial resources necessary to operate the Project successfully;
- (e) the Agreements contain provisions such that under no circumstances is the Authority or the State obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facilities except from bond proceeds or from funds received under the Agreements, exclusive of funds received thereunder by the Authority or the State for their own use;
- (f) the Project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the Towns of Barre and East Montpelier, the City of Montpelier and of the State;
- (g) the Agreements do not purport to create any debt of the Authority or the State with respect to the facilities, other than a special obligation of the Authority under the Act;
- (h) the proposed financing of the Project by the Authority and the proposed operation and use of the facility will preserve or increase the prosperity of the Towns of Barre and East Montpelier, the City of Montpelier and the State, and will promote the general welfare of citizens of the State; and
- (i) the Project satisfactorily meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under Section 280b of the Act.

2. The Chairman, Vice Chairman, Treasurer, Chief Executive Officer or Manager (each, an “Authorized Officer”) of the Authority, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is singly authorized on behalf of the Authority to execute and deliver the Agreements substantially in the forms presented to this meeting, which forms are hereby approved subject to such changes as may be approved by the signing officer as evidenced by his/her execution of the Agreements.

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3. The Chairman or Vice Chairman and the Chief Executive Officer or Treasurer of the Authority are authorized to issue and sell to Municipal Capital Markets Group, Inc., as underwriter (the “Underwriter”), not exceeding \$6,500,000 of its Revenue Bonds (Developmental and Mental Health Services Capital Asset Issue), Series 2020A and Series 2020B (Federally Taxable) (collectively, the “Bonds”), substantially in the forms set forth in the Agreements authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bonds.

4. Any Authorized Officer of the Authority or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to fix the date and place for sale of the Bonds to the Underwriter.

5. Zions Bancorporation, National Association, is hereby designated as Trustee, paying agent and registrar for the Bonds. The principal of and redemption premium, if any, and interest on the Bonds shall be payable as provided in the Agreements.

6. The Bonds shall not be issued by the Authority until the Authority receives the approval of the Governor of the State or his designee and the State Treasurer as required by Section 254 of the Act.

7. In lieu of repeating the terms and provisions of the Agreements, they are incorporated herein by reference, and this Resolution shall be deemed to set forth all such terms and provisions to the extent that such terms and provisions may be set forth or are required to be set forth in this Resolution.

8. Any Authorized Officer, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to execute and deliver any other documents and instruments necessary or convenient in connection with the financing and to do all acts and things necessary to carry out the financing and the Project in accordance with the Agreements and otherwise to effectuate the purposes of this Resolution.

9. This Resolution shall take effect immediately.

There being no other business to properly come before the Committee, on a motion by T. Foster, seconded by S. Voigt meeting adjourned at 9:39 a.m.

ATTEST:

Vermont Economic Development Authority



By: _____
Cassandra F. Polhemus, Chief Executive Officer