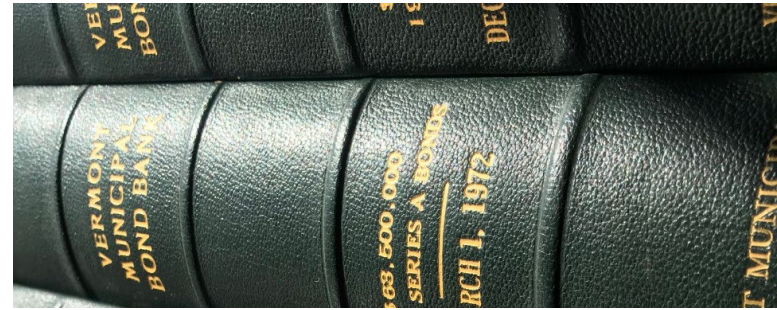




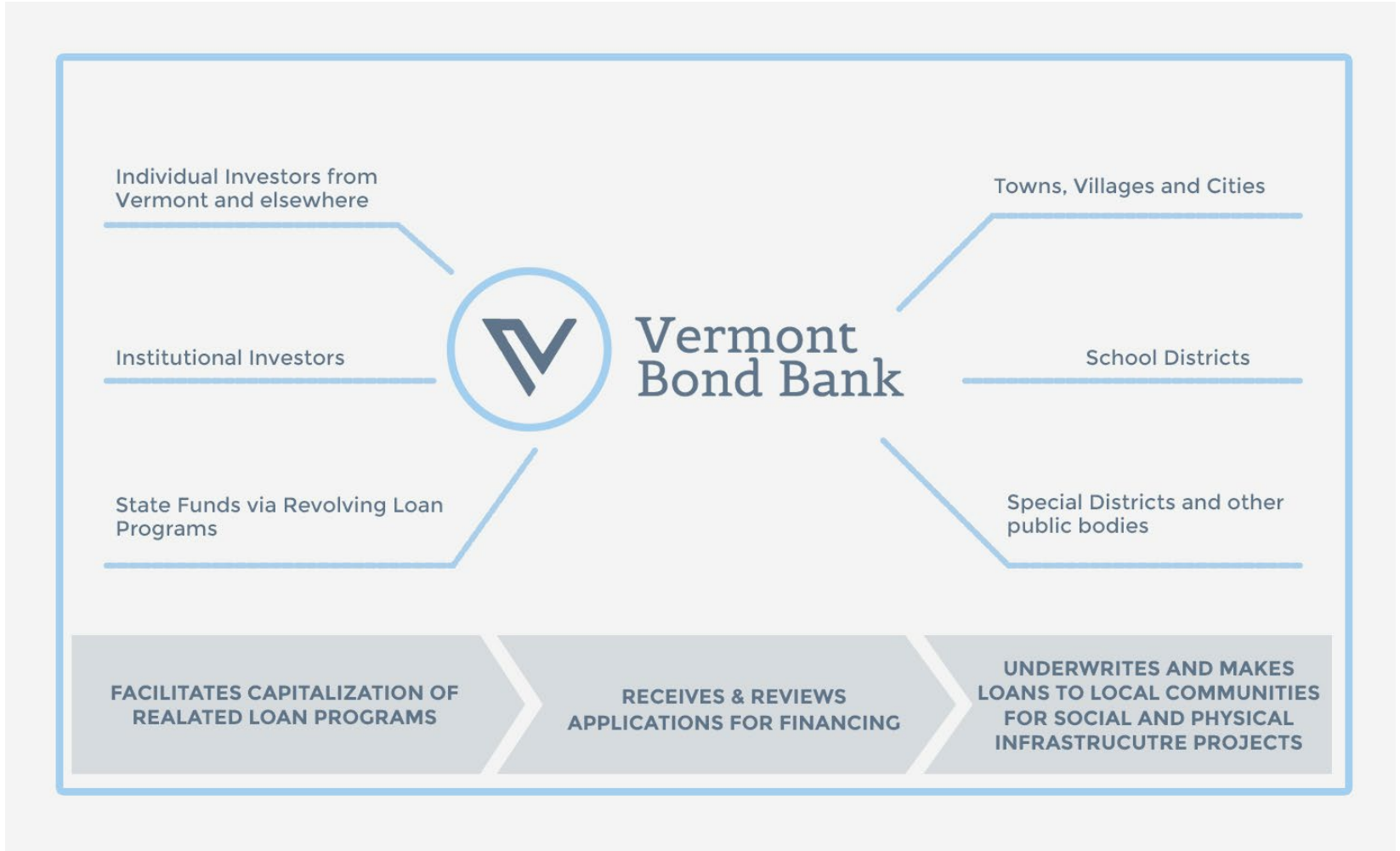
Vermont
Bond Bank



WINTER 2020 APPLICATION WEBINAR NOVEMBER 21, 2019

www.uberconference.com/vtmunibondbank

How We Work



Approach to Borrowers

Bond Bank is a “mission driven” lender providing both access to and cost-effective capital

In touch with borrowers to understand on-going developments and understand their story

Provide technical assistance related to capital finance and planning

Bond Bank is a “high touch” servicer in regular contact with borrowers for repayment and disbursement

Bond Bank Pooled Loan Program

Purpose of the Program

- Long-term financing to help finance capital projects such as:
 - Purchasing land
 - Constructing and renovating real property
 - Constructing road, streetscape, and other transportation improvements
 - Installing and upgrading water and sewer systems
 - Purchasing equipment
 - Generating electricity and distributing power
 - Improving infrastructure

Program Requirements

- Eligible borrowers are governmental units including: cities, towns, schools, villages and various districts
- Require evidence of voter approval and authority
- Legal opinion from local bond counsel
- Annual report for three years or three years of financial audits (preferred)
- Minimum requirement for financial audit from last completed year

Term of financing and useful life of asset financed must align

Considerations of Program

Advantages

- Bond Bank maintains AA+ rating with low interest rates passed along to borrowers
- Bond Bank provides technical expertise in organizing, structuring and pricing bonds
- Economies of scale in accessing the capital markets
- No upfront and/or on-going fees
- Streamlined process from application to receipt of funds
- Active market monitoring for refinancing opportunities with savings passed on to borrowers
- Term of financing and amortization will always match (i.e. no "put" or balloon maturity)
- No on-going risk of "catch-up" payments should tax rates change (investors not borrowers own tax risk)

Considerations

- Must comply with rules for tax-exempt financed (like all tax-exempt loans)
- Availability of funding subject to Bond Bank schedule (winter and summer pools)
- Refinancing of redemption subject to Bond Bank approval
- Semi-annual payment of interest on May 1st and November 1st
- Annual payment of principal on November 1st
- Funds must be requisitioned from the Disbursement Agent (typically arrive in < 24 hours)

Loan Terms

	Description	Notes
Loan Amount	Up to 100% financing of project costs	No loan limits but the overall debt capacity of the borrower will be evaluated during underwriting.
Interest Rate	Market rate based on the Bond Bank's "AA+" rating	The Bond Bank issues bonds to fund loans, which will establish the loan rate. Rates are "locked-in" on the date the bonds are priced.
Loan Term / Amortization	<ul style="list-style-type: none"> • Must match useful life of asset(s) financed up to 30 years • Applicants may request up to 5 years interest only 	Requested term will be reviewed by local bond counsel to ensure statutory compliance. Municipal and school district loans may have level or declining principal payments. Utilities and other qualifying local bonds may have level debt service payments.
Payment Dates	Payments are due semi-annually on May 1st (interest only) and November 1st (interest and principal)	Our bond trustee, US Bank, invoices 45 days prior to payment dates. Borrowers retain the responsibility to make payments with or without invoices.
Underwriting / Credit Review	We will review timing of supporting revenue vs debt service, financial statements, and local economic condition	
Fees	No fees are charged associated with applying receiving loans through the Bond Bank	

Life Cycle of Bond Bank Bond

Town of Middlebury – 2008 Series 1 Loan (Refunded by 2015-5 Bonds)

Refunding savings passed along as “rebate” to avoid costs associated with new loan agreement

NIC of *remaining maturities* Prior to Refunding = 4.71%

DEBT SERVICE SCHEDULE				
	Principal	Interest	Rebate	Debt Service
	3,055,000	1,711,800		4,766,800
5/1/2016	0	69,218		69,218
11/1/2016	135,000	69,218		204,218
5/1/2017	0	66,680		66,680
11/1/2017	135,000	66,680		201,680
5/1/2018	0	64,048		64,048
11/1/2018	135,000	64,048		199,048
5/1/2019	0	61,341		61,341
11/1/2019	135,000	61,341		196,341
5/1/2020	0	58,567		58,567
11/1/2020	135,000	58,567		193,567
5/1/2021	0	55,725		55,725
11/1/2021	135,000	55,725		190,725
5/1/2022	0	52,823		52,823
11/1/2022	135,000	52,823		187,823
5/1/2023	0	49,880		49,880
11/1/2023	135,000	49,880		184,880
<hr/>				
11/1/2037	130,000	6,331		136,331
5/1/2038	0	3,166		3,166
11/1/2038	130,000	3,166		133,166

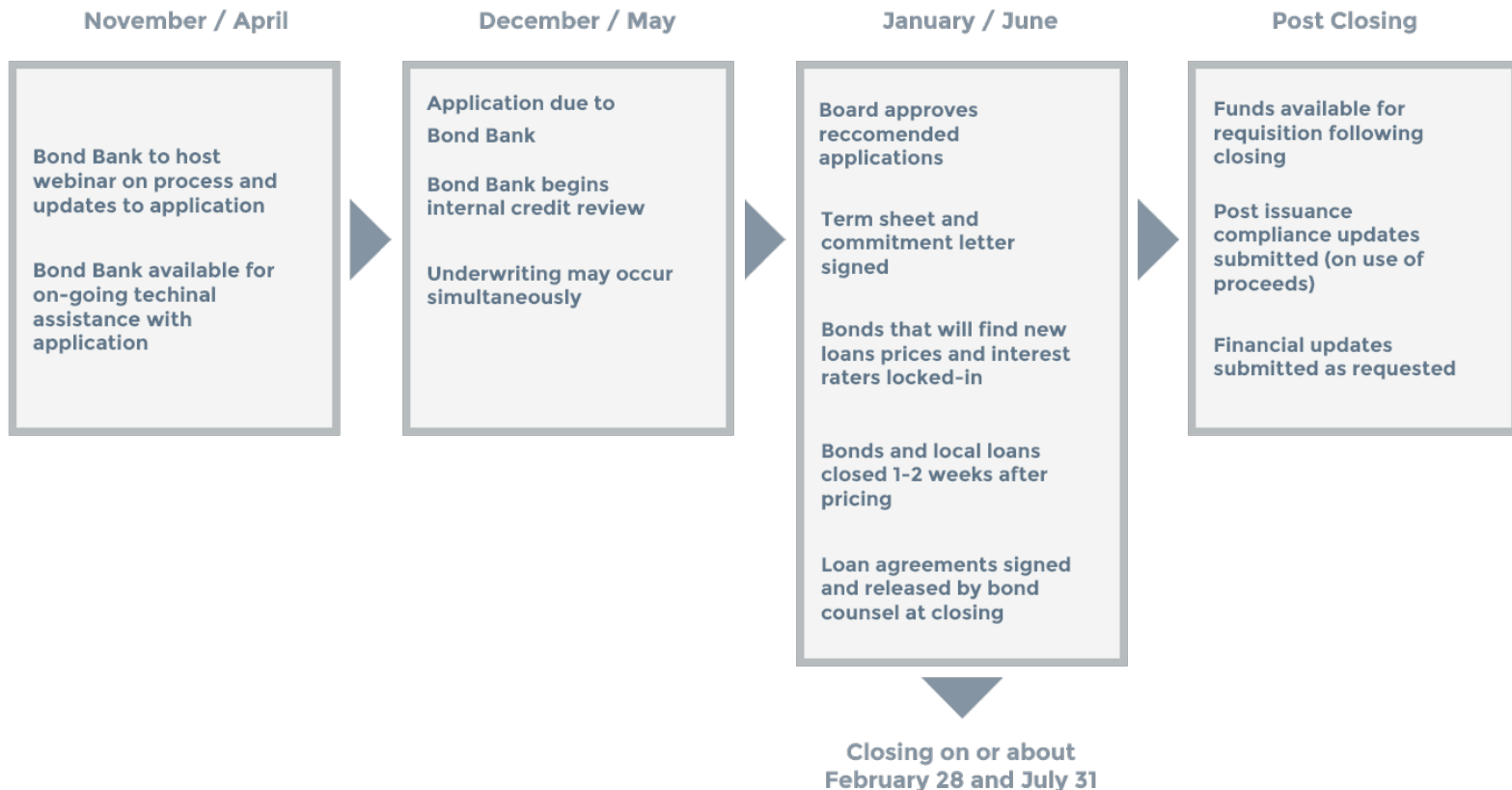
NIC of *remaining maturities* with rebate = 3.68%

DEBT SERVICE SCHEDULE				
	Principal	Interest	Rebate	Debt Service
	3,055,000	1,711,800	(374,749)	4,392,051
5/1/2016	0	69,218	0	69,218
11/1/2016	135,000	69,218	(3,809)	200,409
5/1/2017	0	66,680	0	66,680
11/1/2017	135,000	66,680	(3,721)	197,959
5/1/2018	0	64,048	0	64,048
11/1/2018	135,000	64,048	(3,870)	195,177
5/1/2019	0	61,341	0	61,341
11/1/2019	135,000	61,341	(18,860)	177,481
5/1/2020	0	58,567	0	58,567
11/1/2020	135,000	58,567	(21,442)	172,125
5/1/2021	0	55,725	0	55,725
11/1/2021	135,000	55,725	(22,528)	168,197
5/1/2022	0	52,823	0	52,823
11/1/2022	135,000	52,823	(23,119)	164,704
5/1/2023	0	49,880	0	49,880
11/1/2023	135,000	49,880	(24,830)	160,049
<hr/>				
11/1/2037	130,000	6,331	(6,331)	130,000
5/1/2038	0	3,166	0	3,166
11/1/2038	130,000	3,166	(3,166)	130,000

NIC assumes 11/1/2015 calculation date

Illustrative Timeline for Winter Pool

Bond Bank Anticipates Winter and Summer Pools from 2018 Forward



WINTER POOL APPLICATIONS DUE FRIDAY, DECEMBER 13TH

Application Overview

High Level Components to the Application

Borrower & Project Information

- Bond vote results
- Project to be financed/details on the project
- Requested financing term/amortization

Debt & Financial Information

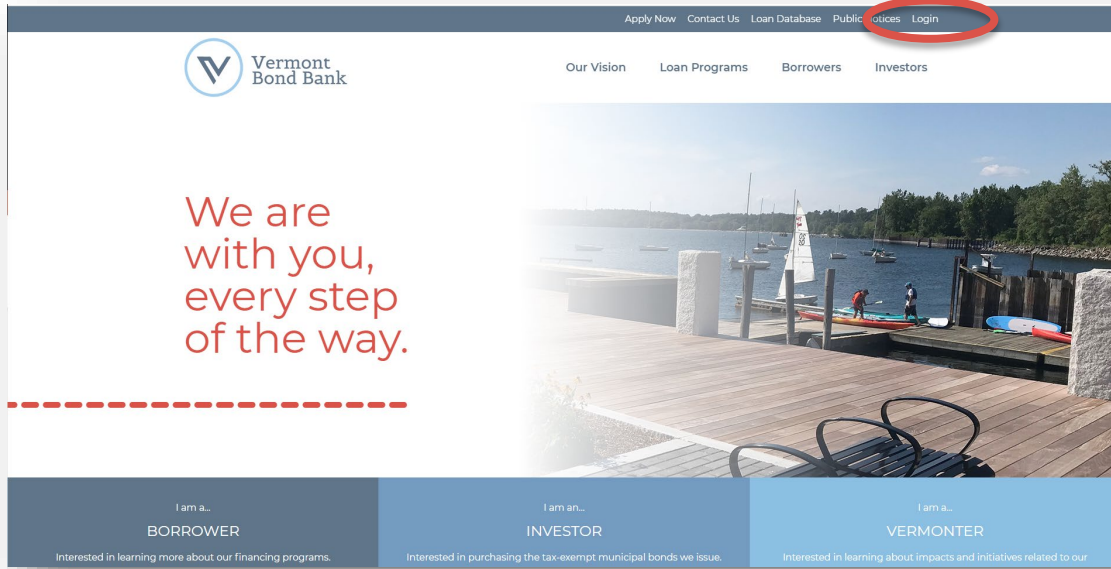
- Rate and/or revenue detail
- Debt summary
- Revenues & expenses projections

Due Diligence & Financial Management Questionnaire

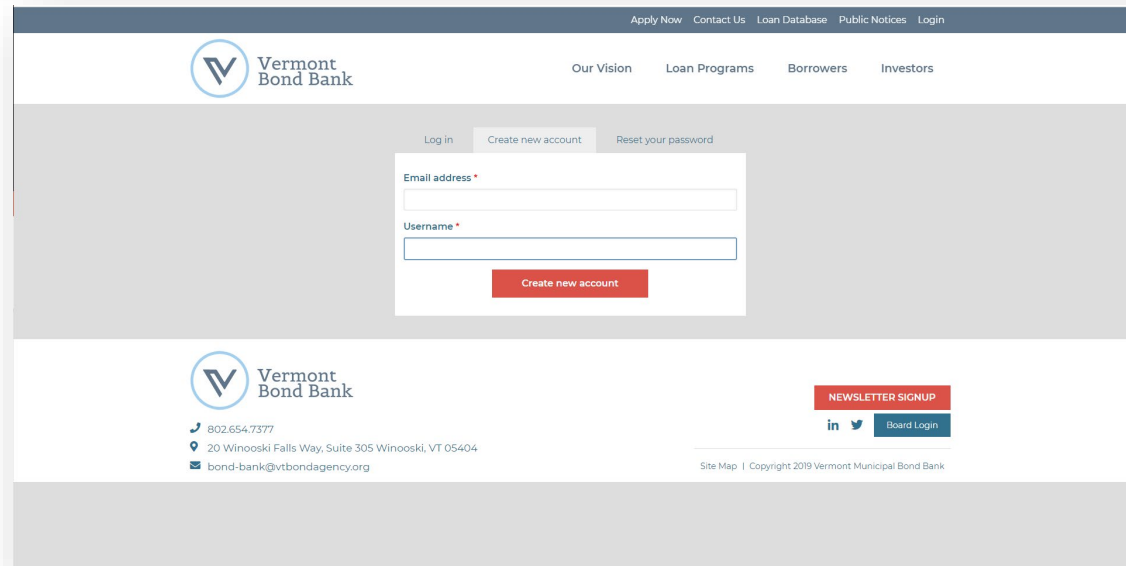
- Financial planning
- Capital planning
- Control checklist

Annual Post Issuance Compliance Checklist for prior Bond Bank debt must be completed prior to consideration of application

Getting Started with Application



Create an Account
to Save Application
and Access
Completed
Applications



Completing Application

Application can be accessed at "Apply Now"

You will see "My Submissions" Tab Once Logged in

The screenshot displays the Vermont Bond Bank website interface. At the top, a dark blue navigation bar contains the following links: "Apply Now", "Contact Us", "Loan Database", "Public Notice", and "My Submissions". The "Apply Now" and "My Submissions" links are circled in red, with red arrows pointing to them from the text above. Below this bar, the Vermont Bond Bank logo is on the left, and a secondary row of links includes "Our Vision", "Loan Programs", "Borrowers", and "Investors". A light green notification banner states: "✓ A partially-completed form was found. Please complete the remaining portions." The main content area features a large image of solar panels in a field with the text "Loan Application Form" overlaid. At the bottom, a dark blue bar contains a numbered list from 1 to 11, with the number 1 highlighted. Below this is a white bar with the word "Contact" centered.

Navigating the Application

Apply Now Contact Us Loan Database Public Notices My Submissions

Vermont Bond Bank Our Vision Loan Programs Borrowers Investors

Sources & Uses

Uses of Funds

PROJECT 1:

PROJECT 2:

PROJECT 3:

Type of Application

- None -

- None -

School District

Governmental Activities

Special District or Enterprise

Have all required permits been received? Yes No

If no, when will the permits be received?

Critical to select correct application type as it will change later pages of application

Can move forward and backward at bottom of page; can also save work if logged in

Apply Now Contact Us Loan Database Public Notices My Submissions

Vermont Bond Bank Our Vision Loan Programs Borrowers Investors

Date	Amount	Maturity Date	Lender
<input type="text"/>	<input type="text"/>	<input type="text" value="mm/dd/yyyy"/>	<input type="text"/>

Add row

Anticipated Spending Schedule of Loan Proceeds

	Year 1	Year 2	Year 3
Quarter 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Quarter 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Quarter 3	<input type="text"/>	<input type="text"/>	<input type="text"/>
Quarter 4	<input type="text"/>	<input type="text"/>	<input type="text"/>

Save Draft < Back Impact >

Vermont Bond Bank

802.654.7377
20 Winooski Falls Way, Suite 305 Winooski, VT 05404
bond-bank@vtbondagency.org

NEWSLETTER SIGNUP

in Board Login

Site Map | Copyright 2019 Vermont Municipal Bond Bank

Gov Activities / School District

The screenshot shows the Vermont Bond Bank website interface. At the top, there is a navigation bar with links: "Apply Now", "Contact Us", "Loan Database", "Public Notices", and "My Submissions". Below this is the Vermont Bond Bank logo and a secondary navigation bar with links: "Our Vision", "Loan Programs", "Borrowers", and "Investors". The main content area is a form titled "Financial Projection of Next Completed Year for General Fund". It features three columns for the years 2017, 2018, and 2019. The form includes input fields for the following categories: Property Taxes, Program Revenue, Intergovernmental Revenue, Other Revenue, Total Revenue, Expenses, and Budgeted Expenses. At the bottom of the form, there are three red bars, likely representing a total or summary row.

Explanation: Financial statements will provide historical information; intent of projection is to show numerical financial projection for current year

Enterprise / Special District

[Apply Now](#) [Contact Us](#) [Loan Database](#) [Public Notices](#) [Login](#)



[Our Vision](#) [Loan Programs](#) [Borrowers](#) [Investors](#)

Financial - Special District or Enterprise Application

Member Contributions in Last Completed Year (As Applicable)

	Municipality 1	Municipality 2	Municipality 3
Taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>
Program Revenue	<input type="text"/>	<input type="text"/>	<input type="text"/>

Financial Projection

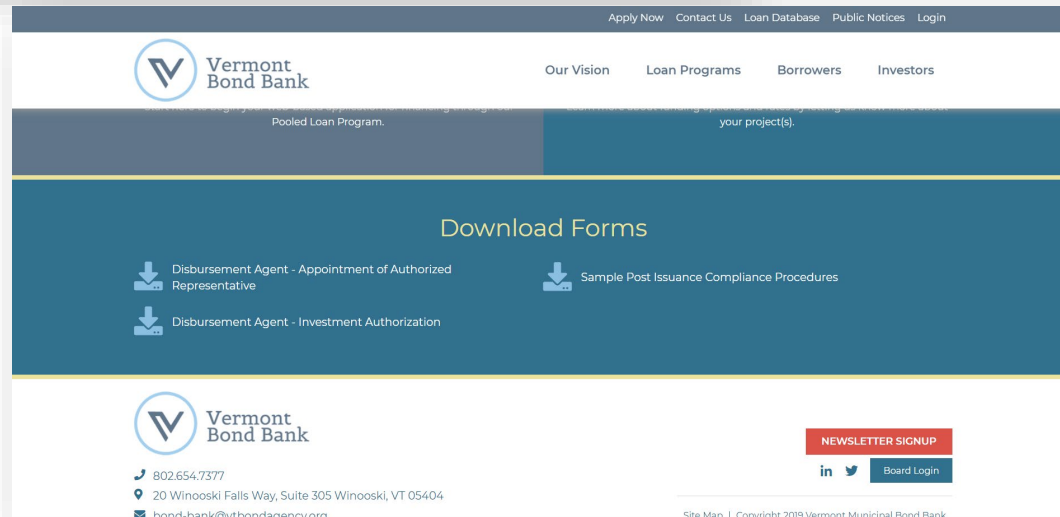
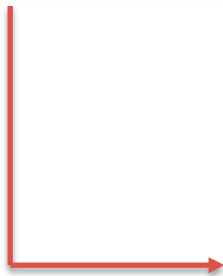
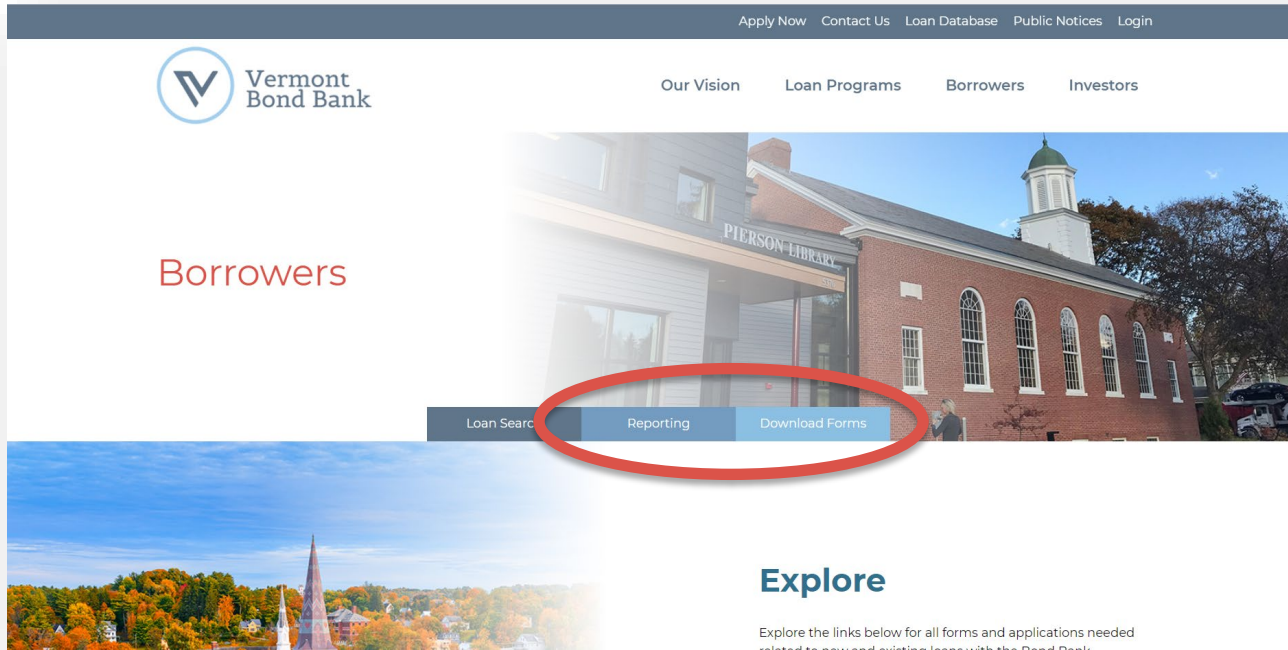
	Current FY	Post Project Completion
Operating Revenues (\$)	<input type="text"/>	<input type="text"/>
Expenses (\$)	<input type="text"/>	<input type="text"/>
Non Operating Revenues (\$)	<input type="text"/>	<input type="text"/>
Deprecation Addback (\$)	<input type="text"/>	<input type="text"/>
Interest Addback (\$)	<input type="text"/>	<input type="text"/>
Net Operating Income (\$)	<input type="text"/>	<input type="text"/>

Total Residential Equivalents

	Number of Customers
Residential	<input type="text"/>
Commercial	<input type="text"/>
Industrial	<input type="text"/>

Explanation: Financial statements will provide historical information; intent of projection is to show numerical financial projection for current year and after the project is completed considering rate or expense increases associated with the project(s)

Post-Closing: Accessing Funds



vtbondbank.org/borrowers

Post Closing: Reporting

Apply Now Contact Us Loan Database Public Notices Login

Vermont Bond Bank

Our Vision Loan Programs Borrowers Investors

VERMONT MUNICIPAL BOND BANK

The Bond Bank requires three types of reporting associated with its Pooled Loan Program, please review the required forms on each tab below.

If you have questions please reach out to Robert Fillioe at robertf@vtbondagency.org.

Certificate of Project Completion Annual Post Issuance Compliance **Financial Reporting**

Here you will find an example of the Certificate of Project Completion form. Please download and then upload your completed form.

Download PDF Form Upload PDF Form

NEWSLETTER SIGNUP

<https://vtbondbank.org/borrower-reporting#>

- **Certificate of Project Completion** – Completed when project or projects are completed
- **Annual Post Issuance Checklist** – DUE DECEMBER 13th - Online form to be completed annually for all outstanding loans
- **Financial Reporting** – DUE MARCH 31ST – Annual submission of financial statements

Contact Us

New Website
www.vtbondbank.org

Michael Gaughan
Executive Director
michael@vtbondagency.org
802.861.0073

Ashley Lucht
Director of Capital Planning
ashley@vtbondagency.org
802.861.0074



Vermont
Bond Bank