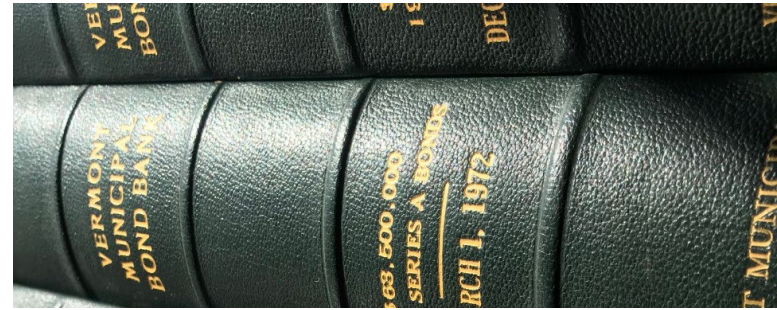




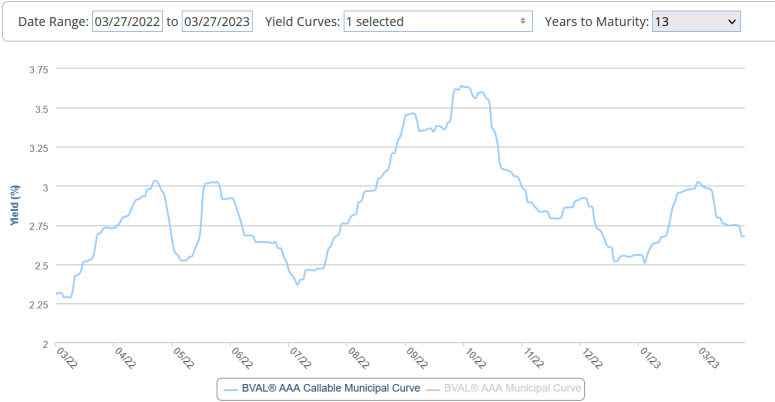
Vermont
Bond Bank



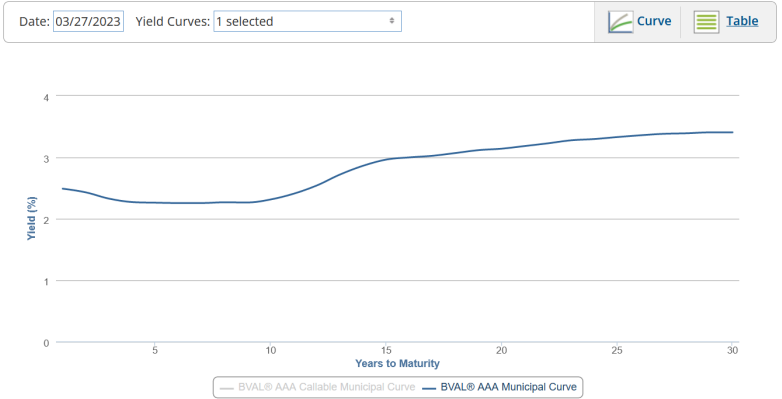
SUMMER 2023 APPLICATION WEBINAR
MARCH 29, 2023

Market Update

Historical Yield Data

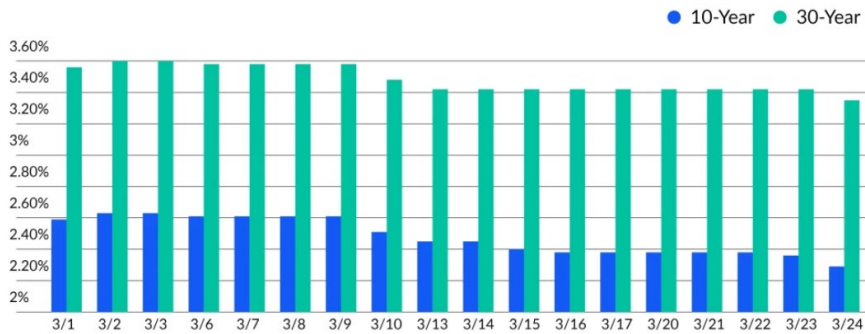


Daily Yield Curves for 03/27/2023



MuniLand's March Madness

Municipal AAA GO bond yields before, during and after the banking crisis of 2023



Source: Refinitiv Municipal Market Data

Current Bond Bank Rate Assumptions

10 Year: 2.94%

20 Year: 3.68%

30 Year: 3.93%

Second Annual Capital Planning Forum

SECOND ANNUAL Vermont Capital Planning Forum



An in-person event for governmental units of all sizes and associated professionals to explore Vermont specific best practices in capital planning.



WHEN

Thursday, April 13th
from 9am to 4pm

WHERE

Alumni Hall
20 Auditorium Hill
Barre, VT

COST

Free but space limited!
Register soon to ensure spot.

TOPICS / AGENDA

- Capital Plan 101
- How to make it happen
- Vermont Capital Planning Awards
- Use of Local Option Tax to Support Capital Investment
- Capital Planning for Climate Change Adaptation

[REGISTER HERE](#)

Green Energy and Energy Efficiency Lending

How can Bond Bank support renewable energy and energy efficiency projects?

- New program hopefully emerging by late 2023
- Solar installations, storage, and related expenses likely eligible
- Other uses likely eligible too – details TBD
- Complementary with the Bond Bank's Pooled Loan Program and with other subsidies
- Rates and terms TBD



Photo Credit: Ian Albinston, *The Addison County Independent*

Bond Bank Financing Relationships

Pooled Loan Program

- Provides access to financing for:
 - Towns, cities, counties, incorporated villages
 - Special Districts (water, fire, solid waste, etc.)
 - School Districts
 - Essentially any type of government institution
- For any type of physical infrastructure:
 - Roads, bridges, sidewalks, streetscapes
 - Water, sewer, stormwater
 - Buildings
 - Energy efficiency projects
 - Equipment
 - Refinance FEMA debt
 - Refinance USDA debt

State Revolving Funds

- Conducts financial underwriting on all loans
- Manages billing, payments and disbursements, in conjunction with M&T Bank
- Owner of loan agreements

Program Highlights

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 (typically 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)

Term of financing and useful life of asset financed must align

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

Application Highlights

In preparation, collect/complete/review:

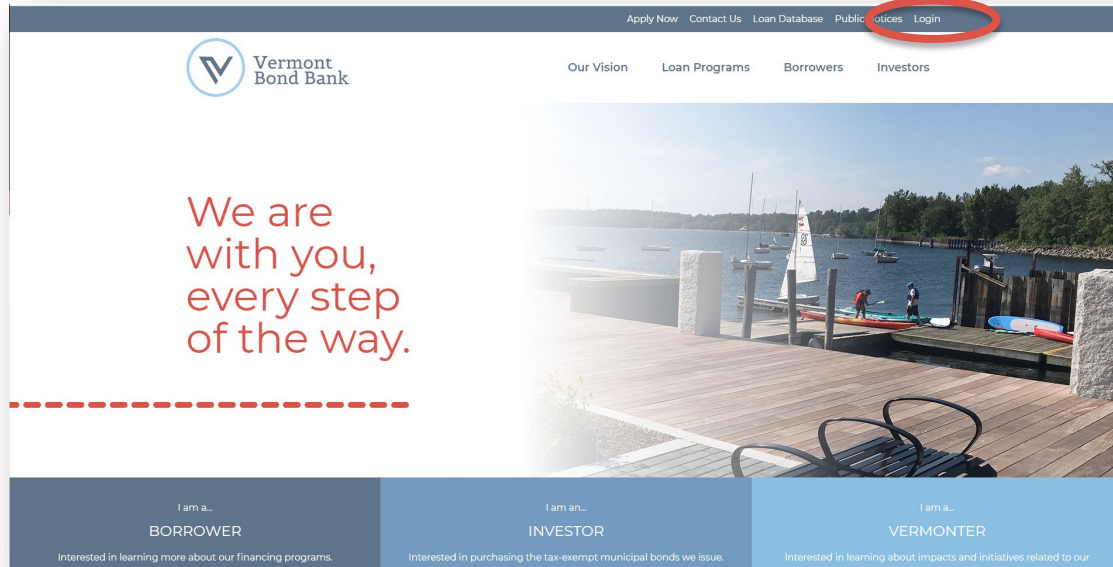
- External audited financials– minimum one year, three preferred
- Bond counsel opinion letter (list of approved bond counsels @ <https://www.vtbondbank.org/approved-legal-counsels>)
- List of debt, including capital leases, on provided spreadsheet
- Capital Plan
- Impact data- details about the project
- Complete State of Vermont Auditor’s checklist– <https://auditor.vermont.gov/local>
- 5 largest tax/ratepayers; 5 largest employers (GA app only); delinquent taxes/ratepayers
- Declaration of Official Intent– contact Bond Counsel for template
- Special District/Enterprise specific:
 - Rate structure, post-project revenue/expense projections
- School District specific:
 - Education spending for past two and current years
 - Homestead tax rate for all towns in SD
- Annual Post Issuance Compliance form must be received if current Bond Bank loan participant
 - <https://vtbondbank.org/borrower-reporting>

Application Highlights

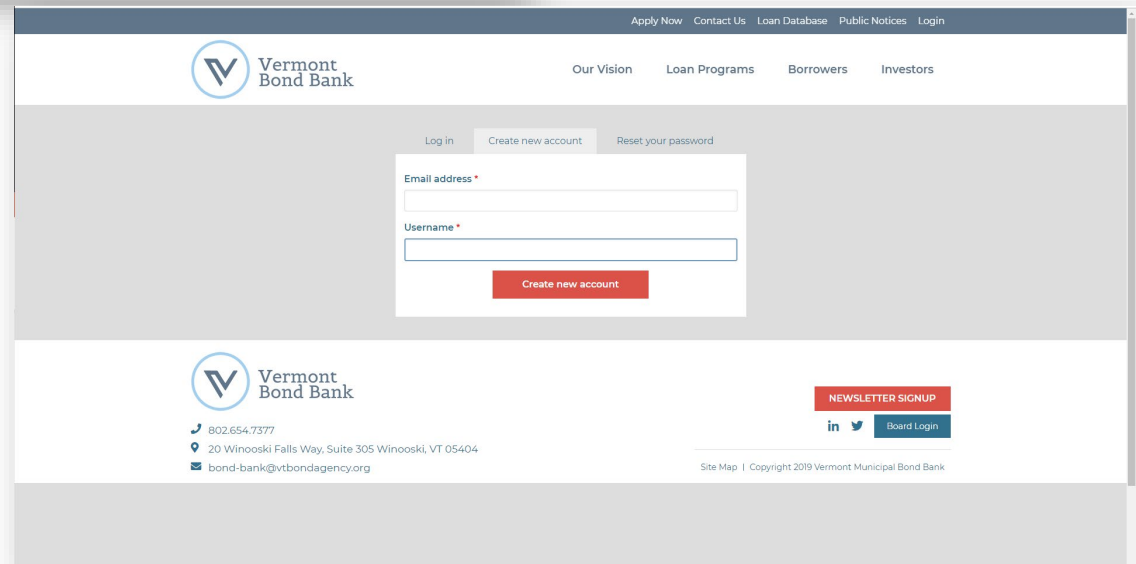
While completing:

- Choose the correct application; may need to complete multiple. Must complete one application and submit before starting another
- Use Chrome or Firefox or Edge, not Windows Explorer
- Contact should be the person completing the application and who will be contact throughout the loan process; to add an alternative contact, use the 'Is there anything else you would like...' at the end of the application
- Use of funds- Project 1, 2, 3
 - Brief project description
- Choose desired loan term and interest-only payments
- Impact data– not all categories will apply to your project
- Debt spreadsheet– download/upload
- Connections– Special District/Enterprise Fund specific
- Will automatically save as progress through application; no need to 'save draft' at each page
- Page number across the top does not correlate to pages completed/remaining
- **NEW!!!!** Review application in its entirety prior to submitting; once submitted it cannot be edited
- **NEW!!!!** Submission confirmation
- **NEW!!!!** Save a PDF of application after submission

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 the navigation bar, the Vermont Bond Bank logo is on the left, and a secondary menu includes 'Our Vision', 'Loan Programs', 'Borrowers', and 'Investors'. A 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 teal footer contains a page number '1' and a 'Contact' link.

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 requested information

Can move forward and backward at bottom of page

Apply Now Contact Us Loan Database Public Notices My Submissions

Vermont Bond Bank Our Vision Loan Programs Borrowers Investors

Date Amount Maturity Date Lender

mm/dd/yyyy

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

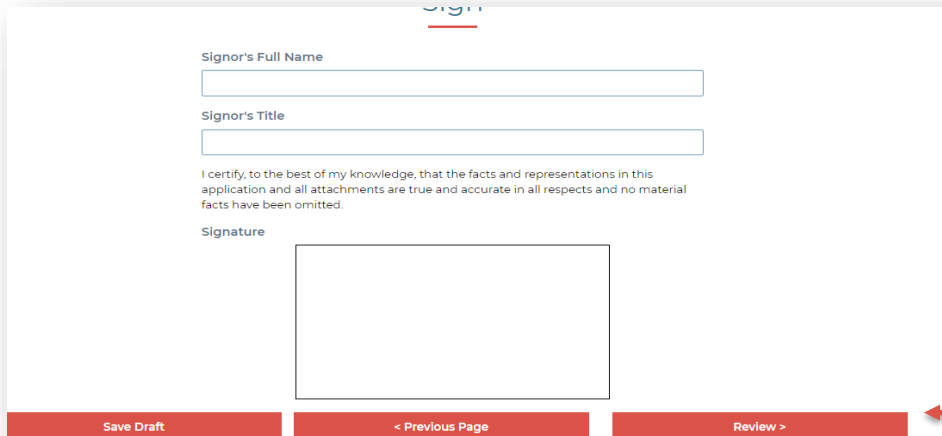
bond-bank@vtbondagency.org

NEWSLETTER SIGNUP

in Board Login

Site Map | Copyright 2019 Vermont Municipal Bond Bank

Submitting the Application



Sign

Signor's Full Name

Signor's Title

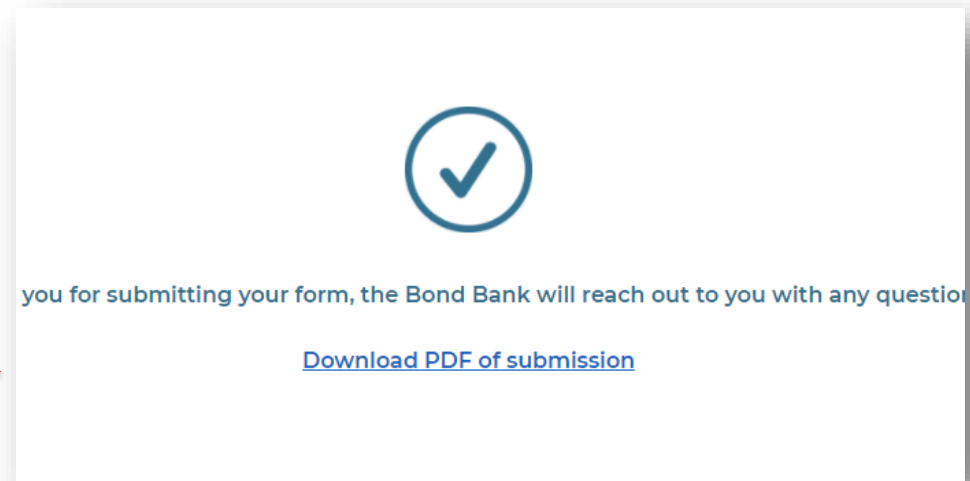
I certify, to the best of my knowledge, that the facts and representations in this application and all attachments are true and accurate in all respects and no material facts have been omitted.


Signature

Save Draft < Previous Page Review >

New! Now you must review the application prior to submitting

New! Submittal confirmation and downloadable PDF of application



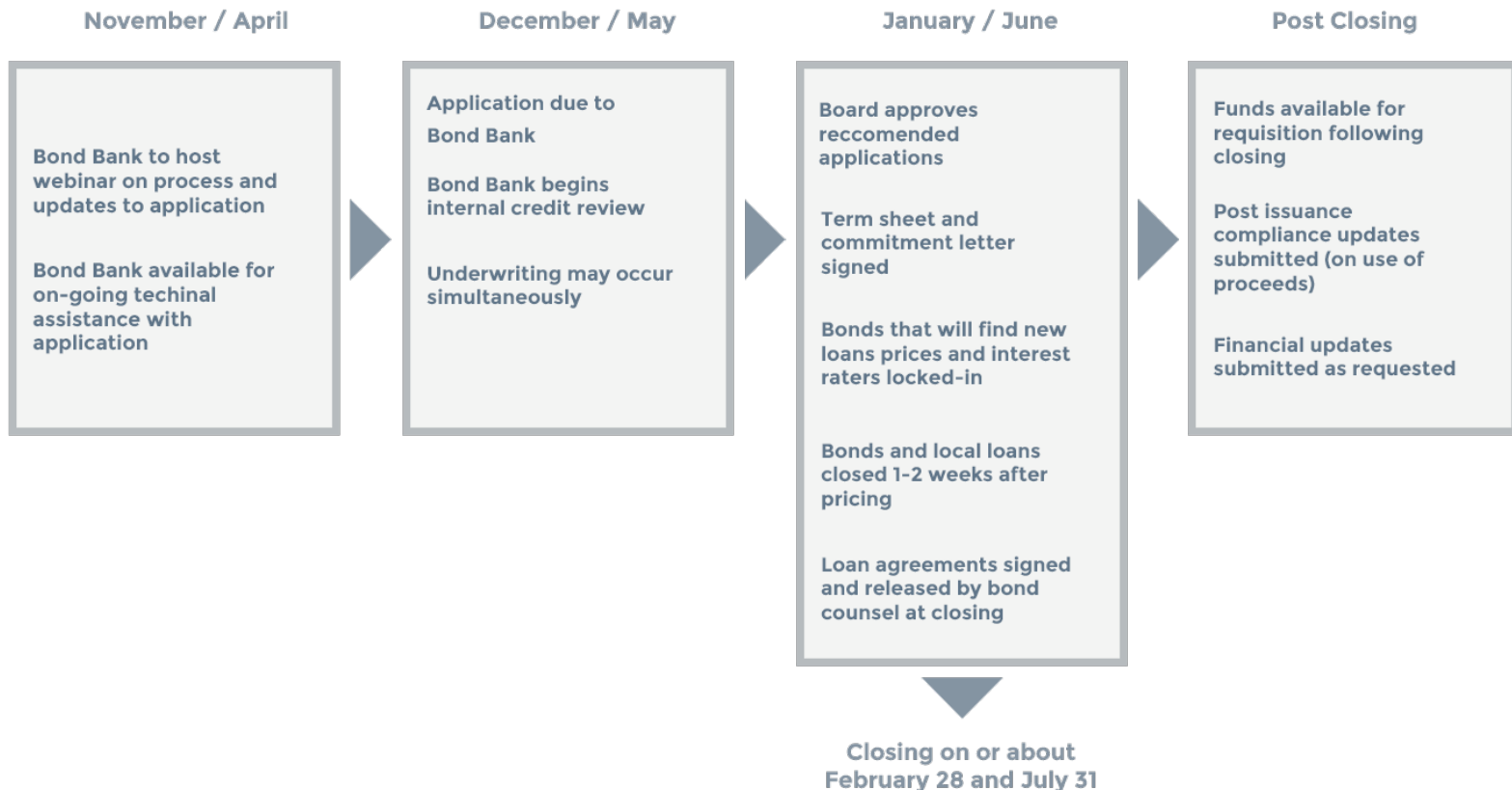


you for submitting your form, the Bond Bank will reach out to you with any question

[Download PDF of submission](#)

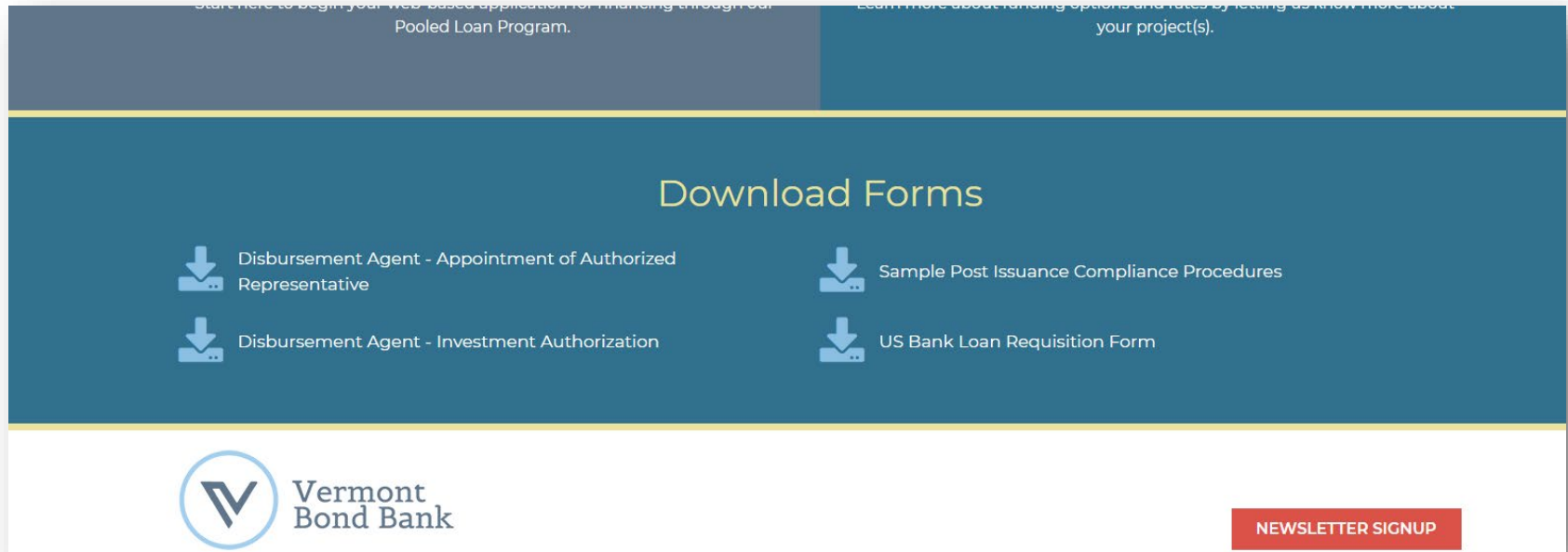
Illustrative Timeline

Bond Bank Anticipates Winter and Summer Pools from 2018 Forward



SUMMER POOL APPLICATIONS DUE MONDAY, MAY 15TH

Post-Closing: Accessing Funds



The screenshot displays a website interface for Vermont Bond Bank. At the top, there are two dark blue navigation buttons: 'Start here to begin your web-based application for financing through our Pooled Loan Program.' and 'Learn more about funding options and rates by letting us know more about your project(s)'. Below these is a large teal section titled 'Download Forms' in yellow text. This section contains four download links, each with a blue download icon and text: 'Disbursement Agent - Appointment of Authorized Representative', 'Disbursement Agent - Investment Authorization', 'Sample Post Issuance Compliance Procedures', and 'US Bank Loan Requisition Form'. At the bottom left is the Vermont Bond Bank logo, and at the bottom right is a red 'NEWSLETTER SIGNUP' button.

Borrowers will also be sent directions and forms shortly after loan closing

Post Closing: Reporting

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 Ashley Lucht at ashley@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

- **Annual Post Issuance Checklist** – DUE MARCH 1ST - Online form to be completed annually for all outstanding loans
- **Financial Reporting** – DUE MARCH 1ST – Annual submission of financial statements
- **Certificate of Project Completion** – Completed when Bond Bank funded project has ‘substantially completed so as to permit efficient use in operations of the borrower’

www.vtbondbank.org



Vermont Bond Bank

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