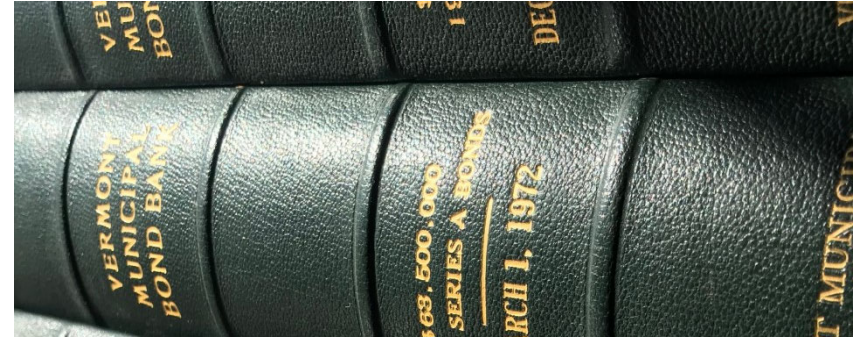




Vermont
Bond Bank



MUNICIPAL CLIMATE RECOVERY FUND

Webinar on December 12, 2023

Municipal Climate Recovery Fund

The Municipal Climate Recovery Fund (MCRF) is designed to provide municipal budgetary relief in the flood recovery effort by lowering the costs of borrowing to bridge FEMA reimbursement or otherwise pay for the many unexpected costs of the flood.

- The MCRF is funded in partnership with the Vermont State Treasurer's Office that is providing the Vermont Bond Bank (Bond Bank) with a \$15 million loan through the 10% in Vermont Program
- **The Bond Bank is passing through the rate of the 10% in Vermont Program at no additional cost to borrowers**
- Additionally, VLCT PACIF will further assist eligible borrowers by subsidizing the interest rate the net effect of which will be a zero or near zero rate
 - VLCT PACIF is committing up to \$1 million for this subsidy



MCRF Loan Terms

Amount	<ul style="list-style-type: none"> • Minimum \$100 thousand • Maximum TBD; all loans subject to availability and credit review
Term	7 years
Amortization	5 years
Interest Rate	1.30%
Closing Costs (Can be included in loan)	\$1,000
Payment Dates	Semi-annual - December 1 and June 1
Prepayment	At any time with no penalty
Flow of Funds	Pay-off of bank and/or interfund loans; direct expense reimbursement considered upon request
Eligible Uses via Reimbursement	<ul style="list-style-type: none"> • Costs eligible for FEMA Public Assistance Grant Funding • Costs expected to be paid by insurance payouts • Own source revenue loss up to 10% of prior fiscal year • Planning and initial rebuilding of flood impacted infrastructure
Closing Date	TBD
Security*	General obligation
Legal	Local bond counsel opinion https://www.vtbondbank.org/approved-legal-counsels
Covenants	<ul style="list-style-type: none"> • Semi-annual reporting on FEMA reimbursement or insurance timeline • Annual financial audit starting in year two • FEMA reimbursement or insurance payout must be used to pay off loan (or pro rata portion thereof)

Expected Statutory Mechanism*

Note 1

Current Expense Note



Note 2

Long Term Debt

**subject to counsel review*

Application

Applications due by Wednesday, January 10, 2024

<https://form.jotform.com/VTBondBank/mcrf>

Municipal Climate Recovery Fund
Application due Friday, January 5th, 2024

Vermont Bond Bank
100 Bank Street, 402 - Burlington, VT 05401 - 802-664-7377

The Municipal Climate Recovery Fund (MCRF) is designed to provide municipal budgetary relief in the form of recovery effort by lowering the costs of borrowing to bridge FEMA reimbursement or otherwise pay for the many unexpected costs of the fund.

The MCRF is funded in partnership with the Vermont State Treasurer's Office that is providing the Vermont Bond Bank (Bond Bank) with a \$10-million loan through the 20% in Vermont Program. The Bond Bank is relying on this loan to make ACRF loans to Vermont municipalities. The Bond Bank is passing through the rate of the 20% in Vermont Program at no additional cost to borrowers.

Loans will be provided following one or more application periods. Multiple application periods will be announced if Bond One loans are less than \$10 million. To the extent applications for funding are in excess of the amount available, the following ratio will be used to allocate the available funding:

Application Preparation List (Submissions to Follow)

- 3 Years Financial Statements
- FEMA Project Worksheets in One PDF File
- Non-FEMA Cost Documentation
- Preliminary Legal Opinion

Name of Applicant (Governmental Unit) *

Primary Contact *

- Requested amount with documentation supporting the amount of the request via FEMA Project Worksheets, insurance claims, or otherwise
- Document revenue losses with budget to actual as applicable

- Oversubscription for program will be allocated by following ratio:

$$\text{Disaster Impact Ratio} = (\text{Documented losses} - \text{expected insurance payouts} + \text{own source revenue loss}) / \text{Prior year operating expenses}$$

Invoicing & VLCT PACIF Subsidy Allocation

- Bond Bank will invoice borrowers semi-annually approximately 45 days prior to payment date
- Invoice will include certification form that no reimbursements or proceeds have been received and that the borrower is in compliance with the pay off covenants
 - This ensures equitable allocation of VLCT PACIF interest rate subsidy
- As applicable receipt of certification will be required prior to the payment date to have interest subsidy applied to invoice
 - In other words, certification is your “voucher” for the interest rate subsidy
- Borrower responsible for interest payment if certification not received
- Borrower responsible for keeping the Bond Bank informed of changes in address or contacts for invoice
- **Borrowers are still required to pay principal after the interest only period**

Expected Timeline (Subject to Change)

- Applications due Wednesday, January 10, 2024
- Recommendations and request for approval submitted to Bond Bank board on Thursday, January 28, 2024
- Loan closing and funding in early February



Vermont Bond Bank

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