



Vermont  
Bond Bank



# PRESENTATION TO HOUSE COMMITTEE ON ENVIRONMENT

May 6, 2025

# The Vermont Bond Bank



## Vermont Bond Bank

Capital Debt Affordability Advisory  
Committee

Local Investment Advisory  
Committee

## Pooled Loan Program

## State Revolving Loan Funds

## Special Program Implementation

Technical Assistance

Clean Energy Finance

Climate Recovery

Small Water System  
Stabilization

Housing Infrastructure

### NEW ISSUE

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Pappas, P.C., Bond Counsel to the Bond Bank, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of holders of such bonds for federal income tax purposes. Interest on the Bonds will not constitute a preference item for purposes of computation of the federal individual alternative minimum tax; however, Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in the adjusted financial statement income of certain corporations is not excluded from computation of the federal corporate alternative minimum tax. In the further opinion of Bond Counsel, the Bonds are exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. See "TAX MATTERS" herein.



**\$46,380,000**  
**VERMONT BOND BANK**

**\$26,370,000**  
**2023 Series 2 Bonds**  
**(Local Investment Bonds)**

**\$20,010,000**  
**2023 Series 3 Refunding Bonds**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The 2023 Series 2 Bonds (Local Investment Bonds) (the "2023 Series 2 Bonds") and the 2023 Series 3 Refunding Bonds (the "2023 Series 3 Bonds") and together with the 2023 Series 2 Bonds, the "Bonds") of the Vermont Bond Bank (the "Bond Bank") are issuable only as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as the registered Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the registered Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein.

Principal of and semiannual interest will be paid, as set forth herein, directly to DTC by U.S. Bank Trust Company, National Association, as Trustee and Paying Agent, so long as DTC or its nominee, Cede & Co., is the registered Bondholder. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participant as more fully described herein. The Bonds are subject to redemption as more fully set forth herein.

The Bonds are direct and general obligations of the Bond Bank payable out of any revenues or funds subject to the provisions of resolutions now or hereafter pledging particular monies, assets or revenues to particular notes or bonds of the Bond Bank as more fully described in this Official Statement. The Bond Bank does not possess any ad valorem taxing powers. The State of Vermont is not obligated to pay the principal of and interest on the Bonds, and neither the faith and credit nor the taxing power of the State of Vermont is pledged to the payment of such principal and interest.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Pappas, P.C., Boston, Massachusetts, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, McCarter & English, LLP, Boston, Massachusetts. Onsting Group LLC, El Segundo, California, serves as financial advisor to the Bond Bank. It is expected that the 2023 Series 2 Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about August 10, 2023, and the 2023 Series 3 Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about September 5, 2023.

Raymond James      Morgan Stanley  
Baird      Fidelity Capital Markets      UBS

August 1, 2023

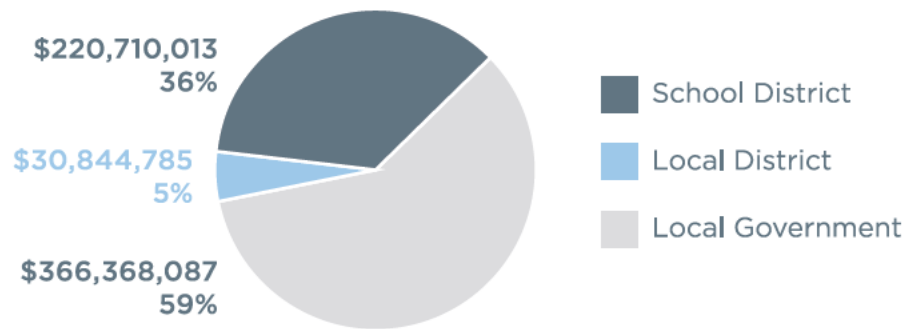


# The Vermont Bond Bank (as of 12/31/2024)

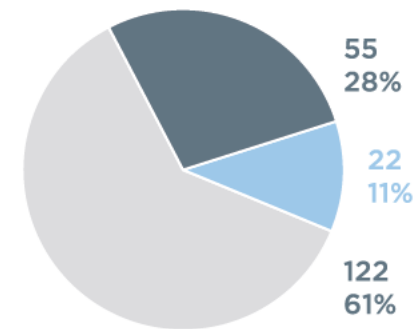
*\$200 million in loans to 52 borrowers in 2024 across all programs (including SRF)*

## ***Vermont Bond Bank Programs***

**Outstanding Balance:** \$617 million



**Borrowers:** 199



## ***Clean Water and Drinking Water State Revolving Loan Fund Activity***

- ▶ 106 loan agreements or amendments reviewed and approved; and,
- ▶ \$79.05 million in loan agreements or amendments reviewed and approved.

In addition, the Bond Bank provides ongoing loan servicing of the portfolio to ensure loan repayment and timely processing of payment requests during construction. The portfolio includes \$267.69 million in loans as of December 31, 2024.

# 2024 Case Studies

- Impacted nearly 200 thousand Vermonters
- Improved 7,500 student seats
- Renovated or constructed 300,000 square feet of facilities
- Nearly 5 miles of streetscape and trails constructed or renovated

## Town of Calais

<b>Bond Bank Program(s):</b>	Pooled Loan Program; Municipal Climate Recovery Fund
<b>Population:</b>	1,661
<b>Loan Amount(s):</b>	\$450,000; \$335,000; \$100,000 (\$885,000 total)
<b>Project Type(s):</b>	Dam Rehabilitation; Equipment Purchase; Flood Recovery



## Town of Fairfax School District

<b>Bond Bank Program(s):</b>	Pooled Loan Program
<b>Population:</b>	5,014 (Town of Fairfax)
<b>Loan Amount(s):</b>	\$36,415,000
<b>Project Type(s):</b>	School Construction



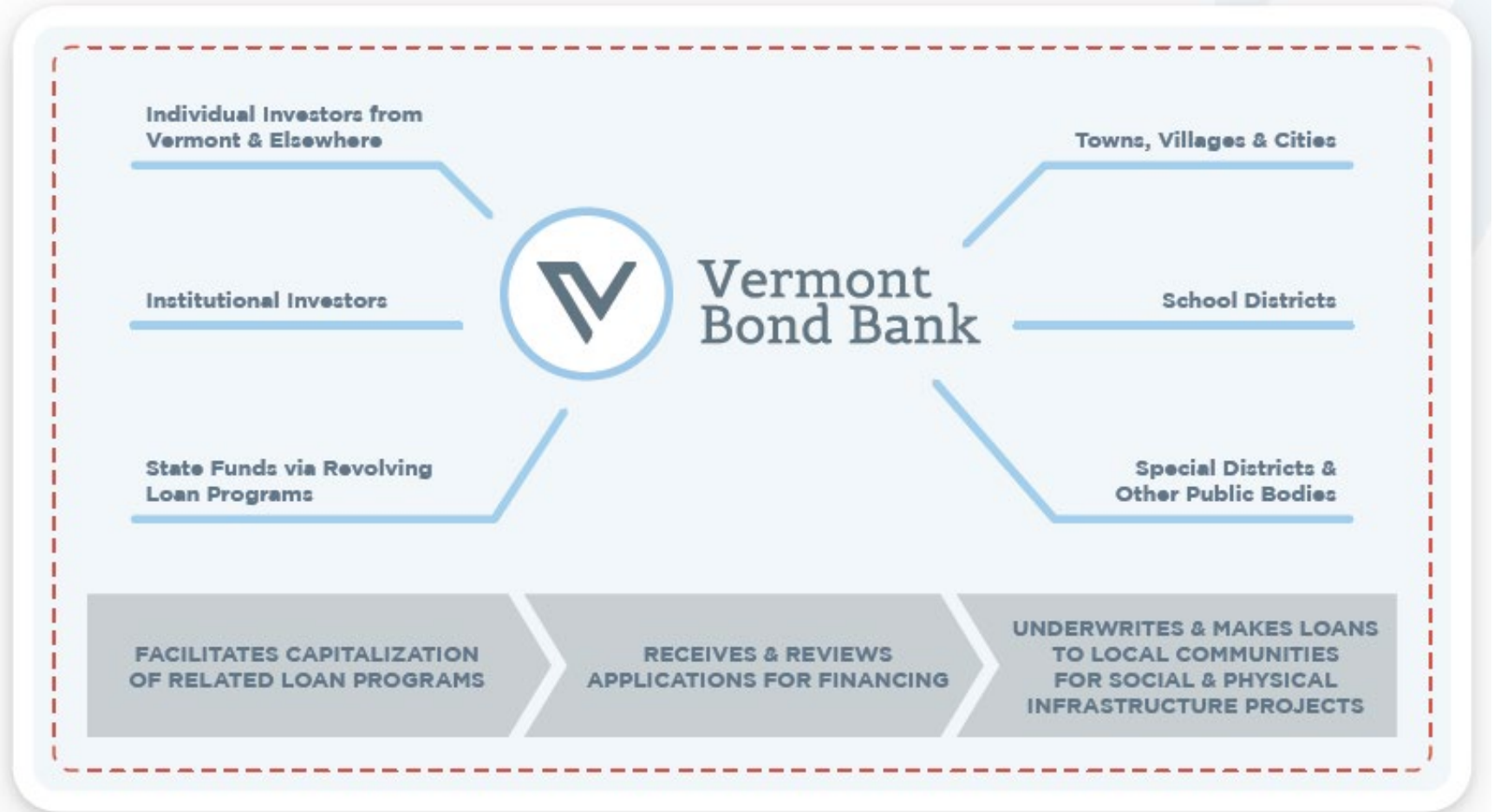
## Town of Killington

<b>Bond Bank Program(s):</b>	Drinking Water State Revolving Loan Fund
<b>Population:</b>	1,407
<b>Loan Amount(s):</b>	\$21,000,000
<b>Project Type(s):</b>	Centralized Water System





# How we work



# Advantages

- Make borrowing for infrastructure more equitable
- Reduce opportunities costs to access financing and reduce time required
- Deliver federal resources faster
- Respond to local priorities like climate change and housing development

COMMENTARY FISCAL POLICY

## Should Every Town And Village Have Unfettered Access To The Municipal Bond Market?

By KENT HITESHEW and IVAN IVANOV May 28, 2024

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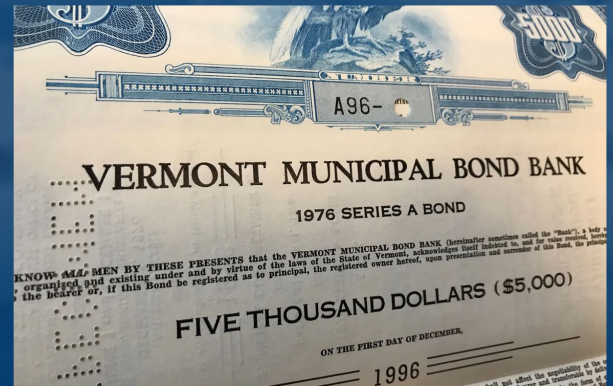
BROOKINGS

U.S. Trade Policy International Affairs U.S. Government & Politics Technology & Information Race in Public Policy Topics Regions

RESEARCH

## State bond banks, the best kept secret in infrastructure finance, need a bigger role in rebuilding America

Michael Gaughan and Adie Tomer  
June 20, 2024



# Municipal Climate Recovery Fund

- Bond Bank recognized need for medium term financing in response to flood based on experience with municipal financial statements follow 2011 flooding
- Worked with state treasurer to develop initial program in 2023 with \$15 million loan commitment from 10% in Vermont program that featured flexible terms and low rate
- *Bond Bank paid for work on program through existing operating structure with no spread or fee*

Borrower	Amount		
Barre City	1,500,000	Montpelier City	2,126,000
Bolton Town	1,000,000	Mount Holly Town	100,000
Bridgewater Town	1,400,000	Plainfield Town	1,000,000
Calais Town	100,000	Plymouth Town	374,000
Chester Town	303,000	Ripton Town	320,000
Greensboro	289,000	Royalton Town	1,110,000
Hardwick Electric Department	1,257,000	Strafford Town	380,000
Huntington Town	583,993	Williamstown Town	274,000
Jamaica Town	422,000	Worcester Town	1,308,000
Johnson Village	978,000	Worcester Town	132,000
Kirby Town	850,300	<b>Total</b>	<b>19,183,293</b>
Marshfield Town	405,000	<b>Additional ~\$13 mm in loans to be closed by June 1</b>	
Marshfield Town	1,033,000		
Middlesex Town	938,000		
Middlesex Town	1,000,000		

- Expanded in late 2024 under Memorandum of Agreement with Agency of Administration to use ERAF on temporary basis for towns that lost emergency access in 2024 flood
- Program continues with expanded 2.5% in Vermont loan in 2025 to further assist communities hit by 2024 flooding
- Open rounds in 2023 and 2024 were both 2x oversubscribed

# Linking Federal Resources - Charlotte Town Garage



## PROJECT COSTS

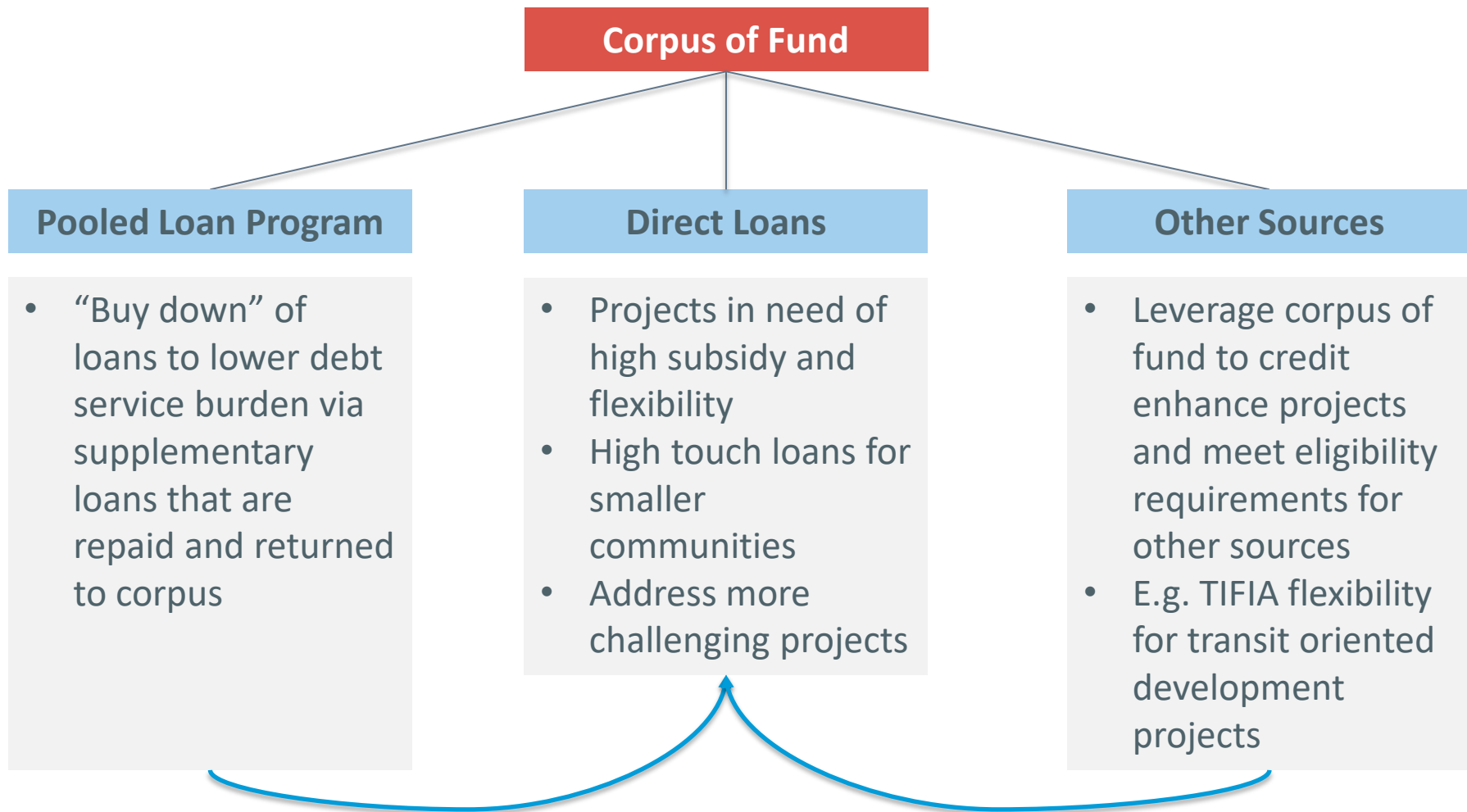
Building & Foundation	\$2,958,000
Solar PV Cells and Installation	282,000
Total	\$3,240,000

## SOURCES

SLFRF (ARPA)	\$1,000,000
High Fund Reserves	458,000
Pooled Loan Program Loan	1,500,000
Clean Energy Program Net Loan	197,400
Elective Pay Credit (30%)	84,600
Total	\$3,240,000



# Vermont Infrastructure Sustainability Fund





# Vermont Bond Bank

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