

Request for Proposals for Corporate Trust Services Related to New Energy Efficiency Program Resolution



Vermont
Bond Bank

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INTRODUCTION

The Vermont Bond Bank (“Bond Bank”) is seeking proposals from trust companies to serve as trustee, but not paying agent, to support a new pooled loan structure that the Bond Bank is developing to support a dedicated green energy finance practice. This will build on the Bond Bank’s existing work financing renewable energy and energy efficiency projects for schools, municipalities, villages, and towns throughout Vermont.

Loans originated under this practice will be structured under a resolution similar to the Bond Bank’s existing 1988 resolution in which multiple debt issues are secured by all loans within the resolution. Individual loans will be assigned to the trustee. The resolution will be called the Energy Efficiency Program Resolution (the “Resolution”). The Bond Bank may act as its own paying agent under the Resolution.

Initially, the only debt supported by the Resolution will be a wholesale revolving loan in the amount of \$40 million from [USDA’s Rural Energy Savings Program \(“RESP”\)](#). This loan requires a standby letter of credit equal to draws under the USDA loan. The security for the standby letter of credit will be the Resolution.

The Bond Bank projects that it will originate an average of 7 loans annually under this program, although this may change as new debt sources are added under the Resolution via supplemental resolution.

The Bond Bank is currently negotiating the final form of loan agreement with USDA. The Bond Bank expects to close the above loan in early July with board approvals occurring in late June.

BORROWER OVERVIEW

The “Bond Bank” was created by the Vermont legislature in 1970 to assist eligible governmental units access public financing markets.

The Bond Bank provides municipal loans for local infrastructure projects through the Pooled Loan Program. Loans are primarily financed through the Bond Bank’s issuance of publicly offered tax-exempt bonds. On an on-going basis, the Bond Bank services its loans and provides outreach and planning assistance to potential borrowers.

The Pooled Loan Program is organized under the 1988 General Resolution. Bonds issued under this resolution carry a “AA+” and “Aa2” rating from Standard & Poor’s and Moody’s, respectively. See more information on this program as well as audited financial statements at: vtbondbank.org/investors.

Borrowers of the Bond Bank are exclusively governmental units of the state including cities, towns, villages, school districts, and other municipal entities throughout the state.

The Bond Bank also co-manages the State’s Clean Water and Drinking Water Revolving Funds with the Department of Environmental Conservation. Loans are issued for the planning and construction of municipal drinking water and clean water projects.

More recently, the Bond Bank has identified additional sources of low-cost lending dollars that will be developed into a Green Energy Finance program.

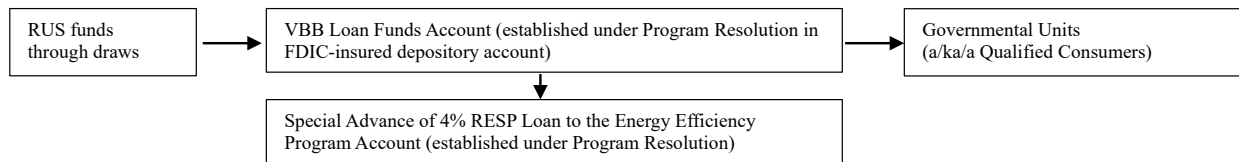
General financial conditions of the Bond Bank, including financial audits, can be reviewed at: vtbondbank.org/investors.

SCOPE OF SERVICES

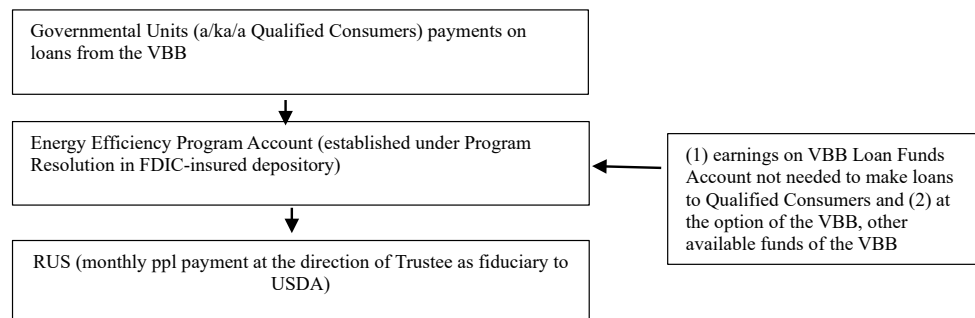
Subject to negotiation, the Bond Bank envisions the following scope of services related to activity under the Resolution.

- Creating accounts defined in the Resolution, which will consist of the following:
 - Energy Efficiency Program Account
 - Loan Funds Account
 - Additional accounts as defined in supplemental resolutions
- Daily reporting or access to reporting on cashflow within the above accounts to monitor borrower repayment and disbursements
- Monitoring of cash balances and drawing on the standby letter of credit as required
- Notification and monitoring of covenants requirements defined in the Resolution
- Disbursement of funds for borrowers under the Energy Efficiency Program at the direction of the Bond Bank via DocuSign or other electronic means
- Creation of a payment portal for borrowers allowing simplified routing / account # entry
- Distribution of electronic and paper monthly invoices for loans under the Energy Efficiency Program
- Subject to pricing, payment of debt holders from funds available under the terms of the Resolution, initially USDA, on a monthly basis

PRELIMINARY FLOW OF FUNDS UNDER THE RESOLUTION



Monthly flow of funds:



SUBMISSION QUESTIONS

1. Provide the name, title, address, telephone number, and e-mail address of the person the Bond Bank should contact in connection with your proposal. Identify day-to-day contacts for the relationship and management of the program.
2. Provide background information on the respondent's financial institution and commitment to corporate trust services either as an appendix or hyperlink.
3. Identify counsel the firm would use if selected and related cost.
4. Provide pricing for the above scope of services. Please specify:
 - Provide separate pricing for the invoice creation and distribution.
 - Provide separate pricing for paying agent services.
 - Describe any components of the scope that are not addressed by the pricing proposal or otherwise unavailable.
5. Describe investment options available for cash balances within the trustee accounts and current rates.
6. Describe any other terms and conditions of the proposal.

EVALUATION OF PROPOSALS

The RFP will be awarded based on the lowest cost inclusive of all potential costs. The Bond Bank reserves the right to award based on other criteria or withhold award.

If applicable, the Executive Director or their designee will conduct negotiations with firms whose proposal, when considered with all other proposals submitted in response to this solicitation, best meets the needs of the Bond Bank at its sole discretion.

SUBMISSION DETAILS AND DEADLINE

Responses to this RFP are due via email to the contact below any time prior to **Tuesday, May 21, 2024, 4:00 pm ET**. Please contact Michael Gaughan with questions prior to Friday, May 17, 2024.

Submission Contact	
Michael Gaughan Vermont Bond Bank P: 802-861-0073 michael@vtbondagency.org	
Submission Distribution	
Elizabeth King Vermont Bond Bank elizabeth@vtbondagency.org	Michael Gaughan Vermont Bond Bank michael@vtbondagency.org