



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

**Capital Debt Affordability Advisory Committee
Minutes of Meeting of Wednesday, August 17, 2022**

CDAAC Members Attending

BETH PEARCE, CDAAC Chair, State Treasurer
DOUG HOFFER, State Auditor
KRISTIN CLOUSER, Secretary of Administration
DAVID KIMEL, Vermont Municipal Bond Bank Chair
THOMAS KAVET, Legislative Economist
DAVID COATES, CPA, Managing Partner, KPMG (Retired)
PREMILA PETERS, CFA, CPA, President, Data Innovations

Also Attending

JEFF CARR, Economic & Policy Resources, Inc.
TOM HUESTIS, Public Resources Advisory Group
CHRISTINE FAY, Public Resources Advisory Group
STEVE WISLOSKI, Public Resources Advisory Group
CATHERINE BENHAM, Joint Fiscal Office
SARAH CLARK, Joint Fiscal Office
DAN DICKERSON, Joint Fiscal Office
NICOLAS KRAMER, Department of Finance & Management
MAURA COLLINS, Vermont Housing Finance Agency
JEREMIAH BREER, State Treasurer's Office
ASHLYNN DOYON, State Treasurer's Office
OWEN DOHERTY, State Treasurer's Office
SCOTT BAKER, State Treasurer's Office

Ms. Pearce called the meeting to order at 2:02 p.m.

The agenda for the meeting was approved unanimously following a motion by Ms. Peters and seconded by Mr. Coates.

Following a motion by Mr. Coates, which was seconded by Mr. Kimel, the amended minutes of the February 11, 2022 minutes were approved unanimously.

All of the attendees introduced themselves.

Ms. Pearce gave a recap of some of the accomplishments during the legislative session, including the establishment of the Capital Expenditure Cash Fund (CECF). She thanked the administration

for the help on this. She also mentioned the pension reform, which will result in \$2.2 billion in savings.

Ms. Pearce led a discussion on the work of the committee this year, including:

- Looking further at debt affordability criteria
- Review of how the CECF fits into the agenda
- Recommendation of debt authorization

Mr. Hoffer also urged the Committee to have a formal consideration of need.

Mr. Carr gave an update on the latest consensus revenue forecast, followed by a market update from Mr. Huestis.

Mr. Baker reviewed the charts showing the history of the debt authorization amounts and outstanding debt. He said that the Moody's debt median report for States has not been published yet.

Ms. Fay led a presentation by PRAG on the recent changes in Moody's methodology with comparisons of the State's scoring from the previous version. She said that the Aa1 rating was affirmed under the new criteria.

The Committee discussed the possibility of extending the deadline for the submission of this year's report. This will be discussed further in future meetings.

Mr. Kimel asked if the committee could get clarification from the Administration and the legislature as to what their expectations were with regards to PayGo as taking the place of some of the capital debt or as being an additional expenditure beyond the debt. Ms. Clouser said that she had told the legislature that it would not impact the recommendation.

Ms. Pearce asked if anyone from the public wished to comment, but there was none.

The meeting was adjourned at 3:39 p.m. following a motion by Mr. Kimel, seconded by Mr. Coates.