



STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**Capital Debt Affordability Advisory Committee  
Minutes of Meeting of Friday, September 23, 2022**

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**CDAAC Members Attending**

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

**Also Attending**

JEFF CARR, Economic & Policy Resources, Inc.  
TOM HUESTIS, 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  
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 3:03 p.m.

**Ms. Pearce suggested that we move the review of the Moody's median report to the top of the agenda. Mr. Kimel made a motion to approve the amended agenda. Mr. Coates seconded the motion, and it was approved unanimously.**

**Mr. Coates made a motion to approve the minutes of the September 6, 2022 minutes, which was seconded by Mr. Kimel. The minutes were approved unanimously.**

Mr. Baker gave an overview of the Moody's state debt median report and the debt metrics of the state. Mr. Kavet commented that there have been some fairly significant census changes since 2021 when the data was compiled.

Mr. Huestis provided some color on the Moody's report and discussed the changes that they made since the prior report, including combining the debt and pension medians. He also noted

that they no longer publish Debt Service as a Percentage of Revenue, one of the metrics that CDAAC uses. Ms. Pearce mentioned that the 2022 report will look better given the additional money put into the pension plans and prefunding of the OPEB.

The committee agreed to review authorization projections at the next meeting of the base case (no change), a 5% increase, and decreases of 5% and 10%.

Mr. Kimel that the committee needs to look at the issues of what level of authorization is affordable and prudent, to consider the needs of the state, and the ability to pay in the future. Ms. Clouser also added that it needs to consider the ability to spend the funds in the time frame requested.

Ms. Pearce said that she would submit an interim memo by September 30<sup>th</sup> noting that the final report would be delayed. The voting members of the committee, with some exceptions, believe we should continue to reduce the debt authorization, however they did not want to make a decision until all of the projections were reviewed.

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

**The meeting was adjourned at 4:08 p.m. following a motion by Mr. Coates and seconded by Ms. Peters.**