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**DRAFT**

**Local Investment Advisory Committee (LIAC)**

**3/21/2023**

**LIAC Members Present:**

MIKE PIECIAK, Vermont State Treasurer

CASSIE POLHEMUS, Vermont Economic Development Authority

MAURA COLLINS, Vermont Housing Finance Agency

MICHAEL GAUGHAN, Vermont Municipal Bond Bank

PETER WALKE, Efficiency Vermont Representative

TOM LITTLE, Vermont Student Assistance Corporation Designee

**Also Attending:**

Gavin Boyles, Deputy State Treasurer

Ashlynn Doyon, Office of the Vermont State Treasurer

Scott Baker, Office of the Vermont State Treasurer

Jeremiah Breer, Office of the Vermont State Treasurer

Nick Marineau, Office of the Vermont State Treasurer

Justin St. James, Office of the Vermont State Treasurer

**CALL TO ORDER:**

**Treasurer Pieciak called the meeting to order at 2:06 p.m.**

**ITEM 1: Approval of February 21, 2023 Minutes**

**Mr. Walke made a motion to approve the minutes from February 21, 2023 with a change to his title as the official representative from Efficiency Vermont. Ms. Polhemus seconded the motion. The Committee approved the motion to approve the minutes unanimously.**

**ITEM 2: Conflict of Interest Policy Discussion**

Mr. St. James reviewed the proposed conflict of interest policy in order to give the Committee an opportunity to provide feedback and noted specifically the ethics training requirement. He reiterated that the introduction of the policy is a good governance practice and not in response to any event. Treasurer Pieciak offered that the Treasurer's Office could schedule an ethics training for committee members to attend.

Mr. Walke asked what is allowed with regard to discussing the merits of investments with others, given his representation of an organization. Mr. St. James distinguished between the concepts of “doing the work of the committee,” versus “using information to one’s own personal advantage.”

Treasurer Pieciak highlighted that if a committee member’s organization has a loan application that person should recuse themselves and not be present for the related committee discussion.

Ms. Polhemus asked whether or not an applicant’s financials should be discussed publicly, then stated that this issue had not come up before because previous applicants have been quasi-public entities.

Mr. Little had edits that he submitted to Mr. St. James via email. Mr. St. James will incorporate the committee’s feedback into a final draft of the conflict of interest policy for review at a subsequent meeting.

### **ITEM 3: Investment Policy Discussion**

Mr. Breer reviewed the proposed investment policy with the Committee. Committee members had a number of suggested edits to the policy, summarized below:

- Ms. Collins asked to add a bullet point on advising on changes to policy goals.
- Ms. Polhemus asked to reconsider the title of the policy and define what the term “investment” means.
- Mr. Gaughan said that he would submit some language via email regarding removing barriers, considering geographic differences, and access to work.
- Mr. Walked noted that he would be okay with social equity being a standalone goal for the Committee and that the diversity, equity, and inclusion statement should be elevated.
- Ms. Polhemus asked if the Committee needed to define who the eligible borrower is.
- Treasurer Pieciak noted that the Committee needs to make sure that its investments are achieving indirect benefits as well as rates of return.
- Mr. Gaughan asked for a staff-prepared credit memo to be included in the application process.
- Ms. Polhemus asked about the type of performance data that applicants would be required to submit, how the reporting process would work, and what the LIAC would do with the information.
- Ms. Collins noted that a 20-year cap on duration would limit housing and energy proposals.
- Ms. Collins noted that the Committee should consider some kind of rubric or scoring method to compare the merits of proposals.

Mr. Breer is going to incorporate the Committee’s edits into a final draft of the investment policy for review at a subsequent meeting.

### **ITEM 6: Public Comment**

There were no members of the public in attendance for comment.

**ITEM 4: Adjourn**

Mr. Pieciak suggested the Committee should adjourn given time constraints and schedule another meeting the following week to continue with the remaining agenda items and review final drafts of the conflict of interest and investment policies.

**Ms. Collins made a motion to adjourn. Ms. Polhemus seconded the motion. The committee unanimously agreed to adjourn at 3:46 p.m.**