

**ELIZABETH A. PEARCE**  
STATE TREASURER

**RETIREMENT DIVISION**  
TEL: (802) 828-2305  
FAX: (802) 828-5182



**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**UNCLAIMED PROPERTY DIVISION**  
TEL: (802) 828-2407

**ACCOUNTING DIVISION**  
TEL: (802) 828-2301  
FAX: (802) 828-2884

**CAPITAL DEBT AFFORDABILITY  
ADVISORY COMMITTEE  
AGENDA  
Friday, August 27, 2021  
3:00 p.m.**

**Introductions and Opening remarks**

**Approval of Minutes from Meeting of October 26, 2020**

**Economic Update and Revenue Forecast**

**Review 2021 Moody's Debt Medians Report and Vermont Debt Ratios**

**Discuss 2022-23 Biennium Recommendation and Peer Group**

**Discuss 2020 CDAAC Report and Possible Updates**

**Comments from members of the public**

**Other business and adjournment**



STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**DRAFT – NOT YET APPROVED BY COMMITTEE**  
**Capital Debt Affordability Advisory Committee**  
**Minutes of Meeting of Friday, August 27, 2021**

---

**CDAAC Members Attending**

BETH PEARCE, CDAAC Chair, State Treasurer  
DOUG HOFFER, State Auditor  
SUSANNE YOUNG, Secretary of Administration  
DAVID KIMEL, Vermont Municipal Bond Bank Chair  
THOMAS KAVET, Legislative Economist  
DAVID COATES, CPA, Managing Partner, KPMG (Retired)

**Also Attending**

KRISTIN CLOUSER, Deputy Secretary of Administration  
JEFF CARR, Economic & Policy Resources, Inc.  
TOM HUESTIS, Public Resources Advisory Group  
CHRISTINE FAY, Public Resources Advisory Group  
MIKE MIDDLEMAN, Department of Finance and Management  
MAURA COLLINS., Vermont Housing Finance Agency  
WILL KRIEWALD, State Treasurer's Office  
ASHLYNN DOYON, State Treasurer's Office  
SCOTT BAKER, State Treasurer's Office

Ms. Pearce called the meeting to order at 3:09 p.m.

**The meeting agenda was approved unanimously following a motion by Mr. Coates and seconded by Mr. Kimel.**

**Mr. Coates made a motion to approve the minutes from the October 26, 2020 meeting, which was seconded by Mr. Kimel. Following a discussion, the motion was approved unanimously.**

Ms. Pearce announced that Premila Peters has joined the committee as the Treasurer's appointee. She mentioned that the Bond Premium/PayGo and the Debt Affordability Metrics Review working groups will be meeting in addition to the regular CDAAC Committee meetings. This is the interim period of the biennium debt recommendation; therefore, we will also be looking at how to reduce the size of the report this year.

Mr. Carr gave an update on the State's revenue projections, including the unprecedented amount of federal support. Vermont has received the third highest amount of federal pandemic aid per

capita. He is finalizing the long-term forecast needed for the debt metric calculations. Mr. Kavet also noted that the census shows that the State's population has increased. A discussion followed regarding how many of those who came to Vermont during the pandemic will become permanent residents, as well as the employment situation. Mr. Carr noted that Vermont had the best rate of job recovery in New England.

Mr. Huestis gave a market update, saying that demand for municipal bonds has been pushing yields down. He gave a recap of the State's General Obligation bond sale from April which had an overall True Interest Cost (TIC) of 65 basis points. The new money portion had a TIC of 1.42% (vs. 2.55% on the last issue). The deal also consisted of a \$82 million of refunding bonds, resulting in \$7.6 million of net present value savings.

Mr. Huestis reminded the committee that their debt recommendation for the 2022-23 biennium was \$123.18 million.

Mr. Baker reviewed the 2021 Moody's State Debt Median report, and Vermont's debt metrics and rankings, including those for Debt Per Capita, Debt as a Percentage of Personal Income, Debt Service as a Percentage of Revenue, Debt as a Percentage of State GDP, and Net Tax Supported Debt. He also reviewed the charts showing the history of Debt Authorizations and Outstanding Debt.

Ms. Pearce asked if we will be using new data to update the debt metrics. Mr. Huestis answered that we would, and we should be seeing some changes. Mr. Kavet calculated that the Debt Per Capita would be approximately \$40 less.

Ms. Pearce stated that the history has been to leave the amount of authorization recommendation unchanged in the interim year but asked for other thoughts. Mr. Coates asked whether the ten-year capital plan was updated this year, and if the amount of federal funding inflow would change this. Ms. Clouser answered that it was updated last year and that there is some potential for overlap but would likely be less than \$15 million.

Ms. Fay reviewed last year's CDAAC report and what portions were required by statute. She presented a few areas that could possibly be trimmed for this year's report. These will be sent to the Committee for further discussion.

Mr. Hoffer informed the committee that the State's financial report will now be called the Annual Comprehensive Financial Report (ACFR).

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

**The meeting was adjourned at 4:40 p.m. following a motion by Mr. Coates, seconded by Mr. Kimel.**