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

**CAPITAL DEBT AFFORDABILITY  
ADVISORY COMMITTEE  
AGENDA**

**Monday, September 9, 2019**  
Treasurer's Conference Room  
109 State Street, 4<sup>th</sup> Floor - Montpelier, VT  
(Dial-In Number: 888-585-9008, Passcode: 732-817-636#)  
**10:00 a.m.**

**Introductions and opening remarks**

**Approval of Minutes from Meeting of September 26, 2018**

**Review of 2019 Legislative Session and recent G.O Bond Sale**

**Economic Update and Revenue Forecast**

**Review Moody's 2019 Debt Medians Report and Vermont's Debt Ratios**

**Discuss 2020-2021 Biennium Recommendation and Peer Group**

**Comments from members of the public**

**Other business and adjournment**

**Future meeting dates and times:**  
**2<sup>nd</sup> meeting: Monday, September 16 at 10:00 a.m.**

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**Capital Debt Affordability Advisory Committee  
Minutes of Meeting of Monday, September 9, 2019**

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**CDAAC Members Attending**

BETH PEARCE, CDAAC Chair, Vermont State Treasurer  
DOUG HOFFER, Vermont State Auditor  
SUSANNE YOUNG, Secretary of Administration  
DAVID COATES, CPA, Managing Partner, KPMG (Retired)  
SARA BYERS, President, Leonardo's of Vermont  
DAVID KIMEL, Chair, Vermont Municipal Bond Bank  
MICHAEL GAUGHAN, Executive Director, Vermont Municipal Bond Bank  
THOMAS KAVET, Legislative Economist

**Also Attending**

BRAD FERLAND, Deputy Secretary of Administration  
MICHAEL MIDDLEMAN, Department of Finance and Management  
JEFF CARR, Economic & Policy Resources, Inc.  
CATHERINE BENHAM, Legislative Joint Fiscal Office  
MAURA COLLINS, Vermont Housing Finance Agency  
TOM HUESTIS, Public Resources Advisory Group  
CHRISTINE FAY, Public Resources Advisory Group  
SCOTT BAKER, State Treasurer's Office

Ms. Pearce called the meeting to order at 10:01 a.m.

**Mr. Coates made a motion to approve the minutes of the September 26, 2018 meeting, which was seconded by Ms. Byers and passed unanimously.**

Following a summary report of the recent bond issue, the Committee discussed the use of the bond premium received. Alternative options for the use of the premium will be reviewed at the next meeting.

Mr. Huestis gave an update on the municipal market.

Mr. Carr gave an updated consensus revenue forecast, explaining that he worked closely with Mr. Kavet to arrive at the projections. Both commented that the projections were quite conservative.

Mr. Baker reviewed the Moody's State Debt Median report and Vermont's debt ratios and rankings.

Mr. Huestis presented the debt scenario models, including the Base Case models (projections using the current CDAAC recommended debt amounts), both with and without the "Housing Bond" debt. They also examined the effect on the debt ratios assuming an additional housing debt issuance.

The Committee agreed that the State guidelines for each of the debt ratios should be reviewed prior to next year's recommendation.

Mr. Hoffer noted that statute calls upon the Committee to consider various factors when developing its annual estimate, including the economic and fiscal impact of infrastructure spending and the infrastructure needs of the state, and he believes that the Committee is not abiding by that.

Mr. Kavet said that we can do some further review of the State's demographics and find additional ways to present the positive data.

A draft of the CDAAC report will be sent out this week and reviewed at the next meeting. The Committee agreed that the Housing Bond would be included in the State's general obligation debt. The Committee also agreed to keep the two-year debt recommendation unchanged.

There were no members of the public who wished to comment.

**The meeting was adjourned at 11:57 a.m. following a motion by Mr. Coates, seconded by Ms. Byers.**