



STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**DRAFT – NOT YET APPROVED BY COMMITTEE**  
**Capital Debt Affordability Advisory Committee**  
**Minutes of Meeting on Monday, September 28, 2015**

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**CDAAC Members Attending**

BETH PEARCE, CDAAC Chair, Vermont State Treasurer  
DOUG HOFFER, Vermont State Auditor  
SARA BYERS, President, Leonardo's of Vermont  
JUSTIN JOHNSON, Secretary of Administration  
DAVID COATES, CPA, Managing Partner, KPMG (Retired) and VT Business Roundtable (via telephone)  
ROBERT GIROUX, Executive Director, Vermont Municipal Bond Bank (via telephone)

**Also Attending**

STEVE WISLOSKI, Deputy State Treasurer  
SCOTT BAKER, State Treasurer's Office  
STEVE KLEIN, Chief Fiscal Officer, Legislative Joint Fiscal Office  
CATHERINE BENHAM, Associate Fiscal Officer, Legislative Joint Fiscal Office  
TOM HUESTIS, Public Resources Advisory Group  
CHRISTINE FAY, Public Resources Advisory Group (via telephone)  
JEFF CARR, Economic & Policy Resources, Inc. (via telephone)

Ms. Pearce called the meeting to order at 1:03 p.m.

**Mr. Giroux made a motion to approve the minutes of the September 1, 2015 meeting. Ms. Byers seconded the motion. A roll call vote was taken, with all members voting to approve the minutes.**

Ms. Pearce informed the Committee that all three rating agencies had just affirmed the State's long term debt ratings at their current levels (Moody's - Aaa, S&P – AA+, Fitch – AAA). Teams from each of the three rating agencies visited Vermont on September 9-10, in advance of issuing the ratings on the State's upcoming bond sale. Ms. Pearce said that the State financing team held individual meetings with each of the agencies, and accompanied them on a tour of several businesses. Overall, the meetings were very positive.

Mr. Wisloski briefed the Committee on the plan for the upcoming bond sale. The Citizens bonds will be sold as Green Bonds for the first time, on October 5<sup>th</sup>. The sale will likely be close to the maximum allowable size of \$97 million as the current market conditions are favorable. Much of the issuance will be reimbursement of funds which have already been spent.

Ms. Pearce informed the Committee that there was a lease of approximately \$10.6 million which would now be included as a capital lease, based on discussions with the auditors. Following a discussion of qualifications of capital leases, Mr. Klein said that this type of thing could become an increasing problem due to changing GASB regulations.

Mr. Hoffer reviewed the tables which he provided for the handout which compared Vermont to other states with at least two AAA ratings in several categories, and commented that Vermont looked good in many of the comparisons.

Mr. Carr reviewed some of the economic statistics that he provided for the report.

The Committee reviewed the draft report.

**Mr. Johnson made a motion to accept the CDAAC report, with the technical revisions discussed at the meeting. Ms. Byers seconded the motion. The motion passed unanimously by a roll call vote.**

**Mr. Coates made a motion to re-affirm the Committee's two year recommendation of \$144 million of debt capacity, which was seconded by Mr. Giroux. The motion passed unanimously by a roll call vote.**

**Ms. Byers made a motion to include mention in the cover letter accompanying the report of the possibility of a lower debt recommendation amount by the Committee for the next biennium. Mr. Johnson seconded the motion, which passed unanimously by a roll call vote.**

Ms. Pearce asked if there were any members of the public who wished to comment, and there were none.

Ms. Pearce told the Committee that Mr. David Kimmel will be joining the Committee for future meetings.

**Mr. Giroux made a motion to adjourn the meeting, Mr. Johnson seconded. Following a unanimous vote, the meeting was adjourned at 2:33 p.m.**