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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Capital Debt Affordability Advisory Committee
FROM: Steve Wisloski, Deputy State Treasurer
RE: Minutes of Meeting on Friday, September 21, 2012

CDAAC Members and Designees Attending

DAVID COATES, CPA, Managing Partner, KPMG (Retired), and VT Business Roundtable
LAURA DAGAN, CFA, Chairman, Dwight Asset Management (Retired)
JOE JUHASZ, Deputy State Auditor (designee of TOM SALMON)
BETH PEARCE, Chair, Vermont State Treasurer
JEB SPAULDING, Secretary of Administration
JOHN VALENTE, ESQ., Chair, Vermont Municipal Bond Bank

Also Attending

STEVE WISLOSKI, Deputy State Treasurer
SCOTT BAKER, Director of Financial Reporting
TOM HUESTIS, Senior Managing Director, Public Resources Advisory Group

1. Opening remarks and approval of minutes

Ms. Pearce called the meeting to order at 3:00 p.m., thanked the Committee members for their time, and stated that the purpose of the meeting was to review the draft of the 2012 Report. The meeting was held via conference call.

Mr. Valente motioned, Mr. Coates seconded, and the Committee unanimously approved the minutes of the September 13, 2012 meeting.

2. Review of draft 2012 Report

Mr. Wisloski and Mr. Huestis reviewed the draft 2012 Report with the Committee, and noted that a correction was identified for the Committee's previously-approved Scenario 1. This scenario produced a 2-year recommendation of \$158,460,000 of net tax-supported debt for the fiscal years 2014 and 2015, with a 5-year median debt per capita of \$892 and a 10-year average inflator of 3.32%. A minor Excel mistake was corrected, resulting in a slightly higher 2-year

recommendation of \$159,900,000, with a 5-year median debt per capita of \$893 and a 10-year average inflator of 3.38%.

Mr. Valente motioned, Ms. Dagan seconded, and the Committee unanimously agreed to adjust its 2-year recommendation to \$159,900,000, with the 2012 Report's methodology otherwise being consistent with the previously presented Scenario 1.

The Committee provided additional comments and suggestions to the 2012 Report. Mr. Wisloski proposed a follow-up conference call to review another draft of the report inclusive of edits, but Mr. Spaulding stated that he would be willing to adopt the report with edits as provided. Several Committee members concurred.

Mr. Coates motioned, Mr. Valente seconded, and the Committee unanimously agreed to adopt the 2012 Report, with edits as discussed during the meeting.

3. Public comment and adjournment

Ms. Pearce asked if any members of the public were on the conference call and wished to comment; no members of the public were identified.

Mr. Coates motioned, Mr. Valente seconded, and the Committee unanimously voted to adjourn the meeting at 3:32 p.m.