



STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**DRAFT – NOT YET APPROVED BY COMMITTEE**  
**Capital Debt Affordability Advisory Committee**  
**Minutes of Meeting on Monday, July 18, 2016**

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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  
ROBERT GIROUX, Executive Director, Vermont Municipal Bond Bank  
DAVID KIMEL, Chair, Vermont Municipal Bond Bank  
DAVID COATES, CPA, Managing Partner, KPMG (Retired) and VT Business Roundtable (via telephone)

**Also Attending**

WANDA MINOLI, Deputy Commissioner, Buildings and General Services  
STEVE KLEIN, Chief Fiscal Officer, Legislative Joint Fiscal Office  
CATHERINE BENHAM, Associate Fiscal Officer, Legislative Joint Fiscal Office  
SCOTT BAKER, State Treasurer's Office  
TOM HUESTIS, Public Resources Advisory Group (via telephone)  
CHRISTINE FAY, Public Resources Advisory Group (via telephone)

Ms. Pearce called the meeting to order at 1:02 p.m. Introductions were made.

**Ms. Byers made a motion to approve the minutes of the September 28, 2015 meeting. Mr. Giroux seconded the motion. A roll call vote was taken, with all members voting to approve.**

Ms. Pearce reviewed some of the highlights of the 2016 Legislative session, Capital Bill, and recent events including:

- The Legislature continued to follow the recommendation of CDAAC by maintaining the biennium issuance amount of \$144 million.
- A payment intercept was created for the benefit of the Vermont Municipal Bond Bank.
- The Private Activity Bond Advisory Committee was discontinued -allocations and requests for use of private activity bonds will now be coordinated through the Treasurer's office.

- The State continues to invest up to 10% of its' operating cash in Vermont, and has the authority to commit over \$30 million. These local investments have repayment terms of 2-10 years.
- The Capital Bill appropriated funds of \$83,874,821 in fiscal year 2017 for capital construction projects.
- The State issued bonds totaling \$89,860,000 (par value) in October 2015 at an all-in true interest cost of 2.47%.

Mr. Baker gave a brief review of the municipal market, noting that rates hit an all-time low in early July.

A review of the Moody's 2016 Debt Medians Report followed, including Vermont's ranking among the 50 states in the key debt ratios. The Committee will review Vermont's rankings among it's' peer group (states with at least two triple-A ratings) at the next meeting.

A discussion followed regarding the appropriate level of bond issuance.

Mr. Huestis gave an overview on the recent changes to the Fitch ratings criteria for U.S. states.

Mr. Hoffer presented a handout of economic metrics for Moody's triple-A Rated States.

The Committee reviewed the schedule of future meetings and work plan to complete the 2016 CDAAC Report and issuance recommendation.

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

**Mr. Johnson made a motion to adjourn the meeting, Ms. Byers seconded. Following a unanimous vote, the meeting was adjourned at 2:30 p.m.**