

ELIZABETH A. PEARCE
STATE TREASURER

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



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

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

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

DRAFT

Local Investment Advisory Committee (LIAC)

6/4/2020

LIAC Members Present:

BETH PEARCE, Vermont State Treasurer

CASSIE POLHEMUS, Vermont Economic Development Authority Designee

MAURA COLLINS, Vermont Housing Finance Agency

MICHAEL GAUGHAN, Executive Director, Vermont Municipal Bond Bank

TOM LITTLE, Vice President and General Counsel, Vermont Student Assistance Corporation Designee

DAVID CORLISS, Efficiency Vermont Designee

LIAC Members Not Present:

N/A

Also Attending:

Ashlynn Doyon, Office of the Vermont State Treasurer

Will Kriewald, Office of the Vermont State Treasurer

Scott Baker, Office of the Vermont State Treasurer

Thad Richardson, Vermont Economic Development Authority

Michael Monte, Champlain Housing Trust

CALL TO ORDER:

Ms. Pearce called the meeting to order at 1:04 p.m.

ITEM 1: Approval of May 13, 2019 Minutes

Mr. Little made a motion to approve the minutes from May 13, 2019 with a spelling correction. Ms. Polhemus seconded the motion. The Committee approved the motion to approve the minutes unanimously.

ITEM 2: Review of Request from Vermont Economic Development Authority

Note: This item was moved ahead, because Champlain Housing Trust representative joined the meeting late.

Ms. Polhemus recused herself from this discussion item.

Mr. Richardson explained the interest rate modification request on behalf of VEDA, to the committee. The request was for the \$10,000,000 note due the State of Vermont from VEDA dated February 20, 2014, and later restated and amended February 1, 2015. VEDA requested that the committee adjust the interest rate to the current 5-year US Treasury rate, plus 0.60%, for a period of 12 months.

Ms. Pearce stated that given the current COVID-19 pandemic response environment, she thinks that it is advisable to remove the interest rate floor in this case.

Mr. Little moved to remove the floor rate of 2.43% on the VEDA note dated 2/20/2014 and 2/1/2015, for a period of 12 months, with interest to accrue at the current 5-year US Treasury rate, plus 0.60%. Ms. Collins seconded the motion. The committee approved the motion with Ms. Pearce, Mr. Little, Ms. Collins, Mr. Corliss, and Mr. Gaughan voting in favor, and Ms. Polhemus abstaining.

ITEM 3: Review of Request from Champlain Housing Trust

Mr. Kriewald reviews the letter from Champlain Housing Trust to the Treasurer, requesting loan forbearance for 90 days.

Ms. Collins noted that rental collections for affordable housing have been strong and that losses in this area were only 1/10 of the estimates. She also requested more financial information from the organization before moving forward.

Ms. Polhemus moved to table the item until more information is provided. Mr. Corliss seconded the motion.

Mr. Gaughan asked about the status of the NeighborWorks of Western Vermont energy projects approved by the committee last year, and some due diligence about where they stand. Mr. Kriewald responded that there is a new financial person at NeighborWorks that is reporting on this information to him.

Michael Monte from Champlain Housing Trust joined the call at this point. Ms. Polhemus withdrew her earlier motion.

Mr. Monte explained that Champlain Housing Trust requested forbearance from all of its lenders during the COVID-19 emergency response. At this point their receivables are healthy, but they are concerned that things may get worse as unemployment insurance runs out and they are looking to relieve pressure in any way that they can.

Ms. Pearce asked what the repayment would look like in three months if this were to go through.

Mr. Kriewald noted that there is a \$15,000 quarterly payment due on June 30th.

Ms. Polhemus stated that she understood that doing the interest forbearance would mean that there would be monthly cash flow relief, but wanted to know how that stacks up relative to projections for not paying rent and whether or not Champlain Housing Trust has looked at each property individually in terms of receivables. She also noted that everyone is projecting that the months of July and August will be more challenging.

Mr. Little recommended that the committee take this information under advisement and that Treasury staff follow-up at a later date to see if relief becomes necessary. The committee concurred.

ITEM 4: Other Business

N/A

ITEM 4: Adjourn

Ms. Collins made a motion to adjourn. Ms. Polhemus seconded the motion. The committee unanimously agreed to adjourn at 1:50 p.m.