

ELIZABETH A. PEARCE  
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STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**DRAFT – NOT YET APPROVED BY COMMITTEE**  
**Capital Debt Affordability Advisory Committee**  
**Minutes of Meeting of Monday, October 5, 2020**

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**CDAAC Members Attending**

BETH PEARCE, CDAAC Chair, Vermont State Treasurer  
SUSANNE YOUNG, Secretary of Administration  
DOUG HOFFER, State Auditor  
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  
STEVE KLEIN, Legislative Joint Fiscal Office  
CATHERINE BENHAM, Legislative Joint Fiscal Office  
JEFF CARR, Economic & Policy Resources, Inc.  
NATHAN MASSE, Economic & Policy Resources, Inc.  
TOM HUESTIS, Public Resources Advisory Group  
CHRISTINE FAY, Public Resources Advisory Group  
MAURA COLLINS, Vermont Housing Finance Agency  
WILL KRIEWALD, State Treasurer's Office  
ASHLYNN DOYON, State Treasurer's Office  
SCOTT BAKER, State Treasurer's Office

Ms. Pearce called the meeting to order at 11:00 a.m.

**The meeting agenda was approved unanimously following a motion by Mr. Coates and seconded by Ms. Byers.**

Ms. Pearce thanked the Administration and the Joint Fiscal Office for all of the work they did on the budget, which includes an extension for completing the CDAAC report until October 30<sup>th</sup>. She said that a working group has been gathering information around debt affordability metrics. Mr. Hoffer requested, and it was agreed, that the working group continue this review with a larger group for inclusion in next year's report.

**Mr. Kimel made a motion to approve the minutes from the September 25, 2019 meeting, which was seconded by Mr. Coates. The motion was approved unanimously.**

Ms. Young informed the committee that Mr. Ferland will be retiring on October 30<sup>th</sup>.

**Ms. Pearce made a motion to formally thank Mr. Ferland for all his efforts and wish him well in retirement and all his future endeavors. Ms. Young seconded the motion, which was approved unanimously.**

Mr. Huestis gave an update of the municipal market. He informed the committee that the State's ratings were recently affirmed with Moody's and Fitch. Ms. Pearce said that it helped that the State's reserves were in good shape.

Mr. Baker reviewed the State's debt ratio rankings from the Moody's debt medians report.

Mr. Huestis gave an overview of the work done on the affordability metrics so far. He said that they looked at five other states and what key metrics they were using, and what types of guidelines or limits they used.

The Committee discussed the inclusion of the Transportation Infrastructure Bonds in the debt metric calculations. No decision has been made yet, but this will be considered at the next meeting.

The Committee also discussed whether pension and OPEB obligations should be included and will be reviewed in future meetings.

Ms. Pearce asked if there was anyone from the public who wished to comment, but there was none.

**The meeting was adjourned at 1:00 p.m. following a motion by Mr. Kimel, seconded by Mr. Coates.**