

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## Minutes

July 30, 2021

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on July 30, 2021 beginning at 9:45 a.m. Members of the Authority present were: T. Gallagher, Chair; A. Eastman (designee for A. Tebbetts); B. Pearce; D. Kittell; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); L. Graves; M. Tuttle; R. Shippee; S. Voigt; T. Foster and T. Collier. Staff present in VEDA's Montpelier office: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; T. Porter, Director of Commercial Lending; S. Buckley, Senior Loan Officer; J. Shackman, Senior Commercial Credit Analyst and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing were: Senior Loan Officers: A. Wood; E. Denny; J. Conklin and S. Croft; Loan Officers: C. Leonard; E. Paradee and M. Corbett; P. Fitzgerald, Director of Loan Resolution; D. Stroffoleno, Agricultural Credit Analyst and H. Hook, Senior Accountant. Guest from the public present in VEDA's Montpelier office: E. McNamara, Director of Regulated Utility Planning Division at the Vermont Department of Public Service and L. Seddon, founder of L.W. Seddon, LLC, a renewable energy services firm. Those Members present constituted a quorum.

### Minutes of June 25, 2021

On a motion by T. Collier, seconded by T. Foster, the minutes for the June 25, 2021 meeting were approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

### CEO's Report

C. Polhemus opened her report with staff news indicating Alice Wright has been promoted to Executive Assistant & Office Manager. VEDA has been attracting great talent, including Jules Shackman, Senior Commercial Credit Analyst, Denise Stroffoleno, Agricultural Credit Analyst, and Valerie Kris who will be joining VEDA in August as an Agricultural Credit Analyst.

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Next, C. Polhemus provided a brief update on Broadband. J. Goldstein provided an update on the Economic Recovery Bridge Program.

C. Polhemus welcomed E. McNamara and L. Seddon who will share solar industry expertise.

C. Polhemus presented the Approvals and Closings Report.

### Discussion of Solar Industry

E. McNamara and L. Seddon provided a presentation on the solar industry in Vermont and how current and future regulations might impact VEDA's Solar Loan Portfolio and future projects under consideration. The vast majority of projects are commercial net metering systems ranging in size from 110 kW to 500kW. Solar growth, impact on electric rates, and forecast on net metering rates were discussed.

### Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through June 30, 2021 of \$5.308 million was favorable to budget by \$3.088 million. Net Interest Income of \$8.152 million was favorable to budget by \$127 thousand. Other Income of \$3.413 million was favorable to budget by \$2.469 million.

### Credit Quality Report

P. Samson provided the Members with a review of the Credit Quality Report.

### Enterprise Risk Assessment Report

C. Houchens provided the Members with the Enterprise Risk Assessment Report.

### Outstanding Loan Review Items

C. Houchens provided the Members with the quarterly Outstanding Loan Review Items Report.

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### Credit Risk Classification Report – 4<sup>th</sup> Quarter FY2021

Staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 4<sup>th</sup> quarter of fiscal 2021 (ended June 30, 2021) included recommended loan loss reserves in the amount of \$2,471,500, reflecting a \$362 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by L. Graves, seconded by T. Collier, the recommendation was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair and B. Pearce abstaining.

### FY2022 Budget

T. Richardson provided the Members with the FY2022 Budget indicating the budget uses fairly aggressive assumptions on loan growth and timing of the anticipated SSBCI program. Other assumptions include increased overhead related to more in-office work and resumption of travel.

T. Gallagher indicated that ALCO has voted to recommend approval of the budget subject to review of the details for arriving at the loan loss reserve calculations used in the budget.

After discussion regarding loan loss reserves and liquidity, on a motion by T. Collier, seconded by J. Goldstein, the FY2022 Budget was approved by those Members of the Authority present subject to review of the details for the loan loss reserve calculations by a vote of 10 to 1 with the Chair abstaining and B. Pearce voting in the negative.

### Enterprise Risk Management Program

C. Houchens provided the Members with the Enterprise Risk Management Program.

On a motion by S. Voigt, seconded by T. Collier, the Enterprise Risk Management Program was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

### Compliance Management System Policy

C. Houchens provided the Members with the Compliance Management System Policy.

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On a motion by M. Tuttle, seconded by L. Graves, the Compliance Management System Policy was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Loan Review Program

C. Houchens provided the Members with the Loan Review Program.

After discussion regarding requirements and time frequency for reviews, on a motion by S. Voigt, seconded by T. Collier the Loan Review Program was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

At 12:00 p.m. T. Collier left the meeting.

Information Security Policy

R. Grzankowski provided the Members with the updated Information Security Policy.

On a motion by S. Voigt, seconded by L. Graves, the Information Security Policy was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Incident Response Plan

R. Grzankowski provided the Members with the updated Incident Response Plan.

On a motion by S. Voigt, seconded by M. Tuttle, the Incident Response Plan was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Staff Authority – Loan Approvals

Pursuant to a resolution passed by the Members of the Authority at the July 29, 2016 meeting, Staff has approved the following loans:

<b>Name</b>	<b>Town</b>	<b>Program</b>	<b>Loan Amount</b>
350 Old Camp Solar LLC	Sunderland	Com Energy	\$90,000
Novus Morrisville Solar, LLC	Morrisville	Com Energy	\$375,000

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Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

Staff Authority – Other Affiliate Programs – Loan Approval


Pursuant to Affiliate Program agreements and memorandums of understanding, Staff has recommended the following loan. (Note BRF – Brownfields Revitalization Fund; CWSRF – Clean Water State Revolving Fund; DWSRLF – Drinking Water State Revolving Fund; LASRF – Local Assistance State Revolving Loan Fund; WCEDP – Windham Community Economic Development Program)

<b>Name</b>	<b>Town</b>	<b>Program</b>	<b>Loan Amount</b>
Country Club Condominium of Bolton Homeowners' Association, Inc.	Jericho	DWSRLF	\$25,000

There being no other business to properly come before the Authority, on a motion by L. Graves, seconded by T. Foster, the meeting adjourned at 12:02 p.m.

ATTEST:

Vermont Economic Development Authority

By:   
Cassandra F. Polhemus, Chief Executive Officer