

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

ASSET LIABILITY COMMITTEE

Minutes

April 29, 2022

A meeting of the Members of the Vermont Economic Development Authority's Asset Liability Committee (ALCO) and VEDA Management convened on April 29, 2022 beginning at 8:30 a.m. Those Members of the Committee present were: T. Gallagher, Chair. Members present via video conferencing were: L. Graves; S. Voigt and C. Carpenter. Staff Members present in VEDA's Montpelier office were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operating Officer; C. Houchens, Chief Risk and Resource Officer; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Committee Member B. Pearce entered the meeting later.

Minutes of December 17, 2021

On a motion by S. Voigt, seconded by L. Graves, the minutes for the December 17, 2021 meeting were approved by those Members of the Committee present by a vote of 3 to 0 with the Chair abstaining.

ALCO Committee Memo

T. Richardson provided Members with the ALCO Dashboard as of March 31, 2022 and projections for the FY ending June 30, 2022, noting the SSBCI funds have been removed. Earnings are where expected, current liquidity is strong and able to support anticipated cash needs for the foreseeable future. The areas that will require continued attention are interest rate risk and generating sufficient portfolio growth to sustain operating income.

Next, T. Richardson indicated that VEDA has seen positive cash inflow from PPP forgiveness and overall loan repayment, with no current borrowings from CoBank, leaving an available \$37MM line of credit.

Asset Liability Committee Notes – April 29, 2022

At 8:44 a.m. B. Pearce entered the meeting.

Discussion regarding interest rate and the assumption that a 2% increase is forecast through the end of the year. Discussion of both variable and fixed rates, VEDA's historical perspective and government guarantee to comply with secondary market ensued.

FY2023 Budget Preliminary Discussion

T. Richardson provided a summary of FY22 results and preliminary FY23 budget assumptions noting the end of year is positive without SSBCI funding. VEDA has submitted final SSBCI answers to the Treasury, and although funds are expected the FY23 budget will be based on normal operations, with additional scenarios to include potential SSBCI program impact.

Discussions regarding the loan portfolio, pipeline, goals, and mission growth ensued. S. Voigt suggested that the capital budget be placed on a future ALCO agenda.

B. Pearce inquired about the interest rate reset on the \$10MM note with the State of VT.

C. Polhemus noted this has reset to a fixed rate of 2.43% until maturity in 2025.

3/31/22 BFS Provided for Further Review/Discussion

T. Richardson presented Members with the BFS noting it is important to understand what has changed in the last year and project accordingly.

Discussion ensued regarding allowance for loan loss and policy limits.

T. Gallagher discussed the standard ALCO responsibilities and what future topics the Committee would like to place on agendas moving forward.

Asset Liability Committee Notes – April 29, 2022

There being no other business to properly come before the Committee, on a motion by B. Pearce, seconded by L. Graves, the meeting adjourned at 9:14 a.m.

ATTEST:

Asset Liability Committee

By: 

Thaddeus G. Richardson, Chief Financial Officer