

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

ASSET LIABILITY COMMITTEE

Minutes

July 29, 2022

A meeting of the Members of the Vermont Economic Development Authority's Asset Liability Committee (ALCO) and VEDA Management convened on July 29, 2022 beginning at 8:02 a.m. Those Members of the Committee present were: T. Gallagher, Chair and S. Voigt. 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; A. Wright, Executive Assistant and Office Manager, and K. Kilpatrick, Administrative Assistant. Staff present via video conferencing were: C. Houchens, Chief Risk and Resource Officer and H. Hook, Senior Accountant. Committee Member B. Pearce entered the meeting later.

ALCO Committee Memo

T. Richardson provided Members with the ALCO Dashboard as of June 30, 2022, noting major changes relating to the changing interest rates. T. Richardson indicated that credit quality continues to be strong.

At 8:05 a.m. B. Pearce entered the meeting.

FY2022 Recap and FY2023 Budget Review

T. Richardson provided Members with the proposed Budget noting the approval of SSBCI and the uncertainty of the Forgivable Loan Program. Next, T. Richardson noted loan loss reserves were brought back to policy levels.

Discussion ensued regarding anticipated interest rates adjustments, magnitude of outside vs inside staff, and the changing energy and solar portfolios.

T. Gallagher noted the consensus is to recommend approval of the Budget to the Board.

Asset Liability Committee Notes – July 29, 2022

FY2023 Incentive Plan Goals

T. Richardson provided Members with the Incentive Plan Goals noting provisions may need to increase. Credit quality, long term sustainability and focusing on core numbers to sustain long term.

Discussion ensued on compensation determination. T. Gallagher indicated loan loss reserves should be separate from the incentive compensation plan in good times and bad. B. Pearce noted the Committees approval of the incentive with ongoing review moving forward as part of the strategic plan. T. Gallagher agreed that the incentive and what we want for staff should be part of every strategic plan.

Minutes of April 29, 2022

On a motion by S. Voigt, seconded by B. Pearce, the minutes for the April 29, 2022 meeting were approved by those Members of the Committee present by a vote of 2 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented the Members with the Board Financial Summary noting the year ended solidly, despite not having SSBCI.

Other Discussion

T. Gallagher noted we are likely going to be in a decreasing rate environment, and we need to think ahead to pricing strategy to influence our income statement.

Next, T. Gallagher noted the importance of further discussion to keep the Board aware of how VEDA will leverage recessionary pressure and competition with other lenders. S. Voigt requested that payment penalty be included in this discussion. B. Pearce noted looping in economic impact as well as her appreciation for discussion.

C. Polhemus thanked Members to their support on the budget.

Asset Liability Committee Notes – July 29, 2022

There being no other business to properly come before the Committee, on a motion by S. Voigt, seconded by B. Pearce, the meeting adjourned at 9:13 a.m.

ATTEST:

Asset Liability Committee

By: 

Thaddeus G. Richardson, Chief Financial Officer