

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

ALCO COMMITTEE

Minutes

September 27, 2024

A meeting of the Members of the Vermont Economic Development Authority's Asset Liability Committee (ALCO) and VEDA Management convened at The Basin Harbor Resort on September 27, 2024 beginning at 8:15 a.m. Those Members of the Committee present: T. Gallagher, Chair; J. Goldstein (designee for L. Kurrle) S. Voigt, M. Pieciak. Those Members present represented a quorum. Staff Members present: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operating Officer; C. Houchens, Director of Human Resources and Compliance; S. Buckley, Director of Energy; J. Emens-Butler, General Counsel and Director of Closing.

Minutes of July 26, 2024

On a motion by J. Goldstein, seconded by S. Voigt, the Minutes of the July 26, 2024 ALCO meeting were approved by those Members of the Committee present by a vote of 3 to 0 with the Chair abstaining.

ALCO Summary/Dashboard Review

T. Richardson presented the ALCO memo and Dashboard as of August 31, 2024, noting VEDA remains in a strong position with a good start to the new fiscal year. Asset quality continues to improve with the payoff of several agricultural loans previously in non-accrual status. This has caused net interest margin to be higher than budget with the capture of interest on these loans. T. Richardson noted that two large projects have been approved for funding via the State of Vermont LIAC program, allowing VEDA to offer a low fixed rate to support these borrowers.

Discussion ensued regarding interest rates and the projections for rate decreases looking forward compared to VEDA's FY25 budget.

Board Financial Summary

T. Richardson presented the Members with the Board Financial Summary for the period ending August 31, 2024. Closings were well above budget to start the year, as with usage of SSBCI funding. This is expected to slow down into the fall toward budgeted levels. J. Goldstein inquired about SSBCI funding with the equity program, and what remains to be disbursed. T. Richardson noted that there is still over \$10MM of equity funding to be allocated, and the group will be meeting in October to discuss options for this. FreshTracks has been very successful in investing funds to date, and the Green Mountain Accelerator Fund has also made several investments in recent months.

T. Gallagher asked about the pipeline and how this compares to budgeted volume; P. Samson indicated the pipeline is robust, and he believes we will be able to hit targets. T. Richardson noted that the USDA RESP funding was approved for \$10MM, and there may be a wider range of eligible projects than initially believed, which could spur further demand in the energy sector.

Other Business

There being no other business to properly come before the Committee, on a motion by M. Pieciak, seconded by J. Goldstein, the meeting adjourned at 8:40 a.m.

ATTEST:

Asset Liability Committee

By: _____

Thaddeus G. Richardson, Chief Financial Officer

Video transcripts of all meetings will be made available here -
<https://www.youtube.com/@VEDAMeetingArchive>