

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

ALCO COMMITTEE

Minutes

December 20, 2024

A video conferencing meeting of the Members of the Vermont Economic Development Authority's Asset Liability Committee (ALCO) and VEDA Management convened on December 20, 2024 beginning at 8:01 a.m. Those Members of the Committee present: T. Gallagher, Chair; C. Carpenter; J. Goldstein; M. Pieciak and S. Voigt. Also present: T Foster, Board Member. Those Members present represented a quorum. Staff Members present: C. Polhemus, Chief Executive Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; H. Hook, Controller; J. Emens-Butler, General Counsel and Director of Closing and A. Wright, Executive Assistant and Facilities Manager.

Minutes of September 27, 2024

On a motion by S. Voigt, seconded by J. Goldstein, the Minutes of the September 27, 2024 ALCO meeting were approved by those Members of the Committee present by a vote of 4 to 0 with the Chair abstaining.

ALCO Dashboard Review

T. Richardson presented the ALCO Dashboard as of November 30, 2024, noting everything is going according to budget and the net interest margin is coming back to VEDA's favor. VEDA continues to maintain a healthy balance sheet with strong capital and liquidity to support future growth.

Next, T. Richardson noted the SSBCI program continues to provide significant funding and capital. Future commitments will come from accumulated interest earnings and funds available to repurpose from recycled cash and loan repayments.

T. Richardson provided an update on the CoBank and TD lines of credits to fund cash needs, and the potential funding sources being considered to help with the energy portfolio.

T. Richardson noted the Fed Funds rate cuts, and VEDA's repricing gap that is well balanced and continues to improve as maturing debt becomes due.

J. Goldstein inquired how VEDA historically adjusted with the Fed and prime rates. T. Richardson indicated VEDA is slower to catch up, but generally stay in the same range. VEDA funding and known costs are factors as well. C. Polhemus noted the \$10 million LIAC note that Treasurer Pieciak recently approved the refinancing of.

S. Voigt noted the strong balance sheet and agreed that using a line of credit and keeping VEDA's liquidity in place makes sense.

Board Financial Summary

T. Richardson presented the Members with the Board Financial Summary for the period ending November 30, 2024 noting almost six months into the fiscal year that loan volume dollars and the number of loans continues to fund a wide range of industries. Overall balances are comfortably above budget in all portfolios.

Expenses overall are inline with budget with no real expectation of any change going forward. The investment portfolio and credit quality are very strong with no overall concern in the portfolio.

T. Gallagher noted that VEDA's financial summary is consistent with what he is seeing in the banking industry. Pipelines are full and steady, although not as many, and high interest fatigue with increasing property taxes are causing strain on some individuals.

C. Carpenter concurred with T. Gallagher noting a lot of variables in play as to what interest rates may do in 2025.

T. Richardson indicated he had met with J. Goldstein regarding the remaining SSBCI funds. C. Polhemus indicated discussions continues as to where VEDA can make an impact, to find the gap and structure the SSBCI funds in the best way. T. Richardson will continue to explore the options and report back to Treasury.

J. Goldstein noted she has recently visited the State Science Institute where she learned only three states received all three SSBCI tranches, VEDA being one of the three.

Other Business

There being no other business to properly come before the Committee, on a motion by J. Goldstein, seconded by S. Voigt, the meeting adjourned at 8:31 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>