

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

ALCO COMMITTEE

Minutes

June 12, 2026

A meeting of the Members of the Vermont Economic Development Authority's Asset Liability Committee (ALCO) and VEDA Management convened on June 12, 2026 beginning at 8:00 a.m. Those Members of the Committee present via video conference calls: T. Gallagher, Chair; L. Kurrle; S. Voigt; P. Trombley; K. Hale; and T. Foster. Those Members present represented a quorum. VEDA Staff Members present via video conference call: J. Goldstein, Chief Executive Officer; S. Croft, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer. ; H. Hook, Controller.

Minutes of March 27, 2026

On a motion by L. Kurrle, seconded by S. Voigt, the Minutes of the March 27, 2026 ALCO meeting were approved by those Members of the Committee present by a vote of 4 to 0 with the Chair abstaining.

Proposed FY2027 Budget Review

T. Richardson provided Members with the interim FY2027 budget. T. Richardson noted FY2026 is projected to end well with many targets met, with steady growth and expenses staying relatively level. T. Richardson noted that \$12 million in Energy portfolio expected to pay off in FY27 which will impact net interest income as the interest rates on these loans were 7.5%. VEDA would be able to pay down existing debt which would help lessen the impact. Budgeted loan volume is aggressive with a goal to keep the portfolio growing. VEDA is anticipating receipt of \$10 million of RESP program funding, which will provide lower cost of funding for new energy projects. This is represented on the budgeted balance sheet and could change if we do not get the funds. Housing is expected to have some activity beginning in the second half of the year. Fee income will drop slightly as VEDA will be pulling out of the SBA program as there is no activity, as well in FY26 we received fee income from an Energy relationship that will not continue in FY27. T. Richardson noted that non-interest expenses will increase nearly 5%,

primarily in staff expenses, but only returning to FY25 levels as FY26 was low with timing of retirements. There is also potential for higher building maintenance, expenses with bringing on AI, increased audit fees with additional programs, and additional marketing expense. Credit quality is in a very good position. Energy looks strong with low delinquency. VACC is looking good with strong new originations offsetting the more challenged loans that have been running off. T. Richardson noted setting a minimum target ROA of .50% with a goal of .75% over the next several years. This will help with ensuring VEDA's future sustainability.

T. Richardson stated the FY27 closing budget is fairly aggressive and anticipates deployment of low-cost Energy funding. There are no major changes on the balance sheet. Capital will continue to grow. T. Richardson noted that not all capital is available as several of the programs include restricted funds. There are now five venture capital funds up and running to deploy remaining SSBCI funding.

K. Hale indicated the proposed FY2027 budget is appropriate and well thought out with well-defined assumptions. T. Gallagher likes the strategies and aggressive goals, and remarked about the increased presence of VEDA staff that have been out creating relationships and attending events. Upon the consensus of the Committee pending final review at the June 26, 2026, ALCO meeting, the proposed budget shall be recommended to the full Board of Directors for approval.

Other Business

There being no other business to properly come before the Committee, on a motion by S. Voigt, seconded by K. Hale, the meeting adjourned at 8:40 a.m.

ATTEST:

Asset Liability Committee

By: _____
Thaddeus G. Richardson, Chief Financial Officer