

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING

Minutes

May 26, 2023

A meeting of the Vermont Economic Development Authority's Executive Committee conveyed at VEDA's Montpelier office on May 26, 2023 beginning at 8:24 a.m. Those Members of the Authority's Executive Committee present: S. Voigt, Chair; T. Foster and T. Gallagher. Staff present: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer and A. Wright, Executive Assistant and Office Manager.

T. Richardson provided the Members with the FY23 Incentive Plan Review, noting the FY23 budget process was difficult due to the uncertainty of both the SSBCI and FLP Programs. For incentive goal purposes, these programs were excluded, and focus was placed on the core loan operations.

Next, T. Richardson noted the moderate interest rate increase forecasted in June 2022. Over the course of FY23 the most rapid rate increase in decades occurred causing a squeeze on the net interest margin, which negatively impacts the operating income used to determine the financial performance ratios within the plan. This has caused a lower YTD result in comparison to the broader success of VEDA this year.

Discussion ensued regarding the swift rollout of the SSBCI and FLP Programs due to the efforts and performance of Staff, which exceeded expectations. After consideration of the overall financial performance including SSBCI impact, VEDA has increased net assets more than \$4 million above budget YTD, and loan origination is \$7 million over budget without considering the \$18.5 million of FLP lending. Operating expenses have also remained under budget YTD.

On a motion by T. Gallagher, seconded by T. Foster, the Executive Committee authorized management to appropriately compensate Staff with a separate reward outside of the approved compensation plan by a vote of 3 to 0. The final incentive plan results will be presented to the Committee prior to disbursement to staff.

There being no other business to properly come before the Authority, on a motion by T. Gallagher, seconded by S. Voigt, the meeting adjourned at 8:58 a.m.