



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE  
STATE HOUSE ▪ ROOM 373  
BOSTON, MA 02133

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**Meeting Minutes**

**State Finance and Governance Board  
December 20, 2018  
11:00 am  
Executive Office for Administration and Finance  
State House, Room 373**

A meeting of the State Finance and Governance Board was held on Thursday, December 20, 2018 in the Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts, pursuant to notice duly given.

Meeting was called to order at 11:06 am.

**Board members comprising a physical quorum:**

Lourdes German, Boston College, Board Chair  
Brent Andersen, Pilgrim Bay Insurance  
Kate Holahan, Associated Industries of Massachusetts  
Sue Perez, Office of the State Treasurer  
Supreo Ghosh, Office of the State Treasurer

**Others in attendance:**

Kathy Bramlage, Office of the State Treasurer  
Andrew Estrada, PFM

**1. Administrative Matters**

- I. On a motion made by Ms. Perez, and duly seconded, members voted to approve the November 15, 2018 meeting minutes pending the inclusion of edits offered by Ms. Perez.

**2. Discussion**

- I. *No discussion matters scheduled*

**3. Derivative Reviews**

- I. Ms. Bramlage reviewed the Commonwealth’s request to partially terminate a \$433.855M swap with Wells Fargo – the notional amount to be terminated would be \$310.535M. Ms. Bramlage explained how this swap is actually made up of 10 different “mini-swaps” that are hedged by a number of SIFMA floating rate notes. Under the proposed transaction, the notes would be refinanced into fixed rate bonds once the swaps are terminated. Among the benefits of the proposal would be lower the Commonwealth’s debt service costs and reduced interest rate and counterparty risk to the Commonwealth’s portfolio.

Chair German noted that the proposed transaction was forward thinking, given the current interest rate environment.

On a motion made by Mr. Andersen, and duly second, the Board voted that it had received satisfactory information regarding the proposed bond transaction involving the termination involving termination of a derivative financial product by the Commonwealth of Massachusetts and deemed the submission consistent with the purpose and intent of Sections 97 and 98 of Chapter 6 of the Massachusetts General Laws and regulations thereunder and reviewed with no additional conclusions required. The Board concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder had been submitted in a manner consistent with the regulations.

**4. Waiver Request**

*No items discussed.*

**5. Review of Closed Transactions:**

*No items discussed.*

**6. Adjournment**

- I. On a motion made by Ms. Perez, members voted to adjourn. The meeting was adjourned at 11:16 am.

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Frank Gervasio, Secretary