



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
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Meeting Minutes

**State Finance and Governance Board
February 21, 2019
3:00 pm
Executive Office for Administration and Finance
State House, Room 373**

A meeting of the State Finance and Governance Board was held on Thursday, February 21, 2019 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 3:03pm.

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:

Barbara Kroncke, McCarter English
Jennifer Gonzalez, University of Massachusetts Building Authority
Patricia Filippone, University of Massachusetts Building Authority
Megan DeGrass, Wells Fargo
Kathy Bramlage, Office of the State Treasurer

1. Administrative Matters

- I.** On a motion made by Mr. Andersen, and duly seconded, members voted to approve the December 20, 2018 meeting minutes.

2. Discussion

- I.** *No discussion matters scheduled*

3. Derivative Reviews

- I.** *No discussion matters scheduled*

4. Waiver Request

- I.** Ms. Filippone reviewed the University of Massachusetts Building Authority's ("the Authority") request to negotiate a refinancing of 2009 Build America Bonds, which under current rates could save the Authority \$29M in debt service costs.

Ms. Gonzalez noted that the University has made improvements in terms of its debt score. In June, Moody's removed the "negative" outlook from its score, which will stand to benefit this issuance. Ultimately, the benefits of the negotiated sale will be felt on the campuses themselves.

Ms. Filippone noted that some of the proceeds of the original bonds were used to finance the purchase of the Bayside Expo Center, which adds an additional nuance to the deal.

On a motion made by Mr. Andersen, and duly seconded, the Board voted that that a waiver from the presumption of a competitive, sealed bid financing, be granted with respect to the issuance by the Authority of one or more series of bonds under the Project Trust Agreement in an aggregate principal amount not to exceed \$280,000,000, to refund outstanding bonds and to pay other related costs of the Authority, and that the Authority be authorized to sell such bonds on a negotiated basis not later than August 21, 2019.

5. Review of Closed Transactions:

- I.** Ms. Bramlage reviewed the Commonwealth's sale of \$996.265M in new money and refunding bonds in four series, which took place in January 2019. Proceeds from the sale will be used to fund certain capital projects and to refund prior bonds, including variable rate bonds.

The refunding also included the partial termination of a Wells Fargo SIFMA swap, which is actually made up 10 "mini-swap" contracts. Of the total SWAP notional amount of \$433.855M, the notional amount to be terminated is \$310.535M.

Ms. Bramlage noted that prior to the sale, the Commonwealth embarked on a marketing campaign that included radio, online advertisements, and email blasts. She also noted that there was strong interest and demand during the sale itself.

Chair German congratulated Ms. Bramlage on a successful transaction. She inquired about one of the series (GO 2019 Refunding A) having a present value savings of $-.8M$, which Ms. Bramlage clarified was due to cash defeasance associated with the deal.

6. Adjournment

- I.** On a motion made by Mr. Andersen members voted to adjourn. The meeting was adjourned at 3:15 pm.

Frank Gervasio, Secretary