



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE  
STATE HOUSE ▪ ROOM 373  
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**Meeting Minutes**

**State Finance and Governance Board  
June 20, 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, June 20, 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:**

Kathleen Bramlage, Office of the State Treasurer  
Nate Keenan, Massachusetts Clean Water Trust

## **1. Administrative Matters**

- I.** On a motion made by Mr. Andersen, and duly seconded, members voted to approve the May 16, 2019 meeting minutes.

## **2. Discussion**

- I.** *No discussion matters scheduled*

## **3. Derivative Reviews**

- I.** *No items.*

## **4. Waiver Request**

- I.** Ms. Bramlage provided details regarding the Commonwealth's request for a competitive sale waiver in the amount of \$2 billion which would expire on December 31, 2019. Ms. Bramlage noted that the potential size of upcoming transactions may require significant pre-sale marketing in order to ensure broad market support and distribution in an uncertain market. In her presentation, she also stated that a negotiated sale allows the Commonwealth to support the retail investment community – retail investors purchased 90.09% of the Series B Refunding bonds issued in 2018.

Chair German inquired if this level of retail community participation was the most the Treasurer's office had observed in recent years. Ms. Bramlage confirmed that this was the highest levels she had seen.

On a motion by Mr. Andersen, and duly seconded, the Board voted to authorize the Commonwealth to issue bonds in an aggregate amount of \$2,000,000,000 for new money issues in one or more series and in one or more transactions, to price the bonds in any such transactions on a date or dates no later than December 31, 2019, and to sell any such bonds on a negotiated basis.

- II.** Mr. Keenan presented the Massachusetts Clean Water Trust's ("the Trust") request for a competitive sale waiver for the upcoming issuance of its State Revolving Fund Series 22 Green Bonds. The Trust anticipates issuing at approximately \$300 million in loans which would finance clean water and drinking water projects, including replacement of aged infrastructure components, installation of advanced water treatment technologies, construction or upgrade of municipal water treatment facilities, and more. Mr. Keenan stated that a negotiated sale will allow the Trust to target Green Bond investors, walk investors through the complex credit structure of the deal, and highlight the projects being financed by the bonds.

Mr. Andersen asked if the Trust had projects lined up that would benefit from the issuance. Mr. Keenan clarified that while there were no final decisions on which projects would ultimately be financed, the Trust had roughly \$270 million in projected the "the pipeline", including municipal and utility district projects.

Chair German asked if the Trust had observed a difference in the pricing of Green Bonds now that more awareness has been built in this type of investment. Mr. Keenan replied that while it was tough for the Trust to make any comparisons, their bonds have been pricing very well in general.

Ms. Perez noted that the negotiated sale allows the Trust to show how the bonds will make a positive impact on local communities. Mr. Ghosh also noted that investors who typically would not invest in municipal debt, such as the City of Chicago, have started targeting Green Bonds.

On a motion made by Mr. Andersen, and duly seconded, the Board voted that the items required to be submitted to the Board pursuant to 976 CMR 2.07 had been submitted in a manner consistent with the Board's regulations. The Board voted to authorize the Massachusetts Clean Water Trust to issue bonds in an aggregate principal amount up to \$300,000,000, new money issuance, to price the bonds in any such transactions on a date no later than December 31, 2019, and to sell any such bonds on a negotiated basis.

## **5. Review of Closed Transactions:**

- I.** *No items.*

## **6. Discussion on Board Activities**

- I.** The Board had a short discussion regarding other activities and updates.

The Board reviewed a draft annual report, and offered edits. The Board also discussed consolidating its FY18 and FY19 report, and publishing a FY20 report next year.

The Board also discussed making some changes to its website, which would be done in coordinating with A&F's web manager.

## **7. Adjournment**

- I.** On a motion made by Mr. Andersen members voted to adjourn. The meeting was adjourned at 3:29 pm.

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Frank Gervasio, Secretary