



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
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Meeting Minutes

**State Finance and Governance Board
May 16, 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, May 16, 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 3:02pm.

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:

Mark Curtiss, Massachusetts Housing Partnership
Patricia Filippone, University of Massachusetts Building Authority
Mike Wilson, University of Massachusetts Building Authority

1. Administrative Matters

- I. On a motion made by Mr. Andersen, and duly seconded, members voted to approve the February 21, 2019 meeting minutes.

2. Discussion

- I. *No discussion matters scheduled*

3. Derivative Reviews

- I. Mr. Curtiss reviewed the Massachusetts Housing Partnership's ("MHP") request for a renewal of their \$50 million, 6-month its swap program that would run through December 31, 2019. The swap program allows MHP to offer forward rate commitments to its borrowers under its participation in a federal Housing & Urban Development/Treasury Department Risk Sharing Program. Mr. Curtiss noted that the program has been operating well, and that it has financed the construction or rehabilitation 821 apartments. Additionally, there were \$20.1M in potential swaps to be executed in MHP's "pipeline."

Mr. Curtiss also mentioned that the federal program was itself at risk – given the uncertainty as to whether or not the program would be reauthorized at the federal level, MHP was unsure if another renewal of the program's waiver would be needed or not after 2019. Mr. Curtiss did note that MHP was looking for potential investors to partner with in the case the program was not renewed.

Following a question from Chair German, Mr. Curtiss explained how the program had financed a wide variety of projects with varying sizes, but that Barclays had applied the same credit spread for all of the deals. Mr. Curtiss also explained how MHP prided itself on its wide array of projects and loans, noting that the needs of small towns can differ greatly than others.

On a motion by Mr. Andersen, and duly seconded, Board voted that it had received satisfactory information regarding the transaction terms related to Massachusetts Housing Partnership's forward-starting swaps in the aggregate notional amount not to exceed \$50,000,000 to be executed between July 1, 2019 and December 31, 2019 and deems the transaction reviewed with no additional conclusions required.

4. Waiver Request

- I. *No items discussed*

5. Review of Closed Transactions:

- I. Ms. Filippone provided details on the University of Massachusetts Building Authority's ("UMBA") refunding of \$208.7M in tax exempt bonds that closed in March 2019. Ms. Filippone stated that UMBA was pleased with the results of the deal, which produced \$41.7M in net present savings. Ms. Filippone also noted that the deal was well timed – the bonds priced with the lowest rates UMBA had seen in since January 2018.

There were no questions from the Board.

6. Adjournment

- I. On a motion made by Mr. Andersen members voted to adjourn. The meeting was adjourned at 3:11 pm.

Frank Gervasio, Secretary