



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

TEL: (617) 727-2040
FAX: (617) 727-2779
www.mass.gov/eoaf

Meeting Minutes

State Finance and Governance Board

November 12, 2020

3:00 pm

Conference Line: 978-990-5000, access code: 244621#

A meeting of the State Finance and Governance Board was held via teleconference on Thursday, November 12, 2020, in accordance with the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20, signed and dated March 12, 2020, and pursuant to notice duly given.

Meeting was called to order at 3:01pm.

Board members comprising a quorum:

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

Others in attendance:

Kathy Bramlage, Office of the State Treasurer
William Archibald, Executive Office for Administration and Finance, Board Secretary
Kaitlyn Connors, Executive Office for Administration and Finance

1. Administrative Matters

- I. On a motion made by Mr. Andersen, and duly seconded, members voted to approve the September 24, 2020 meeting minutes.

2. Discussion

- I. *No discussion matters scheduled.*

3. Derivative Reviews

- I. Ms. Bramlage presented the Commonwealth's request for a derivative review relating to the termination of its \$118.505M swap with Wells Fargo. Ms. Bramlage noted that the current outstanding bonds that hedge the swap are the Series 2018A Refunding Bonds, which are in the SIFMA Floating Rate Note Roll program. Ms. Bramlage explained that the termination of the swap and refinancing of these SIFMA floating rate bonds into fixed-rate bonds would reduce risk to the Commonwealth's portfolio and allow the state to take advantage of historically low fixed rates.

Chair German asked if there was anything with respect to interest rates that the Commonwealth anticipates could affect the economics of the swap termination. Ms. Bramlage responded that the current rates for the outstanding bonds are already in the high 3s and the first termination date is not until 2022, so there would need to be a large change in interest rates for the termination to not make sense, which the Commonwealth does not anticipate in the near future.

On a motion from Mr. Andersen, the Board unanimously voted that it had received satisfactory information regarding the proposed bond transaction involving termination of a derivative financial product by the Commonwealth of Massachusetts and deems the submissions (x) consistent with the purpose and intent of Sections 97 and 98 of Chapter 6 of the Massachusetts General Laws ("Chapter 6") and regulations promulgated thereunder and (y) reviewed with no additional conclusions required; and that the Board further concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder have been submitted in a manner consistent with the regulations.

4. Waiver Requests

- I. *No discussion matters scheduled.*

5. Closed Transactions/Bond Sale Reviews:

- I. *No discussion matters scheduled.*

6. Discussion on Board Activities

- I. Chair German noted that there will be an additional Board meeting next Friday, November 20, 2020, at 4pm.

7. Adjournment

- I. On a motion made by Ms. Perez, and duly seconded, members voted to adjourn. The meeting was adjourned at 3:06pm.

William Archibald, Secretary