



THE COMMONWEALTH OF MASSACHUSETTS

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Meeting Minutes

State Finance and Governance Board

November 18, 2021

11:00 am

Zoom URL: <https://mass-gov-anf.zoom.us/j/83294147919>

Teleconference Line: 713-353-7024, conference code: 319738#

A meeting of the State Finance and Governance Board was held via teleconference on Thursday, November 18, 2021, 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 11:05 am

Board members comprising a quorum:

Lourdes German, Harvard University, Board Chair
Sue Perez, Office of the State Treasurer
Supreo Ghosh, Office of the State Treasurer

Others in attendance:

Jennifer Gonzalez, Massachusetts State College Building Authority
Christie Martin, Massachusetts State College Building Authority
Molly Bench, Massachusetts State College Building Authority
Anna Tenaglia, Massachusetts Port Authority
Kenneth Ciriello, Massachusetts Port Authority
John Affuso, Massachusetts Port Authority
Kelly Govoni, 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 Ms. Perez, and duly seconded, members voted to approve the October 21, 2021, meeting minutes.

2. Discussion

- I. *No discussion matters scheduled*

3. Waiver Requests

- I. Ms. Gonzalez requested the issuance of a waiver from the presumption of competitive financing for an upcoming bond issue for the Massachusetts State College Building Authority (the "Authority"). Ms. Gonzalez noted that the Authority has an opportunity to issue tax-exempt refunding bonds to current refund the 2012C Bonds and taxable refunding bonds to advance refund certain outstanding bonds to achieve present value and annual debt service savings. Ms. Gonzalez noted that the Authority is also looking to provide savings to FY 2023 to assist the campuses with the COVID-19 crisis. Ms. Gonzalez noted that the Authority also plans to issue approximately \$20 million tax-exempt Bonds to fund projects at several of the state college campuses. Ms. Gonzalez concluded by stating that based on the foregoing, the Authority has determined that it is desirable to price upcoming refunding/ restricting bond issue on a negotiated basis and requests that the State Finance and Governance Board adopt the resolution.

Chairwoman Lourdes asked if there were any questions or comments from Board members. There were no questions or comments from Board members.

On a motion from Ms. Perez, the State Finance and Governance Board voted to grant a waiver from the presumption of a competitive financing to the Massachusetts State College Building Authority with respect to the issuance of refunding/restructuring bonds in a par amount not to exceed \$200,000,000 and that the Authority be authorized to sell such bonds, in one or more issues, on a negotiated basis not later than June 30, 2022.

On a motion from Ms. Perez, the State Finance and Governance Board voted to grant a waiver from the presumption of a competitive financing to the Massachusetts State College Building Authority with respect to the issuance of new money bonds in a par amount not to exceed \$20,000,000 and that the Authority be authorized to sell such bonds, in one or more issues, on a negotiated basis not later than June 30, 2022.

4. Derivative Reviews

- I. Ms. Tenaglia then presented proposed amendment of the Massachusetts Port Authority's ("Massport") commercial paper ("CP") program to increase the maximum aggregate principal amount to \$250 million from \$200 million. Ms. Tenaglia noted that Massport has had a CP program since at least 2003 and the current transaction is intended to increase the maximum amount of Notes that may be outstanding at any given time to \$250 million. Ms. Tenaglia noted that Massport's 200M CP program consists of TD Bank direct pay letter of credit, Citibank,

and the U.S Bank National Association. Ms. Tenaglia explained that the Authority's enabling act limits the CP program to 10% of total debt outstanding and the Authority cannot borrow for operating expenses, only to fund capital projects. Ms. Tenaglia noted that \$22M of CP has been issued and remains outstanding. Ms. Tenaglia noted that the new CP program would increase the CP program by \$50, to \$250M, negotiate terms with TD Bank including extending letter of credit out to June 1, 2025, and rate reduction upon execution of agreement. It would also continue flexibility of tax exempt and taxable issuance, since taxable commercial paper can be used for private use projects, to redeem debt, and capitalize interest on bonds if needed. Ms. Tenaglia noted that all other components of the existing program remain the same.

Chairwoman Lourdes asked if there were any other comments or questions from Board members. There were no questions or comments from Board members.

On a motion from Ms. Perez, the Board unanimously voted that the State Finance and Governance Board (the "Board") has received satisfactory information regarding the proposed bond transaction by the Massachusetts Port Authority ("Massport") to expand the Commercial Paper Program to \$250M as presented by Massport and deems the submission (i) 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 (ii) reviewed with no additional conclusions required. The Board further concludes 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.

5. Closed Transactions/Bond Sale Reviews:

- I. *No discussion matters scheduled.*

6. Discussion on Board Activities

- I. *No discussion matters scheduled.*

7. Adjournment

- I. On a motion made by Ms. Perez, and duly seconded, members voted to adjourn. The meeting was adjourned at 11: 26am.

Kelly Govoni, Secretary