



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

**Debt Affordability Committee
October 28, 2019
1:00 pm
Executive Office for Administration and Finance
State House, Room 373**

A meeting of the Debt Affordability Committee was held on Monday, October 28, 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 1:03 pm.

Board members comprising a physical quorum:

Mark Attia, Executive Office for Administration & Finance
Sue Perez, Office of the Treasurer and Receiver-General
Howard Merkowitz, Office of the Comptroller
Michelle Ho, Massachusetts Department of Transportation
Michael Butler, Treasurer's Appointee, Town of Dedham

Others in attendance:

Kathy Bramlage, Office of the Treasurer and Receiver-General
William Archibald, Executive Office for Administration & Finance

Minutes:

Mr. Attia called the meeting to order, and began reviewing slide illustrations proposed to be included in the final product. Mr. Attia described why it is important to take into account assumptions on the impacts of inflation on labor and construction costs financed by bond debt, in addition to revenue and the cost of debt assumptions. Debt service affordability is the key measure, not only the outstanding bond amount. Debt service levels of compartmental agencies that statute does not contemplate, primer on credit profiles. Additionally, Mr. Attia added that it is important to note that contract assistance may support varying degrees of total debt service obligations. Ms. Ho agreed these illustrations would be beneficial to include.

Mr. Attia described the figures illustrated on one slide showing the bond cap and corresponding recommendation. Mr. Butler asked to see historic actual borrowing overlaid with these figures as well. Ms. Perez agreed that it would be beneficial to show the cushion for additional borrowing.

Ms. Perez asked to illustrate GANS debt service as a component of overall debt service on one chart reviewed. Mr. Butler inquired if the percentage share of debt service to budgeted revenues is deemed affordable. A discussion ensued about how some analysis illustrates how the states carry debt at different levels of government, and in Massachusetts, most is carried at the state level.

Meeting adjourned at 2:12pm.