



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  
September 19, 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, September 19, 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:**

Brent Andersen, Pilgrim Bay Insurance  
Sue Perez, Office of the State Treasurer  
Supreo Ghosh, Office of the State Treasurer

**Others in attendance:**

David Pottier, Massachusetts Department of Transportation  
John Giammarino, Citi  
John Durgin, Office of the State Treasurer  
Charles Karimbakas, Massachusetts Housing Finance Agency  
Kathleen Connolly, Massachusetts Housing Finance Agency  
Poonam Patidar, Mintz Levin

## **1. Administrative Matters**

- I.** On a motion made by Ms. Perez, and duly seconded, members voted to approve the August 15, 2019 meeting minutes.

## **2. Discussion**

- I.** *No discussion matters scheduled*

## **3. Derivative Reviews**

- I.** Mr. Karimbakas reviewed the Massachusetts Housing Finance Agency's ("MassHousing") request for a review of its proposed issuance of \$60M in Multi-Family bonds using a mix of fixed rate and/or hedged variable rate. The first transaction is expected to close in the late summer/early fall, and would support MassHousing's Multi-Family Housing mortgage program.

Following questions from Ms. Perez, Mr. Karimbakas explained the steps MassHousing was take to mitigate risks of the termination of LIBOR in 2021, including looking into replacement indices and assuring the Board that MassHousing is monitoring the current situation.

On a motion made by Ms. Perez, and duly seconded, the Board voted that it had received satisfactory information regarding the proposed MassHousing transactions involving new derivative financial products by MassHousing and deemed the submission consistent with the purpose and intent of Sections 97 and 98 of thereunder, and reviewed with no additional conclusions required. The Board concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder had been submitted in a manner consistent with the regulations.

## **4. Waiver Request**

- I.** Mr. Durgin presented the Commonwealth's updated request for a waiver from a competitive sale for up to \$1B in transportation bonds, comprised of Commonwealth Transportation Fund ("CTF") bonds and grant anticipation notes ("GANs"), expected to price in November. Mr. Durgin stated that since the Treasury's previous waiver request in August, both taxable and tax-exempt interest rates have fallen, providing an opportunity to include refunding issues, extend the waiver expiration date and increase the amount and number of bond series.

On a motion made by Ms. Perez, and duly seconded, the Board voted to authorize the Commonwealth to issue bonds in an aggregate amount of \$1,000,000,000 for transportation bond issues in two or more series and in two or more transactions, to price the bonds in any such transactions on a date or dates no later than March 31, 2020, and to sell any such bonds on a negotiated basis.

- II.** Mr. Pottier presented Massachusetts Department of Transportation's ("MassDOT") dual request for a waiver from a competitive sale for the issuance of \$840M in Massachusetts Highway System ("MHS") Senior Refunding Bonds and \$250M in MHS Subordinated Refunding Bonds, as well as a review of its partial termination of one existing interest swap transaction to replace the associated variable rate debt with long-term soft put bonds.

Following questions from Ms. Perez and Mr. Ghosh, Mr. Pottier explained the separation of the variable rate debt from the waiver request.

On a motion made by Ms. Perez, and duly seconded, the Board also voted that it had received satisfactory information regarding the proposed MassDOT transaction involving termination of derivative financial products by MassDOT and deemed the submission consistent with the purpose and intent of Sections 97 and 98 of thereunder, and reviewed with no additional conclusions required. The Board concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder had been submitted in a manner consistent with the regulations.

On another motion made by Ms. Perez, and duly seconded, the Board voted to grant a waiver from the presumption of competitive financing to MassDOT with respect to the issuance of refunding bonds not to exceed \$840M in par amount with respect to the MHS Senior Bonds and \$250M in par amount with respect to the MHS Subordinated Bonds, and that MassDOT be authorized to sell such bonds, in one or more issues, on a negotiated basis not later than April 1, 2020.

**5. Review of Closed Transactions:**

- I. *No items discussed.*

**6. Other Items**

- I. The Acting Board Secretary introduced himself to Board members.

**7. Adjournment**

- I. On a motion made by Ms. Perez, members voted to adjourn. The meeting was adjourned at 3:19pm.

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William Archibald, Acting Secretary