

State Finance and Governance Board
Meeting: January 28, 2016, 11:00 AM
Executive Office for Administration and Finance
State House, Room 373

Minutes

A meeting of the State Finance and Governance Board was held on Thursday, January 28, 2016 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 11:14 am.

Board members present were: Lourdes German (chair), Brent Andersen, Supreo Ghosh and Sue Perez comprising a physical quorum of the board.

Others in attendance are included in Exhibit A.

I. Adoption of Minutes

Ms. German asked if there were any comments on the minutes from the December 16, 2015 meeting. There were no comments.

On a motion made by Mr. Andersen and duly seconded, members voted unanimously to approve the December 16, 2015 minutes as presented in Exhibit B.

II. Commonwealth Waiver from Competitive Bid

Mr. Drew Smith presented a request for waiver from competitive bid for anticipated refunding and new money bond issuances. See Exhibit C. Current market conditions have made refunding attractive. In addition the Commonwealth anticipates it may issue green bonds and taxable bonds.

Board Discussion: None

On a motion made by Mr. Andersen and duly seconded, members voted unanimously to approve the waiver.

VOTED: To authorize the Commonwealth (i) to issue bonds in an aggregate principal amount up to \$2,000,000,000, for refunding and/or new money issues in one or more series and in one or more transactions; (ii) to price the bonds in any such transactions on a date or dates no later than June 30, 2016; and (iii) to sell any such bonds on a negotiated basis.

III. MDFA Transaction Review

Mr. Chilton presented a review of an I Cubed competitive bond transaction, see Exhibit D. This is the first I cubed program transaction taken to market competitively (the sixth I cubed program bond sale) and MDFA considered the sale and pricing successful.

Board Discussion: Ms. Perez: was S&P asked to rate the transaction. Response: No, given the relatively small bond size the FA advised that 2 rating agency ratings were sufficient.

Ms. German asked how many bids were received. Response: 8.

IV. MSCBA Request for Waiver from Competitive Bid

Ms. Hindle (Board member - MSCBA) presented a request for waiver from competitive sale for an anticipated refunding transaction. Secretary's note: The Board had previously received a written request for waiver from MSCBA as part of materials distributed in advance of the Board meeting. Though MSCBA plans to take the transaction to market competitively, it is requesting a waiver to provide it flexibility to price the transaction on a negotiated basis should market conditions change.

Board Discussion: None

The Board grants Massachusetts State College Building Authority a waiver from the presumption of competitive bid for up to \$250,000,000 par refunding bonds, the waiver to expire on June 30, 2016.

In a motion made by Ms. Perez and duly seconded, members ***voted*** unanimously to grant the waiver.

V. Administrative Matters

Ms. Thorne brought to the attention of the Board certain administrative matters including a summary of qualified conduit debt transactions reviewed since the December 16, 2015 meeting (see Exhibit E). The next meeting of the Board was scheduled for February 23, 2016.

VI. Other Business

None.

Ms. German determined that there was no further business to come before the board. On a motion made by Ms. Perez, members ***voted*** unanimously to adjourn. The meeting was adjourned at 11:35 am.

Elizabeth A. Thorne, Secretary