

**State Finance and Governance Board**  
**Meeting: April 27, 2016, 11:00 AM**  
**Executive Office for Administration and Finance**  
**State House, Room 272**

**Minutes**

A meeting of the State Finance and Governance Board was held on Wednesday, April 27, 2016 in the Executive Office for Administration and Finance, State House, Room 272, Boston, Massachusetts, pursuant to notice duly given.

Meeting was called to order at 11:22 a.m.

**Board members present were:** 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**

Mr. Andersen asked if there were any comments on the minutes from the February 25, 2016 meeting. There were no comments.

On a motion made by Ms. Perez and duly seconded, members voted unanimously to approve the February 25, 2016 minutes as presented in Exhibit B.

**II. Derivative Transaction Review**

Mr. Drew Smith, Deputy Assistant Treasurer presented The Commonwealth of Massachusetts direct purchase transactions. See Exhibit C.

Board Discussion: Mr. Anderson asked how the Commonwealth received better interest rates. Mr. Smith stated that there was a different cost of funds by structuring the transaction as a direct placement rather than a negotiated sale. Banks hold the bonds as loans, not securities. Mr. Smith noted that the Commonwealth awarded the facilities based on a five year term to stagger renewal dates as recommended by the Commonwealth's financial advisor. The Commonwealth's board resolution was provided.

On a motion made by Ms. Perez and duly seconded, members voted unanimously to approve the resolution.

RESOLVED: The Board has received satisfactory information regarding the proposed bond transaction involving a new derivative financial product by The Commonwealth of Massachusetts and deems the submission (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. The Board 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.

### **III. Administrative Matters**

The next meeting of the Board was scheduled for May 19, 2016.

### **IV. Other Business**

None.

Mr. Andersen 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 11:45 a.m.

---

Jennifer Sullivan, Acting Secretary