



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  
January 18, 2018  
11:00 am  
Executive Office for Administration and Finance  
State House, Room 373**

A meeting of the State Finance and Governance Board was held on Thursday, January 18, 2018 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 11:05 am.

**Board members comprising a physical quorum:**

Sue Perez, Office of the State Treasurer  
Supreo Ghosh, Office of the State Treasurer  
Katherine Holahan, Associated Industries of Massachusetts  
Brent Andersen, Pilgrim Bay

**Others in attendance:**

Mark Curtis, Massachusetts Housing Partnership  
John Regier, Mintz Levin  
Lori Hindle, PFM  
Brandon Wolanski, Barclays  
Ann Lewis, Massachusetts Housing Partnership

## **1. Administrative Matters**

- I.** On a motion made by Ms. Perez and duly seconded, members voted to approve the November 16, 2017 meeting minutes.

## **2. Discussion**

- I.** *No discussion matters scheduled*

## **3. Derivative Reviews**

- I.** Ms. Bramlage of the Office of State Treasurer presented the details of the derivative review of an expected \$120.4 million issuance of SIFMA-based Index Bonds in order to provide the opportunity for the Commonwealth to reduce risk, diversify its variable rate portfolio, and refund the necessary bonds. The Commonwealth made use of a competitive RFP process for the purpose of directly placing the securities.

There were no questions from the Board. On a motion by Ms. Holahan and duly seconded, the Board voted that it had received satisfactory information regarding the proposed bond transaction involving a new derivative financial product by The Commonwealth of Massachusetts

- II.** Mr. Curtis of the Massachusetts Housing Partnership (MHP) presented the details of an extension to a previously approved waiver request. At the May 25, 2017 meeting of the State Finance and Governance Board, the Board approved a \$50 million MHP swap program through 12/31/17 to allow MHP to offer forward rate commitments to its borrowers under its HUD/Treasury Risk-Sharing Program. The program has functioned extremely well, with 4 swaps executed totaling \$13.6 million in notional exposure supporting the construction/rehab of 265 apartments, and 2 additional swaps approved but not yet executed totaling \$38.7 million. At a meeting of the Executive Committee of MHP's board on 11/28/17, the Committee approved a 6 month extension of the swap program through 6/30/18 based on the analysis and recommendation of our independent swap advisor, Chatham Hedging Advisors.

Ms. Holahan inquired about the timeline and other matters concerning the HUD/Treasury Risk-Sharing Program. Mr. Curtis responded that MHP has an existing reservation agreement and is confident that they will be able to execute on their pipeline projects before changes, if any, impact the HUD program.

On a motion made by Ms. Perez, the Board voted that it had received satisfactory information regarding the transaction terms related to Massachusetts Housing Partnership's forward-starting swaps in the aggregate notional amount not to exceed \$50,000,000 to be executed between January 1, 2018 and June 30, 2018 and deems the transaction reviewed with no additional conclusions required.

## **4. Waiver Request**

- I.** *No waiver requests scheduled.*

## **5. Review of Closed Transactions:**

- I. The Massachusetts State College Building Authority did not present on closed transactions as listed on the agenda for January 18, 2018.

**6. Adjournment**

- I. On a motion made by Mr. Andersen, members voted to adjourn. The meeting was adjourned at 11:35 am.

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Mark Attia, Secretary