

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC FINANCE MANAGEMENT BOARD**

**MEETING OF BOARD MEMBERS**

**March 25, 2010**

**A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday, March 25, 2010 at 9:00 a.m. in Room 135, State House, Providence, Rhode Island pursuant to duly posted public notice of the meeting and notice duly given to all members.**

**Membership Roll Call:**

**The Honorable Frank T. Caprio, General Treasurer and Chair**

**Mr. Emanuel Barrows, Public Member**

**Ms. Rosemary Booth Gallogly, R.I. State Budget Officer – arrived at 9:05 a.m.**

**Mr. Thomas M. Bruce, III, Public Member**

**Mr. William Fazioli, Public Member – not present**

**Mr. Robert A. Mancini, Public Member**

**The Honorable A. Ralph Mollis, Secretary of State – arrived at 9:11 a.m.**

**Mr. W. Lincoln Mossop, Public Member – not present**

**Mr. Edward F. Yazbak, Public Member – not present**

**The following Staff members were present:, Mr. Michael J. Solomon,**

**Executive Director for Operations, Office of the General Treasurer, Mr. Eugene Bernardo, Esq., Legal Counsel from Partridge Snow & Hahn LLP, and other members of the Treasurer's Staff. Also present were: Mr. Earl Queenan from RIEDC, Mr. Sean Esten from RIEDC, Mr. Antonio Afonso Legal Counsel for RIEDC, and Mr. Noel F. Simpson, Chief Financial Officer of RI Student Loan Authority.**

**There being a quorum present, Treasurer Caprio called the meeting to order at 9:03 a.m.**

**Public Finance Management Board Minutes. Mr. Mancini moved, Mr. Barrows seconded and the following motion was passed. The following members voted in favor: Treasurer Caprio, Mr. Barrows, Mr. Bruce, and Mr. Mancini**

**VOTED: To approve the Minutes of the December 10, 2009 Regular Meeting.**

**The Treasurer moved on to the Rhode Island Student Loan Authority ("RISLA") 2009 carry forward update. Mr. Bernardo clarified that RISLA's carry forward from 2009 was \$84,325,861 instead of \$84,430,000. RISLA had originally indicated to the Board that they had used \$570,000 of cap during 2009, however, it was discovered that cap was allocated to premium in their bond issuance, which resulted in more cap being used. Despite the change in their carry forward amount, their allocation for the year remained the same at**

**\$85,000,000.**

**The Treasurer moved on to the next agenda item; approval from the PFMB for new requests for volume cap.**

**A request for approval from Rhode Island Industrial Facilities Corporation (“RIIFC”) for volume cap up to the amount of \$5,000,000 on behalf of Sustainable Plastics Recycling, LLC.**

**Mr. Sean Esten from RIEDC began by explaining that Sustainable Plastic Recycling, LLC is a newly formed joint venture of five companies. Four of these companies are manufacturers and users of plastic products and the fifth is a manufacturer of equipment of plastic recycling. He explained that the company would be recycling plastic bottles into FDA approved sheet plastic, which will be used by these manufacturers for making food packaging. He also explained that the partners that are in the company would be buying 80% of the product that is produced out this facility, which minimizes market risk. Mr. Esten indicated that the company has secured their supply of plastic bottles primarily from Rhode Island Resource Recovery Corporation (“Resource Recovery”) but has sourced some from Connecticut and Massachusetts. He explained that the company is looking for a \$5,000,000 tax-exempt bond to finance this project, which has already been already approved through RI Industrial Facilities Corporation and will be carrying a RI Industrial Recreational Building Authority guaranty.**

**Treasurer Caprio asked where the new facility would be located and how many new employees will be added? Mr. Esten explained that the facilities would have 40 employees and will be located at the Quonset Industrial Park in the former Stanley-Bostitch building, which is around 40,000 square feet.**

**Treasurer Caprio asked about the process that led Sustainable to engage with Resource Recovery. Mr. Esten indicated that he did not know the details of the whole process, but that conversations with Resource Recovery have been going on for some time. He also mentioned that Sustainable was originally going to be located in the industrial park at Resource Recovery, but decided on Quonset since they couldn't agree with the building terms.**

**Ms. Gallogly asked about the length of the term of the supply contract with Resource Recovery? Mr. Esten explained that Sustainable asked for 5 years but 2 years is the maximum that Resource Recovery would agree to.**

**Ms. Gallogly raised concern about Resource Recovery having a more competitive option for their recyclables and inquired if there is enough supply in the region to support Sustainable? Mr. Esten indicated that there was enough supply in the region since most of the area's plastic goes to the upper mid-west to different recycling operators and ends up getting shipped to China to be recycled.**

**Treasurer Caprio asked if this is driven by more favorable prices? Mr. Esten explained that supply out weighs recycling capacity in this country.**

**There being no further questions, Treasurer Caprio entertained a motion to allocate volume cap up to \$5,000,000 to RIIFC for Sustainable Plastics Recycling, LLC. Mr. Mancini moved, Ms. Booth Gallogly seconded and the following motion was passed. The following members voted in favor: Treasurer Caprio, Ms. Booth Gallogly, Mr. Barrows, Mr. Bruce, and Mr. Mancini.**

**VOTED: TO APPROVE AN ALLOCATION OF VOLUME CAP IN THE AMOUNT OF UP TO \$5,000,000 TO THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION FOR SUSTAINABLE PLASTICS RECYCLING, LLC; AND PROVIDED THAT IF THIS VOLUME CAP ALLOCATION IS NOT USED ON OR BEFORE DECEMBER 1, 2010, IT SHALL REVERT TO AND BE RESERVED BY THE PFMB FOR REALLOCATION;**

**A request for approval from Rhode Island Industrial Facilities Corporation (“RIIFC”) for volume cap up to the amount of \$5,000,000 on behalf of Parmatech-Proform Corporation and ATW 825 Waterman Avenue, LLC.**

**Mr. Queenan from RIEDC started the presentation by giving a brief background explaining that Parmatech was acquired by ATW (was A. T. Wall Company), and that they had purchased 25,000 square foot facility (the Meeting Street School building) in East Providence. He also explained that the \$5,000,000 bond would be used to finance the purchase of Machinery & Equipment (\$2,700,000) and the purchase of real estate (\$2,300,000). The subject bond will be purchased by Bank of America and will not require a RI Industrial Recreational Building Authority guaranty. ATW's currently has 70 employees in the Warwick location and expects to hire another 50 people in this new East Providence facility within one year of the project's completion. He requested that the board provide the necessary allocation for this project to go forward.**

**There being no further questions, Treasurer Caprio entertained a motion to allocate volume cap up to \$5,000,000 to RIIFC for Parmatech-Proform Corporation and ATW 825 Waterman Avenue, LLC. Mr. Barrows moved, Mr. Mancini seconded and the following motion was passed. The following members voted in favor: Treasurer Caprio, Ms. Booth Gallogly, Mr. Barrows, Mr. Bruce, and Mr. Mancini**

**VOTED: TO APPROVE AN ALLOCATION OF VOLUME CAP IN THE AMOUNT OF UP TO \$5,000,000 TO THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION FOR PARMATECH-PROFORM CORPORATION AND ATW 825 WATERMAN AVENUE, LLC; AND PROVIDED THAT IF THIS VOLUME CAP ALLOCATION IS NOT USED**

**ON OR BEFORE DECEMBER 1, 2010, IT SHALL REVERT TO AND BE RESERVED BY THE PFMB FOR REALLOCATION;**

**A request for approval from Rhode Island Industrial Facilities Corporation (“RIIFC”) for volume cap up to the amount of \$10,000,000 on behalf of Calise & Sons Bakery, Inc.**

**Mr. Queenan from RIEDC explained that Calise & Sons Bakery had been granted cap by the PFMB in 1999 to finance a 67,000 square foot manufacturing facility in Lincoln, RI. At that time, the Company had just over 100 employees. Mr. Queenan indicated that the Company has plans to expand the facility by 14,000 square feet and explained that the subject request will finance the facility expansion including machinery and equipment. This bond will be purchased by Bank of America and will not require a RI Industrial Recreational Building Authority guaranty. This company went from having just over 100 people in 1999 to 238 people employed currently, and will be hiring an additional 28 people by the end of this project.**

**There being no further questions, Treasurer Caprio entertained a motion to allocate volume cap up to \$10,000,000 to RIIFC for Calise & Sons Bakery, Inc. Mr. Mancini moved, Mr. Barrows and Ms. Booth Gallogly seconded and the following motion was passed. Treasurer Caprio, Ms. Booth Gallogly, Mr. Barrows, Mr. Bruce, Mr. Mancini and Secretary Mollis**

**VOTED: TO APPROVE AN ALLOCATION OF VOLUME CAP IN THE AMOUNT OF UP TO \$10,000,000 TO THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION FOR CALISE & SONS BAKERY, INC.; AND PROVIDED THAT IF THIS VOLUME CAP ALLOCATION IS NOT USED ON OR BEFORE DECEMBER 1, 2010, IT SHALL REVERT TO AND BE RESERVED BY THE PFMB FOR REALLOCATION;**

**PFMB Reserve. Treasurer Caprio presented a request for the customary reserve allocation of 10% of the annual cap amount, in the amount of \$27,377,500, to the PFMB. Ms. Booth Gallogly moved, Mr. Barrows seconded and the following motion was passed. The following members voted in favor: Treasurer Caprio, Ms. Booth Gallogly, Mr. Barrows, Mr. Bruce, Mr. Mancini and Secretary Mollis.**

**VOTED: TO RATIFY, APPROVE AND CONFIRM AN ALLOCATION OF RESERVE VOLUME CAP IN THE AMOUNT OF \$27,377,500 TO THE PFMB.**

**Treasurer Caprio introduced the next agenda item relating to the PFMB's involvement in cap allocations for Recovery Zone Bonds available under the American Recovery and Reinvestment Act.**

**Mr. Bernardo recapped the discussion from the last meeting about new bonds and programs available under the American Recovery and Reinvestment Act that require cap allocation. He indicated that**



legislation is near completion that will provide additional responsibilities to the PFMB to allocate Recovery Zone Facility Bonds. Mr. Bernardo explained that the State has an allocation of \$130,504,000 for Recovery Zone Facility Bonds, which are much like the RIEDC projects that were approved today. Due to this, RIEDC through RIIFC will be responsible for promoting the program and finding suitable projects since they already have established regulations. RIEDC will set up a selection process for the projects and then come to the PFMB to request an allocation just like the regular volume cap allocations. Mr. Bernardo mentioned that standards and regulations will be developed for the PFMB to allocate this cap.

**Other Business.** Treasurer Caprio opened the floor to other business. There being none, Treasurer Caprio entertained a motion to adjourn the meeting.

Mr. Bruce moved, Secretary Mollis seconded and the following motion was passed. The following members voted in favor: Treasurer Caprio, Ms. Booth Gallogly, Mr. Barrows, Mr. Bruce, Mr. Mancini and Secretary Mollis

**VOTED:** To adjourn the meeting.

There being no further business, the meeting adjourned at 9:21 a.m.

**Respectfully submitted,**

**Frank T. Caprio**

**General Treasurer**