



Public Finance Management Board
Regular Meeting Minutes
Thursday, December 3, 2015
9:00 a.m.
Room 205, State House

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday, December 3, 2015 at 9:05 a.m. in Room 205, State House, Providence, Rhode Island, pursuant to duly posted public notice of the meeting and notice duly provided to all members.

I. Roll Call of Members

The following members were present:

- The Honorable Seth Magaziner, General Treasurer and Chair
- Mr. Shawn Brown, Public Member
- Mr. Michael DiBiase, Director, Department of Administration
- Mr. Robert A. Mancini, Public Member
- Mr. Joseph Reddish, Public Member

Also in attendance: Mr. Eugene Bernardo, Esq., Legal Counsel from Partridge Snow & Hahn LLP, Mr. Jeffrey Padwa, General Counsel of the General Treasurer’s Office, and other members of the Treasurer’s Staff; Barbara Fields, Richard Hartley and Kara Lachapelle from the Rhode Island Housing and Mortgage Finance Corporation (“RIHMFC”); and Charlie Kelley and Noel Simpson from the Rhode Island Student Loan Association (“RISLA”).

There being a quorum, the meeting was called to order at 9:05 a.m.

II. Approval of Minutes

Mr. Magaziner moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes. Mr. Mancini moved; Mr. Brown seconded a motion. The following motion was passed by these members who voted in favor: Mr. Magaziner, Mr. Brown, Mr. DiBiase, Mr. Mancini and Mr. Reddish.

VOTED: To approve the draft of the Minutes of the December 4, 2014 PFMB Regular Meeting.

III. New Request for Approval

Mr. Magaziner moved on to the next agenda item:

Consideration to approve an allocation of volume cap to RISLA. Mr. Charles Kelley, Executive Director of RISLA, presented RISLA’s application and discussed, among other items, the Authority’s debt issuance history and its upcoming plans, its historical ability to carryforward volume cap issuance, the student loan marketplace, low default rates and the occasion for RISLA to provide refinancing opportunities to existing student loan debtors. Mr. DiBiase moved; Mr. Mancini seconded a motion. The following motion was passed by these members who voted in favor: Mr. Magaziner, Mr. Brown, Mr. DiBiase, Mr. Mancini and Mr. Reddish.

VOTED: To approve an allocation of volume cap in the amount of \$60,000,000 to the Rhode Island Student Loan Authority (RISLA); and to allow that allocation to be carried forward and that

the Board's legal counsel be directed to file the necessary tax forms with the Internal Revenue Service (IRS) in connection therewith.

Mr. Magaziner moved on to the next agenda item:

Consideration to approve an allocation of volume cap to RIHMFC. Ms. Kara LaChapelle, Director of Finance and Technology of RIHMFC, joined by Ms. Barbara Fields and Mr. Richard Hartley, presented RIHMFC's application and discussed, among other items, the Corporation's debt issuance history and its upcoming debt issuance plans, its historical ability to carryforward volume cap issuance, the increased demand for single and multi-family loans. Mr. Reddish moved; Mr. Brown seconded a motion. The following motion was passed by these members who voted in favor: Mr. Magaziner, Mr. Brown, Mr. DiBiase, Mr. Mancini and Mr. Reddish.

VOTED: To approve an allocation of volume cap in the amount of \$241,515,000 to the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC); and to allow that allocation to be carried forward and that the Board's legal counsel be directed to file the necessary tax forms with the Internal Revenue Service (IRS) in connection therewith.

IV. Discussion of State Debt Practices

Members discussed the role that PFMB would assume as part of the Treasurer's recommendations for overhauling public debt management and oversight, and specifically the scope of the study that the Treasurer has recommended of the state's debt management practices to be conducted by the state's new financial advisor, Public Resources Advisory Group ("PRAG"). Member Robert Mancini, president of the Rhode Island Society of Certified Public Accountants, offered his organization's pro bono assistance with debt analysis. All members voiced their agreement that the study should be done; to meet again in January after Treasury works with PRAG, the Society of CPAs, and others to design the scope of the study; and that the PFMB will meet more frequently moving forward.

V. Statutory Required Training of New Members

Mr. Jeffrey Padwa explained that state law requires that members of the PFMB board are required to be trained within six months of appointment on statutory provisions, regulations, the Code of Ethics, the Access to Public Records Act and the Open Meeting Act. He reviewed the PFMB statute and regulations with the members. The Open Meetings Act, APRA and the Open Meetings Act were reviewed and it was explained how they apply to PFMB and its board members. He went on to review the code of ethics and members' responsibilities. Mr. Padwa added that trainings are offered by the Attorney General's office, if members are interested.

Mr. Magaziner opened the floor to other business. There being none, Mr. Magaziner entertained a motion to adjourn the meeting. Mr. DiBiase moved, Mr. Mancini seconded and the following motion was passed. The following members voted in favor: Mr. Magaziner, Mr. Brown, Mr. DiBiase, Mr. Mancini and Mr. Reddish.

VOTED: To adjourn the meeting.

There being no further business, the meeting adjourned at 10:10 a.m.

Respectfully submitted,

**Seth Magaziner,
General Treasurer**