



Public Finance Management Board

Regular Meeting Minutes

Monday April 17th, 2017

9:00 a.m.

50 Service Avenue, Warwick

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Monday April 17th, 2017 at 9:00 a.m. in the large conference room of 50 Service Avenue, Warwick, Rhode Island, pursuant to duly posted public notice of the meeting and notice duly provided to all members.

I. Call to Order

The meeting was called to order at 8:59 a.m.

II. Roll Call of Members

The following members were present: Ms. Patricia Anderson, Mr. Shawn Brown, Mr. Michael DiBiase, Mr. Karl Landgraf, Mr. Robert Mancini, Mr. Joseph Reddish, and General Treasurer Seth Magaziner.

Ms. Maribeth Williamson arrived at 9:03 a.m.

Mr. DiBiase and Ms. Williamson left at 10:38 a.m.

The following members were absent: Mr. Douglas Jacobs

Also in attendance: Mr. Thomas Huestis, Public Resources Advisory Group (PRAG); Mr. Brian Daniels, Executive Director, Rhode Island League of Cities and Towns; Mr. Patrick Marr, Treasury Chief of Staff; Ms. Kelly Rogers, Treasury Deputy Treasurer for Public Finance and Policy; Mr. Frank Quinn, Director of Debt Management; Mr. Eugene Bernardo, Esq., Legal Counsel from Partridge Snow & Hahn LLP; and other members of the Treasurer’s Staff.

III. Approval of Minutes

Treasurer Magaziner moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes for March 16th 2017.

On a motion by Mr. Reddish and seconded by Mr. Brown, it was unanimously

VOTED: To approve the minutes of the March 16th, 2017 PFMB Regular Meeting.

IV. Debt Affordability Study Presentation

Treasurer Magaziner thanked the board, staff and PRAG for their respective contributions to the study. He explained that they will go through each recommendation and recall the rationale for each. He noted some targets had changed from last month’s draft after incorporating feedback from issuers.

Mr. Huestis led the Board through the recommendations and targets for the state issuers, quasi-public issuers and municipalities. The board asked questions relevant to each portion of the study.

Mr. DiBiase raised a concern about the target for the combined debt and pension ratios to assessed value for municipalities. He pointed to the fact that municipalities have widely varying ratios and was concerned the target may be too aggressive.

Treasurer Magaziner asked the Board to consider how useful the ratio is as well as how appropriate it is. He recommended the Board reflect on how to approach the target and revisit it following public comments as they may provide additional insight into the matter.

Treasurer Magaziner opened the floor for public comment at which time, Mr. Daniels spoke on behalf of Rhode Island League of Cities and Towns. He explained the League had brought a copy of the Debt Affordability Study to its Executive Committee meeting at which time several issues were raised, specifically regarding housing aid and enterprise debt. Some communities receive a significant portion of reimbursement for their housing aid from the state and that should be explicitly illustrated in the report for a better representation of debt in that area. Treasurer Magaziner stated that specific aid would be broken out and PRAG confirmed the charts and tables could be adjusted for clearer reflection. As it relates to enterprise debt, Mr. Daniels suggested Overall Debt and Net Pension Liability to Assessed Value is not the best representation of ability to pay debt and recommended using Personal Income instead of Assessed Value. It was determined that the report would compare municipal liabilities to both Assessed Value and Personal Income.

Returning to the combined debt and pension ratio to assessed value issue, the Board discussed moving the target to the midway point of the standard single A rating to make it more attainable and realistic goal for communities.

On a motion by Mr. Brown and seconded by Ms. Williamson, it was unanimously

VOTED: To amend the municipal target ratio for debt and pension liability/assessed value from 4.5% to 6.3%

On a motion by Mr. Brown and seconded by Ms. Williamson, it was unanimously

VOTED: To adopt the Debt Affordability Study as amended

V. Data Portal Update and Presentation

Mr. Marr presented the data portal that will showcase debt data across the state. The site is powered by archived debt data from 2011-2016. It will expand in the future as the site grows and issuers utilize online forms for proposed and final sales. He illustrated how one may use the site and the various ways to explore and analyze the data with visualizations, sorting and charts. He then solicited opinions from the Board.

Mr. Reddish asked if it were possible to add a section for feedback to proactively enhance user experience. He also asked that each page clearly describe what the data means and place it in context for the user. Mr. Marr agreed those provisions would be added.

Treasurer Magaziner stated Board members would be issued credentials to login to the site so they could explore and provide further feedback prior to the launch.

VI. Update on Year to Date Statewide Debt Issuance

Mr. Quinn provided an update on the year-to-date statewide debt issuance. He noted fee collections have markedly increased since the previous meeting with approximately 1/3rd of expected revenues to date received from state and quasi issuers and 1/4th expected revenues received from municipalities. The remainder of the fees are to be received in the coming weeks as issuances are scheduled to close.

Mr. Quinn then apprised the Board of an upcoming state G.O. bond issuances, detailing the parameters and schedule of their issues.

The Board asked questions.

VII. Discussion on Future Board Initiatives

With the Debt Affordability Study now concluded, Treasurer Magaziner asked the Board what they would like to pursue as a body. He offered several possibilities before opening the floor, including, but not limited to, exploring debt coverage trends over time, providing different mapping options on the website or organizing professional development. The goal should be to make the PFMB more helpful to issuers.

Ms. Rogers proposed a statewide coordinated issuance calendar, which would list state, quasi and municipal proposed sales which would head off such matters as having two large issuers being out to market at the same time.

The Board offered their suggestions.

Treasurer Magaziner opened the floor to other business. There being none, Treasurer Magaziner entertained a motion to adjourn the meeting.

On a motion by Mr. Reddish and seconded by Mr. Brown was unanimously
VOTED: To adjourn the meeting.

There being no further business, the meeting adjourned at 11:16 a.m.

Respectfully submitted,

**Seth Magaziner,
General Treasurer**