



Public Finance Management Board
Regular Meeting Minutes
Thursday December 7th, 2017
10:00 a.m.
Room 203, State House

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday December 7th, 2017 at 10:00 a.m. in Room 203 of the State House, Providence, 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 10:00 a.m.

II. Roll Call of Members

The following members were present: Mr. Shawn Brown, Ms. Patricia Anderson, Mr. Michael DiBiase, Mr. Robert Mancini, Mr. Joseph Reddish, Mr. Karl Landgraf, Ms. Maribeth Williamson and Ms. Kelly Rogers, chairing in the absence of Treasurer Magaziner.

The following members were absent: Mr. Doug Jacobs

Also in attendance: Mr. Charles Kelley, Director of the Rhode Island Student Loan Authority (RISLA); Mr. Noel Simpson, Deputy Director of RISLA; Ms. Barbara Fields, Executive Director of Rhode Island Housing (RI Housing); Ms. Sarah Sanders, Director of Finance, RI Housing; Mr. Patrick Marr, Treasury Chief of Staff; Mr. Frank Quinn, Director of Debt Management; Mr. Jay Gowell Esq. Legal Counsel from Pannone Lopes Devereaux & O’Gara LLC; and other members of the Treasurer’s Staff.

III. Approval of Minutes

Ms. Rogers moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes for September 25th, 2017.

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

VOTED: To approve the minutes of the September 25th, 2017 PFMB Regular Meeting.

IV. Request for Volume Cap Approval

Mr. Kelley began by summarizing the mission of RISLA and the services they provide. He also discussed how the additional volume cap will fund programs through the issuance of additional bonds. Mr. Reddish asked whether there is money left over from the previous year when there are so many people that cannot afford education, leading him to wonder how RISLA marketed the availability of these funds. Mr. Kelley explained RISLA’s outreach efforts and assured Mr. Reddish that RISLA is committed to making education funds accessible and affordable for RI families.

Ms. Fields spoke on behalf of RI Housing. She discussed the organization's operations and apprised the Board on their activities through the year, noting this was the best year in the organization's history.

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

VOTED: To allocate a portion of residual volume cap and allow carry forward of same amount in the amount of \$70 million to RISLA and \$235.315 million to RI Housing

V. Debt Management Administrative Update

Ms. Rogers spoke to and provided materials regarding the 2017 fees collected from issuers throughout the state. She noted that reports of notices of final sales are coming in to the office regularly and that outstanding fees are generally relegated to quasi-public agencies but are mainly due to deals that have been recently closed.

VI. Debt Portal Update

Mr. Marr advised the Board that the debt portal, a public education tool that utilizes the data from the DAS to create interactive and consumable bits of relevant information that will help inform users of public debt, was now live after incorporating edits and suggestions provided by the Board at the previous meeting. He noted the content will evolve as public feedback and the site grows. Mr. Reddish asked how the site will be marketed so the public is aware not only that it exists but also the type of information it contains and how to use it most effectively. Mr. Marr stated the internal team will work with the vendor to establish appropriate messaging.

VII. Municipal Issuer Training Event Update

Ms. Rogers apprised the Board that the first in a series of municipal issuer education-event, coordinated with the Division of Municipal Finance and the Rhode Island League of Cities and Towns, had been held the previous day. The event consisted of a panel format with the ratings agencies, moderated by PRAG, and was designed to allow municipalities to gain a better understanding of how ratings agencies determine ratings and treat long term liabilities. There will be other events in the future based upon input from The League of Cities and Towns as well as the Division of Municipal Finance. Ms. Rogers asked the Board for input on which topics they would like to see as they continue the education series.

VIII. Policy and Issuer Updates

Ms. Rogers discussed the school construction recommendations that have come from the Taskforce which Treasurer Magaziner co-chairs and on which Mr. DiBiase serves. She provided a summary of the Taskforce's purpose and their work noting their recommendations must be provided to the governor by December 15th, 2017. She went on to explain how this work pertains to the PFMB and municipal bonds. Using the data from the Debt Affordability Study (DAS), it was determined that the state has the capacity to issue \$1.2 billion of state tax supported debt over the next decade while remaining within responsible borrowing guidelines. With that in mind, the Taskforce will be recommending the authorization to issue half the state's borrowing capacity to fund school construction; \$250 million of GO bonds for public school construction over a 5-year period in both 2018 and 2022.

Ms. Rogers then spoke of the current version of the federal tax bill and the potential effects that may be seen on the state and local level. Specifically, the proposed bill will eliminate the popular cost-savings tool of advance refundings on private activity bonds but would also raise the amounts exempted from the

alternative minimum tax. Perhaps most notable, state, local and sales tax deductions would be eliminated from federal tax exemption.

Mr. Quinn apprised the Board on upcoming issuances. There will be a general bond issuance in the spring, the amount of the issuance is currently not known but would likely be similar to that issued this year, which was in the mid \$100 million range.

IX. Discussion of provisional 2018 meeting schedule

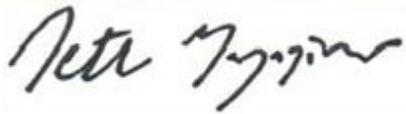
On a motion by Mr. Reddish and seconded by Mr. Mancini, it was unanimously
VOTED: To adopt the 2018 provisional schedule

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

On a motion by Mr. Mancini and seconded by Mr. DiBiase, it was unanimously
VOTED: To adjourn the meeting.

There being no further business, the meeting adjourned at 10:57 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Seth Magaziner", written in a cursive style.

**Seth Magaziner,
General Treasurer**