

**RHODE ISLAND INFRASTRUCTURE BANK**

**MEETING OF THE BOARD OF DIRECTORS**

**PUBLIC SESSION**

**October 5, 2015**

A meeting of the Board of Directors of the Rhode Island Infrastructure Bank ("RIIB") in public session was held on Monday, October 5, 2015 in the conference room of the RIIB, 235 Promenade Street, Suite 119, Providence, Rhode Island pursuant to a duly posted public notice of the meeting and notice given to all the Directors. The meeting was called to order by the Chair of the Board Merrill Sherman at approximately 3:30p.m.

Directors present were: Chair Merrill Sherman, Josh Celeste, and Kelly Rogers, Treasurer Seth Magaziner's Designee.

Directors absent were: Scott Lajoie and Lisa Ferrara

Also present were: William Sequino, Jr., Executive Director; Michael P. Larocque, Deputy Director; Michael Baer, Senior Advisor; Anna Coelho Cortes, Drinking Water SRF Program Manager, Michael Pagliaro, Senior Accountant, Helen Terra, Road and Bridge Program Compliance Manager; Christopher Vitale, Harrington & Vitale, RIIB Legal Counsel, Neal Pandozzi, Nixon Peabody, RIIB Bond Counsel, Maureen Gurghigian and Matthew Blais, First Southwest Company, Bank Financial Advisor and Karen Beard, US Bank, Trustee.

Chair Sherman opened the meeting by declaring a quorum. The Chair addressed the first item on the Agenda: The review and approval of the August 17, 2015 Board Meeting Minutes. After review and discussion, it was realized that Kelly Rogers of the Treasurer's Office was in attendance at the August 17<sup>th</sup> meeting and inadvertently omitted from the Minutes. A motion was made and seconded and the following vote was taken:

Voted: To approve the minutes for the August 17, 2015 Board Meeting with an amendment to reflect the attendance of Kelly Rogers.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste, and Kelly Rogers.

Voting against the foregoing: None

The Chair moved to Item #2 on the Agenda: Review and consideration of a loan to the City of Pawtucket in an amount up to \$4,693,000 out of the Drinking Water SRF.

The Chair turned the meeting over to Maureen Gurghigian of First Southwest, Financial Advisor who summarized the City of Pawtucket's credit review and approval status. An

Ordinance was submitted to the Council and should be approved on Wednesday, October 7<sup>th</sup> for a drinking water loan secured by a revenue pledge in the amount of \$4,718,000, which amount was increased from the original \$4,693,000 to the City of Pawtucket/Pawtucket Water Supply Board (PWSB).

After a brief discussion, Maureen Gurghigian recommended that the RIIB's Board of Directors approve the loan application for the City of Pawtucket/Pawtucket Water Supply Board in an amount up to \$4,718,000 out of the Drinking Water SRF with the specified caveats listed below.

A motion was made and seconded and the following vote was taken:

Voted: that the Board of Directors approve the loan for the City of Pawtucket/Pawtucket Water Supply Board in an amount not to exceed \$4,718,000 from the Drinking Water SRF with the following caveats:

- 1) that all projects to be funded appear on Department of Health's (DOH's) Project Priority List;
- 2) that the project receive a DOH Certificate of Approval;
- 3) that loan security be in a form acceptable to the RIIB;
- 4) that the borrower comply with all federal, state, and RIIB laws, rules and regulations; and
- 5) that a satisfactory loan agreement be signed by all principal parties authorized to sign.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair introduced Item #3 on the Agenda: Review and consideration of a Bond Resolution of up to \$30,000,000 for the 2015 Drinking Water State Revolving Fund bond issue. Neal Pandozzi of Nixon Peabody, Bond Counsel presented and summarized as follows.

- i. the \$30 million SDW Revenue Bond is authorized to be issued based upon the terms and conditions described in the Bond Purchase Agreement, the Indenture, the Loan Agreements, the POS and the Resolution;
- ii. the Bonds will be issued in one or more series in an aggregate principal amount not to exceed \$30,000,000;
- iii. RIIB can only make loans upon issuance of a Certificate of Approval from DOH or DEM;
- iv. The transaction is anticipated to close in mid-December.

After a brief discussion, a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the Bond Resolution for up to \$30,000,000 for the 2015 Drinking Water State Revolving Fund bond issue.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair moved to Item #4 on the Agenda: Review and consideration of amendments to the RIIB Procurement Regulations. Christopher Vitale, RIIB Legal Counsel, presented a summary of the objectives of the revised regulations, which is to follow the principals and policies of the state purchasing laws and regulations. Each Board member was sent a copy of the revised Procurement Regulations along with a summary of the amendments. Mr Vitale reviewed the amendments for the Board and allowed for questions. He also noted that following Board approval, the amended Procurement Regulations would be submitted to the State Office of Regulatory Reform for review and to initiate the required procedures under the State Administrative Procedures Act.

After a brief discussion a motion was made and seconded and the following vote was taken:

Voted: To approve the revised RIIB Procurement Regulations.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair progressed to Item #5 on the Agenda: Review and consideration of a Board Resolution for investment of the RIIB's Operating Fund. Michael Larocque, Deputy Director, presented and summarized as follows:

- i) The Chair, Executive Director and Deputy Director reached out to a number of financial institutions and received responses outlining investment proposals for the Bank's Operating Fund.
- ii) After receiving proposals and meeting with a number of financial institutions, and pursuant to Chapter 46-12.2 (the RIIB enabling act), the RIIB seeks to invest revenues or funds not required for immediate disbursement in an amount up to \$30,000,000 in the Ocean State Investment Pool (OSIP) managed by Fidelity and an amount up to \$10,000,000 in the Insured Cash Sweep (ICS) managed by Washington Trust.
- iii) To improve the return on operating fund investments, the Chair, Executive Director and Deputy Director are seeking Board approval to invest the operating funds as outlined in the Board Resolution.
- iv) It was noted that other quasi-public state agencies use OSIP to realize a better return on investments.

After a brief discussion a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the following:

1. To authorize the Bank, acting by and through its Executive Director or Chief Financial Officer, to invest Bank revenues and funds which are not required for immediate disbursement in an amount up to \$30,000,000 in the Ocean State Investment Pool managed by the Fidelity Investments Company; and
2. To authorize the Bank, acting by and through its Executive Director or Chief Financial Officer, to invest Bank revenues and funds which are not required for immediate disbursement in an amount up to \$10,000,000 in the Insured Cash Sweep (ICS) product managed by The Washington Trust Company.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair moved to Item #6 on the Agenda: Review and consideration of selection of IT consultant. Michael Larocque presented and summarized as follows:

- i) The Board had approved to have the Bank draft an RFP for Comprehensive Business Processes and IT Assessment;
- ii) The Bank solicited bids and five (5) consulting firms responded to the RFP;
- iii) The proposals were reviewed by the RIIB Chair, Deputy Director and Executive Director, and two firms were selected for interviews: Brave River Solutions and Blum Shapiro;
- iv) Blum Shapiro was selected as business processes and IT consultant based upon their presentation, their reputation and their extensive software programs which will assist RIIB in tailoring new plans to fit their needs.

After a brief discussion a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the hiring of the firm Blum Shapiro & Co. for Comprehensive Business Processes and IT Assessment

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair moved to Item #7 on the Agenda: Review and consideration of selection of a public relations consultant. Michael Larocque presented and summarized as follows:

- i) The Bank solicited proposals for PR communication services from the Master Price Agreements of the State of RI;

- ii) Three firms were contacted. The Chair and Executive Director recommend engaging New Harbor Group for a term of one year pursuant to the terms of the MPA, based on their review and that the New Harbor Group has familiarity with the Bank having done work for the Board in the past.

After a brief discussion a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the hiring of the firm New Harbor Group pursuant to the terms of the MPA for one (1) year term.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair then moved to Item #8 on the Agenda: RIIB new program development update.

William Sequino, Executive Director summarized the status of RIIB new program development as follows:

- i) The Chair, Executive Director, Deputy Director and Senior Advisor have been working steadily on the development of the PACE programs, Efficient Building Fund, and the Brownsfield Revolving Loan Fund Program.
- ii) Weekly meetings are conducted with the Office of Energy Resources, Commerce, the RIIB and other interested parties in the development of the RIIB rules and regulations for administration of the Efficient Buildings Fund and the development of the Office of Energy Resources Rules and Regulations governing the establishment of a project priority list for the EBF program.
- iii) Bi-weekly implementation meetings are conducted at RIIB for C-PACE and R-PACE program development discussions.
- iv) The Chair, Executive Director and Deputy Director have travelled to Connecticut to review and discuss the mechanics of the CT PACE Programs.
- v) A meeting is set with EPA in Boston which Executive Director and Senior Advisor will attend to continue exploration and program development ideas.
- vi) Michael Baer, Senior Advisor has drafted a presentation deck on PACE programs outlining energy efficiency data and energy financial analysis.
- vii) Michael Baer also wrote the RFPs for R-PACE and C-PACE programs. The RFPs serve to solicit a PACE administrator for the administration of commercial PACE program and a separate RFP to solicit a third party administrator for residential PACE program.

The Chair moved to Agenda Item #9. Review and approval of proposal for website design. William Sequino commented as follows:

- i) Five proposals were submitted had been submitted for logo and website design;
- ii) The Board had earlier selected Malcolm Gear Designers Inc. for logo design. The Executive Director recommended selecting Malcolm Gear to also perform

website design services under the terms of their original proposal. The firm's fee will be \$8,000 plus out-of-pocket expenses.

After a brief discussion, a motion was made and seconded and the following vote was taken:

Voted: that Malcolm Grear Designers be hired to construct a new RIIB website.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair then moved to Agenda Item # 10. Review and consideration of purchasing a new color copier for the RIIB. Michael Larocque presented:

- i) Reviewed the Master Price Agreements entered into by the State of RI for color copiers;
- ii) Three proposals were solicited and reviewed. The brands were Xerox, Toshiba and Savin;
- iii) A comparative analysis was done and both the Executive Director and Deputy Director recommend the Savin unit by Core Business at a cost of \$28,014.

After a brief discussion, a motion was made and seconded and the following vote was taken:

Voted: that the Board of Directors approve the purchase of a Savin color copier through Core Business Technologies at a cost of \$28,014.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

The Chair moved to Item #11 on the Agenda: Approval of Expenses.

Invoices were submitted from: Providence Journal, Blum Shapiro, Bank of America, Doc Web, Beacon Mutual Insurance Co, US Bank, First Southwest Asset Management, Nixon Peabody and Harrington & Vitale in the aggregate amount of \$128,792.45.

After a brief discussion, a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the invoices from the parties listed above in the total amount of \$128,792.45.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers

Voting against the foregoing were: None

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 4:40p.m.

Voted: That the Board of Directors adjourn the meeting at 4:40p.m.

Voting in favor of the foregoing: Chair Merrill Sherman, Josh Celeste and Kelly Rogers.

Voting against the foregoing were: None.

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**Secretary**

**MINUTES:** \_\_\_\_\_