



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

JAY R. INSLEE
Governor

DENNY HECK
Lieutenant Governor

STATE FINANCE COMMITTEE MINUTES

✘ DRAFT until formally adopted and signed by the Committee Members and Secretary

November 14, 2023, at 1:00 PM

Via Zoom

**With public participation via Zoom, telephonically,
and in-person at the Office of the State Treasurer,
Legislative Building, Second Floor, Room 230, Olympia, WA**

The State Finance Committee met virtually via Zoom in a special meeting after notice was duly given to the public.

Present: State Treasurer Mike Pellicciotti, Chair
Governor Jay Inslee, Member
Lieutenant Governor Denny Heck, Member

Also Present Virtually: Jason Richter, Office of the State Treasurer, Secretary
Nona Snell, Office of Financial Management
Dallas Roberts, Office of the Lieutenant Governor
Sharon James, Office of the Attorney General
Scott Forbes, Office of the Attorney General
Tammie Nuber, Office of the State Treasurer
Anna Borris, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Austin Goble, Office of the State Treasurer
Aaron Sherman, Office of the State Treasurer
Danni Colo, Office of the State Treasurer
Megan Farrell, Office of the State Treasurer

Chair Pellicciotti called the meeting to order at 1:00 PM. Chair Pellicciotti stated for the record that all three members of the State Finance Committee were present, and a quorum was established. Chair Pellicciotti stated this meeting was being streamed by TVW.

Office of the State Treasurer

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Item 1: Approval of Minutes

Chair Pellicciotti introduced the draft minutes from the June 8, 2023, State Finance Committee meeting for approval. No corrections or amendments were requested. Motion – Lieutenant Governor Heck; Second – Governor Inslee; the minutes were approved unanimously.

Item 2: Informational Item – Bond Sales and Market Update

Chair Pellicciotti asked Secretary Richter to provide an update on bond and certificate of participation sales since the last State Finance Committee meeting.

Sales Update

Since the last Bond Sales and Market Update provided to the State Finance Committee on June 8, 2023, the state sold five series of bonds and one series of certificates of participation (COPs), totaling over \$1.6 billion.

Refunding Savings

Of the five series of bonds sold since the last meeting, two series were refundings, which are bonds issued to refinance existing debt. The November 7, 2023, refunding sales resulted in around \$59.3 million in total debt services savings, or around \$47.4 million on a present value basis.

Future New Money Issuances

The state plans to sell new money bonds in January or February 2024 and anticipates an additional new money issuance in the summer of 2024 to finance Capital Budget and Transportation Budget projects. The size and timing of these issuances will be primarily dependent upon the state's capital budget and transportation budget cash-flow needs.

Future Refinancings

In addition to new money financings, the Office of the State Treasurer actively monitors the state's debt portfolio for refinancing opportunities.

Market Update

The Bond Buyer 20-Bond Index (BBI) was reported at 4.17% (as of November 2, 2023), which is 0.50% higher than it was at the time of the last SFC meeting (3.67% as of June 8, 2023). In October, the BBI rose to its highest point over the last three years (4.19% as of October 19, 2023). Over the same period, the lowest rate was 2.03% in July 2021.

Lieutenant Governor Heck asked for a quick overview of the CPI data that was released today. Secretary Richter mentioned that the data indicated reduced inflation, which in turn has reduced expectations for additional interest rate increases by the Fed. Chair Pellicciotti commented that the CPI data released today probably surprised people in its decrease and in doing so, makes it less likely that we will see another rate increase.

Chair Pellicciotti thanked the Bond Team and the Committee for their good work over the past three years which, through refinancings of outstanding bonds, has produced \$532.2 million dollars in net present value savings for the state.

Item 7: Public Comment

Chair Pellicciotti opened the meeting up for public comment.

Rob Shelley of Piper Sandler congratulated the state on the results of its recent refundings and for being fortuitous with market timing.

Having no further business before the State Finance Committee, Chair Pellicciotti adjourned the meeting at 1:12 PM.

STATE FINANCE COMMITTEE STATE OF
WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Jay Inslee
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter,
State Finance Committee Secretary