



**RHODE ISLAND
INFRASTRUCTURE BANK**

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August 28, 2016

General Treasurer Seth Magaziner
Chairman
Public Finance Management Board
50 Service Avenue, 2nd Floor
Warwick, RI 02886

Re: Proposed Amendments to the Public Finance Management Board
Rules and Regulations

Dear Treasurer Magaziner:

Rhode Island Infrastructure Bank (the “Bank”) has reviewed the proposed amendments to the Public Finance Management Board’s Rules and Regulations. The Bank’s mission is to finance a number of the important infrastructure projects of municipalities, water and wastewater district and other governmental entities. The Bank’s business model is to purchase Bonds from these entities, pool these securities and finance this pool by issuing Bonds in the capital markets.

The Bank’s comments on the proposed rules are focused on Section 10 – Fees. In the past, the Bank has paid the PFMB fee on its Bonds, and, subject to the final rules, will continue to do so. The proposed amendments, however, appear to subject cities and towns and state, municipal and regional authorities to pay the fee upon their issuance of debt to the Bank. This would appear to create a double assessment of the fee on what is effectively the same debt. For example, if the Bank has five municipalities in a pool of loans, each of those municipalities would pay the PFMB fee on their loan, as they issue a bond which the Bank purchases. The Bank then issues its Bonds to provide the capital to those five municipalities, and would pay the fee on its Bonds, thus creating a double assessment of the fee on the same debt.

We appreciate the opportunity to provide comments on the proposed rules. Please contact me at 453-4430 x119 if you have any questions.

Very truly yours,