



PUBLIC FINANCE MANAGEMENT BOARD

FY 2020 Annual Documentation

FY 2020 PFMB Annual Documentation

In 2016, at the request of General Treasurer Seth Magaziner, the Rhode Island General Assembly enacted a series of reforms to strengthen Rhode Island's debt management practices, including improved research and reporting, stronger oversight, and policies aimed at providing taxpayer savings through more efficient bond issuance. The Public Finance Management Board (PFMB), a volunteer Board of public finance experts formed to advise state and municipal issuers of public debt, has worked with Office of the General Treasurer staff to effectuate these goals.

Included among the new policies adopted in 2016 is a new requirement that the PFMB publish a comprehensive study of Debt Affordability no less than every two years. The most recent study was released on July 25, 2019 and can be accessed at www.debt.treasuryri.gov. These Debt Affordability Studies contain detailed information about the amount of public borrowing at the state, quasi-public and municipal levels, comparisons to peers and rating agency guidance, and a range of information on best practices for public debt management.

Chapter 42-10.1-8 of Rhode Island General Law also requires the PFMB to provide certain data to the General Assembly on an annual basis, including:

- Information on state debt outstanding
- PFMB revenue and expense data
- PFMB meeting minutes
- Ratings reports from state debt issuances

Pursuant to RIGL 42-10.1-8, this information for FY 2020 is included herein.

In addition to collecting and publishing key information related to public borrowing in Rhode Island, the PFMB conducted two municipal educational events during FY 2020. One event was held in-person prior to the COVID-19 outbreak and one was held virtually after restrictions were implemented. In October 2019 Treasury hosted an in-person meeting at the New England Institute of Technology which was attended by 55 municipal and quasi-public corporation finance professionals. In February 2020, Treasury co-hosted a virtual municipal training even with the Rhode Island League of Cities and Towns for over 75 participants. Treasury also provided advisory opinions to the General Assembly on proposed legislation and the PFMB continued its traditional function of allocating tax-exempt volume capacity to quasi-public agencies.

The PFMB and Office of the General Treasurer staff are available to answer any questions about this material and stand ready and willing to assist all stakeholders interested in learning more about public liabilities at the state and local level.

Information on FY 2020 state debt outstanding

State of Rhode Island
Office of the General Treasurer
Debt Service System Inventory by Maturity Date

Amount of Original Issue	Description of Issue	Year	Series	Maturity Date	Principal Paid in FY 20	Interest Paid in FY 20	Principal Outstanding 6/30/2020	Interest Outstanding 6/30/2020
23,800,000.00	G.O. CDL of 2010, Series D (Federally Taxable)	2010	D	4/1/2020	1,710,000.00	79,121.70	0.00	0.00
78,960,000.00	G.O. CCDL of 2010, Refunding Series A	2010	Refunding Series A	10/1/2020	10,375,000.00	746,375.00	10,925,000.00	243,500.00
8,000,000.00	LPC, Central Power Plant Project - 2017 Refunding Series E	2017	Refunding Series E	10/1/2020	2,085,000.00	161,625.00	2,190,000.00	54,750.00
11,805,000.00	LPC, Energy Conservation Project - 2009 Series B	2009	B	4/1/2021	1,395,000.00	145,250.00	1,510,000.00	75,500.00
13,165,000.00	G.O. CCDL of 2016, Series B (Federally Taxable)	2016	B	5/1/2021	2,660,000.00	90,562.50	2,705,000.00	47,337.50
53,800,000.00	G.O. CCDL of 2016, Refunding Series C (Tax-Exempt)	2016	Refunding Series C	8/1/2022	9,185,000.00	988,875.00	15,185,000.00	1,158,125.00
17,520,000.00	LPC, Energy Conservation Project - 2013 Series C	2013	C	4/1/2023	1,835,000.00	395,250.00	6,070,000.00	617,000.00
9,170,000.00	LPC, Information Technology Project - 2013 Series D	2013	D	4/1/2023	955,000.00	161,950.00	3,100,000.00	249,900.00
5,005,000.00	LPC, Energy Conservation Project - 2017 Refunding Series C	2017	Refunding Series C	5/1/2023	1,230,000.00	158,250.00	1,935,000.00	199,500.00
36,310,000.00	LPC, Kent County Courthouse Project - 2013 Refunding Series A	2013	Refunding Series A	10/1/2023	3,685,000.00	928,875.00	16,735,000.00	1,725,625.00
36,575,000.00	LPC, Training School Project - 2013 Refunding Series B	2013	Refunding Series B	10/1/2024	3,200,000.00	1,011,750.00	18,635,000.00	2,421,625.00
15,290,000.00	LPC, Traffic Tribunal Project - 2013 Refunding Series E	2013	Refunding Series E	10/1/2024	1,325,000.00	345,325.00	7,480,000.00	889,775.00
11,650,000.00	LPC, Pastore Center Energy Conservation Project - 2014 Series A	2014	A	11/1/2024	1,125,000.00	326,425.00	6,510,000.00	747,300.00
30,380,000.00	LPC, Information Technology Project - 2014 Series C	2014	C	11/1/2024	2,925,000.00	925,625.00	17,050,000.00	2,216,250.00
78,700,000.00	G.O. CCDL of 2014, Refunding Series A	2014	Refunding Series A	11/1/2025	12,145,000.00	1,626,800.00	28,375,000.00	4,575,050.00
31,980,000.00	LPC, Energy Conservation Project - 2011 Series A	2011	A	4/1/2026	3,580,000.00	329,512.50	5,065,000.00	618,737.50
9,050,000.00	LPC, Nursing Education Center Project - 2017 Series A	2017	A	6/1/2027	790,000.00	377,750.00	6,765,000.00	1,419,000.00
122,950,000.00	G.O. CCDL of 2012, Refunding Series A	2012	Refunding Series A	8/1/2027	16,945,000.00	3,745,456.26	67,445,000.00	6,386,784.38
175,155,000.00	G.O. CCDL of 2015, Refunding Series A	2015	Refunding Series A	8/1/2027	21,635,000.00	5,736,975.00	110,945,000.00	21,981,125.00
162,115,000.00	G.O. CCDL of 2014, Refunding Series D (Tax-Exempt)	2014	Refunding Series D	8/1/2027	4,785,000.00	7,681,200.00	151,710,000.00	30,764,500.00
35,100,000.00	G.O. CCDL of 2018, Series B (Federally Taxable)	2018	B	4/1/2028	3,065,000.00	1,177,097.50	29,055,000.00	4,889,870.00
19,635,000.00	LPC, School for the Deaf Project - 2017 Refunding Series D	2017	Refunding Series D	4/1/2029	1,520,000.00	957,250.00	17,625,000.00	4,692,750.00
25,000,000.00	G.O. CCDL of 2019, Series B (Federally Taxable)	2019	B	5/1/2029	2,180,000.00	752,083.33	22,820,000.00	3,557,250.00
7,465,000.00	LPC, R. I. College Energy Conservation Project - 2014 Series B	2014	B	11/1/2029	405,000.00	230,275.00	6,350,000.00	1,206,112.50
80,000,000.00	G.O. CDL of 2010, Series C	2010	C	4/1/2030	0.00	2,239,978.50	80,000,000.00	0.00
145,035,000.00	G.O. CCDL of 2011, Series A	2011	A	8/1/2030	645,000.00	1,189,362.50	25,150,000.00	2,804,606.25
66,920,000.00	G.O. CCDL of 2017, Refunding Series B (Tax-Exempt)	2017	Refunding Series B	8/1/2031	0.00	3,346,000.00	66,920,000.00	29,959,000.00
6,910,000.00	LPC, U.R.I. Energy Conservation Project - 2017 Series B	2017	B	6/1/2032	390,000.00	331,500.00	6,520,000.00	2,138,500.00
81,400,000.00	G.O. CCDL of 2012, Series B	2012	B	10/15/2032	3,405,000.00	2,629,362.50	60,015,000.00	18,414,618.75
40,650,000.00	G.O. CCDL of 2013, Series A (Tax-Exempt)	2013	A	10/15/2033	0.00	1,538,487.50	32,185,000.00	11,722,556.25
12,500,000.00	G.O. CDL of 2013, Series B (Federally Taxable)	2013	B	10/15/2033	510,000.00	429,512.51	9,565,000.00	3,502,636.88
10,195,000.00	LPC, U.R.I. Energy Conservation Project, 2018 Series A	2018	A	11/1/2033	0.00	490,650.00	10,195,000.00	3,724,625.00
20,100,000.00	LPC, Eleanor Slater Hospital Project, 2018 Series B	2018	B	11/1/2033	925,000.00	945,925.00	19,175,000.00	7,006,900.00
33,625,000.00	G.O. CCDL of 2014, Series B (Tax-Exempt)	2014	B	11/1/2034	1,220,000.00	1,429,250.00	27,975,000.00	11,782,875.00

State of Rhode Island
Office of the General Treasurer
Debt Service System Inventory by Maturity Date

Amount of Original Issue	Description of Issue	Year	Series	Maturity Date	Principal Paid in FY 20	Interest Paid in FY 20	Principal Outstanding 6/30/2020	Interest Outstanding 6/30/2020
12,500,000.00	G.O. CDL of 2014, Series C (Federally Taxable)	2014	C	11/1/2034	515,000.00	362,679.73	9,995,000.00	3,162,342.48
58,835,000.00	G.O. CCDL of 2016, Series A (Tax-Exempt)	2016	A	5/1/2036	130,000.00	2,068,800.00	58,290,000.00	18,141,950.00
91,000,000.00	G.O. CCDL of 2017, Series A (Tax-Exempt)	2017	A	5/1/2037	3,115,000.00	3,633,750.00	82,005,000.00	32,756,250.00
114,275,000.00	G.O. CCDL of 2018, Series A (Tax-Exempt)	2018	A	4/1/2038	2,085,000.00	4,460,193.76	110,000,000.00	50,205,043.75
123,600,000.00	G.O. CCDL of 2019, Series A (Tax-Exempt)	2019	A	5/1/2039	2,735,000.00	5,091,905.00	120,865,000.00	57,218,700.00
					126,415,000.00	59,267,015.79	1,275,084,012.00	343,321,983.24
					<u>59,267,015.79</u>			<u>1,275,084,012.00</u>
				Total Principle and Interest Paid in FY 2020	<u>185,682,015.79</u>		Total outstanding debt @ 6/30/20	<u>1,618,405,995.24</u>

State of Rhode Island - Office of the General Treasurer
Schedule of Tax Supported Debt
As of 6/30/20

Description of Issue	Maturity Date	Principal Paid in FY 20	Interest Paid in FY 20	Principal Outstanding 6/30/2020	Interest Outstanding 6/30/2020
General Obligation Bonds					
G.O. CDL of 2010, Series D (Federally Taxable)	4/1/2020	1,710,000.00	79,121.70	-	-
G.O. CCDL of 2010, Refunding Series A	10/1/2020	10,375,000.00	746,375.00	10,925,000.00	243,500.00
G.O. CCDL of 2016, Series B (Federally Taxable)	5/1/2021	2,660,000.00	90,562.50	2,705,000.00	47,337.50
G.O. CCDL of 2016, Refunding Series C (Tax-Exempt)	8/1/2022	9,185,000.00	988,875.00	15,185,000.00	1,158,125.00
G.O. CCDL of 2014, Refunding Series A	11/1/2025	12,145,000.00	1,626,800.00	28,375,000.00	4,575,050.00
G.O. CCDL of 2012, Refunding Series A	8/1/2027	16,945,000.00	3,745,456.26	67,445,000.00	6,386,784.38
G.O. CCDL of 2015, Refunding Series A	8/1/2027	21,635,000.00	5,736,975.00	110,945,000.00	21,981,125.00
G.O. CCDL of 2014, Refunding Series D (Tax-Exempt)	8/1/2027	4,785,000.00	7,681,200.00	151,710,000.00	30,764,500.00
G.O. CCDL of 2018, Series B (Federally-Taxable)	4/1/2028	3,065,000.00	1,177,097.50	29,055,000.00	4,889,870.00
G.O. CCDL of 2019, Series B (Federally-Taxable)	5/1/2029	2,180,000.00	752,083.33	22,820,000.00	3,557,250.00
G.O. CDL of 2010, Series C	4/1/2030	-	2,239,978.50	80,000,000.00	-
G.O. CCDL of 2011, Series A	8/1/2030	645,000.00	1,189,362.50	25,150,000.00	2,804,606.25
G.O. CCDL of 2017, Refunding Series B (Tax-Exempt)	8/1/2031	-	3,346,000.00	66,920,000.00	29,959,000.00
G.O. CCDL of 2012, Series B	10/15/2032	3,405,000.00	2,629,362.50	60,015,000.00	18,414,618.75
G.O. CCDL of 2013, Series A (Tax-Exempt)	10/15/2033	-	1,538,487.50	32,185,000.00	11,722,556.25
G.O. CDL of 2013, Series B (Federally Taxable)	10/15/2033	510,000.00	429,512.51	9,565,000.00	3,502,636.88
G.O. CCDL of 2014, Series B (Tax-Exempt)	11/1/2034	1,220,000.00	1,429,250.00	27,975,000.00	11,782,875.00
G.O. CDL of 2014, Series C (Federally Taxable)	11/1/2034	515,000.00	362,679.73	9,995,000.00	3,162,342.48
G.O. CCDL of 2016, Series A (Tax-Exempt)	5/1/2036	130,000.00	2,068,800.00	58,290,000.00	18,141,950.00
G.O. CCDL of 2017, Series A (Tax-Exempt)	5/1/2037	3,115,000.00	3,633,750.00	82,005,000.00	32,756,250.00
G.O. CCDL of 2018 Series A (Tax-Exempt)	4/1/2038	2,085,000.00	4,460,193.76	110,000,000.00	50,205,043.75
G.O. CCDL of 2019 Series A (Tax Exempt)	5/1/2039	2,735,000.00	5,091,905.00	120,865,000.00	57,218,700.00
Total General Obligation Bonds		99,045,000.00	51,043,828.29	1,122,130,000.00	313,274,121.24

Description of Issue	Maturity Date	Principal Paid in FY 20	Interest Paid in FY 20	Principal Outstanding 6/30/2020	Interest Outstanding 6/30/2020
Capital Leases					
LPC, Central Power Plant Project - 2017 Refunding Series E	10/1/2020	2,085,000.00	161,625.00	2,190,000.00	54,750.00
LPC, Energy Conservation Project - 2009 Series B	4/1/2021	1,395,000.00	145,250.00	1,510,000.00	75,500.00
LPC, Energy Conservation Project - 2013 Series C	4/1/2023	1,835,000.00	395,250.00	6,070,000.00	617,000.00
LPC, Information Technology Project - 2013 Series D	4/1/2023	955,000.00	161,950.00	3,100,000.00	249,900.00
LPC, Energy Conservation Project - 2017 Refunding Series C	5/1/2023	1,230,000.00	158,250.00	1,935,000.00	199,500.00
LPC, Kent County Courthouse Project - 2013 Refunding Series A	10/1/2023	3,685,000.00	928,875.00	16,735,000.00	1,725,625.00
LPC, Training School Project - 2013 Refunding Series B	10/1/2024	3,200,000.00	1,011,750.00	18,635,000.00	2,421,625.00
LPC, Traffic Tribunal Project - 2013 Refunding Series E	10/1/2024	1,325,000.00	345,325.00	7,480,000.00	889,775.00
LPC, Pastore Center Energy Conservation Project - 2014 Series A	11/1/2024	1,125,000.00	326,425.00	6,510,000.00	747,300.00
LPC, Information Technology Project - 2014 Series C	11/1/2024	2,925,000.00	925,625.00	17,050,000.00	2,216,250.00
LPC, Energy Conservation Project - 2011 Series A	4/1/2026	12,145,000.00	1,626,800.00	28,375,000.00	4,575,050.00
LPC, Nursing Education Center Project - 2017 Series A	6/1/2027	3,580,000.00	329,512.50	5,065,000.00	618,737.50
LPC, School for the Deaf Project - 2017 Refunding Series D	4/1/2029	1,520,000.00	957,250.00	17,625,000.00	4,692,750.00
LPC, R. I. College Energy Conservation Project - 2014 Series B	11/1/2029	2,180,000.00	752,083.33	22,820,000.00	3,557,250.00
LPC, U.R.I. Energy Conservation Project - 2017 Series B	6/1/2032	390,000.00	331,500.00	6,520,000.00	2,138,500.00
LPC, U.R.I. Energy Conservation Project, 2018 Series A	11/1/2033	-	490,650.00	10,195,000.00	3,724,625.00
LPC, Elenaor Slator Hospital Project, 2018 Series B	11/1/2033	925,000.00	945,925.00	19,175,000.00	7,006,900.00
Total Capital Leases		40,500,000.00	9,994,045.83	190,990,000.00	35,511,037.50
R.I. Economic Development Corporation					
Job Creation Guaranty Program I	11/1/2020	-	-	2,250,000.00	301,265.00
Job Creation Guaranty Program II	11/1/2021	10,980,000.00	1,342,300.00	11,830,000.00	458,413.00
URI Power Plant	11/1/2020	1,230,000.00	61,500.00	-	-
Fidelity Building I	5/1/2021	2,155,961.00	332,565.00	2,374,248.00	149,568.00
Fidelity Building II	5/1/2027	549,877.00	404,176.00	5,167,695.00	1,510,682.00
I-195 Land (variable rate)	4/1/2023	1,540,000.00	916,277.32	35,440,000.00	12,011,488.00
Historic Structure Tax Credit Fund	5/15/2024	15,960,000.00	3,441,503.00	104,870,000.00	12,336,220.00
Fleet Bank	5/1/2027	530,000.00	414,745.00	5,050,000.00	1,557,165.00
Transportation Motor Fuel	6/15/2027	3,790,000.00	1,570,750.00	27,625,000.00	5,196,000.00
Total R.I. Economic Development Corporation		36,735,838.00	8,483,816.32	194,606,943.00	33,520,801.00
Convention Center Authority	5/15/2035	13,295,000.00	8,113,754.00	163,035,000.00	50,217,913.00
Garrahy Garage	5/15/2042	1,275,000.00	1,750,091.00	43,205,000.00	23,361,538.00
Grand Total		190,850,838.00	79,385,535.44	1,713,966,943.00	455,885,410.74

PFMB Revenue and Expense Data

Public Finance Management Board

		FY 2018	FY 2019	FY 2020
10.067.1910994	Revenues	\$ 274,732	\$ 278,694	\$ 502,035
10.067.1910104	Expenditures			
	Personnel	\$ 248,667	\$ 233,835	\$ 245,157
	Annual Retainer for Financial Advisor	\$ 30,000	\$ 30,000	\$ 30,000
	Debt Study Expense	\$ -	\$ -	\$ 96,390
	Debt Portal Expense	\$ 6,423	\$ -	\$ -
	Legal	\$ 21,376	\$ 29,940	\$ 13,613
	Banking and Debt Management Fees	\$ -	\$ -	\$ -
	All other Operating	\$ 7,287	\$ 51,521	\$ 2,496 *
	Total Expenditures	\$ 313,753	\$ 345,296	\$ 387,656

*FY20 other operating expenses includes payment to FA for PawSox analysis

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2020

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
Rhode Island Health and Education Building Corporation	HIGHER EDU FACILITY REV BONDS BRYANT UNIVERSITY ISSUE, SERIES 2019	12/6/2019	12/6/2031	\$17,300,000.00	\$4,325.00	\$4,325.00	1/17/2019
Rhode Island Commerce Corporation	ECONOMIC DEVELOPMENT REVENUE REFUNDING BONDS GREATER PROVIDENCE YMCA, SERIES 2019 BONDS	12/4/2019	10/1/2042	\$4,690,800.00	\$1,172.70	\$1,172.70	1/28/2020
Rhode Island Housing	RI HOUSING AND FINANCE HOMEOWNERSHIP OPPORTUNITY BONDS SERIES 69	8/22/2018	4/1/2024	\$105,270,000.00	\$26,317.50	\$26,317.50	2/4/2020
Rhode Island Commerce Corporation	RENTAL SENIOR HOUSING REVENUE BONDS (WINGATE HEALTHCARE ISSUE) SERIES 2020B (FEDERALLY TAXABLE) & SERIES 2020A	2/6/2020	Series A 1/1/2028 Series B 1/1/2052	\$24,450,000.00	\$6,112.50	\$6,112.50	2/6/2020
Narragansett Bay Commission	NARRAGANSETT BAY COMMISSION 2020 TAXABLE REFUNDING BONDS	2/26/2020	9/1/2037	\$196,360,000.00	\$49,090.00	\$49,090.00	3/19/2020
Providence Public Building Authority	(CAPITAL IMPROVEMENTS PROGRAM PROJECTS)REVENUE BONDS, 2020 SERIES B	6/4/2019	6/15/2029	\$20,000,000.00	\$5,000.00	\$5,000.00	3/26/2020
Rhode Island Commerce Corporation	ECONOMIC DEVELOPMENT REVENUE BONDS (QUOSET DEVELOPMENT CORP-SERIES 2020)	4/1/2020	4/1/2042	\$1,917,080.00	\$479.27	\$479.27	4/6/2020

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2020

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
State of Rhode Island	APPROPRIATION NOTES. 2020 SERIES 2 (TAX-EXEMPT)	4/13/2020	4/13/2021	\$10,000,000.00	\$2,500.00	\$2,500.00	4/13/2020
RI Infrastructure Bank	MUNICIPAL ROAD & BRIDGE REVOLVING FUNDS REVENUE BOND 2020 SERIES A	4/22/2020	10/1/2030	\$12,765,000.00	\$3,191.25	\$3,191.25	4/22/2020
Rhode Island Commerce Corporation	RI COMMERCE CORP GRANT ANTICIPATION BONDS (RIDOT), SERIES 2020A	5/5/2020	3/15/2035	\$165,555,000.00	\$41,388.75	\$41,388.75	5/28/2020
Rhode Island Health and Education Building Corporation	RI HEALTH & EDU BUILDING CORP TOWN OF PORTSMOUTH ISSUE PORTSMOUTH ABBEY SCHOOL, SERIES A, SERIES B, SERIES C SERIES D.	6/1/2020	6/1/2050	\$17,990,000.00	\$4,497.50	\$4,497.50	6/2/2020
Providence Public Building Authority	PROV PUBLIC BUILDING AUTHORITY (CAPITAL IMPROVEMENT PROGRAM PROJECTS) REVENUE BONDS, 2020 SERIES A	3/26/2020	9/15/2039	\$95,000,000.00	\$23,750.00	\$23,750.00	3/25/2020
Rhode Island Health and Education Building Corporation	HIGHER DE FACILITIES REVENUE REFUNDING BONDS- BROWN UNIV ISSUE SERIES 2019A	6/20/2019	6/30/2048	\$54,560,000.00	\$13,640.00	\$13,640.00	7/18/2019
Rhode Island Commerce Corporation	AIRPORT REVENUE REFUNDING BONDS 2019 SERIES A & B	7/12/2019	7/1/2038	\$24,162,640.00	\$6,040.66	\$6,040.66	7/19/2019
Narragansett Bay Commission	2019 Water System (CSO) 2019 Series C (Phase III)	8/27/2019	3/1/2046	\$268,710,600.00	\$67,177.65	\$67,177.65	9/4/2019
Rhode Island Health and Education Building Corporation	CITY OF WARWICK ISSUE	9/10/2019	5/15/2039	\$5,445,000.00	\$1,361.25	\$1,361.25	9/24/2019

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2020

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
RI Student Loan Authority	EDU LOAN REVENUE BONDS SENIOR SERIES 2019-1(FEDERALLY TAXABLE)	8/9/2019	12/1/2029	\$40,820,000.00	\$10,205.00	\$10,205.00	9/26/2019
Rhode Island Health and Education Building Corporation	RI HEALTH & EDU BUILDING CORP, THE COMPASS SCHOOL BONDS 2019	10/4/2019	10/1/2049	\$3,850,000.00	\$962.50	\$962.50	10/4/2019
Rhode Island Health and Education Building Corporation	HEALTH FACILITIES REVENUE BONDS, HOPEHEALTH HOSPICE & PALLATIVE CARE ISSUE, SERIES 2019	11/1/2019	9/1/2039	\$11,000,000.00	\$2,750.00	\$2,750.00	11/1/2019
Rhode Island Housing	MULTI-FAMILY DEVELOPMENT BONDS 2019 SERIES 1-A, SERIES 1-B, SERIES 2-T	10/3/2019	4/1/2027	\$73,600,000.00	\$18,400.00	\$18,400.00	11/5/2019
Rhode Island Health and Education Building Corporation	ROGER WILLIAMS UNIV 2019 REFUNDING BONDS	11/27/2019	11/15/2028	\$14,518,520.00	\$3,629.63	\$3,629.63	11/27/2019
Rhode Island Housing	HOMEOWNERSHIP OPPORTUNITY BONDS, SERIES 71 2019	11/25/2019	10/1/2049	\$97,340,000.00	\$24,335.00	\$24,335.00	12/2/2019
Rhode Island Turnpike and Bridge Authority	RITBA MOTOR FUEL TAX REVENUE BOND, SERIES 2019 A	11/20/2019	10/1/2039	\$44,525,000.00	\$11,131.25	\$11,131.25	12/5/2019
Rhode Island Turnpike and Bridge Authority	RITBA TAXABLE REFUNDING TOLL REVENUE BONDS, 2019 SERIES 1	12/10/2019	12/1/2029	\$48,804,000.00	\$12,201.00	\$12,201.00	12/10/2019

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2020

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
RI Infrastructure Bank	RI INFRASTRUCTION BANK SAFE DRINKING WATER REFUNDING REVENUE BONDS SERIES C AND SERIES D (FEDERALLY TAXABLE)	12/5/2019	10/1/2027	\$46,295,000.00	\$11,573.75	\$11,573.75	12/16/2019
RI Infrastructure Bank	RI INFRASTRUCTURE BANK WATER POLLUTION CONTROL REFUNDING REVENUE BOND SERIES 2019 A (FEDERALLY TAXABLE)	12/5/2019	10/1/2027	\$112,870,000.00	\$28,217.50	\$28,217.50	12/18/2019
State of Rhode Island	RI GENERAL OBLIGATION BONDS CONSOLIDATED CAPITAL DEVELOPMENT LOAN OF 2019, SERIES C	10/10/2019	1/15/2030	\$135,500,000.00	\$33,875.00	\$33,875.00	12/19/2019
State of Rhode Island	RI GENERAL OBLIGATION BONDS CONSOLIDATED CAPITAL DEVELOPMENT LOAN OF 2019, SERIES D (FEDERALLY TAXABLE)	10/10/2019	1/15/2030	\$17,500,000.00	\$4,375.00	\$4,375.00	12/19/2019
State of Rhode Island	RI GENERAL OBLIGATION BONDS CONSOLIDATED CAPITAL DEVELOPMENT LOAN OF 2019, REFUNDING SERIES E (TAX-EXEMPT)	10/10/2019	1/15/2030	\$68,150,000.00	\$17,037.50	\$17,037.50	12/19/2019
Rhode Island Health and Education Building Corporation	EDUCATIONAL INSTITUTION REVENUE BONDS, KINGSTON HILL ACADEMY ISSUE, SERIES 2019	8/21/2019	6/30/2031	\$6,200,000.00	\$1,550.00	\$1,550.00	8/21/2019
				Total Amount of Issuances	PFMB Fee Due	PFMB Collected	
				\$1,745,148,640.00	\$436,287.16	\$436,287.16	

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2020**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
City of East Providence	GENERAL OBLIGATION SCHOOL BOND ANTICIPATION NOTES, SERIES 2020	\$78,000,000.00	0.00025	\$19,500.00	\$19,500.00	1/21/2020
City of East Providence	GENERAL OBLIGATION REFUNDING BOND 2020 SERIES A AND ANTICIPATION NOTES, SERIES 2020 1	\$17,255,000.00	0.00025	\$4,313.75	\$4,313.75	3/17/2020
City of Providence	LEASE BETWEEN JP MORGAN CHASE BANK, NA, AS LESSOR, AND CITY OF PROVIDENCE, RI, AS LEASEE	\$15,000,000.00	0.00025	\$3,750.00	\$3,750.00	3/30/2020
Town of Cumberland	TOWN OF CUMBERLAND, RI TANS	\$25,000,000.00	0.00025	\$6,250.00	\$6,250.00	4/15/2020
Town of North Kingstown	TOWN OF NORTH KINGSTOWN, RI 2020 TAX ANTICIPATION NOTES	\$5,263,000.00	0.00025	\$1,315.75	\$1,315.75	5/7/2020
Town of Lincoln	TOWN OF LINCOLN, RI HEALTH AND EDUCATION BUILDING, SCHOOL REVENUE BOND 2020 B	\$57,450,000.00	0.00025	\$14,362.50	\$14,362.50	6/15/2020
Town of Cumberland	TOWN OF CUMBERLAND \$4,000,000.00 WATER SYSTEM REVENUE BOND, 2020 SERIES A	\$4,000,000.00	0.00025	\$1,000.00	\$1,000.00	6/30/2020
North Kingstown	TOWN OF NORTH KINGSTOWN GENERAL OBLIGATION BONDS 2019	\$7,045,000.00	0.00025	\$1,761.25	\$1,761.25	7/10/2019

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2020**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
City of Cranston	CITY OF CRANSTON GENERAL OBLIGATION BONDS, 2019 SERIES A	\$13,410,000.00	0.00025	\$3,352.50	\$3,352.50	8/8/2019
Town of Jamestown	TOWN OF JAMESTOWN GENERAL OBLIGATION BONDS	\$5,070,000.00	0.00025	\$1,267.50	\$1,267.50	9/17/2019
Town of Bristol	BRISTOL COUNTY WATER AUTHORITY 2019 SERIES A	\$18,000,000.00	0.00025	\$4,500.00	\$4,500.00	9/19/2019
Town of Johnston	TOWN OF JOHNSTON GENERAL OBLIGATION REFUNDING BONDS 2019	\$2,800,000.00	0.00025	\$700.00	\$700.00	10/16/2019
Town of Pascoag	PASCOAG UTILITY DISTRICT WATER SYSTEM REVENUE BOND ANTICIPATION NOTES	\$1,199,000.00	0.00025	\$299.75	\$299.75	11/1/2019
Town of Scituate	SCITUATE GENERAL OBLIGATION BONDS 2019	\$2,000,000.00	0.00025	\$500.00	\$500.00	11/26/2019
Town of New Shoreham	TOWN OF NEW SHOREHAM FEDERALLY TAXABLE BOND ANTICIPATION NOTE	\$1,000,000.00	0.00025	\$250.00	\$250.00	8/28/2019
		Total Amount of Issuances		PFMB Fee Due	PFMB Collected	
		\$252,492,000.00		\$63,123.00	\$63,123.00	

PFMB FY 2020 Meeting Minutes



Public Finance Management Board
Regular Meeting Minutes
July 25, 2019
9:00 a.m.
1 Capitol Hill, Providence, RI 02908

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday July 25th, 2019 at 9:00 a.m. in the Executive Conference Room of the DOA Building at 1 Capitol Hill, 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 9:12 a.m.

II. Roll Call of Members

The following members were present: Ms. Julie Goucher, Mr. Michael DiBiase, Mr. Doug Jacobs, Ms. Maribeth Williamson, Mr. Joe Reddish, Mr. Robert Mancini, and Treasurer Magaziner.

Mr. Shawn Brown arrived at 9:22 a.m.

The following members were absent: Mr. James Thorsen

Also in attendance: Ms. Kelly Rogers, Deputy Treasurer for Public Finance and Policy; 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.

Mr. Thomas Huestis, Public Resource Advisory Group, participated via conference call.

III. Approval of Minutes

Treasurer Magaziner moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes for February 22, 2019.

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

VOTED: To approve the minutes of the February 22nd, 2019 PFMB Regular Meeting.

IV. 2019 Debt Affordability Study: Approval of amendments to Part II of the study

Treasurer Magaziner reminded the Board that recommended advisory borrowing limits for quasi-public agencies have been already approved and the vote would pertain only to minor changes to the report language based on feedback from the agencies on the prior draft.

Ms. Rogers summarized edits.

On a motion by Mr. Jacobs and seconded by Ms. Williamson, it was unanimously
VOTED: To approve the amendments to the 2019 Debt Affordability Study Part II.

V. 2019 Debt Affordability Study: Approval of Part III of the study

Ms. Rogers transitioned to Part III: municipalities, regional authorities, fire districts and other special district debt. She presented follow-up materials specific to questions from the last meeting including revised carrying cost metric, revised color methodology, overview of single-A rated peers and overview of actual vs. required ARC data.

Next, Ms. Rogers reviewed the rationale and recommended limits for the remainder of Part III, specifically how OPEB fits into the methodology. She explained Part III had been sent to finance directors within municipalities for review and presented a feedback chart detailing comments received. Mr. Reddish recommended the next iteration of the study also be sent to town administrators to ensure information is being shared at multiple levels of municipal government.

The Board asked questions regarding the measurement of debt for school building projects and reimbursements of state aid. Treasurer Magaziner reminded the Board for the purpose of this study, and in keeping with the practice of the credit ratings agency guidance, all debt for school building projects is counted as debt of the municipality. He directed the Board's attention to Appendix C, which details the reimbursements the State is expected to provide to each district for school construction projects. Ms. Goucher suggested adding a footnote within Part III, directing attention to Appendix C since municipalities are making decisions based on aid allocations.

On a motion by Mr. Jacobs and seconded by Ms. Williamson, it was unanimously
VOTED: To approve the 2019 Debt Affordability Study Part III pending updated footnote in Part III regarding school aid reimbursement.

VI. 2019 Debt Affordability Study: Approval of Part IV of the study

Mr. Huestis summarized Part IV: Guidelines for debt management best practices for the State, Rhode Island quasi-public entities and local governments. Mr. Huestis explained the purpose of this section is to guide debt practitioners and policy makers in terms of how to structure their financial arrangements in a manner that is consistent with the best interest of their governmental entity. The Board agreed this section should be presented to municipal leaders and finance directors at future municipal training sessions.

On a motion by Mr. Mancini and seconded by Ms. Williamson, it was unanimously
VOTED: To approve the 2019 Debt Affordability Study Part IV.

VII. 2019 Debt Affordability Study: Approval of full report

Treasurer Magaziner moved to the next item on the agenda, approval of the 2019 Debt Affordability Study in its entirety.

On a motion by Mr. Reddish and seconded by Mr. Mancini, it was unanimously
VOTED: To approve the 2019 Debt Affordability Study pending updated footnote in Part III regarding school aid reimbursement.

VIII. Executive Director and Staff update

Ms. Rogers provided an updated staff report. The completed Debt Affordability Study will be released to issuers and agencies following the Board meeting. The next municipal training session will be held in partnership with Rhode Island Health and Educational Building Corporation at New England Institute for Technology on October 21, 2019. Additionally, the next Board meeting will be December 12, 2019.

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

There being no further business, the meeting adjourned at 10:18 a.m.

Respectfully submitted,

**Seth Magaziner,
General Treasurer**



Public Finance Management Board
Regular Meeting Minutes
November 7, 2019
1:00 p.m.
1 Capitol Hill, Providence, RI 02908

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday, November 7th, 2019 at 1:00 p.m. in the Executive Conference Room of the DOA Building at 1 Capitol Hill, 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 1:03 p.m.

II. Roll Call of Members

The following members were present: Ms. Julie Goucher, Mr. Michael DiBiase, Mr. Doug Jacobs, Ms. Maribeth Williamson, Mr. Joe Reddish, Mr. James Thorsen, and Treasurer Magaziner.

The following members were absent: Mr. Shawn Brown and Mr. Robert Mancini

Also in attendance: Mr. Frank Quinn, Director of Debt Management; Mr. Josh Butera, Associate and Legal Counsel from Pannone Lopes Devereaux & O'Gara LLC; Mr. William Ash, Managing Director of Financial Services for Rhode Island Commerce Corporation (RICC) and Treasurer for Rhode Island Facilities Corporation (RIIFC), Mr. Tom Carlotto, RICC General Counsel, Sheckman Halperin Savage; Mr. Steve Maceroni, Financial Advisor, PFM; Ms. Karen Grande, Bond Council, Locke Lord; Ms. Ellen Corneau, Bond Council, Sheckman Halperin and Savage; Mr. Scott Schuster, Founder and President, Wingate Healthcare; Ms. Alex Schuster, VP of Strategy & Planning, Wingate Healthcare; Mr. Nick Campanella, CEO, MedRecycler; Mr. Charles Kelley, Executive Director of Rhode Island Student Loan Authority (RISLA); Mr. Noel Simpson, Chief Financial Officer of RISLA; Ms. Bernadette Lynch, Director of Finance for RI Housing and other members of the Treasurer’s staff.

Mr. Thomas Huestis, Public Resource Advisory Group, participated via conference call.

III. Approval of Minutes

Treasurer Magaziner moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes for July 25, 2019. Mr. Thorsen abstained from the vote.

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

VOTED: To approve the minutes of the July 25th, 2019 PFMB Regular Meeting.

IV. Request for Volume Cap Approval: RICC and SRC Blackstone/Wingate

Mr. Butera provided an overview of the volume cap allocation and carryforward program and process. The Board asked questions regarding the rules and regulations of volume cap carryforward and expiration.

Mr. DiBiase reminded the Board it does not determine if a project qualifies for Private Activity Bonds, rather, the Board grants the State's volume cap allocation for the project.

Treasurer Magaziner introduced Mr. Ash of RICC and Mr. Schuster of Wingate Healthcare who presented an overview regarding their request for a \$28 million-dollar volume cap allocation. This allocation will be used in financing the cost of senior housing facilities.

On a motion by Mr. Jacobs and seconded by Mr. Thorsen, it was unanimously

VOTED: To approve the request by Rhode Island Commerce Corporation for \$28 million Volume Cap Allocation on the Blackstone/Wingate project.

V. Request for Volume Cap Approval: RIIFC and MedRecycler

Mr. Ash introduced Mr. Campanella of MedRecycler who provided a brief summary regarding their request for a \$13 million-dollar volume cap allocation. Mr. Campanella answered questions raised by the Board concerning the medical waste facility project and the technology used.

Mr. Butera introduced Ms. Corneau, Bond Council on the transaction, who provided further information on financing and bond structure.

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

VOTED: To approve the request by Rhode Island Industrial Facilities Corporation for \$13 million Volume Cap Allocation on the MedRecycler project.

VI. Request for Volume Cap Approval: Rhode Island Student Loan Authority

Treasurer Magaziner welcomed RISLA and its representatives to present commentary on their request for an \$80 million-dollar volume cap allocation.

Mr. Kelley began by summarizing the mission of RISLA and the services they provide. He answered questions raised by the Board. Treasurer Magaziner thanked RISLA for their important work in making higher education more affordable for all Rhode Islanders.

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

VOTED: To allocate a portion of residual volume cap and allow carryforward of the same amount in the amount of \$80 million to RISLA.

VII. Request for Volume Cap Approval: Rhode Island Housing

Treasurer Magaziner transitioned to Rhode Island Housing. Ms. Lynch discussed the performance of Rhode Island Housing in 2019. She highlighted how volume cap allocations allow RI Housing to continue its mission by supporting the housing and construction industries within Rhode Island.

Mr. Quinn introduced Mr. Huestis who commented on the volume cap allocations that occurred and the carryforward balance. Mr. Quinn also asked Mr. Huestis to discuss that these transactions are non-recourse to the State.

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

VOTED: To allocate a portion of residual volume cap and allow carryforward of the same amount in the amount of \$186,750,000 to Rhode Island Housing

VIII. Executive Director and Staff update

Mr. Quinn announced that Ms. Kelly Rogers has left her position as Deputy Treasurer for Policy and Public Finance. Mr. Jacobs and the rest of the Board thanked Ms. Rogers for her excellent public service and wished her best in her future endeavors. Mr. Quinn discussed the success of the October municipal training session. Mr. Quinn also presented the provisional meeting schedule for 2020. Treasurer Magaziner discussed the upcoming general obligation bond sale in connection to the school bond initiative. He noted the upcoming sale would include a local marketing campaign to engage communities and retail investors to invest in Rhode Island bonds.

On a motion by Ms. Williamson and seconded by Mr. Reddish, it was unanimously
VOTED: To approve the provisional 2020 meeting schedule.

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. DiBiase and seconded by Ms. Williamson, it was unanimously
VOTED: To adjourn the meeting.

There being no further business, the meeting adjourned at 1:56 p.m.

Respectfully submitted,

**Seth Magaziner,
General Treasurer**

2019 Allocation Resolution No. 2

WHEREAS, the Public Finance Management Board (the “Board”) has been created pursuant to the provisions of Chapter 10.1 of Title 42 of the General Laws of the State of Rhode Island, enacted as Chapter 477 of the Public Laws of 1986, effective June 25, 1986; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), places volume cap restrictions on the issuance of certain tax-exempt private activity bonds (“PABs”) issued by the State of Rhode Island (the “State”) and state and local issuing authorities within the State; and

WHEREAS, the provisions of Section 146 of the Code provide that states may allocate available PAB volume cap to state and local issuing authorities; and

WHEREAS, the Rhode Island Commerce Corporation (the “Corporation”) is a public body corporate and agency of the State duly organized and existing under Chapter 42-64 of the Rhode Island General Laws, 1956, as amended (the “Act”), with offices at 315 Iron Horse Way, Suite 101, Providence, Rhode Island; and

WHEREAS, as provided in the Act, the Corporation is empowered to, among other things, to acquire, construct, finance and lease projects, as defined in its enabling statute, in the State; and to issue bonds for any of its corporate purposes payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of its projects and/or any part thereof; and

WHEREAS, the Corporation’s board is scheduled to meet on November 15, 2019 and approve a resolution (a draft copy of which is attached hereto as Exhibit A), pursuant to which the Corporation will authorize the issuance of tax-exempt bonds in an amount not to exceed \$28,000,000 to finance the cost of acquiring an approximately 4.5 acre site at 323 Blackstone Avenue, Providence, Rhode Island and renovating the existing building on the site into approximately thirty-two assisted living apartments by SRC Blackstone RE LLC (the “Project”); and

WHEREAS, the Corporation has applied to the Board for an allocation of \$28,000,000 in available 2019 PAB volume cap for the issuance of tax-exempt revenue bonds for the Project.

NOW, THEREFORE, under the authority granted by law, the Board hereby makes the following findings and allocations:

1. Based upon the provisions of the Code, the Board makes the following allocation of the 2019 PAB volume cap of the State, subject to a final resolution adopted by the Corporation authorizing the issuance of tax-exempt bonds for the Project in an amount not to exceed \$28,000,000:

A. To the Corporation, an amount equal to \$28,000,000 for the Project.

2. Any amount of the \$28,000,000 allocated hereunder that exceeds the amount of bonds actually issued for the Project on or before December 31, 2019 shall be automatically reallocated, without any further action of the Board, to the Rhode Island Housing and Mortgage

Finance Corporation and shall be treated as carryforward under the Code for the purpose of issuing qualified mortgage bonds or mortgage credit certificates.

3. Any amount issued under this allocation may only be issued for purposes authorized under the laws of the State of Rhode Island and the United States of America for which a PAB volume cap allocation is required or authorized under the provisions of the Code.

4. This Resolution shall take effect upon its adoption by the Board effective November 7, 2019.

Dated: November 7, 2019

2019 Allocation Resolution No. 3

WHEREAS, the Public Finance Management Board (the “Board”) has been created pursuant to the provisions of Chapter 10.1 of Title 42 of the General Laws of the State of Rhode Island, enacted as Chapter 477 of the Public Laws of 1986, effective June 25, 1986; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), places volume cap restrictions on the issuance of certain tax-exempt private activity bonds (“PABs”) issued by the State of Rhode Island (the “State”) and state and local issuing authorities within the State; and

WHEREAS, the provisions of Section 146 of the Code provide that states may allocate available PAB volume cap to state and local issuing authorities; and

WHEREAS, the Rhode Island Industrial Facilities Corporation (the “Corporation”) is a public body corporate and agency of the State duly organized and existing under Chapter 45-37.1 of the Rhode Island General Laws, 1956, as amended (the “Act”), with offices at 315 Iron Horse Way, Suite 101, Providence, Rhode Island; and

WHEREAS, as provided in the Act, the Corporation is empowered to, among other things, to acquire, construct, finance and lease projects, as defined in its enabling statute, in the State; and to issue bonds for any of its corporate purposes payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of its projects and/or any part thereof; and

WHEREAS, at a meeting of the Corporation’s board duly called and held on October 24, 2019, a resolution was approved (a copy of which is attached hereto as Exhibit A), pursuant to which the Corporation authorized the issuance of taxable and tax-exempt bonds in an amount not to exceed \$17,200,000 to finance the cost of purchasing and installing equipment and renovating a facility for MedRecycler-RI, Inc. located at 1600 Division Road, West Warwick, Rhode Island (the “Project”); and

WHEREAS, the Corporation has applied to the Board for an allocation of \$13,000,000 in available 2019 PAB volume cap for the issuance of tax-exempt revenue bonds for the Project.

NOW, THEREFORE, under the authority granted by law, the Board hereby makes the following findings and allocations:

1. Based upon the provisions of the Code, the Board makes the following allocation of the 2019 PAB volume cap of the State:

A. To the Corporation, an amount equal to \$13,000,000 for the Project.

2. Any amount of the \$13,000,000 allocated hereunder that exceeds the amount of bonds actually issued for the Project on or before December 31, 2019 shall be automatically reallocated, without any further action of the Board, to the Rhode Island Housing and Mortgage Finance Corporation and shall be treated as carryforward under the Code for the purpose of issuing qualified mortgage bonds or mortgage credit certificates.

3. Any amount issued under this allocation may only be issued for purposes authorized under the laws of the State of Rhode Island and the United States of America for which a PAB volume cap allocation is required or authorized under the provisions of the Code.

4. This Resolution shall take effect upon its adoption by the Board effective November 7, 2019.

Dated: November 7, 2019



Public Finance Management Board
Regular Meeting Minutes
January 17, 2020
9:00 a.m.
1 Capitol Hill, Providence, RI 02908

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Friday, January 17th, 2020 at 9:00 a.m. in the Executive Conference Room of the DOA Building at 1 Capitol Hill, 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 9:04 a.m.

II. Roll Call of Members

The following members were present: Mr. Robert Mancini, Mr. Brett Smiley, Mr. Shawn Brown, Ms. Maribeth Williamson, Mr. Joe Reddish, Mr. James Thorsen, and Treasurer Magaziner.

The following members were absent: Ms. Julie Goucher and Mr. Doug Jacobs

Also in attendance: Mr. Frank Quinn, Director of Debt Management; Mr. Jay Gowell Esq., Legal Counsel from Pannone Lopes Devereaux & O’Gara LLC; Mr. William Ash, Managing Director of Financial Services for Rhode Island Commerce Corporation (RICC) and Treasurer for Rhode Island Facilities Corporation (RIIFC); Mr. Steve Maceroni, Financial Advisor, PFM; Ms. Karen Grande, Bond Counsel, Locke Lord; other members of the Treasurer’s staff.

Ms. Janet Lee, Public Resource Advisory Group, participated via conference call.

III. Approval of Minutes

Treasurer Magaziner moved to the first agenda item:

Consideration to approve the Public Finance Management Board Minutes for November 7th, 2019.

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

VOTED: To approve the minutes of the November 7th, 2019 PFMB Regular Meeting.

IV. Request for Volume Cap Approval: RICC and SRC Blackstone/Wingate

Treasurer Magaziner reminded the Board that during the November meeting, the Board had adopted the resolution to approve the request by RICC for volume cap allocation on the SRC Blackstone/Wingate project. However, the bond financing did not close before the end of the 2019 calendar year, therefore a vote is required to reauthorize volume cap approval for 2020.

Mr. Ash of RICC explained the financing of the project has remained the same, however it was a timing issue with the parties involved which caused the bond deal to be delayed. The transaction is scheduled to close by the end of January.

The Board asked whether the volume cap granted in 2019 for this project would be lost to which Mr. Gowell replied that it would not be lost, rather reallocated to Rhode Island Housing.

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

VOTED: To adopt the resolution to approve the request by Rhode Island Commerce Corporation for \$28 million Volume Cap Allocation on the Blackstone/Wingate project.

V. Debt Capacity Discussion

Treasurer Magaziner gave an update regarding the Governor's FY 2021 proposed budget which included proposals for future debt issuances. He reminded the Board the biennial Debt Affordability Study (DAS) recommends a maximum amount of borrowing the State can afford. He noted the amount of bonding in the proposed budget exceeds the recommended limits set forth in the 2019 DAS. However, Treasury will be working closely with the Budget Office to find a path forward to allow the proposed amount of bonding to occur and remain within recommended limits set by the PFMB. This will include a process of spreading out the timing of tax-supported debt to conform to the recommended limits. Updates will follow at the next Board meeting.

VI. Executive Director & Staff Update

Mr. Quinn provided an overview of the most recent bond issuance. On December 10th, 2019 the State sold \$221,150,000 of both taxable and tax-exempt bonds. The sale included a focus on retail investors, the first of its kind in over a decade. Thanks to a strong marketing campaign, approximately \$104 million were sold to retail investors, \$42.4 million within Rhode Island.

Treasurer Magaziner welcomed new Board member Brett Smiley and introduced Chief Investment Officer Alec Stais, who will be working closely with the Debt Management staff.

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 Ms. Thorsen, it was unanimously
VOTED: To adjourn the meeting.

There being no further business, the meeting adjourned at 9:21 a.m.

Respectfully submitted,

**Seth Magaziner,
General Treasurer**

2020 Allocation Resolution No. 1

WHEREAS, the Public Finance Management Board (the “Board”) has been created pursuant to the provisions of Chapter 10.1 of Title 42 of the General Laws of the State of Rhode Island, enacted as Chapter 477 of the Public Laws of 1986, effective June 25, 1986; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), places volume cap restrictions on the issuance of certain tax-exempt private activity bonds (“PABs”) issued by the State of Rhode Island (the “State”) and state and local issuing authorities within the State; and

WHEREAS, the provisions of Section 146 of the Code provide that states may allocate available PAB volume cap to state and local issuing authorities; and

WHEREAS, pursuant to Section 146(e) of the Code and Section 3 of Chapter 10.1 of Title 42 of the General Laws of Rhode Island, the Board is authorized to allocate the state’s PAB volume cap among all issuers in the state; and

WHEREAS, the Rhode Island Commerce Corporation (the “Corporation”) is a public body corporate and agency of the State duly organized and existing under Chapter 42-64 of the Rhode Island General Laws, 1956, as amended (the “Act”), with offices at 315 Iron Horse Way, Suite 101, Providence, Rhode Island; and

WHEREAS, as provided in the Act, the Corporation is empowered to, among other things, to acquire, construct, finance and lease projects, as defined in its enabling statute, in the State; and to issue bonds for any of its corporate purposes payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of its projects and/or any part thereof; and

WHEREAS, at a meeting of the Corporation’s board duly called and held on November 15, 2019, a resolution was approved (a copy of which is attached hereto as Exhibit A), pursuant to which the Corporation authorized the issuance of tax-exempt bonds in an amount not to exceed \$28,000,000 to finance the cost of acquiring an approximately 4.5 acre site at 323 Blackstone Avenue, Providence, Rhode Island and renovating the existing building on the site into approximately thirty-two assisted living apartments by SRC Blackstone RE LLC (the “Project”); and

WHEREAS, the Corporation has applied to the Board for an allocation of \$28,000,000 in available 2020 PAB volume cap for the issuance of tax-exempt revenue bonds for the Project.

NOW, THEREFORE, under the authority granted by law, the Board hereby makes the following findings and allocations:

1. Based upon the provisions of the Code, the Board makes the following allocation of the 2020 PAB volume cap of the State:

A. To the Corporation, an amount equal to \$28,000,000 for the Project.

2. Any amount of the \$28,000,000 allocated hereunder that exceeds the amount of bonds actually issued for the Project on or before December 31, 2020 shall be automatically reallocated, without any further action of the Board, to the Rhode Island Housing and Mortgage Finance Corporation and shall be treated as carryforward under the Code for the purpose of issuing qualified mortgage bonds or mortgage credit certificates.

3. Any amount issued under this allocation may only be issued for purposes authorized under the laws of the State of Rhode Island and the United States of America for which a PAB volume cap allocation is required or authorized under the provisions of the Code.

4. This Resolution shall take effect upon its adoption by the Board effective January 17, 2020.

Dated: January 17, 2020

FY 2020 Ratings Reports

Rating Action: Moody's assigns Aa2 to Rhode Island's 2019 Series C, D & E GO bonds; outlook stable

26 Nov 2019

New York, November 26, 2019 -- Moody's Investors Service has assigned a Aa2 rating to the State of Rhode Island's general obligation bonds Consolidated Capital Development Loan of 2019, Series C (Tax-Exempt), Series D (Federally Taxable), and Capital Development Loan of 2019, Refunding Series E (Tax-Exempt). The Series C, Series D and Series E bonds will be issued in the amounts of \$135.5 million, \$17.5 million, and \$69.1 million respectively. The bonds are expected to sell on December 19th. The outlook is stable.

RATINGS RATIONALE

Rhode Island's Aa2 rating incorporates the state's strong financial management practices, including multi-year financial planning, consensus revenue forecasting and consistent maintenance of reserves resulting in positive general fund balances; and its improving liquidity. The rating also reflects an economy that has long lagged the nation's and is accompanied by weak demographics and comparatively high combined debt and pension liabilities.

RATING OUTLOOK

The stable outlook reflects the state's success in shoring up its finances through maintenance of adequate available reserves, well-managed liquidity, and careful preparation for the impact on state revenues of gaming expansion in Massachusetts.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Further reduction in overall liability levels
- Sustained economic improvement at least in line with national average based on various metrics including diversification and job growth

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Deterioration of state's liquidity position accompanied by worsening reserve and balance sheet position
- Return to budgeting practices that rely on significant nonrecurring resources

LEGAL SECURITY

The bonds are a general obligation of the state, backed by a pledge of its full faith and credit.

USE OF PROCEEDS

The 2019 Series C and Series D bonds will be used to finance various capital purposes of the state. The Refunding Series E bonds will refund all outstanding 2010 Series C Recovery Zone Economic Development Bonds for present value savings, which are frontloaded in fiscal 2020 and 2021.

PROFILE

Rhode Island is a small state with a population of just 1.06 million, the 44th largest. The economy is commensurately small, with total personal income of about \$57.9 billion, ranking 43rd nationally.

METHODOLOGY

The principal methodology used in these ratings was US States and Territories published in April 2018. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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26 Nov 2019 | New Issue

Fitch Rates Rhode Island's \$222MM GOs 'AA'; Outlook Stable

Fitch Ratings-New York-26 November 2019:

Fitch Ratings has assigned a 'AA' rating to the following state of Rhode Island and Providence Plantations general obligation (GO) bonds:

- \$135.5 million consolidated capital development loan of 2019, series C (tax-exempt);
- \$17.5 million consolidated capital development loan of 2019, series D (federally taxable);
- \$69.07 million consolidated capital development loan of 2019, refunding series E (tax-exempt).

The bonds will be sold the week of Dec. 9, 2019 with the series C and E sold via negotiated sale and the series D via competitive sale.

In addition, Fitch has also affirmed the following state of Rhode Island ratings:

- Issuer Default Rating (IDR) at 'AA';
- State of Rhode Island and Providence Plantations (RI) GO bonds at 'AA';
- RI certificates of participation at 'AA-';
- RI Convention Center Authority revenue bonds at 'AA-';
- RI Commerce Corporation (historic structures tax credit financing program) revenue bonds at 'AA-'.

The Rating Outlook is Stable.

SECURITY

The state's GO bonds are supported by a pledge of its full faith and credit.

State appropriation-backed debt, including the Commerce Corporation's historic structures tax credit revenue bonds, is supported by payments from the state subject to annual legislative

appropriation.

ANALYTICAL CONCLUSION

Rhode Island's 'AA' Issuer Default Rating (IDR) and GO rating are based on conservative and prudent fiscal management and a moderate long-term liability position, offset by below-average economic growth for a U.S. state. The state's particularly deep recession and slow recovery inform Fitch Ratings' assessment of its modest economic and revenue growth prospects over the long term. Positive aspects of the state's fiscal profile include maintenance of its rainy day fund at the statutory requirement of 5% of revenues, budgets that spend only 97% of forecast revenue, and substantial spending control.

The 'AA-' rating appropriation-backed debt, which is one notch below the state's 'AA' IDR, is based on debt service paid from annual legislative appropriations.

Economic Resource Base

Rhode Island's economy, weighted toward education and health services, has grown slower than national trends over time with a demographic profile weaker than that of most states. Fitch anticipates modest economic expansion going forward. The state's population has been relatively flat since the turn of the century, trailing national growth, and is also slightly older than the national median. The state has long had a relatively high concentration of colleges and universities and slightly above-average educational attainment levels which indicate the potential for more robust growth, but that potential has not been realized to date.

KEY RATING DRIVERS

Revenue Framework::'a'

Fitch anticipates Rhode Island's revenues will grow modestly on a nominal basis. The state has complete legal control over its revenues.

Expenditure Framework::'aa'

The state maintains ample expenditure flexibility with low carrying costs and the broad expense-cutting ability common to most U.S. states. Medicaid remains a key expense driver and a

focus of expenditure-control efforts. Moderate growth prospects for revenues temper Fitch's assessment of the natural pace of spending relative to expected revenue growth.

Long-Term Liability Burden::'aa'

Rhode Island's long-term liabilities are moderate but well above the median for U.S. states. Pension obligations exceed outstanding debt, although the growth trajectory moderated significantly following substantial benefit changes enacted over the past decade.

Operating Performance::'aaa'

Rhode Island has the highest gap-closing ability, wide-ranging budgetary management capabilities and a strong commitment to maintaining a prudent reserve. During the expansion, the state has enacted largely structurally balanced budgets and taken steps to improve financial flexibility.

RATING SENSITIVITIES

FISCAL MANAGEMENT: The IDR is sensitive to continued active management of the budget in addressing projected current services gaps, particularly in the context of slow revenue growth expectations.

ECONOMIC GROWTH: The IDR is also sensitive to changes in the state's fundamental economic growth trajectory. Material and sustained improvement in the economic outlook could support stronger revenue growth prospects and a more robust revenue framework assessment. Continued efforts to modernize the state's revenue structure to better reflect shifts in economic activity could also support an improved assessment.

IDR LINKAGE: The ratings for appropriation-supported bonds are sensitive to changes in Rhode Island's 'AA' IDR, to which they are linked.

CURRENT DEVELOPMENTS

2019 ENDS ON TARGET

For fiscal 2019, the state ended with a modest general revenue budget surplus of approximately

\$29 million per the state controllers' preliminary unaudited closing statement issued in August. While still positive, this was narrower than the \$61 million and \$52 million surpluses in fiscal years 2017 and 2018, respectively. General revenues were essentially in line with the last forecast for the fiscal year and up 3% from fiscal 2018. Personal income tax (PIT) revenues grew approximately 4% while sales and use taxes (SUT) increased a more robust 6%. SUT growth could be related to the U.S. Supreme Court's June 2018 Wayfair decision expanding the ability of states to directly levy sales taxes on remote sellers which the state took advantage by enacting legislation in June 2018 that was effective on July 1, 2019. The state's reserve fund at \$203.7 million, remains fully funded according to the statutory requirement of 5% of general revenue.

2020 BUDGET INCLUDES MODEST CHANGES

Rhode Island's fiscal 2020 budget incorporates almost 4% growth in general revenue from the preliminary 2019 results. The budget omits several revenue-related policy measures recommended by the governor, including legalization of recreational cannabis and expansion of the sales tax to several services; but the enacted budget expands the sales tax to cover digital downloads, including streaming services, for a small projected \$3 million revenue increase.

The state continues full funding of the K-12 education funding formula in the ninth year of a ten-year phase-in, increasing it by approximately \$30 million, or 3%, to just under \$1 billion. Medicaid spending from general revenue increases approximately 4%, partly financed by a sizable increase in hospital provider rate fees in fiscal 2020 following several years of rate freezes.

In November 2019, the state's Revenue Estimating Conference met to update the general revenue forecasts and issued a revised estimate that is largely in line with the enacted budget. PIT and SUT revenues were revised upwards \$15 million (1%) and \$12 million (also 1%), respectively. Business corporations and lottery revenues (driven by gaming facilities receipts) were both revised downwards, by \$20 million (12%) and \$36 million (9%), respectively.

Revenue Framework

Rhode Island's PIT and SUT together account for approximately 60% of the state's general fund receipts. The PIT alone makes up approximately 40%. Both revenue sources are economically sensitive and respond quickly to shifts in the state's economy. Recent steps to expand the tax base have been helpful, including adding software as a service (cloud-based software) and ride-sharing to the SUT base, and adjusting how state and local sales and hotel taxes apply to short-term rentals through hosting platforms like Airbnb. The associated revenue increases are modest, but the changes better position the state to capture growing areas of economic activity.

Historical revenue growth, adjusted for the estimated effects of policy changes, has trailed both national economic growth and inflation over the past decade. Nominal revenue growth has been more robust but reflects tax policy changes, including on capital gains and tobacco implemented during the height of the recession. Fitch anticipates the long-term trend for revenue growth will be in line with baseline historical performance. Revenue modernization efforts noted above could help improve the state's growth prospects, if accompanied by steady economic improvement.

Rhode Island has no legal limitations on its independent legal ability to raise revenues through base broadenings, rate increases, or the assessment of new taxes or fees.

Expenditure Framework

As in most states, education and health and human services spending make up Rhode Island's largest operating expenses. Steady recent increases in education spending relate to implementation of a revised funding formula for K-12 education, which the state is phasing in. Medicaid is the primary driver of health and human services spending.

Absent policy actions, the pace of spending growth is likely to be above the relatively tepid pace of anticipated revenue growth in Rhode Island, requiring proactive budget management to ensure balance. Controlling Medicaid spending has been a priority for the current administration with some success in implementing cost-saving measures that lessened the growth trajectory in the existing program. Fitch will continue to monitor the state's ability to sustain these cost improvements.

The fiscal challenge of Medicaid is common to all U.S. states, and the nature of the program as well as federal government rules limit the states' options in managing the pace of spending growth. Federal action to revise Medicaid's programmatic and financial structure appears less likely in the near term given divided control in Congress.

Rhode Island retains substantial flexibility to cut spending as needed, with the broad expense-cutting authority common to most U.S. states. Fixed carrying costs for debt and retiree benefits are above average for a state but still represent a low budget burden. Unlike most state

and local governments, Rhode Island contributes the full actuarially calculated contribution toward its other post-employment benefits (OPEB). This spring, the state released its second biennial long-term liability burden study that covers both debt and retiree liabilities. Fitch anticipates that a regularly updated study, accompanied by enforcement of prudent management guidelines, will help the state preserve expenditure flexibility over time.

Long-Term Liability Burden

On a combined basis, Rhode Island's debt and net pension liabilities as of Fitch's 2018 state pension update report ("2018 State Pension Update", dated November 2018) totaled 13.8% of 2017 personal income, compared with a statewide median of 6.0%. Based on the most recently available data, including outstanding debt as of June 30, 2019, pension information from the state's 2018 comprehensive annual financial report and 2018 personal income Fitch estimates a long-term liability burden of 13.4%. Fitch's ratio includes tobacco settlement bonds and GARVEE bonds issued by the state as the leveraged revenues would otherwise be available for state operating purposes. Fitch notes that Rhode Island, like many states, does not include tobacco settlement and GARVEE bonds as part of its legal and policy calculations for tax-supported debt.

While well above average for a U.S. state, Fitch considers the state's long-term liability burden a moderate long-term pressure. Rhode Island's debt position has been stable to declining, with disciplined debt issuance tied to liability affordability management policies, and a focus on cash-funding of capital projects. A constitutional requirement to limit appropriated general revenue spending to 97% of forecast revenues helps provide resources to support capital spending on a current basis.

In November 2018, voters approved the first \$250 million installment of the governor's proposed \$500 million in GO bonds to support capital investment in pre-K-12 facilities. A report commissioned by the state estimated more than \$2 billion in deficiencies in school facilities. Under the report's recommendations, the 2018 GO bonds would be followed in 2022 with another \$250 million GO bond proposal, and be accompanied by ongoing state general revenue support and incentives for local participation. The recommendation for \$500 million in total GO bond issuance was developed within the context of the state's long-term liability study and comprises just under half of the \$1.2 billion in debt capacity calculated in that study. Fitch estimates the state's outstanding debt and adjusted net pension liabilities as of November 2019 were approximately \$7.8 billion.

Fitch's pension liability calculations include 100% of the liability for state employees in the employees' retirement system (ERS), approximately 40% of the teachers' liability in ERS (the state's

GASB 68 proportionate share), and 100% of the liability for the judicial retirement benefit trusts and the state police retirement benefits trust. The ERS liabilities encompass over 90% of the net pension liabilities attributed to the state by Fitch.

Comprehensive pension system changes in 2011 significantly reduced the unfunded liability and lowered annual employer contributions. The changes included limiting annual benefit cost-of-living adjustments and introducing hybrid defined benefit and defined contribution plans. Litigation settlements regarding these and earlier pension changes preserved nearly all the originally expected savings.

The state's willingness to continue paying debt service on bonds issued in 2010, which carry a moral obligation commitment from the state and were issued on behalf of a now bankrupt video game company, is an important credit consideration for Fitch. Despite initial significant public debate about the state's commitment (originally totaling \$89 million in debt service), the state has continued to make all required debt service payments. Actual expenditures have been and will continue to be net of any proceeds the state receives from related litigation. The state has collected sufficient proceeds from litigation settlements to offset all but approximately \$12.1 million of the remaining debt service.

Operating Performance

Rhode Island retains significant flexibility to address cyclical economic and revenue downturns and has repeatedly demonstrated its commitment to maintaining a solid financial position. Through the Great Recession, the state enacted revenue and expenditure changes to address budget shortfalls, most of which were recurring in nature. Rhode Island also benefits from structural budget features including the governor's ability to reduce allotments and delay spending (pending legislative approval) and a statutory requirement to budget less than 100% of consensus revenue projections. The current 97% expenditure limit provides an annual 3% operating cushion relative to projected revenues, in line with the state's expected revenue decline of 3% in a moderate economic downturn as calculated using Fitch's Analytical Stress Test model (FAST).

The state also maintains a budget reserve providing an additional source of flexibility. Rhode Island drew on the reserve in fiscal 2009 at the height of the last recession. Since then, the state has maintained the reserve at its statutory maximum, currently 5% of general revenue.

Conservative budget management, even in times of relative economic expansion, reflects Rhode Island's ongoing commitment to fiscal prudence. During the current economic expansion, the state has ended most fiscal years with expenditures below, and revenues ahead of, the final amended budget.

Rhode Island has also taken steps to improve its fiscal flexibility. As noted above, in fall 2011, the state enacted structural changes to its pension systems that materially reduced the liability and annual funding requirements. In May 2017, the state's retirement board made various changes to its actuarial assumptions, including lowering the assumed rate of return on pension funds within its control to 7.0% from 7.5%.

To manage expenditures, the state implemented legislative and executive changes in fiscal 2016 that resulted in essentially flat growth in Medicaid spending. The state's Medicaid general revenue fund (the vast majority of state support for Medicaid) spending estimate for fiscal 2020, according to its November caseload estimating conference, is up approximately 2% from the prior year.

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Rhode Island & Providence Plantations, State of (RI) [General Government]; Long Term Issuer
Default Rating; Affirmed; AA; RO:Sta

---Rhode Island & Providence Plantations, State of (RI) /General Obligation - Unlimited Tax/1 LT;
Long Term Rating; Affirmed; AA; RO:Sta

---Rhode Island & Providence Plantations, State of (RI) /State Appropriation/1 LT; Long Term
Rating; Affirmed; AA-; RO:Sta

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Applicable Criteria

[U.S. Public Finance Tax-Supported Rating Criteria \(pub. 03 Apr 2018\)](#)

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Summary:

Rhode Island & Providence Plantations; Appropriations; General Obligation; Moral Obligation

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Credit Profile

US\$135.5 mil cons cap dev loan (tax-exempt) ser 2019C due 01/15/2040		
<i>Long Term Rating</i>	AA/Stable	New
US\$69.07 mil rfdg cap dev loan (tax-exempt) ser 2019E due 01/15/2030		
<i>Long Term Rating</i>	AA/Stable	New
US\$17.5 mil cons cap dev loan (federally taxable) ser 2019D due 01/15/2030		
<i>Long Term Rating</i>	AA/Stable	New
Rhode Island & Providence Plantations GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed

Rationale

S&P Global Ratings assigned its 'AA' long-term rating to Rhode Island's \$135.5 million series 2019C consolidated capital development loan (tax-exempt), \$17.5 million series 2019D consolidated capital development loan (federal taxable), and \$69.07 million refunding series 2019E capital development loan (tax-exempt). At the same time, we affirmed our 'AA' rating on Rhode Island's outstanding general obligation (GO) debt.

In addition, we affirmed our 'AA-' long-term rating on the state's existing appropriation-backed debt, and our 'A' long-term rating on the Rhode Island Commerce Corp.'s (RICC) outstanding moral obligation-backed bonds, based on the application of our "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" criteria (published Nov. 20, 2019, on Ratings Direct). The outlook on all ratings is stable.

Security and use of proceeds

The series 2019C, D, and E bonds constitute a GO of Rhode Island, for which the state has pledged its full faith and credit. Each of the new issuances includes separate loans, as the designation of the loans is specified by the various public laws of the state authorizing the issuance of the bonds, which in aggregate reflect the cumulative amount \$222.07 million. Notwithstanding, each loan is a GO of the state without distinction among them as to payment or security.

We rate the state's outstanding lease appropriation-backed obligations one notch lower than Rhode Island's general creditworthiness, as reflected in the GO rating (AA/Stable), to account for the appropriation risk associated with payment agreements due under the various trust indentures and payment agreements. The state has pledged its best efforts to seek appropriations annually from the operating budget, and the state has considered the affordability of the lease payment in its long-term plans. We considered the affordability and likelihood of the lease payment, which is

reflected in the (appropriation) rating and in our view of Rhode Island's general creditworthiness. In our view, the lease agreement features and terms have no unusual political or administrative risks that may disrupt the timely payment of debt. We consider Rhode Island to have a strong relationship with the lessee and projects and believe the intended payment source is strong.

We rate the RICC's outstanding moral obligation debt three notches below our view of the state's general creditworthiness to reflect the state's appropriation of funds toward replenishment of the debt service reserve fund (DSRF) if there is a deficiency in the debt service fund. In our view, the obligation maintains a weak relationship between the state and the projects being financed. In addition, we have determined the mechanics of the intended payment source for the moral obligation pledge is weak as revenues are not directly tied to the state's operating budget and the obligor's intent is to address only a deficiency in the DSRF. If the state is called on to satisfy annual deficiencies, we believe it has considered the affordability of the obligations in its budget and financial forecasts; the overall payment would represent less than 1% of general fund expenditures. While we consider this transaction to be non-standard for the state, the appropriate high-level officials are supportive of projects funded through the RICC and there is no evidence of political resistance.

We understand that the state will use proceeds from the series 2019C and D GO bond issuances to finance various state capital improvements, including: construction of elementary, secondary, and higher education facilities; coastal resiliency and wastewater treatment facility projects; mass transit hub infrastructure; Quonset Point/Davisville Pier improvements; innovation centers; and state park projects.

Proceeds from the series 2019E refunding capital development loan will be used to refund all outstanding series 2010C recovery zone economic development bonds (RZEDBs), which is projected to generate approximately \$6.1 million present value savings, with no extension of final maturity.

The 'AA' rating reflects our view of factors affecting Rhode Island's general creditworthiness, specifically its:

- Overall very strong financial and budget management, including the state's implementation of budget adjustments and revenue enhancements in response to lower revenues, and its commitment to funding budget reserves in alignment with its 5% statutory requirement, which we expect to continue over the outlook period;
- Adequate, albeit improved, budgetary performance that has typically outperformed Rhode Island's enacted annual budget due to efforts to keep expenditures in line with revenue growth in recent years, and the state's history of instituting budget adjustments to shrink large outyear budget gaps;
- Adequate economy that has shown modest acceleration in economic development, wealth and income indicators that compare well with those of the nation, and an unemployment rate that is converging with the U.S., but economic and demographic growth trends that have persistently lagged those of the nation and slow post-recession recovery of the state's private-sector employment base; and
- Overall weak debt and liability profile characterized by moderate debt levels, but weak pension funding and other postemployment benefit (OPEB) obligations.

Credit overview

Across the state sector, S&P Global Ratings witnessed generally improving state credit conditions for fiscal years 2018 and 2019 due largely to strong economic growth in 2018 and the first two quarters of 2019, partly reflecting the

infusion of late-cycle federal fiscal stimulus (tax cuts and deficit spending). The state built on these gains from the long economic expansion and corresponding revenue growth, helping Rhode Island sustain steady financial performance in fiscal years 2018 and 2019. However, in our view, 2018 may have been the peak in the economic cycle. According to our commentary, "U.S. Biweekly Economic Roundup: Robust Labor Market Keeps Consumers Resilient To The Industrial Slump" (published Nov. 1, 2019), the stalemate in various trade negotiations and slowing global growth have hurt business confidence among U.S. nonfinancial corporates, as evidenced by minimal capital expenditure growth and a contraction in manufacturing. However, some easement in these factors and strong consumer spending in recent months anchored our assessment for the risk of a recession in the next 12 months at 25% to 30%. Even absent a recession, we expect the pace of economic growth to decelerate in the second half of 2019 and through 2020 and 2021. This suggests that the state sector (including Rhode Island) could see a resurgence of fiscal stress related to slowing revenue growth, coupled with rising fixed and social service costs exceeding revenue and GDP growth, which could widen outyear gaps between revenue and expenditures.

Notwithstanding these potential pressures that could challenge future budgets, Rhode Island added annually to its budget reserve and cash stabilization account (rainy day fund) between 2010 and 2019. Preliminary audited fiscal 2019 results indicate that the state increased its rainy day account by approximately \$5.2 million at fiscal year-end June 30, 2019, raising the balance to \$203.67 million (or 5.06% of preliminary 2019 expenditures). This level is consistent with fully funding of the state's requirement to maintain 5% of general revenue fund expenditures in the rainy day fund. In our view, Rhode Island's larger-than-expected budgetary surpluses for fiscal years 2018 and 2019 provided the state some additional budgetary flexibility to manage potential budget challenges beyond the current fiscal year.

Fiscal 2019 budget (unaudited results)

The fiscal 2019 enacted general fund budget totaled \$3.9 billion, a 2% spending increase over the prior fiscal year. The state began the budgeting process with a \$237.3 million current services deficit (6.2% of expenditures), but revised this to \$204.1 million after various revenue estimate and caseload estimate changes. While the revised budget only reflected a \$10.8 million increase in general revenue, the governor proposed new revenue totaling \$49.3 million to mitigate the deficit, including \$23.5 million from sports betting following the U.S. Supreme Court's ruling to overturn a 1992 federal ban late last year. Additional deficit mitigation measures on the expenditure side included primarily health and human services savings of \$103.7 million and various fund transfers. Personal income taxes total \$1.3 billion (a 5% increase) and sales and use tax totals \$1.3 billion (a 2.7% increase) compared to the revised 2018 budget.

Based on unaudited results, Rhode Island finished fiscal 2019 with an estimated general revenue surplus of \$29.2 million, aided largely by an increase in general tax revenue and enhanced controls on agency spending, leading to unexpended appropriations from the general assembly, social services, and Medicaid expenditures.

Fiscal 2020 budget (enacted budget)

The enacted fiscal 2020 general budget totaled \$4.078 billion. General revenue totals nearly \$4.179 billion, or approximately 4% over the previous fiscal year. In our opinion, the year-over-year revenue increase is reasonable based on forecasted revenue and caseload (financial and medical assistance) estimates in May 2019. The budget is funded with \$3.95 billion of ongoing revenue (based on the May 2019 Revenue Estimating Conference [REC] estimate). This is matched by \$226.3 million in assumed revenue growth (or a 4.7% increase relative to fiscal 2019) based on statutory changes enacted by the legislature in the most recent session. The budget extended the hospital licensing fee,

enacted legislation to conform statewide remote sales tax collections to the "South Dakota v. Wayfair" decision, and increased departmental fees, but the legislature did not concur with many proposed revenue enhancements and spending items proposed in the governor's budget.

Through the first three months of fiscal 2020, however, Rhode Island reports actual general revenues are about \$23.3 million, or approximately 0.5% above fiscal 2020 budgeted revenue expectations. Taxes are expected to be above enacted estimates by \$38.4 million as personal income and sales tax are exceeding targets, but this is offset by an estimated shortfall in departmental revenues and other sources (approximately \$38.3 million below budget), which includes \$35.7 million a reduction in lottery transfers. The state has also identified \$20.8 million in additional net agency spending, due primarily to increases at the Department of Children and Families (\$21.9 million over estimate) and Veterans' Services (\$2.9 million). The administration is working with these agencies to identify ways to reduce the early deficits and the Office of Management and Budget has expanded powers (pursuant to RIGL 35-3-24) to impose stricter spending controls for discretionary items to restore balanced agency operations, which we generally view as a credit positive.

Based on estimates through October 2019, the November 2019 REC projected essentially flat growth estimates for revenue for the remainder of fiscal 2020 and the state projects a modest \$4.13 million overall deficit in the current year. The conferees projected higher tax revenues across all major categories (personal income, general business, sales and use, and other taxes) will outperform the fiscal 2019 budget by \$134.4 million, or an annual increase of 4.2%. Notwithstanding some evidence of slowing revenue growth and expenditure variances at this early juncture of the fiscal year, we do not believe it represents a material weakening of the state's operations. However, we will closely monitor the state's economic conditions and revenue performance for latent indicators and evolving trends that could influence future financial forecasts presented at the REC later in the current fiscal year.

Fiscal 2021 (revenue and caseload estimates)

At the November 2019 REC and Caseload Estimating Conference (CEC), conferees adopted an initial available revenue estimate of \$4.24 billion for fiscal 2021, or \$62.8 million higher than the fiscal 2020 estimate. Among major tax categories, the state estimates a \$53.9 million increase in personal income taxes, coupled with a \$47.7 million increase in sales and use taxes. However, this will be partly offset by a projected decline in departmental receipts (\$33.5 million) due to a conservative estimate that the hospital licensing fee is set at 5% compared to 6% in the current year.

In addition to the revenue revisions, health and human services caseloads are projected to increase net expenditures by \$2.4 million over the enacted 2020 budget. Based on the CEC estimate, cash assistance and medical assistance caseload increases are approximately \$2.1 million and \$22.7 million, respectively, for a \$24.8 million total increase in expenditures estimated for fiscal 2021. Although the November 2019 CEC is an initial estimate for fiscal 2021, the state expects to identify other expenditure reductions, fund transfers, and revenue enhancements to sustain budget balance.

In our opinion, outyear budgets remain unbalanced as projected expenditure growth is likely to outpace revenue growth in Rhode Island. The state's five-year financial forecast (included with the governor's 2020 budget proposal) projected structural operating deficits by fiscal year are as follows: \$79.8 million in fiscal 2021, \$115.2 million in fiscal 2022, \$180 million in fiscal 2023, and \$277.3 million in fiscal 2024. In percentage terms, the deficits are projected to range from 1.9% of spending in fiscal 2021 to 5.9% of spending in fiscal 2024. In our opinion, the state's projected

deficits are manageable and have fallen in recent years, but weaker economic conditions that create revenue uncertainty and increase public assistance caseloads could affect these projected deficits beyond the outlook horizon.

We have assigned a total score of '1.84' to Rhode Island under our state ratings methodology, in which '1.00' is the strongest score and '4.00' the weakest. This score corresponds to an 'AA+' rating. However, we have notched down because of the state's tepid economic growth trends relative to the nation and weak pension and OPEB funding. These liabilities, coupled with a moderate fixed-cost burden, could impair Rhode Island's ability to sustain structural budgetary performance and force one-time budget solutions or substantial reserve drawdowns during the next economic downturn.

For more information, see our full analysis on the state of Rhode Island, published April 3, 2019.

Outlook

The stable outlook reflects our view of Rhode Island's strong governmental framework and financial management procedures, resulting in the implementation of timely budget adjustments to reduce large outyear budget gaps and generate positive operating performance in fiscal years 2018 and 2019 (unaudited). In our opinion, Rhode Island will continue to institute spending controls and revenue enhancements when necessary that should allow it to maintain, at least, balanced fiscal performance and reserves in line with its 5% statutory requirement. However, we recognize that the state's finances could be challenged, particularly under more constrained economic and revenue growth conditions, and if cost escalations from retirement liabilities, as well as Medicaid and public assistance caseloads, outpace revenue forecasted estimates.

Although we view it as unlikely that we will change the rating within the next two years, should Rhode Island's economic expansion accelerate and improve economic metrics relative to the U.S., coupled with pension funding progress to levels commensurate with those of higher-rated peers and consistently sustained structural balance without reliance on one-time revenue fixes, we could raise the rating. Conversely, we could lower the rating if the state experiences a sustained erosion in revenue and structural solutions are not undertaken to maintain fiscal balance, leading the state to perform materially below budget expectations and weakening reserves. The state's overall fiscal environment is somewhat susceptible to growing liabilities due to traditionally weak pension funding levels and economic growth that lags that of the nation, which could make future budgetary adjustments during an economic slowdown more difficult. If pressures are left unmitigated, it could lead to deteriorating credit quality and a lower rating.

Ratings Detail (As Of November 26, 2019)

Rhode Island & Providence Plantations lse part certs (Eleanor Slator Hosp Proj)		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations lse part certs (URI Conservation Proj)		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed

Ratings Detail (As Of November 26, 2019) (cont.)		
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Rhode Island & Providence Plantations APPROP (ASSURED GTY)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Rhode Island & Providence Plantations GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Rhode Island & Providence Plantations GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Rhode Island Convention Ctr Auth rev		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Rhode Island & Providence Plantations GO		
<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed

Ratings Detail (As Of November 26, 2019) (cont.)

Rhode Island Commerce Corp, Rhode Island

Rhode Island & Providence Plantations, Rhode Island

Rhode Island Commerce Corp (Rhode Island & Providence Plantations) rev bnds

Long Term Rating AA-/Stable Affirmed

Rhode Island Commerce Corp (Rhode Island & Providence Plantations) APPROP

Long Term Rating AA-/Stable Affirmed

Rhode Island Commerce Corp (Rhode Island & Providence Plantations) MORALOBIG

Unenhanced Rating A(SPUR)/Stable Affirmed

Rhode Island Commerce Corp (Rhode Island & Providence Plantations) MORALOBIG

Long Term Rating A/Stable Affirmed

Rhode Island Commerce Corp (Rhode Island & Providence Plantation) MORALOB

Long Term Rating A/Stable Affirmed

Rhode Island Convention Ctr Auth, Rhode Island

Rhode Island & Providence Plantations, Rhode Island

Rhode Island Convention Ctr Auth (Rhode Island & Providence Plantations) APPROP

Long Term Rating AA-/Stable Affirmed

Rhode Island Convention Ctr Auth (Rhode Island & Providence Plantations) APPROP

Long Term Rating AA-/Stable Affirmed

Rhode Island Convention Ctr Auth (Rhode Island & Providence Plantations) APPROP

Long Term Rating AA-/Stable Affirmed

Rhode Island Convention Ctr Auth (Rhode Island & Providence Plantations) APPROP

Long Term Rating AA-/Stable Affirmed

Rhode Island Convention Ctr Auth (Rhode Island & Providence Plantations) APPROP (ASSURED GTY)

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Many issues are enhanced by bond insurance.

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