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ARTICLE 16

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTION

SECTION 1. This article consists of joint resolutions that is submitted pursuant to Rhode Island General Law § 35-18-1, et seq.

SECTION 2. *Information Technology Improvements.*

WHEREAS, the 2012 General Assembly approved borrowing of twenty-five million dollars (\$25.0 million) for the Division of Taxation to modernize its technology through the acquisition of a modern integrated tax system; and

WHEREAS, the Division of Taxation desires to implement phase 2 enhancements to the new Integrated Tax System, to include improved cash transaction management by replacing manual cash, check and credit card payments and allowing for reconciliation and to provide management with dashboard and real time statistical reporting tools, as well as meet audit requirements; and

WHEREAS, the Department of Administration desires to replace the computer system that currently supports the payroll function for the entirety of state government that has been in place for 30 years and does not allow for interfacing with other systems, including the scheduling, time, leave and attendance system currently being developed and due for completion in 2017; and

WHEREAS, the Department of Health desires replace a twenty-five (25) year old records platform with a new statewide vital statistics system, which would provide electronic recording for death registrations, marriage and civil unions, and termination of pregnancies, and ensure compliance with federal agencies and protect the health, welfare, and safety of the public; and

WHEREAS, the State is in need of hospital information systems, electronic medical records platform, and patient case management tracking systems for the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Corrections, and Human Services to support the administrative, financial, and clinical function of the agencies; and

WHEREAS, the project costs associated with these information technology improvements are estimated to be sixteen million one hundred thousand dollars (\$16.1 million). The total financing obligation of the State of Rhode Island would be approximately sixteen million two hundred thousand dollars (\$16.2 million), with sixteen million one hundred thousand dollars (\$16.1) million deposited in the project fund and one hundred thousand dollars (\$100,000) allocated to pay the associated costs of financing. Total payments on the State’s obligation over ten (10)

1 years on the sixteen million two hundred thousand dollars (\$16.2 million) issuance are projected to
2 be twenty one million dollars (\$21.0 million) assuming an average interest rate of five percent
3 (5.0%). The payments would be financed within the Department of Administration from general
4 revenue appropriations; now, therefore, be it

5 RESOLVED, that this General Assembly hereby approves financing in an amount not
6 to exceed sixteen million two hundred thousand dollars (\$16.2 million) for the provision of funds
7 for information technology improvements, including one hundred thousand dollars (\$100,000) to
8 pay costs of financing; that two million dollars (\$2.0 million) be made available from the project
9 fund for the second phase of the integrated tax system within the Division of Taxation; that two
10 million five hundred thousand dollars (\$2.5 million) be made available for a health vital records
11 system; that eight million one hundred thousand dollars (\$8.1 million) be made available for a new
12 hospital information tracking and electronic medical records and patient case management system;
13 and that three million five hundred thousand dollars (\$3.5 million) be provided for a new statewide
14 payroll system; provided that a surcharge on vital records will be established by the Department of
15 Health through rules and regulations to support the cost of financing the health vital records system
16 portion of this financing; be it further

17 RESOLVED, that this joint resolution shall take effect immediately upon its passage by
18 the General Assembly.

19 SECTION 3. *Energy Improvements in State Facilities.*

20 WHEREAS, Executive Order 15-17 sets robust energy reduction targets and clean energy
21 goals for state agencies; and

22 WHEREAS, the Office of Energy Resources (OER) is requesting funding to support
23 implementation of comprehensive, cost-effective energy efficiency measures and renewable energy
24 installations at state-owned facilities; and

25 WHEREAS, funding will support clean energy projects that advance the following goals:

26 Support the Governor's "Lead by Example" initiative, as well as broader state economic,
27 energy and environmental policy goals that include clean energy industry and job growth;
28 significantly reduce state facility operating and on-going maintenance costs, and reduce energy
29 costs across state government; shrink state government's carbon footprint by reducing overall
30 energy demand and adopting renewable energy resources; provide a strategic opportunity to
31 leverage other funding sources to expand the pool of capital available to implement cost-effective
32 clean energy projects; and leverage other funding sources and improve state facility infrastructure,
33 while improving building comfort; and

34 WHEREAS, funding will allow the state to leverage other funding sources, including funds

1 allocated by the Office of Energy Resources from the state's participation in the Regional
2 Greenhouse Gas Initiative (RGGI) and financial incentives made possible by utility-administered
3 energy efficiency programs supported by the Systems Benefit Charge (SBC), to increase the pool
4 of capital available to support clean energy projects; and

5 WHEREAS, the Office of Energy Resources will collaborate with the various divisions of
6 the Department of Administration, other State Agencies and National Grid to integrate clean energy
7 investments within existing capital asset maintenance projects and to develop a steady pipeline of
8 energy-specific projects that achieve the aforementioned goals; and

9 WHEREAS, projects would include, but not be limited to energy efficient and renewable
10 energy projects related to improvements to lighting and HVAC systems within Group Homes, the
11 Powers Building, the Cannon Building, the State House, Capitol Hill Parking, the DOT State Office
12 Building, the Department of Corrections' Pastore complex properties, the Chapin Health Lab, other
13 Department of Administration buildings and other miscellaneous state buildings; and

14 WHEREAS, the project costs associated with these improvements are estimated to be
15 eleven million nine hundred thousand dollars (\$11.9 million). The total financing obligation of the
16 State of Rhode Island would be approximately twelve million dollars (\$12.0 million), with eleven
17 million nine hundred thousand dollars (\$11.9 million) deposited in the project fund and one hundred
18 thousand dollars (\$100,000) allocated to pay the associated costs of financing. Total payments on
19 the State's obligation over ten (10) years on the twelve million dollars (\$12.0 million) issuance are
20 projected to total fifteen million two hundred thousand dollars (\$15.2 million) assuming an average
21 interest rate of five percent (5.0%). The payments would be financed through energy efficiency
22 savings, and will allow the state to leverage other funding sources, including funds allocated by
23 Office of Energy Resources from the state's participation in the Regional Greenhouse Gas Initiative
24 (RGGI) and financial incentives made possible by utility-administered energy efficiency programs
25 supported by the Systems Benefit Charge (SBC), to increase the pool of capital available to support
26 clean energy projects; now, therefore, be it

27 RESOLVED, that this General Assembly hereby approves financing in an amount not to
28 exceed twelve million dollars (\$12.0 million) for the provision of funds for energy efficiency
29 projects and that projects undertaken by the Office of Energy Resources will be structured so that,
30 at a minimum, the annual principal and interest resulting from the debt issuance would be
31 completely offset by the energy savings resulting from the projects as verified by the Office of
32 Management and Budget; and be it further

33 RESOLVED, that this joint resolution shall take effect immediately upon its passage by
34 the General Assembly.

1 SECTION 4. Confined Aquatic Dredged Material Disposal Cells.

2 WHEREAS, over the past year the Army Corps of Engineers has approached the Coastal
3 Resources Management Council to act as the local sponsor to the federal action of maintaining the
4 depths of the Providence River and Harbor Shipping Channel; and

5 WHEREAS, the Providence River and Shipping Channel was last maintained in 2003; and

6 WHEREAS, the project will include dredging and removal of sediments not suitable for
7 ocean disposal, and thus will require the construction of a new Confined Aquatic Disposal (CAD)
8 Cell to dispose and sequester those sediments; and

9 WHEREAS, CAD cells are constructed in aquatic environments to reduce the
10 environmental risk from sediments not suitable for ocean disposal by storing these sediments in a
11 depression in the bottom of the aquatic system; and

12 WHEREAS, CAD cells offer a major economic value, as a significant cost of disposing
13 dredged materials is in the transportation of the dredged material to a disposal location; and

14 WHEREAS, having CAD cells located within hundreds of feet from a dredging operation
15 saves local port operators millions of dollars over the 10-year life of those cells; and

16 WHEREAS, the Coastal Resources Management Council seeks to build additional capacity
17 in the CAD Cells beyond that required only for this specific project, in order to account for the
18 many port, maritime, and marina facilities that also have the need to dredge material at their
19 facilities, which may not be suitable for ocean disposal, thereby saving these entities significant
20 cost, in both sediment testing and transportation of the material to other locations, due to the fact
21 that the existing CAD cells in the river have reached their useful ten-year design life; and

22 WHEREAS, with the approval by the voters of the 2016 Rhode Island Port Infrastructure
23 Bond referendum, the need to maintain the viability of port and maritime operations, the state's
24 marine trades industry, and the increase economic value of ProvPort, increased disposal capacities
25 from new CAD cells are needed; and

26 WHEREAS, the Army Corps of Engineers expects to begin maintenance of the Providence
27 River and Harbor Shipping Channel in the fall of 2018, the total cost share of the local sponsor are
28 required by the end of FY 2018; and

29 WHEREAS, the project is considered a federal maintenance project, the State is required
30 to pay for the creation of the CAD cell only at an up-front cost share of thirty five percent (35%);
31 and

32 WHEREAS, the project costs associated with this project is estimated to be eleven million
33 dollars (\$11.0 million), with five hundred thousand dollars (\$500,000) derived from the Coastal
34 Resources Management Council Dredge Fund. The total financing obligation of the State of Rhode

1 Island would be approximately ten million five hundred thousand dollars (\$10.5 million), with ten
2 million four hundred thousand dollars (\$10.4 million) deposited in the project fund and one hundred
3 thousand dollars (\$100,000) allocated to pay the associated costs of financing. Total payments on
4 the State’s obligation over ten (10) years on the ten million five hundred thousand dollars (\$10.5
5 million) issuance are projected to be thirteen million six hundred thousand dollars (\$13.6 million)
6 assuming an average interest rate of five percent (5.0%). A portion of the annual principal and
7 interest payments would be financed from an increase in fees charged to marine operators to deposit
8 their dredged materials into CAD cells and with general revenue appropriations to supplement the
9 cost; now, therefore, be it

10 RESOLVED, that this General Assembly hereby approves financing in an amount not to
11 exceed ten million five hundred thousand dollars (\$10.5 million) for the provision of funds for the
12 Confined Aquatic Disposal Cells project, including one hundred thousand dollars (\$100,000) to
13 pay costs of financing.

14 SECTION 5. *Energy Performance Contract – University of Rhode Island – Phase 3*

15 WHEREAS, the Council on Postsecondary Education and the University of Rhode Island,
16 hereby referred to as “the University,” are proposing projects that involve the implementation of
17 professionally guided capital investments in energy efficiency improvements to University
18 buildings and infrastructure that will pay for themselves through cost avoidance, while reducing
19 long-term energy consumption associated with operations; and

20 WHEREAS, the University presently manages over three hundred twenty four (324)
21 buildings, with associated utility infrastructure, containing over four million eight hundred fifty
22 thousand (4,850,000) square feet of space, a majority of which was constructed over thirty years
23 ago. Energy efficiency has become a vital feature of the institution’s fiscal responsibility; and

24 WHEREAS, energy performance contracting has been significantly enhanced and refined,
25 and many examples exist of programs successfully employed around the country that are prudent
26 from both a fiscal management and an environmental stewardship perspective; and

27 WHEREAS, various private sector companies, hereinafter referred to as energy service
28 companies or “ESCOs”, are willing to guarantee the performance of the improvements yielding
29 energy savings to pay for the cost of the replacement of antiquated and inefficient equipment,
30 including boilers, heating and air conditioning, lighting and other building systems and equipment;
31 and

32 WHEREAS, the higher education system has successfully participated with the state
33 department of administration in a request for proposal process to enter into an energy performance
34 contract with ESCO to provide investment grade energy audit evaluations, design, installation, and

1 maintenance services, as well as assistance in securing rebate resources and the guarantee of the
2 energy or water saving performance of the installed retrofit measures; and

3 WHEREAS, the evaluations of an energy service company further affirms the significant
4 opportunity to implement energy conservation improvements on a building-by-building basis that
5 pay for themselves through operating budget savings within a fifteen year period; and

6 WHEREAS, tax exempt financing via “certificates of participation,” with associated debt
7 service supported for the financing term by energy cost avoidance (i.e., by redirecting dollars that
8 would have paid for utility consumption, but with the improvements can be redeployed to repay
9 the financing) is the most cost effective means of supporting the investment in energy efficiency
10 improvements under this program; and

11 WHEREAS, the University is seeking to undertake energy performance contracts to
12 replace obsolete equipment with new equipment and infrastructure components employing high
13 energy efficient technologies, to employ insulation and weatherization measures, and to deploy
14 measures that sustain the highest performance levels for these improvements; and

15 WHEREAS, the estimated cost of such contracts are for the University, an amount not to
16 exceed eleven million six hundred thousand dollars (\$11.6 million), with the request to the state to
17 have with ten million five hundred thousand dollars (\$10.5 million) deposited into the construction
18 fund, six hundred ninety-six thousand dollars (\$696,000) deposited in a capitalized interest fund,
19 and four hundred thirty thousand dollars (\$430,000) to pay associated costs of financing. Total
20 payments on the state’s obligation over fifteen (15) years on the eleven million six hundred
21 thousand dollars (\$11.6 million) issuance are projected to be sixteen million eight hundred thousand
22 dollars (\$16.8 million), assuming an average effective interest rate of five percent (5.0%), the
23 payments would be derived by the University from energy savings; now, therefore, be it

24 RESOLVED, that the University is authorized to proceed with the aforementioned projects
25 in the amounts specified above; and be it further

26 RESOLVED, that these contracts will be structured so that, at a minimum, the annual
27 principal, interest and service and maintenance costs resulting from these contracts would be fully
28 offset by the cumulative annual energy savings derived from energy efficiency improvements, the
29 performance of which being guaranteed by the ESCOs; and be it further

30 RESOLVED, that these contracts would be multi-year contracts of up to a term of fifteen
31 (15) years. In addition to saving energy and helping to protect the University from future energy
32 cost increases, these contracts would aid in reducing maintenance costs by providing new, efficient
33 equipment and technology that outperforms older higher energy consuming systems; and be it
34 further

1 RESOLVED, that this joint resolution shall take effect immediately upon its passage.

2 SECTION 6. *White Horn Brook Apartments – University of Rhode Island.*

3 WHEREAS, the Rhode Island Council on Postsecondary Education is proposing a project
4 which involves the construction of a new residence hall on the west bank of the White Horn Brook
5 located in the northwest corner of the Kingston campus of the University of Rhode Island in the
6 Town of South Kingstown, Rhode Island; and

7 WHEREAS, the growth of undergraduate student enrollment is critical to the fiscal health
8 of the University; and

9 WHEREAS, there is high undergraduate student demand for apartment style on campus
10 housing; and

11 WHEREAS, the University is committed to providing adequate and appropriate housing
12 opportunities for its students; and

13 WHEREAS, the University continues to undertake significant improvements to existing
14 dormitory style housing facilities and has built new units that offer both suite style and apartment
15 living options with the goal of providing over fifty percent (50%) of its undergraduate students on
16 campus housing in keeping with its peer institutions; and

17 WHEREAS, apartment style housing units are critical for the on campus retention of third
18 and fourth year students that often seek alternative housing off campus; and

19 WHEREAS, a recent market study has demonstrated that the market demand for additional,
20 apartment style campus housing indicates that this project will be fully occupied upon completion
21 and into the future; and

22 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
23 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
24 and other public agencies of certain obligations including financing guarantees or other agreements;
25 and

26 WHEREAS, the design and construction of the project will be financed through Rhode
27 Island Health and Educational Building (RIHEBC) revenue bonds, with an expected term of thirty
28 (30) years; and

29 WHEREAS, the total project costs associated with the completion of the project and
30 proposed financing method would be supported approximately ninety-five percent (95%) by
31 auxiliary fee revenues for URI Housing and Residential Life for the apartment building and
32 approximately five percent (5%) by University general funds for site enabling facility relocation,
33 utility and hardscape and landscape infrastructure and site work; and

34 WHEREAS, the project is currently in design and targeting a total project financing cost

1 of eighty eight million seven hundred and eighty seven thousand dollars (\$88,787,000) in RIHEBC
2 bonds, with a request to have seventy eight million four hundred forty thousand dollars
3 (\$78,440,000) deposited into a construction fund, eight million thirty seven thousand dollars
4 (\$8,037,000) deposited in a capitalized interest fund, and two million three hundred ten thousand
5 dollars (\$2,310,000) to pay associated cost of financing, and with an assumed interest rate of five
6 percent (5%) debt service repayments will not exceed one hundred seventy three million two
7 hundred seventy one thousand and six hundred fifty three dollars (\$173,271,653); and

8 WHEREAS, the University has been advised by its architectural and project management
9 firms to anticipate potential additional escalation of construction costs leading up to the final
10 pricing of the construction of this project; now, therefore, be it

11 RESOLVED, that the General Assembly hereby approves financing in an amount not to
12 exceed total debt service payments of one hundred seventy three million two hundred seventy one
13 thousand and six hundred fifty three dollars (\$173,271,653) for construction of a new apartment
14 style residence facility on the University of Rhode Island Kingston Campus, with the not-to-exceed
15 amount to be financed determined by the actual financing interest rate at the time of the bond
16 issuance; and be it further

17 RESOLVED, that this joint resolution shall take effect immediately upon its passage.

18 SECTION 6. This resolution shall apply to financing obligations issued within four (4)
19 years of the date of passage of this resolution.

20 SECTION 7. This article shall take effect upon passage.