

S&P Global Ratings

225 Franklin Street, 15th
Floor
Boston, MA 02110-2804
tel 617 530-8338
reference no.: 1762869

August 8, 2023

Town of Bristol
10 Court Street
Bristol, RI 02809
Attention: Sara Hassell, Finance Director

Re: *US\$6,800,000 Bristol Town, Rhode Island, General Obligation Bonds, Series 2023A, dated: Date of delivery, due: August 15, 2043*

Dear Sara Hassell

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

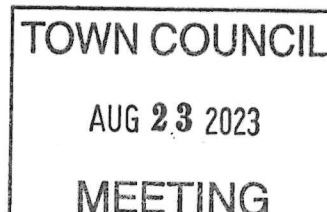
The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

as



enclosures

cc: *Steve Maceroni, Director*
Public Financial Management, Inc.

S&P Global Ratings Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

RatingsDirect®

Summary:

Bristol Town, Rhode Island; General Obligation

Primary Credit Analyst:

Tyler Fitman, Boston (1) 617-530-8021; tyler.fitman@spglobal.com

Secondary Contact:

Christian Richards, Washington D.C. + 1 (617) 530 8325; christian.richards@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Related Research

Summary:

Bristol Town, Rhode Island; General Obligation

Credit Profile		
US\$6.8 mil GO bnds ser 2023A due 08/15/2043		
Long Term Rating	AA+/Stable	New
Bristol Twn GO		
Long Term Rating	AA+/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' rating to Bristol Town, R.I.'s estimated \$6.8 million series 2023A general obligation (GO) bonds.
- At the same time, S&P Global Ratings affirmed its 'AA+' rating on the town's existing GO debt.
- The outlook is stable.

Security

Bristol's full-faith-and-credit pledge, with all taxable property in the town subject to taxation, without limitation as to rate or amount, to pay debt service secures the series 2023 bonds and existing debt.

Officials intend to use series 2023 bond proceeds to finance improvements to roads; sidewalks; drainage infrastructure; parks; and heating, ventilation, and air-conditioning to town buildings.

Credit overview

Bristol is a primarily residential community on Narragansett Bay, benefiting from participation in the broad, diverse Providence metropolitan statistical area. The waterfront supports property tax base development and growth, including increased activity at the marina. A developer is building 127 residential units in a former mill building, and the town has sold three former municipal buildings for residential use; this activity has led to a 12% market value increase through the past three years.

Property taxes generate 84% of general fund revenue, lending revenue predictability to finances. Bristol, which participates in a regional school district, does not have state-education aid or related on-behalf payments in a major school fund, unlike most Rhode Island municipalities. School assessments account for about 52% of general fund expenditures. We think there is sufficient coordination with the school district, and the budget will likely remain predictable while expenditures are likely to grow and could be variable.

While fiscal 2022 results supported available fund balance growth, the balance decreased relative to general fund expenditures due to budget growth. Audited fiscal 2022 results reflect a total fund balance decrease due to a transfer from a prior land sale to support capital projects; Bristol holds these funds in a committed fund, and we do not consider them available. The town projects a modest fiscal 2023 surplus, supported by further locally generated

revenue stability, higher-than-expected interest earnings, and expenditures in-line with the budget. The adopted fiscal 2024 budget includes a 3% salary increase for most employees and new planning and harbormaster positions to keep up with activity.

We do not view pension and other postemployment benefit liabilities as a credit pressure for Bristol due to relatively low liabilities and high funding. While the pension plans' actuarially determined contribution is built from, what we view as, somewhat weak assumptions we think increase the risk of unexpected contribution escalations, we expect costs will likely remain affordable due to the strength of the revenue base and conservative budgeting, which continues to result in stable finances.

The rating additionally reflects our view of Bristol's:

- Predominantly residential tax base and local economy with the presence of Roger Williams University, a leading employer holding tax-exempt land, which we consider a stabilizing institution, benefiting from access to Providence, with continued interest from developers in new residential properties;
- Surpluses, supporting consistent reserve growth, which slowed somewhat in fiscal 2022, with an expected surplus for fiscal 2023, supported by stable local revenue and conservative budgeting;
- Good financial-management policies, practices under our Financial Management Assessment (FMA) methodology, revised from strong--reflecting its discontinuation of long-term forecasting and conservative revenue and expenditure assumptions, formal monthly budget-to-actual reporting, five-year capital-improvement plan without specified funding, formal investment-management policy with monthly holdings-and-pension-earnings reports, adherence to adopted debt-management and reserve requirements--and strong Institutional Framework score; and
- Direct debt outstanding of \$78.4 million following the series 2023 issuance with limited additional debt plans and some privately placed obligations that we do not think present a pressure due to the lack of nonstandard events of default or remedies and limited pressure from retirement liabilities.

Environmental, social, and governance

We view physical risks as neutral despite Bristol's coastal location and tax base exposure in certain low-lying areas. Management plans to implement resiliency efforts to reduce potential effects on the town. Bristol received grants for various restoration, preservation, and climate-risk-mitigation projects. It adopted a hazard-mitigation plan in 2016, which it is updating. Bristol also participates in the municipal-resilience program, a consortium of Rhode Island municipalities to identify actions to address rising sea-level risk and resiliency, such as creating watershed-management plans and improving infrastructure. We also view governance and social risks as neutral in our credit-rating analysis.

Outlook

The stable outlook reflects S&P Global Ratings' expectation that Bristol will likely continue to adjust the budget to continue to produce surplus results.

Downside scenario

We could lower the rating if budgetary performance were to deteriorate, leading to a material draw on reserves.

Upside scenario

We could raise the rating if income and reserves were to strengthen to levels we consider comparable with higher-rated peers and if the town were to strengthen policies and practices to include long-term financial planning.

Bristol Town, Rhode Island key credit metrics

	Most recent	--Historical information--		
		2022	2021	2020
Very strong economy				
Projected per capita effective buying income (EBI) (%) of U.S.	106.5			
Market value per capita (\$)	155,817			
Population		22,696	21,994	22,117
County unemployment rate(%)		2.6		
Market value (\$000)	3,536,420	3,224,988	3,207,775	
10 largest taxpayers as a % of taxable value	2.4			
Strong budgetary performance				
Operating fund result as a % of expenditures		(2.1)	1.1	0
Total governmental fund result as a % of expenditures		0.8	2.2	0
Strong budgetary flexibility				
Available reserves as a % of operating expenditures		14.7	15.4	16.8
Total available reserves (\$000)		8,298	8,267	8,830
Very strong liquidity				
Total government cash % of governmental fund expenditures		43.5	20.8	17.0
Total government cash % of governmental fund debt service		549.4	293.5	245.7
Strong management				
Financial Management Assessment	Good			
Very strong debt and long-term liabilities				
Debt service as a % of governmental fund expenditures		7.9	7.1	6.9
Net direct debt as a % of governmental fund revenue	96.3			
Overall net debt as a % of market value	1.7			
Direct debt 10-year amortization (%)	67.3			
Required pension contribution as a % of governmental fund expenditures		5.1		
Other postemployment benefits actual contribution as a % of governmental fund expenditures		1.8		
Strong Institutional Framework				

Data points and ratios may reflect analytical adjustments.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2022 Update Of Institutional Framework For U.S. Local Governments
- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.