



# The Commonwealth of Massachusetts

\$375 million G.O. Bonds Consolidated Loan of 2013 Series C, \$100 million G.O. Bonds Consolidated Loan of 2013 Series D (Green Bonds), \$640.26 million G.O. Refunding Bonds 2013 Series B

## Plan of Finance

For the first time in two years, the Commonwealth will be offering bonds to retail investors during an early retail-only order period

### Key Dates:

**Retail-Order Period:** Fri, May 31<sup>st</sup> & Mon, June 3<sup>rd</sup>

**Institutional Pricing:** Tues, June 4<sup>th</sup>

### \$475 mm New Money Bonds

- To fund the state's capital budget
- Includes \$100 mm of Green Bonds

### \$640.26 mm Refunding Bonds

- Subject to market conditions, the Commonwealth will be advance refunding bonds to reduce borrowing costs to taxpayers
- Refunding based on the State Treasurer's Office's new refunding guidelines
- Estimated savings to be taken in a uniform fashion from FY14 to FY2025

| May |    |    |    |    |    |    |
|-----|----|----|----|----|----|----|
| S   | M  | T  | W  | Th | F  | Sa |
|     |    |    | 1  | 2  | 3  | 4  |
| 5   | 6  | 7  | 8  | 9  | 10 | 11 |
| 12  | 13 | 14 | 15 | 16 | 17 | 18 |
| 19  | 20 | 21 | 22 | 23 | 24 | 25 |
| 26  | 27 | 28 | 29 | 30 | 31 |    |

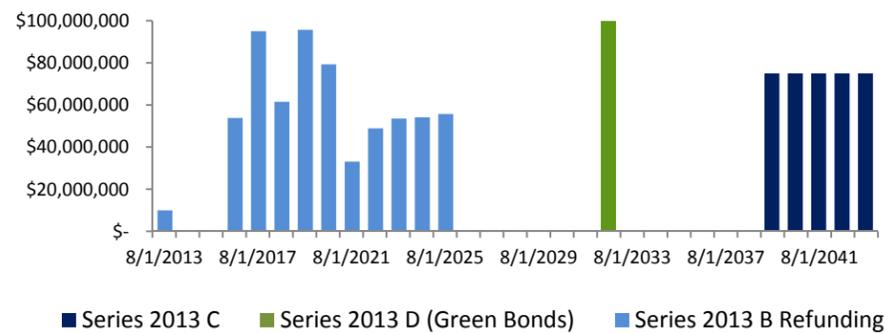
  

| June |    |    |    |    |    |    |
|------|----|----|----|----|----|----|
| S    | M  | T  | W  | Th | F  | Sa |
|      |    |    |    |    |    | 1  |
| 2    | 3  | 4  | 5  | 6  | 7  | 8  |
| 9    | 10 | 11 | 12 | 13 | 14 | 15 |
| 16   | 17 | 18 | 19 | 20 | 21 | 22 |
| 23   | 24 | 25 | 26 | 27 | 28 | 29 |
| 30   |    |    |    |    |    |    |

## New Money Bonds Include "Green Bonds"

Massachusetts is selling Green Bonds to fund environmentally beneficial projects

- Green Bonds are general obligation bonds of the Commonwealth that carry the same ratings as other general obligation bonds
- Bond proceeds will fund projects in four categories:
  - Clean water & drinking water;
  - Energy efficiency and conservation projects in state buildings;
  - Land acquisition, open space protection & environmental remediation; and
  - River revitalization & preservation and habitat restoration



## Massachusetts G.O. Ratings Remain High

Fitch, Moody's and Standard & Poor's affirmed ratings and outlooks

- |   |  |  |  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li><b>AA+ / Stable</b></li> <li>Strong budget performance</li> <li>Ongoing progress in improving financial, debt, and budget management</li> <li>A healthy budget stabilization fund balance</li> <li>High wealth and income levels</li> <li>Deep and diverse economy</li> <li>High debt burden</li> <li>Significant unfunded pension &amp; OPEB liabilities</li> </ul> |  | <ul style="list-style-type: none"> <li><b>Aa1 / Stable</b></li> <li>Strong financial management practices</li> <li>Budget reserves that provide an adequate cushion to another downturn</li> <li>An economic base characterized by high wealth and high levels of educational attainment</li> <li>Debt ratios that are among the nation's highest</li> <li>Moderate pension funding ratios</li> <li>Large health care and other social service costs</li> <li>Managing the challenges from federal downsizing</li> </ul> |  |
| <ul style="list-style-type: none"> <li><b>AA+ / Stable</b></li> <li>Strong and wealthy economy</li> <li>Prudent financial management</li> <li>Comparatively high liability burden</li> </ul>  |  |  |  |

## Transparent Disclosure Practices

Enhanced disclosure practices include regular disclosure updates, direct communication with investors and a new website

### Disclosure Schedule

- Disclosure is updated on a regular, bi-monthly basis whether the Commonwealth is selling bonds or not

### Direct Communication with Investors

- Approximately 7 days after each disclosure update the Commonwealth hosts a live investor call
- Annual investor conference in December

### Dedicated Investor Website

- Investor website, [www.massbondholder.com](http://www.massbondholder.com), provides more than 30,000 pages of downloadable reports
- Disclosure data is made available for investors' customized analysis

| Massachusetts 2013 Investor Disclosure & Conference Call Schedule |                 |                                       |                       |
|---|-----------------|---------------------------------------|-----------------------|
| Disclosure Update   | Conference Call | "Big Topic"                           | Participants          |
| 9-Jan-13  | 11-Jan-13       | Review of FY 2012 Financials          | State Comptroller     |
| 7-Mar-13  | 15-Mar-13       | Review of New Investor Website        | Treasury              |
| 7-May-13  | 14-May-13       | Review of 5-Year CIP / Debt Portfolio | A&F / Treasury        |
| 22-Jul-13   | 29-Jul-13       | Review of FY13 Revenue Collections    | Dept. of Revenue      |
| 9-Sep-13  | 16-Sep-13       | Review of Major Spending Categories   | State Budget Director |
| 7-Nov-13  | 14-Nov-13       | Review of Pension Actuarial Report    | State Actuary         |

## Recent Accomplishments

Over the past two years, the Commonwealth has earned a number of honors and achievements

**September 2011 Massachusetts Bond Rating Upgraded by S&P**

**December 2011 Awarded *The Bond Buyer's* National Deal of the Year Award**

**May 2013 Massachusetts Awarded the 2013 Industry Contribution Award from the NFMA**

Related Headlines:

- "Deal of the Year Award Goes to Massachusetts Bridge Bonds" – *The Bond Buyer*, Dec. 9, 2011
- "Mass. to Broaden its Disclosure Practices" – *The Bond Buyer*, Mar. 21, 2012
- "Mass. Raised to AA+ by S&P" – *The Bond Buyer*, Sept. 19, 2011
- "Mass. Sets the Bar for Transparency" – *Cate Long, Reuters*, May 25, 2012
- "Mass. Creates the Gold Standard for Muni Bond Disclosure" – *Cate Long, Reuters*, Mar. 1, 2013
- "Mass. Investor Website Breaks Ground in State Investor Relations" – *Muni NetGuide*, Apr. 4, 2013
- "Massachusetts Sees Itself as the Anti-Harrisburg" – *WSJ*, May 7, 2013
- "Investor Group Honors Mass. for Website" – *The Bond Buyer*, May 7, 2013

## Investor Key Contacts & Resources

Investors can contact the Commonwealth or stay current on financing activities in a number of different ways

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