

Posted:
MHTC Central Office
105 West Capitol
Jefferson City, Missouri 65101

Copies of this notice may be obtained by contacting:
Jennifer L. Jorgensen
Secretary to the Commission
(573) 751-3704

Missouri Highways and Transportation Commission Tentative Agenda

Branson Convention Center
Short Creek 3
200 South Sycamore Street
Branson, MO

September 3, 2025

Open Meeting 1:00 p.m.

- | | <u>Est. Time</u> |
|--|------------------|
| 1. <u>Non-Action Item</u> – <u>Commission Workshop: Debt and Bonding Program.</u> | 1:00 – 2:30 |
| <i>Brenda Morris, Chief Financial Officer, and Jon Burmeister, PFM, PFM
Financial Advisors LLC</i> | |

ADJOURN.

Closed Meeting 3:00 p.m.

VOTE TO CLOSE MEETING.

Competitive Bidding Specs, Sealed Bids, or Negotiated Contracts
Personnel administration regarding particular employees
Legal actions or attorney-client privileged communications

Section 610.021(11), (12) RSMo
Section 610.021(3), (13) RSMo
Section 610.021(1) RSMo



Workshop

COMMISSION WORKSHOP: DEBT AND BONDING PROGRAM

-- Presented by Brenda Morris, Chief Financial Officer, 573-751-2803, and Jon Burmeister, PFM Financial Advisors LLC.

ISSUE: This workshop will include discussions about the Missouri Highways and Transportation Commission's (MHTC) outstanding debt and proposed bond issuances for the Improve I-70 Project.

RECOMMEND that the Commission:

- This item is for information only; no action is required.

DEPARTMENT VIEW:

- Bond financing allowed the Missouri Department of Transportation (MoDOT) to provide much needed infrastructure improvements to the traveling public sooner than pay-as-you-go funding allowed. Building projects sooner results in cost savings by reducing project inflation costs, while at the same time advancing economic development, improving safety, and easing congestion.
- The MHTC has three bond programs in place: Amendment 3 (First Lien and Third Lien), Federal Reimbursement (Grant Anticipation Revenue Vehicle (**GARVEE**) Bonds), and State Appropriations Mega Projects Bonds.
- MoDOT supports future targeted bond issues for projects with long term benefits that comply with the MHTC's conservative Debt Management Policy.
- The MHTC currently has \$1.128 billion in outstanding bonds.

OTHER VIEWS:

- The Governor and Missouri General Assembly recognized the need for the expansion of Interstate 70 across the state by passing and signing Conference Committee Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 4 ("**House Bill 4**") during the 2023 legislative session.
- House Bill 4 authorized the Office of Administration and the Commission to execute a financing agreement to pledge sufficient State moneys to be the first recourse for payment of the debt service on Commission bonds issued to finance the planning, designing, constructing, reconstructing, rehabilitating, and significant repair of Interstate 70 on the State Highway System to provide three lanes of traffic going east to west and going west to east across the state of Missouri (the "**I-70 Project**").
- MoDOT's financial advisor, PFM Financial Advisors LLC (PFM), believes investors are ready for new MHTC bonds. A strong demand for municipal bonds and the MHTC's conservative Debt Management Policy should result in the MHTC receiving a favorable True-Interest Cost (TIC).
- Credit rating agencies view MHTC's Debt Management Policy and its conservative approach to using debt in a positive manner. The result is credit ratings assigned to the MHTC's outstanding bonds ranging from "AAA" to "AA+". Of the \$1.128 billion of outstanding bonds, the MHTC has \$691 million in outstanding bonds which are rated by at least one of the credit rating agencies as "AAA" or "Aaa," which is the highest credit rating available.

MHTC POLICY:

- Financial – Debt Management – Bond Financial Summary.
- Financial – Debt Management Policy.

OTHER PERTINENT INFORMATION:

- House Bill 4 authorized \$1.4 billion of bonding proceeds available for I-70 Projects with the term of each bond issue not to exceed 15 years and total annual debt service not to exceed \$136 million.
- The General Assembly also authorized \$1.4 billion of money to directly pay a portion of the costs of the I-70 Projects.
- The financing plan is to provide for the issuance of additional State Road Bonds pursuant to the Master Bond Indenture that would utilize a first lien on moneys appropriated by the State to pay debt service, with a subordinate lien on excess State Road Fund Revenues and State Road Bond Fund Revenues not needed to pay debt service on the Amendment 3 Bonds (the 2005 Indenture) and GARVEE Bonds (the 2008 Indenture). This financing plan permits replication of future State Road Bonds to be financed with appropriated money by the State for other major projects in the State.
- The MHTC borrowed \$381.6 million in December 2023 in bonds for the first Improve I-70 Project issuance.
- The current MHTC Debt Management Policy was approved in October 2023.
- The annual Debt Management Report presented to the Commission on July 9, 2025, is provided in Attachment 1.

SOURCE OF FUNDING: First Lien on moneys appropriated by the State in an annual amount not to exceed \$136,000,000 and a subordinate lien on excess State Road Fund revenues and the State Road Bond Fund revenues not needed for debt service on other bonds.



Missouri Highways and Transportation Commission Debt Workshop

Missouri Department of Transportation

PFM

Gilmore & Bell

September 3, 2025

Introductions



- MHTC Members
- MoDOT Staff
- Financial Advisor – PFM
- Bond Counsel – Gilmore & Bell

Agenda/Objectives

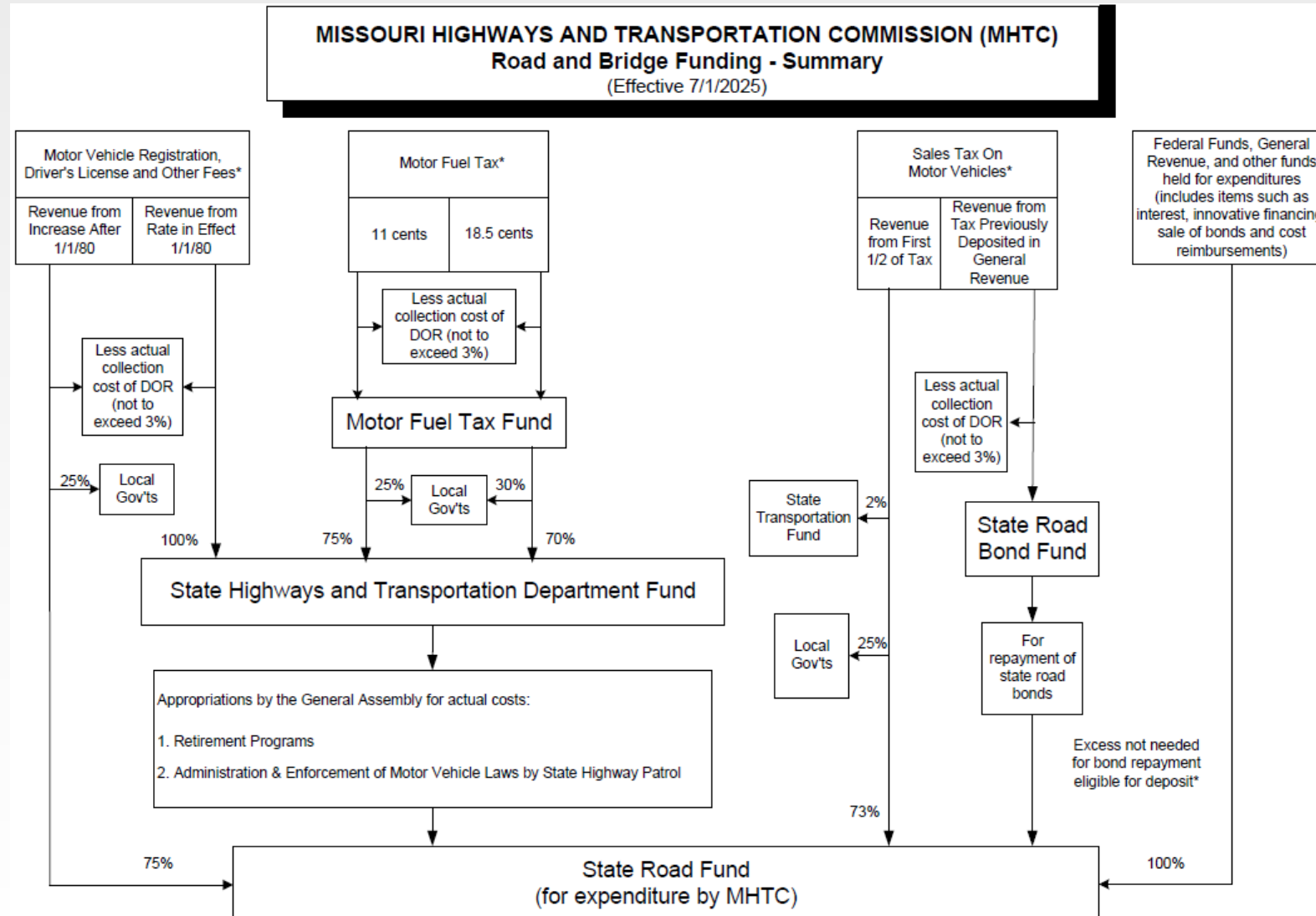


- Overview of Outstanding Debt & the Bonding Program
- Overview of the Project & Legislation
- Improve I-70 Bonds
- Market Overview
- Preliminary Schedule for Proposed Bond Transaction
- Past and Future Bond Issuances



Overview of Outstanding Debt & the Bonding Program

MHTC Revenues

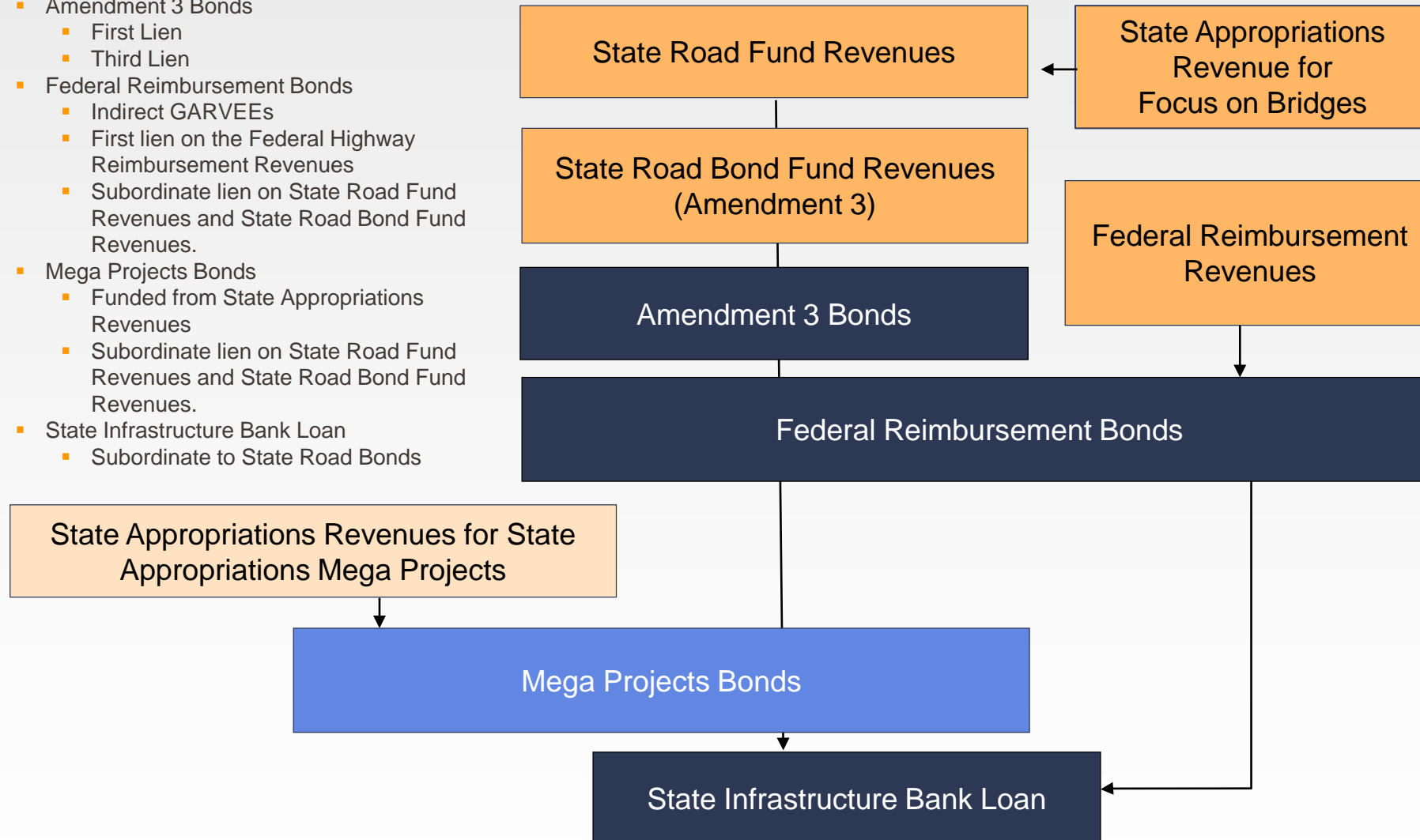


*Revenues are net of refunds for overpayments or erroneous payments of state revenue derived from highway users.

MHTC Lien Structure



- Amendment 3 Bonds
 - First Lien
 - Third Lien
- Federal Reimbursement Bonds
 - Indirect GARVEEs
 - First lien on the Federal Highway Reimbursement Revenues
 - Subordinate lien on State Road Fund Revenues and State Road Bond Fund Revenues.
- Mega Projects Bonds
 - Funded from State Appropriations Revenues
 - Subordinate lien on State Road Fund Revenues and State Road Bond Fund Revenues.
- State Infrastructure Bank Loan
 - Subordinate to State Road Bonds

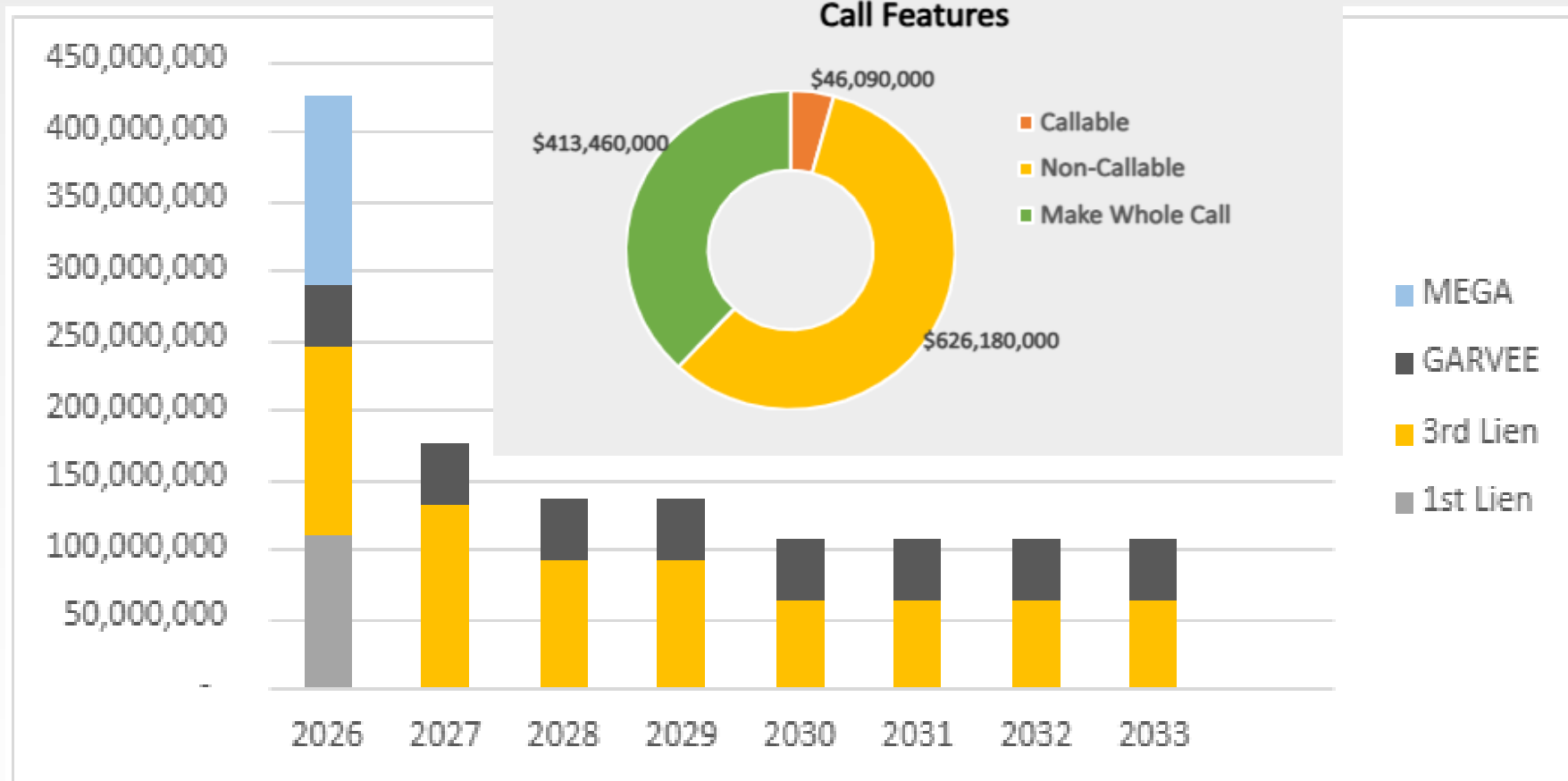


MHTC State Road Bonds



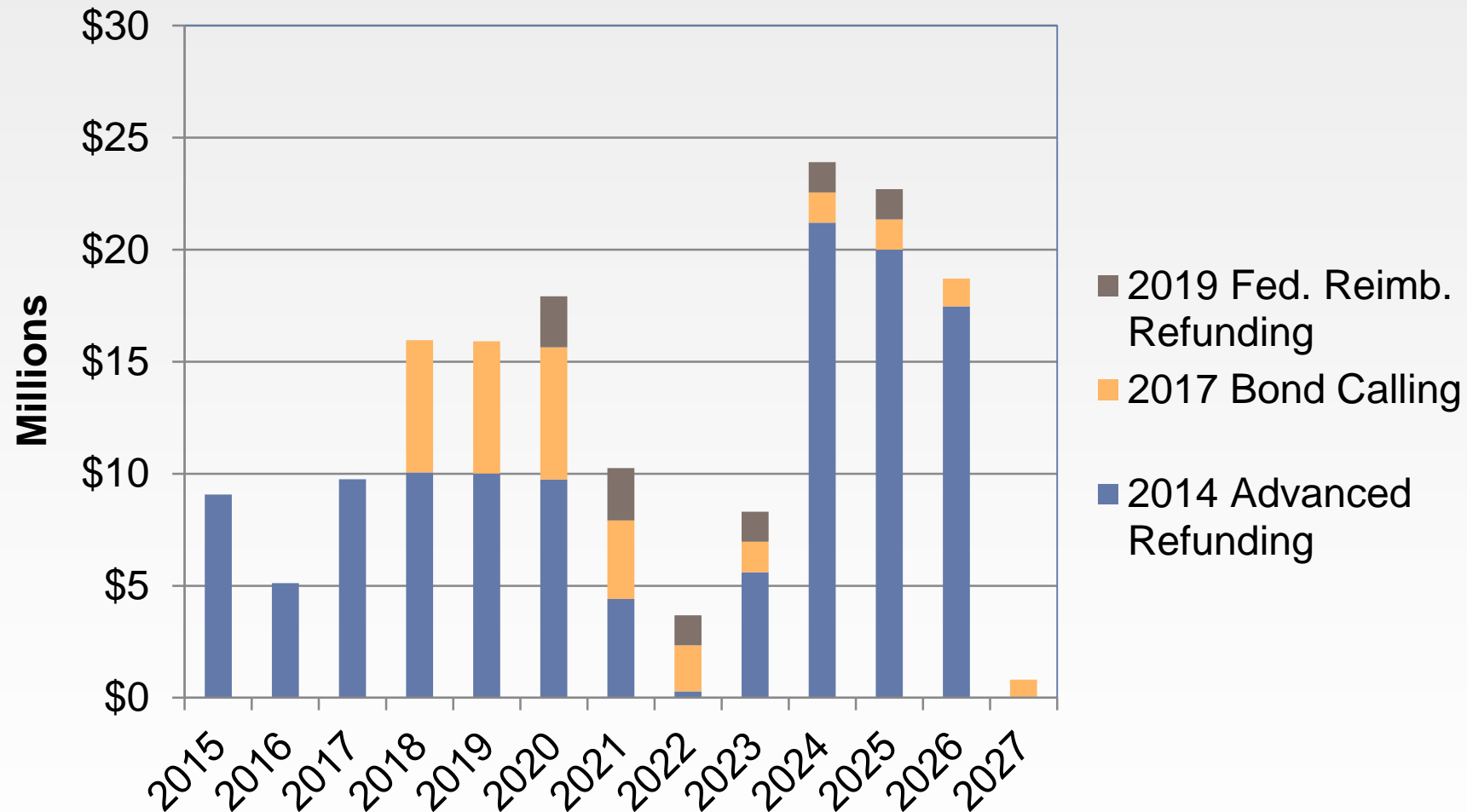
Series	Par Issued	Par Outstanding *	Final Maturity
Amendment 3 Bonds			
First Lien State Road Bonds			
Series A 2014 - Refunding	\$589,015,000	\$104,510,000	5/1/2026
Third Lien State Road Bonds			
Series C 2009 (BAB)	\$300,000,000	\$106,235,000	5/1/2029
Series B 2019	\$178,370,000	\$23,600,000	11/1/2026
Series A 2021	\$88,955,000	\$15,465,000	11/1/2026
Series A 2022	\$453,005,000	<u>\$399,175,000</u>	5/1/2033
Total Amendment 3 Bonds		<u>\$648,985,000</u>	
Federal Reimbursement State Road Bonds			
Series B 2009 (BAB)	\$404,375,000	<u>\$307,225,000</u>	5/1/2033
Total Federal Reimbursement Bonds		<u>\$307,225,000</u>	
State Appropriation Mega Projects Lien State Road Bonds			
Series A 2023	\$381,610,000	\$129,520,000	5/1/2026
Total State Appropriation Mega Projects Lien State Road Bonds		<u>\$129,520,000</u>	
Total State Road Bonds		<u>\$1,085,730,000</u>	
* Current bonds outstanding projected as of December 16, 2025			

Annual Debt Service by Lien* and Call Features



*Does not include subordinate State Infrastructure Bank Loan with Missouri Transportation Finance Corporation.

Savings from Bond Refundings and Callings



Debt Management Policy Objectives



MoDOT Debt Management Policy

- Maintain the best and most effective underlying credit ratings
- Limit debt duration
- Ensure borrowing will not impact asset management or funding for system maintenance



Debt Management Policy Objectives



- Sets targets for debt coverage that are more restrictive than bond indentures
 - First lien at 5.0x
 - Second lien at 4.0x
 - Third lien at 3.0x
 - Federal Reimbursement at 5.0x Federal Reimbursement Revenues only
 - State Appropriations Mega Projects at 2.0x Mega Projects State Appropriations plus Excess Net Pledged State Revenue
- Sets targets for refunding savings
- Debt service limits
 - Up to 5% of Total Road and Bridge Revenue, not including Amendment 3 revenues
 - New or additional funding, such as Amendment 3, may be dedicated exclusively to cover debt service



- | | |
|---|---|
| <p>  UNIVERSITY OF MICHIGAN
 LIBRARY </p> | <p>  UNIVERSITY OF MICHIGAN
 LIBRARY </p> |
|---|---|



MoDOT Top 10 Bondholders



Bondholder	Amount
BlackRock, Inc.	\$113 million
The Vanguard Group, Inc.	\$50 million
Northern Trust Corp.	\$40 million
MetLife Investment Management	\$30 million
State Street Corp.	\$17 million
Prudential Financial Inc.	\$14 million
New York Life Group	\$14 million
JP Morgan Chase & Co.	\$12 million
Berkshire Hathaway, Inc.	\$12 million
Conning, Inc.	\$10 million

Investment Banking Pool



Investment Banking Service Provider	Size
Bank of America Merrill Lynch*	Large
Citigroup Global Markets, Inc.	Large
J.P. Morgan Securities LLC	Large
Morgan Stanley & Co., LLC	Large
Wells Fargo Securities	Large
Estrada Hinojosa Investment Bankers	Medium
Siebert Williams Shank & Co., LLC	Medium
Stifel, Nicolaus & Co., Inc.*	Medium
UMB Bank, N.A.*	Medium
Stern Brothers & Co.*	Small

* Indicates firms with offices in Missouri

Credit Ratings

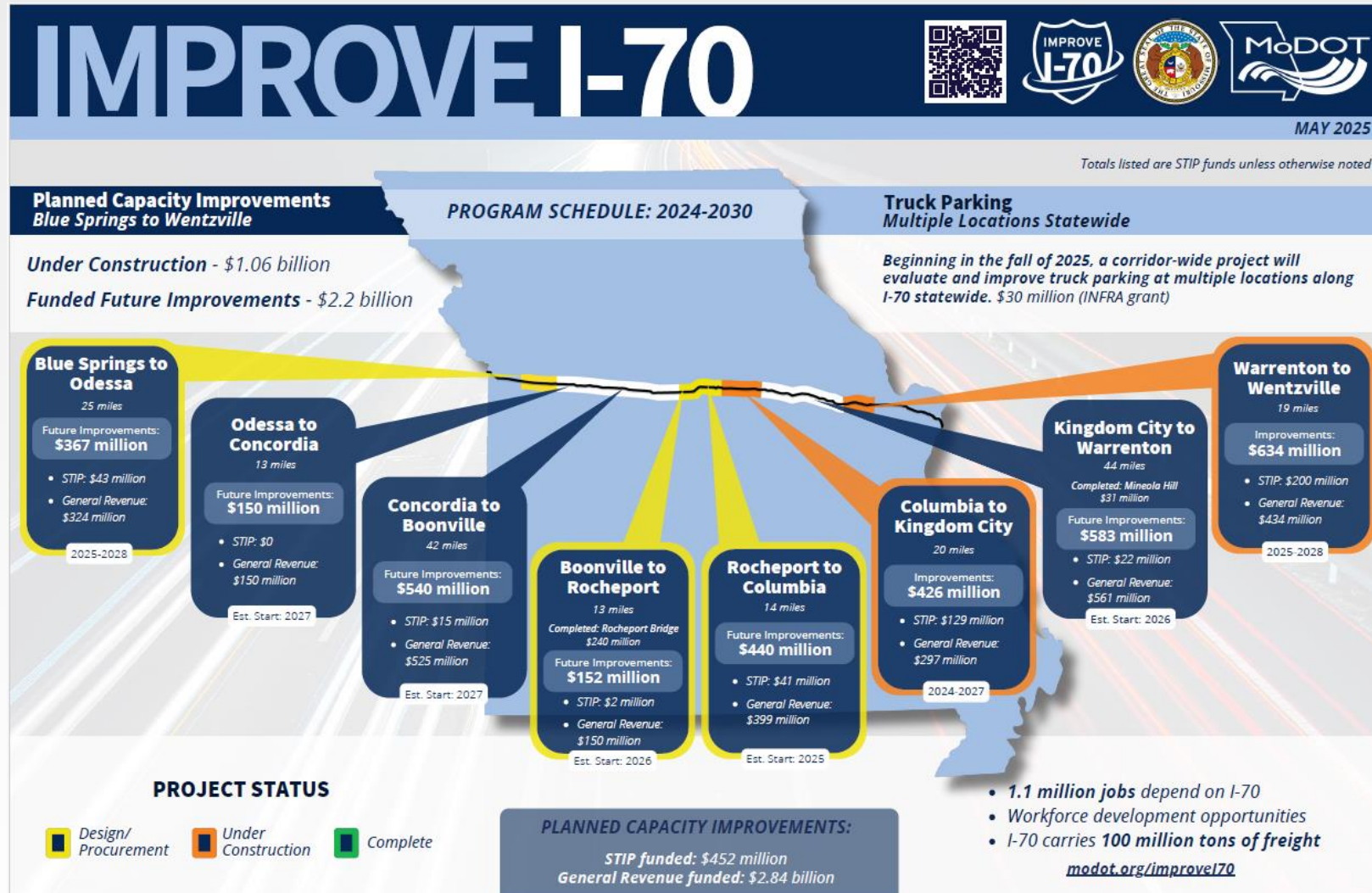


Lien	Moody's	Standard & Poor's	Fitch
1 st Lien	Aaa	AAA	AAA
3 rd Lien	Aa1	AA+	AAA
Fed. Reimb.	Aa1	AA+	AA+
Mega Lien	Aa1	AA+	AA+



Overview of the Project & Legislation

Overview of the Project



Overview of the I-70 Legislation



- \$1.4B of Bonding Authority available for I-70 Projects
 - Each series not to exceed 15 years
 - MoDOT to receive state appropriations to pay annual debt service
- Fiscal year debt service not to exceed \$136M
- \$1.4B of cash available for I-70 Projects



I-70 Project Cashflow



Improve I-70 Program Financing Summary - Consultant and Construction Costs

(in millions)

SFY	I-70 BOND PROCEEDS			I-70 STATE ROAD FUND PROJECT FUND		
	BOND ISSUANCE	EXPENDITURES	BALANCE	FUND TRANSFER	EXPENDITURES	BALANCE
2024	390.2	39.3	350.9	24.1	11.4	12.7
2025	-	151.6	199.3	161.2	26.0	147.9
2026	500.0	443.2	256.1	259.2	109.6	297.5
2027	-	256.1	-	955.5	376.5	876.5
2028	509.8	191.0	318.8		392.6	483.9
2029	-	215.2	103.6		196.4	287.5
2030	-	103.6	-		214.5	73.0
2031	-	-	-		73.0	-
TOTAL	1,400.0	1,400.0		1,400.0	1,400.0	

SFY	BUDGET STABILIZATION FUND (WARREN COUNTY INTERCHANGE AND OUTER ROADS)			STATE ROAD FUND (STIP, EARMARKS, INFRA GRANT, ETC.)			TOTAL		
	APPROPRIATED	EXPENDITURES	BALANCE	PROGRAMMED	EXPENDITURES	BALANCE	COMMITTED	EXPENDITURES	BALANCE
2024	-	-	-	129.2	-	129.2	543.5	50.7	492.8
2025	40.0	4.3	35.7	206.0	16.3	318.9	407.2	198.2	701.8
2026	-	12.7	23.0	94.4	28.9	384.4	853.6	594.4	961.0
2027	-	9.9	13.1	32.2	115.0	301.6	987.7	757.5	1,191.2
2028	-	13.1	-		184.1	117.5	509.8	780.8	920.2
2029	-	-	-		78.7	38.8	-	490.3	429.9
2030	-	-	-		15.3	23.5	-	333.4	96.5
2031	-	-	-		23.5	-	-	96.5	-
TOTAL	40.0	40.0		461.8	461.8		3,301.8	3,301.8	



Improve I-70 Bonds

Series A 2023



- Issued: December 14, 2023
- Par Amount: \$381,610,000
- Project Funds: \$390,204,140
- True Interest Cost: 3.1976%
- Maturity Date: May 1, 2026
- 3 Year Term



Proposed Series A 2025



Estimated Sources	
Par Amount	\$481,780,000
Premium	<u>\$19,298,315</u>
Total:	\$501,078,315
Project Fund	\$500,000,000
COI/UD	<u>\$1,078,315</u>
Total:	\$501,078,315

Estimated Debt Service Schedule				
Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
11/01/26	0	\$21,077,875	\$21,077,875	
05/01/27	\$102,875,000	\$12,044,500	\$114,919,500	135,997,375
11/01/27	0	\$9,472,625	\$9,472,625	
05/01/28	\$117,050,000	\$9,472,625	\$126,522,625	135,995,250
11/01/28	0	\$6,546,375	\$6,546,375	
05/01/29	\$83,065,000	\$6,546,375	\$89,611,375	96,157,750
11/01/29	0	4,469,750	\$4,469,750	0
05/01/30	87,220,000	4,469,750	\$91,689,750	96,159,500
11/01/30	0	2,289,250	\$2,289,250	0
05/01/31	91,570,000	2,289,250	\$93,859,250	96,148,500
Totals	\$481,780,000	\$78,678,375	\$560,458,375	\$560,458,375

- Targeting \$500M of project proceeds using up \$136M for FY 2027 and FY 2028 and leaving enough capacity for the third Improve I-70 series in FY 2028.
- Proceeds estimated between \$500M and \$510M.

FY 2028 Bonding Assumptions



- Bond Proceeds
 - Approximately \$510 million
 - Final Series will deliver remaining project proceeds, NTE \$1.4B in aggregate
- Cost of Issuance \$610,000 plus \$2 per bond for underwriting
- Interest Rate Scale – Aaa MMD 7/22/2025
- Credit Spread – 15 bps
- Timing Spreads
 - 150 bps
- Coupon Rate
 - 5.00%



Debt Service by Series



Fiscal Year 2024				
Actual Series A 2023				
Period	Estimated Debt Service			
	Ending	Principal	Interest	Total
1	5/1/2024	128,735,000	7,261,190	135,996,190
2	5/1/2025	123,355,000	12,643,750	135,998,750
3	5/1/2026	129,520,000	6,476,000	135,996,000
	5/1/2027			
	5/1/2028			
	5/1/2029			
	5/1/2030			
	5/1/2031			
	5/1/2032			
	5/1/2033			
	5/1/2034			
	5/1/2035			
Total		381,610,000	26,380,940	407,990,940

Fiscal Year 2026				
Proposed Series A 2025				
Period	Estimated Debt Service			
	Ending	Principal	Interest	Total
	5/1/2024			
	5/1/2025			
	5/1/2026			
1	5/1/2027	102,875,000	33,122,375	135,997,375
2	5/1/2028	117,050,000	18,945,250	135,995,250
3	5/1/2029	83,065,000	13,092,750	96,157,750
4	5/1/2030	87,220,000	8,939,500	96,159,500
5	5/1/2031	91,570,000	4,578,500	96,148,500
	5/1/2032			
	5/1/2033			
	5/1/2034			
	5/1/2035			
Total		481,780,000	78,678,375	560,458,375

Fiscal Year 2028				
Proposed Series A 2027				
Period	Estimated Debt Service			
	Ending	Principal	Interest	Total
	5/1/2024			
	5/1/2025			
	5/1/2026			
	5/1/2027			
	5/1/2028			
1	5/1/2029	5,385,000	34,453,375	39,838,375
2	5/1/2030	15,050,000	24,787,750	39,837,750
3	5/1/2031	15,815,000	24,035,250	39,850,250
4	5/1/2032	112,755,000	23,244,500	135,999,500
5	5/1/2033	118,390,000	17,606,750	135,996,750
6	5/1/2034	124,310,000	11,687,250	135,997,250
7	5/1/2035	109,435,000	5,471,750	114,906,750
Total		501,140,000	141,286,625	642,426,625

Total Estimated Debt Service



Total I-70 Plan of Finance					Legislative Constraint ¹⁾	
	Period	Estimated Debt Service			Annual Constraint	Difference
	<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
1	5/1/2024	128,735,000	7,261,190	135,996,190	136,000,000	(3,810)
2	5/1/2025	123,355,000	12,643,750	135,998,750	136,000,000	(1,250)
3	5/1/2026	129,520,000	6,476,000	135,996,000	136,000,000	(4,000)
4	5/1/2027	102,875,000	33,122,375	135,997,375	136,000,000	(2,625)
5	5/1/2028	117,050,000	18,945,250	135,995,250	136,000,000	(4,750)
6	5/1/2029	88,450,000	47,546,125	135,996,125	136,000,000	(3,875)
7	5/1/2030	102,270,000	33,727,250	135,997,250	136,000,000	(2,750)
8	5/1/2031	107,385,000	28,613,750	135,998,750	136,000,000	(1,250)
9	5/1/2032	112,755,000	23,244,500	135,999,500	136,000,000	(500)
10	5/1/2033	118,390,000	17,606,750	135,996,750	136,000,000	(3,250)
11	5/1/2034	124,310,000	11,687,250	135,997,250	136,000,000	(2,750)
12	5/1/2035	109,435,000	5,471,750	114,906,750	136,000,000	(21,093,250)
13	5/1/2036	-	-	-	136,000,000	(136,000,000)
14	5/1/2037	-	-	-	136,000,000	(136,000,000)
15	5/1/2038	-	-	-	136,000,000	(136,000,000)
16	5/1/2039	-	-	-	136,000,000	(136,000,000)
17	5/1/2040	-	-	-	136,000,000	(136,000,000)
18	5/1/2041	-	-	-	136,000,000	(136,000,000)
19	5/1/2042	-	-	-	136,000,000	(136,000,000)
20	5/1/2043	-	-	-	136,000,000	(136,000,000)
Total		1,364,530,000	246,345,940	1,610,875,940	2,448,000,000	(837,124,060)

1) State Appropriations would be adjusted annually to match the debt service for the State Appropriations Mega Projects State Road Bonds.

Debt Service Coverage



Fiscal Year	Mega Projects Master Indenture Bond	Mega Projects Debt	Coverage (without State Approp.) ⁽³⁾	Coverage (with State Approp.) ⁽⁴⁾
	<u>Revenues ⁽¹⁾</u>	<u>Service ⁽²⁾</u>		
2025	\$839,475,726	\$135,861,058	6.18 x	7.49 x
2026	841,288,069	135,996,000	6.19 x	7.52 x
2027	954,834,560	135,997,375	7.02 x	8.32 x
2028	994,901,645	135,995,250	7.32 x	8.32 x
2029	994,923,333	96,157,750	10.35 x	11.35 x
2030	1,023,998,321	96,159,500	10.65 x	11.65 x
2031	1,023,997,321	96,148,500	10.65 x	11.65 x

- 1) Mega Projects Master Indenture Bond Revenues assume fiscal year 2025 State Road fund Revenues and State Road Bond Fund Revenues of \$1,085,375,121 less the Amendment 3 Master Indenture Bond Debt Service. Mega Projects Master Indenture Bond Revenues do not include Federal Highway Reimbursement Revenues.
- 2) Fiscal Year 2025 Mega Projects Debt Service is reduced by \$137,692 of interest earnings deposited into the project debt service fund.
- 3) Coverage does not include deposits to the State Road Fund for the Amendment 3 Master Indenture Bonds pursuant to Financing Agreements dated December 1, 2019 and December 1, 2021, and does not include deposits to the State Road Fund for the Amendment 3 Master Indenture Bonds pursuant to the Financing Agreement.
- 4) Coverage includes deposits to the State Road Fund for the Amendment 3 Master Indenture Bonds pursuant to Financing Agreements dated December 1, 2019 and December 1, 2021, and includes deposits to the State Road Fund for the Mega Projects Master Indenture Bonds pursuant to the Financing Agreement.

MHTC State Road Bonds



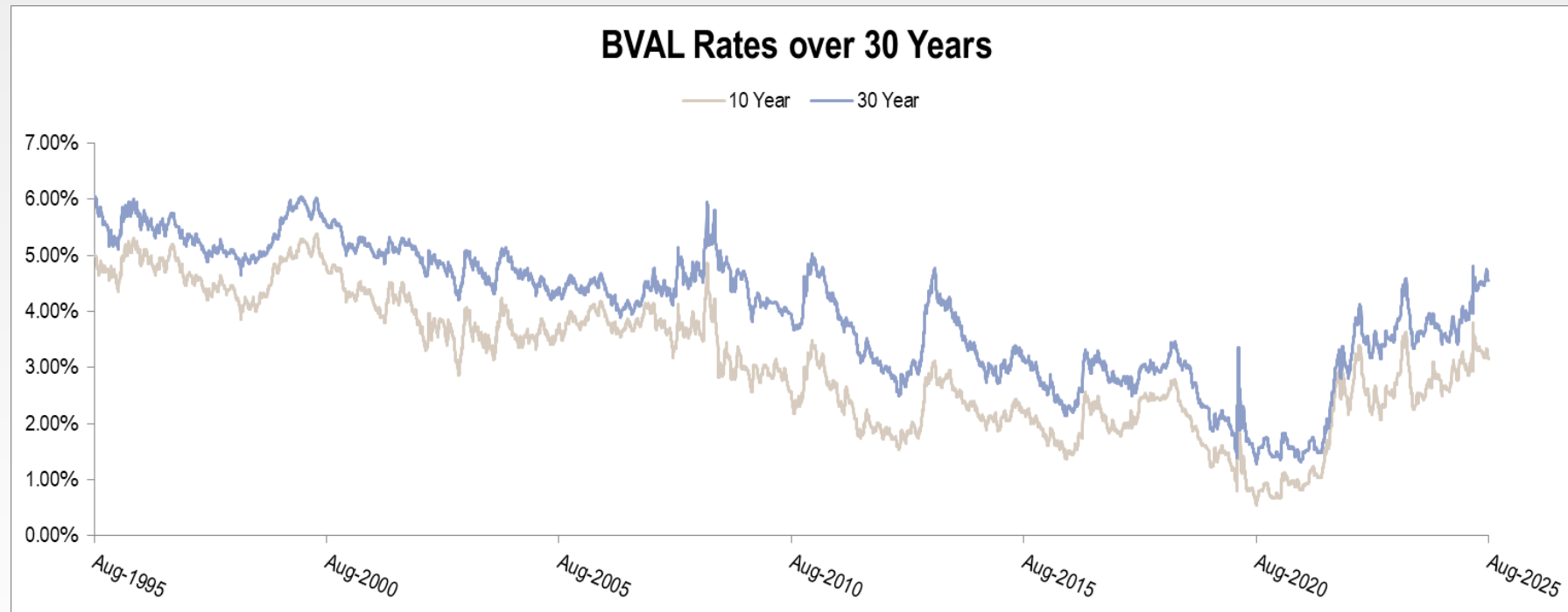
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Amendment 3 Bonds			
First Lien State Road Bonds			
Series A 2014 - Refunding	\$589,015,000	\$104,510,000	5/1/2026
Third Lien State Road Bonds			
Series C 2009 (BAB)	\$300,000,000	\$106,235,000	5/1/2029
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Federal Reimbursement State Road Bonds			
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Total Federal Reimbursement Bonds		<u>\$307,225,000</u>	
State Appropriation Mega Projects Lien State Road Bonds			
Series A 2023	\$381,610,000	\$129,520,000	5/1/2026
Series A 2025	\$481,780,000	\$481,780,000	5/1/2031
Total State Appropriation Mega Projects Lien State Road Bonds		<u>\$611,300,000</u>	
Total State Road Bonds		<u>\$1,567,510,000</u>	

* Current bonds outstanding projected as of December 16, 2025

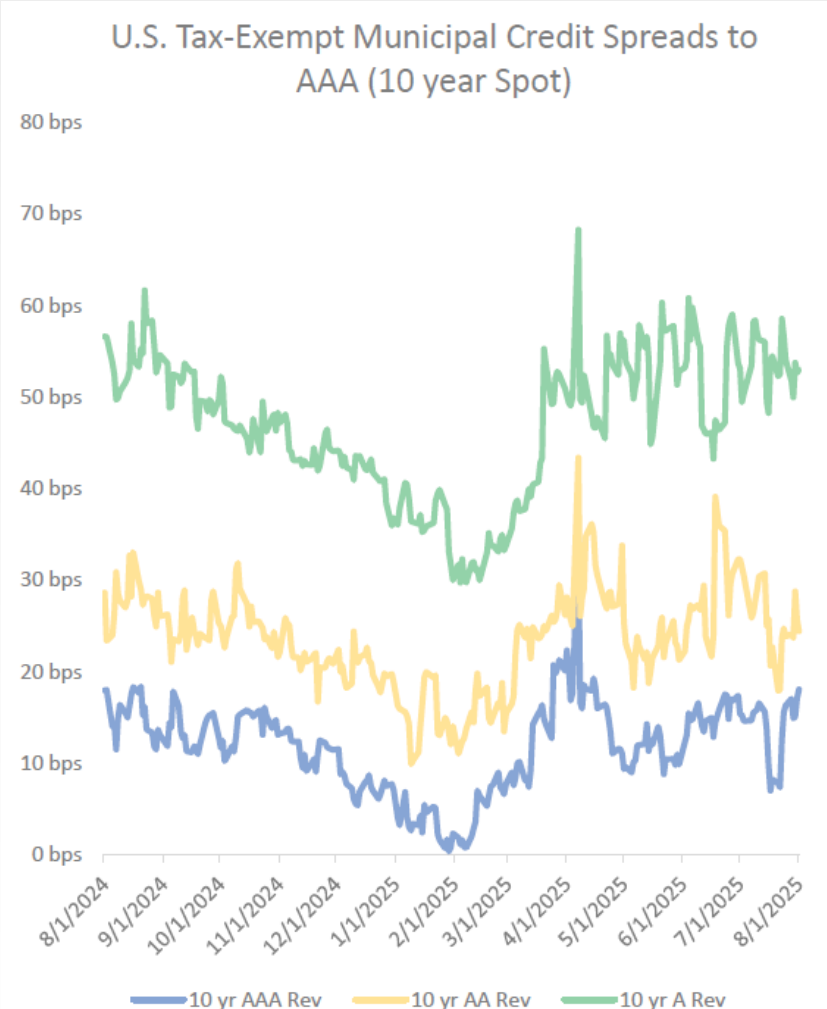
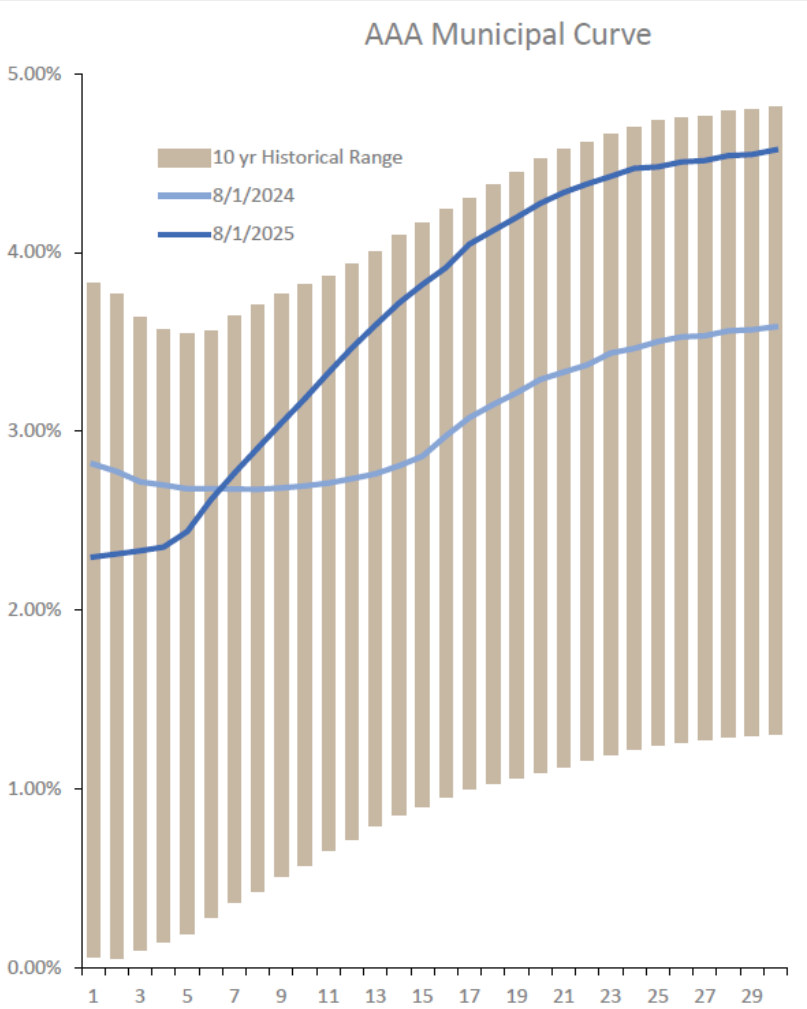


Market Overview

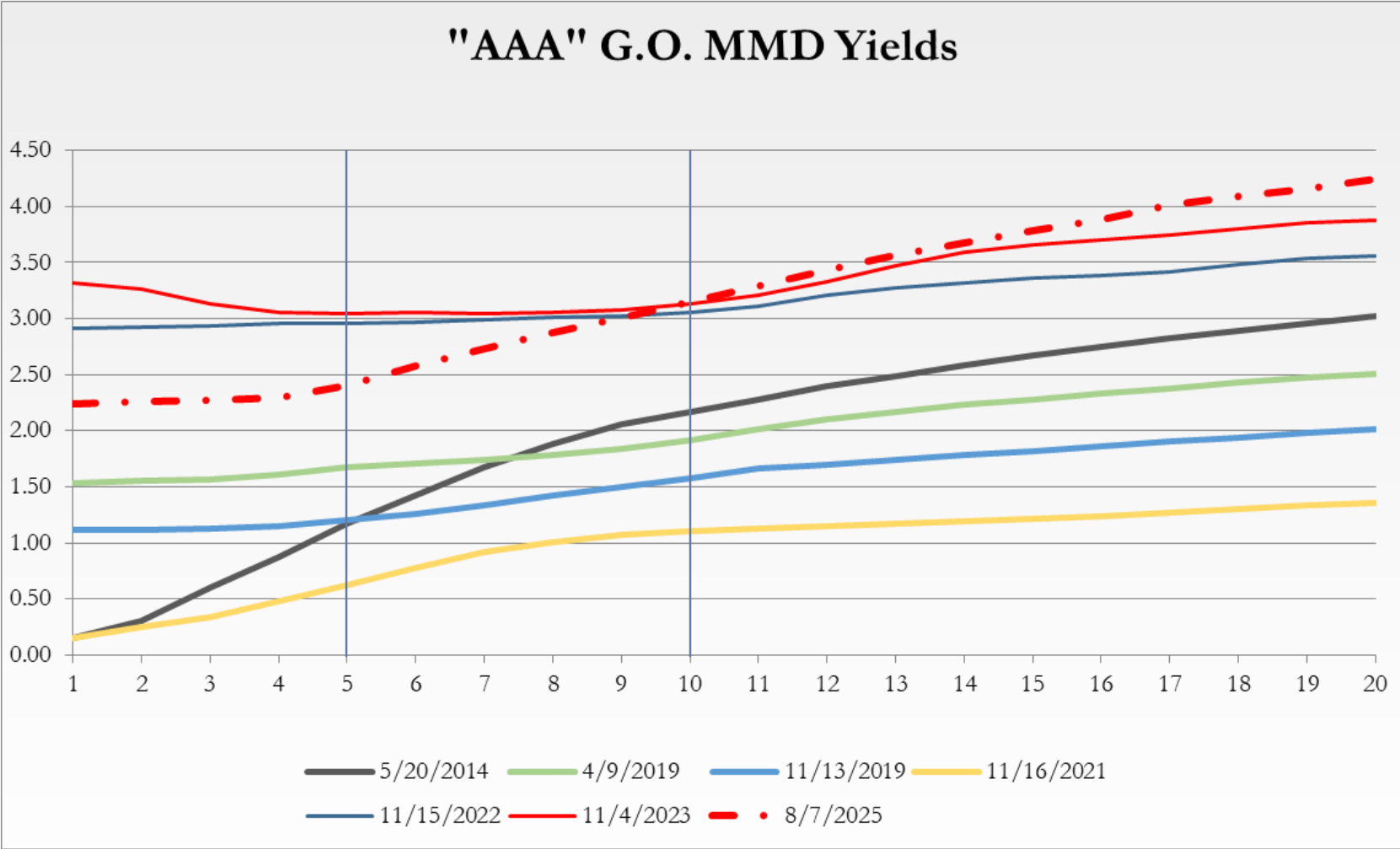
Historical Rates



Yield Curve & Credit Spreads



Relative Yield Curves



Economic Calendar: November 2025



NOVEMBER ECONOMIC CALENDAR				
MON	TUES	WED	THU	FRI
Nov 3	Nov 4	Nov 5	Nov 6	Nov 7
9:45 AM S&P Global US Manufacturing PMI 10:00 AM ISM Indicators 10:00 AM Construction Spending 10:00 AM Ward's Total Vehicle Sales	8:30 AM Trade Balance 8:30 AM Exports MoM 8:30 AM Imports MoM 10:00 AM JOLTS Job Openings 10:00 AM JOLTS Job Openings Rate 10:00 AM JOLTS Quits Level 10:00 AM JOLTS Quits Rate 10:00 AM Factory Orders 10:00 AM JOLTS Layoffs Level 10:00 AM JOLTS Layoffs Rate 10:00 AM Durable Goods 10:00 AM Capital Goods	7:00 AM MBA Mortgage Applications 8:15 AM ADP Employment Change 9:45 AM S&P Global US Services PMI 9:45 AM S&P Global US Composite PMI 10:00 AM ISM Indicators 10:00 AM ISM Services Prices Paid 10:00 AM ISM Services New Orders 10:00 AM ISM Services Employment	7:30 AM Challenger Job Cuts YoY 8:30 AM Nonfarm Productivity 8:30 AM Unit Labor Costs 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 10:00 AM Wholesale Trade Sales MoM 10:00 AM Wholesale Inventories MoM	8:30 AM Payrolls 8:30 AM Nonfarm Payrolls 3-Mo Avg Chg 8:30 AM Avg Hourly Earnings 8:30 AM Avg Weekly Hours All Employees 8:30 AM Unemployment Rate 8:30 AM Labor Force Participation Rate 8:30 AM Underemployment Rate 10:00 AM Michigan Sentiment 3:00 PM Consumer Credit
Nov 10	Nov 11	Nov 12	Nov 13	Nov 14
	8:00 AM NFIB Small Business Optimism 12:00 AM Veterans' Day	7:00 AM MBA Mortgage Applications	8:30 AM Consumer Price Index 8:30 AM Real Avg Earnings 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 2:00 PM Federal Budget Balance	8:30 AM Retail Sales 8:30 AM Producer Price Index 10:00 AM Business Inventories
Nov 17	Nov 18	Nov 19	Nov 20	Nov 21
8:30 AM Empire Manufacturing	8:30 AM Import Index 8:30 AM New York Fed Services Business Activity 8:30 AM Export Index 9:15 AM Industrial Production 9:15 AM Manufacturing (SIC) Production 9:15 AM Capacity Utilization 10:00 AM NAHB Housing Market Index 4:00 PM Net Long-term TIC Flows 4:00 PM Total Net TIC Flows	7:00 AM MBA Mortgage Applications 8:30 AM Housing Starts 8:30 AM Building Permits 2:00 PM FOMC Meeting Minutes	8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 8:30 AM Philly Fed Busi. Outlook 10:00 AM Leading Index 10:00 AM Existing Home Sales 11:00 AM Kansas City Fed Manf. Activity	9:45 AM S&P Global US Manufacturing PMI 9:45 AM S&P Global US Services PMI 9:45 AM S&P Global US Composite PMI 10:00 AM Michigan Sentiment 11:00 AM Kansas City Fed Services Activity
Nov 24	Nov 25	Nov 26	Nov 27	Nov 28
8:30 AM Chicago Fed Nat Activity Index 10:30 AM Dallas Fed Manf. Activity	8:30 AM Philadelphia Fed Non-Manufacturing Activity 9:00 AM FHFA House Price Index 9:00 AM House Price Purchase Index 9:00 AM S&P CoreLogic 10:00 AM Richmond Fed Manufact Index 10:00 AM Richmond Fed Business Conditions 10:00 AM GDP Indicators 10:00 AM Pending Home Sales 10:30 AM Dallas Fed Services Activity	7:00 AM MBA Mortgage Applications 8:30 AM Advance Goods Trade Balance 8:30 AM Advance Goods Imports MoM SA 8:30 AM Advance Goods Exports MoM SA 8:30 AM Wholesale Inventories MoM 8:30 AM Retail Sales 8:30 AM GDP Indicators 8:30 AM Personal Consumption 8:30 AM Durable Goods 8:30 AM Core PCE Price Index QoQ 8:30 AM Capital Goods 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 9:45 AM MNI Chicago PMI 10:00 AM Personal Income 10:00 AM New Home Sales 10:00 AM Personal Spending 10:00 AM Real Personal Spending 10:00 AM PCE Price Index MoM	12:00 AM Thanksgiving Day	



Preliminary Schedule for Proposed Bond Transaction

Bond Sale Schedule

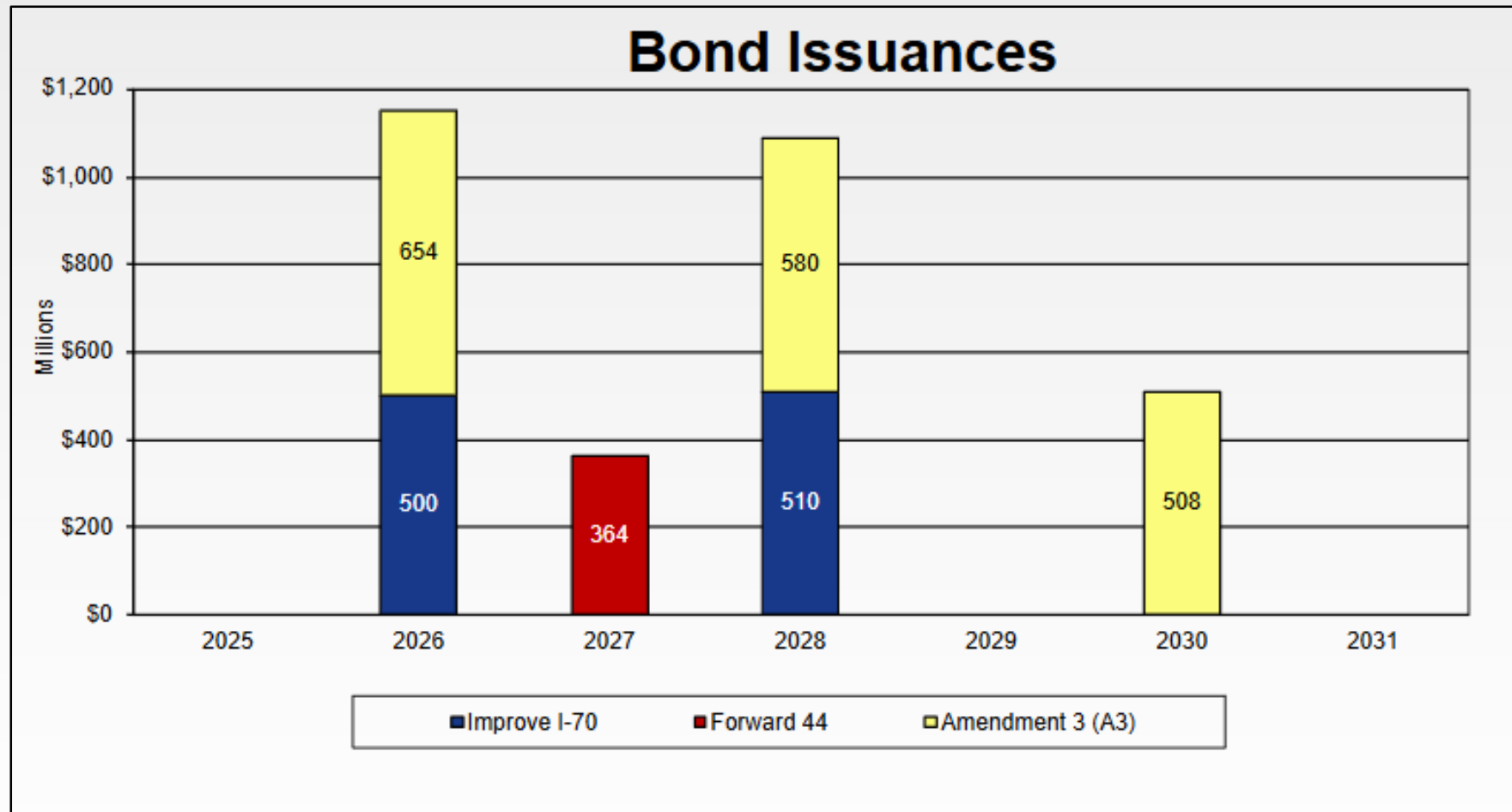


<u>Date</u>	<u>Event</u>
October 1	Commission Meeting
October 23	Presentation to rating agencies
Week of October 27	Follow-up with rating agencies
October 31	Series A 2025 ratings released
November 6	Commission Meeting: Accept Fiscal Year 2025 ACFR Approve Parameters Resolution
November 18	Pricing of Series A 2025
December 16	Closing and delivery of funds



Future Bond Issuances

Future Bond Issuances



Proposed Series A 2026



Estimated Sources

Par Amount	\$608,810,000
Premium	<u>\$48,045,140</u>
Total:	\$656,855,140

Project Fund	\$654,428,710
COI/UD	<u>\$2,426,430</u>
Total:	\$656,855,140

Estimated Uses

Estimated Debt Service Schedule

Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
11/01/26	0	\$26,719,994	\$26,719,994	
05/01/27	\$77,405,000	15,220,250	92,625,250	\$119,345,244
11/01/27	0	13,285,125	13,285,125	\$0
05/01/28	140,340,000	13,285,125	153,625,125	166,910,250
11/01/28	0	9,776,625	9,776,625	0
05/01/29	40,955,000	9,776,625	50,731,625	60,508,250
11/01/29	0	8,752,750	8,752,750	0
05/01/30	43,000,000	8,752,750	51,752,750	60,505,500
11/01/30	0	7,677,750	7,677,750	0
05/01/31	45,150,000	7,677,750	52,827,750	60,505,500
11/01/31	0	6,549,000	6,549,000	0
05/01/32	47,410,000	6,549,000	53,959,000	60,508,000
11/01/32	0	5,363,750	5,363,750	0
05/01/33	49,780,000	5,363,750	55,143,750	60,507,500
11/01/33	0	4,119,250	4,119,250	0
05/01/34	52,265,000	4,119,250	56,384,250	60,503,500
11/01/34	0	2,812,625	2,812,625	0
05/01/35	54,880,000	2,812,625	57,692,625	60,505,250
11/01/35	0	1,440,625	1,440,625	0
05/01/36	57,625,000	1,440,625	59,065,625	60,506,250
Totals	\$608,810,000	\$161,495,244	\$770,305,244	\$770,305,244

- Series 2014 matures in FY 2026. Future Amendment 3 issuances will use up available capacity in first few years but leave room for future issuances. Level debt after year 2.
- Proceeds estimated between \$640M and \$660M depending on interest rates and premium received.

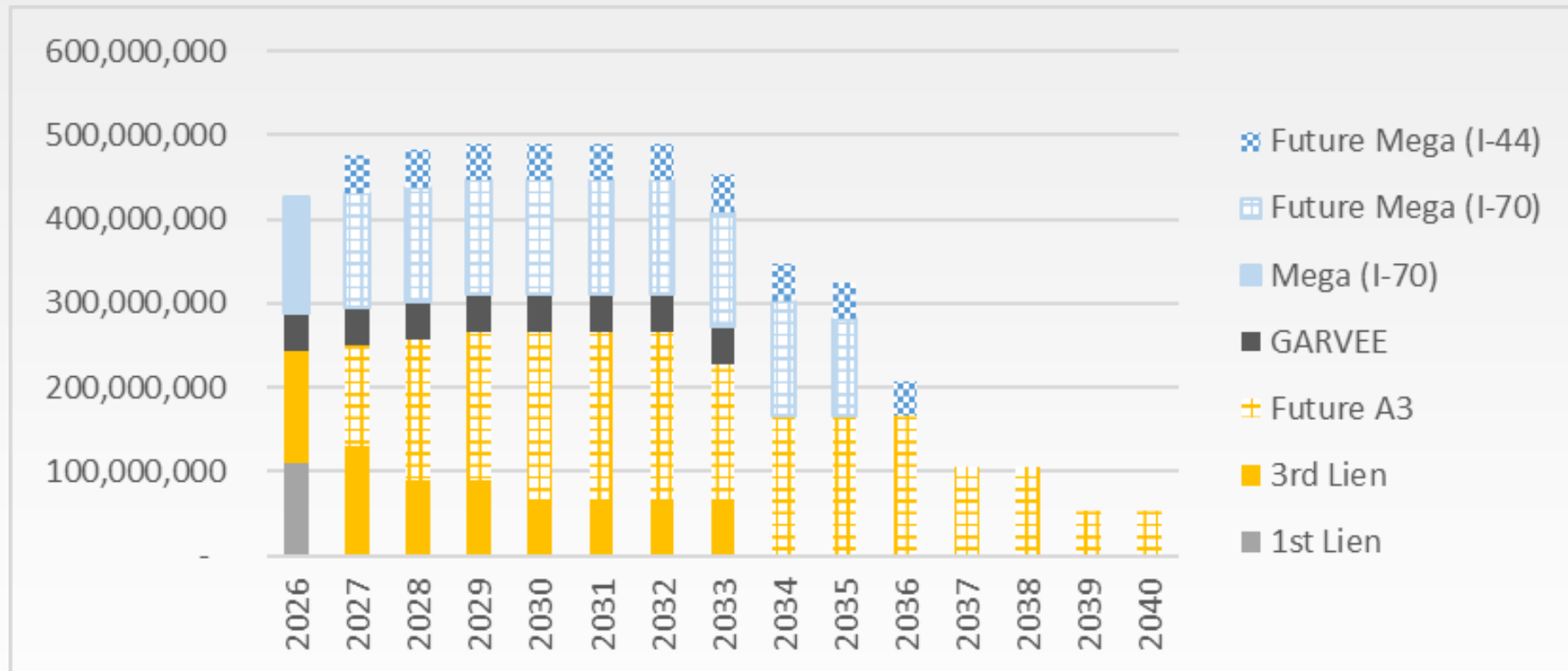
State Road Bond Fund & Future Amendment 3 Bonds



	Revenues	Debt Service				
	State Road Bond Fund Revenues	Existing A3	<u>Future Amendment 3 Bond Issuances</u>			SRBF Excess Revenues
			FY 2026	FY 2028	FY 2030	
2027	249,890,129	130,540,561	119,345,244			4,323
2028	257,386,833	90,473,476	166,910,250			3,106
2029	265,108,437	90,451,788	60,508,250	114,143,300		5,099
2030	265,108,437	61,376,800	60,505,500	143,221,000		5,137
2031	265,108,437	61,377,800	60,505,500	53,011,750	90,211,567	1,821
2032	265,108,437	61,381,300	60,508,000	53,012,750	90,201,250	5,137

- Targeting 10-year issuances that fully leverages the State Road Bond Fund revenues but leaves room for new Amendment 3 issuance every 2-3 years to advance projects in STIP.

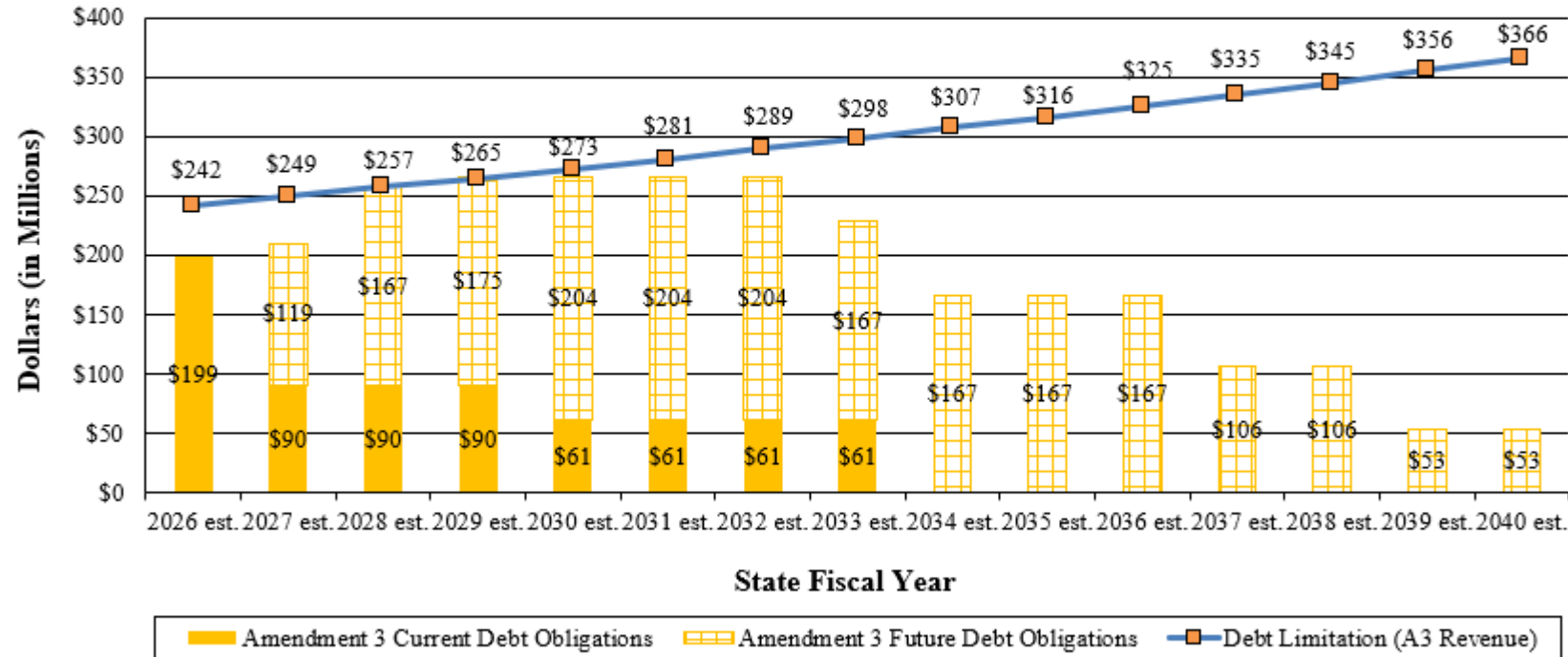
Annual Debt Service by Lien – Including Estimated Future Bonds



Annual Debt Service by Lien – Including Estimated Future Bonds



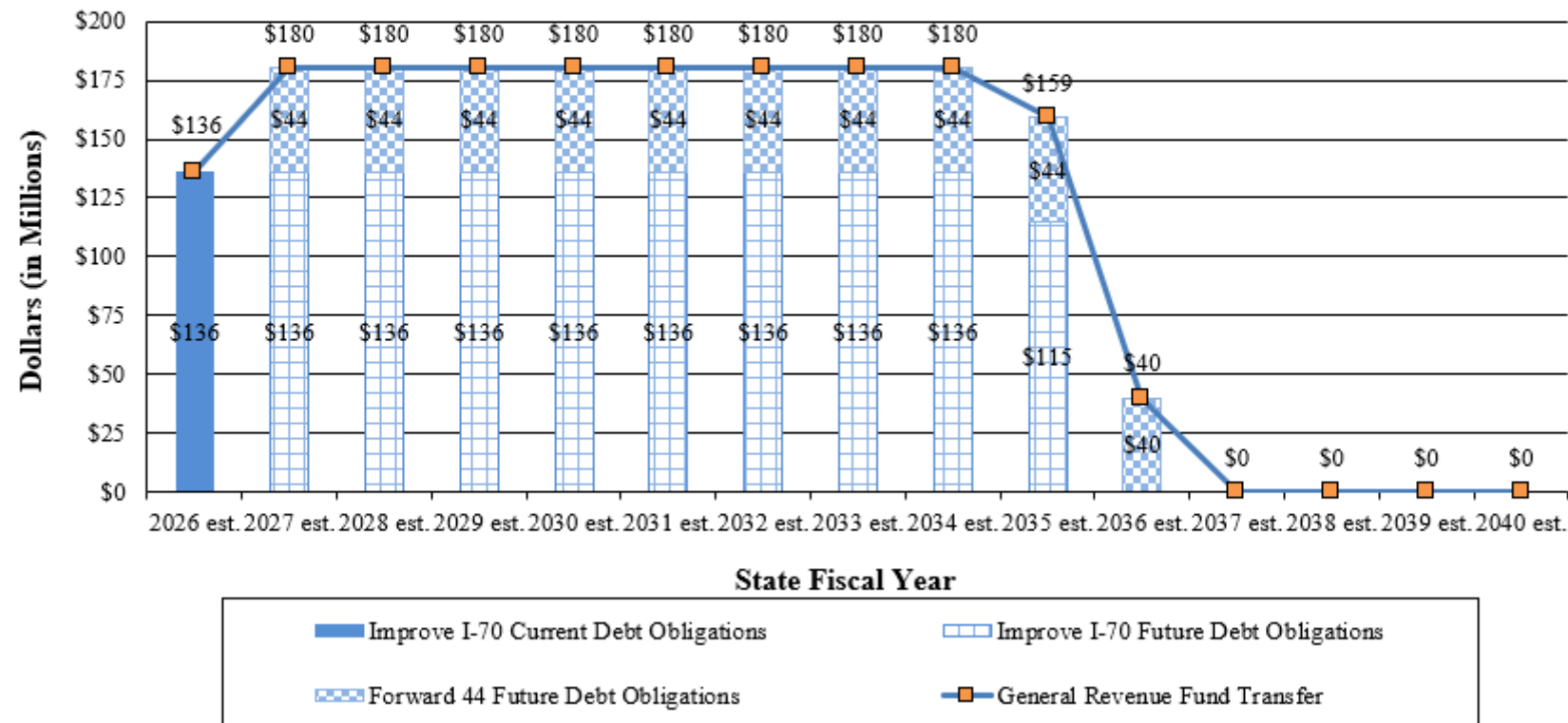
Missouri Highway and Transportation Commission
Debt Management Policy Compliance for Amendment 3 Debt



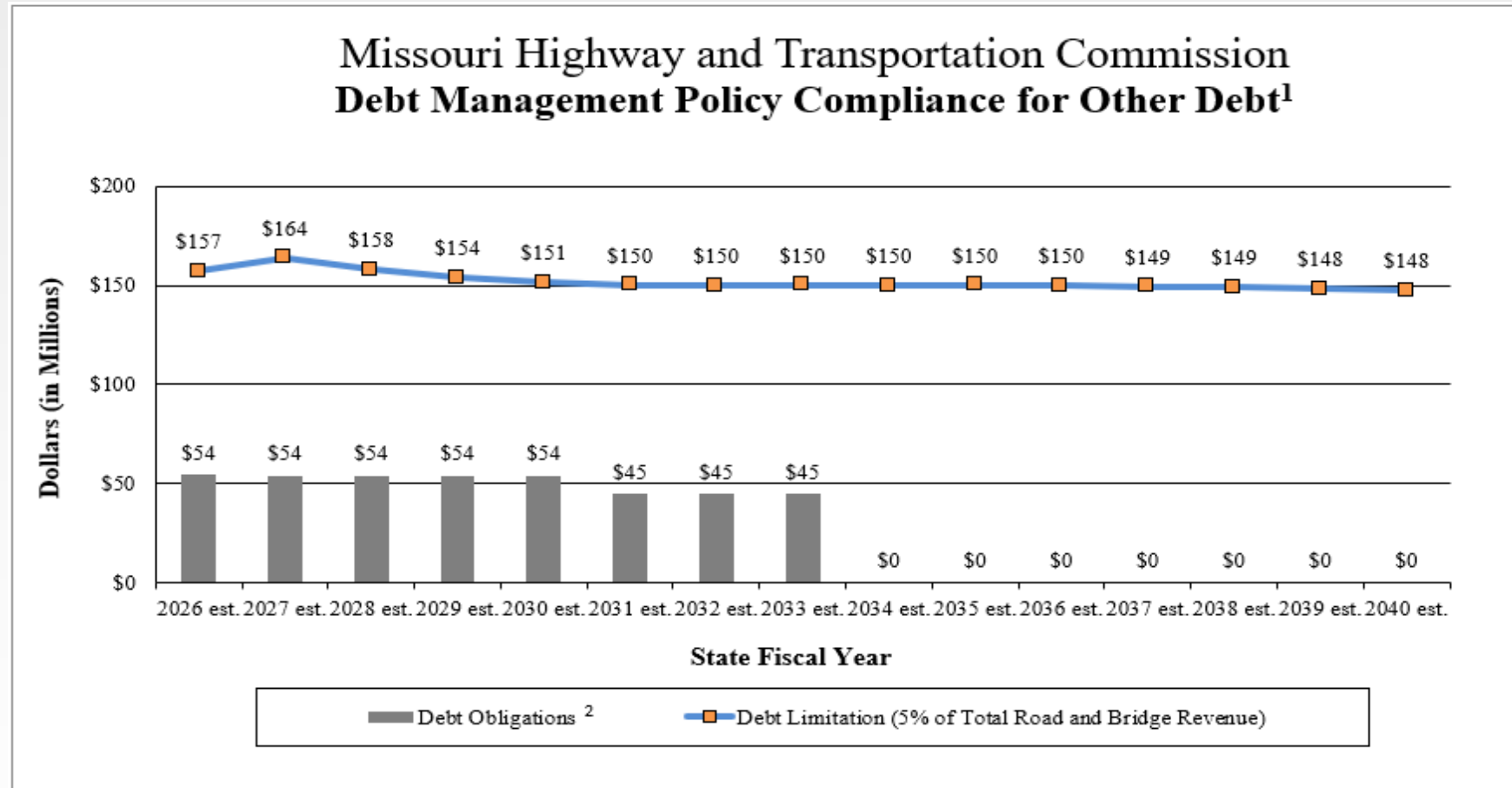
Annual Debt Service by Lien – Including Estimated Future Bonds



Missouri Highway and Transportation Commission
Debt Management Policy Compliance for State Appropriations
Mega Projects Debt



Annual Debt Service by Lien – Including Estimated Future Bonds



Notes: ¹ Other Debt excludes Amendment 3, the Focus on Bridges Program, and the Improve I-70 Program.

² Debt Obligations include debt service on bonds; leases of one-year or longer, repayment to local entities for accelerated program payments; and the MTFC/SIB loan for the Rocheport Bridge / Mineola Hill project.

Next Steps



Date

November 6

December 3

May 2026

Event

Commission Meeting:

Accept Fiscal Year 2025 ACFR

Approve Parameters Resolution

Pricing Results of Series A 2025

Anticipated Amendment 3 Bond Issue

DEBT MANAGEMENT REPORT

-- Presented by Brenda Morris, Chief Financial Officer, 573-751-2803

ISSUE: Attachments are provided to give an update on the Missouri Highways and Transportation Commission's (MHTC) outstanding debt. Between December 2000 and December 2023, the MHTC borrowed \$4,914,135,000 through new money bonds and \$1,528,955,000 through refunding bonds. As of June 30, 2025, the amount of outstanding bonds is \$1,127,955,000.

RECOMMEND that the Commission:

- No action is required. This report is for informational purposes.

DEPARTMENT VIEW:

- Bond financing allows the Missouri Department of Transportation (MoDOT) to provide much needed infrastructure improvements to the traveling public sooner than pay-as-you-go funding allows. Building projects sooner results in cost savings by reducing project inflation costs, while at the same time advancing economic development, improving safety, and easing congestion.
- The following major activities took place in fiscal year 2025 regarding the MHTC's debt portfolio:
 - Principal of \$378.1 million was paid for scheduled debt service payments.
 - The Series B 2010 bonds were paid off.
 - The Series B 2014 bonds were paid off.
 - The Series A 2019 bonds were paid off.
- MoDOT staff will continue to work with the MHTC's financial advisor, Public Financial Management (PFM) which is comprised of Public Financial Management, Inc., and PFM Financial Advisors LLC, to monitor refinancing opportunities that provide cost savings to MoDOT, while falling within the guidelines established by the MHTC Debt Management Policy.
- Attachment 1 provides a summary of the bonds outstanding by series as of June 30, 2025 and does not include bonds which have been paid-off.
- The MHTC has a five-lien structure in place: Amendment 3 (First Lien, Second Lien, and Third Lien), Federal Reimbursement Lien (Grant Anticipation Revenue Vehicle (GARVEE) Bonds), and State Appropriations Mega Projects Lien. Attachment 2 identifies the sources of revenue pledged to repay the debt under each lien.
- MoDOT's fiscal year 2026 budget includes \$375.9 million in principal and \$49.3 million in interest payments for debt service on outstanding bonds. Attachment 3 provides projections of future debt service payments by year. The current outstanding bonds are projected to be paid in full on May 1, 2033.
- The Commission first approved its MHTC Debt Management Policy in May 2000, with the latest revision approved by the Commission in October 2023. The MHTC adopted a Debt Management Policy to ensure each debt financing is completed in the most efficient and effective manner and in accordance with the best practices of the industry to achieve the Commission's fiscal management goals and objectives. The Debt Management Policy limits the amount of debt the MHTC can borrow by capping annual debt service to

no more than five percent of the annual Total Road and Bridge Revenue, not including Amendment 3 revenues. New or additional funding sources, such as Amendment 3 or General Revenue Fund monies, may be designated for the exclusive purpose of covering debt service to advance construction projects and these may be considered beyond and apart from the percentage limit set forth above. Debt obligations include debt service on bonds and loan repayments to the State Infrastructure Bank (**SIB**); leases of one-year or longer; and repayments to local entities for accelerated program payments. The accelerated program is MoDOT's reimbursement to other entities, usually local governments, for proceeds they provided to accelerate construction projects. Attachment 4 reports the MHTC's estimated debt obligations compared to the estimated debt limitations, which are in compliance with the Debt Management Policy.

- Attachment 5 reports the call dates of the outstanding bonds. Currently, \$46.1 million in bonds are callable and will remain so until they mature in fiscal year 2026.
- MoDOT staff will continue to work with the Bond Trustee, BOK Financial, N.A., to ensure: (1) bondholders are paid on time, (2) certain financial and operational information is disclosed on an ongoing basis as required, and (3) the MHTC stays in compliance with its Master Bond Indentures.

OTHER VIEWS:

- Credit rating agencies view MHTC's Debt Management Policy and its conservative approach to using debt in a positive manner. The result is credit ratings assigned to the MHTC's outstanding bonds ranging from "AAA" to "AA+" (see Attachment 2). The MHTC has \$691.2 million or 61 percent in outstanding bonds rated by at least one of the credit rating agencies as "AAA" or "Aaa," which is the highest credit rating available.

MHTC POLICY:

- Financial – Debt Management – Debt Management Policy.

OTHER PERTINENT INFORMATION:

- In November 2004, Amendment 3 was voter-approved as a constitutional amendment and redirected a portion of the statewide sales tax on motor vehicle purchases from the state's General Revenue Fund to a newly created State Road Bond Fund with the intent it be used to pay debt service. The law mandated the redirected revenue be used to repay bonds until January 1, 2009. After January 1, 2009, the amount not needed for debt service would require a General Assembly appropriation of the unused funds from the State Road Bond Fund to the State Road Fund along with certain certifications, which would then be used on pay-as-you-go projects. Using the new revenue for bond repayment allowed the MHTC to deliver projects faster. The MHTC has borrowed a total of \$2.7 billion through nine series of Amendment 3 Bonds. A significant decrease in the annual debt service payment occurs in fiscal year 2027 because of the First Lien Bonds being paid in full. The final payment date for the Amendment 3 Bonds is May 1, 2033. A portion of these bonds were refunded in June 2014 resulting in savings of \$123.0 million. The MHTC borrowed \$178.4 million in December 2019 and \$89.0 million in December 2021 in bonds for the Focus on Bridges Program. The Focus on Bridges Program constructed, reconstructed, rehabilitated, or significantly repaired 250

bridges around the state. These bonds were issued under the third lien of Amendment 3, but the debt service is being paid from appropriations of General Revenue. The final payment date for the Focus on Bridges bonds is May 1, 2027.

- From 2008 to 2010, three other major projects utilized debt financing: The New I-64 in St. Louis, the Safe and Sound Bridge Improvement Program, and the Stan Musial Veterans Memorial Bridge in St. Louis. The MHTC used GARVEE Bonds, which is debt used to finance federal transportation improvements, to pay for all or a portion of the projects. The MHTC borrowed a total of \$927.7 million through five GARVEE Bond series. The final payment date for the GARVEE Bonds is May 1, 2033. A portion of these bonds were refunded in May 2019 resulting in savings of \$9.5 million.
- During the 2023 legislative session, the General Assembly passed and the Governor signed legislation that made available \$2.8 billion in General Revenue Fund monies (\$1.4 billion in cash and \$1.4 billion in bonding authority) to fund the costs to plan, design, construct, reconstruct, rehabilitate, and repair three lanes in each direction on approximately 200 miles of I-70, from Blue Springs to Wentzville (the “Improve I-70 Program”). The MHTC borrowed \$381.6 million in December 2023 in bonds for the Improve I-70 Program.
- The MHTC borrowed funds using various types of bonds. The largest percentage was tax-exempt fixed rate debt (\$714.5 million outstanding). In 2009 and 2010, the MHTC utilized Build America Bonds (**BABs**), which are sold as fixed rate taxable bonds that receive an interest subsidy payment from the U.S. Treasury. The BABs utilized by the MHTC resulted in lower net interest rates when compared to the traditional tax-exempt bonds. The MHTC currently has \$413.5 million of BABs outstanding. The final payment date for the BABs bonds is May 1, 2033.
- Due to sequestration (spending cuts mandated under the 2011 federal budget resolution), the MHTC may not receive the full amount of the interest subsidy payments due from the federal government on the BABs. The interest subsidy payments were reduced by approximately \$0.5 million in fiscal year 2025.
- Attachment 6 provides a list of the MHTC’s top ten bondholders as of May 29, 2025. The top ten bondholders owned approximately 28 percent of the MHTC’s outstanding debt at that time.
- The overall weighted average true interest cost for the bonds outstanding as of June 30, 2025, is 2.99 percent.

SOURCE OF FUNDING: Principal and interest on the bonds will be paid from revenues deposited into the State Road Fund and the State Road Bond Fund as defined in the Master Bond Indentures. In the case of BABs, the MHTC authorizes the federal government to send the interest subsidy payments directly to the Bond Trustee on behalf of the MHTC. For the Series B 2019, Series A 2021, and Series A 2023 Bonds, a transfer from the General Revenue Fund into the State Road Fund will be made annually to cover the debt service payments for the current fiscal year.

Missouri Highways and Transportation Commission
Bonds Outstanding as of June 30, 2025

<u>Lien</u>	<u>Series</u>	<u>Par Amount of Original Issuance</u>	<u>Bonds Outstanding (6/30/2025)</u>	<u>Principal Payment Due in FY 2026</u>	<u>Total Debt Service Due in FY 2026</u> ¹
Amendment 3 Bonds: (Principal & Interest in May and Interest in November ²)					
1st Lien					
	Refunding 2014 A	\$ <u>0</u>	\$ <u>104,510,000</u>	\$ <u>104,510,000</u>	\$ <u>109,735,500</u>
		0	104,510,000	104,510,000	109,735,500
3rd Lien					
	2009 C	300,000,000	106,235,000	25,140,000	29,149,127 ³
	2019 B ²	178,370,000	46,050,000	22,450,000	24,191,250
	2021 A ²	88,955,000	35,240,000	19,775,000	21,042,625
	2022 A	<u>453,005,000</u>	<u>399,175,000</u>	<u>40,600,000</u>	<u>59,968,550</u>
		1,020,330,000	586,700,000	107,965,000	134,351,552
Total Amendment 3 Bonds		1,020,330,000	691,210,000	212,475,000	244,087,052
GARVEE Bonds: (Principal & Interest in May and Interest in November)					
	2009 B	<u>404,375,000</u>	<u>307,225,000</u>	<u>33,925,000</u>	<u>45,088,327</u> ³
Total GARVEE Bonds		404,375,000	307,225,000	33,925,000	45,088,327
State Appropriations Mega Projects Bonds: (Principal & Interest in May and Interest in November)					
	2023 A ⁴	<u>381,610,000</u>	<u>129,520,000</u>	<u>129,520,000</u>	<u>135,996,000</u>
Total State Appropriations Mega Projects Bonds		381,610,000	129,520,000	129,520,000	135,996,000
Total of all Bonds Outstanding		\$ <u>1,806,315,000</u>	\$ <u>1,127,955,000</u>	\$ <u>375,920,000</u>	\$ <u>425,171,379</u>

Notes ¹ Does not include various annual trustee fees.

² Series B 2019 and Series A 2021 Bonds for the Focus on Bridges Program have principal & interest in November and interest in May. Debt service payment for the Focus on Bridges Program will be made from the State Road Fund with funds transferred from the General Revenue Fund.

³ Series B & C 2009 Bonds are Build America Bonds and the debt service is net of budgeted interest subsidy payments from the U.S. Treasury.

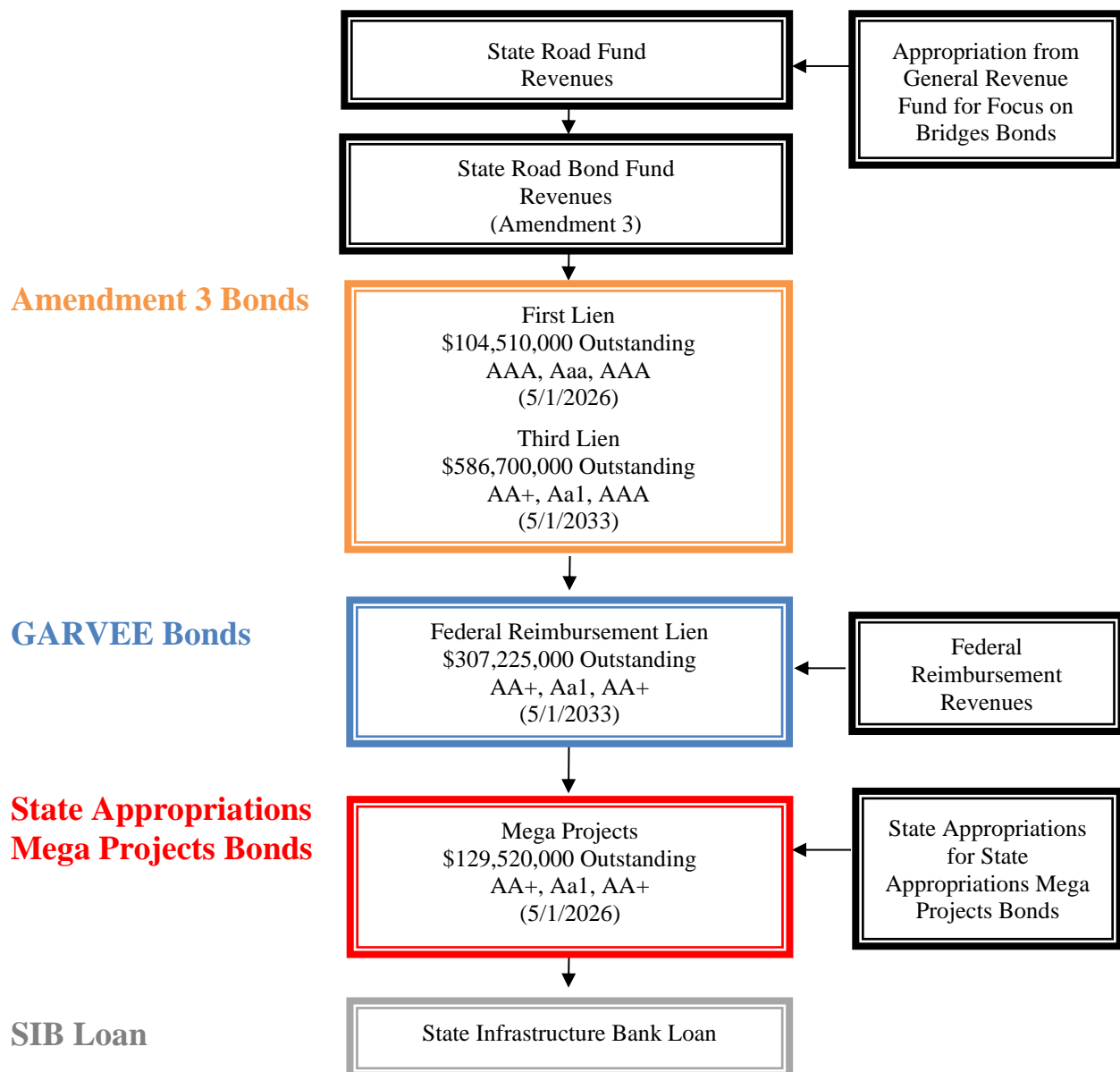
⁴ Debt service payment for the Improve I-70 Program will be made from the State Road Fund with funds transferred from the General Revenue Fund.

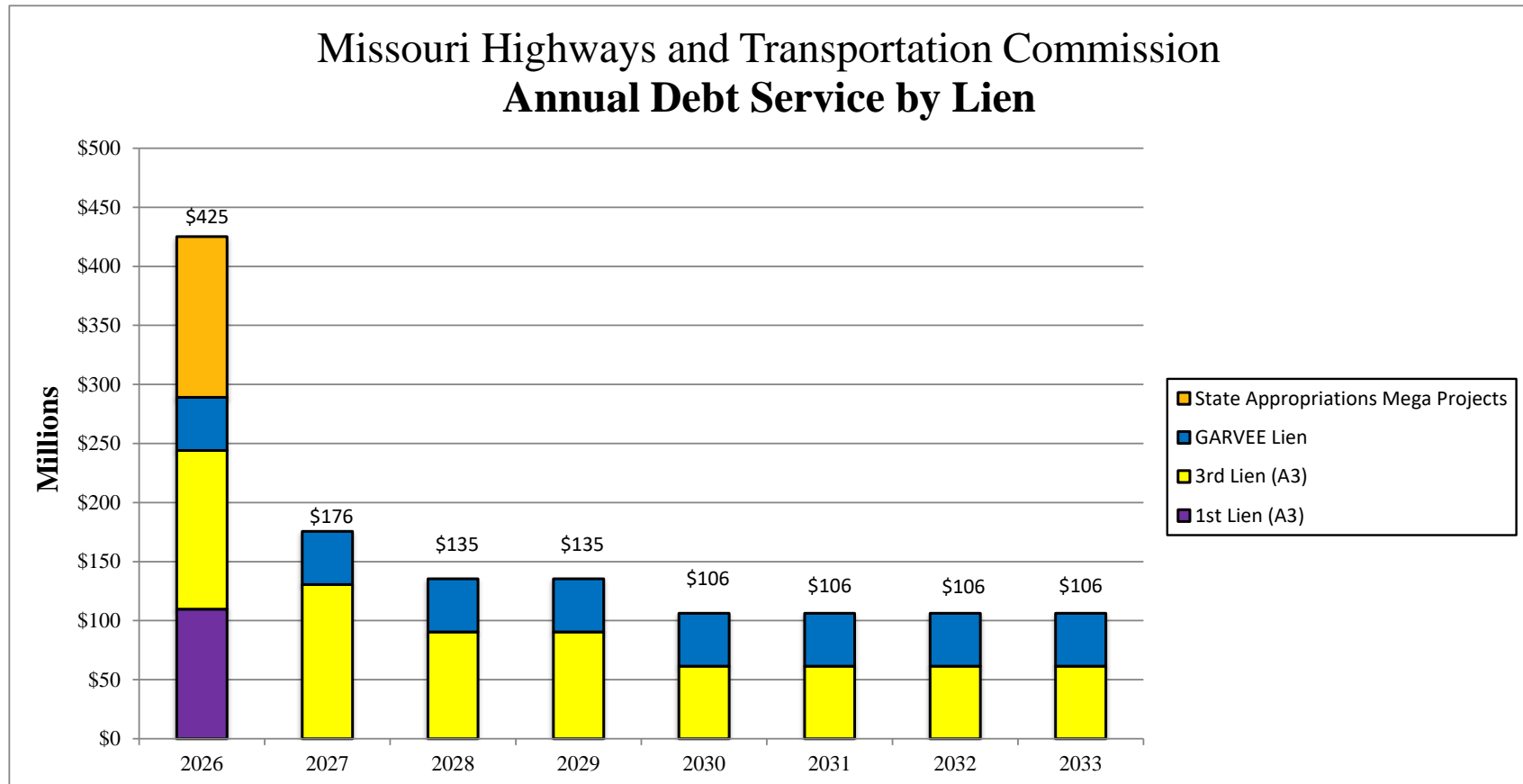
Missouri Highways and Transportation Commission

Lien Structure as of June 30, 2025

The Missouri Highways and Transportation Commission has three bonding programs that conservatively leverage state and federal revenues to expedite the completion of important transportation projects.

The flow chart reflects the pledged revenues, amount of debt outstanding, the credit ratings (Standard & Poor's, Moody's and Fitch) and the final payment date by lien.





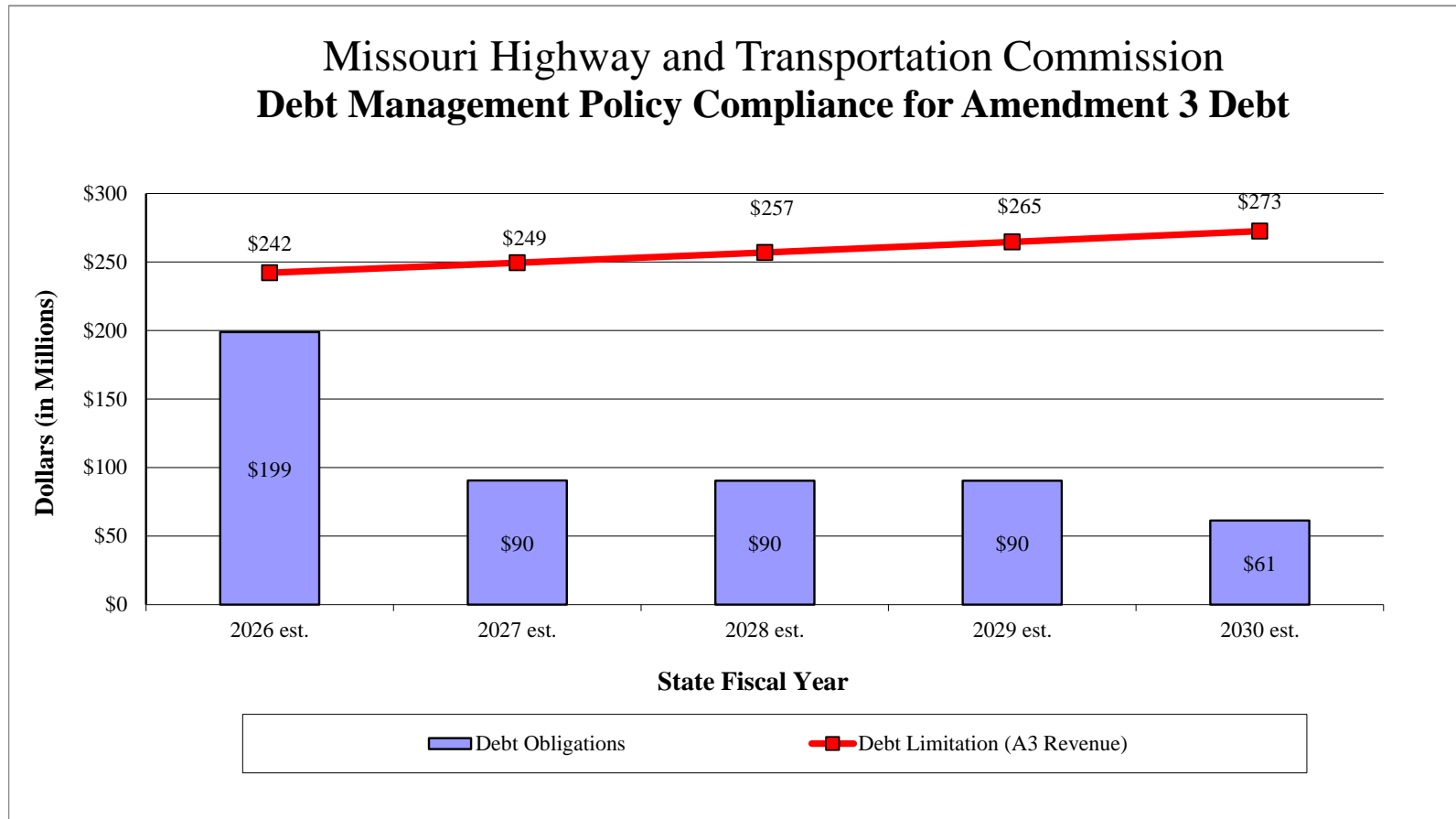
Missouri Highways and Transportation Commission

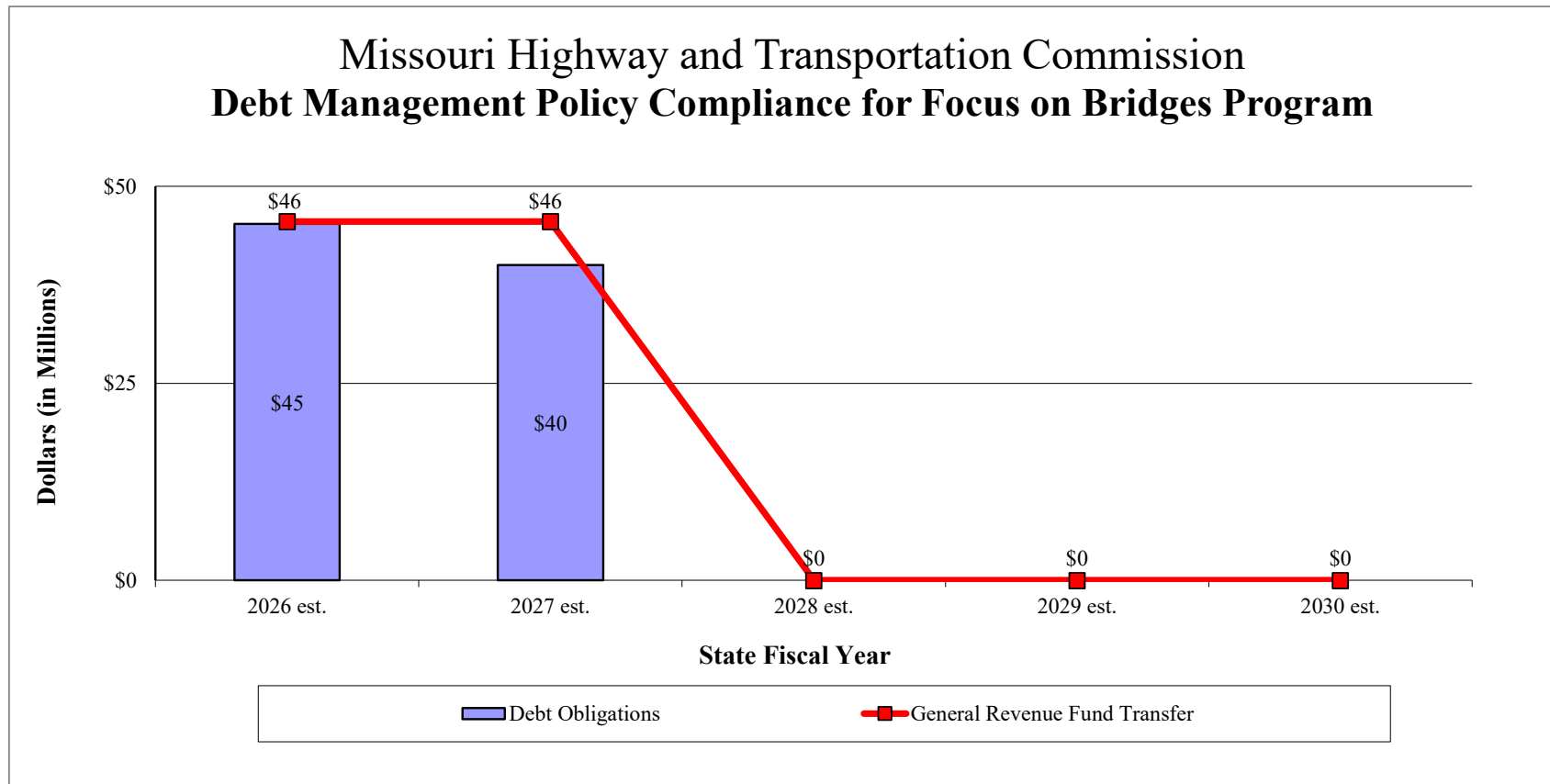
Annual Debt Service by Lien

Fiscal Year	(A3) 1st Lien Bonds	(A3) 3rd Lien Bonds ¹	(A3) Subtotal Bonds	GARVEE Lien Bonds ¹	State Appropriations Mega Projects Lien Bonds	Total Annual Debt Service Payment ²	Bonds Outstanding (June 30)
2026	\$ 109,735,500	\$ 134,351,552	\$ 244,087,052	\$ 45,088,327	\$ 135,996,000	\$ 425,171,379	\$ 752,035,000
2027		\$ 130,540,561	\$ 130,540,561	\$ 45,039,650		\$ 175,580,211	\$ 607,800,000
2028		\$ 90,473,476	\$ 90,473,476	\$ 45,010,339		\$ 135,483,815	\$ 498,220,000
2029		\$ 90,451,788	\$ 90,451,788	\$ 44,975,430		\$ 135,427,218	\$ 384,040,000
2030		\$ 61,376,800	\$ 61,376,800	\$ 44,943,463		\$ 106,320,263	\$ 294,110,000
2031		\$ 61,377,800	\$ 61,377,800	\$ 44,907,615		\$ 106,285,415	\$ 200,245,000
2032		\$ 61,381,300	\$ 61,381,300	\$ 44,866,243		\$ 106,247,543	\$ 102,270,000
2033		\$ 61,380,800	\$ 61,380,800	\$ 44,827,707		\$ 106,208,507	\$ 0

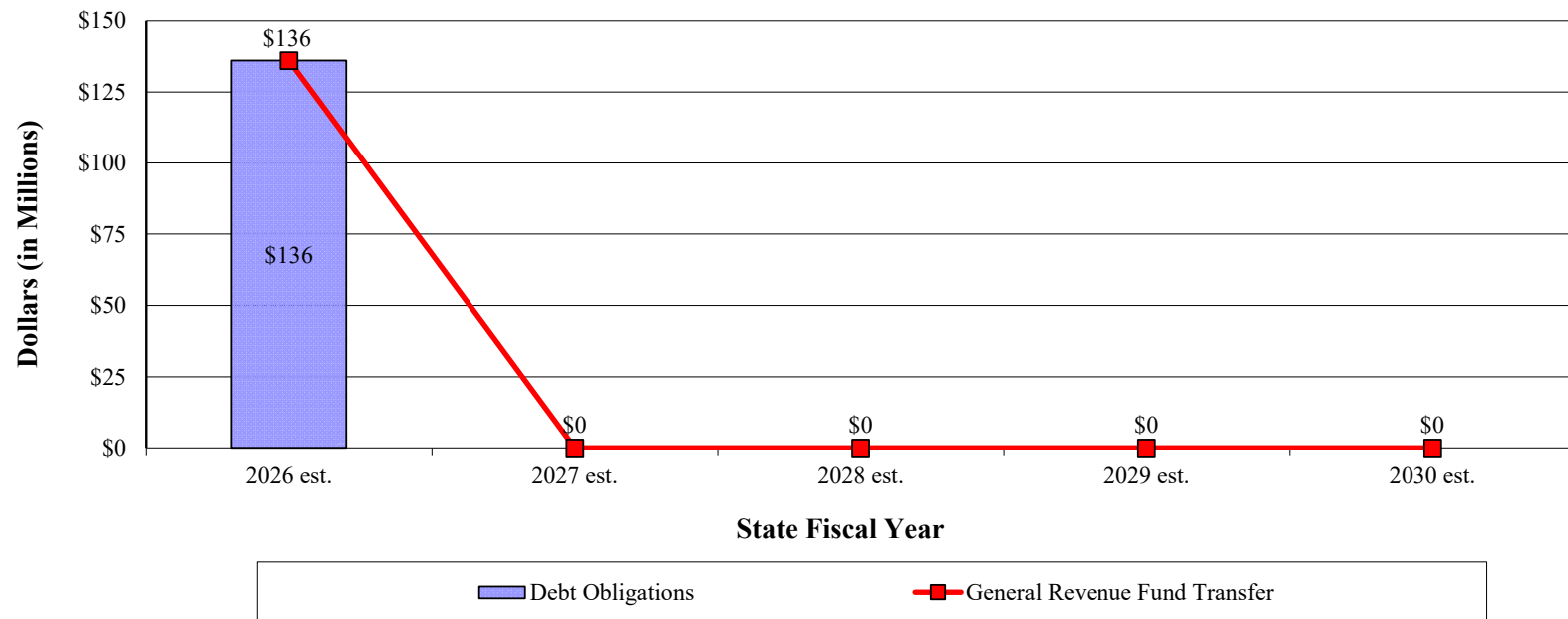
Notes: ¹ Series B & C 2009 Bonds are Build America Bonds and the debt service is net of budgeted receipt of interest subsidy payments from the U.S. Treasury.

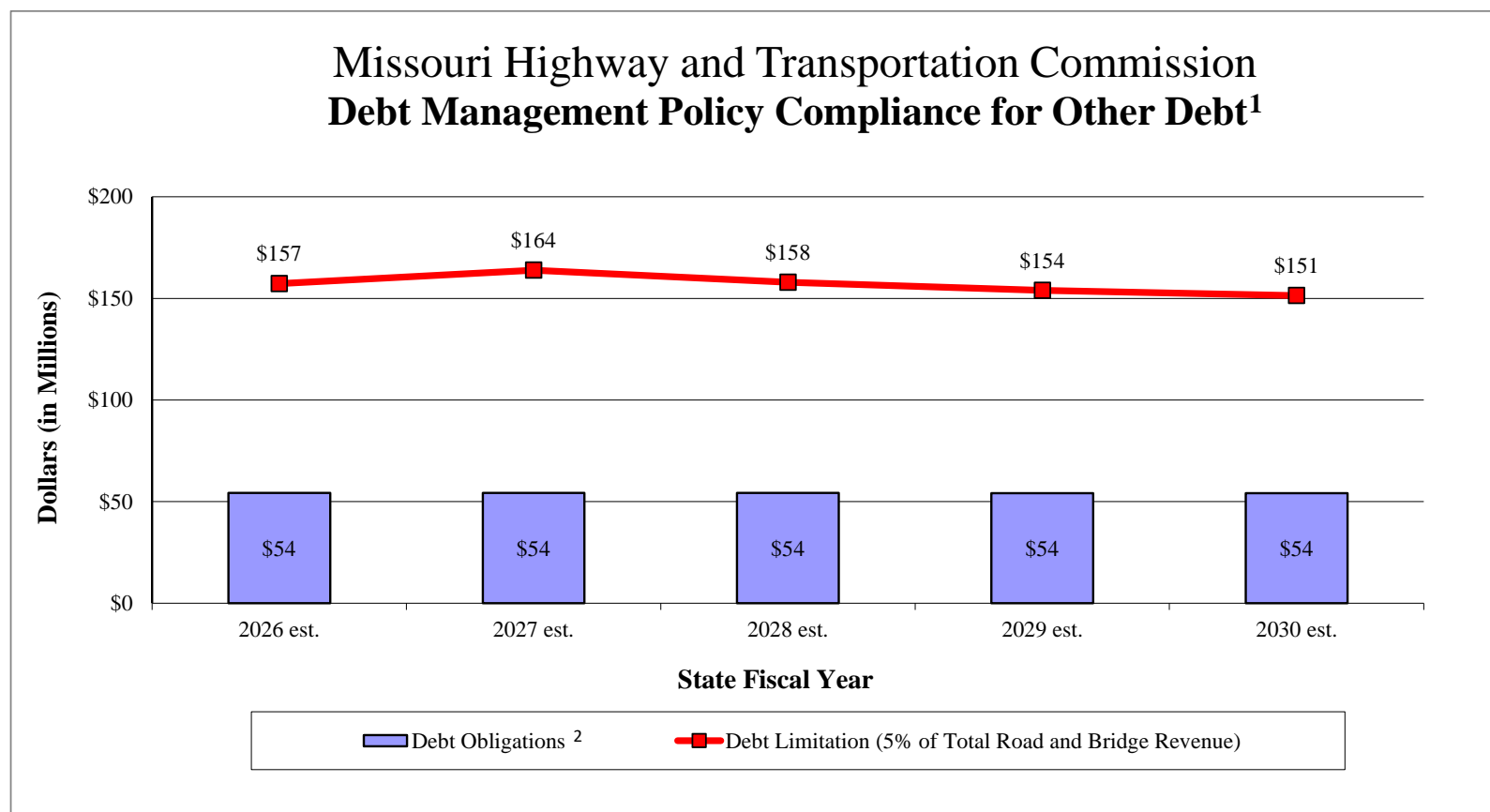
² Does not include various annual trustee fees.





Missouri Highway and Transportation Commission Debt Management Policy Compliance for Improve I-70 Program

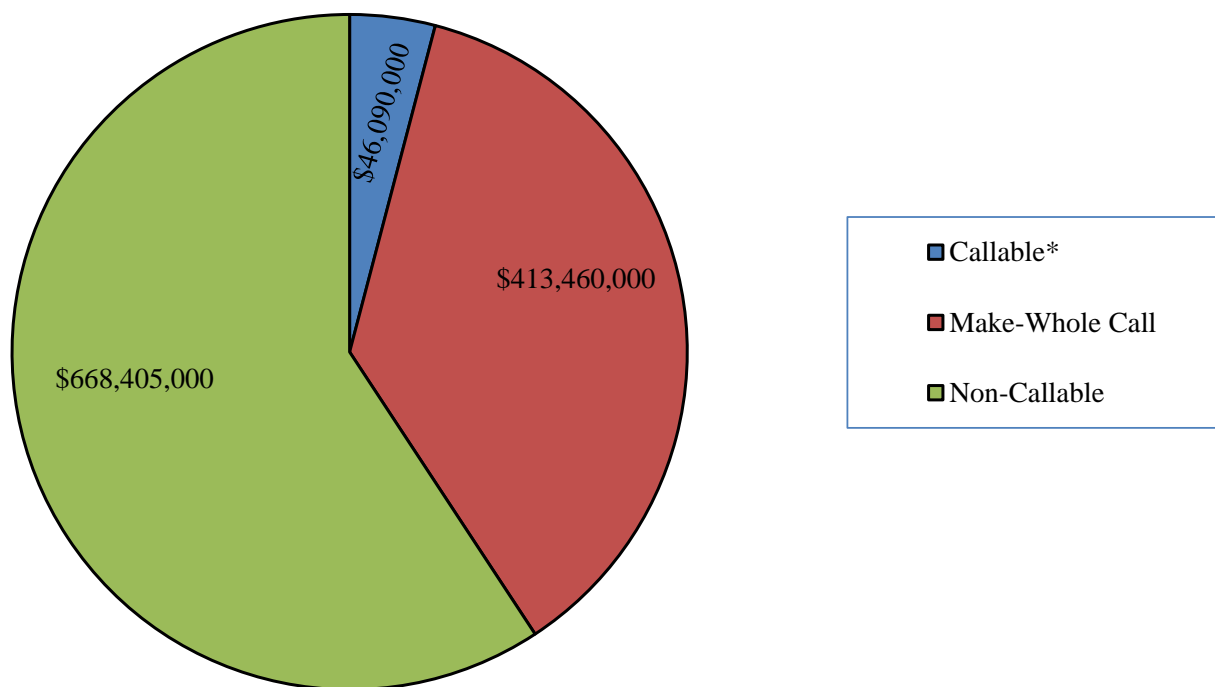




Notes: ¹ Other Debt excludes Amendment 3, the Focus on Bridges Program, and the Improve I-70 Program.

² Debt Obligations include debt service on bonds; leases of one-year or longer, repayment to local entities for accelerated program payments; and the MTFC/SIB loan for the Rocheport Bridge / Mineola Hill project.

Missouri Highways and Transportation Commission
Call Dates on Outstanding Bonds
as of June 30, 2025



* Bonds became callable on May 1, 2024 and will remain so until they mature in fiscal year 2026.

Missouri Highways and Transportation Commission

Top 10 Bondholders

• BlackRock, Inc.	\$113 million
• The Vanguard Group, Inc.	\$50 million
• Northern Trust Corp.	\$40 million
• MetLife Investment Management	\$30 million
• State Street Corp.	\$17 million
• Prudential Financial, Inc.	\$14 million
• New York Life Group	\$14 million
• JP Morgan Chase & Co.	\$12 million
• Berkshire Hathaway Inc.	\$12 million
• Conning Inc.	\$10 million

Source: Bloomberg as of May 29, 2025