

MSD 2017A Bond

Metro Council Labor and Economic Development

May 16, 2017



2017A Bond Specifics

- Amount - \$175 million
- Term – 30 Years
- Type – Tax-Exempt Municipal Revenue Bond
- Estimated Rate – 4.0% - 4.25%
- Coupon Payments – November & May
- Anticipated Ratings – S&P AA, Moody's Aa3
- Auction Date – August 1, 2017

- Purpose – Capital Projects, Primarily Consent Decree

2016 Underwriter Bids

Series 2016A

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Wells Fargo Bank, National Association	3.181006
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	3.234196
<input type="checkbox"/>	Bank of America Merrill Lynch	3.291855
<input type="checkbox"/>	Citigroup Global Markets Inc.	3.304802
<input type="checkbox"/>	Morgan Stanley & Co. LLC	3.307254
<input type="checkbox"/>	J.P. Morgan Securities LLC	3.347378

Spread of
17 bps

Characteristics of Competitive Bidding for MSD's Bonds:

- Stable base of bidders
- Aggressive spreads

Series 2016B

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Hutchinson, Shockey, Erley & Co.	2.091223
<input type="checkbox"/>	Morgan Stanley & Co. LLC	2.108970
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.125271
<input type="checkbox"/>	Janney Montgomery Scott LLC	2.141061
<input type="checkbox"/>	Citigroup Global Markets Inc.	2.143567
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.153892
<input type="checkbox"/>	Bank of America Merrill Lynch	2.167403
<input type="checkbox"/>	Wells Fargo Bank, National Association	2.222019

Spread of
13 bps

Series 2016C

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Morgan Stanley & Co. LLC	1.105405
<input type="checkbox"/>	J.P. Morgan Securities LLC	1.143509
<input type="checkbox"/>	Citigroup Global Markets Inc.	1.160261
<input type="checkbox"/>	Wells Fargo Bank, National Association	1.165007
<input type="checkbox"/>	Bank of America Merrill Lynch	1.184940
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	1.198149
<input type="checkbox"/>	Janney Montgomery Scott LLC	1.225777

Structure for Series 2017A Bonds

2017A - Wrapped Debt Service						
Fiscal Year- Ended 6/30	Existing Debt Service	Principal	Interest	Total P+I	Rebate	New Net Debt Service
2018	\$137,890,628	-	\$5,974,263	\$5,974,263	(\$10,986,150)	\$132,878,741
2019	137,871,328	\$5,740,000	7,764,385	13,504,385	(10,986,150)	140,389,563
2020	136,513,828	7,385,000	7,477,385	14,862,385	(10,986,150)	140,390,063
2021	138,155,428	6,115,000	7,108,135	13,223,135	(10,986,150)	140,392,413
2022	138,165,428	6,410,000	6,802,385	13,212,385	(10,986,150)	140,391,663
2023	138,772,990	6,125,000	6,481,885	12,606,885	(10,986,150)	140,393,725
2024	140,712,517	5,490,000	6,175,635	11,665,635	(10,986,150)	141,392,002
2025	140,746,063	5,730,000	5,901,135	11,631,135	(10,986,150)	141,391,048
2026	140,756,721	6,005,000	5,614,635	11,619,635	(10,986,150)	141,390,206
2027	141,551,158	5,510,000	5,314,385	10,824,385	(10,986,150)	141,389,393
2028	143,630,614	2,945,000	5,038,885	7,983,885	(10,220,525)	141,393,974
2029	143,733,832	2,985,000	4,891,635	7,876,635	(10,220,525)	141,389,942
2030	143,752,262	3,060,000	4,802,085	7,862,085	(10,220,525)	141,393,822
2031	143,808,426	3,100,000	4,702,635	7,802,635	(10,220,525)	141,390,536
2032	144,063,482	2,955,000	4,594,135	7,549,135	(10,220,525)	141,392,092
2033	144,126,706	2,995,000	4,490,710	7,485,710	(10,220,525)	141,391,891
2034	145,005,050	2,235,000	4,370,910	6,605,910	(10,220,525)	141,390,435
2035	145,002,813	2,330,000	4,281,510	6,611,510	(10,220,525)	141,393,798
2036	145,087,594	2,330,000	4,194,135	6,524,135	(10,220,525)	141,391,204
2037	145,533,031	1,980,000	4,100,935	6,080,935	(10,220,525)	141,393,441
2038	145,598,363	1,990,000	4,021,735	6,011,735	(10,220,525)	141,389,573
2039	146,963,300	710,000	3,938,155	4,648,155	(10,220,525)	141,390,930
2040	145,292,755	585,000	3,907,625	4,492,625	(8,393,859)	141,391,521
2041	143,376,150	585,000	3,882,470	4,467,470	(6,453,125)	141,390,495
2042	141,357,313	560,000	3,857,315	4,417,315	(4,383,859)	141,390,768
2043	139,379,950	410,000	3,833,235	4,243,235	(2,233,875)	141,389,310
2044	60,474,200	10,600,000	3,815,605	14,415,605		74,889,805
2045	60,643,950	10,885,000	3,359,805	14,244,805		74,888,755
2046	60,804,550	11,195,000	2,891,750	14,086,750		74,891,300
2047	20,291,000	32,190,000	2,410,365	34,600,365		54,891,365
2048		23,865,000	1,026,195	24,891,195		24,891,195
Total	\$3,899,061,432	\$175,000,000	\$147,026,058	\$322,026,058	(\$253,972,519)	\$3,967,114,971

2017A Issue Schedule

April						
Su	Mo	Tu	We	Th	Fr	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						

May						
Su	Mo	Tu	We	Th	Fr	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						
Su	Mo	Tu	We	Th	Fr	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	

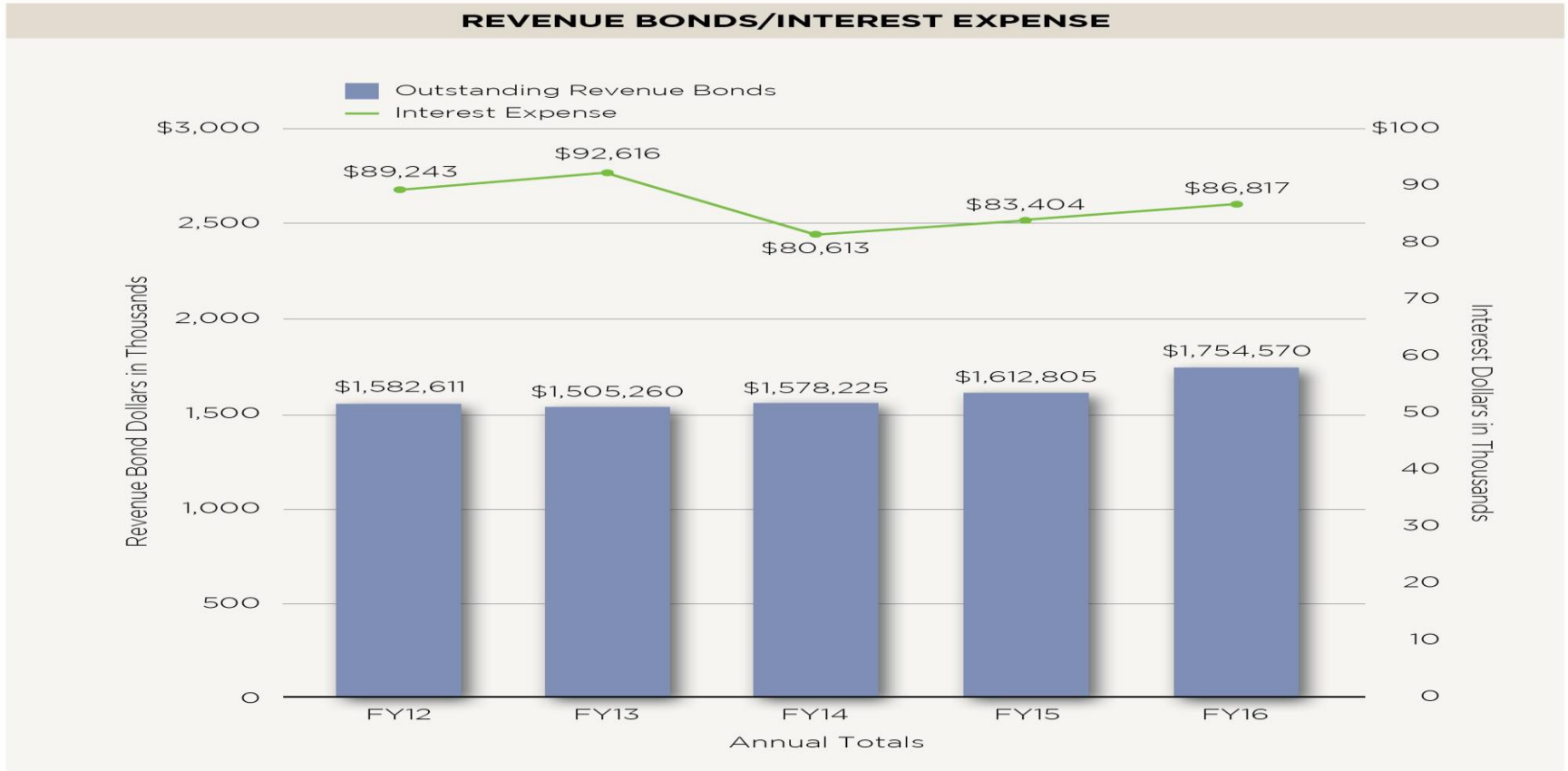
July						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
Su	Mo	Tu	We	Th	Fr	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		

 Key date
 Holiday

Date	Event	Member Responsibility
Week of April 17	MSD Finance Committee meeting at 2:00 PM ET to consider finance plan/bond documents (Tuesday, 4/18)	MSD, HL
Week of April 24	Regular meeting of MSD at 12:00 PM ET to authorize Series 2017 Bond issues (Monday, 4/24)	MSD, DS, HL
Week of May 8	Regular meeting of Metro at 6:00 PM ET for first reading of bond ordinance (Thursday, 5/11)	HL
Week of May 15	Metro Council Committee meeting at 4:00 PM ET to consider recommendation of second reading of bond ordinance related to Series 2017A Bonds	MSD, LMG, HL
Week of May 22	Regular meeting of Metro at 6:00 PM ET for second reading of bond ordinance related to Series 2017A Bonds (Thursday, 5/25)	MSD, LMG, HL
Week of July 3	Rating calls with Moody's and S&P (target Thursday, 7/6)	MSD, HL, M, SP
Week of July 31	Series 2017 Bond sales at 10:30 AM ET and 11:00 AM ET via <i>i-Deal Parity</i> (Tuesday, 8/1)	HL
Week of August 14	Close bond 2017A bond issue (Tuesday, 8/15)	MSD, DS, BNY, HL, UD
Week of August 28	Close bond 2017B bond issue (Tuesday, 8/29)	MSD, DS, BNY, HL, UD

Interest Expense lower in 2016 than 2012 with \$355M more bonds outstanding



Active Debt Management

<u>New Issue</u>	<u>Refunded Issues</u>	<u>Activity Date</u>	<u>Final Maturity</u>	<u>Total Savings</u>
2013A	2001A	5/23/13	5/15/36	\$59.9M
2013B	2004A & 2005A	5/23/13	5/15/38	51.6M
N/A	Six Derivatives	5/23/13	Terminated	13.5M
2015B	2006A	10/21/15	5/15/38	18.4M
N/A	2005A	5/15/15	Retired	6.3M
2016B	2008A	8/11/16	5/15/36	7.8M
2016C	2009A & 2009B	8/11/16	5/15/23	<u>4.8M</u>
			Total	\$162.3M

Administrative Expenses held flat for 5 years

