

MSD 2020A Series Revenue Bonds

Public Works Committee

June 16, 2020



KRS 76.150: District Revenue Bonds

(2)...the bonds shall be authorized by resolution of the board...

...the issuance of bonds shall first be authorized by ordinance passed by the legislative body of the city and approved by the mayor of the city.

...the bonds shall be sold at public sale...

(4) The bonds or other obligations of the district shall not constitute an obligation or indebtedness of the city or of the county...

CP Program Costs vs. 30 year Bond

Estimated CP Program Savings			
	FY2019	FY2020 ²	Total
Estimated Costs to Issue Bond Upfront¹			
Costs of Issuance	\$ (360,387)	\$ (360,387)	\$ (720,774)
Interest Expense	(5,830,340)	(5,722,800)	(11,553,140)
Short-term Investment Income	1,125,000	1,125,000	2,250,000
Total	\$ (5,065,727)	\$ (4,958,187)	\$ (10,023,914)
Actual CP Program Expenses			
Costs of Issuance	\$ (433,316)	\$ -	\$ (433,316)
Interest Expense	(1,064,048)	(1,585,174)	(2,649,222)
Annual Facility & Dealer Fees	(2,003,650)	(1,591,511)	(3,595,161)
Total	\$ (3,501,014)	\$ (3,176,685)	\$ (6,677,699)
Annual Savings	\$ 1,564,713	\$ 1,781,502	\$ 3,346,215

¹Estimated costs for a \$150M bond issued at 3.8% interest

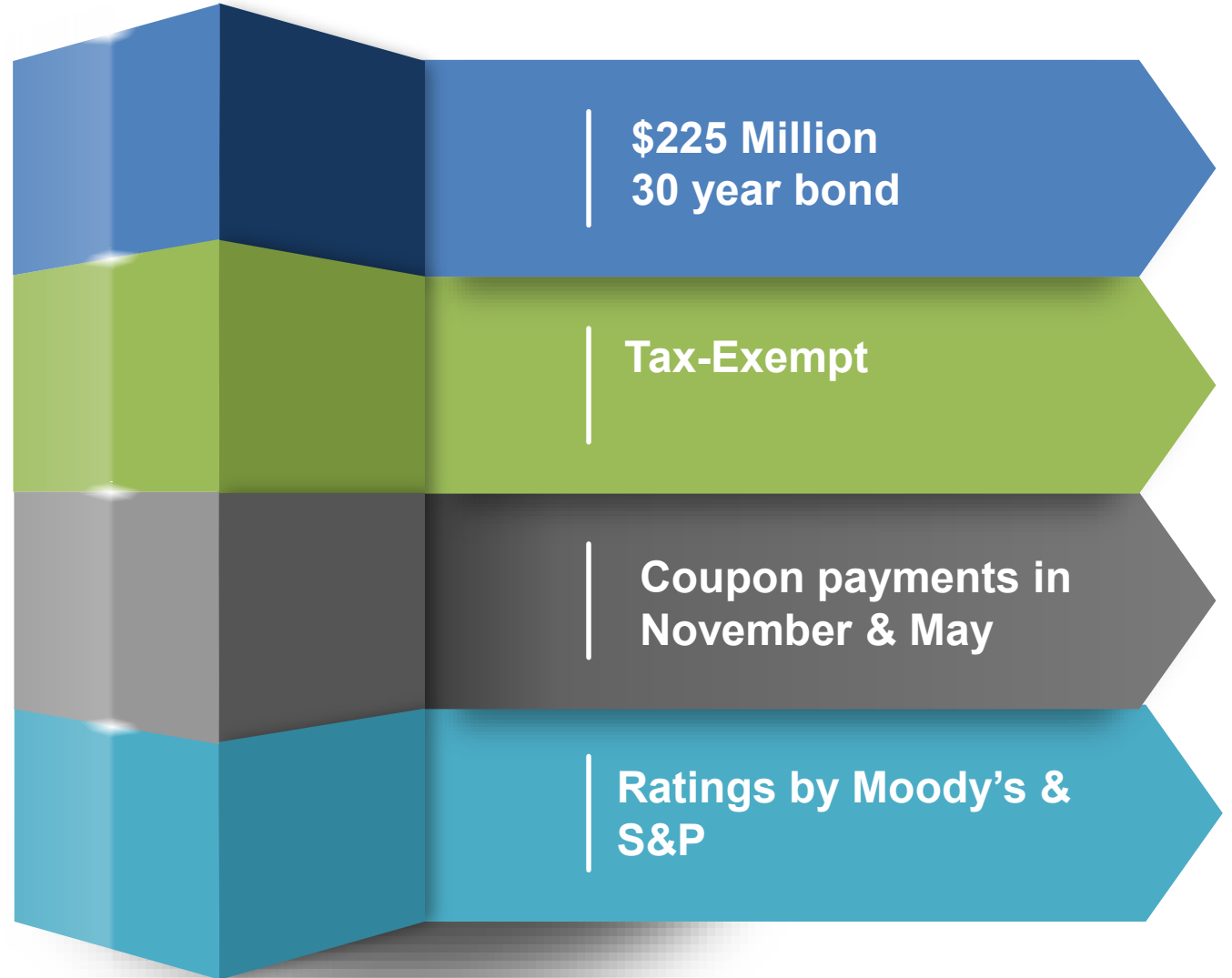
²FY2020 actuals through April 30, 2020

2020A Series Revenue Bond Details



Purpose:

Refund outstanding Commercial Paper and Notes used for interim capital project financing



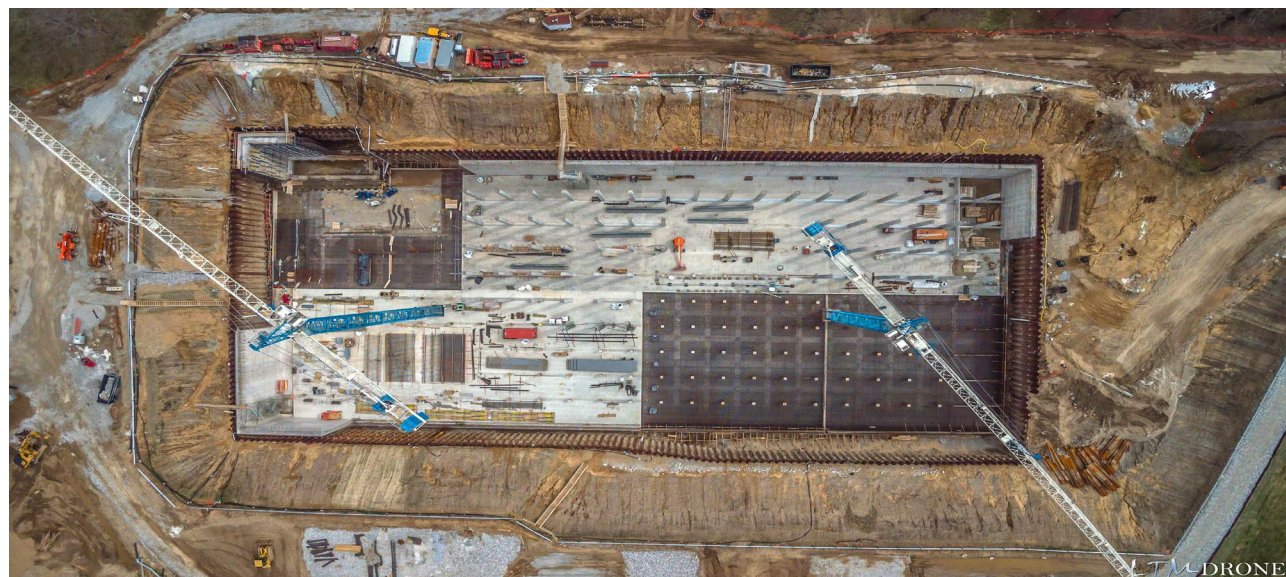
Capital Project Delivery



Above: Ohio River Interceptor

Top right: Portland Basin

Bottom right: Southwestern Parkway Basin





Before & after Glenmary Springs

Mitchell Hill Road

Top: Ashbrook Gardens Drive
Bottom: John Adam Parkway

Hite Creek WQTC Expansion



Waterway Protection Tunnel

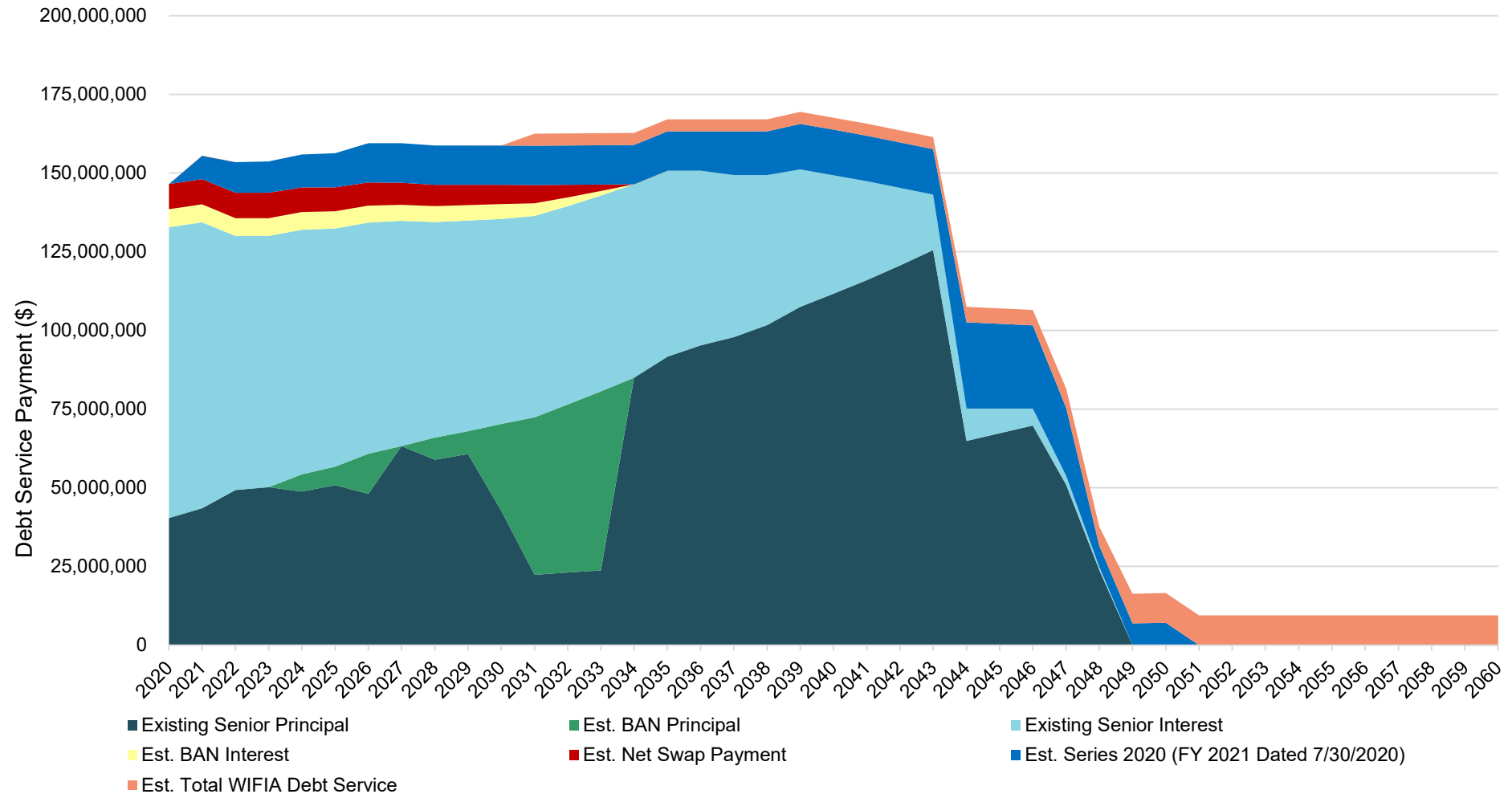


Capital Financing Plan

	2021	2022 - 2025	Total
Capital Improvement Plan	\$ 194,112	\$ 803,538	\$ 997,650
	2021	2022 - 2025	Total
Cash Funded	\$ 10,867	\$ 155,945	\$ 166,812
Senior Debt	156,145	528,360	684,505
WIFIA/KIA Financing	2,100	119,233	121,333
DSR Release	25,000	-	25,000
Total	\$ 194,112	\$ 803,538	\$ 997,650

Dollar amounts in '000s

Estimated Long-Term Debt Service Outstanding



Note: Chart does not include Commercial Paper Principal or Interest

Active Debt Management – Refunding Issues Since 2011

Refunding Issues				Outstanding as of June 1, 2020	Final Maturity
Series	Dated Date	Original Amount	TIC (%)	Amount	
Series 2011A	August 24, 2011	\$263,360,000	4.27%	\$246,225,000	May 15, 2034
Series 2013A	May 23, 2013	115,790,000	3.80%	115,790,000	May 15, 2036
Series 2013B	May 23, 2013	119,515,000	3.65%	112,575,000	May 15, 2038
Series 2015B	October 21, 2015	81,750,000	3.27%	71,515,000	May 15, 2038
Series 2017B	August 29, 2017	35,725,000	1.70%	32,885,000	May 15, 2025
Series 2016B	August 30, 2016	28,315,000	2.10%	23,915,000	May 15, 2036
Series 2018A	May 31, 2018	60,380,000	3.73%	60,380,000	May 15, 2038
Series 2016C	August 30, 2016	67,685,000	1.11%	50,515,000	May 15, 2023
Series 2019A	August 19, 2019	30,910,000	1.28%	24,770,000	May 15, 2023
Series 2021A	August 17, 2021	246,555,000	2.22%	246,555,000	May 15, 2034

Active debt management, refundings, swap reductions, and debt retirement has resulted in over \$250 million in debt service savings that will be realized through 2038.

Source: Baird 5/20/2020

2020A Schedule

Week of May 25	Regular Meeting of MSD Board (Tuesday, May 26) Regular Meeting of Metro Council - 1st reading of bond ordinance (Thursday, May 28)
Week of June 15	Metro Public Works Committee Meeting (Tuesday, June 16) Rating calls with Moody's & S&P (Thursday, June 18)
Week of June 22	Regular Meeting of Metro Council - 2nd reading of bond ordinance
Week of June 29	Moody's & S&P rating release
Week of July 13	Bond sale (Tuesday, July 14)
Week of July 27	Close 2020 bond issue (Thursday, July 30)
