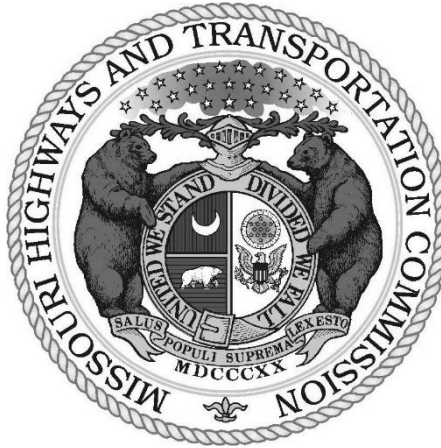




MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
Official Minutes

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**MINUTES OF THE SPECIAL HIGHWAYS AND TRANSPORTATION
COMMISSION MEETING HELD IN ST. LOUIS, MISSOURI,
TUESDAY, SEPTEMBER 1, 2026**

A special meeting of the Missouri Highways and Transportation Commission was held on Tuesday, September 1, 2026, at Hotel Live! by Loews, 799 Clark Street, St. Louis, Missouri. Warren K. Erdman, Chairman, called the meeting to order at 12:00 p.m. The following Commissioners were present: W. Dustin Boatwright, P.E., Gregg C. Smith, Daniel J. Hegeman, Francis G. Slay, and Ann Marie Baker.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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Ed Hassinger, Director of the Missouri Department of Transportation; Terri Parker, Chief Counsel; and Jennifer Jorgensen, Secretary to the Commission, were present on Tuesday, September 1, 2026.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specs, sealed bids, or negotiated contracts.

Upon motion duly made and seconded to convene in closed session, the Chairman called for a voice vote of the members. The vote was as follows:

Commissioner Erdman, Aye
Commissioner Boatwright, Aye
Commissioner Smith, Aye
Commissioner Hegeman, Aye
Commissioner Slay, Aye
Commissioner Baker, Aye

The Commission met in closed session on Tuesday, September 1, 2026, at 1:45 p.m. and adjourned at 3:35 p.m.

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-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

COMMISSION WORKSHOP: DEBT AND BONDING PROGRAM

The Commission held a special meeting to discuss the Commission’s outstanding debt and proposed bond issuance for the Forward 44 program. A series of events have occurred recently where the department has received additional funding for transportation and authority to issue bonds to fund transportation projects. This workshop reviewed the department’s debt management history, the current events that provided additional funding, and what steps will need to be taken to issue bonds for transportation projects.

Bond financing allows the department 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 Commission has three bond programs in place: Amendment 3 (Third Lien), Federal Reimbursement (Grant Anticipation Revenue Vehicle (GARVEE) Bonds), and State Appropriations Mega Projects Bonds.

History

The following is a summary of the recent history of Commission bond issuances. 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. 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 or to maintain a reserve would require a General Assembly appropriation of the unused funds from the State Road Bond Fund to the State Road

Fund, which would then be used on pay-as-you-go projects. Using the new revenue for bond repayment allowed the Commission to deliver projects faster. The final payment date for the Amendment 3 Bonds is May 1, 2033.

From 2008 to 2010, three 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 Commission used GARVEE Bonds, which is debt used to finance federal transportation improvements, to pay for all or a portion of the projects. The Commission borrowed a total of \$928 million through five GARVEE Bond series. The final payment date for the GARVEE Bonds is May 1, 2033.

The department added a new bonding program titled “State Appropriations Mega Projects State Road Bonds.” This program is specifically created for when the Governor and General Assembly appropriate state revenues for specific projects like the Improve I-70 program and Forward 44 program. On September 3, 2025, the department proceeded with a competitive sale for the State Appropriations Mega Projects State Road Bonds, Series A 2025. This issuance was in compliance with the Debt Management Policy and below the debt limitations. The bond sale began with a presentation to the rating agencies on October 23. On October 31, the Series A 2025 ratings were released. On November 6, the department received Commission approval of the resolution authorizing the sale of the bonds. At the December 3 Commission meeting, the department reported on the final sale results.

Events

The following is a review of recent events that have led to additional funding and bonding authority. Missouri’s Fiscal Year 2024 budget from the General Assembly and signed into law by former Governor Parson provided \$20 million of General Revenue for an environmental study of 253 miles of the I-44 corridor. This study was a critical step towards preparing for future projects on I-44 as funding is available. Additional study is required across the corridor to environmentally clear the different segments of the corridor and prepare them for design and construction. MoDOT is committed to continuing that

design and construction wherever possible as funding is available, and many improvement projects are underway across the corridor.

Policy

The issuance of new debt by the Commission will be in accordance with the Commission's Debt Management Policy. The Commission first approved its Debt Management Policy in May 2000, with the latest revision approved by the Commission in October 2023. The Commission 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 Commission 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 and General Revenue fund monies. New or additional funding sources, such as Amendment 3 or General Revenues, 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 five percent limit. Debt obligations include debt service on bonds; loan repayments to the State Infrastructure Bank; leases of one year or longer; and repayment 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. When comparing the Commission's estimated debt obligations compared to the estimated debt limitations, the Commission is in compliance with the Debt Management Policy. The Commission's policy is conservative and allows the department to focus on preserving the existing system through asset management and continue to be able to operate and maintain the system.

Proposed Bond Program and Issuance

The Governor and Missouri General Assembly recognized the critical need to improve Interstate 44 ("I-44") by passing and signing the Senate Substitute for Senate Committee Substitute for

House Committee Substitute for House Bill No. 4 (“House Bill 4”) during the 2024 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 Highway 44 from Missouri Route T to Missouri Route 68, from US Route 160 to Missouri Route 125, and from I-49 to Missouri Route 249 and rebuild pavement and improve the I-44/Route 13 interchange and the I-44/I-49 interchange and other I-44 Tier 2 and Tier 3 projects listed on the unfunded needs list, (the “I-44 Improvement Project of Forward 44 Program”).

House Bill 17 authorizes \$363,750,000 of bonding proceeds available for I-44 Projects, originally authorized under the provision of House Bill 4, Section 4.433, an Act of the 102nd General Assembly. The General Assembly has also authorized \$213,750,000 of money to directly pay a portion of the costs of the I-44 Projects in House Bill 17, originally authorized under the provision of House Bill 4, Section 4.434, an Act of the 102nd General Assembly.

Matt Stoffel, Senior Managing Consultant with PFM Financial, LLC, outlined the structure and objectives of the Forward 44 bond issuance. Mr. Stoffel shared and compared five different scenarios for length of debt and debt service paid. Alternative issuance scenarios were examined including three-, five-, and seven-year terms, as well as two nine-year issuances, ultimately recommending the ten-year approach for its efficiency and risk mitigation. He explained the issuance is designed to align with project cash flow needs and legislative constraints, which limit term options.

The department recommended proceeding with a competitive sale for the State Appropriations Mega Projects State Road Bonds, Series B 2026. This issuance is projected to be in compliance with the Debt Management Policy and below the debt limitations. The proposed bond sale schedule will begin with a presentation to the rating agencies on October 13. On October 30, the Series B 2026 ratings will be released. On November 5, the department will seek Commission approval of the resolution authorizing

the sale of the bonds. At the December 2 Commission meeting, the department will report the final sale results, with anticipated delivery of the funds on December 15. The Commission's current credit rating remains high with each credit rating agency. These good ratings are anticipated to continue with this new debt issuance. After the sale, the department will file the necessary Continuing Disclosure/Post-Issuance Compliance reports. The department will also continue to produce its annual debt management report for the July Commission meeting and summarize any debt activity for the year.

Following discussion, the Commission commended the department and its excellent stewardship of the Commission's debt. Commissioner Erdman noted his appreciation for the creativity it took to develop and analyze different scenarios. No action was taken at this meeting as recommendations for action will be made by the department at a later date.

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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