Posted: August 26, 2026, at 9:35 a.m.
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

Hotel Live! By Loews
Home Plate
799 Clark Street
St. Louis, MO

September 1, 2026

Open Meeting 12:00 p.m.

		Est. Time
1.	**Non-Action Item** – **Commission Workshop: Debt and Bonding Program**. *Brenda Morris, Chief Financial Officer; Doud Hood, Financial Services Director; and Matt Stoffel, PFM Financial Advisors LLC*	12:00 – 1:30

ADJOURN.

Closed Meeting 2:00 p.m.

VOTE TO CLOSE MEETING.

Competitive Bidding Specs, Sealed Bids, or Negotiated Contracts	Section 610.021(11), (12) RSMo
Personnel administration regarding particular employees	Section 610.021(3), (13) RSMo
Legal actions or attorney-client privileged communications	Section 610.021(1) RSMo

Workshop

COMMISSION WORKSHOP: DEBT AND BONDING PROGRAM
-- Presented by Brenda Morris, Chief Financial Officer, 573-526-5688, Douglas Hood, Financial Services Director, 573-526-3955, and Matt Stoffel, PFM Financial Advisors LLC.

ISSUE: This workshop will include discussions about the Missouri Highways and Transportation Commission's (MHTC) outstanding debt and proposed bond issuance for the Forward 44 Project.

RECOMMEND that the Commission:

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

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 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 (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 $1.842 billion in outstanding bonds.

OTHER VIEWS:

- 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 1-49 to Missouri Route 249 and rebuild pavement and improve the 1-44/Route 13 interchange and the 1-44/1-49 interchange and other 1-44 Tier 2 and Tier 3 projects listed on the unfunded needs list. (the **"I-44 Improvement Project of Forward 44 Program"**).
- 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 $1.842 billion of

outstanding bonds, the MHTC has $1.087 billion 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 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.
- 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 Appropriations Mega Projects State Road Bonds to be financed with appropriated money by the State for other major projects in the State.
- The current MHTC Debt Management Policy was approved in October 2023.
- The annual Debt Management Report presented to the Commission on July 1, 2026, is provided in Attachment 1.

SOURCE OF FUNDING: First Lien on moneys appropriated by the State in an annual amount not to exceed $44,000,000 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 1, 2026

Introductions

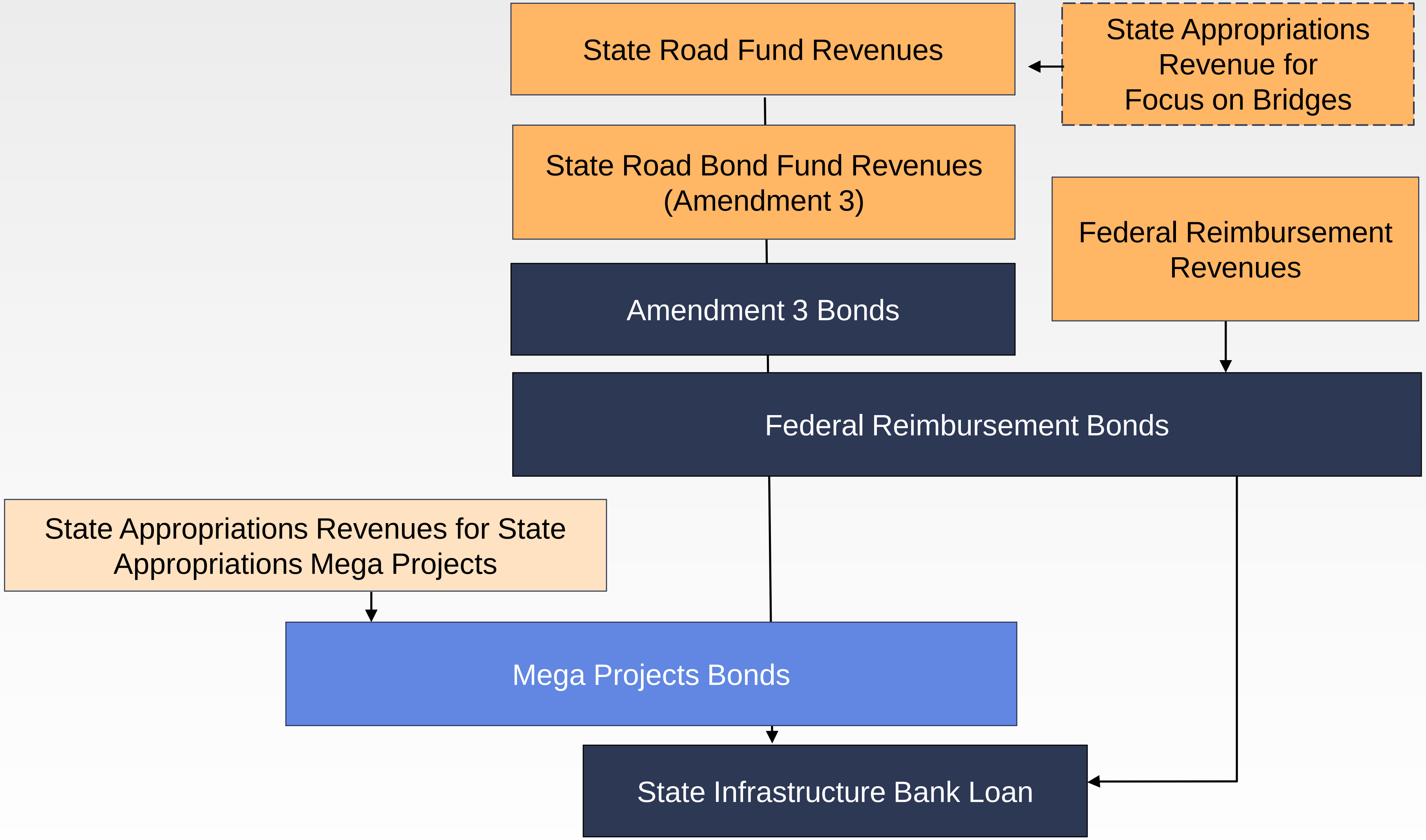
- MHTC Members
- MoDOT Staff
- Financial Advisor – PFM
- Bond Counsel – Gilmore & Bell

Agenda/Objectives

- Overview of Outstanding Debt & the Bonding Program
- Overview of the Project & Legislation
- Forward 44 Bonds
- Market Overview
- Preliminary Schedule for Proposed Bond Transaction
- Future Bond Issuances

Overview of Outstanding Debt & the Bonding Program

MHTC Lien Structure

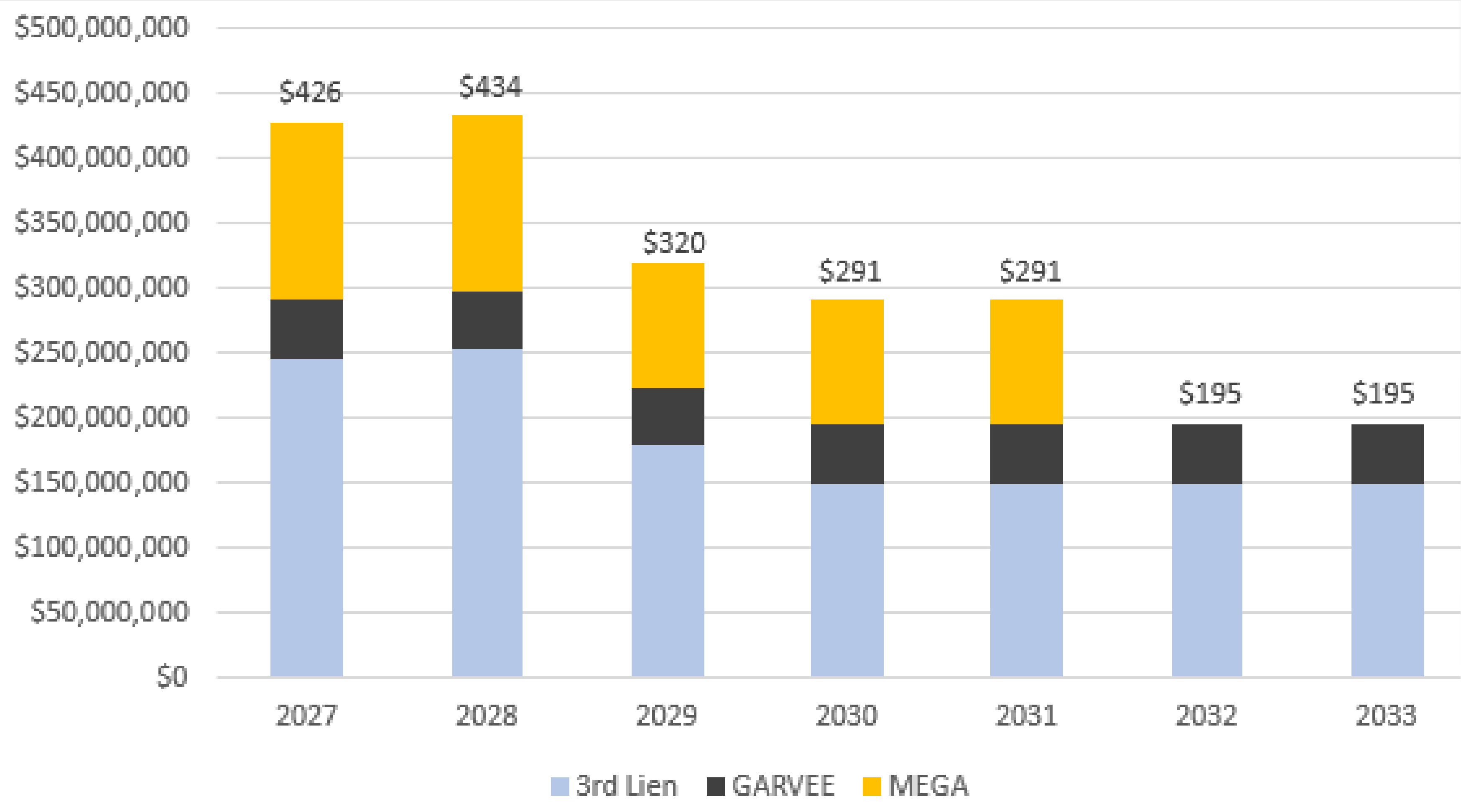


MHTC State Road Bonds

Series	Par Issued	Par Outstanding *	Final Maturity
Amendment 3 Bonds			
Third Lien State Road Bonds			
Series C 2009 (BAB)	$300,000,000	$81,095,000	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	$358,575,000	5/1/2033
Series A 2026	$608,520,000	$608,520,000	5/1/2033
Total Amendment 3 Bonds		**$1,087,255,000**	
Federal Reimbursement State Road Bonds			
Series B 2009 (BAB)	$404,375,000	$273,300,000	5/1/2033
Total Federal Reimbursement Bonds		**$273,300,000**	
State Appropriation Mega Projects Lien State Road Bonds			
Series A 2025	$481,780,000	$481,780,000	5/1/2031
Total State Appropriation Mega Projects Lien State Road Bonds		**$481,780,000**	
Total State Road Bonds		**$1,842,335,000**	

* Current bonds outstanding projected as of June 30, 2026

Annual Debt Service by Lien*



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

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
- Sets debt coverage targets and debt service limits

Proposed Investment Banking Pool

Investment Banking Service Provider	Size
BofA Securities, Inc.	Large
J.P. Morgan Securities LLC	Large
Morgan Stanley	Large
Wells Fargo Bank, N.A.	Large
Siebert Williams Shank & Co., LLC	Medium
Stifel, Nicolaus & Company, Inc*	Medium
Stern Brothers & Co.*	Small

* Indicates firms headquartered in Missouri

Credit Ratings

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

Bonding Program vs. Specific Project Funding

Bonding Program

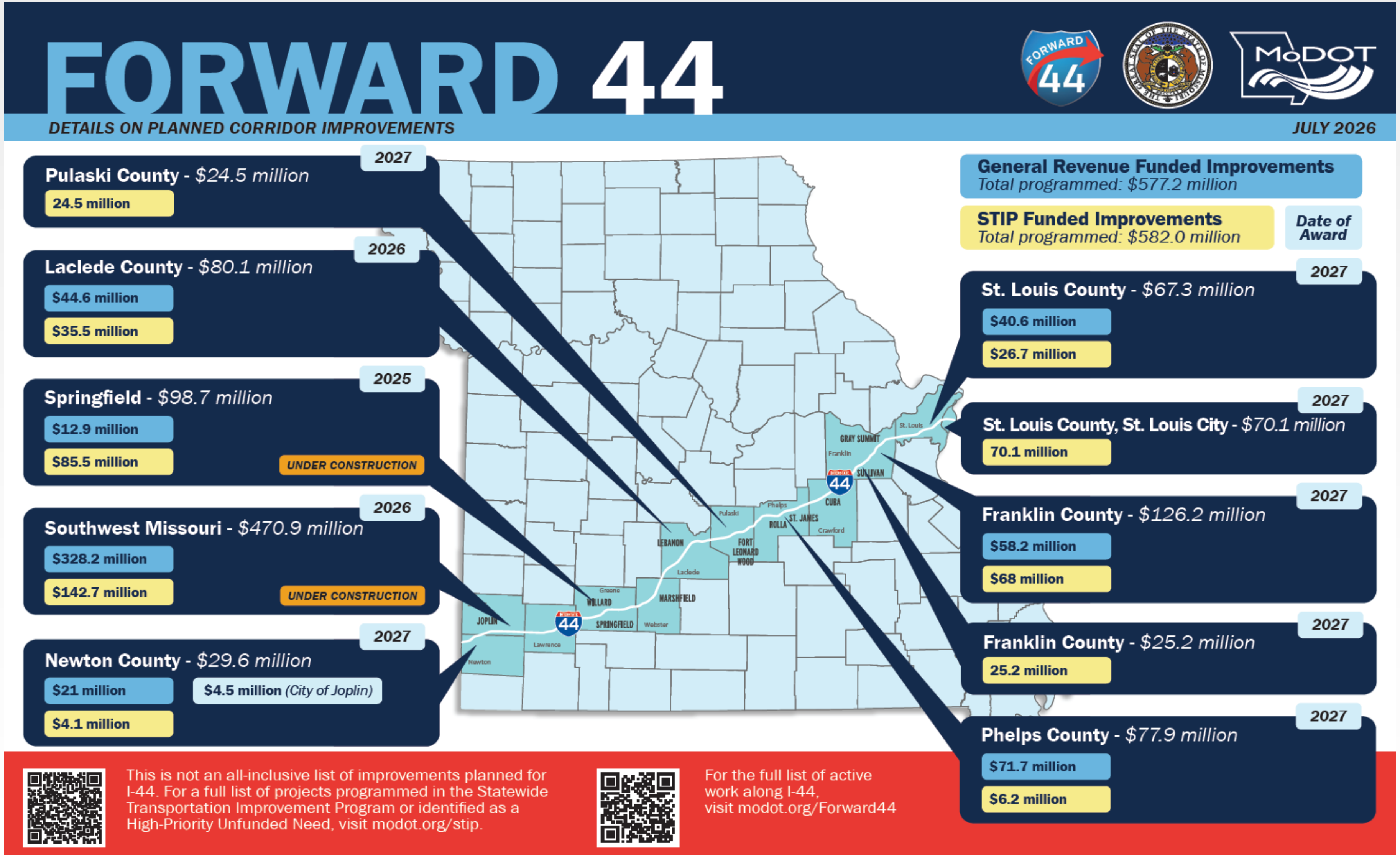
- Defined beginning but ongoing
- Provides consistent & predictable resources
- Less concerned with spend rate
- More flexible
  - Not tied to a specific project
  - Timing of issuances
- Stabilizes the STIP
- Interest vs. Inflation

Specific Project

- Defined beginning & end date
- Specific Goals
- Spend rate & arbitrage
- Inputs Defined
  - Total bond proceeds
  - Annual debt service
  - Maximum term of bonds
- Term = Life

Overview of the Project & Legislation

Overview of the Project



Overview of the Forward 44 Legislation

- $363.75M of Bonding available for I-44 Projects
  - Each series not to exceed 10 years
  - MoDOT to receive state appropriations to pay annual debt service
- Fiscal year debt service not to exceed $44M
- $213.75M of cash available for I-44 Projects
- Financing Agreement between OA and MHTC

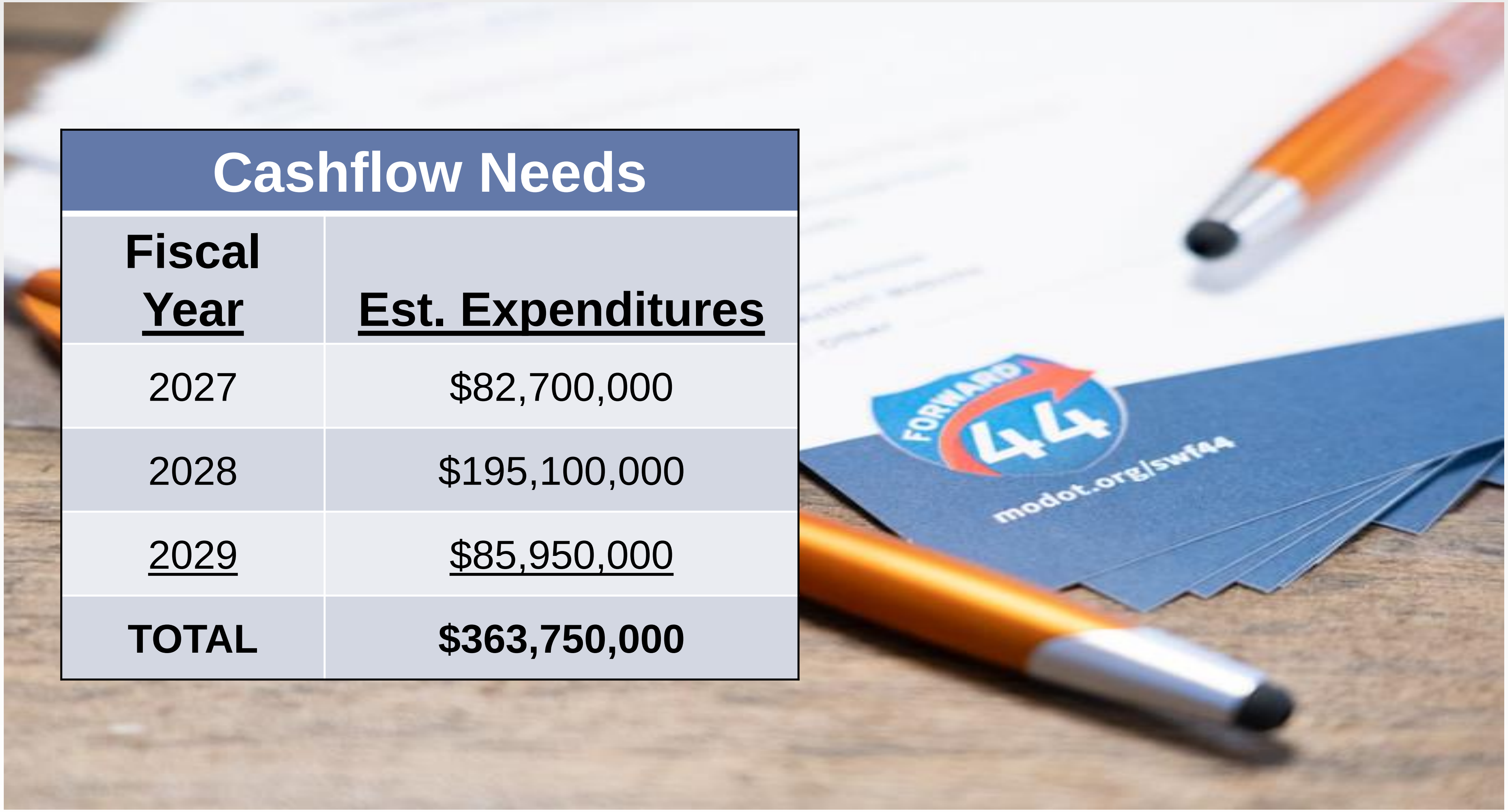
Forward 44 Bonds

Bonding Assumptions

- Bond Proceeds - $363,750,000
- 10 Year Term (maximum)
- Annual Debt Service Constraint of $44M
- Estimated Cost of Issuance $1.3M
- Interest Rate Scale – 7/30/2026
- Credit Spread – Average 31 (13-38 bps)
- Timing Spreads – a 62 bps
- Coupon Rate 5.00%

I-44 Project Cashflow

Cashflow Needs	
Fiscal Year	**Est. Expenditures**
2027	$82,700,000
2028	$195,100,000
2029	$85,950,000
TOTAL	**$363,750,000**



3 Year Term

Estimated Sources	
Par Amount	$123,470,000
Premium	$2,505,615
Total:	$125,975,615

Estimated Uses	
Project Fund	$125,078,675
COI/UD	$896,940
Total:	$125,975,615

Proceeds Required	$363,750,000
Difference	($238,671,325)

Estimated Debt Service Schedule

Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
05/01/27	$41,665,000	$2,332,211	$43,997,211	$43,997,211
11/01/27	0	2,045,125	2,045,125	0
05/01/28	39,905,000	2,045,125	41,950,125	43,995,250
11/01/28	0	1,047,500	1,047,500	0
05/01/29	41,900,000	1,047,500	42,947,500	43,995,000
Totals	$123,470,000	$8,517,461	$131,987,461	$131,987,461

5 Year Term

Estimated Sources	
Par Amount	$196,295,000
Premium	$5,726,602
Total:	$202,021,602

Estimated Uses	
Project Fund	$200,979,012
COI/UD	$1,042,590
Total:	$202,021,602
Proceeds Required	$363,750,000
Difference	($162,770,988)

Estimated Debt Service Schedule				
Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
05/01/27	$40,290,000	$3,707,794	$43,997,794	$43,997,794
11/01/27	0	3,900,125	3,900,125	0
05/01/28	36,195,000	3,900,125	40,095,125	43,995,250
11/01/28	0	2,995,250	2,995,250	0
05/01/29	38,005,000	2,995,250	41,000,250	43,995,500
11/01/29	0	2,045,125	2,045,125	0
05/01/30	39,905,000	2,045,125	41,950,125	43,995,250
11/01/30	0	1,047,500	1,047,500	0
05/01/31	41,900,000	1,047,500	42,947,500	43,995,000
Totals	$196,295,000	$23,683,794	$219,978,794	$219,978,794

7 Year Term

Estimated Sources	
Par Amount	$262,350,000
Premium	$9,445,091
Total:	$271,795,091

Estimated Uses	
Project Fund	$270,620,391
COI/UD	$1,174,700
Total:	$271,795,091

Proceeds Required	$363,750,000
Difference	($93,129,609)

Estimated Debt Service Schedule

Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
05/01/27	$39,040,000	$4,955,500	$43,995,500	$43,995,500
11/01/27	0	5,582,750	5,582,750	0
05/01/28	32,830,000	5,582,750	38,412,750	43,995,500
11/01/28	0	4,762,000	4,762,000	0
05/01/29	34,475,000	4,762,000	39,237,000	43,999,000
11/01/29	0	3,900,125	3,900,125	0
05/01/30	36,195,000	3,900,125	40,095,125	43,995,250
11/01/30	0	2,995,250	2,995,250	0
05/01/31	38,005,000	2,995,250	41,000,250	43,995,500
11/01/31	0	2,045,125	2,045,125	0
05/01/32	39,905,000	2,045,125	41,950,125	43,995,250
11/01/32	0	1,047,500	1,047,500	0
05/01/33	41,900,000	1,047,500	42,947,500	43,995,000
Totals	$262,350,000	$45,621,000	$307,971,000	$307,971,000

Two Issuance Scenarios

- Based on the expected cashflow requirements MHTC could consider two 9-year issuances.
  - First in December 2026
  - Second in December 2027
- Cost of issuance and interest rate risk additional considerations
- Additional staff time of Issuing Bonds

Two Transactions

	Series	B 2026	A 2027	Total
	Par	241,505,000	109,560,000	351,065,000
	Premium	9,489,299	4,874,421	14,363,720
	Proceeds	250,000,000	113,750,000	363,750,000
	Interest	52,566,969	29,531,500	82,098,469
	TIC	4.03%	4.09%	
	Average Life	4.353	5.391	
1	5/1/2027	43,998,219	-	43,998,219
2	5/1/2028	31,261,750	12,734,250	43,996,000
3	5/1/2029	31,258,750	12,739,000	43,997,750
4	5/1/2030	31,258,000	12,739,250	43,997,250
5	5/1/2031	31,256,750	12,740,000	43,996,750
6	5/1/2032	31,257,250	12,740,250	43,997,500
7	5/1/2033	31,261,500	12,734,000	43,995,500
8	5/1/2034	31,261,250	12,735,500	43,996,750
9	5/1/2035	31,258,500	12,738,250	43,996,750
10	5/1/2036	-	37,191,000	37,191,000
	Total Debt Service	294,071,969	139,091,500	433,163,469

Plan of Finance Summary

Recommending one 10 Year Issuance considering:

- Timing of Cashflows and Needs for Bond Proceeds
- $44M annual debt service constraints limit term options
- Unique Project Constraints for Forward 44 Program

10 Year Term - Proposed Series B 2026

Estimated Sources	
Par Amount	$350,065,000
Premium	$15,035,524
Total:	$365,100,524

Estimated Uses	
Project Fund	$363,750,000
COI/UD	$1,350,524
Total:	$365,100,524

Estimated Debt Service Schedule

Payment Date	Principal Amount	Interest Amount	Total Debt Service	Annual Debt Service
05/01/27	$37,385,000	$6,612,339	$43,997,339	$43,997,339
11/01/27	0	7,817,000	7,817,000	$0
05/01/28	28,365,000	7,817,000	36,182,000	43,999,000
11/01/28	0	7,107,875	7,107,875	0
05/01/29	29,780,000	7,107,875	36,887,875	43,995,750
11/01/29	0	6,363,375	6,363,375	0
05/01/30	31,270,000	6,363,375	37,633,375	43,996,750
11/01/30	0	5,581,625	5,581,625	0
05/01/31	32,835,000	5,581,625	38,416,625	43,998,250
11/01/31	0	4,760,750	4,760,750	0
05/01/32	34,475,000	4,760,750	39,235,750	43,996,500
11/01/32	0	3,898,875	3,898,875	0
05/01/33	36,200,000	3,898,875	40,098,875	43,997,750
11/01/33	0	2,993,875	2,993,875	0
05/01/34	38,010,000	2,993,875	41,003,875	43,997,750
11/01/34	0	2,043,625	2,043,625	0
05/01/35	39,910,000	2,043,625	41,953,625	43,997,250
11/01/35	0	1,045,875	1,045,875	0
05/01/36	41,835,000	1,045,875	42,880,875	43,926,750
Totals	$350,065,000	$89,838,089	$439,903,089	$439,903,089

- Targeting $363.75M of project proceeds using up $44M for FY 2027 through FY 2036.
- Bond Issue will be resized to deliver proceeds of exactly $363.75M.

Reimbursement Resolution

- Purpose
  - Spends bond proceeds faster

- Requirement – Declare official intent to reimburse capital expenditures with bond proceeds

I-44 Bond Proceeds Spend Down

Arbitrage Compliance				
	2-Year Exception	Spend Down Requirement	Estimated Expenditures	Remaining
June 2027	6-Month (10%)	$36,375,000	$82,700,000	-
December 2027	12-Month (45%)	$163,687,500	$194,300,000	-
June 2028	18-Month (75%)	$272,812,500	$277,800,000	-
December 2028	24-Month (100%)	$363,750,000	$363,750,000	-

Debt Service Coverage

Fiscal Year	Mega Projects Master Indenture Bond Revenues [1]	Mega Projects Debt Service [2]	Coverage (without State Approp.) [3]	Coverage (with State Approp.) [4]
2026	$841,288,069	$135,996,000	6.19 x	7.52 x
2027	839,996,810	179,994,714	4.67 x	5.89 x
2028	832,341,395	179,994,250	4.62 x	5.62 x
2029	906,285,333	140,153,500	6.47 x	7.47 x
2030	935,357,821	140,156,250	6.67 x	7.67 x
2031	935,358,071	140,146,750	6.67 x	7.67 x
2032	935,353,071	43,996,500	21.26 x	22.26 x
2033	935,358,571	43,997,750	21.26 x	22.26 x
2034	1,085,375,121	43,997,750	24.67 x	25.67 x
2035	1,085,375,121	43,997,250	24.67 x	25.67 x
2036	1,085,375,121	43,926,750	24.71 x	25.71 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 2026 Mega Projects Debt Service is reduced by $90,271 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 from the Focus on Bridges Financing Agreements and deposits to the State Road Fund for the Mega Projects Bonds pursuant to the Financing Agreement.

MHTC State Road Bonds

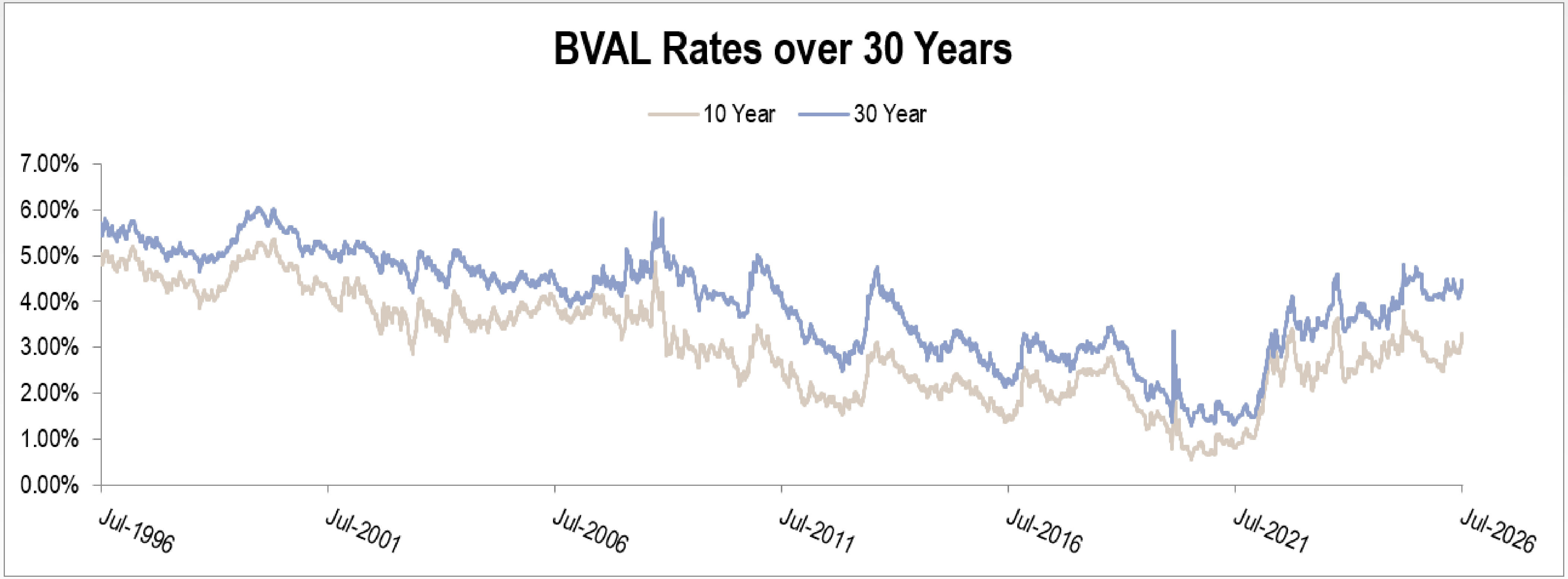
Series	Par Issued	Par Outstanding *	Final Maturity
Amendment 3 Bonds			
Third Lien State Road Bonds			
Series C 2009 (BAB)	$300,000,000	$81,095,000	5/1/2029
Series A 2022	$453,005,000	$358,575,000	5/1/2033
Series A 2026	$608,520,000	$608,520,000	5/1/2033
Total Amendment 3 Bonds		**$1,048,190,000**	
Federal Reimbursement State Road Bonds			
Series B 2009 (BAB)	$404,375,000	$273,300,000	5/1/2033
Total Federal Reimbursement Bonds		**$273,300,000**	
State Appropriation Mega Projects Lien State Road Bonds			
Series A 2025	$481,780,000	$481,780,000	5/1/2031
Series B 2026 **	$350,065,000	$350,065,000	5/1/2036
Total State Appropriation Mega Projects Lien State Road Bonds		**$831,845,000**	
Total State Road Bonds		**$2,153,335,000**	

* Current bonds outstanding projected as of December 15, 2026

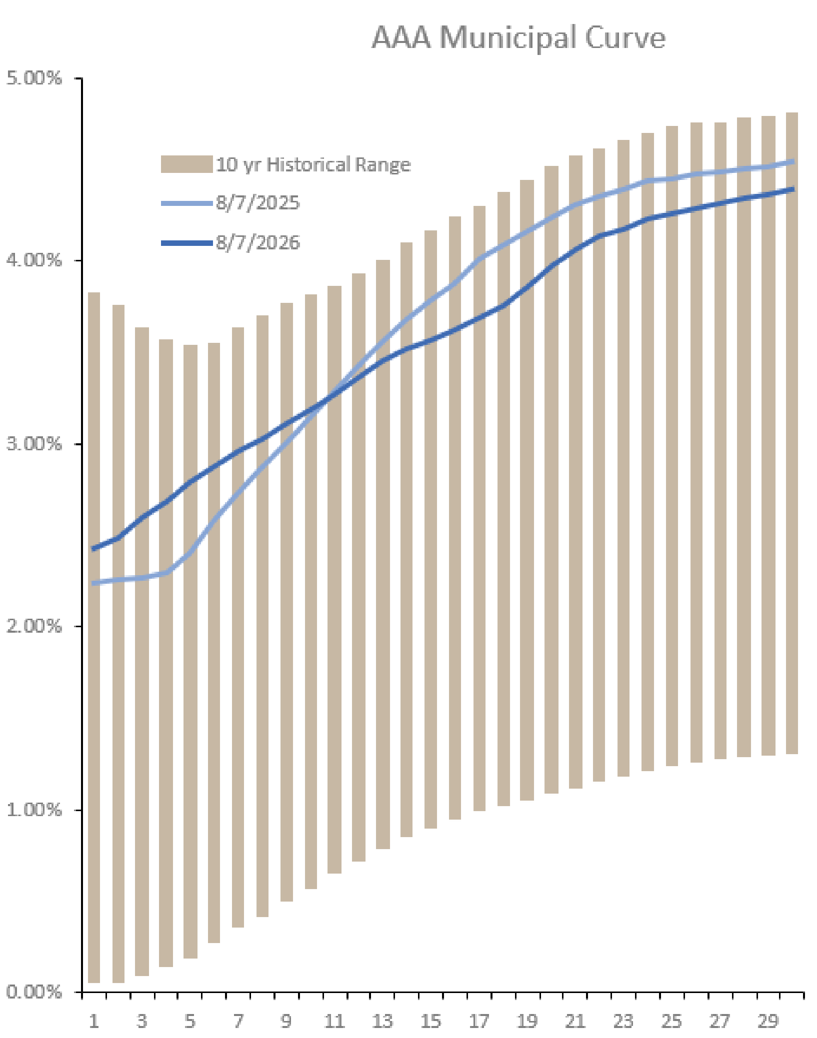
** Preliminary; subject to change.

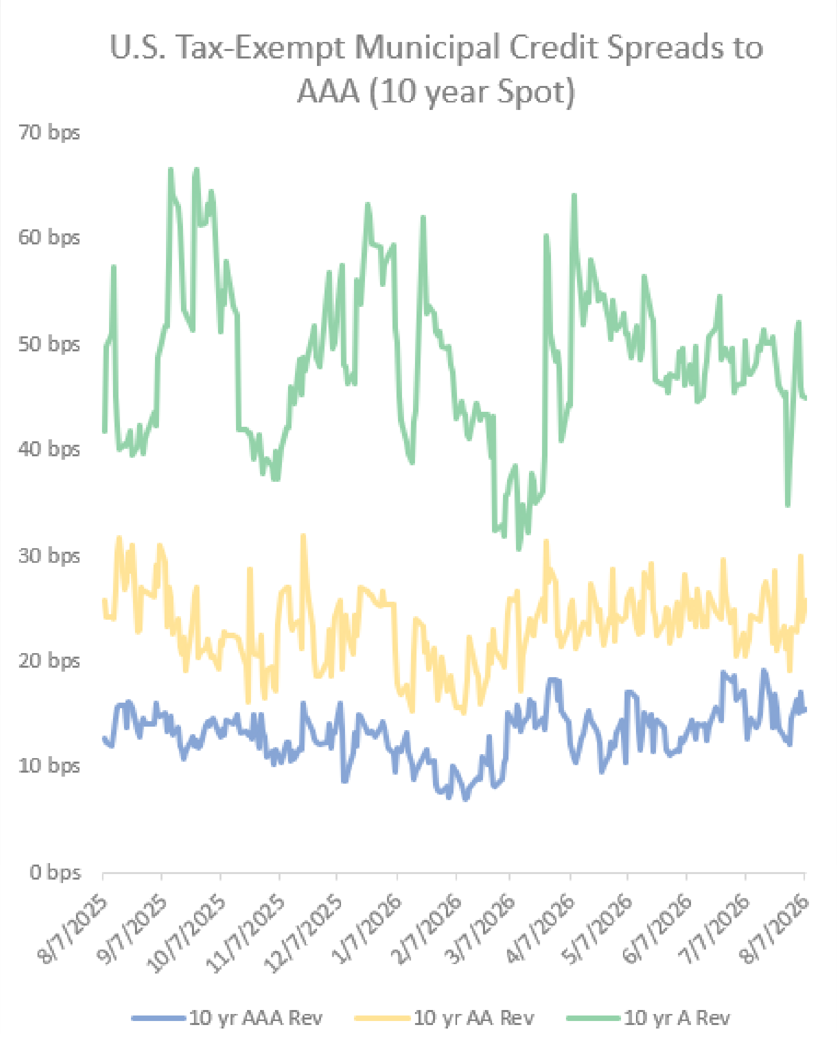
Market Overview

Historical Rates

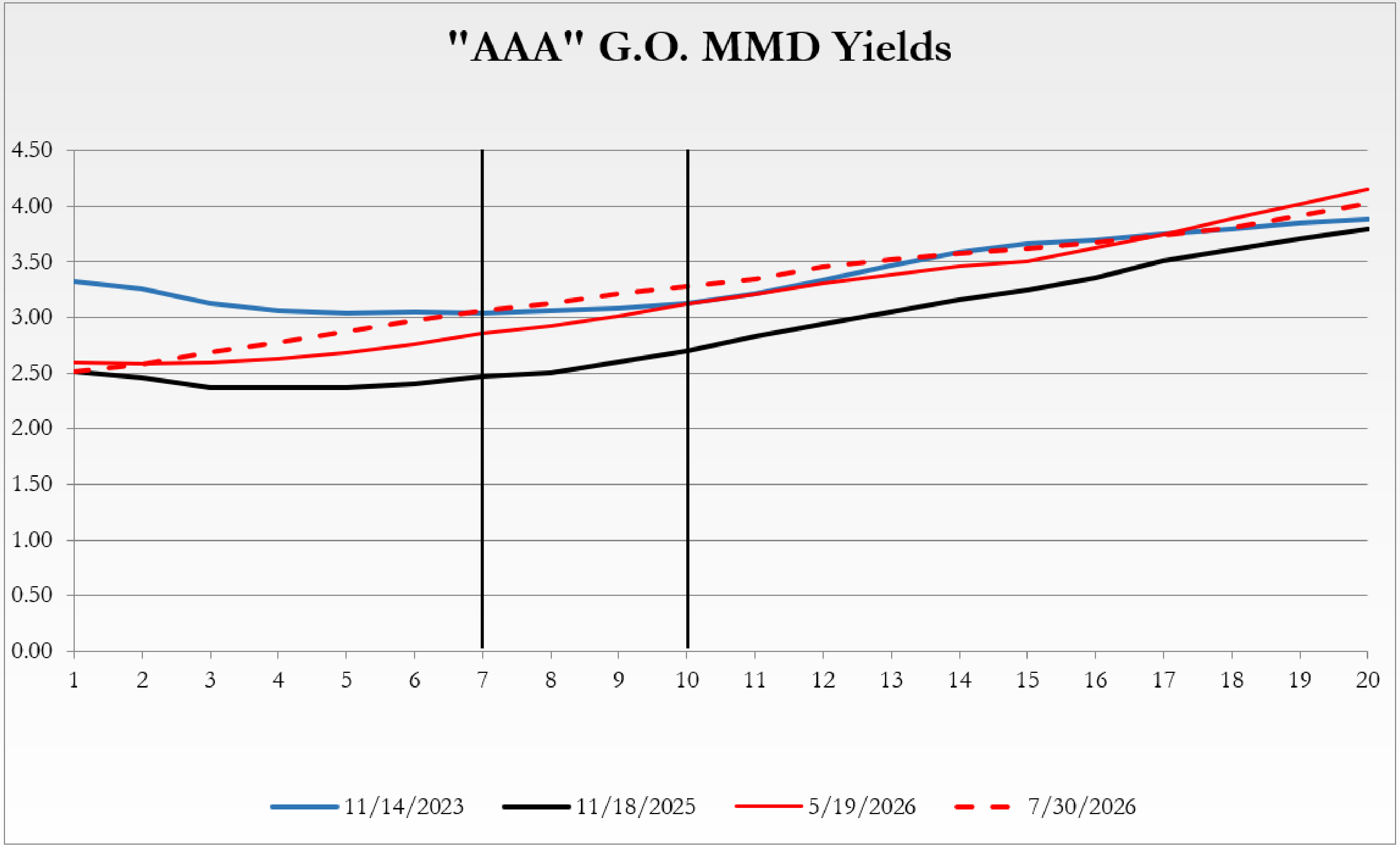


Yield Curve & Credit Spreads





Relative Yield Curves



Economic Calendar: November 2026

NOVEMBER ECONOMIC CALENDAR				
MON	TUES	WED	THU	FRI
Nov 2	**Nov 3**	**Nov 4**	**Nov 5**	**Nov 6**
9:45 AM S&P Global US Manufacturing PMI 10:00 AM ISM Indicators 10:00 AM Construction Spending	12:00 AM Omdia Total Vehicle Sales 10:00 AM Factory Orders 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 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 8:30 AM Trade Balance 8:30 AM Imports MoM 8:30 AM Exports MoM 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	5:30 AM Challenger Job Cuts YoY 5:30 AM Challenger Job Cuts Total 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	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 9	**Nov 10**	**Nov 11**	**Nov 12**	**Nov 13**
10:00 AM Wholesale Inventories MoM 10:00 AM Wholesale Trade Sales MoM	6:00 AM NFIB Small Business Optimism 8:15 AM ADP Weekly Employment Change 8:30 AM Consumer Price Index 8:30 AM Core CPI MoM 8:30 AM Core CPI YoY 8:30 AM Core CPI Index SA 8:30 AM Real Avg Earnings	12:00 AM **Veterans Day** 7:00 AM MBA Mortgage Applications	8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 10:00 AM Existing Home Sales 2:00 PM Federal Budget Balance	8:30 AM Producer Price Index
Nov 16	**Nov 17**	**Nov 18**	**Nov 19**	**Nov 20**
8:30 AM Empire Manufacturing	8:15 AM ADP Weekly Employment Change 8:30 AM Import Index 8:30 AM Export Index 8:30 AM New York Fed Services Business Activity 8:30 AM Retail Sales 9:15 AM Industrial Production 9:15 AM Manufacturing Production MoM 9:15 AM Capacity Utilization 10:00 AM NAHB Housing Market Index 10:00 AM Business Inventories Pricing	7:00 AM MBA Mortgage Applications 8:30 AM Housing Starts 8:30 AM Building Permits 10:00 AM Pending Home Sales 2:00 PM FOMC Meeting Minutes 4:00 PM Total Net TIC Flows 4:00 PM Net Long-term TIC Flows	8:30 AM Philly Fed Busi. Outlook 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 10:00 AM Leading Index 11:00 AM Kansas City Fed Manf. Activity	10:00 AM Michigan Sentiment 11:00 AM Kansas City Fed Services Activity

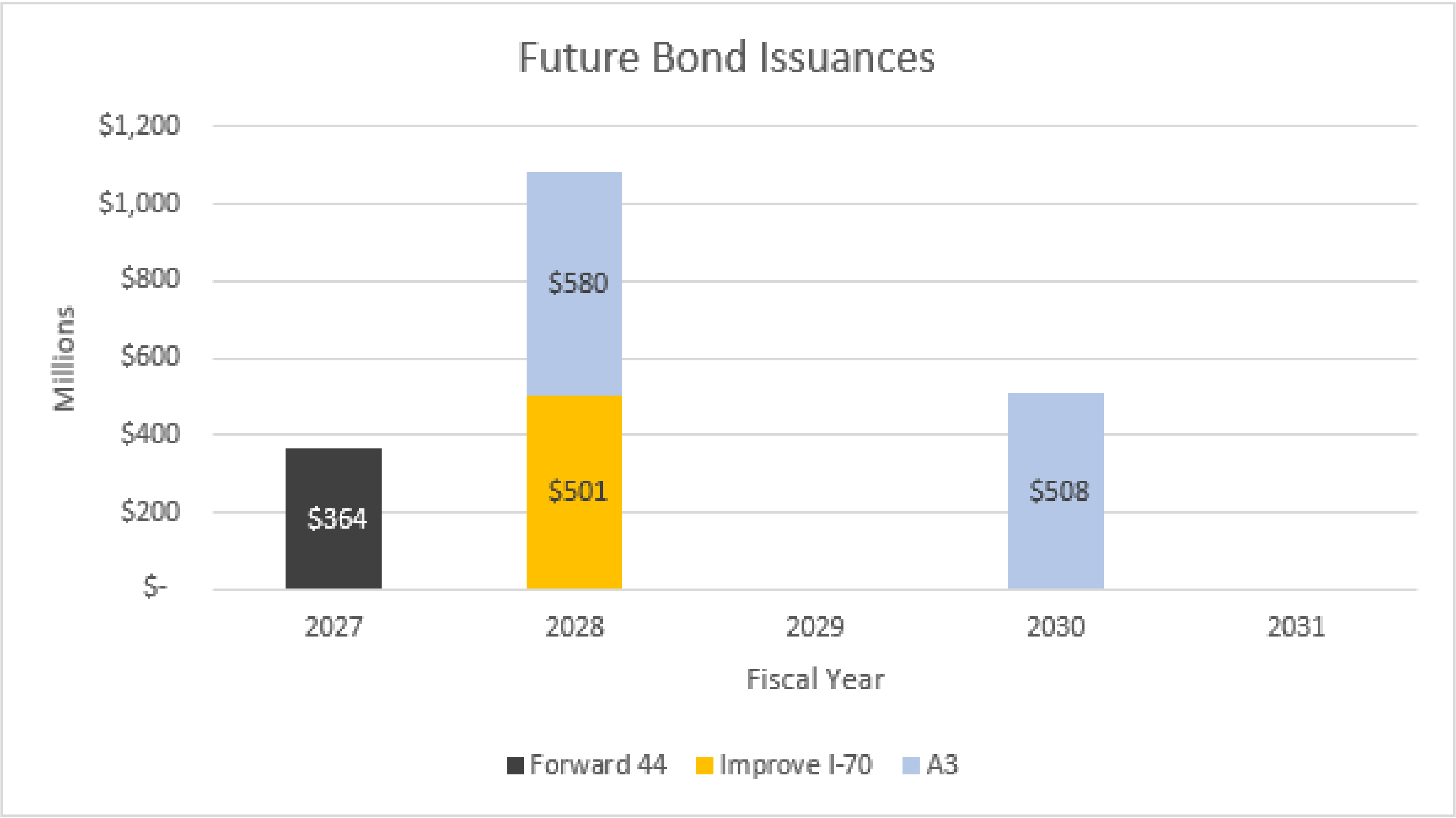
Preliminary Schedule for Proposed Bond Transaction

Bond Sale Schedule

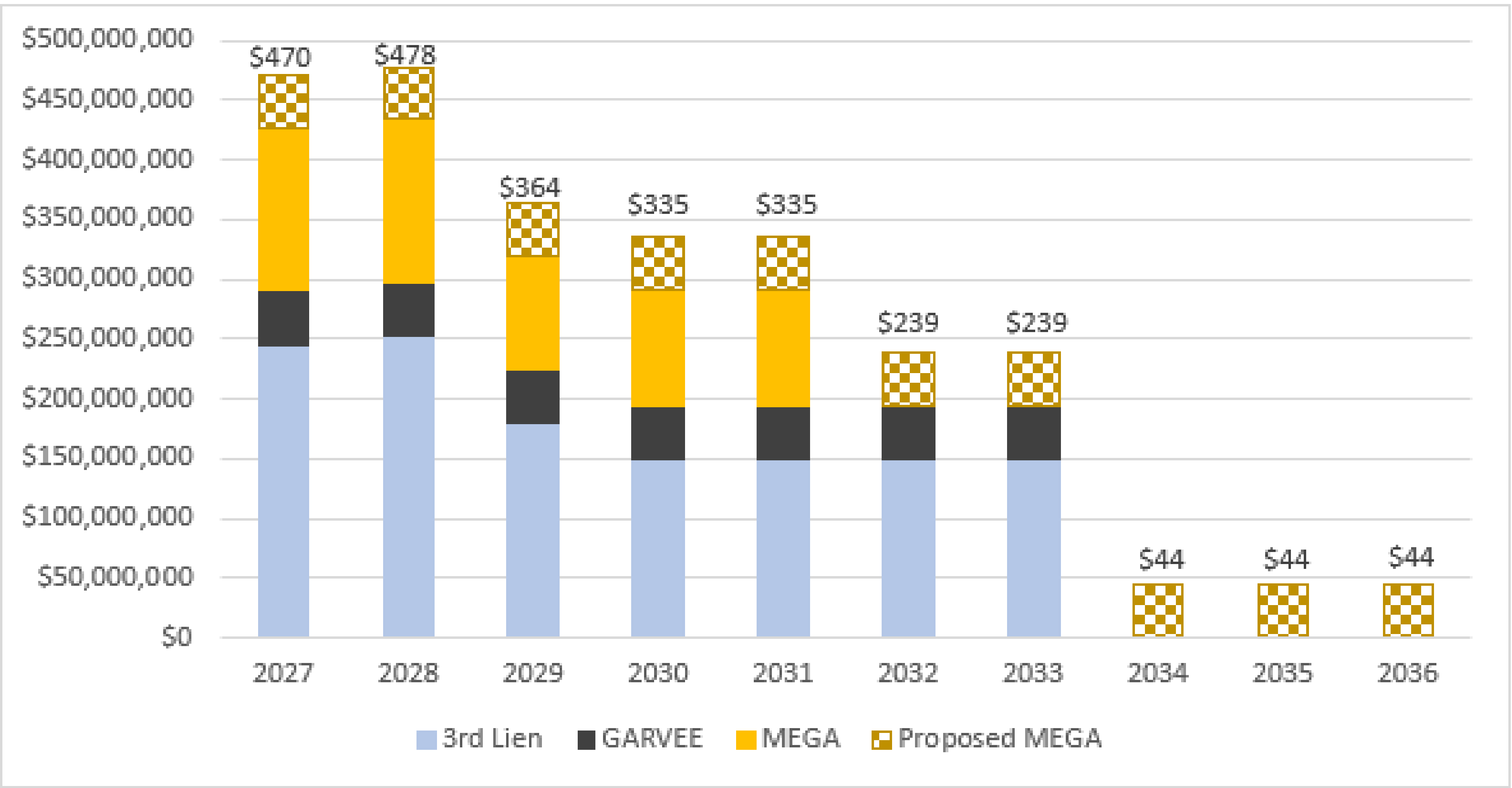
Date	Event
September 2	Commission Meeting: Approve Reimbursement Resolution
October 7	Commission Meeting
October 13	Presentation to rating agencies
Week of October 19	Follow-up with rating agencies
October 30	Series B 2026 ratings released
November 5	Commission Meeting: Accept Fiscal Year 2026 ACFR Approve Parameters Resolution
November 17	Pricing of Series B 2026
December 15	Closing and delivery of funds

Future Bond Issuances

Future Bond Issuances



Annual Debt Service by Lien*



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

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 June 2026, the MHTC borrowed $6,004,435,000 through new money bonds and $1,528,955,000 through refunding bonds. As of June 30, 2026, the amount of outstanding bonds is $1,842,335,000.

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 2026 regarding the MHTC's debt portfolio:
  - Principal of $375.9 million was paid for scheduled debt service payments.
  - The MHTC borrowed $481.8 million in State Appropriations Mega Projects State Road Bonds, Series A 2025 (hereinafter, "**Series A 2025 Bonds**") to finance 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 Series A 2025 bonds have a True Interest Cost (**TIC**) of 2.57 percent.
  - The MHTC borrowed $608.5 million in Third Lien State Road Bonds, Series A 2026 (hereinafter, "**Series A 2026 Bonds**") to finance projects in the Statewide Transportation Improvement Program (STIP). The Series A 2026 Bonds have a TIC of 2.97 percent.
  - The Series A 2014 bonds were paid off.
  - The Series A 2023 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 the Commission's debt to ensure compliance within the MHTC Debt Management Policy.
- Attachment 1 provides a summary of the bonds outstanding by series as of June 30, 2026, and does not include bonds which have been paid off.
- The MHTC currently has three bonding programs: Amendment 3 (Third Lien), Federal Reimbursement (Grant Anticipation Revenue Vehicle (**GARVEE**) Bonds), and State Appropriations Mega Projects. Attachment 2 identifies the sources of revenue pledged to repay the debt under each program.
- MoDOT's fiscal year 2027 budget includes $335.3 million in principal and $91.1 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. The MHTC currently has $1,487.9 million in non-callable bonds and $354.4 million Make-Whole callable bonds. Make-Whole calls can be called at any time; however, the MHTC will pay the bondholders the net present value of all remaining principal and interest payments, resulting in no real benefit to the Commission.
- 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 $1,087.3 million or 59 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 in the State Road Bond

Fund, which the Commissioner of Administration and the Highways and Transportation Commission each certify, is 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 MHTC to deliver projects faster. The MHTC has borrowed a total of $3.0 billion in Amendment 3 Bonds from 2005 – 2026, not including the bond issuances for the Focus on Bridges program. 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 and $481.8 million in December 2025 for the Improve I-70 Program.
- The MHTC borrowed funds using various types of bonds. The largest percentage was tax-exempt fixed rate debt ($1,487.9 million outstanding). In 2009 and 2010, the MHTC utilized Build America Bonds (**BAB**s), 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 $354.4 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 2026.
- Attachment 6 provides a list of the MHTC's top ten bondholders as of May 29, 2026. The top ten bondholders owned approximately 26 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, 2026, is 2.26 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 2025 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.

Attachment 1

Missouri Highways and Transportation Commission
Bonds Outstanding as of June 30, 2026

Lien Series	Par Amount of Original Issuance	Bonds Outstanding (6/30/2026)	Principal Payment Due in FY 2027	Total Debt Service Due in FY 2027[1]
Amendment 3 Bonds:				
3rd Lien				
2009 C[2,4]	300,000,000	81,095,000	26,060,000	29,120,386
2019 B[3]	178,370,000	23,600,000	23,600,000	24,190,000
2021 A[3]	88,955,000	15,465,000	15,465,000	15,851,625
2022 A[2]	453,005,000	358,575,000	44,040,000	61,378,550
2026 A[2]	608,520,000	608,520,000	88,215,000	114,837,750
	1,628,850,000	1,087,255,000	197,380,000	245,378,311
Total Amendment 3 Bonds	**1,628,850,000**	**1,087,255,000**	**197,380,000**	**245,378,311**
GARVEE Bonds:				
2009 B[2,4]	404,375,000	273,300,000	35,070,000	45,039,650
Total GARVEE Bonds	**404,375,000**	**273,300,000**	**35,070,000**	**45,039,650**
State Appropriations Mega Projects Bonds:				
2025 A[2,5]	481,780,000	481,780,000	102,875,000	135,997,375
Total State Appropriations Mega Projects Bonds	**481,780,000**	**481,780,000**	**102,875,000**	**135,997,375**
Total of all Bonds Outstanding	**$ 2,515,005,000**	**$ 1,842,335,000**	**$ 335,325,000**	**$ 426,415,336**

Notes [1] Does not include various annual trustee fees.

[2] Principal & Interest in May and Interest in November.

[3] 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.

[4] 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.

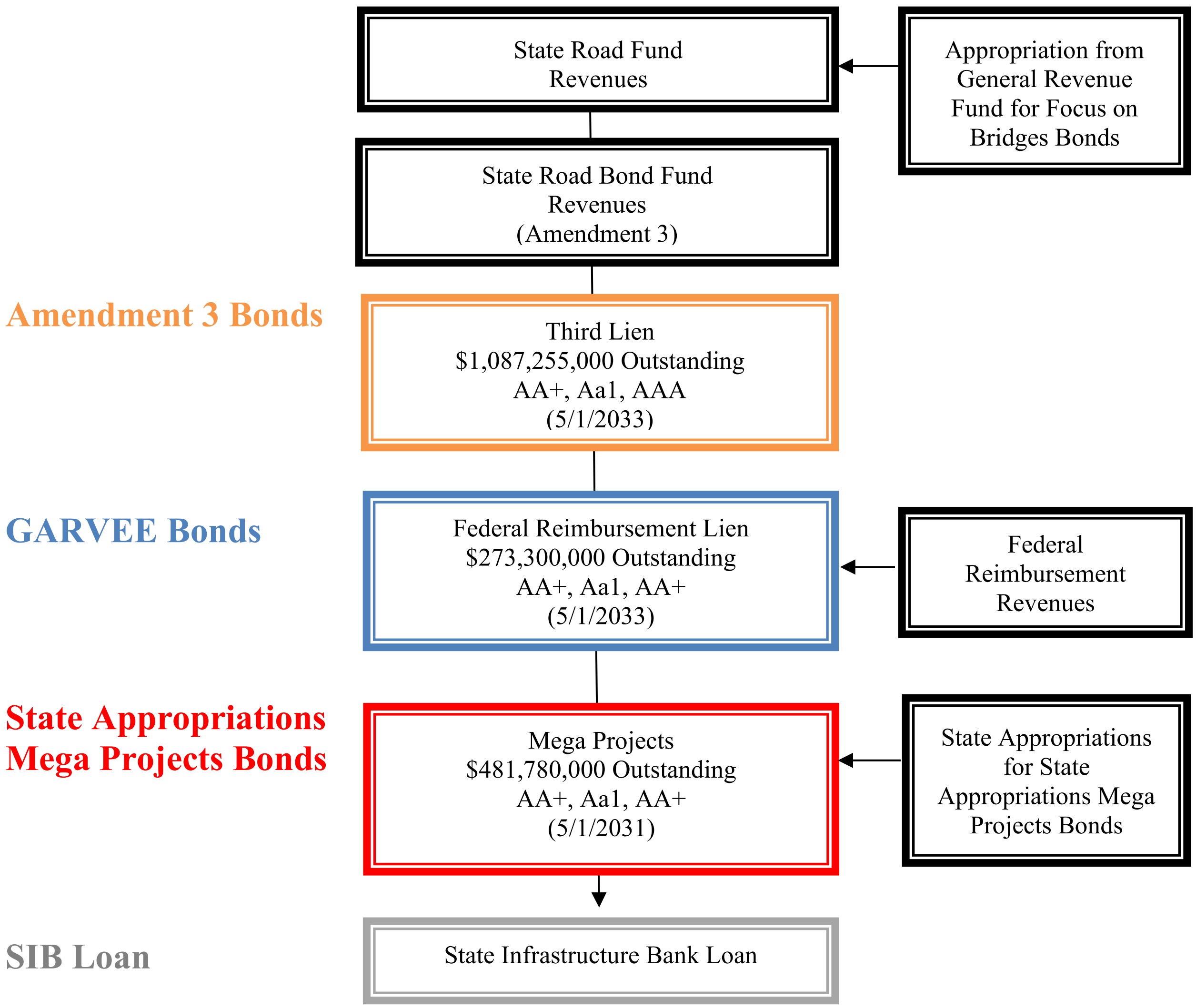
[5] Debt service payment for the Improve I-70 Program will be made from the State Road Fund with funds transferred from the General Revenue Fund.

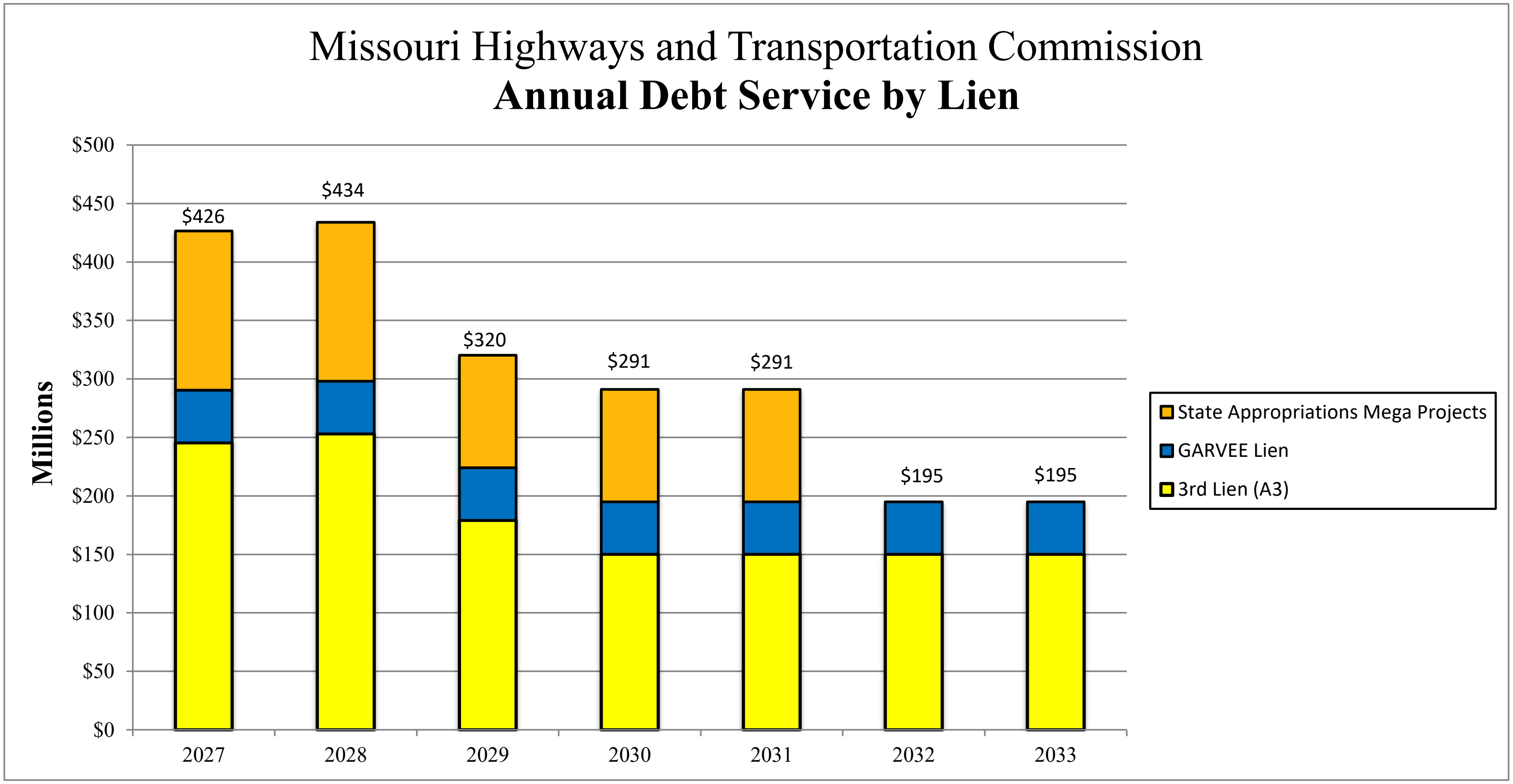
Missouri Highways and Transportation Commission

Lien Structure as of June 30, 2026

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.



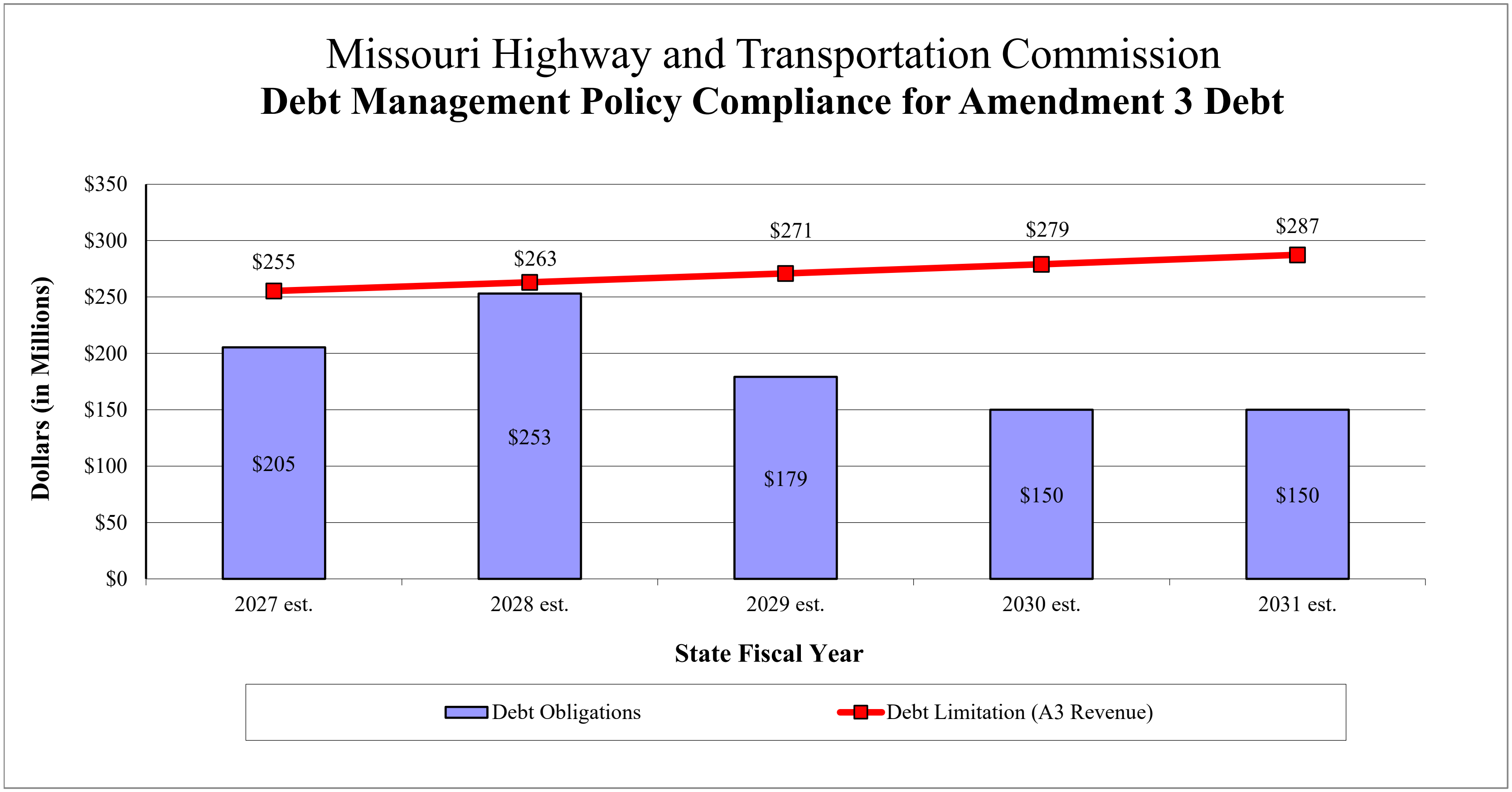

Missouri Highways and Transportation Commission
Annual Debt Service by Lien
Millions
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
$426
$434
$320
$291
$291
$195
$195
2027
2028
2029
2030
2031
2032
2033
State Appropriations Mega Projects
GARVEE Lien
3rd Lien (A3)

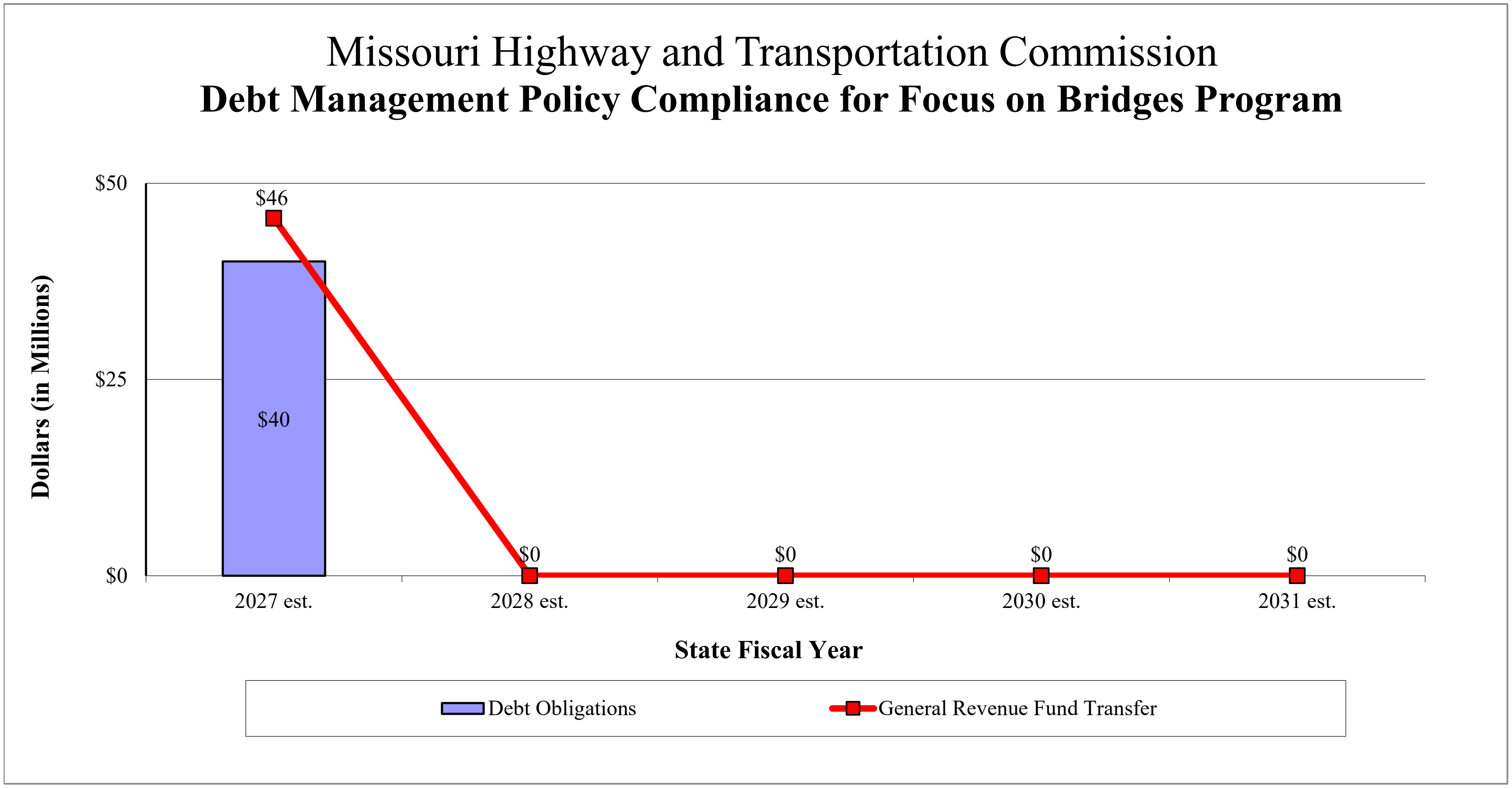
Missouri Highways and Transportation Commission
Annual Debt Service by Lien

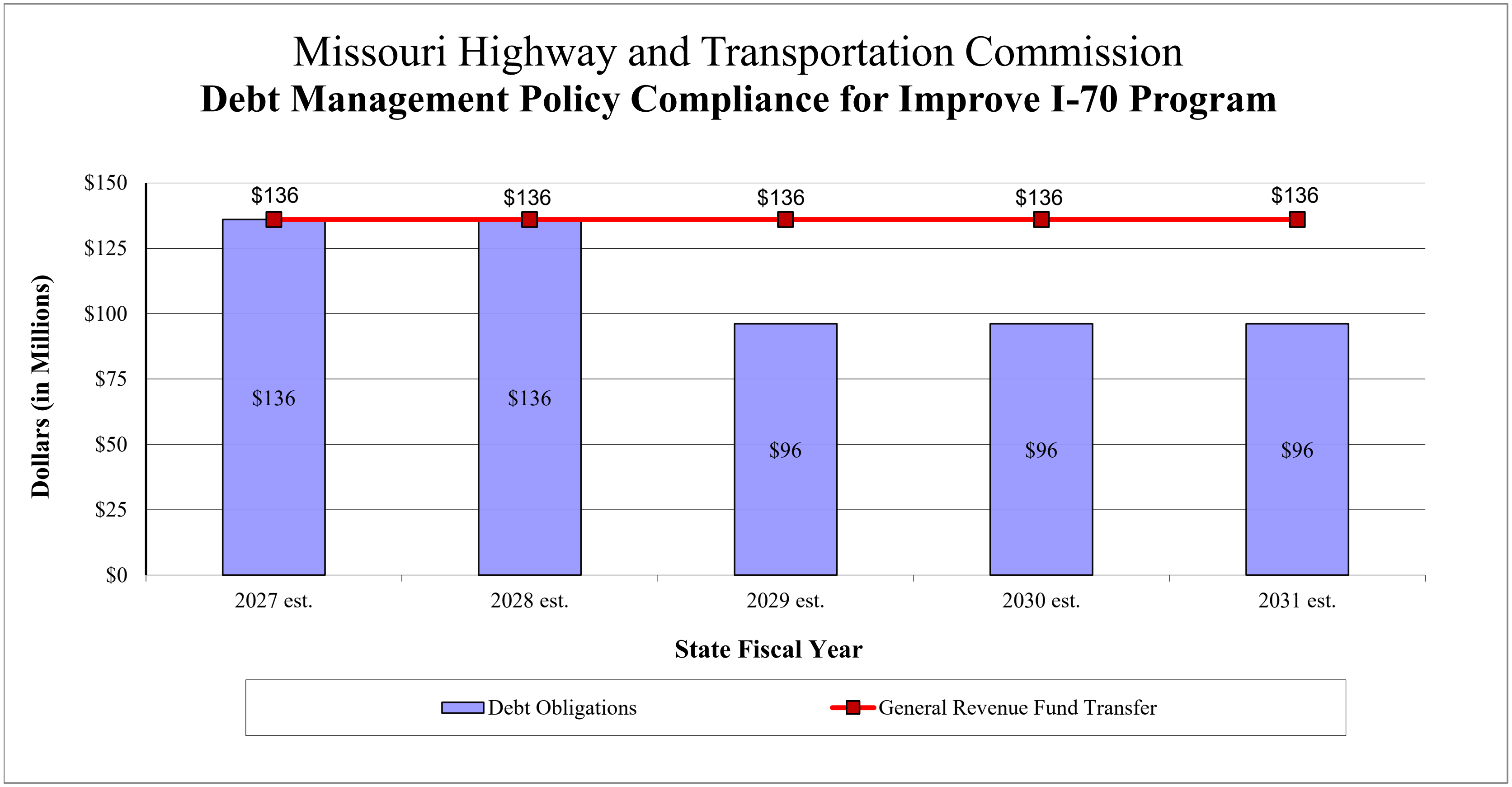
Fiscal Year		(A3) 3rd Lien Bonds [1]		GARVEE Lien Bonds [1]	State Appropriations Mega Projects Lien Bonds		Total Annual Debt Service Payment [2]		Bonds Outstanding (June 30)
2027	$	245,378,311	$	45,039,650	135,997,375	$	426,415,336	$	1,507,010,000
2028	$	253,033,726	$	45,010,339	135,995,250	$	434,039,316	$	1,143,835,000
2029	$	179,089,788	$	44,975,430	96,157,750	$	320,222,968	$	877,140,000
2030	$	150,017,300	$	44,943,463	96,159,500	$	291,120,263	$	627,065,000
2031	$	150,017,050	$	44,907,615	96,148,500	$	291,073,165	$	365,060,000
2032	$	150,022,050	$	44,866,243		$	194,888,293	$	186,685,000
2033	$	150,016,550	$	44,827,707		$	194,844,257	$	0

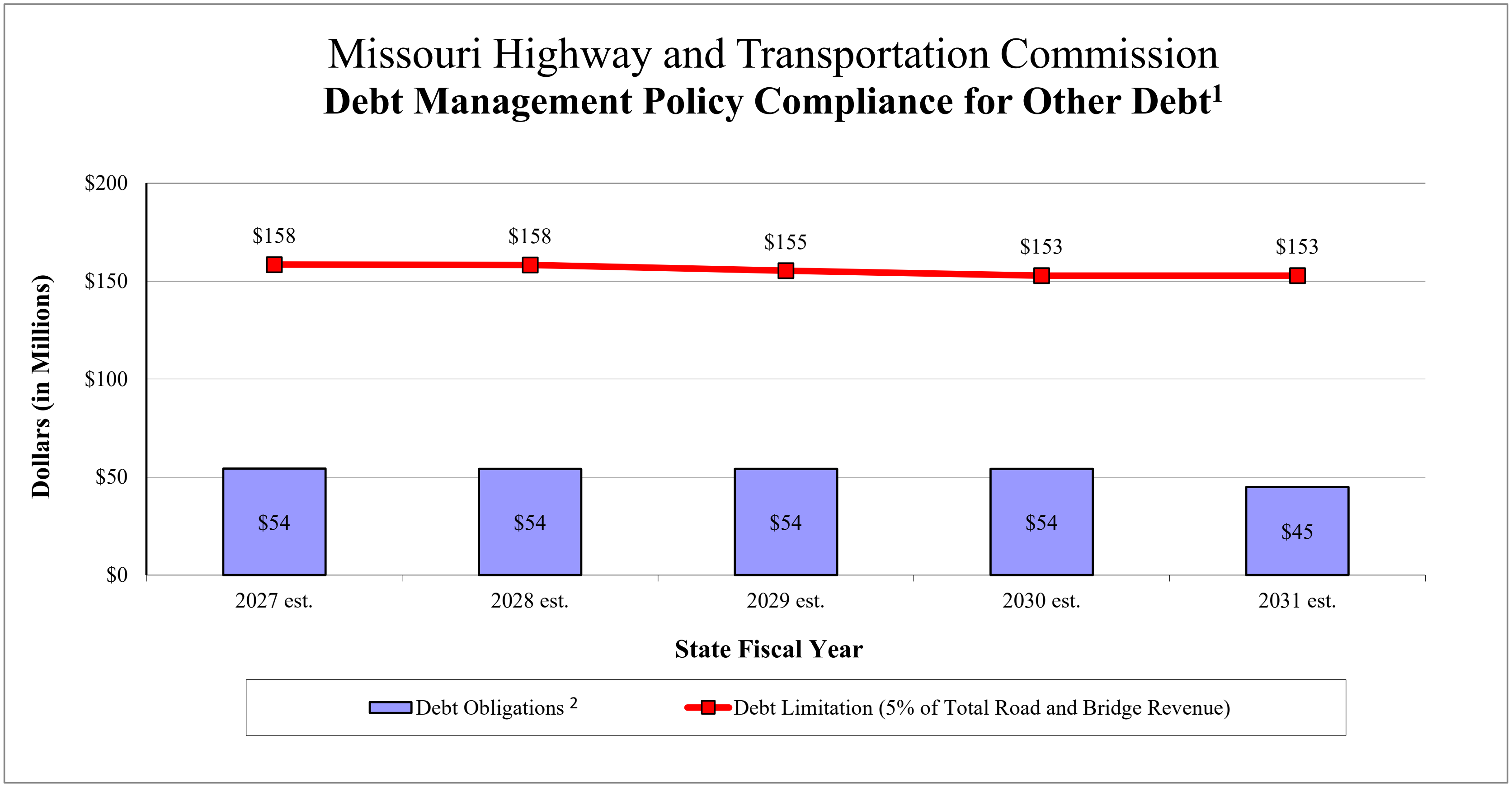
Notes: [1] Series B & C 2009 Bonds are Build America Bonds and the debt service is net of budgeted receipt of interest subsidy payments from the U.S. Treasury.

[2] Does not include various annual trustee fees.


Missouri Highway and Transportation Commission
Debt Management Policy Compliance for Amendment 3 Debt
Dollars (in Millions)
$350
$300
$250
$200
$150
$100
$50
$0
$255
$263
$271
$279
$287
$205
$253
$179
$150
$150
2027 est.
2028 est.
2029 est.
2030 est.
2031 est.
State Fiscal Year
Debt Obligations
Debt Limitation (A3 Revenue)

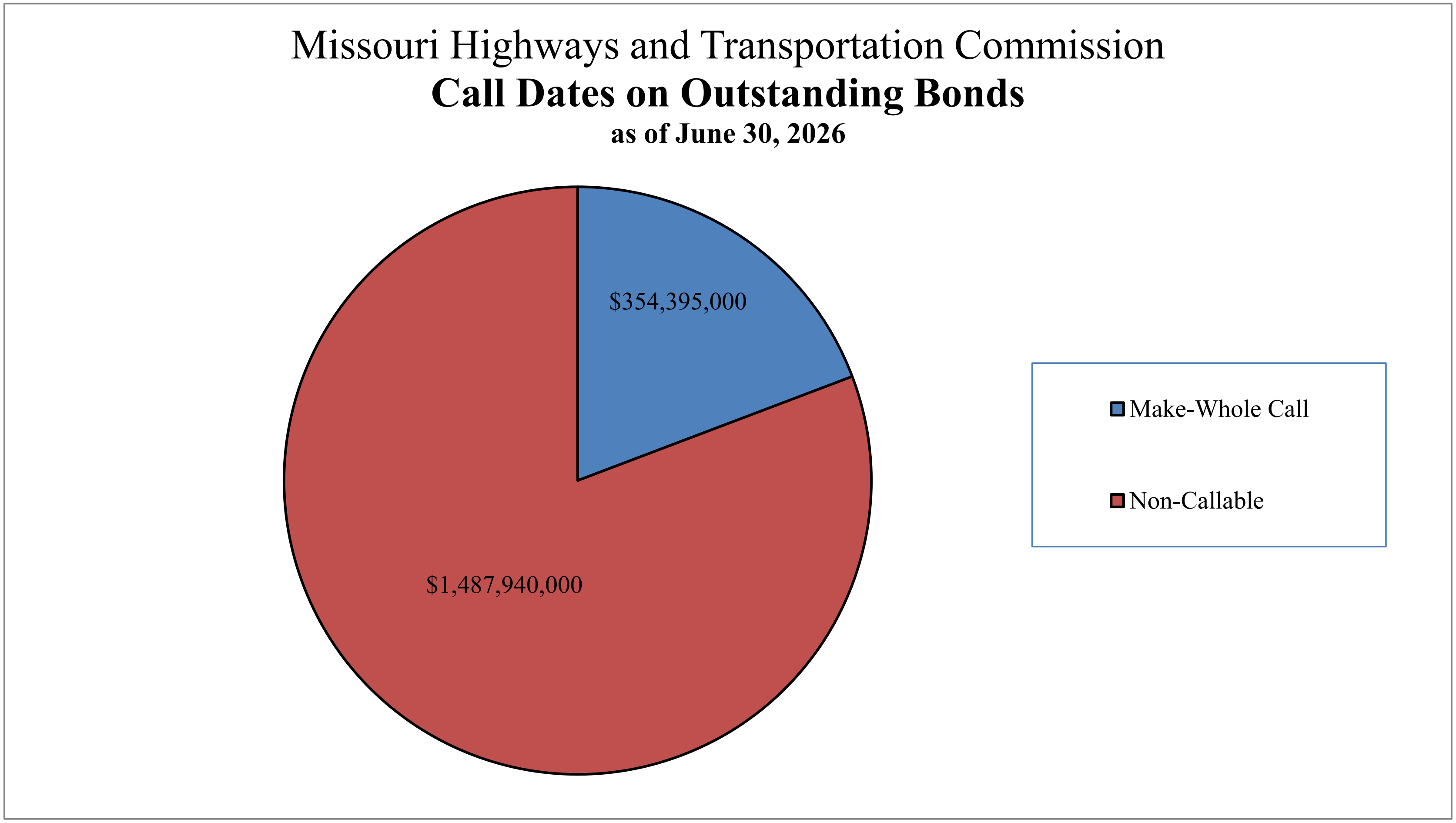

Missouri Highway and Transportation Commission
Debt Management Policy Compliance for Focus on Bridges Program
$50
$25
$0
Dollars (in Millions)
$46
$40
$0
$0
$0
$0
2027 est.
2028 est.
2029 est.
2030 est.
2031 est.
State Fiscal Year
Debt Obligations
General Revenue Fund Transfer


Missouri Highway and Transportation Commission
Debt Management Policy Compliance for Improve I-70 Program
$150
$125
$100
$75
$50
$25
$0
Dollars (in Millions)
$136
$136
$136
$136
$136
$136
$136
$96
$96
$96
2027 est.
2028 est.
2029 est.
2030 est.
2031 est.
State Fiscal Year
Debt Obligations
General Revenue Fund Transfer



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, 2026
$354,395,000
$1,487,940,000
Make-Whole Call
Non-Callable

Missouri Highways and Transportation Commission

Top 10 Bondholders

• BlackRock, Inc.	$106 million
• The Vanguard Group, Inc.	$66 million
• JP Morgan Chase & Co.	$41 million
• MetLife Investment Management	$28 million
• Alliance Bernstein Holding	$26 million
• Prudential Financial, Inc.	$15 million
• Berkshire Hathaway Inc.	$10 million
• TIAA-CREF	$8 million
• Sun Life Financial Inc.	$7 million
• Conning Inc.	$7 million

Source: Bloomberg as of May 29, 2026