

Debt Management

St. Louis County issues debt to fund capital improvements, achieve savings through refinancing and manage short-term cash flow requirements. Instruments used include general obligation bonds, special obligation bonds, lease revenue bonds, and tax anticipation notes. On December 31, 2019, the County will have \$410.2 million in principal outstanding.

| OUTSTANDING DEBT (12/31/19) | | | |
|------------------------------------|------------------|-----------------|-----------------|
| (\$ in millions) | | | |
| Type | Principal | Interest | Total |
| General Obligation | \$ 87.4 | \$ 20.8 | \$ 108.1 |
| Special Obligation | \$ 256.3 | \$ 100.3 | \$ 356.6 |
| Lease Revenue | \$ 51.6 | \$ 15.0 | \$ 66.6 |
| Other | \$ 14.9 | \$ 3.1 | \$ 18.0 |
| TOTAL | \$ 410.2 | \$ 139.2 | \$ 549.3 |

The county is currently rated as a AAA issuer for general obligation bonds by Moody's and Fitch Ratings, and as an AA+ issuer by Standard and Poors. This rating reflects the county's substantial tax base and role as the economic development hub for eastern Missouri and the St. Louis region, the long trend of healthy reserves and strong financial management, and low debt position.

Ratings issued for other debt types (special obligation bonds, tax anticipation notes, etc.) depend upon the details of each issue, however over the past several issues, ratings of AA+ (Standard and Poor's Corporation) and Aa1 (Moody's Investor Service) have been received.

GENERAL OBLIGATION BONDS

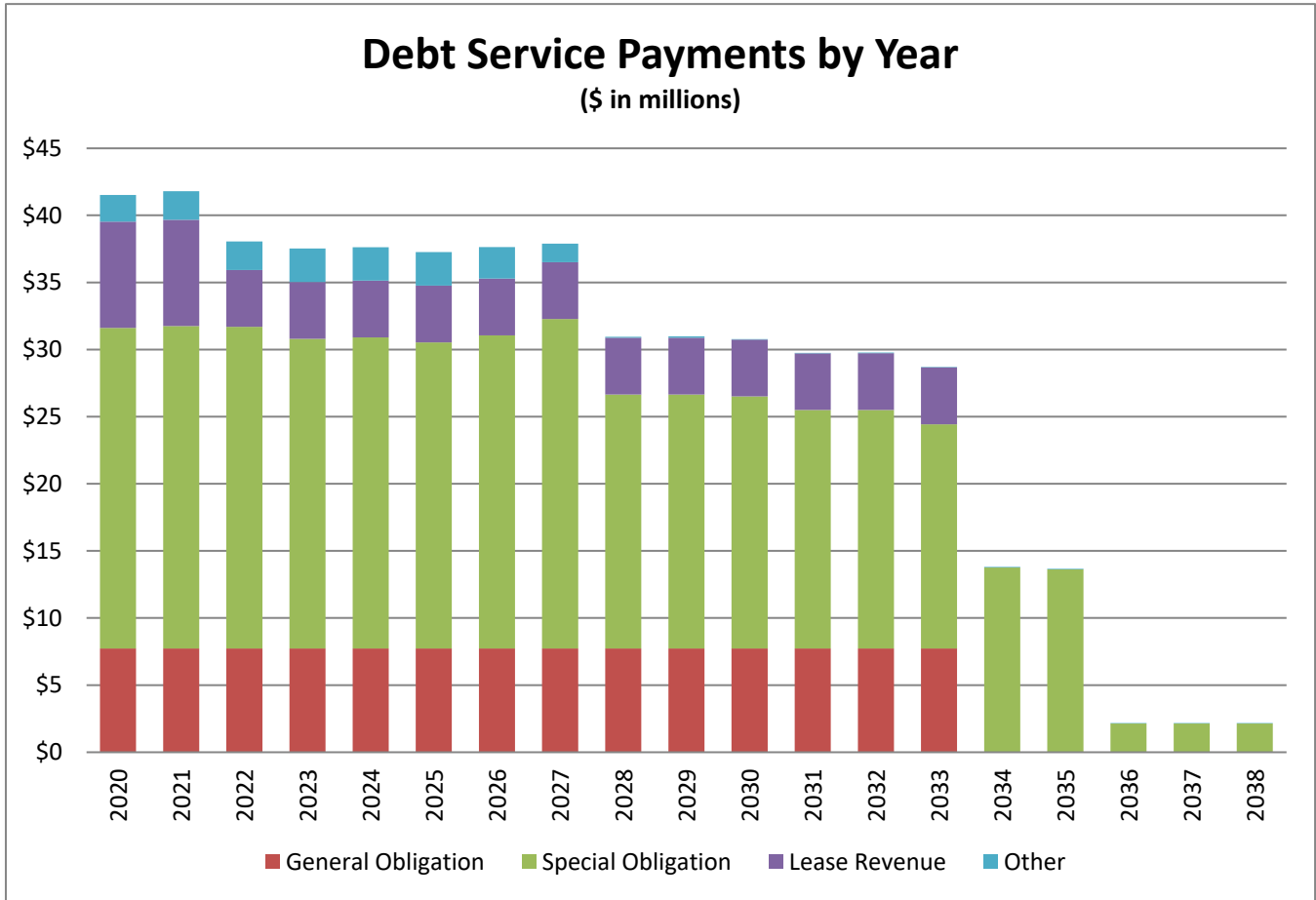
General obligation bonds are issued upon voter approval of specific purposes/projects and amounts. These bonds are backed by the full faith and credit of the county, and are repaid by a dedicated property tax levy.

The Debt Service Fund is used to account for the redemption of general obligation bonds and payments of interest as well as fees payable to the banks involved as agents for the bondholders.

The County has no new general obligation debt planned at this time.

| 2019-2020 Debt Service Appropriations by Fund* | | | |
|--|--|----------------------------|----------------------------|
| # | Fund Name | 2019 Revised Budget | 2020 Adopted Budget |
| 1010 | General Revenue | \$7,654,060 | \$7,837,122 |
| 1020 | Special Road & Bridge | 3,802,817 | 3,593,879 |
| 1030 | Health | 1,513,700 | 1,497,304 |
| 1050 | Park Maintenance | 1,475,782 | 1,477,344 |
| 1110 | Debt Service | 7,723,632 | 7,725,332 |
| 5670 | Lambert East Perimeter TIF | 3,497,878 | 3,542,844 |
| 5800 | Emergency Communications | 8,632,503 | 8,630,253 |
| 5840 | Northpointe Forest Subdivision NID | 35,040 | 34,100 |
| 5860 | Residential Energy Efficiency Loan Program | 204,738 | 198,848 |
| 5910 | Glencullen Subdivision NID | 0 | 37,711 |
| 8630 | Convention & Recreation Trust^ | 9,045,424 | 9,285,908 |
| TOTAL | | \$43,585,574 | \$43,860,645 |
| <i>*excludes trustee fees and interest on short-term borrowing notes</i> | | | |
| <i>^excludes \$1 million preservation payment</i> | | | |

DEBT MANAGEMENT



Very Low Bonded Debt

St. Louis County’s net bonded general obligation debt currently stands at 2.6% of the allowable limit. The county is limited by Sections 108.010 and 108.020 of the Missouri Revised Statutes to 10% of the assessed value of taxable tangible property. As of December 31, 2019, the county’s net bonded debt will amount to 0.261% of assessed value (AV), or \$72.29 per capita.

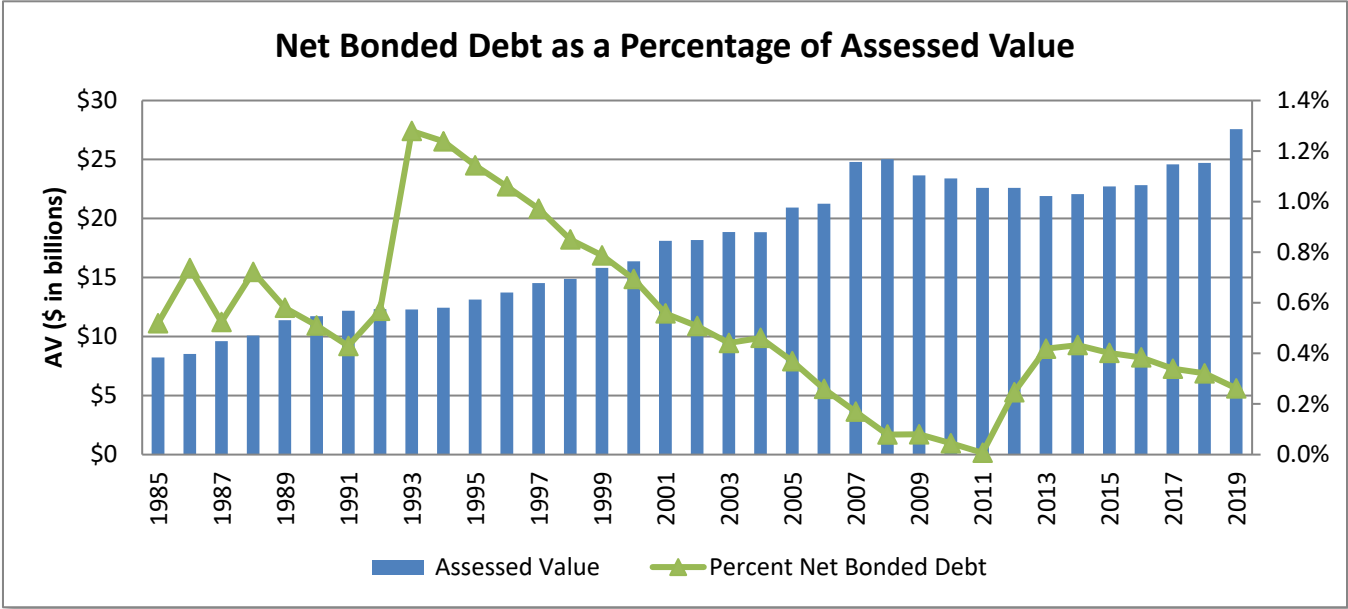
Property Tax Levy

(per \$100 of assessed value)

The 2020 property tax levy for the Debt Service Fund remains level at 1.9 cents.

| Legal Debt Margin as of 12/31/2019 (General Obligation Debt) | |
|---|------------------|
| Assessed value | \$27,558,603,956 |
| Limit of bonded indebtedness (10% of AV) | \$2,755,860,396 |
| Bonded indebtedness (principal) | \$87,375,000 |
| Less amount available in Debt Service Fund est. 12/31/19 | (\$15,321,857) |
| Net Bonded Debt applicable to debt limit | \$72,053,143 |
| Percent of Debt Limit | 2.61% |
| Legal Debt Margin | \$2,755,860,396 |





SCHEDULE OF OUTSTANDING GENERAL OBLIGATION DEBT MATURITIES (\$ in millions)

| YEAR | PRINCIPAL | INTEREST | TOTAL |
|--------------|---------------|---------------|----------------|
| 2020 | \$5.0 | \$2.7 | \$7.7 |
| 2021 | 5.2 | 2.5 | 7.7 |
| 2022 | 5.4 | 2.3 | 7.7 |
| 2023 | 5.6 | 2.1 | 7.7 |
| 2024 | 5.8 | 2.0 | 7.7 |
| 2025 | 5.9 | 1.8 | 7.7 |
| 2026 | 6.1 | 1.7 | 7.7 |
| 2027 | 6.3 | 1.5 | 7.7 |
| 2028 | 6.5 | 1.3 | 7.7 |
| 2029 | 6.7 | 1.0 | 7.7 |
| 2030 | 6.9 | 0.8 | 7.7 |
| 2031 | 7.1 | 0.6 | 7.7 |
| 2032 | 7.3 | 0.4 | 7.7 |
| 2033 | 7.6 | 0.1 | 7.7 |
| TOTAL | \$87.4 | \$20.8 | \$108.1 |

DEBT MANAGEMENT

SPECIAL OBLIGATION BONDS

Special obligation bonds do not require voter approval and are secured by the county's pledge to annually appropriate sufficient funds for debt service.

included in the operating budget of the relevant funds. Outstanding principal as of December 31, 2019 is \$256.3 million. The county is considering transactions in 2020 to refund existing debt and finance the construction of police precincts and other activities.

Since 2009, the county has issued 30 series of special obligation bonds serviced by appropriations in annually budgeted funds, summarized below. The debt service payments for these bonds are

OUTSTANDING SPECIAL OBLIGATION BONDS (\$ in millions)

| SERIES | PAR | PURPOSE | ISSUED | TERM (YEARS) | 12/31/2019 BALANCE | | TOTAL | 2020 DEBT SVC* |
|--------------|----------------|---|----------|-----------------|--------------------|----------------|----------------|-------------------|
| | AMOUNT | | | | PRINCIPAL | INTEREST* | | |
| 2009 B | \$7.2 | Hazelwood Commerce Center Road Improvements | 11/17/09 | 20 | \$4.5 | \$1.3 | \$5.8 | \$0.5 |
| 2010 A/B | \$119.2 | Emergency Communications | 4/15/10 | 25 | 91.0 | 43.7 | 134.7 | 8.6 |
| 2010 C/D | \$7.1 | Business Incubators | 4/29/10 | 20 | 4.4 | 1.5 | 6.0 | 0.6 |
| 2010 E/F | \$20.4 | Health Campus | 6/18/10 | 25 | 14.5 | 7.1 | 21.6 | 1.5 |
| 2010 H/I | \$28.7 | Page-Olive Connector | 6/29/10 | 25 | 20.5 | 11.6 | 32.2 | 2.2 |
| 2010 K/L | \$11.6 | Crime Laboratory | 10/15/10 | 25 | 8.5 | 3.9 | 12.4 | 0.8 |
| 2010 M/N | \$6.0 | Highway Projects | 12/30/10 | 25 | 4.3 | 2.5 | 6.8 | 0.5 |
| 2011 A/B | \$10.5 | Residential Energy Efficiency Loan Program | 5/18/11 | 15 | 1.0 | 0.2 | 1.1 | 0.2 |
| 2012 A | \$4.2 | Miscellaneous Capital Projects | 6/12/12 | 22 | 1.4 | 0.3 | 1.7 | 0.2 |
| 2013 A | \$17.0 | Community Centers | 6/10/13 | 20 | 12.7 | 3.1 | 15.8 | 1.1 |
| 2013 B/C | \$29.5 | Courts Project Funding | 7/9/13 | 25 | 28.4 | 12.5 | 40.9 | 2.3 |
| 2015 A/B | \$22.4 | NorthPark TIF Project | 5/7/15 | 13 | 17.9 | 2.8 | 20.7 | 1.8 |
| 2015 C/D | \$11.7 | Capital Projects | 6/4/15 | 20 | 8.2 | 1.9 | 10.1 | 1.0 |
| 2016 A/B | \$14.0 | Soccer Complex | 3/29/16 | 12 | 9.8 | 1.0 | 10.9 | 1.4 |
| 2017 A/B | \$32.9 | Meramec Refunding, Public Safety & Transportation Equipment | 12/5/17 | 16 | 29.1 | 6.9 | 36.0 | 3.5 |
| TOTAL | \$369.4 | | | | \$256.3 | \$100.3 | \$356.6 | \$26.2 |

*This schedule does not reflect any interest subsidies received due to the use of Build America Bonds or Recovery Zone Economic Development Bonds



LEASE REVENUE BONDS

The county has two series of annual appropriation lease revenue bonds outstanding at this time, summarized below. In 2020, the County may participate in issuing new debt related to the renovation and expansion of the America's Center in the City of St. Louis.

OUTSTANDING LEASE REVENUE BONDS (\$ in millions)

| PAR AMOUNT | PURPOSE | ISSUED | TERM (YEARS) | 12/31/2019 BALANCE | | | 2020 DEBT SVC |
|---------------|--|---------|-----------------|--------------------|----------|--------|------------------|
| | | | | PRINCIPAL | INTEREST | TOTAL | |
| \$32.6 | Convention and Sports Facility Complex Refunding Bonds* | 8/20/13 | 8 | \$9.3 | \$0.7 | \$10.0 | \$5.0 |
| \$48.2 | Taxable St. Louis Cardinals Ballpark Project Bonds (Refunding) | 8/30/12 | 22 | 42.4 | 14.3 | 56.6 | 2.9 |

*Does not include \$1 million preservation payment

OTHER DEBT

The county has four transactions that do not fit into the categories listed above:

OTHER OUTSTANDING DEBT (\$ in millions)

| TYPE | PAR AMOUNT | PURPOSE | ISSUED | TERM (YEARS) | 12/31/2019 BALANCE | | | 2020 DEBT SVC |
|--|---------------|---|---------|-----------------|--------------------|----------|-------|------------------|
| | | | | | PRINCIPAL | INTEREST | TOTAL | |
| Limited General Obligation Bonds | \$0.5 | Portion of the costs of the Northpoint Forest Water Project for the Northpointe Forest Subdivision Neighborhood Improvement District | 12/9/09 | 20 | \$0.3 | \$0.1 | \$0.4 | \$0.03 |
| Taxable Annual Appropriation Supported Tax Increment Revenue Bonds | \$21.2 | Lambert Airport eastern perimeter redevelopment project - RPA 1 | 4/1/12 | 16 | 13.0 | 2.7 | 15.7 | 1.7 |
| Limited General Obligation Bonds | \$0.5 | Portion of the costs of the Glencullen Subdivision Street Improvement Project for the Glencullen Subdivision Neighborhood Improvement District | 1/31/19 | 20 | 0.5 | 0.2 | 0.7 | 0.04 |
| Loan (Energize Missouri) | \$1.1 | Finance energy-efficiency projects in County facilities | 9/1/19 | 6 | 1.1 | 0.1 | 1.1 | 0.2 |

DEBT MANAGEMENT

TAX ANTICIPATION NOTES

From time to time, the county issues short-term Tax Anticipation Notes (TANs) for cash flow purposes. In April 2019, the County issued two series of Special Obligation (Tax Anticipation) Notes, Series 2019-1 in the principal amount not to exceed \$40.0 million and Series 2020-1 in the principal amount not to exceed \$40.0 million. The legislation authorizing this issue (Ordinance 27,370) requires the budget to include “an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Notes in the next succeeding Fiscal Year,

and (ii) to take such further action (or cause the same action to be taken) as may be necessary or desirable to assure the availability of moneys appropriated to pay such debt service on the Notes in the next succeeding Fiscal Year.” The appropriation necessary to pay debt service costs in 2020 is \$341,136 as detailed below.

| | |
|--|---------------------------|
| | <u>General Government</u> |
| TANs maturing and due Feb. 1, 2020 | \$25,000,000 |
| Interest and fees due | <u>\$239,200</u> |
| Total principal and interest | \$25,239,200 |
| Less Amounts Legally Available for Repayment: | |
| Notes Payable – restricted liability for TAN repayment | (\$25,000,000) |
| Interest and fees – 2019 budget allocation | (\$196,064) |
| Interest and fees – 2020 program projected expense | <u>\$298,000</u> |
| 2020 Appropriation necessary to pay debt service* | \$341,136 |

**This appropriation is included in the Debt Service division of the General Revenue Fund.*

