



Bond Issuance Policy

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Summary

1. January 12 Board Meeting: Discussed Proposed Enhancement to Bond Policy
2. Requesting Board approval of thresholds for senior and subordinate lien bonds
3. Policy language provided by Bond Counsel in coordination with Treasurer's Office



Current Credit Ratings

		<u>Goal</u>
Standard & Poor's	AAA	(Highest rating)
Fitch Ratings	AA+	AAA
Moody's	Aa2	Aa1 or AAA

NDOT may be able to make the case to improve rating based on strengthened debt policies



New Debt Service Calculation

Gas Tax	\$188M
Special Fuel Tax	<u>\$ 79M</u>
Total 2014 Taxes	\$267M
	<u>÷ 3</u>
Senior Lien Annual Debt Service Limit	\$ 89M
Subordinate Lien Annual Debt Service Limit	\$133M
*Projected Peak Debt Service (2021)	\$ 89M

**After Sale of all Bonds for NEON*



Important Considerations

- Potential for lower rates on Project NEON
- Benefit existing debt if refinancing opportunities came available
- Enhanced policy does not limit Board's authority to approve bond issuances