

Lemoyne Municipal Authority

Preliminary Refinancing Discussion

May 12, 2020

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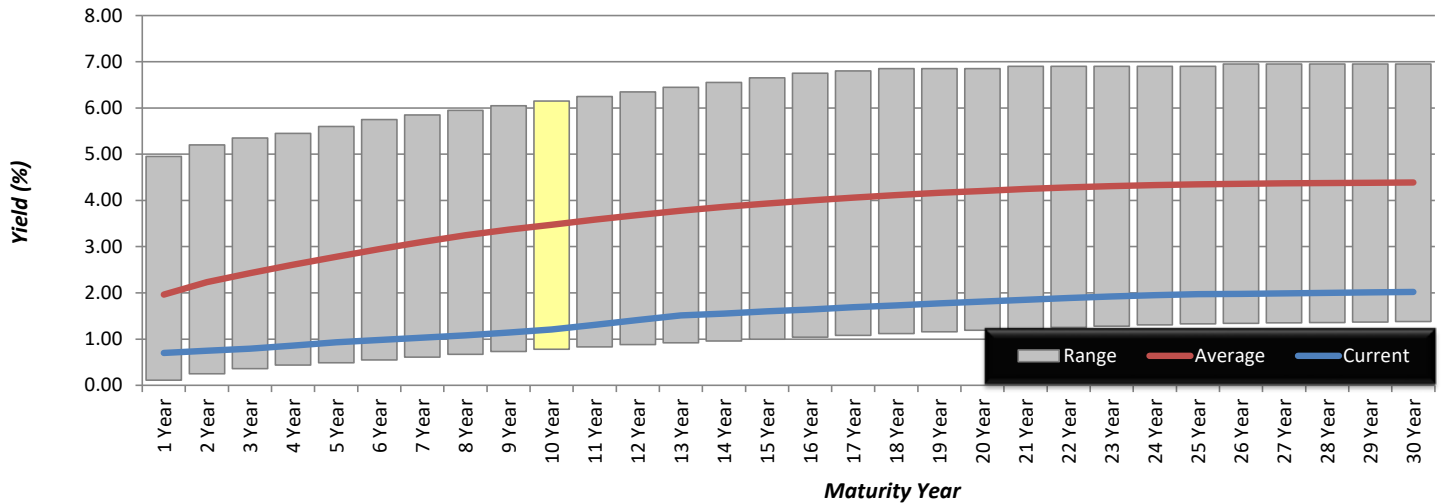
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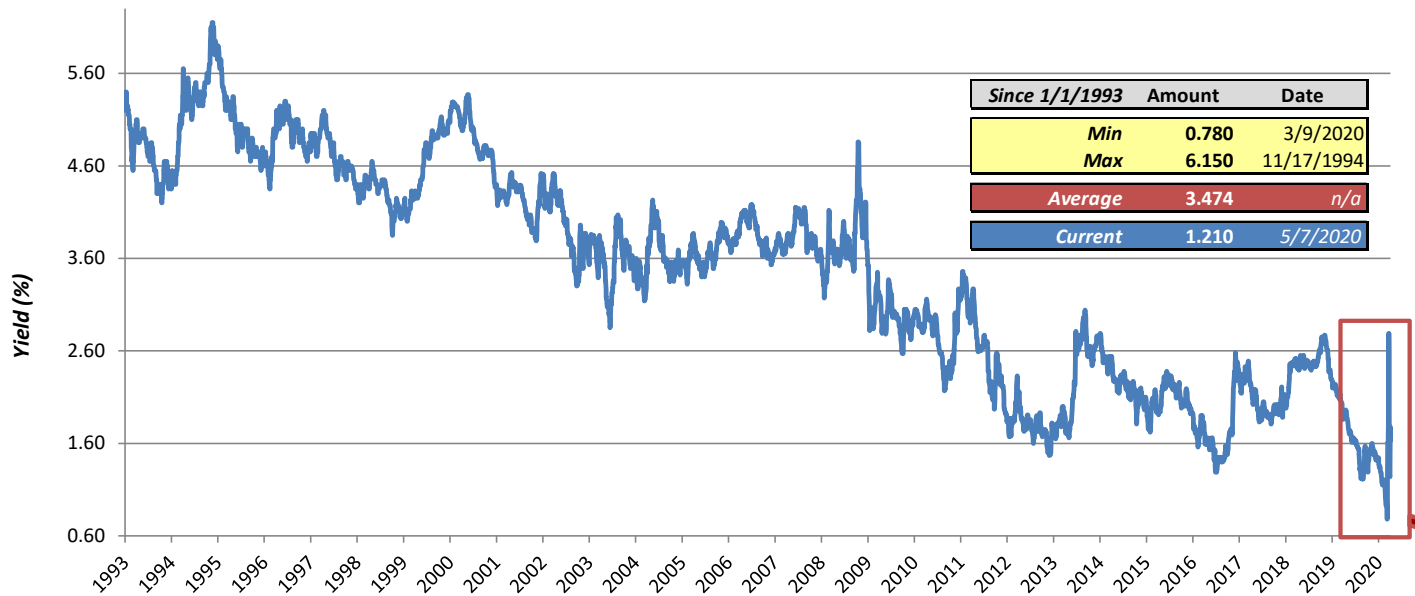
MUNICIPAL MARKET UPDATE

May 7, 2020

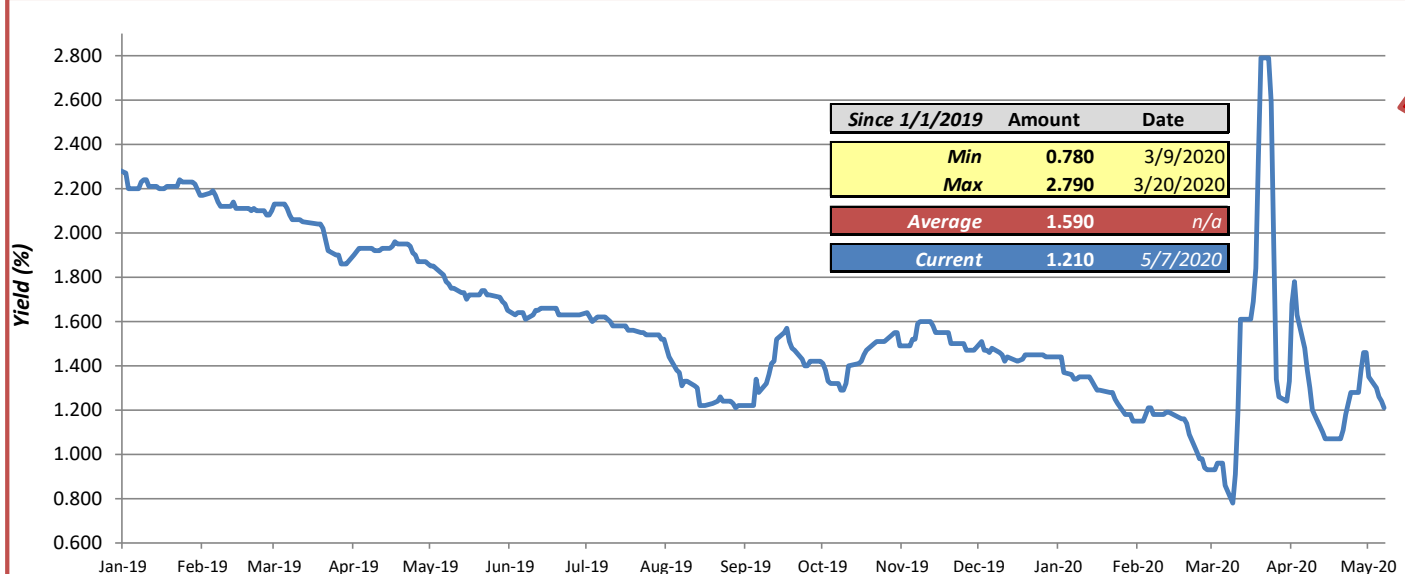
HISTORICAL MMD CURVE ILLUSTRATION - SINCE JANUARY 1, 1993



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 1993



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 2019



LEMOYNE MUNICIPAL AUTHORITY
SUMMARY OF OUTSTANDING INDEBTEDNESS

Estimated and Preliminary

Debt Service Requirements				
1	2	3	4	5
	Guaranteed Sewer Revenue Notes			
Fiscal Year Ended	FNB Series of 2011 [1]	PENNVEST Series of 2013 [1]	MID-PENN Series of 2013 [1]	Total Debt Service
12/31/2020	222,377	465,627	363,798	1,051,802
12/31/2021	222,379	465,627	363,785	1,051,790
12/31/2022	222,379	465,627	363,785	1,051,790
12/31/2023	222,379	465,627	363,785	1,051,790
12/31/2024	222,377	465,627	363,798	1,051,802
12/31/2025	222,379	465,627	363,785	1,051,790
12/31/2026	222,379	465,627	363,785	1,051,790
12/31/2027	222,379	465,627	363,785	1,051,790
12/31/2028	222,377	465,627	363,798	1,051,802
12/31/2029	222,379	465,627	363,785	1,051,790
12/31/2030	222,379	465,627	363,785	1,051,790
12/31/2031	222,379	465,627	363,785	1,051,790
12/31/2032	111,190	465,627	363,798	940,615
12/31/2033		465,627	363,785	829,412
12/31/2034		465,627	363,785	829,412
12/31/2035		465,627	363,785	829,412
12/31/2036		465,627		465,627
12/31/2037		465,627		465,627
12/31/2038		465,627		465,627
12/31/2039		465,627		465,627
12/31/2040		465,627		465,627
12/31/2041		465,627		465,627
12/31/2042		310,415		310,415
12/31/2043				
12/31/2044				
12/31/2045				
Totals	2,779,732	10,554,201	5,820,611	19,154,544
Principal*:	2,139,217	9,285,096	4,216,589	15,640,902

Call Date: Anytime Anytime Anytime
Borrowing Rate: 4.190% 1.000% 3.795%
Purpose: New Money New Money New Money

[1] Estimated based on Information provided by Authority. Bank confirmation would still be required.

* Estimated Outstanding as of May 8, 2020

Lemoyne Municipal Authority

Preliminary Debt Refinancing Discussion

1. Summary of Authority's Existing Debt

- a. PFM put together a Debt Summary for the Authority that is based on preliminary information. As such, until PFM can confirm final amortizations with each bank, this is a preliminary summary and subject to further refinement as more detailed information is available. See Page 2 for estimated Debt Summary.

2. Refinancing Opportunities

- a. Based on our information, the Authority's Guaranteed Sewer Revenue Notes Series 2011 (FNB Loan) and 2013 (Mid Penn Loan) are candidates for a refinancing to achieve debt service savings (by refinancing the higher existing rate into a lower current rate).
- b. Summary of Refinancing Targets:

	2011 FNB Notes	2013 Mid Penn Notes
Par Outstanding *	\$2.1 million	\$4.2 million
Call Date	Anytime	Anytime
Existing Interest Rate	4.190%	3.795%
Final Maturity *	5/15/2032	9/15/2035

*Estimated until confirmation with banks on actual final amortization schedules.

3. Preliminary Refinancing Options

- a. PFM put together preliminary options to review with the Authority for discussion purposes as we review the Authority's overall financial goals
- Option 1: Level Savings
 - Option 2: Upfront Savings
 - Option 3: Level Savings utilizing an Authority Cash Contribution
 - Option 3a: Shorten Debt utilizing an Authority Cash Contribution
- b. See following pages for summaries of the preliminary options. Options assume an estimated bank loan rate, however actual results would be determined from the results of a competitive PFM Bank Loan RFP process.

LEMOYNE MUNICIPAL AUTHORITY
SUMMARY OF REFUNDING OPTIONS
ESTIMATED - For Illustrative Purposes

OPTION 1: LEVEL SAVINGS

	1	2	3	4	5	6	7	8	9
	SERIES OF 2011 (FNB LOAN) REFUNDING	SERIES OF 2013 (MID PENN LOAN) REFUNDING	TOTAL						
Principal	\$2,130,000	\$4,310,000	\$6,440,000						
Authority Cash Contribution	\$0	\$0	\$0						
Structure	Level Savings	Level Savings							
Est. Total Savings (\$)	\$175,574	\$384,459	\$560,033						
Est. Total PV Savings (\$)	\$137,695	\$292,614	\$430,309						
Est. Total PV Savings (%)	6.64%	6.94%	6.84%						
Fiscal Year Ending	Existing Debt Service [2]	Estimated Annual Savings [1]	Estimated Annual Savings [1]	Total Est. Annual Savings [1]	Estimated Net Debt Service				
12/31/2020	1,051,802	13,384	23,549	36,933	1,014,869				
12/31/2021	1,051,790	13,025	24,080	37,105	1,014,685				
12/31/2022	1,051,790	13,343	24,432	37,775	1,014,015				
12/31/2023	1,051,790	13,770	23,964	37,734	1,014,057				
12/31/2024	1,051,802	13,320	23,700	37,020	1,014,782				
12/31/2025	1,051,790	13,010	23,604	36,614	1,015,177				
12/31/2026	1,051,790	13,823	23,712	37,535	1,014,255				
12/31/2027	1,051,790	13,759	24,014	37,773	1,014,018				
12/31/2028	1,051,802	13,831	23,534	37,365	1,014,437				
12/31/2029	1,051,790	13,058	24,235	37,293	1,014,498				
12/31/2030	1,051,790	13,434	24,155	37,589	1,014,202				
12/31/2031	1,051,790	13,948	24,295	38,243	1,013,548				
12/31/2032	940,615	13,870	24,668	38,538	902,077				
12/31/2033	829,412		24,249	24,249	805,163				
12/31/2034	829,412		24,090	24,090	805,322				
12/31/2035	829,412		24,179	24,179	805,233				
12/31/2036	465,627				465,627				
12/31/2037	465,627				465,627				
12/31/2038	465,627				465,627				
12/31/2039	465,627				465,627				
12/31/2040	465,627				465,627				
12/31/2041	465,627				465,627				
12/31/2042	310,415				310,415				
12/31/2043									
12/31/2044									
12/31/2045									
TOTAL	19,154,544	175,574	384,459	560,033	18,594,511				

[1] Estimated based on current market rates. Actual rates to be determined via a competitive RFP process.

[2] Estimated based on information provided by Authority. Bank confirmation would still be required.

LEMOYNE MUNICIPAL AUTHORITY
SUMMARY OF REFUNDING OPTIONS
ESTIMATED - For Illustrative Purposes

OPTION 2: UPFRONT SAVINGS

	1	2	3	4	5	6	7	8	9
	SERIES OF 2011 (FNB LOAN) REFUNDING	SERIES OF 2013 (MID PENN LOAN) REFUNDING	TOTAL						
Principal	\$2,130,000	\$4,310,000	\$6,440,000						
Authority Cash Contribution	\$0	\$0	\$0						
Structure	Upfront Savings	Upfront Savings							
Est. Total Savings (\$)	\$153,244	\$322,557	\$475,800						
Est. Total PV Savings (\$)	\$137,697	\$292,620	\$430,317						
Est. Total PV Savings (%)	6.64%	6.94%	6.84%						
Fiscal Year Ending	Existing Debt Service [2]	Estimated Annual Savings [1]	Estimated Annual Savings [1]	Total Est. Annual Savings [1]	Estimated Net Debt Service				
12/31/2020	1,051,802	89,384	157,549	246,933	804,869				
12/31/2021	1,051,790	57,289	159,456	216,745	835,045				
12/31/2022	1,051,790	98	104	201	1,051,589				
12/31/2023	1,051,790	800	102	903	1,050,888				
12/31/2024	1,051,802	625	307	931	1,050,870				
12/31/2025	1,051,790	590	677	1,268	1,050,523				
12/31/2026	1,051,790	691	267	959	1,050,832				
12/31/2027	1,051,790	930	77	1,008	1,050,783				
12/31/2028	1,051,802	318	120	439	1,051,363				
12/31/2029	1,051,790	861	357	1,219	1,050,572				
12/31/2030	1,051,790	554	827	1,381	1,050,409				
12/31/2031	1,051,790	411	531	943	1,050,848				
12/31/2032	940,615	692	495	1,187	939,428				
12/31/2033	829,412		681	681	828,730				
12/31/2034	829,412		141	141	829,270				
12/31/2035	829,412		862	862	828,549				
12/31/2036	465,627				465,627				
12/31/2037	465,627				465,627				
12/31/2038	465,627				465,627				
12/31/2039	465,627				465,627				
12/31/2040	465,627				465,627				
12/31/2041	465,627				465,627				
12/31/2042	310,415				310,415				
12/31/2043									
12/31/2044									
12/31/2045									
TOTAL	19,154,544	153,244	322,557	475,800	18,678,743				

[1] Estimated based on current market rates. Actual rates to be determined via a competitive RFP process.

[2] Estimated based on information provided by Authority. Bank confirmation would still be required.

LEMOYNE MUNICIPAL AUTHORITY
SUMMARY OF REFUNDING OPTIONS
ESTIMATED - For Illustrative Purposes

OPTION 3: LEVEL SAVINGS UTILIZING AN AUTHORITY CASH CONTRIBUTION

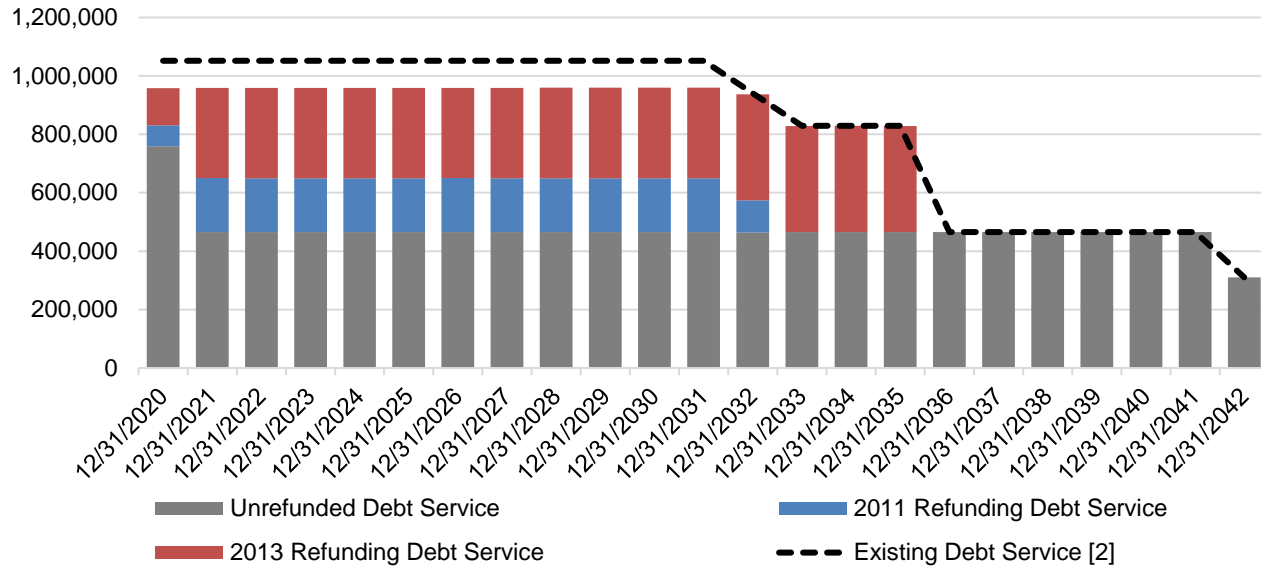
	1	2	3
	SERIES OF 2011 (FNB LOAN) REFUNDING	SERIES OF 2013 (MID PENN LOAN) REFUNDING	TOTAL
Principal	\$1,879,000	\$4,060,000	\$5,939,000
Authority Cash Contribution	\$250,000	\$250,000	\$500,000
Structure	Level Savings	Level Savings	
Est. Total Savings (\$) Net of Contribution	\$213,188	\$402,482	\$615,670
Est. Total PV Savings (\$) Net of Contribution	\$138,695	\$292,618	\$431,313
Est. Total PV Savings (%) Net of Contribution	6.69%	6.94%	6.86%

4	5	6	7	8	9
Fiscal Year Ending	Existing Debt Service [2]	Estimated Annual Savings [1]	Estimated Annual Savings [1]	Total Est. Annual Savings [1]	Estimated Net Debt Service
12/31/2020	1,051,802	38,953	54,962	93,915	957,887
12/31/2021	1,051,790	38,034	54,786	92,820	958,970
12/31/2022	1,051,790	38,815	54,451	93,266	958,524
12/31/2023	1,051,790	38,693	54,281	92,974	958,817
12/31/2024	1,051,802	38,678	54,289	92,968	958,834
12/31/2025	1,051,790	38,778	54,436	93,214	958,577
12/31/2026	1,051,790	37,999	54,761	92,760	959,030
12/31/2027	1,051,790	38,344	54,265	92,609	959,182
12/31/2028	1,051,802	38,797	52,988	91,785	960,017
12/31/2029	1,051,790	38,378	53,877	92,255	959,535
12/31/2030	1,051,790	38,094	53,959	92,053	959,738
12/31/2031	1,051,790	38,934	53,246	92,180	959,610
12/31/2032	940,615	692	495	1,187	939,428
12/31/2033	829,412		681	681	828,730
12/31/2034	829,412		141	141	829,270
12/31/2035	829,412		862	862	828,549
12/31/2036	465,627				465,627
12/31/2037	465,627				465,627
12/31/2038	465,627				465,627
12/31/2039	465,627				465,627
12/31/2040	465,627				465,627
12/31/2041	465,627				465,627
12/31/2042	310,415				310,415
12/31/2043					
12/31/2044					
12/31/2045					
TOTAL	19,154,544	463,188	652,482	1,115,670	18,038,873
LESS: Cash Contribution		250,000	250,000	500,000	
Net Savings		213,188	402,482	615,670	

[1] Estimated based on current market rates. Actual rates to be determined via a competitive RFP process.

[2] Estimated based on information provided by Authority. Bank confirmation would still be required.

OPTION 3: LEVEL SAVINGS UTILIZING AN AUTHORITY CASH CONTRIBUTION



[2] Estimated based on information provided by Authority. Bank confirmation would still be required.

LEMOYNE MUNICIPAL AUTHORITY
SUMMARY OF REFUNDING OPTIONS
ESTIMATED - For Illustrative Purposes

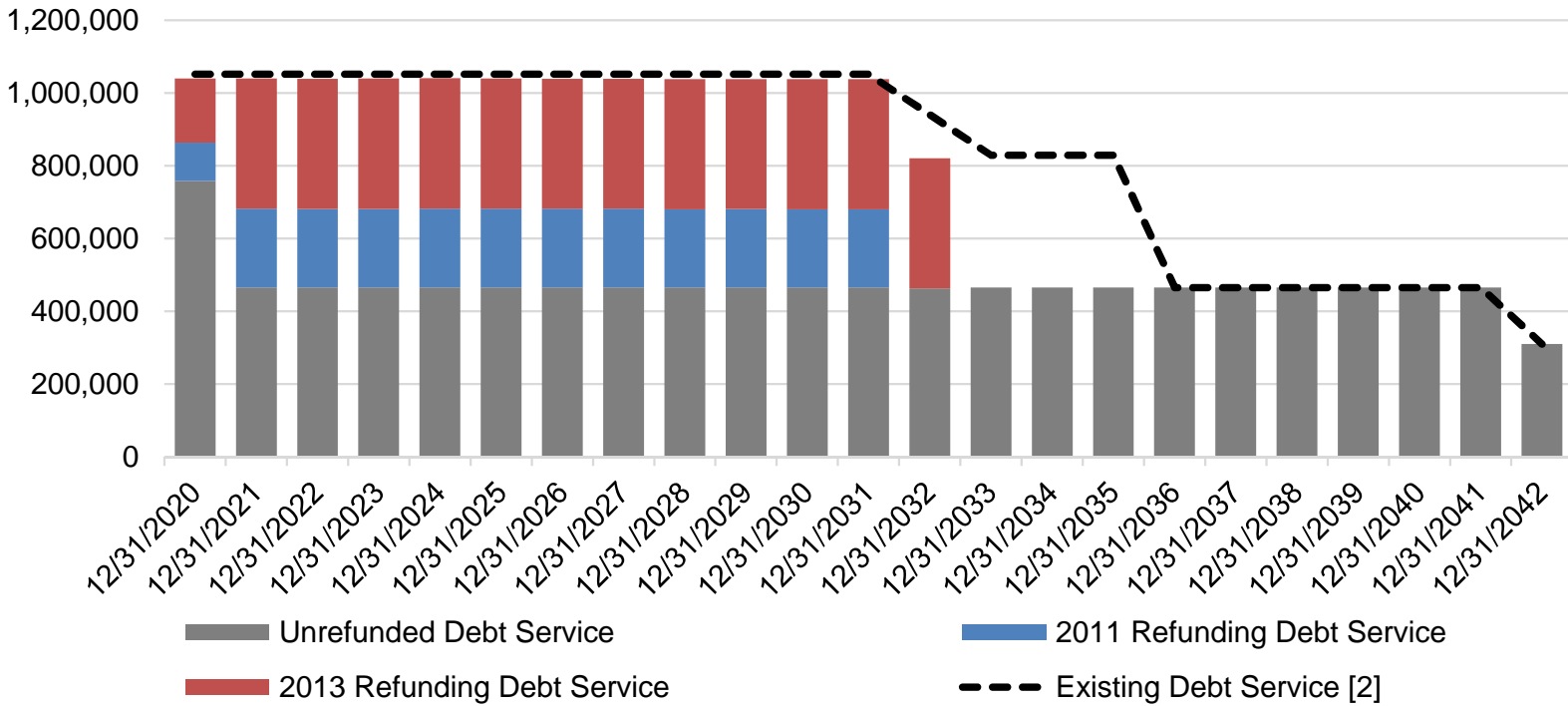
OPTION 3a: SHORTEN DEBT UTILIZING AN AUTHORITY CASH CONTRIBUTION

	1	2	3	4	5	6	7	8	9
	SERIES OF 2011 (FNB LOAN) REFUNDING	SERIES OF 2013 (MID PENN LOAN) REFUNDING	TOTAL						
Principal	\$2,130,000	\$3,810,000	\$5,940,000						
Authority Cash Contribution	\$0	\$500,000	\$500,000						
Structure	Shorten Debt	Shorten Debt							
New Final Maturity	FY 2031 (Shorten 1 year)	FY 2032 (Shorten 3 year)	FY 2032						
Est. Total Savings (\$) Net of Contribution	\$192,060	\$671,594	\$863,654						
Est. Total PV Savings (\$) Net of Contribution	\$137,693	\$292,589	\$430,282						
Est. Total PV Savings (%) Net of Contribution	6.64%	6.94%	6.84%						
Fiscal Year Ending	Existing Debt Service [2]	Estimated Annual Savings [1]	Estimated Annual Savings [1]	Total Est. Annual Savings [1]	Estimated Net Debt Service				
12/31/2020	1,051,802	6,384	5,375	11,759	1,040,043				
12/31/2021	1,051,790	6,314	5,861	12,175	1,039,615				
12/31/2022	1,051,790	6,824	6,135	12,959	1,038,832				
12/31/2023	1,051,790	6,458	5,615	12,073	1,039,718				
12/31/2024	1,051,802	6,227	5,328	11,555	1,040,247				
12/31/2025	1,051,790	6,138	6,221	12,359	1,039,432				
12/31/2026	1,051,790	6,184	6,334	12,518	1,039,273				
12/31/2027	1,051,790	6,368	6,666	13,034	1,038,757				
12/31/2028	1,051,802	7,673	6,245	13,919	1,037,883				
12/31/2029	1,051,790	7,120	7,032	14,153	1,037,638				
12/31/2030	1,051,790	7,716	6,080	13,796	1,037,994				
12/31/2031	1,051,790	7,464	6,389	13,853	1,037,938				
12/31/2032	940,615	111,190	6,958	118,148	822,467				
12/31/2033	829,412		363,785	363,785	465,627				
12/31/2034	829,412		363,785	363,785	465,627				
12/31/2035	829,412		363,785	363,785	465,627				
12/31/2036	465,627				465,627				
12/31/2037	465,627				465,627				
12/31/2038	465,627				465,627				
12/31/2039	465,627				465,627				
12/31/2040	465,627				465,627				
12/31/2041	465,627				465,627				
12/31/2042	310,415				310,415				
12/31/2043									
12/31/2044									
12/31/2045									
TOTAL	19,154,544	192,060	1,171,594	1,363,654	17,790,889				
LESS: Cash Contribution	0	500,000	500,000	500,000					
Net Savings	192,060	671,594	863,654						

[1] Estimated based on current market rates. Actual rates to be determined via a competitive RFP process.

[2] Estimated based on information provided by Authority. Bank confirmation would still be required.

OPTION 3a: SHORTEN UTILIZING AN AUTHORITY CASH CONTRIBUTION



[2] Estimated based on information provided by Authority. Bank confirmation would still be required.



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