



Luzerne County

Annual Debt Overview

October 27, 2020

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Debt Portfolio Update: Outstanding Debt

	Gross
DIRECT DEBT OF THE COUNTY	<u>Outstanding (1)</u>
General Obligation Notes, Series of 2019	33,305,000
General Obligation Bonds, Series B of 2017	12,440,000
General Obligation Bonds, Series A of 2017	36,410,000
General Obligation Bonds, Series B of 2015	6,480,000
General Obligation Bonds, Series A of 2015	90,135,000
General Obligation Bonds, Series C of 2003	2,540,000
TOTAL GENERAL OBLIGATION DEBT	<u>181,310,000</u>
LEASE RENTAL DEBT	
LCIDA, Lease Revenue Bonds, Series 2017	33,340,000
Series 2005 Guaranteed Pennvest (3)	284,340
TOTAL LEASE RENTAL DEBT	<u>33,624,340</u>
CREDITS AND EXCLUSIONS (2)	<u>(6,220,000)</u>
TOTAL DIRECT DEBT	<u>208,714,340</u>

(1) As of October 25, 2020

(2) Reflects credit for 50% of principal paid by LCCC

(3) Not paid from General Fund, but included on Debt Statement



Debt Portfolio Update: Outstanding Debt

1	2	3	4	5	6	7	8	9	10	11	12	13
Fiscal Year Ended	G.O. Bonds Series of 2003C	G.O. Bonds Series A of 2015	G.O. Bonds Series B of 2015	LCIDA 2017	G.O. Bonds Series A of 2017	G.O. Bonds Series B of 2017 [1]	County Share Series of 2017B [1]	G.O. Bonds Series of 2019	Subtotal Gross GO Debt Service [2]	Subtotal Net GO Debt Service [3]	LRDA Pennvest 2005 [3]	Total Net Debt Service [2]
12/31/2020	1,733,350	7,911,750	4,372,750	4,677,000	3,955,500	1,922,000	961,000	713,769	25,286,119	24,325,119	50,219	24,375,338
12/31/2021	989,350	10,266,500	2,327,625	3,956,500	6,768,750	1,922,000	961,000	833,181	27,063,906	26,102,906	50,219	26,153,125
12/31/2022		11,600,000	2,332,125	4,449,500	4,921,000	1,923,750	961,875	2,215,790	27,442,165	26,480,290	50,219	26,530,508
12/31/2023		11,557,000	2,316,500	4,431,750	3,883,000	1,927,000	963,500	3,328,288	27,443,538	26,480,038	50,219	26,530,257
12/31/2024		13,747,250		4,412,250	6,378,250	1,926,500	963,250	870,895	27,335,145	26,371,895	50,219	26,422,113
12/31/2025		13,673,250		4,560,750	3,937,250	1,927,250	963,625	3,230,677	27,329,177	26,365,552	50,219	26,415,771
12/31/2026		14,806,750		3,313,500	5,170,250	1,924,000	962,000	2,229,045	27,443,545	26,481,545	50,219	26,531,763
12/31/2027		4,606,250		12,694,500	4,179,000	1,926,750	963,375	4,087,956	27,494,456	26,531,081		26,531,081
12/31/2028		25,959,250			346,250			460,670	26,766,170	26,766,170		26,766,170
12/31/2029		3,927,000			7,161,000			15,355,562	26,443,562	26,443,562		26,443,562
12/31/2030								6,186,636	6,186,636	6,186,636		6,186,636
Totals	2,722,700	118,055,000	11,349,000	42,495,750	46,700,250	15,399,250	7,699,625	39,512,469	276,234,419	268,534,794	351,530	268,886,324
Principal*:	2,540,000	90,135,000	6,480,000	33,340,000	36,410,000	12,440,000	6,220,000	33,305,000	214,650,000	208,430,000	284,340	208,714,340
Call Date: Non-Callable	11/15/2025	Noncallable	12/15/2025	12/15/2027	12/15/2027	12/15/2027	12/15/2027	Anytime				
		Cur Ref						Cur Ref 2008D,				
		2002C,	Cur Ref					2008E, 2009				
		Cur Ref	2005A,	2005, Adv	Adv Ref			Notes, 2009				
	Adv Ref	2006A, Swap	1998A	Ref 2008,	2008A,	Adv Ref		Bonds, New				
Purpose: 1995A; 1997	Termination	LCFPA	2009	New Money	2008B			Money			New Money	

[1] County responsible for portion of total debt service

[2] Column 8 includes only the County's share of the debt service

[3] Not paid from General Fund.



Debt Portfolio Update: Outstanding Debt

Exhibit A

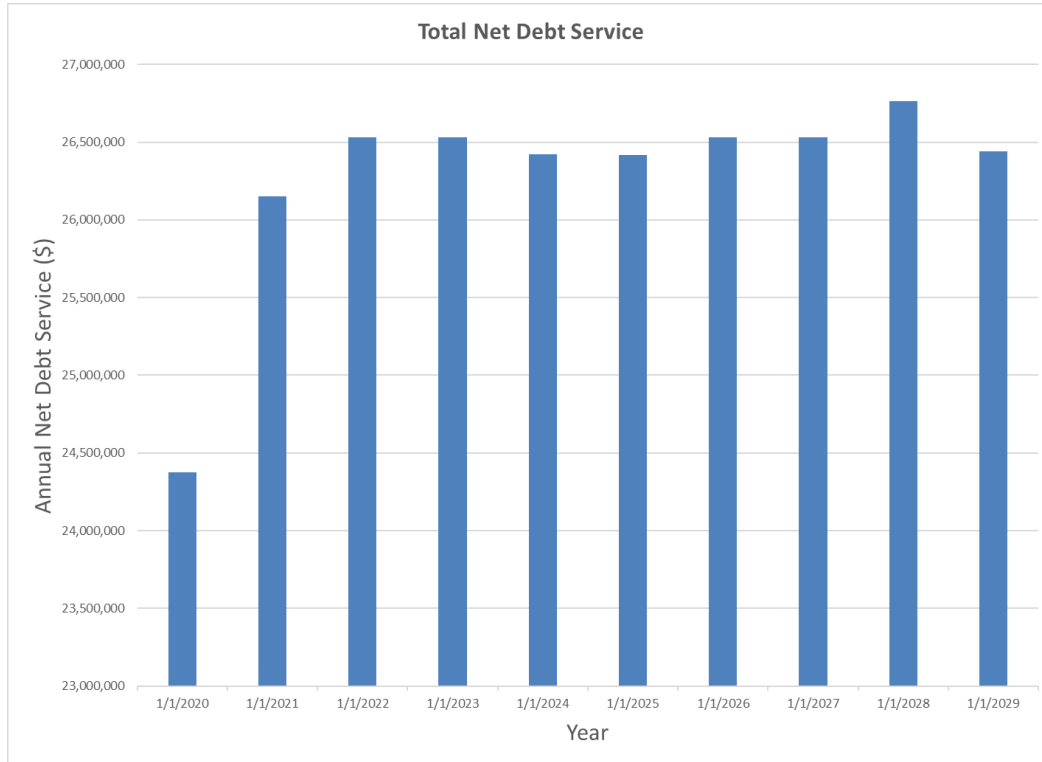


Exhibit B

Legal Borrowing Capacity	
Borrowing Limit as of October 2019	714,402,741
Total County Debt Less Credits & Exclusions	208,714,340
Remaining Borrowing Capacity at 10/25/2020	505,688,401

Exhibit C

Fixed vs Variable Rate Debt	
% of Fixed Rate Debt	100%
% of Variable Rate Debt	0%

Exhibit D

Average County Borrowing Cost Trends	
2019 Average Rate	2.17
2017A, 2017B GO Bonds Average Rate	2.79
2017, 2017LCIDA Average Rate	2.86
2015A, 2015 B Average Rate	3.68



Debt Portfolio Update: Luzerne County Basis Swap

- The Basis Swap became effective on June 1, 2013
- Originally related to Series A of 2006 and Series C of 2003
- After refinancing, related to the Series of 2015 and Series C of 2003 Bonds
- Basis swaps can be terminated at any time, but termination payout will vary based on market conditions
- **LIBOR is scheduled to sunset in 2021 and be replaced by a different interest rate index. PFM will monitor situation and let County know if action is necessary.**

Most Recent Monthly Reset

Counterparty	Payment Rate (10/22/2020)	Receipt Rate (10/22/2020)
PNC	0.13%	0.09%
JP Morgan	0.13%	0.09%

Initial Notional Amount: \$40,000,000

Basis Swap

One Time Payment of
\$1,008,000



Initial Notional Amount: \$60,000,000

Basis Swap

One Time Payment of
\$1,500,000

10/22/2020: Approximate Market Value = (\$110k)

10/22/2020: Approximate Market Value = (\$170k)

NOTE: Floating Rate Payments occur on April 1 and October 1 of each year. Floating Rate Receipts occur on the 1st day of each calendar month.



Preliminary TRAN Timeline

October 2020						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2021						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

- ◆ October 27
- ◆ December 8
- ◆ January 4, 2021

Initial Discussion
Approval
Settlement (receive funds)



Credit Rating



Credit Rating

- ◆ October 18, 2019-Present: S&P A-
 - October 2017-October 2019: S&P BBB-
 - November 2015- October 2017: S&P BB+ (Negative Outlook)
 - Rating agency may conduct annual surveillance at its discretion

- ◆ Ways the Rating Could IMPROVE
 - Maintain budgetary balance while addressing rising expenditures

- ◆ Ways the Rating Could WEAKEN
 - Adopt structurally imbalanced budgets
 - Reserves weaken materially

S&P Description of Ratings	
Investment Grade	AAA
	AA+/AA/AA-
	A+/A/A-
	BBB+/BBB/BBB-
Below Investment Grade	BB+/BB/BB-
	CCC+/CCC/CCC-
	CC
	C



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