

City of Powell, Ohio Financing Discussion

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Historical Perspective

2016

- The City created the Powell Grand TIF area in 2016
- The City agreed to provide approximately \$2,280,000 of Public Infrastructure Improvements
- The City issued \$1,450,000 of Series 2016 Various Purpose Notes with a 2.00% coupon rate and a yield to maturity of 0.90%

2017

- The City issued Series 2017 Various Purpose Notes in the amount of \$2,265,000 to redeem the Series 2016 Notes and fully funding the project
- The Notes were issued for a one year term maturing on August 8, 2018
- The Notes were issued with a 2.50% coupon rate and a yield to maturity of 1.24%

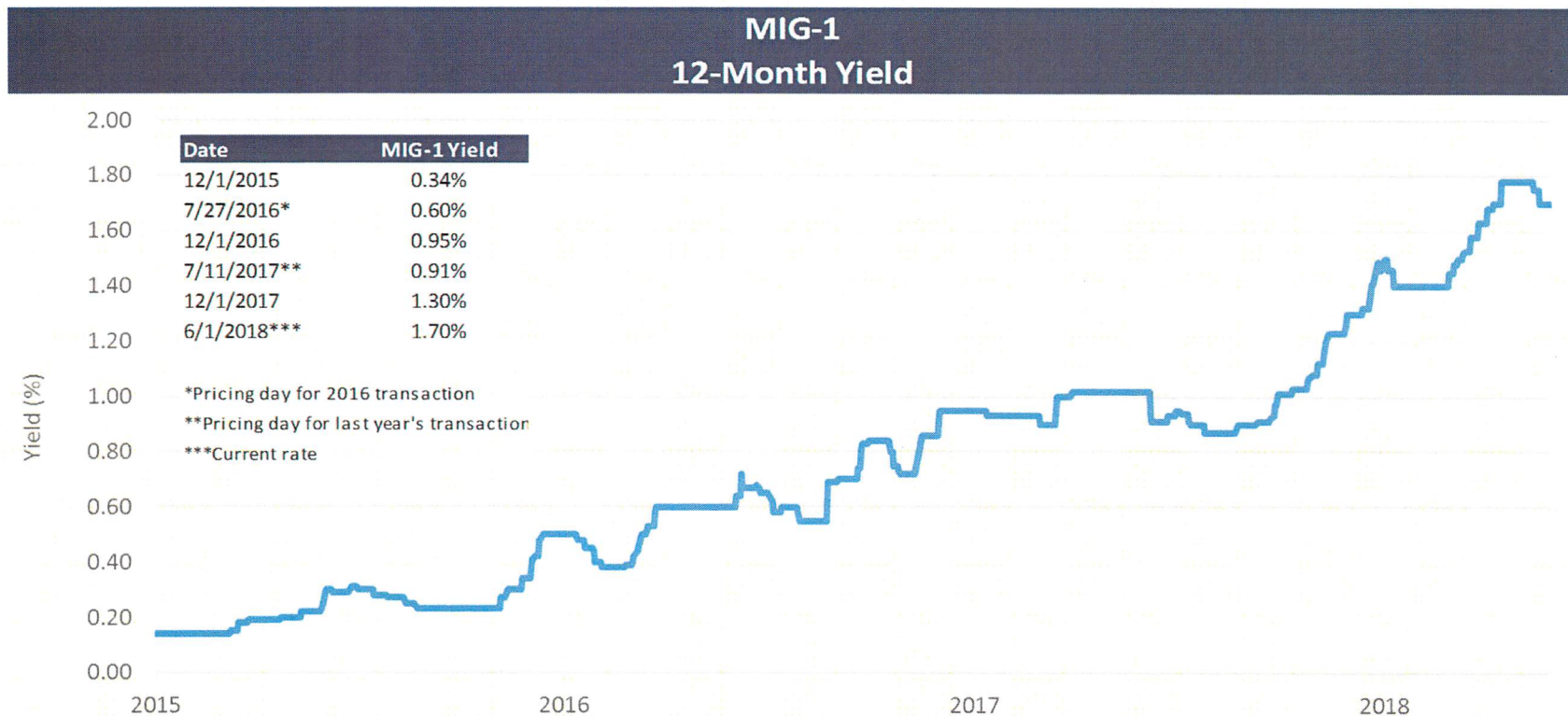
Goals and Objectives

2018

- Fund the redemption of the Series 2017 Notes maturing on August 8, 2018
- Maintain flexibility of term and amortization structure until the TIF Service Payments have been quantified and stabilized
- Plan the timing, sale, and distribution of the City's Series 2018 Various Purpose Notes

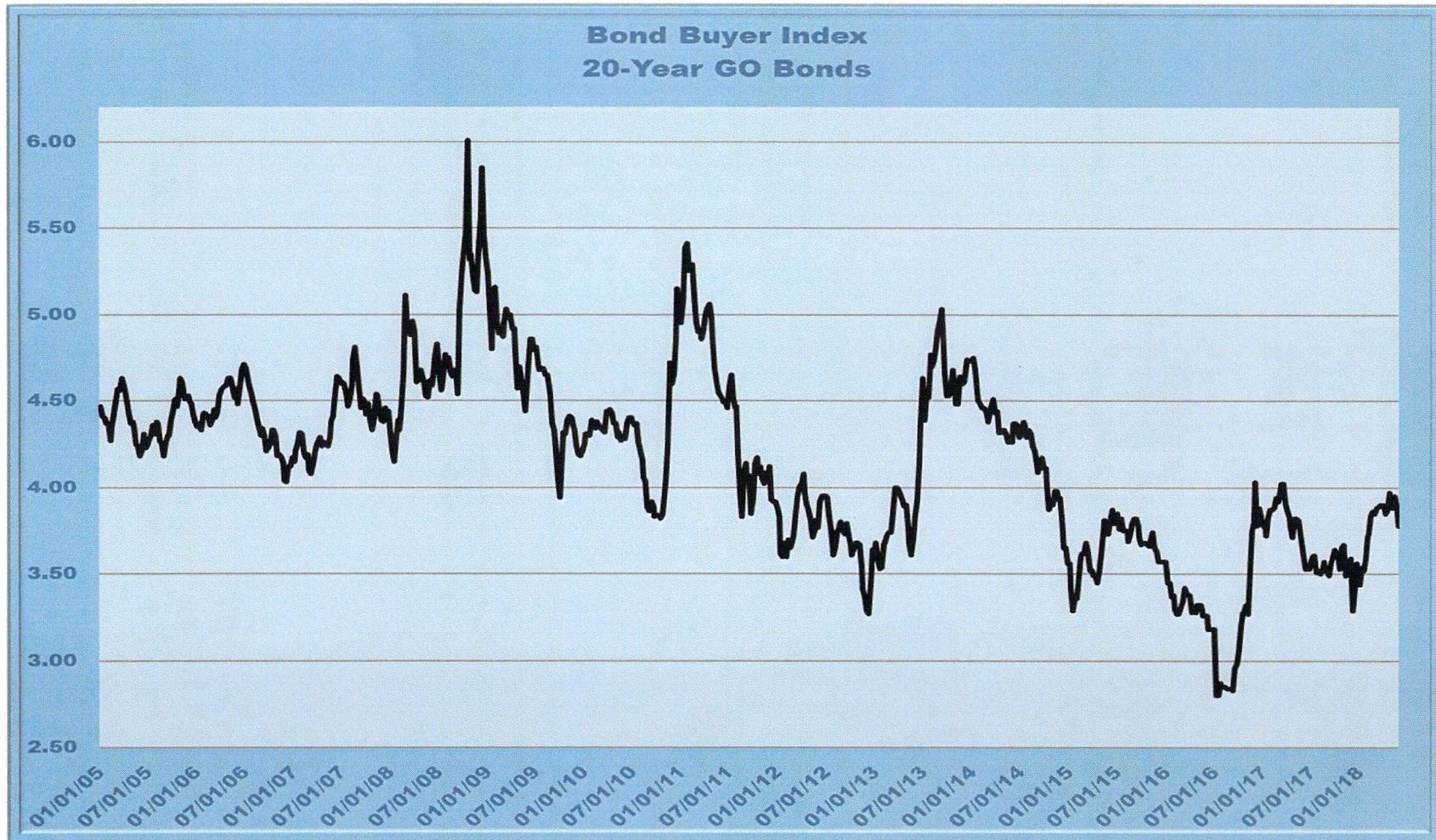
Note: The ultimate goal is to refinance the Various Purpose Notes with a long-term bond issue after the TIF Service Payments have been quantified and stabilized. This will enable the City to structure the bonds around a more “predicable” repayment source.

Market Conditions – Short Term



Note: MIG is an acronym for Moody's Investment Grade. The MIG-1 yield curve serves as a benchmark for investors by providing current market rates for the highest quality 12-month municipal notes.

Market Conditions – Long Term



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Plan of Finance

- The Series 2018 Various Purpose Notes will be used to redeem the Series 2017 Notes (principal plus accrued interest) upon their maturity
- The Series 2018 Notes are expected to be issued on August 2, 2018, with a not to exceed par amount of \$2,330,000
- The Series 2018 Notes will have a one-year maturity of August 1, 2019
- Primary security: General Obligation Pledge
- Primary source of repayment: Powell Grand TIF Service Payments
- Tax-exempt issuance
- Estimated coupon rate of 2.70% and yield to maturity of 2.00% (subject to market conditions)

Next Steps

- City Council reviews and approves the Series 2018 Various Purpose Note Ordinance
- The City's Financing Team determines the appropriate method of sale (negotiated or competitive)
- If necessary, the City's Financing Team will conduct a RFP process and engage an underwriting firm to distribute the Series 2018 Notes
- Set interest rates on or about July 18, 2018
- Finalize documents in preparation of closing
- Close the Series 2018 Notes on August 2, 2018
- Redeem the Series 2017 Notes on August 8, 2018

Questions and Discussion

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