



## City of Powell, Ohio

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# Advance Refunding Description

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- An economic refunding is an issuance of new bonds at lower interest rates to defease, or retire, outstanding bonds with higher interest rates
- The sole purpose of this refunding is to lower the issuer's interest costs and reduce the annual debt service on the repayment of the bonds
- **Advance Refunding**
  - A transaction where the bonds being refunded will all mature or be redeemed within a period of more than 90 days from the date the refunding bonds are issued
- **Taxable Advance Refunding**
  - Tax Cuts and Jobs Act passed in late 2017 (the "TCJA"), amended Section 149(d) of the Internal Revenue Code to preclude the issuance of tax-exempt bonds to advance refund outstanding tax-exempt bonds
  - The TCJA does not preclude the issuance of taxable bonds to advance refund outstanding tax-exempt bonds
  - The tax-exempt bonds being refunded will all mature or be redeemed within a period of more than 90 days from the date the taxable refunding bonds are issued

# Outstanding Debt Overview

City of Powell, Ohio Summary of Outstanding Debt							
Series	Description	Original Par	Amount Outstanding	Tax Status	Final Maturity	Optional Call Provision	Callable Par
2019	Various Purpose (LTGO)	\$2,460,000	\$2,370,000	Tax-Exempt	12/1/2039	6/1/2029	\$1,565,000
2017	Municipal Facilities (UTGO)	\$2,700,000	\$1,500,000	Tax-Exempt	12/1/2022	12/1/2020	\$1,500,000
2015	Various Purpose Refunding Bonds (LTGO)	\$5,600,000	\$4,195,000	Tax-Exempt	12/1/2029	12/1/2025	\$1,695,000
2012	Infrastructure Acquisition Bonds (LTGO)	\$9,915,000	\$7,870,000	Tax-Exempt	12/1/2036	6/1/2022	\$7,590,000
2011	Various Purpose Refunding Bonds (LTGO)	\$9,015,000	\$6,350,000	Tax-Exempt	12/1/2032	12/1/2021	\$5,975,000

- Optional redemption features: a right to redeem or call all or a portion of an outstanding issue of bonds prior to its stated date of maturity
- Optional redemption features allow issuers to pay off bondholders early (i.e. 'refund' the bonds)
- The Series 2011 Bonds maturing after December 1, 2021 are subject to redemption at the option of the City, either in whole or in part, in such order as the City shall determine, on any date on or after December 1, 2021.
- The Series 2012 Bonds maturing after December 1, 2021 are subject to redemption at the option of the City, either in whole or in part, in such order as the City shall determine, on any date on or after June 1, 2022.



# Prior Bond Summary

## Series 2011

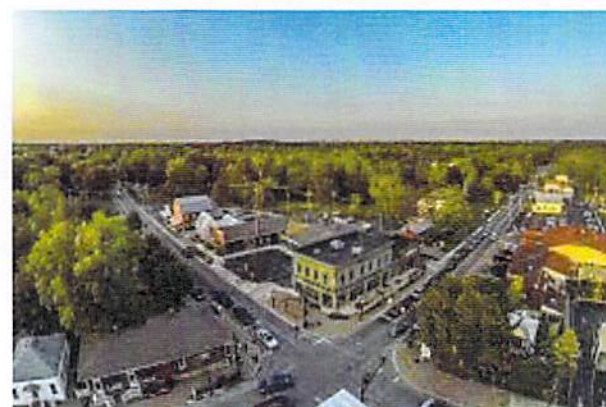
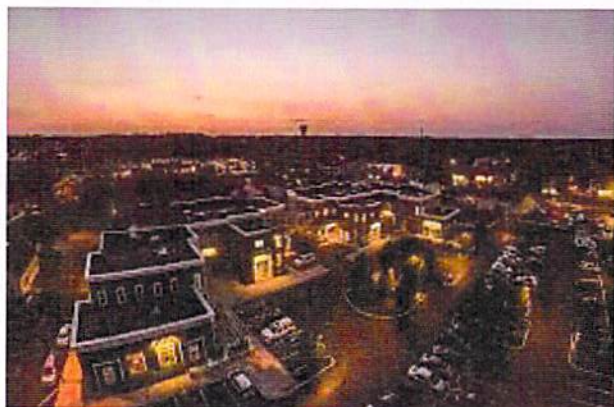
Maturity (\$)	Coupon	Description
375,000	3.000%	Serial Bonds Due December 1, 2021
370,000	3.500%	Serial Bonds Due December 1, 2022
390,000	3.000%	Serial Bonds Due December 1, 2023
1,385,000	3.375%	Term Bonds Due December 1, 2026
1,860,000	5.000%	Term Bonds Due December 1, 2029
1,970,000	4.000%	Term Bonds Due December 1, 2032

Average Coupon: 4.203%

## Series 2012

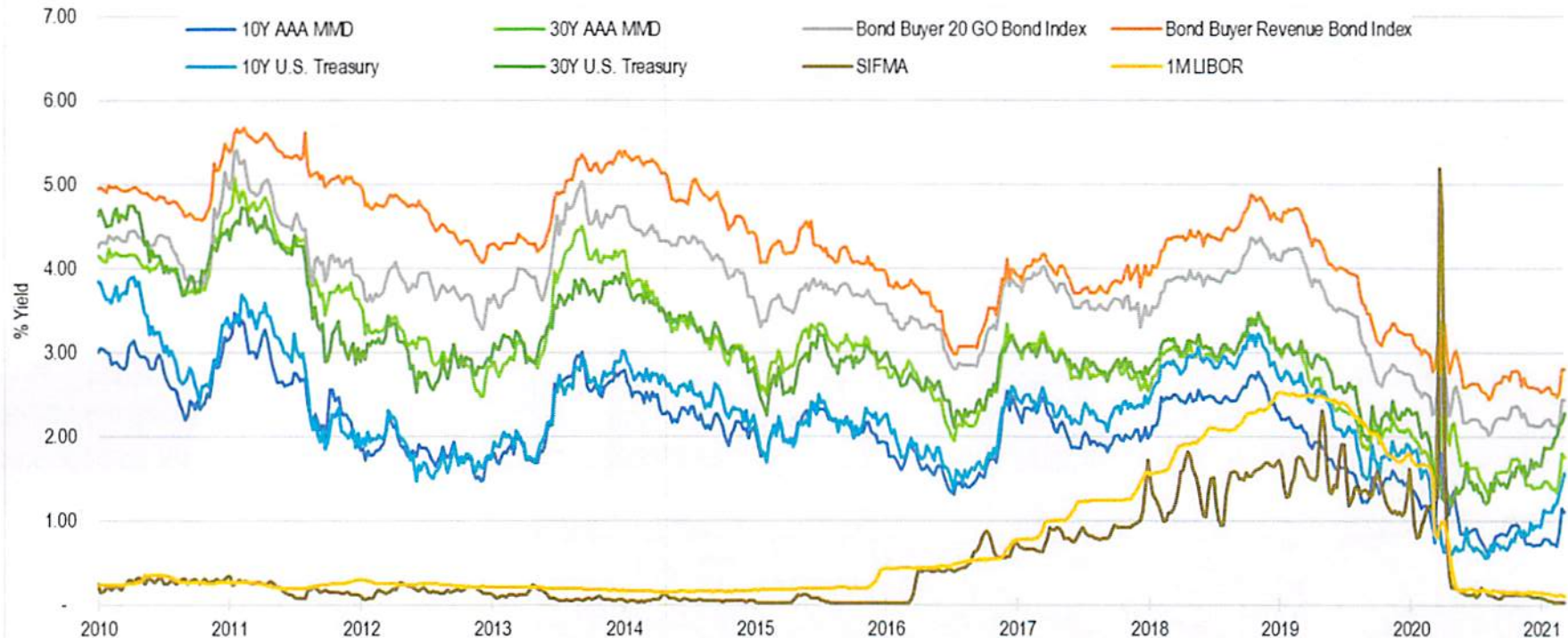
Maturity (\$)	Coupon	Description
280,000	2.050%	Serial Bonds Due December 1, 2021
275,000	2.000%	Serial Bonds Due December 1, 2022
570,000	2.400%	Term Bonds Due December 1, 2024
920,000	2.625%	Term Bonds Due December 1, 2027
995,000	2.875%	Term Bonds Due December 1, 2030
1,210,000	3.125%	Term Bonds Due December 1, 2032
1,755,000	3.250%	Term Bonds Due December 1, 2034
1,865,000	3.400%	Term Bonds Due December 1, 2036

Average Coupon: 3.171%



# Weekly Benchmark Interest Rates

Benchmark Interest Rates – 1/1/10 to 3/5/21



Rates Analysis – 1/1/10 to 3/5/21

	10Y AAA MMD	30Y AAA MMD	Bond Buyer 20 GO Bond Index	Bond Buyer Revenue Bond Index	10Y U.S. Treasury	30Y U.S. Treasury	SIFMA	1M LIBOR
Current	1.11	1.76	2.44	2.80	1.56	2.28	0.03	0.10
Maximum	3.46	5.08	5.41	5.67	3.90	4.75	5.20	2.52
Minimum	0.58	1.27	2.02	2.44	0.55	1.17	0.01	0.10
Average	2.05	3.05	3.73	4.26	2.25	3.02	0.49	0.69
% Time Lower	7.7%	7.4%	7.7%	7.4%	11.5%	13.4%	7.9%	0.0%

Source: Refinitiv Municipal Market Data, U.S. Treasury and Bloomberg



# Refunding Analysis: Series 2011 Advance Refunding (Taxable)

- Projected gross savings of approximately \$894,402.39.
- PV savings are projected to be \$808,144.34 and 12.318% of refunded par.

## Savings Statistics (estimated)

- Gross savings of over \$890,000
- Net present value savings of over \$800,000
- Saving as a percentage of refunded bonds of 12.318%
- Refunded Bonds  
Avg. Coupon: 4.203%
- Refunding Bonds TIC: 1.867%
- All-In True Interest Cost of Refunding Bonds: 1.968%

## Refunding Assumptions

- Proposed refunding of Series 2011
- Dated 4/22/2021
- Call Date: 6/1/2028
- Maturities Called: 2022 - 2032
- Refunded par of \$5,975,000
- Negative Arbitrage: (\$76,167)

Prior Bonds		Refunding Bonds		
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/22/2021 @ 1.8025360%
12/1/2021	629,443.76	556,840.89	72,602.87	72,818.32
12/1/2022	613,193.76	537,873.90	75,319.86	73,879.03
12/1/2023	620,243.76	546,549.86	73,693.90	70,963.52
12/1/2024	623,543.76	549,964.20	73,579.56	69,551.57
12/1/2025	599,875.00	522,684.70	77,190.30	71,591.54
12/1/2026	776,543.76	703,693.06	72,850.70	66,356.14
12/1/2027	771,800.00	697,033.96	74,766.04	66,824.81
12/1/2028	761,800.00	688,144.66	73,655.34	64,584.41
12/1/2029	750,800.00	673,247.36	77,552.64	66,693.79
12/1/2030	738,800.00	661,891.10	76,908.90	64,887.59
12/1/2031	697,400.00	624,909.86	72,490.14	60,027.06
12/1/2032	691,600.00	617,807.86	73,792.14	59,966.56
<b>Total</b>	<b>\$8,275,043.80</b>	<b>\$7,380,641.41</b>	<b>\$894,402.39</b>	<b>\$808,144.34</b>



# Refunding Analysis: Series 2012 (Liberty CIFA) Advance Refunding (Taxable)

- Projected gross savings of approximately \$335,820.36.
- PV savings are projected to be \$283,326.29 and 6.433% of refunded par.

## Savings Statistics (estimated)

- Gross savings of over \$300,000
- Net present value savings of over \$200,000
- Saving as a percentage of refunded bonds of 6.433%
- Refunded Bonds  
Avg. Coupon: 3.206%
- Refunding Bonds TIC: 2.124%
- All-In True Interest Cost of Refunding Bonds: 2.191%

## Refunding Assumptions

- Proposed refunding of Series 2012 (Liberty CIFA Portion)
- Dated 4/22/2021
- Call Date: 6/1/2028
- Maturities Called: 2022 - 2036
- Refunded par of \$5,430,000
- Negative Arbitrage: (\$122,009)

Prior Bonds		Refunding Bonds		
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/22/2021 @ 2.3055019%
12/1/2021	335,887.50	315,530.92	20,356.58	20,890.83
12/1/2022	322,505.00	300,188.16	22,316.84	21,827.45
12/1/2023	324,405.00	304,635.26	19,769.74	18,919.69
12/1/2024	325,565.00	303,970.30	21,594.70	20,154.16
12/1/2025	326,605.00	308,024.56	18,580.44	16,969.70
12/1/2026	327,142.50	306,230.56	20,911.94	18,621.83
12/1/2027	327,548.76	309,116.56	18,432.20	16,056.36
12/1/2028	327,823.76	306,224.00	21,599.76	18,344.22
12/1/2029	327,505.00	308,003.46	19,501.54	16,196.10
12/1/2030	327,042.50	304,187.76	22,854.74	18,511.77
12/1/2031	576,436.26	555,162.06	21,274.20	16,845.75
12/1/2032	567,373.76	545,783.00	21,590.76	16,685.90
12/1/2033	803,155.00	780,938.96	22,216.04	16,757.20
12/1/2034	800,242.50	778,778.26	21,464.24	15,802.84
12/1/2035	801,680.00	781,255.00	20,425.00	14,676.30
12/1/2036	796,180.00	773,248.36	22,931.64	16,066.19
<b>Total</b>	<b>\$7,617,097.54</b>	<b>\$7,281,277.18</b>	<b>\$335,820.36</b>	<b>\$283,326.29</b>



## Refunding Analysis: Series 2012 (Powell CIFA) Advance Refunding (Taxable)

- Projected gross savings of approximately \$110,876.75.
- PV savings are projected to be \$95,316.82 and 3.670% of refunded par.

### Savings Statistics (estimated)

- Gross savings of over \$100,000
- Net present value savings of over \$90,000
- Saving as a percentage of refunded bonds of 3.670%
- Refunded Bonds  
Avg. Coupon: 3.082%
- Refunding Bonds TIC: 2.137%
- All-In True Interest Cost of Refunding Bonds: 2.218%

### Refunding Assumptions

- Proposed refunding of Series 2012 (Powell CIFA Portion)
- Dated 4/22/2021
- Call Date: 6/1/2028
- Maturities Called: 2022 - 2036
- Refunded par of \$2,160,000
- Negative Arbitrage: (\$48,461)

Prior Bonds		Refunding Bonds		
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to
				04/22/2021 @ 2.1175546%
12/1/2021	180,048.76	174,598.57	5,450.19	5,667.05
12/1/2022	182,691.26	176,476.30	6,214.96	6,142.09
12/1/2023	180,291.26	171,068.90	9,222.36	8,850.70
12/1/2024	182,411.26	175,608.56	6,802.70	6,411.78
12/1/2025	184,411.26	174,929.56	9,481.70	8,698.16
12/1/2026	180,998.76	173,673.76	7,325.00	6,590.32
12/1/2027	182,586.26	177,193.96	5,392.30	4,762.49
12/1/2028	184,042.50	175,148.00	8,894.50	7,640.06
12/1/2029	180,017.50	172,870.06	7,147.44	6,015.76
12/1/2030	180,992.50	175,235.40	5,757.10	4,748.77
12/1/2031	181,823.76	177,359.90	4,463.86	3,610.04
12/1/2032	182,136.26	174,233.56	7,902.70	6,221.21
12/1/2033	182,292.50	175,952.20	6,340.30	4,887.21
12/1/2034	182,092.50	177,085.00	5,007.50	3,779.41
12/1/2035	181,730.00	173,096.96	8,633.04	6,360.51
12/1/2036	180,950.00	174,108.90	6,841.10	4,931.26
<b>Total</b>	<b>\$2,909,516.34</b>	<b>\$2,798,639.59</b>	<b>\$110,876.75</b>	<b>\$95,316.82</b>



# Refunding Analysis: Series 2011 & 2012 Advance Refunding (Taxable)

- Projected gross savings of approximately \$1,341,099.44.
- PV savings are projected to be \$1,178,155.11 and 8.559% of refunded par.

## Savings Statistics (estimated)

- Gross savings of over \$1,300,000
- Net present value savings of over \$1,100,000
- Saving as a percentage of refunded bonds of 8.559%
- Refunded Bonds  
Avg. Coupon: 3.534%
- Refunding Bonds TIC: 2.035%
- All-In True Interest Cost of Refunding Bonds: 2.117%

## Refunding Assumptions

- Proposed refunding of Series 2011 & Series 2012
- Dated 4/22/2021
- Call Date: 6/1/2028
- Maturities Called: 2022 - 2036
- Refunded par of \$13,565,000
- Negative Arbitrage: (\$246,637)

Prior Bonds		Refunding Bonds		
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/22/2021 @ 2.0983252%
12/1/2021	1,145,380.02	1,046,970.38	98,409.64	99,361.65
12/1/2022	1,118,390.02	1,014,538.36	103,851.66	101,659.97
12/1/2023	1,124,940.02	1,022,254.02	102,686.00	98,375.72
12/1/2024	1,131,520.02	1,029,543.06	101,976.96	95,609.49
12/1/2025	1,110,891.26	1,005,638.82	105,252.44	96,529.82
12/1/2026	1,284,685.02	1,183,597.38	101,087.64	90,764.96
12/1/2027	1,281,935.00	1,183,344.48	98,590.52	86,634.67
12/1/2028	1,273,666.26	1,169,516.66	104,149.60	89,478.35
12/1/2029	1,258,322.50	1,154,120.88	104,201.62	87,564.06
12/1/2030	1,246,835.00	1,141,314.26	105,520.74	86,732.94
12/1/2031	1,455,660.00	1,357,431.82	98,228.18	79,024.56
12/1/2032	1,441,110.00	1,337,824.42	103,285.58	81,279.11
12/1/2033	985,447.50	956,891.16	28,556.34	22,083.68
12/1/2034	982,335.00	955,863.26	26,471.74	20,030.38
12/1/2035	983,410.00	954,351.96	29,058.04	21,494.48
12/1/2036	977,130.00	947,357.26	29,772.74	21,531.27
<b>Total</b>	<b>\$18,801,657.62</b>	<b>\$17,460,558.18</b>	<b>\$1,341,099.44</b>	<b>\$1,178,155.11</b>

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