

City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: October 16, 2020

Re: Finance Department Updates

Moody's Credit Rating

It is recalled that the City participated in a ratings call with Moody's two weeks ago. The intent of that ratings call was to review the City Of Independence's financial and economic condition, any challenges and headwinds the city faces, visions and plans for the future, etc., all so that Moody's could provide the City with an updated, current credit rating.

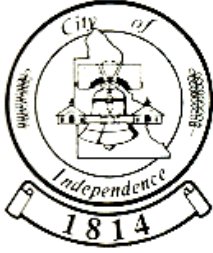
Moody's has ten ratings in its Investment Grade category and 11 more ratings in its Speculative Grade category. Out of those 21 ratings categories, **Moody's announced that it is providing the City Of Independence with an Aa1 rating – the 2nd highest of all 21 ratings categories!**

Moody's description of an Aa1 rating indicates that bonds of this caliber are of "*High quality with very little credit risk.*"

We are optimistic that this outstanding credit rating and the other detailed financial information that was provided to Moody's (And will be provided to any investment firm interested in submitting bids on the City's upcoming bond offering) will result in multiple favorable bids for the City to consider and choose from. If everything proceeds as planned, the competitive sale of that bond may occur as early as the end of next week.

Municipal Income Tax Revenue (MITR)

The City has now received the October Advance and Remainder portions of the Municipal Income Tax. Although it's not as high as October of 2019's amount, the City is still holding strong to start the Fourth Quarter. October Municipal Income Tax Revenue (MITR) dating back to 2016 is as follows:



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Municipal Income Tax Revenue (MITR) - Continued

<u>October</u>	<u>Amount</u>	<u>+/- Previous</u>
2020	\$2,927,446	(\$147,215)
2019	\$3,074,661	217,071
2018	\$2,857,590	122,349
2017	\$2,735,241	306,668
2016	\$2,428,573	

Through the first ten months of 2020, MITR is still up by almost \$365,000 vs. the first ten months of 2019. The first ten months of MITR dating back to 2016 is as follows:

<u>1st 10 Months</u>	<u>Amount</u>	<u>+/- Previous</u>
2020	\$28,705,151	\$ 364,835
2019	\$28,340,316	(\$ 226,099)
2018	\$28,566,415	\$2,502,912
2017	\$26,063,503	\$ 317,919
2016	\$25,745,584	

2019's Full Year MITR was \$33,640,301. With the Year-to-Date 2020 MITR being \$28,705,151, MITR needs to be \$4,935,150 in November and December to equal 2019's total, or an average of \$2.47 million each month.