

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 2, 2020

Re: Finance Department Updates

Preliminary Official Statement (POS) and Annual Information Filing (AIF)

The above two documents are related – The Preliminary Official Statement contains information about the City that will be used by investors when bidding on the City's upcoming debt offering, and the Annual Information Filing is a document that is required to be filed annually that updates the information contained in the Preliminary Official Statement.

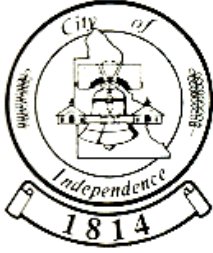
Since the City has existing long-term bonds, the Annual Information Filing is updating the information contained in the Preliminary Official Statement that was prepared and filed prior to the City's last debt offering (2018), and overlaps with the information presented in the current Preliminary Official Statement, which is being filed as part of the current debt offering.

Both of these documents were utilized in this morning's ratings presentation with Moody's, the purpose of which was to obtain an updated credit rating for the City. The higher/stronger the credit rating, the more favorable the interest rates that can be obtained on issued debt.

The updated credit rating should be issued within the next week-to-ten days, which will keep the competitive sale of debt on track to occur before the end of October.

On the Ratings Call presentation with Moody's this morning were:

- Mayor Kurtz
- Finance Director Blaze
- Finance Assistant Osysko
- Economic Development Director Hyser
- Financial Advisor Stuczynski
- Bond Counsel Beachler



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The Preliminary Official Statement and the Annual Information Filing generally requires financial and other data from the most previous five (5) years. Some of the highlights of the financial and other data that was presented in these two documents were:

- Total Assessed Valuation (Property) – 2020 \$484.3 Million
- Total Assessed Valuation (Property) – 2015 \$453.8 Million

- Highest Assessed Value: Park Center Plaza \$17.2 Million
- 2nd Highest Assessed Value: CC Property across from City Hall \$14.7 Million

- Total Income Tax Collected – 2019 \$33.6 Million
- Total Income Tax Collected – 2015 \$28.1 Million

- Largest employer by employees – Cleveland Clinic 2,569 employees
- 2nd Largest employer by employees – Kichler Lighting 462 employees

- Average Sale Price – Residential – 2019 \$283,700
- Average Sale Price – Residential – 2015 \$244,100

- Governmental Funds Balance – 2019 \$18.3 Million
- Governmental Funds Balance – 2015 \$18.2 Million

- General Fund Balance – 2019 \$31.8 Million
- General Fund Balance – 2015 \$22.4 Million

- Equity in Pooled Cash/Cash Equivalents – 2019 \$40.4 Million
- Equity in Pooled Cash/Cash Equivalents – 2015 \$19.8 Million

- Net Position (Assets minus Liabilities) – 2019 \$106.4 Million
- Net Position (Assets minus Liabilities) – 2015 \$ 85.0 Million

The six individuals named on Page One of this Update firmly believe that the above and other data included in those two documents makes a compelling case for a strong credit rating for the City. The Finance Department will certainly communicate the results of today's Ratings Presentation as soon as those results are obtained.