City of Marion, Ohio

Refunding Presentation

July 20, 2020

Fifth Third Securities

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City of Marion, Ohio

1. Refunding Process

Fifth Third Securities

What is a Refunding?

- **REFUNDING**
  - ✓ A procedure whereby an issuer refinances outstanding bonds by issuing new bonds.
- There are generally two major reasons for refunding:
  - ✓ **To reduce the issuer's interest costs**
  - ✓ To remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced.
- The proceeds of the new bonds are either deposited in escrow to pay the debt service on the outstanding bonds when due in an "**advance refunding**" or used to promptly (typically within 90 days) retire the outstanding bonds in a "**current refunding**."
- The new bonds are referred to as the "refunding bonds," and the outstanding bonds being refinanced are referred to as the "refunded bonds" or the "prior issue."
- Generally, refunded bonds are not considered a part of the issuer's debt because the lien of the holders of the refunded bonds, in the first instance, is on the escrowed funds, not on the originally pledged source of revenues. Once the Escrow is established, the old bonds are no longer considered outstanding.
- Proceeds of the new issue are invested in an Escrow Account until the call date.
  - ✓ The Escrow pays principal and interest on the old bond issue.
  - ✓ Escrow is invested in U.S. Treasury securities.
  - ✓ Escrow is held by a bank.
  - ✓ The Escrow can be invested at a rate up to the rate on the new bonds.

Guiding Principals

- The Series 2010A and 2010B issues include a Call Provision on December 1, 2020, giving the City the option to prepay any of the current interest bonds maturing on and after December 1, 2021.
- The Series 2012 Issue includes a Call Provision on December 1, 2021, giving the City the option to prepay any of the current interest bonds maturing on and after December 2, 2022.

Typically rates need a 1.0% to 1.5% decrease for a refunding to be advantageous.

Have rates dropped enough to offset costs of issuing new bonds?

No → Delay Refunding

Yes ↓

Are net savings after cost of issuance large enough to justify the time and effort of completing a refunding?

No → Delay Refunding

Yes ↓

Issue new bonds at lower interest rates.

The City pays only the principal and interest on the new bonds at the new (lower) interest rates & the non-callable maturities.

Activities & Time Frame

ISSUANCE PROCESS

Starting Point — Bond Closing

Weeks 1-3	Weeks 3-10	Week 10-12	Week 12-15

Activity & Participants

Determine Financing Team and Strategy	Prepare Documents (POS)	Evaluate Structure, Pricing & Bond Insurance	Rating Preparation and Presentation	Marketing and Sale of Bonds / Closing	Ongoing Relationship
Issuer Underwriter Bond Counsel Paying Agent	Issuer Underwriter Bond Counsel	Issuer Underwriter Bond Counsel	Issuer Underwriter Bond Counsel Rating Agencies	Issuer Underwriter Bond Counsel Paying Agent Investors	

Steps needed to Lock in Savings

- Obtain Council approval for issuance of Refunding Bonds, contingent upon meeting savings targets
- Begin preparation of preliminary official statement
- Initiate process for credit rating approval / credit enhancement
- Determine desired changes, if any, to debt service schedule
- **Allow approximately twelve to fifteen weeks to complete the Refunding**

Estimated Timeline

City of Marion, Ohio

July 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	

*Independence Day

August 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					

September 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			

*Labor Day

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

DATE*	EVENT	RESPONSIBILITY
6/3/2020	1st Draft of Preliminary Official Statement (POS) is available from Bond Counsel	SPB
6/11/2020	Draft legislation distributed	SPB
7/20/2020	**Committee Meeting: Introduction of legislation - 6:30 pm**	All
7/27/2020	**Council meeting: First reading of legislation - 7:30 pm**	City
7/29/2020	All comments on 1st draft of POS due back to Bond Counsel	All
8/5/2020	2nd draft of POS is available from Bond Counsel	SPB
8/10/2020	**Council meeting: Second reading of legislation - 7:30 pm**	City
8/12/2020	All comments on 2nd draft of POS due back to Bond Counsel	All
8/18/2020	Updated draft POS is available from Bond Counsel	SPB
8/19/23020	**Rating preparation with group members - Time: TBD**	All
8/20/2020	Final draft POS is available from Bond Counsel	SPB
8/20/2020	Materials sent to rating agency & bond insurers	FTSI
8/24/2020**	**Council meeting: Passage of legislation - 7:30 pm**	City
8/25/2020	Updated rating presentation distributed for final review	FTSI
8/27/2020	**Presentation to rating agency - Time: TBD**	All
8/27/2020	Due diligence call between the City and FTS	All
9/3/2020	Ratings are confirmed and available	All
9/4/2020	Insurance bids received	FTSI
9/4/2020	Bond insurance analysis	FTSI
9/8/2020	Final review and sign-off of POS	All
9/9/2020	POS is printed and available for distribution	FTSI
9/15/2020	Underwriter provides preliminary pricing	City, FTSI
9/16/2020	**Sale/Pricing of the bonds - Savings are locked-in**	FTSI
9/16/2020	Bond Purchase Agreement is signed by the City and FTS	City, FTSI
9/17-10/6/2020	Finalize bond documents	All
10/7/2020	**Bonds are closed - Funds are wired to escrow agent**	All

2. Refunding Analysis

Outstanding Debt Service

City of Marion - Outstanding Debt Service

DATE	PRINICPAL: 2010A Issue[1]	INTEREST: 2010A Issue[1]	TOTAL P&I[1]	PRINICPAL: 2010B Issue[2]	INTEREST: 2010B Issue[2]	TOTAL P&I[2]	PRINICPAL: 2012 Issue[3]	INTEREST: 2012 Issue[3]	TOTAL P&I[3]	PRINICPAL: 2018 Issue[4]	INTEREST: 2018 Issue[4]	TOTAL P&I[4]	TOTAL	ANNUAL TOTAL
06/01/2020	-	71,103.75	71,103.75		105,725.00	105,725.00	-	206,106.25	206,106.25	-	129,012.50	129,012.50	511,947.50	
12/01/2020	855,000.00	71,103.75	926,103.75	475,000.00	105,725.00	580,725.00	20,000.00	206,106.25	226,106.25	300,000.00	129,012.50	429,012.50	2,161,947.50	2,673,895.00
06/01/2021	-	55,072.50	55,072.50		98,600.00	98,600.00	-	205,806.25	205,806.25	-	125,262.50	125,262.50	484,741.25	
12/01/2021	225,000.00	55,072.50	280,072.50	410,000.00	98,600.00	508,600.00	685,000.00	205,806.25	890,806.25	300,000.00	125,262.50	425,262.50	2,104,741.25	2,589,482.50
06/01/2022	-	50,572.50	50,572.50		90,400.00	90,400.00	-	195,531.25	195,531.25	-	121,512.50	121,512.50	458,016.25	
12/01/2022	235,000.00	50,572.50	285,572.50	435,000.00	90,400.00	525,400.00	710,000.00	195,531.25	905,531.25	300,000.00	121,512.50	421,512.50	2,138,016.25	2,596,032.50
06/01/2023	-	45,872.50	45,872.50		81,700.00	81,700.00	-	184,437.50	184,437.50	-	117,762.50	117,762.50	429,772.50	
12/01/2023	240,000.00	45,872.50	285,872.50	440,000.00	81,700.00	521,700.00	735,000.00	184,437.50	919,437.50	325,000.00	117,762.50	442,762.50	2,169,772.50	2,599,545.00
06/01/2024	-	41,072.50	41,072.50		72,900.00	72,900.00	-	172,493.75	172,493.75	-	113,293.75	113,293.75	399,760.00	
12/01/2024	250,000.00	41,072.50	291,072.50	455,000.00	72,900.00	527,900.00	755,000.00	172,493.75	927,493.75	325,000.00	113,293.75	438,293.75	2,184,760.00	2,584,520.00
06/01/2025	-	36,072.50	36,072.50		63,800.00	63,800.00	-	159,281.25	159,281.25	-	108,825.00	108,825.00	367,978.75	
12/01/2025	260,000.00	36,072.50	296,072.50	480,000.00	63,800.00	543,800.00	780,000.00	159,281.25	939,281.25	350,000.00	108,825.00	458,825.00	2,237,978.75	2,605,957.50
06/01/2026	-	30,872.50	30,872.50		54,200.00	54,200.00	-	145,631.25	145,631.25	-	103,575.00	103,575.00	334,278.75	
12/01/2026	270,000.00	30,872.50	300,872.50	500,000.00	54,200.00	554,200.00	810,000.00	145,631.25	955,631.25	350,000.00	103,575.00	453,575.00	2,264,278.75	2,598,557.50
06/01/2027	-	25,472.50	25,472.50		44,200.00	44,200.00	-	130,950.00	130,950.00	-	98,325.00	98,325.00	298,947.50	
12/01/2027	285,000.00	25,472.50	310,472.50	515,000.00	44,200.00	559,200.00	840,000.00	130,950.00	970,950.00	375,000.00	98,325.00	473,325.00	2,313,947.50	2,612,895.00
06/01/2028	-	19,558.75	19,558.75		33,900.00	33,900.00	-	115,200.00	115,200.00	-	92,700.00	92,700.00	261,358.75	
12/01/2028	295,000.00	19,558.75	314,558.75	545,000.00	33,900.00	578,900.00	870,000.00	115,200.00	985,200.00	370,000.00	92,700.00	462,700.00	2,341,358.75	2,602,717.50
06/01/2029	-	13,437.50	13,437.50		23,000.00	23,000.00	-	97,800.00	97,800.00	-	85,300.00	85,300.00	219,537.50	
12/01/2029	305,000.00	13,437.50	318,437.50	570,000.00	23,000.00	593,000.00	905,000.00	97,800.00	1,002,800.00	360,000.00	85,300.00	445,300.00	2,359,537.50	2,579,075.00
06/01/2030	-	6,880.00	6,880.00		11,600.00	11,600.00	-	79,700.00	79,700.00	-	78,100.00	78,100.00	176,280.00	
12/01/2030	320,000.00	6,880.00	326,880.00	580,000.00	11,600.00	591,600.00	945,000.00	79,700.00	1,024,700.00	375,000.00	78,100.00	453,100.00	2,396,280.00	2,572,560.00
06/01/2031			-			-	-	60,800.00	60,800.00	-	70,600.00	70,600.00	131,400.00	
12/01/2031			-				970,000.00	60,800.00	1,030,800.00	390,000.00	70,600.00	460,600.00	1,491,400.00	1,622,800.00
06/01/2032			-				-	41,400.00	41,400.00	-	62,800.00	62,800.00	104,200.00	
12/01/2032							1,015,000.00	41,400.00	1,056,400.00	405,000.00	62,800.00	467,800.00	1,524,200.00	1,628,400.00
06/01/2033			-				-	21,100.00	21,100.00	-	54,700.00	54,700.00	75,800.00	
12/01/2033							1,055,000.00	21,100.00	1,076,100.00	415,000.00	54,700.00	469,700.00	1,545,800.00	1,621,600.00
06/01/2034										-	46,400.00	46,400.00	46,400.00	
12/01/2034										435,000.00	46,400.00	481,400.00	481,400.00	527,800.00
06/01/2035										-	37,700.00	37,700.00	37,700.00	
12/01/2035										450,000.00	37,700.00	487,700.00	487,700.00	525,400.00
06/01/2036										-	28,700.00	28,700.00	28,700.00	
12/01/2036										460,000.00	28,700.00	488,700.00	488,700.00	517,400.00
06/01/2037										-	19,500.00	19,500.00	19,500.00	
12/01/2037										495,000.00	19,500.00	514,500.00	514,500.00	534,000.00
06/01/2038										-	9,600.00	9,600.00	9,600.00	
12/01/2038										480,000.00	9,600.00	489,600.00	489,600.00	499,200.00
Total	**$3,540,000.00**	**$791,975.00**	**$4,331,975.00**	**$5,405,000.00**	**$1,360,050.00**	**$6,765,050.00**	**$11,095,000.00**	**$3,632,475.00**	**$14,727,475.00**	**$7,260,000.00**	**$3,007,337.50**	**$10,267,337.50**	**$36,091,837.50**	**$36,091,837.50**

1. 2010 LTGO Various Purpose Refunding (Dated: 6/22/2010) - Callable 12/1/2020

2. 2010 LTGO Various Purpose Improvement (Dated: 10/12/2010) - Callable 12/1/2020

3. 2012 LTGO Various Purpose Improvement (Dated: 7/18/2012) - Callable 12/1/2021

4. 2018 LTGO Various Purpose Improvement (Dated: 9/5/2018) - Callable 12/1/2028

Potential Refunding Detail

City of Marion, Ohio

City of Marion Outstanding Capital Markets Debt Issuance					
Dated Date	**Issuance Value**	**Description**	**Par Size Outstanding**	**Call Date**	**Callable Par**
6/22/2010	**$10,955,000**	**LTGO Various Purpose Refunding Bonds, Series 2010A**	**$3,540,000**	**12/1/2020**	**$2,685,000**
10/12/2010	**$9,570,000**	**LTGO Various Purpose Improvement Bonds, Series 2010B**	**$5,405,000**	**12/1/2020**	**$4,930,000**
7/18/2012	**$11,235,000**	**LTGO Various Purpose Improvement Bonds, Series 2012**	**$11,095,000**	**12/1/2021**	**$10,390,000**
9/5/2018	$7,485,000	LTGO Various Purpose Bonds, Series 2018	$7,260,000	12/1/2028	$4,265,000

- **Potential Issues Being Refunded:**
  - LTGO Various Purpose Refunding Bonds, Series 2010A

    Dated: June 22, 2010

    Call Date: December 1, 2020

    Callable Par: $2,685,000
  - LTGO Various Purpose Improvement Bonds, Series 2010B

    Dated: October 12, 2010

    Call Date: December 1, 2020

    Callable Par: $4,930,000
  - LTGO Various Purpose Improvement Bonds, Series 2012

    Dated: July 18, 2012

    Call Date: December 1, 2021

    Callable Par: $10,390,000

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Potential Bonds Refunded – Series 2010A & 2010B

City of Marion, Ohio

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
LTGO Various Purpose Refunding Bonds, Series 2010A					
Term 22	12/1/2022	4.00%	$460,000	12/1/2020	100.00
Term 24	12/1/2024	4.00%	490,000	12/1/2020	100.00
Term 26	12/1/2026	4.00%	530,000	12/1/2020	100.00
Term 28	12/1/2028	4.15%	580,000	12/1/2020	100.00
Term 30	12/1/2030	4.30%	625,000	12/1/2020	100.00
			$2,685,000		
LTGO Various Purpose Improvement Bonds, Series 2010B					
Serial	12/1/2021	4.00%	$410,000	12/1/2020	100.00
	12/1/2022	4.00%	435,000	12/1/2020	100.00
	12/1/2023	4.00%	440,000	12/1/2020	100.00
	12/1/2024	4.00%	455,000	12/1/2020	100.00
	12/1/2025	4.00%	480,000	12/1/2020	100.00
	12/1/2026	4.00%	500,000	12/1/2020	100.00
	12/1/2027	4.00%	515,000	12/1/2020	100.00
	12/1/2028	4.00%	545,000	12/1/2020	100.00
	12/1/2029	4.00%	570,000	12/1/2020	100.00
	12/1/2030	4.00%	580,000	12/1/2020	100.00
			$4,930,000		
		TOTAL	**$7,615,000**		

Potential Refunding Option: Tax-Exempt Refunding 2010A & 2010B

City of Marion, Ohio

City of Marion Potential Refunding Transaction[1]	Series 2010 A&B					
Assumed Dated Date: 10/7/2020	Current Refunding / Tax-Exempt Assumed Call Date: 12/1/2028			Current Refunding / Tax-Exempt Call Date: 12/1/2028 +50 bps		
Optional Redemption Date:	12/1/2020	12/1/2020		12/1/2020	12/1/2020	
Series to be Refunded	2010A	2010B	**Combined**	2010A	2010B	**Combined**
Par Amount	$2,451,000	$4,499,000	**$6,950,000**	$2,516,000	$4,619,000	**$7,135,000**
True Interest Cost (TIC)			**1.48%**			**1.95%**
All-In TIC (Includes Expenses)[2]			**1.89%**			**2.37%**
Average Coupon			**4.00%**			**4.00%**
Par amount of Refunded Bonds	$2,685,000	$4,930,000	**$7,615,000**	$2,685,000	$4,930,000	**$7,615,000**
Average Coupon of Refunded Bonds	4.15%	4.00%	**4.05%**	4.15%	4.00%	**4.05%**
Gross Savings	$351,121	$599,008	**$950,129**	$270,270	$448,661	**$718,931**
Net PV Savings	$327,037	$559,157	**$886,195**	$246,758	$412,398	**$659,156**
% PV Savings of Refunded Bonds	12.18%	11.47%	**11.64%**	9.19%	8.45%	**8.66%**
Average Annual Savings	$31,920	$54,455	**$86,375**	$24,570	$40,787	**$65,357**

1. Assumes approximate equal annual savings
2. Assumed expenses: $20.00 / $1,000 + bond insurance assumed 40 bps (basis points)

Potential Bonds Refunded – Series 2012

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
LTGO Various Purpose Improvement Bonds, Series 2012					
Serial	12/1/2022	3.125%	$710,000	12/1/2021	100.00
	12/1/2023	3.250%	735,000	12/1/2021	100.00
	12/1/2024	3.500%	755,000	12/1/2021	100.00
	12/1/2025	3.500%	780,000	12/1/2021	100.00
	12/1/2026	3.625%	810,000	12/1/2021	100.00
	12/1/2027	3.750%	840,000	12/1/2021	100.00
Term 30	12/1/2030	4.000%	2,720,000	12/1/2021	100.00
Term 33	12/1/2033	4.000%	3,040,000	12/1/2021	100.00
		Total	**$10,390,000**		

Potential Refunding Option 1: Taxable Advance Refunding of 2012

City of Marion, Ohio

Begin now – Fall 2020

City of Marion Potential Refunding Transaction[1]		
Assumed Dated Date: 10/28/2020	Advance Refunding Taxable Assumed Call Date: 12/1/2028	Aquatic Center Purpose
Optional Redemption Date:	12/1/2021	12/1/2021
Series to be Refunded	2012	2012
Par Amount	$11,185,000	$3,900,000
True Interest Cost (TIC)	2.06%	
All-In TIC (Includes Expenses)[2]	2.34%	
Average Coupon	2.07%	
Par amount of Refunded Bonds	$10,390,000	$3,625,000
Average Coupon of Refunded Bonds	3.88%	3.88%
Gross Savings	$803,326	$283,482
Net PV Savings	$714,701	$249,777
% PV Savings of Refunded Bonds	6.88%	6.89%
Average Annual Savings	$57,380	$20,249

1. Assumes approximate equal annual savings

2. Assumed expenses: $15.00 / $1,000 + bond insurance assumed 40 bps (basis points)

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One year from now – Fall 2021

City of Marion Potential Refunding Transaction[1]	Series 2012					
Assumed Dated Date: 9/3/2021	Current Refunding Tax-Exempt Call Date: 12/1/2028	Aquatic Center Purpose	Current Refunding Tax-Exempt / +50 bps Call Date: 12/1/2028	Aquatic Center Purpose	Current Refunding Tax-Exempt / +100 bps Call Date: 12/1/2028	Aquatic Center Purpose
Optional Redemption Date:	12/1/2021	12/1/2021	12/1/2021	12/1/2021	12/1/2021	12/1/2021
Series to be Refunded	2012	2012	2012	2012	2012	2012
Par Amount	$9,525,000	$3,319,000	$9,780,000	$3,409,000	$10,035,000	$3,499,000
True Interest Cost (TIC)	1.98%		2.39%		2.81%	
All-In TIC (Includes Expenses)[2]	2.27%		2.69%		3.11%	
Average Coupon	4.00%		4.00%		4.00%	
Par amount of Refunded Bonds	$10,390,000	$3,625,000	$10,390,000	$3,625,000	$10,390,000	$3,625,000
Average Coupon of Refunded Bonds	3.88%	3.88%	3.88%	3.88%	3.88%	3.88%
Gross Savings	$1,128,648	$399,058	$806,355	$285,618	$484,062	$171,938
Net PV Savings	$1,034,311	$361,314	$721,142	$251,816	$420,727	$146,979
% PV Savings of Refunded Bonds	9.95%	9.97%	6.94%	6.95%	4.05%	4.05%
Average Annual Savings	$86,819	$30,697	$62,027	$21,971	$37,236	$13,226

1. Assumes approximate equal annual savings
2. Assumed expenses: $15.00 / $1,000 + bond insurance assumed 40 bps (basis points)

3. Credit Overview

The following table shows the comparable investment grade ratings of the three major rating agencies. The **City of Marion** is currently rated in the **A+ category by S&P** and th**e A3 category by Moody's Investors Service.**

Bond Rating Services

(Lower Interest Rates)

	Moody's Investors Service	STANDARD &POOR'S	FitchRatings
Best Quality	Aaa	AAA	AAA
High Quality	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 **A3**	**A+** A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-

Rating Disclosure:

The quality of any bond is based on the issuer's financial ability to make interest payments and repay the loan in full at maturity. Moody's, Standard & Poor's and Fitch are independent credit rating services that evaluate the creditworthiness of bonds. They research the financial health of each bond issuer and assign ratings to the bonds being offered.

Moody's rates bonds Aaa (highest quality) to C (lowest quality) and applies numerical modifiers 1, 2, and 3 in each generic rating classification from Aa through Caa. Moody's append their ratings with a 1, 2, or 3 indicators to show a bond's ranking within a category. For example, Aa1 is better than Aa2, and Aa2 is better than Aa3.

Standard & Poor's & Fitch rates bonds AAA (highest quality) to BBB (medium), which are considered investment grade. Bonds rated BB (speculative) to D (default) are considered non-investment grade. Standard & Poor's and Fitch append their ratings with a plus or minus indicator to show a bond's ranking within a category. For example, A+ is better than A, and A is better than A-.

Standard & Poor's Rating Methodology

Factor 1: Institutional Framework (10%): The institutional framework score assesses the legal and practical environment in which the local government operates. Areas include predictability, revenue and expenditure balance, transparency and accountability, and system support.

Factor 2: Economy (30%): The economic score assesses both the health of the asset base relied upon to provide both current and future locally derived revenues as well as the likelihood of additional service demands resulting from economic deterioration. The ultimate basis for repaying debt is the strength and resilience of the local economy. The size, diversity, and strength of a local government's tax base and economy drive its ability to generate financial resources. The taxable properties within a tax base generate the property tax levy. The retail sales activity dictates sales tax receipts. The income earners living or working in the jurisdiction shape income tax receipts. The size, composition, and value of the tax base, the magnitude of its economic activity, and the income levels of its residents are therefore all crucial indicators of the entity's capacity to generate revenues.

Factor 3: Management (20%): The rigor of a government's financial management practices is an important factor in S&P's analysis of that government's creditworthiness. Managerial decision, policies, and practices apply directly to the government's financial position and operations, debt burden, and other key credit factors. Both the legal structure of a local government and the practical environment in which it operates influence the government's ability to maintain a balanced budget, fund services, and continue tapping resources from the local economy. The legal and practical framework surrounding a local government shapes its ability and flexibility to meet its responsibilities.

Factor 4: Financial Measures (30%)

Breakdown: **Liquidity (10%); Budgetary Performance (10%); Budgetary Flexibility (10%)**

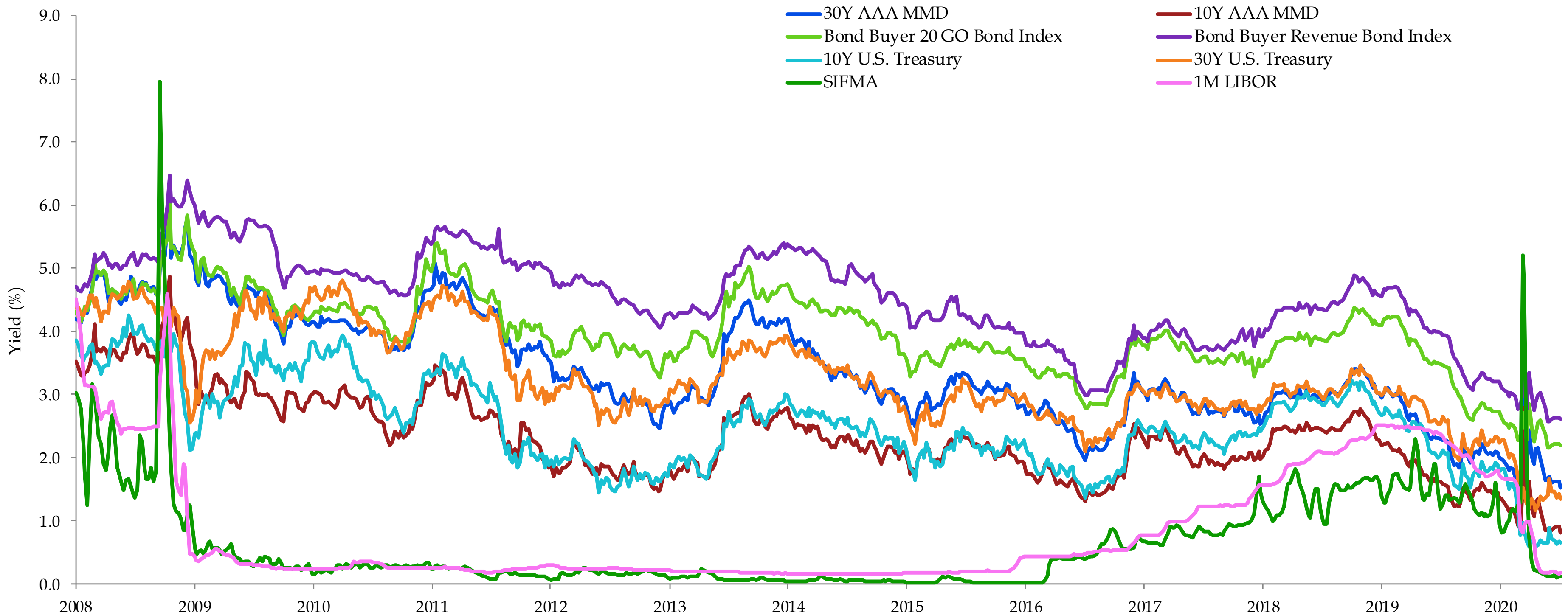
A local government's fiscal position determines its cushion against the unexpected, its ability to meet existing financial obligations, and its flexibility to adjust to new ones. Financial structure reflects how well a local government's ability to extract predictable revenues adequate for its operational needs are matched to its economic base.

Factor 5: Debt & Contingent Liability (10%): Debt and pension burdens are measures of the financial leverage of a community. Ultimately, the more leveraged a tax base is, the more difficult it is to service existing debt and to afford additional debt, and the greater the likelihood that tax base or financial deterioration will result in difficulties funding fixed debt service expenditures.

4. Market Information

Weekly Benchmark Interest Rates

City of Marion, Ohio



Rates Analysis Since January 2008

	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 (As of 07/10/2020)	0.81	1.53	2.19	2.61	0.64	1.34	0.11	0.18
Maximum	4.86	5.92	6.01	6.48	4.26	4.81	7.96	4.59
Minimum	0.81	1.46	2.16	2.58	0.59	1.17	0.01	0.15
Average	2.33	3.39	3.97	4.52	2.50	3.28	0.64	0.85
% Time Lower	0.00%	0.31%	0.31%	0.31%	0.92%	1.07%	24.27%	12.08%

Sources: Bloomberg Finance LP, Thomson Reuters

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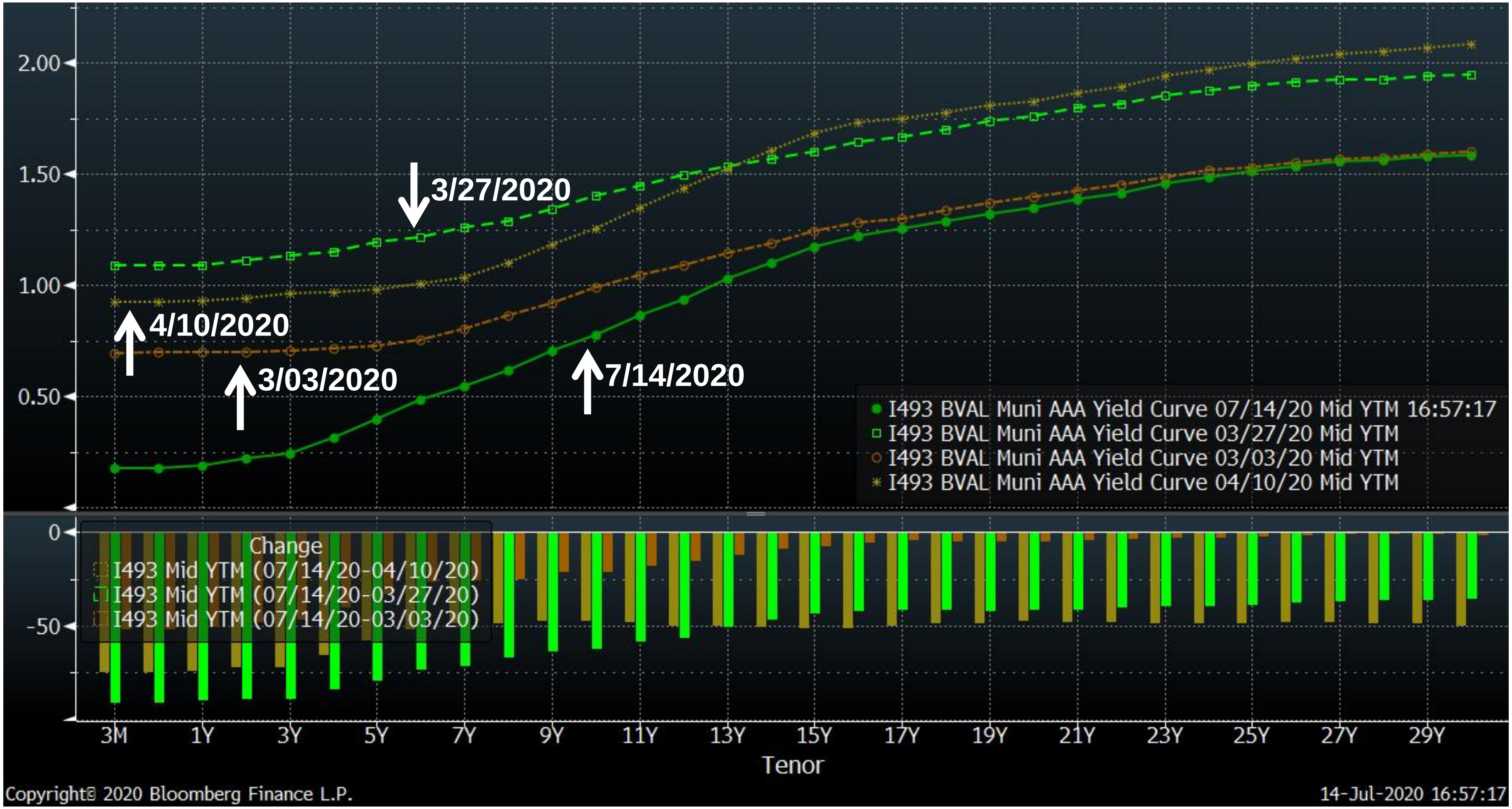
AAA Yield Curve

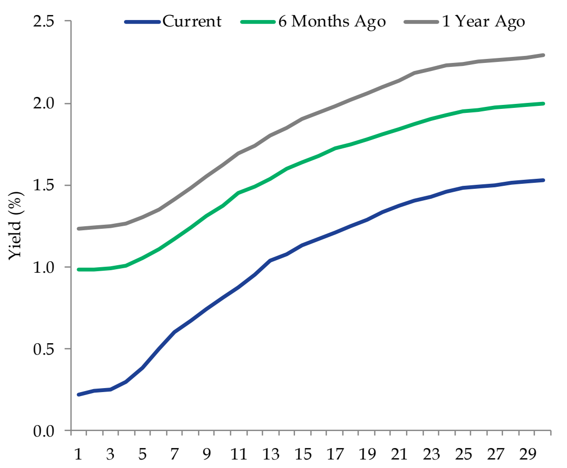


Source: Bloomberg

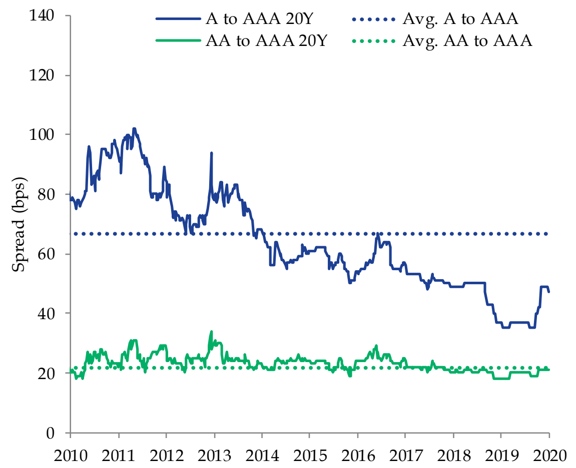
Tax-Exempt Market Overview / MMD

City of Marion, Ohio

AAA MMD Historical Yield Curves

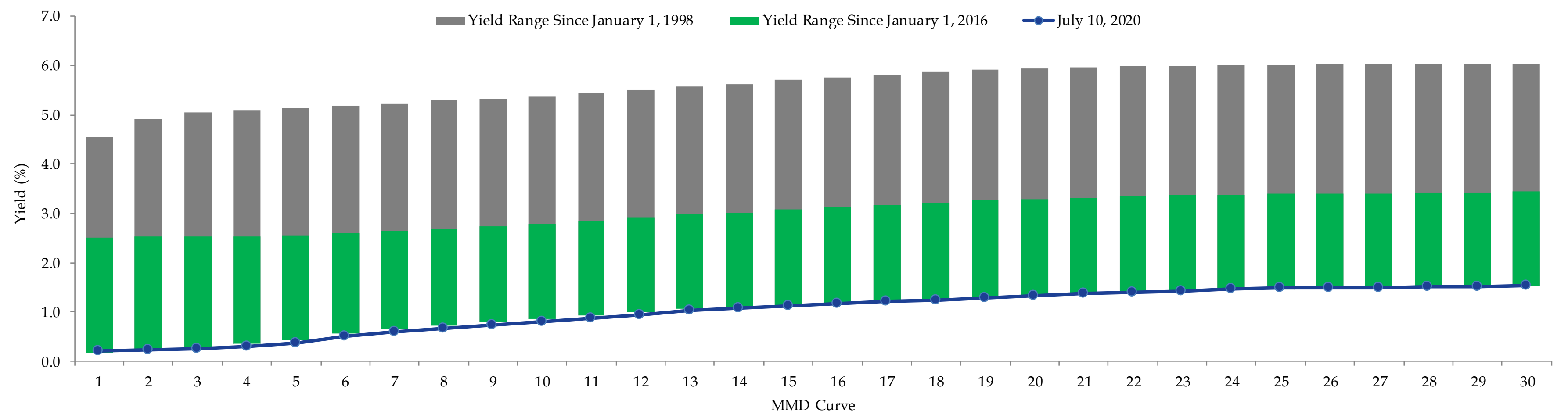


Historical MMD Credit Spreads to AAA



AAA MMD Historical Yield Curve Steepness

Maximum and Minimum AAA MMD Yields



Source: Thomson Reuters

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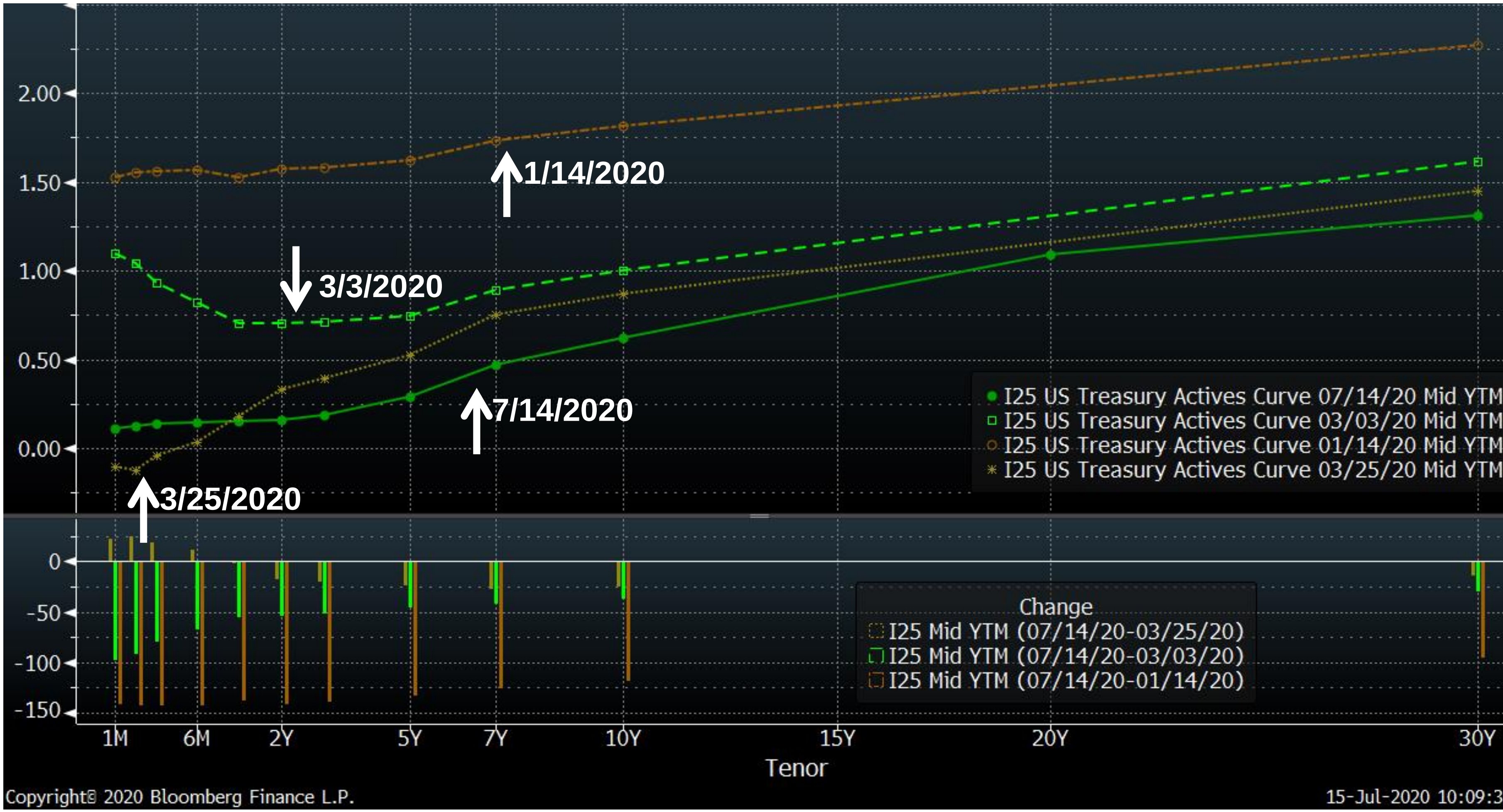
US Treasury Yield Curve

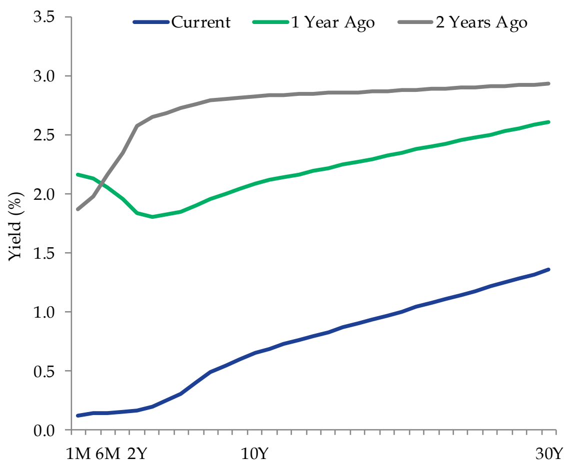


Source: Bloomberg

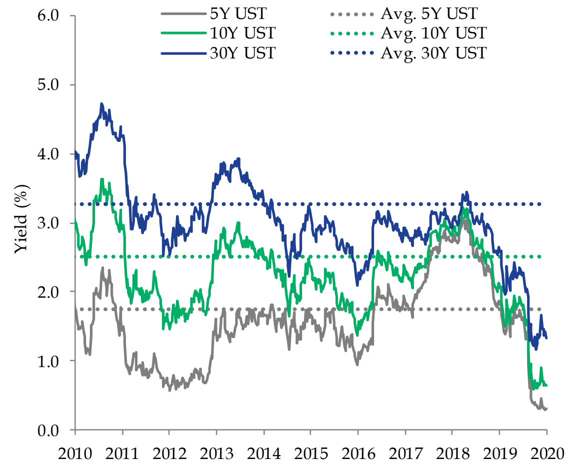
Taxable Market Overview / U.S. Treasuries

City of Marion, Ohio

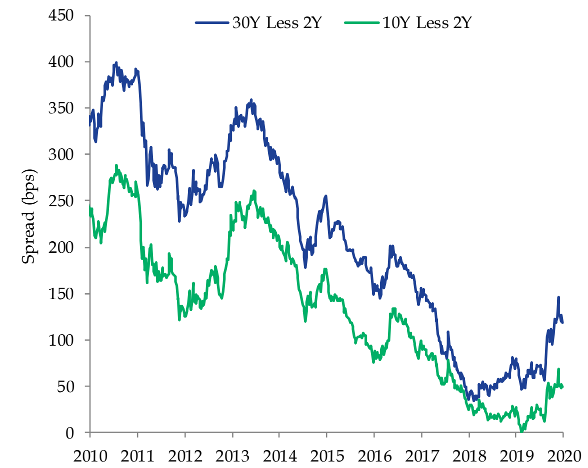
UST Historical Yield Curves



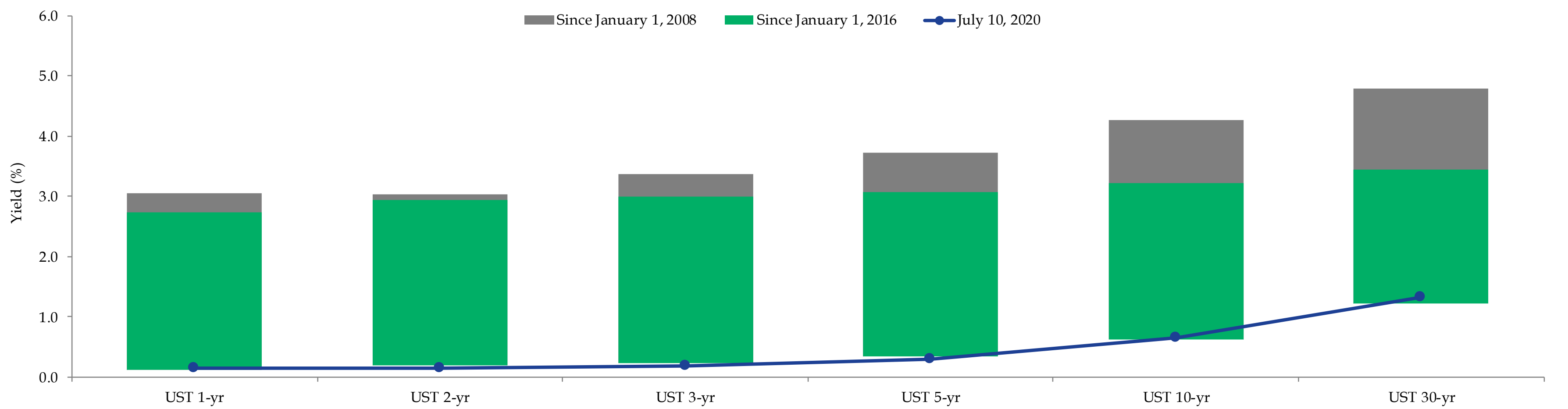
Historical UST Rates



UST Historical Yield Curve Steepness



Maximum and Minimum UST Yields



Sources: Bloomberg Finance LP, Thomson Reuters

US Treasury Rates since January 1, 2019

City of Marion, Ohio

Year-to-Date: 10 & 30 Year Treasury Rates

Source: Bloomberg

- 30 year Treasury has rallied 162 bps since Jan 2, 2019.
- 10 year Treasury has rallied 199 bps since Jan 2, 2019.

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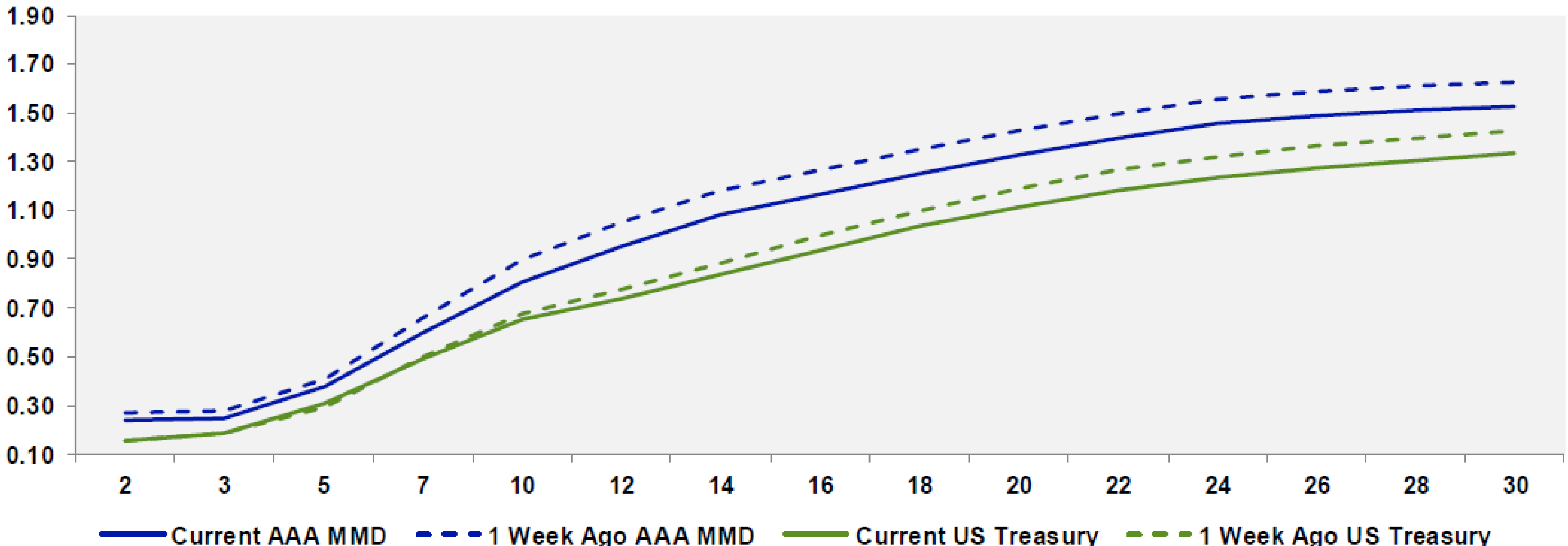
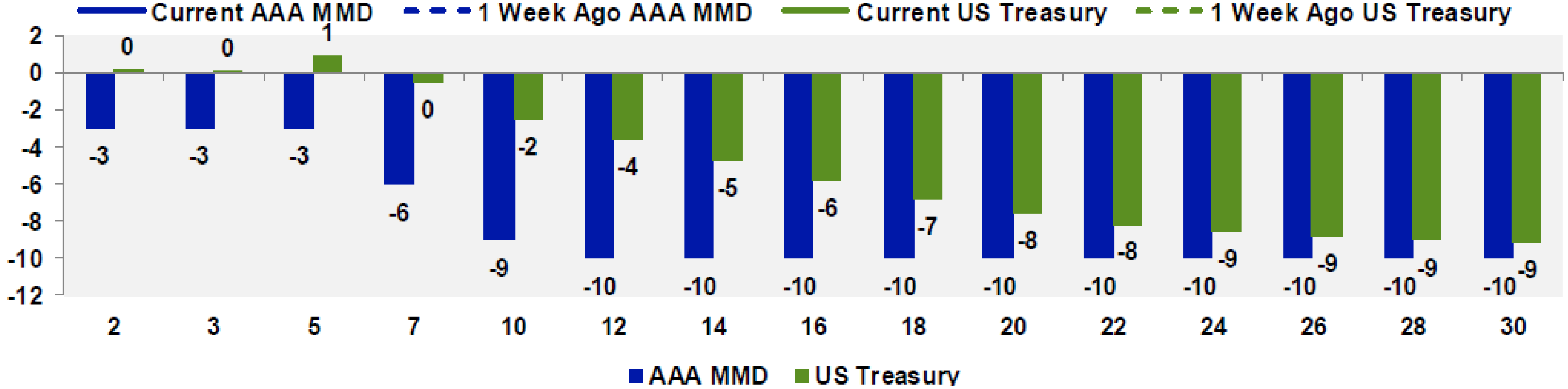
AAA MMD Curve vs. US Treasuries

City of Marion, Ohio





The AAA MMD outperformed across the short and intermediate end of the yield curve last week while performing in line with Treasuries against the longest maturities.

Sources: Thomson Reuters 7/13/2020

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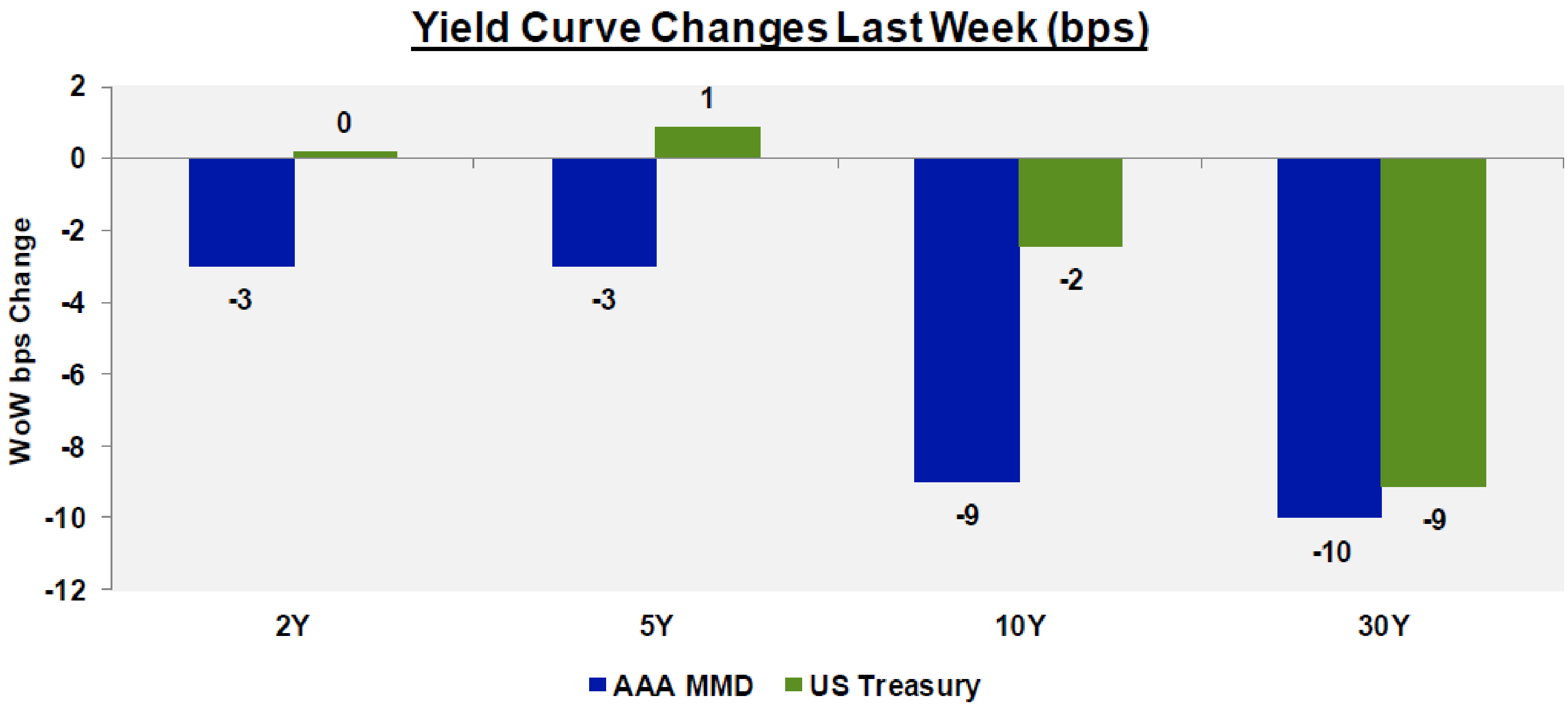
Weekly Comparison of Yield Curve Changes



Across the key benchmarks, the AAA MMD outperformed at the 2Y, 5Y, and 10Y tenor but performed largely in-line with Treasuries vs. the 30-Year maturity.

Sources: Thomson Reuters & Bloomberg 7/13/2020

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As part of our services as underwriter, Fifth Third Securities, Inc. may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

As an underwriter, we must deal fairly at all times with both municipal issuers and investors.

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We do not have a fiduciary duty to the Issuer under the federal securities laws and, therefore, are not required by federal law to act in the best interests of the Issuer without regard to our own financial or other interests.

We will review the official statement for the Bonds in accordance with, and as part of, our respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction. .

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