

OMAC *MuniNews*

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News & Views About the Ohio Municipal Finance Industry

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Recession Tests Even Most Fiscally Disciplined Management Teams

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Cities across the state are facing budgetary challenges to varying degrees, depending on the relative health of the local and regional economies. The recent downturn has demonstrated that the vast majority of Ohio cities have been forced to make difficult financial decisions. These difficult decisions have tested even the most fiscally disciplined of municipal management teams. Most city finance officials recognize that budgetary pressures are likely to persist through fiscal year 2010 and perhaps beyond, as municipal revenue recovery is expected to lag any national economic recovery. As unemployment remains high and local income tax collections fail to recover, we also expect that the difficult financial decisions will be harder to make and implement. This may lead to unfavorably budget variances for fiscal years 2009 and 2010.

However, a weakening financial position is not inevitable. As demonstrated by relatively stable credit quality thus far in the recession, we have observed that the majority of cities have been able to successfully manage the downturn. Further, while Ohio cities are more vulnerable to economic cycles due to the reliance on income tax revenues, they also benefit from other factors that facilitate their ability to maintain fiscal stability. City management teams are generally more prepared for revenue volatility and tend, on average, to maintain higher General Fund balances, as noted in the median data. Also, unlike other cities across the country, Ohio municipalities

are not faced with growing pension liabilities and are insulated from having to manage post-employment benefit liabilities as these are both managed through a state-wide fund (the Ohio Public Employees Retirement System). While cities are not entirely insulated from rising pension costs, as the system can pass along higher contribution rates after approval by the General Assembly, Moody's believes any increases from the state system in future years will be more moderate than those facing cities managing their own system. This has a significant beneficial impact to cities as it moderates the budgetary pressure of escalating funding requirements in a time period when budgets are already stretched thin. While financial pressures are expected to continue as economic recovery lags, Ohio cities will be challenged to maintain structural balance and overall financial health.

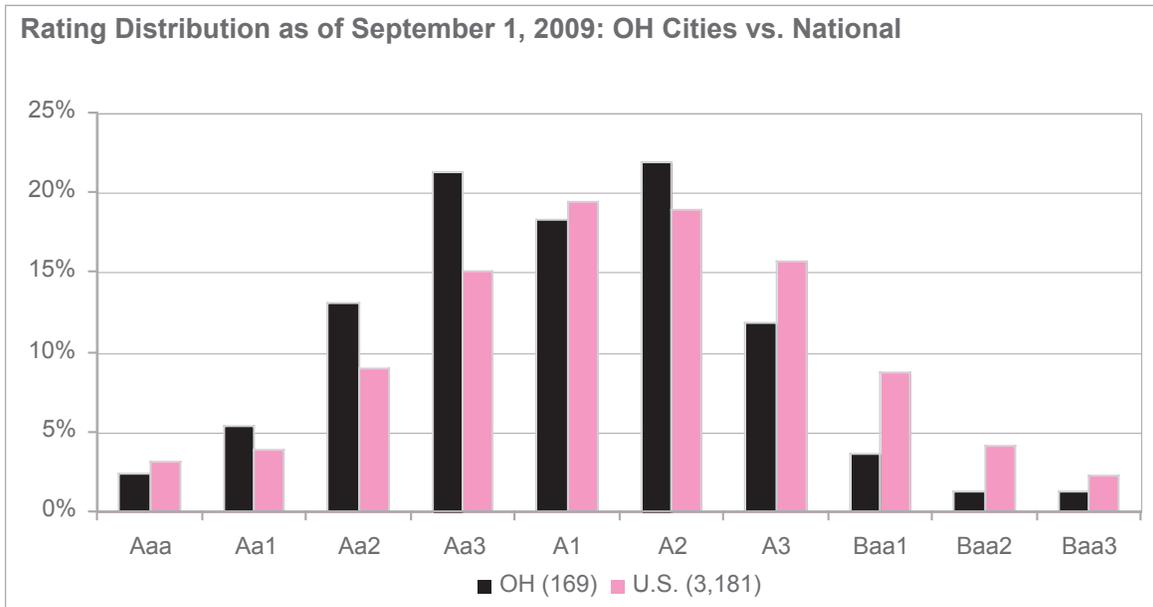
Moody's rates 169 Ohio municipalities and the median rating is A1, which is the same as the national median rating for U.S. cities. Though upgrades continue to outpace downgrades, similar to trends over much of the last decade, the ratio of upgrades to downgrades has declined, demonstrating growing downward pressure on ratings as the recession has taken its toll on municipalities' financial strength.

Christopher Scott named Director

On October 1, 2009 Chris Scott officially became the new Director of the Ohio Municipal Advisory Council. Chris started his career at OMAC in 1985 as an analyst. Over the years, Chris has overseen many of the major operations of OMAC and has been directly involved with the growth of the organization. Chris is proud of OMAC's highly skilled staff and looks forward to the challenges ahead.

Ohio City Medians and Rating Distributions

Rating Distribution: Ohio Cities Closely Match Rating Distribution for all U.S. Cities



The majority of ratings, 52%, fall within the A range and 42% of cities have Aa3 or higher ratings which is slightly greater than the proportion of Aa3 and higher ratings on a national basis. The small number of cities rated Baa1 or lower likely reflects a preference within the Ohio market to issue debt without an underlying rating at the lower end of the rating scale. The median rating for Ohio cities is A1 which is identical to the median rating for cities nationwide.



Ohio Cities Medians versus U.S. Cities Medians by Rating Category As of September 1, 2009

Total Ohio Rated Entities in Category: 71								
	Aaa OH	Aaa U.S.	Aa1 OH	Aa1 U.S.	Aa2 OH	Aa2 U.S.	Aa3 OH	Aa3 U.S.
	4	99	9	121	22	285	36	478
Financial Statistics & Ratios								
Total General Fund Revenues (\$000)	46,280	61,954	31,616	33,735	18,131	39,684	14,881	26,496
General Fund Balance as % of Revenues	60.0	32.1	59.9	34.6	54.3	32.3	37.1	29.1
Unreserved General Fund Balance as % Revenues	43.5	24.1	56.9	30.4	45.8	27.2	31.3	23.3
Debt Statistics & Ratios								
Direct Net Debt as % of Full Value	0.7	0.7	0.9	0.1	1.2	0.8	1.1	0.8
Direct Net Debt Per Capita (\$)	866	1,324	1,429	1,330	1,102	1,167	656	1,025
Debt Burden (Overall Net Debt as % Full Value)	2.1	1.7	2.4	2.0	2.7	2.2	2.1	2.1
Payout, 10 Years, All Tax-Supported Debt (%), Current Value	79.9	72.6	67.0	74.3	66.3	72.9	74.4	72.7
Tax Base Statistics & Ratios								
Total Full Value (\$000)	5,055,950	8,721,459	2,507,351	5,596,236	1,721,745	5,053,524	1,678,600	3,214,317
Full Value Per Capita (\$)	128,920	232,506	137,813	168,719	104,568	142,424	80,157	124,680
Average Annual Increase in Full Value (%)	3.8	8.4	2.8	8.4	3.5	8.4	3.1	9.2
Demographic Statistics								
Population (2000 Census)	32,703	41,842	21,802	31,560	15,815	31,580	21,943	24,325
Per Capita Income as % of U.S. (2000 Census)	181.3	198.6	175.3	168.9	133.3	141.6	112.9	124.2
Median Family Income as % of U.S. (2000 Census)	171.3	189.9	173.5	173.3	148.1	151.4	119.5	135.3
Population Change 1990-2000 (%)	14.9	8.7	13.7	11.1	9.9	13.0	5.2	11.1
Median Home Value (2000 Census)	207,850	291,100	217,000	231,200	156,900	188,350	130,950	163,050
Poverty Rate (%) (2000 Census)	2.6	3.8	2.8	3.1	3.2	4.1	4.7	4.8

¹ All median data unless otherwise noted, is most recent available.

Total Ohio Rated Entities in Category: 94								
	A1 OH	A1 U.S.	A2 OH	A2 U.S.	A3 OH	A3 U.S.	Baa1 OH	Baa1 U.S.
	31	617	37	601	20	500	6	275
Financial Statistics & Ratios								
Total General Fund Revenues (\$000)	11,481	17,858	11,076	12,295	10,534	9,343	7,543	5,519
General Fund Balance as % of Revenues	33.6	30.1	25.5	30.5	15.9	29.4	15.1	27.5
Unreserved General Fund Balance as % Revenues	27.6	25.2	23.4	25.8	13.7	23.5	9.3	23.2
Debt Statistics & Ratios								
Direct Net Debt as % of Full Value	1.2	0.9	0.9	1.1	1.3	1.3	0.8	1.6
Direct Net Debt Per Capita (\$)	912	1,015	579	1,002	639	1,045	319	894
Debt Burden (Overall Net Debt as % Full Value)	2.6	2.3	2.7	2.6	3.3	3.0	2.8	3.7
Payout, 10 Years, All Tax-Supported Debt (%), Current Value	68.6	74.9	72.3	74.3	74.8	76.8	85.8	78.4
Tax Base Statistics & Ratios								
Total Full Value (\$000)	1,101,201	2,059,832	848,524	1,200,292	724,756	790,120	931,201	435,196
Full Value Per Capita (\$)	69,651	109,367	57,726	90,801	52,812	74,585	41,954	57,451
Average Annual Increase in Full Value (%)	1.6	10.0	1.9	9.9	2.7	9.5	0.1	8.3
Demographic Statistics								
Population (2000 Census)	17,191	17,688	15,159	12,487	16,083	9,532	29,659	7,088
Per Capita Income as % of U.S. (2000 Census)	98.1	114.2	86.4	100.3	86.5	92.2	79.8	85.1
Median Family Income as % of U.S. (2000 Census)	107.8	123.1	90.2	109.9	87.6	103.8	79.1	91.0
Population Change 1990-2000 (%)	4.1	10.4	2.4	10.2	-1.9	6.1	-4.1	3.7
Median Home Value (2000 Census)	121,950	144,350	91,950	121,650	87,450	109,300	74,150	87,000
Poverty Rate (%) (2000 Census)	6.5	5.5	10.9	6.9	9.3	7.7	14.7	10.6

List of Rated Cities

Ohio City Underlying Ratings

City	Rating/Outlook	City	Rating/Outlook
AKRON (CITY OF)	A1	EVENDALE (VILLAGE OF)	Aa3
ALLIANCE (CITY OF)	A2	FAIRBORN (CITY OF)	A1
AMBERLEY (CITY OF)	A2	FAIRFIELD (CITY OF)	Aa2
AMHERST (CITY OF)	A2	FAIRLAWN (CITY OF)	Aa2
ASHLAND (CITY OF)	A1	FAIRVIEW PARK (CITY OF)	A1
ASHTABULA (CITY OF)	A3	FINDLAY (CITY OF)	Aa3
ATHENS (CITY OF)	A1	FOREST PARK (CITY OF)	A1
AURORA (CITY OF)	Aa2	FREMONT (CITY OF)	A1
AVON (CITY OF)	Aa2	GAHANNA (CITY OF)	Aa2
AVON LAKE (CITY OF)	Aa3	GARFIELD HEIGHTS (CITY OF)	Baa3
BARBERTON (CITY OF)	A2	GLENWILLOW (VILLAGE OF)	A3
BAY VILLAGE (CITY OF)	Aa2	GREEN (CITY OF)	Aa3
BEACHWOOD (CITY OF)	Aa1	GROVE CITY (CITY OF)	Aa2
BEAVERCREEK (CITY OF)	Aa3	GROVEPORT (VILLAGE OF)	A3
BEDFORD (CITY OF)	A1	HAMILTON (CITY OF)	A2/STA
BEDFORD HEIGHTS (CITY OF)	A2	HARRISON (CITY OF)	A2
BELLEFONTAINE (CITY OF)	A2	HEATH (CITY OF)	A1
BEREA (CITY OF)	Aa3	HIGHLAND HEIGHTS (CITY OF)	Aa3
BEXLEY (CITY OF)	Aa2	HILLIARD (CITY OF)	Aa2
BLUE ASH (CITY OF)	Aa2	HUBER HEIGHTS (CITY OF)	Aa3
BOWLING GREEN (CITY OF)	A1	HUDSON (CITY OF)	Aa1
BRECKSVILLE (CITY OF)	Aa1	HURON (CITY OF)	A2
BROADVIEW HEIGHTS (CITY OF)	Aa3	INDEPENDENCE (CITY OF)	Aa2
BROOKLYN (CITY OF)	A1	JEFFERSON (CITY OF)	Baa2
BROOKLYN HEIGHTS	A1	KENT (CITY OF)	Aa3
BRUNSWICK (CITY OF)	Aa3	KETTERING (CITY OF)	Aa3
CANAL WINCHESTER	A2	KIRTLAND (CITY OF)	A3
CANTON (CITY OF)	A2/NEG	LAKESWOOD (CITY OF)	Aa3
CENTERVILLE (CITY OF)	Aa3	LANCASTER (CITY OF)	A2
CHAGRIN FALLS (VILLAGE OF)	Aa3	LEBANON (CITY OF)	A1
CHILLICOTHE (CITY OF)	A2	LIMA (CITY OF)	A3
CINCINNATI (CITY OF)	Aa1/STA	LORAIN (CITY OF)	Baa2/NEG
CIRCLEVILLE (CITY OF)	A2	LOUISVILLE (CITY OF)	Baa1
CLAYTON (CITY OF)	A1	LYNDHURST (CITY OF)	Aa2
CLEVELAND (CITY OF)	A2/STA	MADEIRA (CITY OF)	A1
CLEVELAND HEIGHTS (CITY OF)	Aa3/NEG	MANSFIELD (CITY OF)	Baa1/NEG
COLUMBUS (CITY OF)	Aaa/STA	MAPLE HEIGHTS (CITY OF)	A2
CONNEAUT (CITY OF)	Baa1	MARION (CITY OF)	A3
CUYAHOGA FALLS (CITY OF)	Aa3	MARYSVILLE (CITY OF)	A2
DAYTON (CITY OF)	A1/STA	MASON (CITY OF)	Aa2
DEFIANCE (CITY OF)	A2/NEG	MASSILLON (CITY OF)	A3
DELAWARE (CITY OF)	A1	MAUMEE (CITY OF)	Aa3
DOVER (CITY OF)	A2	MAYFIELD HEIGHTS (CITY OF)	Aa3
DUBLIN (CITY OF)	Aaa	MAYFIELD (VILLAGE OF)	A1
EASTLAKE (CITY OF)	A3/STA	MCCOMB (CITY OF)	Baa1
ELYRIA (CITY OF)	A2	MEDINA (CITY OF)	Aa3
EUCLID (CITY OF)	A1	MENTOR (CITY OF)	Aa2

List of Rated Cities cont.

Ohio City Underlying Ratings			
City	Rating/Outlook	City	Rating/Outlook
MIAMISBURG (CITY OF)	A1	SOLON (CITY OF)	Aa1
MIDDLEBURG HEIGHTS (CITY OF)	Aa2	SOUTH EUCLID (CITY OF)	Aa3
MIDDLETOWN (CITY OF)	A1	SPRINGBORO (CITY OF)	Aa3
MILFORD (CITY OF)	A2	SPRINGDALE (CITY OF)	Aa3
MONROE (CITY OF)	A2	SPRINGFIELD (CITY OF)	A3
MONTGOMERY (CITY OF)	Aa1	STOW (CITY OF)	Aa3
MORELAND HILLS (CITY OF)	Aa2	STRONGSVILLE (CITY OF)	Aa1
MOUNT VERNON (CITY OF)	A2	SYLVANIA (CITY OF)	Aa2
NAPOLEON (CITY OF)	A2	TALLMADGE (CITY OF)	A1
NEW ALBANY (VILLAGE OF)	Aa2	TIFFIN (CITY OF)	A2/NEG
NEW PHILADELPHIA (CITY OF)	A3	TIPP CITY (CITY OF)	A1
NEWARK (CITY OF)	A2	TOLEDO (CITY OF)	Baa1/NEG
NORTH OLMS TED (CITY OF)	Aa3	TRENTON (CITY OF)	A3
NORTH RIDGEVILLE (CITY OF)	A1	TROY (CITY OF)	Aa2
NORTH ROYALTON (CITY OF)	Aa3	TWINSBURG (CITY OF)	A1/NEG
NORWALK (CITY OF)	Aa3	UNIVERSITY HEIGHTS (CITY OF)	A2
OBERLIN (CITY OF)	Aa3	UPPER ARLINGTON (CITY OF)	Aaa
ORANGE (VILLAGE OF)	Aa3	VALLEY VIEW (VILLAGE OF)	A1
OREGON (CITY OF)	A2	VAN WERT (CITY OF)	A3/NEG
OXFORD (CITY OF)	Aa3	VANDALIA (CITY OF)	Aa3
PAINESVILLE (CITY OF)	A2	VERMILION (CITY OF)	A2
PARMA (CITY OF)	A3	VERSAILLES (VILLAGE OF)	A3
PEPPER PIKE (CITY OF)	Aa1	WADSWORTH (CITY OF)	A2
PERRYSBURG (CITY OF)	Aa3	WAPAKONETA (CITY OF)	A3
PICKERINGTON (CITY OF)	A1	WARREN (CITY OF)	Baa1
PIQUA (CITY OF)	A1	WARRENSVILLE HEIGHTS (CITY OF)	A3
PORT CLINTON (CITY OF)	A3	WASHINGTON COURT HOUSE	A2
PORTSMOUTH (CITY OF)	A3	WESTERVILLE (CITY OF)	Aa1
POWELL (CITY OF)	Aa2	WESTLAKE (CITY OF)	Aaa
REYNOLDSBURG (CITY OF)	Aa3	WICKLIFFE (CITY OF)	A1
RICHMOND HEIGHTS (CITY OF)	A1	WILLOUGHBY (CITY OF)	Aa2
ROCKY RIVER (CITY OF)	Aa2	WILLOUGHBY HILLS (CITY OF)	A2
SALEM (CITY OF)	A2	WILMINGTON (CITY OF)	A2/NEG
SANDUSKY (CITY OF)	A2	WOOSTER (CITY OF)	Aa3
SEVEN HILLS (CITY OF)	A1	WORTHINGTON (CITY OF)	Aa3
SHARONVILLE (CITY OF)	Aa3	XENIA (CITY OF)	A3
SHEFFIELD LAKE (CITY OF)	A3	YOUNGSTOWN (CITY OF)	Baa3/STA
SIDNEY (CITY OF)	A2/POS		

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OMAC Hosts Retirement Reception for Director Kenneth W. Gurney

On October 22, 2009 the Ohio Municipal Advisory Council held a reception at the Capital Club, Columbus to honor Ken Gurney for his 42 years of service to OMAC. During his past 16 years as Director, Ken has built OMAC into the premier provider of information used by the Ohio municipal marketplace. Ken is also directly responsible for OMAC becoming the State Information Depository (SID) and developing OMAC's popular on line financial network (OFIN).



(L to R) William Matlock, Chairman of the Board of OMAC presents Kenneth Gurney, Outgoing Director with a "1977 Limited Edition Winchester 1894" rifle.



(L to R) Peter Ross, Fifth Third Securities, Linda Weiss, OMAC Senior Analyst, Lorrie Peters, OMAC Administrative Assistant and Margie Booker, OMAC Analyst.



(L to R) Kenneth W. Gurney, Vicky Scott, and Christopher Scott, OMAC Director.



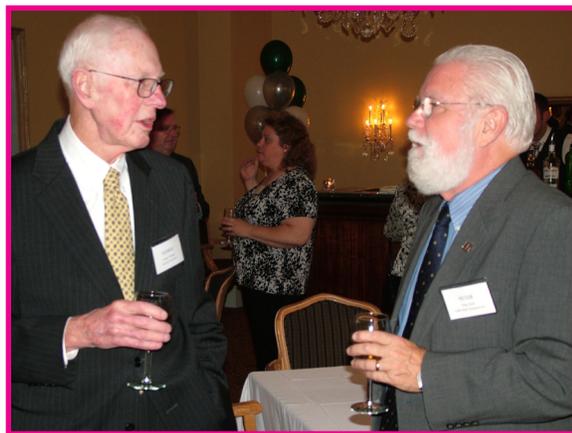
(L to R) Kenneth W. Gurney, and George Geissburhler, Sweny Cartwright & Company.



(L to R) James J. Balazsy, Jr., Victory Capital Management and Eric Gurney, OMAC MIS Director.



(L to R) Sue Cave, Executive Director Ohio Municipal League, Kenneth W. Gurney, and Matthew McAuliffe, PNC Capital Markets.



(L to R) George Waldeck, Wells Fargo Advisors and Peter Ross, Fifth Third Securities.



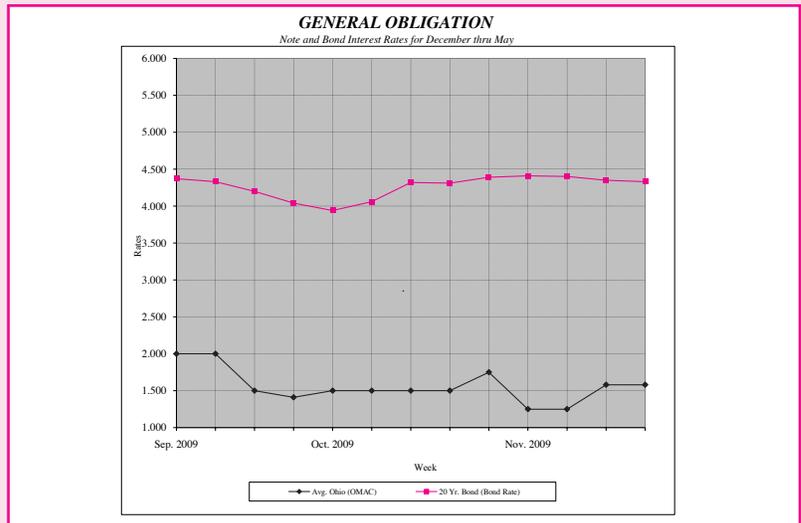
((L to R) Tim McCabe, Huntington Investment Company and Eric Gurney, OMAC MIS Director.

MARKET UPDATE

GENERAL OBLIGATION

Note and Bond Interest Rates for September through November 2009

The following graph compares Ohio short-term note rates with the Bond Buyer's 20 year bond index. The short-term rates represent actual rates reported to OMAC by Ohio purchasers and reported on OMAC's weekly calendar.





Ohio Municipal Advisory Council
 9321 Ravenna Rd, Unit K
 Twinsburg, OH 44087-2445

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CALENDAR

Calendar of Issuer Conferences & Outings for 2010

NAME	EVENT	DATE	LOCATION
CAAO	Summer Conference	June 15 - 17	Cherry Valley Lodge – Newark, Ohio
	Winter Conference	Nov. 30 – Dec 2	The Columbus – A Renaissance Hotel - Columbus, Ohio
CCCAO	Summer Conference	Dec. 5 - 8	No Conference is scheduled for 2010
	Winter Conference		Hyatt Regency – Columbus, Ohio
	Annual Golf Outing		No Golf Outing is scheduled for 2010
CTAO	Spring Meeting	May 18 - 20	Columbus Marriott NW at Tuttle Crossing - Dublin, Ohio
	Fall Meeting	TBD	Columbus Marriott NW at Tuttle Crossing – Dublin, Ohio
GFOA	National Conference	June 6 – 9	Georgia World Congress Center – Atlanta, Georgia
	Annual Golf Outing	July - TBD	TBD
	Annual Fall Conference	September 15 -17	Hilton Columbus at Easton – New Albany, Ohio
MFOA (OML)	Spring Conference	May 13 - 14	Marriott Northwest – Dublin, Ohio
	Annual Conference	Sept. 29 - Oct. 1	TBD
	Northeast Ohio Golf Outing	TBD	TBD
	North-Central Ohio Golf Outing	September 8	Woussickett Golf Course – Sandusky, Ohio
NACO	National Conference	July 16 - 20	Reno-Sparks Convention Center – Reno, Nevada
OAPT	Annual Conference	October 13 – 15	The Columbus-A Renaissance Hotel - Columbus, Ohio
	National Conference	July 25-28	Charleston Place Hotel – Charleston, South Carolina
	Golf Outing	June 23	Brookledge Golf Club – Cuyahoga Falls, Ohio
OASBO	Annual Workshop	April 20 - 23	Hyatt Regency Hotel – Columbus Convention Center
OMCA	Spring Conference	April 21 - 23	Northpointe Conference Center – Lewis Center, Ohio
OPFOTP	Ohio Public Finance	June 21 - 25 June 24 - 25 June 23	Sheraton Suites Hotel – Cuyahoga Falls, Ohio
	Officers Training Program		Sheraton Suites Hotel – Cuyahoga Falls, Ohio
	CMFA Maintenance Program		Brookledge Golf Club – Cuyahoga Falls, Ohio
	Golf Outing (OAPT)		
OSBA	Capital Conference	November 7 – 10	Columbus Convention Center – Columbus, Ohio
SIFMA (BMA)	Annual Meeting	To be Determined	To be Determined

(T) – means date is tentative.

CAAO – County Auditor’s Association of Ohio – (614) 228-2226
 CCCAO – County Commissioners Association of Ohio – (614) 221-5627
 CTAO – County Treasures Association of Ohio – (614) 233-6818
 GFOA – Government Finance Officers Association – (614) 221-1900
 MFOA – Municipal Finance Officers Association of Ohio – (614) 221-4349
 NACO – National Association of Counties – (614) 221-5627

OAPT – Ohio Association of Public Treasurers – (216) 443-7814
 OASBO – Ohio Association of School Business Officials – (614) 431-9116
 OMCA – Ohio Municipal Clerks Association – (614) 221-4349
 OPFOTP – Ohio Public Finance Officers Training Program – (330) 972-7618
 OSBA – Ohio School Boards Association – (614) 540-4000
 SIFMA (formerly BMA) – Securities Industry & Financial Market Association – (212) 608- 1500

If you would like your event highlighted, contact Chris Scott at 1-800-969-6622, or by email at Chris@ohiomac.com