



CITY OF DUBLIN..

Office of the City Manager

5200 Emerald Parkway • Dublin, OH 43017-1090

Phone: 614-410-4400 • Fax: 614-410-4490

Memo

To: Dublin City Council

From: Terry Foegler, City Manager *TF/Sj*

Date: April 8, 2010

Initiated By: Marsha Grigsby, Director of Finance/Deputy City Manager

Re: Ordinance No. 14-10 – Authorizing the Execution of a Calculation Agency Agreement (2009 Bond Issue – Build America Bonds) - City of Dublin, Ohio – Various Purpose Improvement Bonds, Series 2009C

Summary

As referenced in the March 18, 2010 staff report, the City issued long-term debt in November, 2009 for various capital improvement projects in the amount of \$13,905,000. The ordinances authorizing the issuance of the bonds provided for the issuance of Build America Bonds (BABs). The City subsequently issued \$2,215,000 in tax-exempt bonds and \$11,690,000 in BABs.

As requested at the March 22 Council meeting, the staff reports for Ordinances 53-09 through 57-09, the ordinances authorizing the issuance of the debt, from the October 5, 2009 and October 19, 2009 Council meetings are attached for your review. Additionally, the meeting minutes from the October 5 and October 19 Council meeting have been provided for reference.

The issuance of BABs was based on the net interest costs of the bonds compared to the interest costs of tax-exempt bonds. In the staff reports from the October 5, 2009 and October 19, 2009 Council meetings, we discussed that in addition to the interest cost comparisons, consideration would be given to the complexity of working with the Federal government and the potential of the program being modified during the life of the bonds.

During our discussion at the October 5, 2009 Council meeting, staff commented that we were not inclined to issue BABs based on the market interest rates for tax-exempt bonds and BABs at that point in time. The estimated savings at that time were being projected at \$100,000 or less for the life of the bonds. At the October 19, 2009 meeting, we stated that, based on the then current interest rates, it was likely that we would issue all tax-exempt bonds, but the decision was subject to final review based on pricing of the bonds.

The day prior to pricing the bonds (October 26), staff met with the City's financial advisor, senior underwriter and bond counsel to discuss pricing for the overall issue and the option of issuing BABs. Based on the market demands, the estimated "net" interest costs for BABs for the years 2014-2029 resulted in a projected savings of approximately \$600,000 as compared to the estimated interest costs if tax-exempt bonds only were issued. As a result, staff determined that we would market both tax-exempt bonds and BABs and that if the interest rates held, we would issue BABs where it made sense from a cost savings prospective. As reported at the March 22, 2010 Council meeting, the savings from issuing BABs for the years 2014-2029 totaled in excess of \$561,000.

A copy of the Pricing Summary book prepared by Stifel Nicolaus, our senior underwriter has been placed in the Council Planning room. Detailed information on the purchasers of the bonds -- tax-exempt and BABs --

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is in Section II D - Orders by Maturity. A more concise recap of the buyers is attached in this packet for your review.

As discussed in the staff report for the March 22 Council meeting, we will be asking for Ordinance 14-10 to be passed as an emergency at the April 12, 2010 Council meeting in order to comply with the requirement to submit the IRS forms no later than 45 days prior to the June 1, 2010 interest payment date.

Recommendation

Staff recommends that Ordinance No. 14-10 be passed as emergency legislation at the April 12, 2010 Council meeting.



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Memo

To: Members of Dublin City Council
From: Terry Foegler, City Manager *TF/Sx*
Date: March 18, 2010
Initiated By: Marsha Grigsby, Director of Finance/Deputy City Manager
Re: **Ordinance No. 14-10, Authorizing the Execution of a Calculation Agency Agreement (2009 Bond Issue - Build America Bonds) City of Dublin, Ohio - Various Purpose Improvement Bonds, Series 2009C**

Summary

As you are aware, the City issued long-term debt in November, 2009 for various capital improvement projects in the amount of \$13,905,000. The Ordinances authorizing the issuance of the bonds provided for the issuance of Build America Bonds (BABs). The City subsequently issued \$2,215,000 in tax-exempt bonds and \$11,690,000 in BABs.

As previously discussed, the BABs program was included in the American Recovery and Reinvestment Act and provides for municipalities to issue taxable bonds and receive a Federal government subsidy equal to 35% of the interest costs. Traditionally, municipalities issue tax-exempt bonds that pay a lower rate of interest because the interest income paid to the buyer is exempt from Federal and State taxes.

Because the BABs program was a new program, a determination had not been made at the time the authorizing ordinances for the bonds were approved about how the City would process the paperwork to receive the 35% subsidy from the Internal Revenue Service (IRS). The authorization to execute a Calculation Agency Agreement would typically be included in the ordinances authorizing the issuance of the bonds, similar to the other documents required to complete the debt transaction process.

The attached Calculation Agency Agreement authorizes the Bank of New York (BoNY), the designated Bond Registrar for the bond issue, to prepare and submit the required forms to the IRS requesting the City's 35% subsidy of the interest costs. The credit received from the IRS will then be deposited in an account established for the City and BoNY will invoice the City for the net interest payments due to the bondholders. Per the Agreement, BoNY will receive compensation in the amount of \$1,500 to provide the service for the term of the bonds.

Based on discussions with Squire Sanders & Dempsey, the City's bond counsel, and Matt Stuczynski, the City's financial advisor, the majority of governments that issued BABs last year are using a Calculation Agent to process the requests for the subsidy or credit of the interest costs. The other option is for the City to prepare and submit the required IRS forms.

Staff will request passage of this ordinance by emergency at the April 12, 2010 Council meeting in order to comply with the requirement to submit the IRS forms no later than 45 days prior to the June 1, 2010 interest payment date.

Recommendation

Staff recommends that Ordinance No. 14-10 be passed as emergency legislation at the second reading/public hearing on April 12, 2010.

RECORD OF ORDINANCES

Ordinance No. 14-10 Passed _____, 20____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A CALCULATION AGENCY AGREEMENT, AND DECLARING AN EMERGENCY (2009 BOND ISSUE-BUILD AMERICA BONDS)

WHEREAS, by Ordinances No. 53-09, No. 54-09 and No. 55-09, each passed by this Council on October 19, 2009, the City of Dublin, Ohio (the "City"), authorized the issuance and sale of its \$11,690,000 Various Purpose Improvement Bonds, Series 2009C (Limited Tax – Federally Taxable – Build America Bonds – Direct Payment) (the "Bonds"), dated November 18, 2009; and

WHEREAS, the City and The Bank of New York Mellon Trust Company, N.A., in New Albany, Ohio (the "Calculation Agent"), heretofore entered into a Bond Registrar Agreement dated November 18, 2009, pursuant to which the Calculation Agent has agreed to serve as registrar and paying agent for the Bonds; and

WHEREAS, the City now desires to enter into a Calculation Agency Agreement with the Calculation Agent for the preparation and submittal of Internal Revenue Service Forms 8038-CP in connection with credit payments with respect to the Bonds payable pursuant to the American Recovery and Reinvestment Act of 2009.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. The Calculation Agency Agreement by and between the City and the Calculation Agent, in the form presently on file with the Clerk of Council, providing for, among other things, the preparation and submittal of Internal Revenue Service Forms 8038-CP in connection with credit payments with respect to the Bonds payable pursuant to the American Recovery and Reinvestment Act of 2009, is hereby approved and authorized with changes therein not inconsistent with this Ordinance and not substantially adverse to this City and which shall be approved by the City Manager. The City Manager, for and in the name of this City, is hereby authorized to execute that Calculation Agency Agreement, provided further that the approval of changes thereto by that official, and their character as not being substantially adverse to the City, shall be evidenced conclusively by the execution thereof. This Council further authorizes the City Manager, for and in the name of the City, to execute any amendments to the Calculation Agency Agreement, which amendments are not inconsistent with this Ordinance and not substantially adverse to this City.

Section 2. This Council further hereby authorizes and directs the City Manager, the Director of Law, the Director of Finance, the Clerk of Council, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

Section 3. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in open meetings of this Council or committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Section 121.22 of the Revised Code.

Section 4. This Ordinance is declared to be an emergency necessary for the immediate preservation of the public peace, health, safety or welfare, and to comply with the requirement to submit the IRS forms no later than 45 days prior to the June 1, 2010 interest payment date. This ordinance shall therefore be effective upon passage.

Mayor - Presiding Officer

Attest:

Clerk of Council

Passed: _____, 2010

Effective: _____, 2010



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Memo

To: Members of Dublin City Council

From: Terry Foegler, City Manager *TF/Sj*

Date: October 15, 2009

Initiated By: Marsha Grigsby, Deputy City Manager/Director of Finance
Bryan Thurman, Deputy Director of Finance

Re: Ordinances 53-09 through 57-09, Providing for the Issuance and Sale of Bonds and Refinancing of Existing Debt

Summary

Ordinances 53-09 through 55-09 authorize the issuance of bonds to provide revenue to fund current projects, and Ordinances 56-09 and 57-09 provide for the refinancing of existing debt to reduce the City's future interest costs by an estimate of approximately \$2 million through 2020.

At the October 5, 2009 Council meeting, staff indicated that an evaluation was taking place of the refinancing of the existing 2001 bond issue, and that staff may present additional legislation on October 19 to authorize the issuance and sale of bonds to refund that issue. Ordinance 61-09 has been prepared to provide for the refunding of the 2001 bond issue and is included on Council's October 19, 2009 meeting agenda.

On the afternoon of October 5, 2009, rating agency conference calls were completed with both Moody's Investors Service and Fitch Ratings. Staff has received a preliminary report from both Moody's and Fitch confirming the City's Aaa and AAA ratings, respectively, and anticipates receiving the final reports prior to the October 19 Council meeting. As Council is aware, Moody's Aaa rating and Fitch's AAA rating are the highest ratings available from both agencies and will allow the City to obtain the lowest interest rates on the debt issued.

As highlighted at the October 5, 2009 Council meeting, a Request for Proposal was sent to five firms that provide underwriting services. Their proposals have been evaluated by staff and Matt Stuczynski, the City's financial advisor, and the selection of the firms has been completed. We have designated Stifel Nicolaus as the Senior Manager and NatCity Investments, Inc./PNC Capital Markets LLC and Robert W. Baird & Co. as Co-Managers.

The new money issues, Ordinance 53-09 through 55-09, allow for Build America Bonds (BABs) to be issued. As highlighted previously, this program was included in the American Recovery and Reinvestment Act and provides an additional option to the tax-exempt bonds traditionally issued by the City. We will evaluate the option of issuing BABs, taking into account the interest costs of tax-exempt bonds as compared to the net interest cost of BABs -- the interest costs less the 35% subsidy to be received from the Federal government. In addition to the interest costs comparisons,

consideration will be given to the added complexities of dealing with the Federal government and the potential of the program being modified during the life of the bonds.

Based on the low interest rate environment and the potential uncertainties of the BABs, current discussions have focused on the issuance of traditional tax-exempt bonds. Staff will continue discussions with our bond counsel, financial advisor and underwriters and make the final determination once the interest rates for both the tax-exempt bonds and the BABs have been negotiated. In instances where BABs have been issued, it has been, for the most part, in combination with tax-exempt interest bonds. The tax-exempt interest rates have remained more favorable in the early years of the bond issues, with the BABs being more favorable in the later years of the issues. All of the underwriting proposals received recommended that BABs be evaluated based on the potential to receive a lower net interest cost.

Staff is currently planning to price the bonds sometime between October 21 and the end of the month. We will be working with our financial advisor, bond counsel and underwriters to determine the actual pricing date. We plan to close on the bond issues in early November.

Recommendation

Staff recommends that Ordinances 53-09 through 57-09 be passed as emergency legislation at the second reading/public hearing on October 19, 2009 permitting the prompt issuance and sale of the bonds to take advantage of the favorable interest rates.



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Memo

To: Members of Dublin City Council
From: Terry Foegler, City Manager *TF/S*
Date: October 1, 2009
Initiated By: Marsha Grigsby, Deputy City Manager/Director of Finance
Bryan Thurman, Deputy Director of Finance
Re: Ordinances 53-09 through 57-09 - Providing for the Issuance and Sale of Bonds

Summary

Ordinances 53-09 through 55-09 authorize the issuance of bonds to provide revenue to fund current projects, and Ordinances 56-09 and 57-09 provide for the refinancing of existing debt to reduce the City's future interest costs by an estimate of approximately \$2 million through 2020.

As discussed during the recent City Council workshops for the 2010-2014 Capital Improvements Program (CIP), proceeds from debt were programmed as the revenue source to fund a portion of several current capital projects. The bond proceeds authorized by Ordinances 53-09 through 55-09 will be utilized for the following projects:

- Ordinance 53-09 will provide funding up to \$11.75 million to reimburse the General Fund for advances previously made to the COIC Improvement Fund for the acquisition of rights-of-way and easements and for construction costs associated with the relocation of Industrial Parkway, the improvement of S.R. 161 from the exit ramp on the west side of the U.S. 33/S.R. 161/Post Road interchange to just east of Cosgray Road, and the relocation of Liggett Road.

Of the \$9 million advanced from the General Fund to the COIC Improvement Fund in December 2008 for acquisition of rights-of-way and easements, \$5.9 million was for the above-referenced projects, and that portion of the advance will be repaid when the bonds authorized by this legislation are issued. The remaining outstanding advance of \$3.1 million was utilized for acquisitions related directly to the interchange project and will be repaid in 2010 and 2011 as programmed in the 2010-2014 CIP.

The remaining bond proceeds of up to \$5.85 million will be utilized for construction costs for the relocation of Industrial Parkway and the improvements to S.R. 161. The difference between the total construction costs and the bond proceeds will be funded from grants and the existing balance in the COIC Improvement Fund. The grant funding includes: \$1 million from the American Recovery and Reinvestment Act (ARRA); \$200,000 from a 629 Roadway grant awarded to Union County for this project; and \$297,600 in Job Ready Sites grant funding for the improvements to S.R. 161.

- Ordinance 54-09 will provide funding to reimburse the Sewer Fund for the advance made in April 2009 for the project to line sanitary sewer lines. The debt proceeds will provide sufficient funds to complete the sanitary sewer lines identified to be completed in 2009, 2010 and for the City's share of the 36" Dublin Road trunk line that will be lined as a result of being awarded ARRA funding for the project. The issuance of debt allows the City to accelerate the lining project and to retire the debt over a period of 20 years. The lining will extend the life of the lines by 30 to 50 years.
- Ordinance 55-09 will provide funding to reimburse the Water Fund for the advance made in December 2008 for the construction of the Darree Fields storage tank.

The bonds authorized by Ordinances 53-09 through 55-09 will be issued for a 20-year period and are currently estimated to have a net interest cost of 3.29%.

The Ordinances also provide authorization for the City to issue Build America Bonds (BABs). This program was included in the American Recovery and Reinvestment Act and provides for municipalities to issue taxable bonds and receive a Federal government subsidy equal to 35% of the interest costs. Traditionally, municipalities issue tax-exempt bonds that pay a lower rate of interest because the interest income paid to the buyer is exempt from federal and state taxes.

BABs provide for government entities to issue bonds that pay interest rates that are competitive with rates paid by corporations. The BABs are attractive to entities that pay no U.S. income taxes (pension plans and foreign investors) as well as to investors seeking high rates of interest income.

Staff will evaluate the option of issuing BABs, taking into account the interest costs of tax-exempt bonds as compared to the net interest cost of BABs -- the interest costs less the 35% subsidy to be received from the Federal government. In addition to the interest costs comparisons, consideration will be given to the added complexities of dealing with the Federal government and the potential of the program being modified during the life of the bonds.

As part of the debt administration function, staff continually evaluates opportunities to refinance existing outstanding bonds. Based on the current market interest rates and the opportunity to consolidate a refinancing with a new money issue, Ordinances 56-09 and 57-09 provide for the refinancing of the 1998 bond issues and the 2019 and 2020 term bonds from the 2000 bond issues. Ordinance 56-09 provides authority for the refinancing of the unvoted portion of both previous issues, and Ordinance 57-09 provides for the refinancing of the voted portion of both bond issues.

There are two advantages to refinancing: 1) to reduce interest costs as a result of the interest rates available in the market; and 2) to restructure the issue, usually undertaken to remove burdensome or restrictive covenants imposed by the terms of the bond issue. Based on the current favorable interest rates, the refundings authorized by Ordinances 56-09 and 57-09 will reduce the City's interest costs over the remaining life of the bonds.

In determining whether or not to proceed with a refunding of outstanding bonds, the present value savings of the bonds being refunded or refinanced are estimated. The general "rule of thumb" is that the present value savings should be at least 3 to 5 percent. Based on interest rate assumptions

as of September 23, 2009, the percentage of savings for the bonds being refunded by Ordinance 56-09 is estimated at approximately 7.9%; for the bonds being refunded by Ordinance 57-09, the percentage is estimated at approximately 9.6%. The actual savings for both refundings is estimated to be in excess of \$2 million. This information is subject to change based on the actual interest rates received.

Staff is currently scheduling discussions with the rating agencies, Moody's Investors Service and Fitch Ratings for early October, pricing the week of October 19 and closing in early November.

A hard copy of the most current Preliminary Official Statement, a document investors use to review and evaluate the City and its creditworthiness, is available in the Clerk of Council's office and the Council Planning Room. The Official Statement will be finalized once staff has received the bond rating from the rating agencies.

Recommendation

Staff is recommending that Ordinances 53-09 through 57-09 be passed as emergency legislation at the second reading/public hearing on October 19, 2009.

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Eric Smith, Vice President, Stanley Steemer International, 5800 Innovation Drive and 5500 Stanley Steemer Parkway thanked Council on behalf of current and future employees of their company. Stanley Steemer has significant real estate investments in Dublin, as well as in Indianapolis, Tampa, and Nevada – where they considered expanding their operations. The State of Ohio provided financial incentives, and with the encouragement and counsel of Dublin staff, the company has decided to bring an additional 120 jobs to the City. They are pleased to be located in the City of Dublin, and are interested in being connected to the City's technology. He further noted that they have 73 company-owned locations and 230 franchise locations, and they bring in franchise owners each year to visit operations in Dublin.

Ms. Salay asked if they occupy office space at 5800 Innovation Drive, formerly occupied by Applied Innovation.

Mr. Smith responded affirmatively, noting that Stanley Steemer leases back half of the building to another company. At the end of the two-year lease, Stanley Steemer will occupy the entire facility.

Vote on the Ordinance: Vice Mayor Boring, yes; Mr. Keenan, yes; Mayor Chinnici-Zuercher, yes; Mr. Lecklider, yes; Mr. Gerber, yes; Ms. Salay, yes; Mr. Reiner, yes.

Mayor Chinnici-Zuercher moved to waive the Council Rules of Order, dispensing with the reading of Ordinances 53-09 through 57-09, and requesting the clerk to read into the record the amount and purpose of each issuance.

Mr. Gerber seconded the motion.

Vote on the motion: Mr. Lecklider, yes; Vice Mayor Boring, yes; Ms. Salay, yes; Mr. Reiner, yes; Mr. Gerber, yes; Mr. Keenan, yes; Mayor Chinnici-Zuercher, yes. (The Clerk read into the record the amounts and purpose of each issuance.)

Ordinance 53-09

Providing for the Issuance and Sale of Bonds in the Maximum Principal Amount of \$11,750,000 for the Purpose of Paying the Costs of Improving the City's Vehicular Transportation System, Including Industrial Parkway, S.R. 161 and Liggett Road, by Constructing, Reconstructing, Extending, Opening, Widening, Grading, Draining, Curbing, Paving and Resurfacing, and Installing Related Lighting Systems, Related Sanitary Sewer, Storm Sewer and Water Improvements, Signage and Signalization, and Acquiring Interests in Real Estate Therefor, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

Ordinance 54-09

Providing for the Issuance and Sale of Bonds in the Maximum Principal Amount of \$2,235,000 for the Purpose of Paying the Costs of Improving the Municipal Sanitary Sewer System by Lining Existing Sewer Lines, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

Ordinance 55-09

Providing for the Issuance And Sale of Bonds in the Maximum Principal Amount of \$2,035,000 for the Purpose of Paying the Costs of Improving the Municipal Waterworks System by Constructing the Darree Field Water Storage Tank and Related Facilities, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

Ordinance 56-09

Providing for the Issuance and Sale of Bonds in the Maximum Aggregate Principal Amount of \$5,225,000 for the Purpose of Paying the Costs Of Refunding Bonds Previously Issued by the City for the Purpose of Paying Costs of (A) Improving the Municipal Water System by Constructing an Elevated Water Storage Tank, (B) Improving the Municipal Water System by Constructing and Installing Water Mains, (C) Constructing, Furnishing and Equipping the Service

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Complex Building, (D) Constructing a Swimming Pool and Other Recreational Facilities, (E) Improving Frantz Road between Certain Termini, (F) Improving the Municipal Sanitary Sewer System by Constructing and Installing a Pump Station, (G) Acquiring a Facility and Related Site for Use as a Center for the Arts, (H) Constructing Emerald Parkway between Certain Termini, (I) Improving Rings Road between Certain Termini, (J) Constructing Perimeter Drive between Certain Termini and, Including the Realignment and Reconstruction of Post Road, Constructing Perimeter Loop Road between Certain Termini and Improving the Related Intersections, and (K) Renovating the Facility and Related Site for the Center for the Arts, All Together with Incidental Work and Related Appurtenances, and Declaring an Emergency.

Ordinance 57-09

Providing for the Issuance and Sale of Bonds in the Maximum Aggregate Principal Amount of \$15,270,000 for the Purpose of Paying the Costs of Refunding Bonds Previously Issued by the City for the Purpose of Paying Costs of (A) Improving the Vehicular Transportation System in the City, (B) Constructing, Furnishing and Equipping a Multi-Purpose Community and Recreational Center, (C) Providing Additional Facilities at the Coffman Park Municipal Complex, and (D) Acquiring Real Estate and Interests Therein for Parks and Recreational Purposes, All Together with Incidental Work and Related Appurtenances, and Declaring an Emergency.

Ms. Grigsby noted the following:

- In regard to the refinancing ordinances, 56-09 and 57-09, with the changes in interest rates last week, some of the City's projected savings will potentially be less than anticipated. The percentage of savings remains much higher than the target of three to five percent and stands in the overall range of nine percent, versus the ten percent projected previously. The range of savings will remain around \$1.8 million, based upon last week's interest rates.
- As reported previously, staff continued to evaluate the possibility of refinancing the 2001 bond issue. Based upon discussions with bond counsel and the county, staff now plans to do so. Therefore, the refinancing of the 2001 bond issue will be authorized with Ordinance 61-09, scheduled later on tonight's agenda.
- In follow-up to the comments at the last hearing about calls from rating agencies, staff has received preliminary reports and verbal confirmation of the AAA rating. The final reports should arrive sometime this week from both Fitch and Moody's.
- Regarding underwriting services, requests for proposals were sent out. In the past week, the proposals were evaluated and Stifel Nicolaus was selected as senior manager. Stifel Nicolaus has an office in Dublin. The co-managers will be Nat City Investments PNC Capital and Robert W. Baird. They will work to sell the bonds on the City's behalf.
- There was discussion at the last hearing regarding the use of Build America Bonds. Staff is continuing to evaluate this, and specifically the interest savings, before making a decision to issue Build America Bonds. Based upon past experience of agencies which have issued such bonds, they have done so in conjunction with tax exempt bonds. Normally, the tax exempt bonds are more favorable in the early years, and the Build America Bonds more favorable in the later years. Based on current interest rates, the City is focusing on the tax exempt bonds and will likely issue all tax exempt bonds. This is subject to final review, however, based upon pricing.
- There will be a heavy focus on retail sales. She asked Matt Stuczynski, the City's financial advisor, to address this.

Matt Stuczynski, MAS Financial Advisory Services noted the following:

- The final steps to be completed include the Official Statement and decisions on structure and candidates for the refunding issue.

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- The goal is to be in the market next week. Typically, this means a 48-hour pricing period. He emphasized that the first day's order will be dedicated solely to retail orders, with the highest priority of orders allocated to Dublin residents. Ohio residents would be second priority, national retail third priority, and institutional orders fourth. The first 24 hours will be dedicated to Dublin residents and Ohio residents. He noted that the best interests of the City are of primary concern, so there is a need to measure those orders against what an institutional order might yield. The second 24 hours will focus on any remaining bonds for institutional orders.
- The goal is to maximum the retail sales, which are typically 20-50 percent of the bond issue. They would like to be close to 50 percent, but it is a function of interest rates at the time.
- He congratulated the City on the reaffirmation of their current ratings.
- He noted that Dublin does not come to the market often with bond offerings, so it is of interest to those who want to invest. He encouraged anyone interested to purchase the bonds by contacting Stifel Nicolaus, Nat City PNC, Robert W. Baird, or their personal investors.
- The City can also refer calls to a broker. The goal is to ensure that all Dublin residents who have an interest in purchasing these bonds can obtain them.

Mr. Reiner asked how many other Ohio cities have an AAA rating.

Mr. Stuczynski responded that there are several, including Westlake, Dublin, and Columbus. Ms. Grigsby added that Westerville and Upper Arlington have an AAA rating as well.

Mr. Keenan moved for emergency passage of Ordinances 53-09 through 57-09.

Ms. Salay seconded the motion

Vote on the motion: Mr. Lecklider, yes; Vice Mayor Boring, yes; Ms. Salay, yes; Mayor Chinnici-Zuercher, yes; Mr. Keenan, yes; Mr. Gerber, yes; Mr. Reiner, yes.

Vote on Ordinances 53-09 through 57-09: Ms. Salay, yes; Mr. Keenan, yes; Mayor Chinnici-Zuercher, yes; Mr. Gerber, yes; Mr. Reiner, yes; Vice Mayor Boring, yes; Mr. Lecklider, yes.

INTRODUCTION/FIRST READING – ORDINANCES

Ordinance 58-09

Accepting the Updated Estimated Average Per Acre Value of Land for Park Fees in Lieu of Land Dedication.

Mr. Lecklider introduced the ordinance.

Mr. Hahn stated that the Code requires biennial updating of the fees for parkland in lieu of land dedication. This ordinance establishes the value for 2009 and 2010 at \$35,000 per acre.

Mayor Chinnici-Zuercher noted that although this is a decrease from the previous land value of \$31,500 per acre in 2007 and 2008, it will be updated in 2011 and hopefully, the land values will increase at that time.

There will be a second reading/public hearing at the November 3 Council meeting.

Ordinance 59-09

Authorizing the Provision of Certain Incentives to Mindleaders, Inc. to Induce it to Extend the Lease Term on Its Facility within the City and the Expansion of Its Operations and Workforce within the City, and Authorizing the Execution of an Economic Development Agreement.

Mr. Keenan introduced the ordinance.

Mr. McDaniel stated that staff has been in discussion with Mindleaders, Inc. regarding the potential expansion of its workforce, as well as retention of its current office located at 5500 Glendon Court. The company considered relocation and expansion opportunities around Central Ohio, including Grandview Heights. Mindleaders is a learning company, with over 25 years of experience in designing e-learning programs. The company located in Dublin in 2004; in 2007, Mindleaders merged with Third Force, an e-learning company in Ireland and in the United Kingdom. He met with

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Mr. Reiner asked if Dublin's proposal is competitive with those from the other cities. Mr. McDaniel responded affirmatively.

There will be a second reading/public hearing at the October 19 Council meeting.

Ordinance 52-09

Amending the Annual Appropriations Ordinance for the Fiscal Year Ending December 31, 2009.

Mr. Lecklider introduced the ordinance.

Ms. Grigsby stated that this legislation provides additional funding authorization for various accounts and capital projects, the majority of which are tax increment financing related. In section one, additional funding is provided for the State Highway Improvement Fund for the Riverside Drive/Hard Road turn lane, which is included in the 2010 – 2014 CIP. Section two provides for the transfer of remaining funds in the Special Assessment Bond Retirement Fund to the General Obligation Debt Service Fund, which will provide additional funding for the BriHi Square project. Sections 3 through 20 provide the additional funding for the various TIF funds, as noted. Of those, Section 11 refers to the Upper Metro TIF, where the developer paid for the infrastructure improvements, and the City has been reimbursing them as service payments are received. In 2009, the final payment was made to the developer for those improvements. Staff requests that Council dispense with the public hearing and adopt the legislation tonight.

Mr. Reiner moved to dispense with the public hearing.

Mr. Keenan seconded the motion.

Vote on the motion: Mayor Chinnici-Zuercher, yes; Mr. Reiner, yes; Mr. Gerber, yes; Ms. Salay, yes; Mr. Keenan, yes; Mr. Lecklider, yes; Vice Mayor Boring, yes.

Vote on the Ordinance: Mr. Keenan, yes; Vice Mayor Boring, yes; Mr. Lecklider, yes; Mayor Chinnici-Zuercher, yes; Mr. Reiner, yes; Ms. Salay, yes; Mr. Gerber, yes.

Mayor Chinnici-Zuercher moved to introduce Ordinances 53-09 through 57-09, to waive the rules of order regarding reading by title only, and that the Clerk read the amounts and general purpose of the bonds into the record.

Vote on the motion: Mr. Keenan, yes; Mr. Lecklider, yes; Mr. Gerber, yes; Ms. Salay, yes; Vice Mayor Boring, yes; Mr. Reiner, yes; Mayor Chinnici-Zuercher, yes.

(The Clerk read into the record the amounts and general purpose of Ordinances 53-09 through 57-09.)

Ms. Grigsby stated that Council had been made aware that this legislation would be brought forward later in the year. She introduced Matt Stuczynski, MAS Financial Advisory Services, financial advisor for the City, who is present to respond to questions. She stated the following:

- Ordinances 53-09, 54-09 and 55-09 -- relate to new projects, with the debt proceeds to provide funding for those projects.
- Ordinances 56-09 and 57-09 provide for the refinancing of existing bonds that are outstanding.
- As discussed in the CIP process, Ordinance 53-09 provides for a maximum amount of debt to be issued for the Industrial Parkway/SR 161 project, which is scheduled for adoption later on tonight's agenda. The majority of the new bond proceeds will be used to fund right-of-way acquisition. Funds were already advanced from the General Fund to the COIC Improvement Fund to acquire the rights-of-way and easement. The remaining amount used in conjunction with various grants will be used to fund the construction of the project.
- Ordinance 54-09 provides funding to reline sanitary sewer lines. The City has been relining the lines to eliminate the inflow and infiltration within the system and to extend the life of the sanitary sewer lines by an estimated 30 to 50 years.

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- Ordinance 55-09 provides funding to reimburse the Water Fund for the advance made previously for the water storage tank at Darree Fields, which is currently under construction.
- These bonds will be issued for a period of 20 years with a net interest cost slightly above three percent. The rates have improved somewhat since the packet was distributed, and staff is hopeful the rates will hold until these ordinances are adopted on October 19.
- One of the items we have in the new money issues relate to Build America Bonds, which were included as an option in the American Recovery and Reinvestment Act, signed in February 2009. This provides another option for municipalities to issue taxable debt versus tax exempt debt. She explained that the City is able to obtain a lower interest rate because the buyer of the debt is not required to pay federal and state tax on it. The ability to have this option may open up the market to some additional investors. The interest rate will be examined on the day of pricing to determine which is the better choice -- tax exempt or taxable.
- She noted that there are some issues related to the Build America Bonds that the City must be knowledgeable about and cautious.
- In regard to the refinancing ordinances, they are a function of the City's annual debt administration. The City evaluates the possibility to refund or refinance existing debt. The current interest rates are very favorable, and so there is an excellent opportunity to refinance debt at a very low rate. Generally, it is desirable to achieve a three to five percent present value savings on the refunded bonds. Currently, the City is looking at a ten percent savings. Refinancing of the bonds will therefore be very beneficial to the City, resulting in a savings in excess of \$2 million over the next 11 years.
- Another ordinance may be introduced at the next Council meeting related to the debt issued in 2001. It will add a special assessment component, which involves additional considerations. However, based upon recent discussion with bond counsel, this may be an option to consider.
- The copy of the Preliminary Official Statement, as referenced in the memo, has been placed in Council's planning room for Council members to review. This document will be finalized once the City has established its final debt structure on the bonds. The official statement is what investors use to evaluate the City's creditworthiness.
- The City is also in the process of receiving underwriter proposals. Mr. Stuczynski will provide assistance in evaluating those proposals and the firms that submit the proposals in terms of the best rate or the best ability to sell the City's debt. Telephone conferences with the various rating agencies occurred earlier today. It is anticipated the rating will be issued by the end of the week or early next week. Pricing of the bonds will occur the week of October 19, after the legislation is adopted.

Mr. Keenan asked if there is a penalty for prepayment of the previously issued bonds. Ms. Grigsby responded there is no penalty. A feature is included in the bonds which states that if the City waits until an identified date, the City re-buys or pays back the bonds at 100 percent. If they are refunded earlier, a premium is paid.

Mr. Keenan referred to Ordinance 53-09 related to the COIC improvement funds. Is there a time element involved with the money received in terms of the bond, or is it truly reimbursement money?

Ms. Grigsby responded that there are certain issues involved with right-of-way acquisition involving an eminent domain process. That was considered in conjunction with the interchange project, and is the reason the debt is not being issued on the actual funds advanced for the right-of-way acquired for the interchange. The General Fund will be reimbursed in 2010 and 2011 through the property tax revenues generated from the inside millage.

Mr. Lecklider asked if the City would be able to further delay other improvements to this particular interchange.

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Ms. Grigsby responded that is correct and is the reason debt has not been issued at this time for that project. It will provide more flexibility.

Mr. Keenan asked about the City's total debt capacity.

Ms. Grigsby responded that the debt capacity is based upon assessed valuation. The City has in excess of \$100 million in debt capacity, based on legal limitations.

Mr. Keenan asked what portion of that the City is currently utilizing.

Ms. Grigsby responded that the City has a total of approximately \$59 million in outstanding debt.

Mr. Keenan stated that the City is therefore at 60 percent of its total capacity.

Ms. Grigsby responded that in terms of legal limitations, the City could issue \$100 million additional debt. The City is therefore at 40 percent of its total capacity.

Mr. Keenan emphasized that many other public entities are at their maximum debt capacity; Dublin is not near that level. The additional debt with this proposed legislation is a small percentage of the City's total debt capacity.

Ms. Grigsby added that the bonds that are issued for the water and sewer projects will come from water and sewer funds, not from income tax revenues. The debt that will be issued for Industrial Parkway and SR 161 will utilize income tax revenues. In several years, the Perimeter West TIF Fund will be generating more dollars than is required for the current debt for the extension of Perimeter Drive, so it will be possible to utilize some of the service payments from that TIF district to pay for this debt.

Mr. Keenan asked for more information about the Build America Bonds (BABs), which is part of the American Recovery and Reinvestment Act. The terms state that the BABs provide for government entities to issue bonds and pay interest rates that are competitive with rates by corporations. The BABs are attractive to entities that pay no U.S. income taxes, including pension plans and foreign investors. It appears that, under the terms, the federal government will be paying money to subsidize these bonds for foreign investors who do not pay U.S. taxes. He would like to make his philosophical objection to that known.

Ms. Grigsby responded that the City has concerns as well, and has had discussions about the pros and cons of the Build America Bonds. She pointed out that the current market interest rate is so favorable that there may not be sufficient difference between the BAB rate and the tax exempt rate to warrant taking this chance. There has also been discussion with the City's bond counsel, who has expressed similar concerns. While there may be some savings potential, there are some risks involved. Currently, based on proposals received and interest costs, the City is inclined not to issue Build America Bonds.

Mayor Chinnici-Zuercher asked how the City goes about obtaining the underwriter proposals.

Ms. Grigsby responded that a Request for Proposal is sent out to five firms which the City is familiar with and has worked with previously.

Mr. Lecklider asked if the City has some relatively significant debt capacity that will be retired within the next two to five years.

Ms. Grigsby responded that in 2010, after the payment is made for several debt issues from 1990, the City will have a lot of capacity freed up in 2011. There will be a substantial increase in the City's ability to fund additional debt at that time.

Ordinance 53-09

Providing for the Issuance and Sale of Bonds in the Maximum Principal Amount of \$11,750,000 for the Purpose of Paying the Costs of Improving the City's Vehicular Transportation System, Including Industrial Parkway, S.R. 161 and Liggett Road, by Constructing, Reconstructing, Extending, Opening, Widening, Grading, Draining, Curbing, Paving and Resurfacing, and Installing Related Lighting Systems, Related Sanitary Sewer, Storm Sewer and Water Improvements, Signage and Signalization, and Acquiring Interests in Real Estate Therefor, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

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Ordinance 54-09

Providing for the Issuance and Sale of Bonds In the Maximum Principal Amount of \$2,235,000 for the Purpose of Paying the Costs of Improving the Municipal Sanitary Sewer System by Lining Existing Sewer Lines, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

Ordinance 55-09

Providing for the Issuance And Sale of Bonds In the Maximum Principal Amount of \$2,035,000 for the Purpose of Paying the Costs of Improving the Municipal Waterworks System by Constructing the Darree Field Water Storage Tank and Related Facilities, Together with All Incidental Work and Related Appurtenances Thereto, and Declaring an Emergency.

Ordinance 56-09

Providing for the Issuance and Sale of Bonds in the Maximum Aggregate Principal Amount of \$5,225,000 for the Purpose of Paying the Costs of Refunding Bonds Previously Issued by the City for the Purpose of Paying Costs of (A) Improving the Municipal Water System by Constructing an Elevated Water Storage Tank, (B) Improving the Municipal Water System by Constructing and Installing Water Mains, (C) Constructing, Furnishing and Equipping the Service Complex Building, (D) Constructing a Swimming Pool and Other Recreational Facilities, (E) Improving Frantz Road between Certain Termini, (F) Improving the Municipal Sanitary Sewer System by Constructing and Installing a Pump Station, (G) Acquiring a Facility and Related Site for Use as a Center for the Arts, (H) Constructing Emerald Parkway between Certain Termini, (I) Improving Rings Road between Certain Termini, (J) Constructing Perimeter Drive between Certain Termini and, Including the Realignment and Reconstruction of Post Road, Constructing Perimeter Loop Road between Certain Termini and Improving the Related Intersections, and (K) Renovating the Facility and Related Site for the Center for the Arts, All Together with Incidental Work and Related Appurtenances, and Declaring an Emergency.

Ordinance 57-09

Providing for the Issuance and Sale of Bonds In the Maximum Aggregate Principal Amount of \$15,270,000 for the Purpose of Paying the Costs of Refunding Bonds Previously Issued by the City for the Purpose of Paying Costs of (A) Improving the Vehicular Transportation System in the City, (B) Constructing, Furnishing and Equipping a Multi-Purpose Community and Recreational Center, (C) Providing Additional Facilities at the Coffman Park Municipal Complex, and (D) Acquiring Real Estate and Interests Therein for Parks and Recreational Purposes, All Together with Incidental Work and Related Appurtenances, and Declaring an Emergency.

There will be a second reading/public hearing of Ordinances 53-09 through 57-09 at the October 19 Council meeting.

INTRODUCTION/PUBLIC HEARING - RESOLUTIONS

Resolution 49-09

Accepting the Lowest and Best Bid for the UNI – 161 – 12.98 Industrial Parkway Project.

Mr. Lecklider introduced the resolution.

Mr. Hammersmith stated that this is the second phase of transportation improvements associated with the Central Ohio Innovation Center. The first phase was the relocation of Liggett Road, which is now completed. The current phase consists of the following: reconstruction of State Route 161 between Eiterman Road and just east of Cosgray Road to provide a 0.4 mile four-lane divided highway with a 16-foot wide raised median; relocation of existing Industrial Parkway 1,000 feet to the west at a

City of Dublin, Ohio
Summary of Buyers
2009 Series A, B and C

\$15,105,000 Series A				
	Bonds Available	Bonds Allocated	Purchasers	Firm Sold
2010	1,670	1,025	Northern Trust 250 Ohio retail 295 retail 100 retail	Stifel PNC Baird R James
2011	1,395	250 75 1,070	Northern Trust FNB stock	Stifel PNC Baird
2012	1,290	1,125 50 75 40	Northern Trust Wells Capital FNB stock	Stifel Stifel PNC Stifel
2013	1,315	850 35 150 280	Northern Trust Wells Capital FNB stock	Stifel Stifel PNC Baird

\$10,375,000 Series B				
	Bonds Available	Bonds Allocated	Purchasers	Firm Sold
	1,255	380 875	stock 2nd Choice	Baird R James
	605	100 505	National City stock	Stifel Baird
	870	500 370	stock stock	Baird Stifel
	890	400 10 100 100 50 230	Victory Capital Evergreen Asset Mgmt Huntington Trust Huntington Trust National City stock	Stifel Stifel Stifel Stifel Stifel Baird

\$11,690,000 Series C				
	Bonds Available	Bonds Allocated	Purchasers	Firm Sold
	n/a			
	n/a			
	n/a			
	n/a			

City of Dublin, Ohio
Summary of Buyers
2009 Series A, B and C

\$15,105,000 Series A					\$10,375,000 Series B					\$11,690,000 Series C				
	Bonds Available	Bonds Allocated	Purchasers	Firm Sold	Bonds Available	Bonds Allocated	Purchasers	Firm Sold	Bonds Available	Bonds Allocated	Purchasers	Firm Sold		
2014	1,330	1,000	JP Morgan Trust 25 FAF Advisors 205 Wells Fargo 50 National City 50 Harris Assoc	Stifel Stifel Stifel Stifel Stifel	325	50	Victory Capital Huntington Trust FAF Advisors Victory Capital stock	Stifel Stifel Stifel Stifel Stifel	590	150	Riverside Advisors 440 SunTrust	Stifel Stifel		
2015	1,275	25	Northstar Inv Adv 300 Northern Trust 500 Wells Fargo 300 Monetary Mgmt 25 FAF Advisors 30 FAF Advisors 70 stock 25 retail	Stifel Stifel Stifel Stifel Stifel Stifel Stifel R James	330	50	Nothern Trust stock stock stock stock	Stifel Stifel Baird R James Stifel	595	595	Suntrust	Stifel		
2016	2,280	1,030	JP Morgan Trust 1,000 Glenmede Trust 250 Wells Capital Mgmt	Stifel Stifel Stifel	1,075	30	Northstar Inv Adv 100 Victory Capital 50 FAF Advisors 500 Wells Fargo 250 stock 145 stock	Stifel Stifel Stifel Stifel R James Stifel	610	610	Wasmer Schroeder	Stifel		
2017	1,850	350	Blackrock 65 Northstar Inv Adv 250 Columbia Asset Mgmt 500 stock 665 stock 20 stock	Stifel Stifel Stifel Stifel PNC R James	1,110	280	Fiduciary Trust 100 JP Morgan 730 stock	Stifel Stifel PNC	625	125	SunTrust 500 Assoc Banc Corp	Stifel Stifel		
2018	1,320	300	Farmers National 750 Northern Trust 100 FAF Adv 100 Wells Fargo 30 Dublin retail 40 Dublin retail	Stifel Stifel Stifel Stifel PNC PNC	1,170	50	US Trust 300 Victory Capital 500 Northern Trust 320 stock	Stifel Stifel Stifel Stifel	640	200	SunTrust 200 Money Manager 240 Wilber National Bank	Stifel Stifel Stifel		

City of Dublin, Ohio
Summary of Buyers
2009 Series A, B and C

\$15,105,000 Series A					\$10,375,000 Series B					\$11,600,000 Series C				
Bonds Available	Bonds Allocated	Purchasers		Firm Sold	Bonds Available	Bonds Allocated	Purchasers		Firm Sold	Bonds Available	Bonds Allocated	Purchasers		Firm Sold
2019	1,180	830	Blackrock	Stifel		1,215	125	JP Morgan Trust	Stifel		660	300	Western Reserve Ins	Stifel
		100	Northern Trust	Stifel			50	Evergreen Asset Mgmt	Stifel			360	Wilber National Bank	Stifel
		250	Columbia Asset Mgmt	Stifel			230	JP Morgan Trust	Stifel					
							430	Blackrock	Stifel					
							280	stock	Stifel					
							100	retail	Stifel					
2020	200	200	stock	Stifel		1,275	975	Northern Trust	Stifel		n/a			
							150	Silverleaf Capital Adv	Stifel					
							150	stock	Stifel					
2021	n/a					255	205	stock	Stifel		n/a			
							50	retail	PNC					
2024	n/a					n/a					3,640	1,000	Grange Insurance Assoc	Stifel
												500	SunTrust	Stifel
												1,000	Point Jupiter	Stifel
												500	Wilber National Bank	Stifel
												640	JEA Inc	PNC
2029	n/a					n/a					4,330	500	Catholic Aid Assoc	Stifel
												250	First Tennessee Bank	Stifel
												100	retail	Stifel
												500	Wilber National Bank	Stifel
												1,500	stock	PNC
												1,480	stock	Baird

CALCULATION AGENCY AGREEMENT

This CALCULATION AGENCY AGREEMENT (the “*Agreement*”) is made and entered into as of _____, 2010, and under the circumstances summarized in the following recitals, by and between The Bank of New York Mellon Trust Company, N.A., in New Albany, Ohio (the “*Calculation Agent*”), a national banking association duly organized and validly existing under the laws of the United States of America and qualified to exercise trust powers in the State of Ohio, and the City of Dublin, Ohio (the “*Issuer*”), a municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of Ohio and its Charter, in connection with the issuance of the Issuer’s \$11,690,000 Various Purpose Improvement Bonds, Series 2009C (Limited Tax – Federally Taxable – Build America Bonds – Direct Payment) (the “*Bonds*”), dated November 18, 2009:

WITNESSETH:

WHEREAS, by Ordinances No. 53-09, No. 54-09 and No. 55-09, each passed by the City Council of the Issuer on October 19, 2009 (collectively, the “*Bond Legislation*”), the Issuer authorized the issuance and sale of the Bonds (the terms of which Bonds are more fully described on **EXHIBIT A** attached hereto and incorporated herein by reference); and

WHEREAS, the Issuer and the Calculation Agent heretofore entered into a Bond Registrar Agreement dated November 18, 2009 (the “*Bond Registrar Agreement*”) pursuant to which the Calculation Agent has agreed to serve as Registrar and Paying Agent for the Bonds; and

WHEREAS, by Ordinance No. ____-10 passed by the City Council of the Issuer on _____, 2010, the Issuer is authorized to enter into this Agreement with the Calculation Agent for the preparation and submittal of Internal Revenue Service Forms 8038-CP in connection with credit payments with respect to such Bonds payable pursuant to the American Recovery and Reinvestment Act of 2009;

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Issuer and the Calculation Agent agree as follows:

Section 1. Appointment and Acceptance. The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A. as calculation agent for the Bonds, and the Calculation Agent accepts such appointment, acknowledging the duties, obligations and responsibilities of the Calculation Agent as set forth herein.

Section 2. Documents to be Filed with the Calculation Agent. The Issuer shall provide to the Calculation Agent in connection with its appointment hereunder, (a) a copy of the executed Form 8038-G filed in connection with the issuance of the Bonds, (b) an incumbency certificate listing the officers of the Issuer authorized to act on behalf of the Issuer under this Agreement and (c) such other instruments, opinions and certificates as the Calculation Agent may reasonably request.

Section 3. Duties of the Calculation Agent. The Calculation Agent shall act as calculation agent for the Bonds and in such capacity it shall:

(a) not less than 45 and not more than 90 days prior to each interest payment date for the Bonds, perform the calculations necessary to complete a Form 8038-CP requesting payment of a credit equal to 35% of the interest payable on the Bonds for the period ending on each such interest payment date;

(b) sign such Form 8038-CP as a paid preparer;

a. secure the signature of an authorized officer of the Issuer on each such Form 8038-CP;

(c) file each Form 8038-CP with the Department of the Treasury at the Internal Revenue Service Center, Ogden, Utah 84201-0020 (unless notified by the Issuer or the Internal Revenue Service in writing of a change of address therefor) not less than 45 and not more than 90 days prior to each interest payment date for the Bonds; and

(d) accept payment of the amounts due from the Department of the Treasury and promptly deposit such amounts in the Account established pursuant to Section 4 hereof; provided that the Calculation Agent shall have no liability for interest on any amounts held pending delivery to, or upon the written direction of, the Issuer.

Section 4. Establishment of Account. The Issuer hereby directs the Calculation Agent to establish and maintain a separate account (the “*Account*”) therefor in its capacity as Calculation Agent, pursuant to the terms of this Agreement. The Account established hereby shall remain the property of the Issuer. Subaccounts may be established within the Account when deemed necessary or convenient by the Issuer or the Calculation Agent. The Calculation Agent shall have custody of the Account, which shall be held on behalf of the Issuer and kept separate from the other assets of the Calculation Agent, and the money on deposit in the Account shall be held, invested and disbursed as directed by the Issuer pursuant to this Agreement.

Section 5. Investments.

(a) The Calculation Agent agrees to invest and reinvest funds in the Account as directed in writing by an authorized agent of the Issuer in a Permitted Investment (as defined below). The Director of Finance of the Issuer and any other authorized officer of the Issuer shall be authorized to give the Calculation Agent investment instructions.

(b) “*Permitted Investments*” shall mean:

(i) Direct obligations of, and obligations fully and unconditionally guaranteed as to timely payment by, the United States government and any agency, instrumentality, or establishment of the United States government (“*Government Securities*”);

(ii) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service ("*Moody's*") of A1 and P1, respectively;

(iii) Repurchase and reverse repurchase agreements fully collateralized with Government Securities, including those of the Calculation Agent or any of its affiliates;

(iv) Investment in money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Calculation Agent or an affiliate of the Calculation Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Calculation Agent or an affiliate of the Calculation Agent receives fees from funds for services rendered, (ii) the Calculation Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Calculation Agent or an affiliate of the Calculation Agent; and

(v) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit, including those placed by a third party pursuant to an agreement between the Calculation Agent and the Issuer, or bankers acceptances of depository institutions, including the Calculation Agent or any of its affiliates, rated in the AA or Aa2 long-term ratings category or higher by S&P or Moody's, respectively, or which are fully FDIC-insured.

(c) The Issuer recognizes and agrees that the Calculation Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Account or the purchase, sale, retention or other disposition of any Permitted Investment. The Issuer shall be solely responsible for complying with the provisions of any law, rule or regulation concerning the investment of public funds. Earnings on Permitted Investments shall be added to the Account. The Calculation Agent shall be under no obligation to invest moneys in the Account other than as directed in writing by the Issuer pursuant to this Agreement. Any loss or expense incurred as a result of an investment will be borne by the Account.

(d) The Calculation Agent is hereby authorized to trade with itself and any affiliated entity in the purchase and sale of securities for investment, and is authorized to execute purchases and sales of Permitted Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity; *provided* that such trades shall be made at fair market value. The Calculation Agent shall send statements to the Issuer on a monthly basis reflecting activity in the Account for the preceding month. Although the Issuer recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer hereby agrees that confirmations of

Permitted Investments are not required to be issued by the Calculation Agent for each month in which a monthly statement is rendered.

(e) The Issuer acknowledges and agrees that the delivery of the funds held hereunder is subject to the sale and final settlement of Permitted Investments. Proceeds of a sale of Permitted Investments will be delivered on the business day on which the appropriate instructions are delivered to the Calculation Agent if received prior to the deadline for same day sale of such Permitted Investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding business day.

Section 6. Disbursement of Account. Moneys held in the Account shall be disbursed for the payment of debt service on the Bonds in accordance with the Bond Registrar Agreement; in addition, such moneys may be paid out from time to time by the Calculation Agent within two business days after receipt by the Calculation Agent of a written direction of the Issuer, properly completed and executed in substantially the form of **EXHIBIT B** attached hereto.

Section 7. Compensation. The Calculation Agent agrees to undertake the duties and obligations and to perform all services contemplated to be performed under this Agreement. For these services, the Issuer shall pay the Calculation Agent a fee of \$1,500.00 within thirty (30) days following the date of this Agreement, and, if applicable, to reimburse the Calculation Agent for its out-of-pocket expenses (including, without limitation, legal and accounting fees and expenses) incurred at the direction of or with the prior written consent of the Issuer. The Calculation Agent shall be responsible for any and all actions or suits, whether groundless or otherwise, and from and against any and all losses, liabilities, costs and expenses (including attorneys' fees and expenses) arising out of the agency relationship created by this Agreement, if such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the bad faith, willful misconduct or negligence of the Calculation Agent. The Issuer shall pay the Calculation Agent for any extraordinary services performed or extraordinary expenses incurred by the Calculation Agent in connection with its duties under this Agreement at the direction of or with the prior written consent of the Issuer. The provisions of this Section 7 shall survive the Calculation Agent's resignation or removal, or the termination of this Agreement.

Section 8. Instructions From the Issuer; Advice of Counsel. At any time the Calculation Agent may apply to any duly authorized representative of the Issuer for instructions, and shall have the right, but not the obligation, to consult with counsel of its choice, which shall be at the reasonable expense of the Issuer if the Issuer's prior written consent has been obtained, and shall not be liable for action taken or omitted to be taken either in accordance with such instruction or such advice of counsel, or in accordance with any opinion of counsel to the Issuer addressed to the Calculation Agent.

Section 9. Concerning the Calculation Agent. The Calculation Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees. The Calculation Agent shall neither be responsible for,

nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document in connection herewith. The Calculation Agent shall not be answerable for other than its negligence, willful misconduct or bad faith. The Calculation Agent shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by the proper person or persons and shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Issuer. The Calculation Agent shall not be under any obligation to prosecute any action or suit in respect of the agency relationship which, in its sole judgment, may involve it in expense or liability. In any action or suit the Issuer shall, as often as requested, reimburse the Calculation Agent for any expense or liability growing out of such action or suit by or against the Calculation Agent in its agency capacity; provided, however, that no such reimbursement shall be made for any expense or liability arising as a result of Calculation Agent's negligence, bad faith or willful misconduct.

The Calculation Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; terrorism; military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services (not including computer or communications services solely under the control of the Calculation Agent); accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that Calculation Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Calculation Agent be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Calculation Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Calculation Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Calculation Agent an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Calculation Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Calculation Agent in its discretion elects to act upon such instructions, the Calculation Agent's understanding of such instructions shall be deemed controlling. The Calculation Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Calculation Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Calculation Agent, including without limitation the risk of the Calculation Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Any banking association or corporation into which the Calculation Agent may be merged, converted or with which the Calculation Agent may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Calculation Agent shall be transferred, shall succeed to all the Calculation Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Notices. Notice from one of the parties to the other under this Agreement will be sufficient for the purpose if it is contained in a writing mailed by first-class mail postage prepaid to the Issuer at 5200 Emerald Parkway, Dublin, Ohio 43017, Attention: Director of Finance, and to the Calculation Agent at 6525 West Campus Oval, Suite 200, New Albany, Ohio 43054, Attention: Corporate Trust, or to any other address which may be designated from time to time by either party in writing delivered to the other party

Section 11. Destruction of Records, Instruments and Papers. The Calculation Agent shall retain in its files records, instruments, and papers maintained by it in relation to its agency while this Agreement is in effect. Upon the expiration or termination of this Agreement, the Calculation Agent shall deliver to the Issuer copies of pertinent records then in the Calculation Agent's possession which are reasonably requested by the Issuer.

Section 12. Resignation or Removal of Calculation Agent. Any time, other than on a day during the sixty (60) day period preceding any periodic payment date for Issuer's Bonds, the Calculation Agent may resign by giving at least sixty (60) days' prior written notice to Issuer; and the Calculation Agent's agency shall be terminated and its duties shall cease upon expiration of such sixty (60) days or such lesser period of time as shall be mutually agreeable to Calculation Agent and Issuer. At any time, following at least sixty (60) days' prior notice (or such lesser period of time as shall be mutually agreeable to the Calculation Agent and the Issuer) the Calculation Agent may be removed from its agency by the Issuer. Such removal shall become effective upon the expiration of the sixty (60) day or agreed lesser time period, and upon payment to the Calculation Agent of all amounts payable to it in connection with its agency.

Section 13. Effectiveness and Term. This Agreement shall remain in effect and the agency established by the Agreement shall continue until (i) terminated by mutual agreement of Issuer and Calculation Agent, (ii) the resignation or removal of Calculation Agent pursuant to Section 12 hereof, or (iii) after all Bonds have been retired or defeased.

Section 14. Jury Trial Waiver. To the extent permitted by law, each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each

party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

Section 15. Conflict with Bond Registrar Agreement. In the event of a conflict between the provisions of this Agreement and those of the Bond Registrar Agreement, the terms of the Bond Registrar Agreement shall govern.

Section 16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

(Signature Pages to Follow)

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers as of the date first above written.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

By: _____

Title: _____

CITY OF DUBLIN, OHIO

By: _____

Title: _____ Director of Finance _____

FISCAL OFFICER'S CERTIFICATE

As the fiscal officer of the City of Dublin, Ohio, I certify that the money required to meet the obligations of the Issuer during the year 2010 under the attached Calculation Agency Agreement has been lawfully appropriated by the City Council of the Issuer for those purposes and is in the treasury of the Issuer or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Ohio Revised Code.

Dated: _____, 2010

Director of Finance
City of Dublin, Ohio

EXHIBIT A

DESCRIPTION OF BONDS

Title: \$11,690,000 VARIOUS PURPOSE IMPROVEMENT BONDS, SERIES 2009C
(FEDERALLY TAXABLE – BUILD AMERICA BONDS – DIRECT PAYMENT)

Interest Payment Dates: June 1 and December 1 of each year that the Bonds are outstanding, commencing June 1, 2010

Principal Payments (and Mandatory Sinking Fund Redemption Requirements):
December 1 in the years and amounts as follows -

Principal Payment Date (December 1)	Payment Amount	Interest Rate
2014	\$590,000	3.000%
2015	595,000	3.250
2016	610,000	3.850
2017	625,000	4.100
2018	640,000	4.350
2019	660,000	4.550
2024	3,640,000	5.200
2029	4,330,000	5.750

The Bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Bond Legislation. That mandatory redemption is to occur on December 1 in the years 2020 through 2023 (with the remaining balance to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Principal Payment Date (December 1)	Type	Total
2020	Mandatory Redemption	\$685,000
2021	Mandatory Redemption	700,000
2022	Mandatory Redemption	725,000
2023	Mandatory Redemption	750,000
2024	Maturity	780,000

The Bonds maturing on December 1, 2029 are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Bond Legislation. That mandatory redemption is to occur on December 1 in the years 2025 through 2028 (with the remaining balance to be paid at stated maturity on December 1, 2029), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Principal Payment Date (December 1)	Type	Total
2025	Mandatory Redemption	\$805,000
2026	Mandatory Redemption	835,000
2027	Mandatory Redemption	860,000
2028	Mandatory Redemption	900,000
2029	Maturity	930,000

EXHIBIT B

DISBURSEMENT DIRECTION

To: The Bank of New York Mellon Trust Company, N.A.
Attention: Corporate Trust Department

Re: Calculation Agency Agreement dated as of _____, 2010 between the City of
Dublin, Ohio and The Bank of New York Mellon Trust Company, N.A., as
Calculation Agent (the "*Calculation Agency Agreement*")

Ladies and Gentlemen:

You are hereby authorized and directed as Calculation Agent under the above-
referenced Calculation Agency Agreement to wire \$_____ to
_____.

CITY OF DUBLIN, OHIO

By: _____

Name: _____

Title: _____