

09 JUL 2024

Fitch Rates City of Dublin's (OH) \$19MM General Obligation Bonds Series 2024 'AAA'; Outlook Stable

Fitch Ratings - Chicago - 09 Jul 2024: Fitch Ratings has assigned a 'AAA' rating to the city of Dublin's (OH) \$19 million limited tax general obligation (LTGO) various purpose improvement and refunding bonds series 2024. The bonds are scheduled for competitive sale the week of August 14. Proceeds will be used for refunding the various purpose bonds series 2018B, as well as improvements to the municipal sanitary sewer, municipal water system and pedestrian and vehicular transportation system.

In addition, Fitch has affirmed the city's Issuer Default Rating (IDR) and outstanding GO bonds at 'AAA'. The Rating Outlook is Stable.

Dublin's 'AAA' IDR and GO ratings reflect implementation of Fitch's new "U.S. Public Finance Local Government Rating Criteria". The ratings incorporate the city's 'aaa' financial resilience assessment given a 'high midrange' level of budgetary flexibility and Fitch's assumption that unrestricted general fund reserves will be maintained at or greater than 10.0% of total general fund spending and transfers out. The ratings also reflect the city's 'mid-range' long-term liabilities balanced against a 'strong' population trend and demographic and economic level and concentration and size metrics that measure in the 'strongest' assessment category.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A decline in available general fund reserve levels to below 10.0% of spending and transfers out, which would lower Fitch's assessment of financial resilience to below 'aaa';

--An approximately 40% increase in long-term liabilities assuming current levels of personal income and governmental revenues and spending.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--Not applicable given the highest 'AAA' rating.

SECURITY

The LTGO bonds are payable from ad valorem taxes levied on all taxable property, within the 10-mill limitation imposed by Ohio law.

Fitch's Local Government Rating Model

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio (the Model Implied Ratings will be the IDR except in certain circumstances explained in the applicable criteria). The Model Implied Ratings is expressed via a

numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher ('AAA'), 9.0 ('AA+'), 8.0 ('AA'), and so forth down to 1.0 ('BBB-' and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

Ratings Headroom & Positioning

Dublin Model Implied Rating: 'AAA' (Numerical Value: 10.57)

-- Metric Profile: 'AAA' (Numerical Value: 10.57)

-- Net Additional Analytical Factor Notching: 0.0

Dublin's Model Implied Rating is 'AAA'. The associated numerical value of 10.57 is in the middle of the range for its current 'AAA' rating.

Key Rating Drivers

Financial Profile

Financial Resilience - 'aaa'

Dublin's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: High

-- Expenditure control assessment: Midrange

-- Budgetary flexibility assessment: High Midrange

-- Minimum fund balance for current financial resilience assessment: >=10.0%

-- Current year fund balance to expenditure ratio: 75.9% (2022 Actual)

-- Five-year low fund balance to expenditure ratio: 62.8% (2022)

Revenue Volatility - 'Midrange'

Dublin's weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

-- Lowest three-year revenue performance (based on revenues dating back to 2005): 3.4% decrease for the three-year period ending fiscal 2009

-- Median issuer decline: -4.6% (2022)

Demographic and Economic Strength

Population Trend - 'Strong'

Based on the median of 10-year annual percentage change in population, Dublin's population trend is assessed as 'Strong'.

Population trend: 1.4% Analyst Input (71st percentile) (vs. 1.6% 2021 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Strongest'

The overall strength of Dublin's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2022 are assessed as 'Strongest' on a composite basis, performing at the 96th percentile of Fitch's local government rating portfolio. This is due to relatively strong education attainment levels, median-issuer indexed adjusted MHI and unemployment rate.

-- Unemployment rate as a percentage of national rate: 69.4% Analyst Input (89th percentile) (vs. 77.8% 2022), relative to the national rate of 3.6%

-- Percent of population with a bachelor's degree or higher: 74.5% Analyst Input (99th percentile) (vs. 73.2% 2021 Actual)

-- MHI as a percent of the portfolio median: 222.5% Analyst Input (99th percentile) (vs. 222.9% 2021 Actual)

Economic Concentration and Population Size - 'Strongest'

Dublin's population in 2021 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 49,013 Analyst Input (above the 15th percentile) (vs. 49,124 2021 Actual)

-- Economic concentration: 15.1% Analyst Input (above the 15th percentile) (vs. 15.4% 2022 Actual)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series. The analyst input for population trend and economic concentration reflects the use of the most recently available 2023 data.

Long Term Liability Burden

Long-Term Liability Burden - 'Midrange'

Dublin's liabilities to governmental revenue has improved while carrying costs to governmental expenditures remain weak and liabilities to personal income remain midrange. The long-term liability composite metric in 2022 is at the 42nd percentile, roughly in line with Fitch's local government rating portfolio.

-- Liabilities to personal income: 5.5% Analyst Input (49th percentile) (vs. 5.2% 2022 Actual)

-- Liabilities to governmental revenue: 180.7% Analyst Input (48th percentile) (vs. 170.6% 2022 Actual)

-- Carrying costs to governmental expenditures: 17.6% Analyst Input (31st percentile) (vs. 21.6% 2022 Actual)

Analyst Inputs to the Model

Long-term liability burden metrics were adjusted to reflect the issuance of new debt and amortization of outstanding debt since the publication of the most recent fiscal 2022 audited financial statement.

PROFILE

Dublin is situated in central Ohio, approximately 16 miles northwest of Columbus, the state capital and largest city. Its location at the intersection of major transportation networks serving Columbus's north-western suburbs has spurred significant population growth. This population increase has, in turn, driven substantial residential and commercial development over the past decade. The city boasts a well-diversified economy, with key sectors including financial services, telecommunications, and healthcare. Prominent employers in the area include Cardinal Health, Inc. and OhioHealth Corporation.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Fitch Ratings Analysts

Asma Afeef

Associate Director

Primary Rating Analyst

1 312 368 2051

Fitch Ratings, Inc. One North Wacker Drive Chicago, IL 60606

Kristine Tjia

Senior Analyst

Secondary Rating Analyst

+1 312 606 2837

Michael Rinaldi

Senior Director

Committee Chairperson

+1 212 908 0833





Media Contacts**Sandro Scenga**

New York

+1 212 908 0278

sandro.scenga@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Dublin (OH) [General Government]	LT IDR	AAA 	Affirmed	AAA 
• Dublin (OH) /General Obligation - Limited Tax/1 LT	LT	AAA 	Affirmed	AAA 

RATINGS KEY OUTLOOK WATCH**POSITIVE****NEGATIVE****EVOLVING****STABLE****Applicable Criteria**

[U.S. Public Finance Local Government Rating Criteria \(pub.02 Apr 2024\) \(including rating assumption sensitivity\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 (1)

Additional Disclosures

Solicitation Status

Endorsement Status

Dublin (OH) EU Endorsed, UK Endorsed

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