

City of Dublin, OH

Issuer: City of Dublin, OH

Assigned	Ratings	Outlook
General Obligation (Limited Tax) Various Purpose Improvement and Refunding Bonds, Series 2025	AAA	Stable

Affirmed	Ratings	Outlook
General Obligation (Limited Tax) Various Purpose Improvement and Refunding Bonds	AAA	Stable

Methodology

[U.S. Local Government GO Methodology](#)

[ESG Global Rating Methodology](#)

Analytical Contacts

Lina Santoro, Director
+1 (646) 731-1419
lina.santoro@kbra.com

Mallory Yu, Senior Analyst
+1 (646) 731-1380
mallory.yu@kbra.com

payments on the Bonds will continue to be paid from other revenue sources, the largest of which is municipal income tax revenues, which are projected to cover approximately 79% of total debt charges, followed by water and sewer system revenues (13%) and tax increment financing service payments (8%).

The limited tax general obligation bonds, including the Series 2025 Bonds, are unvoted general obligations of the City for which the State Constitution provides a limited ad valorem tax pledge of 10 mills (the 'ten-mill limitation'; equivalent to \$10 per \$1,000 of taxable assessed value). The ten-mill limitation applies separately in each of the three counties within which the City operates (Franklin, Delaware, and Union) as an aggregate tax cap for each of the respective taxing subdivisions therein. The City's allocation of the ten-mill limitation is 1.75 mills in each county. Ohio law limits the City's ability to increase the property tax levy without voter approval.

The City's largest revenue source is municipal income tax receipts, which accounted for 61.6% of total Government Funds' revenue, and 87.9% of General Fund revenue for FY 2024 (unaudited). The City's income tax rate is 2%, which is midrange for the State, and is applicable to income earned by individuals working within the jurisdictional boundaries of the City and on the net profits of businesses operating in Dublin.

For the past five fiscal years (2019-2024), the City's income tax receipts have increased an average of 5.4% per annum, demonstrating a limited net impact from remote work. Given the potential for income tax revenue variability, the City has historically budgeted conservatively, with actual income tax receipts consistently exceeding budget, supporting stable financial performance. The City's 2025 operating budget essentially holds income tax receipts (cash basis) flat at the prior year's actual level. Year-to-date income tax receipts through May 2025 are ahead of FY 2024 actuals by 2.1%.

The City further maintains fiscally prudent capital planning, debt management and reserve policies which, in aggregate, minimize financial performance variability and sustain robust reserve levels. The City's unassigned general fund balance, which totaled \$58.2 million at FYE 2024 (unaudited), represents a strong 64.4% of general fund expenditures including transfers out -- consistently above the City's very conservative 50% target.

The City is favorably located just 16 miles northwest of the City of Columbus, the State's capital. Dublin maintains a sound and growing tax base as evidenced by employment growth that has outpaced the State and the nation over the past ten years, along with higher educational attainment, a considerably lower poverty rate, and an unemployment rate consistently below that of the State and the US. The City's per capita income for 2023 (\$72,217¹), at 183% and 167%

¹ City per capita income based upon 2023 US Census, ACS 5-year estimates.

Rating Summary: The AAA long-term rating for the City of Dublin, Ohio's (the "City" or "Dublin") General Obligation (Limited Tax) Various Purpose Improvement and Refunding Bonds (the "Bonds") reflects the City's diverse and growing tax base, characterized by strong wealth and employment levels, robust income tax receipts supporting payment of debt service on the Bonds, and conservative City budgeting and financial management practices. The City's strong liquidity (unassigned general fund reserves equivalent to 64.4% of FY 2024 [unaudited] general fund expenditures) moderates the potential variability risk associated with the City's largest revenue source, income tax receipts.

Proceeds of the Series 2025 Bonds (\$38.1 million) will economically refund a portion of the Series 2015 outstanding parity general obligation bonds, fund a portion of capital improvements, and pay costs of issuance. The Bonds are general obligations of the City, secured by its full faith and credit and an ad valorem property tax pledge, subject to an aggregate ten-mill limitation as imposed by Ohio law. The ad valorem limited tax pledge is applicable to the extent other repayment sources are not sufficient to repay indebtedness. While the Bonds are secured by the limited ad valorem tax pledge, the City anticipates debt



of State and national levels, respectively, is supportive of strong income tax receipts. Dublin's population growth since 2010 (CAGR of 1.24%) has also well exceeded that of the State (0.16%) and the nation (0.55%)².

The City maintains a comprehensive and annually updated long-term capital plan to manage residential and nonresidential growth. The five-year capital plan through FY2029 totals \$325.6 million, with limited new debt requirements of approximately \$57.3 million (inclusive of the 2025 Bonds) accounting for 16.1% of total capex. Debt service on the Bonds is expected to be funded primarily via income tax revenues, as well as tax increment financing service payments, and water and sewer charges. Pursuant to State law, total income taxes collected are allocated 75% to the General Fund and 25% to the Capital Improvements Fund. The income taxes allocated to the Capital Improvements Fund are allocated 60% for the retirement of debt and 40% for cash funding of capital projects (a key funding source for the City's capex).

In FY 2023, the City's taxable assessed value (TAV) of real property was reassessed, with TAV rising (+25.8%) to \$3.4 billion from \$2.7 billion in the prior year. TAV value has increased at a 5.3% 10-year compound annual growth rate (CAGR) between the 2014 and 2024 tax years, well ahead of the rate of inflation (3.1%) as measured by the Consumer Price Index. The City's pro forma direct and overlapping debt for FY 2025 totals \$365.8 million, which is relatively low compared to the property tax base, representing 3.7% of tax year 2024's full market value (FMV of approximately \$9.6 billion). Net debt relative to the population (\$7,343 per capita) is moderately high, given the somewhat modest size of the population (just under 50,000). However, KBRA notes that income taxes, the primary source of repayment, are supported by an influx of workers that commute into the City and by the growing economic and employment base, which KBRA views as moderating factors.

The Stable Outlook reflects our view that Dublin's strong and growing economic and tax base, above average wealth and employment demographics, and sound financial management practices characterized by strong reserves, ample liquidity and manageable debt levels, will continue to provide significant financial flexibility.

Key Credit Considerations

The rating was assigned/affirmed because of the following key credit considerations:

Credit Positives

- Conservative budgetary practices, sound fiscal policies, and strong financial performance support ample reserves and financial flexibility.
- Main source of repayment for the Bonds is income tax receipts, which have benefitted from a vibrant, strong economic base with an above average sociodemographic profile, and proximity to the State's capital (Columbus).
- A comprehensive five-year capital plan, with significant reinvestment and development to support tax base growth, with a dedicated capital funding source and modest new debt requirements.

Credit Challenges

- Potential for volatility in income tax receipts as affected by the level of economic and employment growth in the city.
- Elevated debt levels on a per-capita basis, although somewhat moderated by the higher population of nonresident workers, solidly growing tax base and above average income level. Net direct and overlapping debt relative to full market value is manageable at 3.7% for FY 2024 (unaudited).

Rating Sensitivities

▪ No positive rating sensitivities given the highest debt rating level.	+
▪ A significant decline in unrestricted reserves, particularly the Unassigned General Fund Balance relative to General Fund expenditures, to below historic levels.	-
▪ A declining trend in income tax receipts and/or material increase in debt requirements that pressures the ad valorem property tax limitation.	

² Population estimates based upon US Census, ACS 5-year estimates for 2010-2023.



Key Ratios

City of Dublin (OH)

City Population ¹	49,031
Population Growth (CAGR 2010 - 2023)	
City of Dublin	1.24%
Columbus (OH) MSA	0.95%
Ohio	0.16%
United States	0.55%
Unemployment Rate (May 2025) ²	
Dublin (OH)	3.8%
Columbus (OH) MSA	4.3%
Ohio	4.7%

Tax Base (\$000s, as per Tax Year)	Full Market Value (FMV)	Taxable Assessed Value (TAV)	% Chg YoY
2022	7,656,396	2,679,739	1.8%
2023 ³	9,628,547	3,369,991	25.8%
2024	9,600,751	3,360,263	-0.3%

Key Financial Metrics (FY)	2023	2024 Unaudited
Net Debt % Full Market Value	3.6%	3.7%
Net Debt per Capita (\$)	\$5,579	\$7,343
Fixed Costs % of Total Governmental Expenditures	15.5%	11.4%
Unassigned General Fund Balance % GF Expenditures ⁴	56.8%	64.4%

¹ US Census data for 2023 (ACS 5-year estimate).

² Bureau of Labor Statistics, Local Area Unemployment Statistics for Dublin; not seasonally adjusted.

³ Reflects sexennial reappraisal of property full market value in calendar 2023.

⁴ General Fund Expenditures include Transfers Out.

Source: US Census Data, Bureau of Labor Statistics, City of Dublin's ACFRs.



Rating Determinants (RD)	
1. Management Structure and Policies	AA+
2. Debt and Additional Continuing Obligations	AA
3. Financial Performance and Liquidity Position	AAA
4. Municipal Resource Base	AAA

For more details regarding RDs 1-4, the Bankruptcy Assessment and ESG Management, please refer to KBRA's prior report dated [July 17, 2024](#).

RD 1 Management Structure and Policies Update

The City of Dublin maintains sound, fiscally conservative management practices which KBRA views as a credit strength supporting the rating. The City maintains a comprehensive budgeting process, monthly fiscal monitoring, quarterly financial reporting, budgetary controls, multi-year financial and capital plans, and strong reserve and debt management policies. The City has generated general fund surpluses, after transfers, in four of the last five years.

Dublin is an innovative city striving to be the most connected community in the nation, with an ongoing buildout of a 10-gigabyte fiber network, and the addition of smart mobility-transportation plans to attract and retain businesses and employees in the City. The City directs significant effort towards its economic development strategy and Community Plan which are designed to promote and manage growth. The capital plan incorporates the development of future residential neighborhoods in the City, identifies mixed-use purposes for the Metro Center Office District, expansion of the Bridge Street and Beta Districts, improvements to the City's Northern Historic District, expansion to the water and sewer lines, among other projects, as well as access to renewable energy. The City's diverse and growing economic base is a key credit factor supporting Dublin's income tax-reliant revenue stream.

Another area for future economic development on the western edge of the City is the Western Innovation District, partially located in adjacent Madison County. Of the City's nearly 16,000 acres of available land area, a relatively modest 17% and 20% of that acreage currently remains undeveloped, for residential and nonresidential purposes, respectively.

Pursuant to Ohio legislation, the limited tax general obligation ("GO") Bonds are secured by the City's full faith and credit and general property taxing power, subject to an aggregate ten-mill limitation by all overlapping taxing subdivisions. The ad valorem tax rate is limited to ten mills, or \$10 per \$1,000 of taxable assessed valuation. Property assessments are conducted by the County Auditor and subject to the supervision of the State Tax Commissioner. Property taxes are billed and collected by the County. Property is reassessed every six years, and most recently in 2023, bringing the total assessed valuation to \$3.4 billion, a significant increase of 25.8% over the prior year, reflecting solid growth and value appreciation in the tax base. The updated TAV was applicable for property tax collections in FY 2024.

While the Bonds are secured by a limited tax GO pledge, debt service is anticipated to be paid from income tax revenues, TIF payments and utility revenues. The City's primary revenue source, income tax revenues, has historically accounted for more than 50% of the total government revenue, and 80%-90% of general fund revenue. The City has the authority to levy an income tax of up to 2%, without voter approval. The City's income tax is levied upon income earned by individuals working in the City and on the net income of for-profit businesses operating in the City. With the City's ongoing economic development efforts, income tax revenues have risen an average of 5.4% per year for the past 5 years. Implementing a change to the income tax rate would require voter approval.

RD 2 Debt and Additional Continuing Obligations Update

KBRA views the City's debt and additional continuing obligations profile as moderate but manageable given the City's strong growth and considerable financial flexibility afforded by ample reserves. Debt metrics are expected to remain elevated on a per capita basis, reflecting the somewhat modest City population (<50,000) and ongoing capital expenditures to maintain and expand the City's infrastructure and support its growing economic base.

Pursuant to State law, the City's general obligation debt is subject to debt limitations to moderate debt issuance. Total general obligation debt outstanding, exclusive of certain exempt debt (the Bonds are exempt debt), cannot exceed 10.5% of the total assessed valuation; for a legal debt margin of \$353.8 million, which is fully available debt capacity to date. The outstanding unvoted (or non-voter approved) general obligation Bonds cannot exceed 5.5% of the TAV, and for FY 2024, the unvoted GO debt margin was \$185.3 million, which is available debt capacity the City has historically maintained and does not plan to use over five-year horizon.

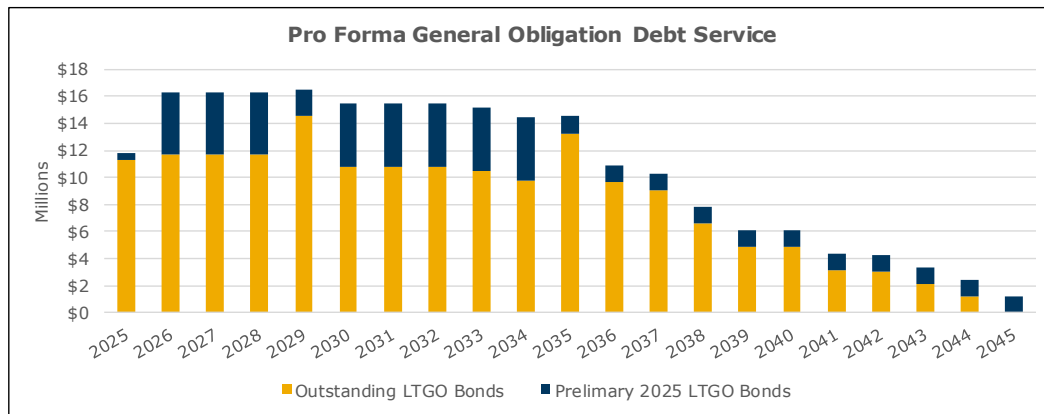
Direct and Indirect Debt

Pro forma FY 2025 direct GO limited tax debt outstanding totals nearly \$173.99 million, net of refunded portions. The 2025 Bonds have an expected par amount of \$38.1 million with debt service payments made from a combination of income tax revenues, TIF service payments, and sewer and water fund revenues. The City is also issuing approximately



\$4.85 million of Limited Tax General Obligations Capital Facilities Notes (not rated by KBRA) to refund outstanding Series 2024 Capital Facilities Notes. The City is also utilizing \$7.9 million in cash reserves to pay down a portion of the 2024 Notes. Inclusive of the current offerings, annual debt service currently peaks at \$16.9 million in fiscal year 2029, then declines thereafter, with final maturity in 2045.

Figure 1



Source: City of Dublin, OH Series 2025 General Obligation Bonds, Preliminary Official Statement

* Preliminary, subject to change. Excludes debt service on Bonds proposed to be refunded with series 2025 Bonds proceeds.

The City's FY 2024 (unaudited) direct and overlapping debt, totaled \$360.0 million, which is relatively low compared to the property tax base, at 3.7% of Tax Year 2023 full market value (FMV). On a per capita basis, KBRA calculates net debt per capita as moderately high (\$7,343 per capita) given the City's population size (<50,000), although we consider it to be manageable given the growing tax and economic base. Overlapping debt incorporates the allocable shares of three school districts, a joint vocational school district, a community college, the Central Ohio Transit Authority, the Solid Waste Authority of Central Ohio, as well as debt of Union, Franklin, and Delaware Counties.

Pension Obligations & Other Post-Employment Benefits (OPEB)

The City provides pension and OPEB (health insurance) benefits through its participation in the Statewide cost-sharing, multiple-employer defined benefit pension plans administered by the Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire Pension Fund (OP&F). As of the December 31, 2023, measurement date, the City's proportionate share of the net pension liability of the OPERS and OP&F combined represented less than 1% of FMV. The plan fiduciary net position as a percentage of the total pension liability was 79.01% and 63.6% for OPERS and OP&F, respectively.

The City annually contributes the full contractually required pension contribution amounts as determined by the State. The FY 2024 (unaudited) combined pension contributions of \$5.7 million represented just 2.6% of total governmental expenditures. The City's total fixed cost burden, which includes debt service on direct debt, pension, and OPEB contributions, accounted for a manageable 11.4% of governmental expenditures for FY 2024 (unaudited).

RD 3: Financial Performance and Liquidity Position Update

The City has maintained a consistently strong financial position, frequently outperforming budget, with conservative reserve policies and solid tax base growth supporting ample liquidity and financial flexibility. Income taxes are the largest contributor to the City's total Government Fund revenues, and in particular for the General Fund (GF) revenues, accounting for 87.2% and 87.9% of GF revenues for FY 2023 and FY 2024 (unaudited), respectively. For the past four years, pursuant to the City's reserve policy (on a cash-basis), the GF balance has accounted 64% - 77% of GF expenditures (including transfers), which is well above the City's 50% GF reserve policy.

FY 2024 Unaudited Operating Results

Based upon unaudited fiscal 2024 results, the City's income tax revenues for total Governmental Funds grew to \$109.7 million, up 4.9% YoY, largely reflecting the stronger employment and economic base within the City. General fund (GF) revenues strengthened 4.3% YoY to \$92.8 million in FY 2024, driven by the higher income tax revenues. GF expenditures rose at a faster pace than revenues, up 8.2% YoY to \$59.4 million in FY 2024, but remained well below revenues, generating a GF operating surplus of \$33.4 million, allowing the City to transfer out \$30.9 million in FY 2024 for use by other Governmental Funds. The unassigned GF balance improved to \$58.2 million in FY 2024, from \$45.9 million in the prior year, due to a positive net change in the fund balance (\$3.9 million) and a reallocation of a portion of the Assigned Fund Balance. As shown below, the City's unassigned GF balance remains robust, equivalent to 64.4% of FY 2024 (unaudited) GF expenditures after transfers, providing ample financial flexibility to manage unanticipated cash flow challenges.

Figure 3

City of Dublin Statement of Revenues, Expenditures and Changes in General Fund Balance						
FYE December 31st (GAAP Basis; \$000)	2019	2020	2021	2022	2023	2024 Unaudited
Revenues						
Income taxes	\$ 68,130	\$ 67,327	\$ 71,164	\$ 72,163	\$ 77,548	\$ 81,568
Intergovernmental	448	597	729	789	803	878
Charges/Fees/Fines	5,630	4,590	5,044	5,314	5,089	5,717
Investment Income and Other	2,550	2,432	(116)	(811)	5,528	4,633
General Fund (GF) Revenue	76,759	74,946	76,822	77,455	88,967	92,795
YOY % Chg.	8.9%	-2.4%	2.5%	0.8%	14.9%	4.3%
Expenditures						
General government	26,977	24,608	27,568	30,125	27,183	28,285
Community environment	7,328	7,242	6,365	7,233	8,017	9,552
Public Health and Safety	762	741	769	630	382	622
Leisure related activity	7,883	7,695	7,378	8,319	9,311	10,171
Capital Outlay	224	209	15,068	7,987	1,082	1,762
Debt Charges	1,285	1,285	-	-	717	1,093
Other ¹	3,565	3,841	5,481	7,151	8,256	7,946
General Fund Expenditures	48,023	45,621	62,629	61,445	54,947	59,432
YOY % Chg.	-7.0%	-5.0%	37.3%	-1.9%	-10.6%	8.2%
General Fund Surplus (Deficiency)	28,736	29,325	14,193	16,010	34,020	33,364
Transfers Out	(18,715)	(23,345)	(24,119)	(16,160)	(25,750)	(30,936)
Other financing sources (uses)	112	3,380	172	212	285	1,465
Net Change in Fund Balance	10,133	9,360	(9,754)	62	8,556	3,893
Ending Fund Balance	110,426	119,785	110,031	110,093	118,649	122,541
Income Tax Revenue % GF Revenues	88.8%	89.8%	92.6%	93.2%	87.2%	87.9%
GF Ending Balance % GF Expenditures ²	71.9%	99.2%	64.7%	73.8%	76.8%	69.0%
Unassigned Fund Balance	35,978	53,244	42,057	32,628	45,871	58,174
Unassigned Fund Balance % of GF Expenditures	74.9%	116.7%	67.2%	53.1%	83.5%	97.9%
Unassigned Fund Balance % GF Exps and Transfers Out	53.9%	77.2%	48.5%	42.0%	56.8%	64.4%

¹ Includes basic utility service and transportation expenditures.

² City's reserve policy is to maintain General Fund Balance equivalent to at least 50% of General Fund Expenditures (cash basis). Dublin has consistently maintained this liquidity target.

Source: City of Dublin (OH) Annual Comprehensive Financial Reports.

FY 2025 Budget

In concert with the City's conservative fiscal practices, the FY 2025 Operating Budget, which is developed on a cash basis, holds total Governmental Funds' income tax receipts (\$112.0 million projection) nearly flat at the FY 2024 actual cash level (\$112.3 million). At the end of five months in FY 2025, income tax receipts are ahead of budget and approximately 2.1% above the prior year's actual receipts, continuing the City's historical trend over the past decade, of actual income tax collections outperforming budget. With respect to projected GF performance, the FY 2025 Operating Budget includes a decrease in the GF balance, on a cash-basis, to \$64.97 million, from \$68.8 million due to projected salary increases (3%-4%) and the planned use of cash reserves to redeem a portion of the 2024 Notes. The GF balance is projected to remain strong, at 65.5% of FY 2025 budgeted expenditures.

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