Thursday, October 9, 2025, 9:30 AM – 10:30 AM

Capital Markets Update and Financing Overview 2025

Mike Sudsina, Michael Prcela & Greg Van Wagnen

Sudsina & Associates, LLC
Registered Municipal Advisors

OHIO ASSOCIATION OF PUBLIC TREASURERS
OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Presentation Overview

Part 1

- ✓ Discussion of municipal bond market rates, trends and expectations

Part 2

- ✓ Difficulties Presented by current market conditions

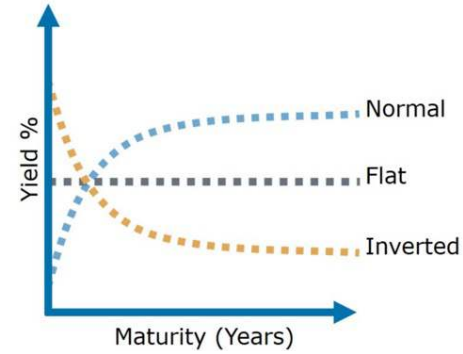
Part 1

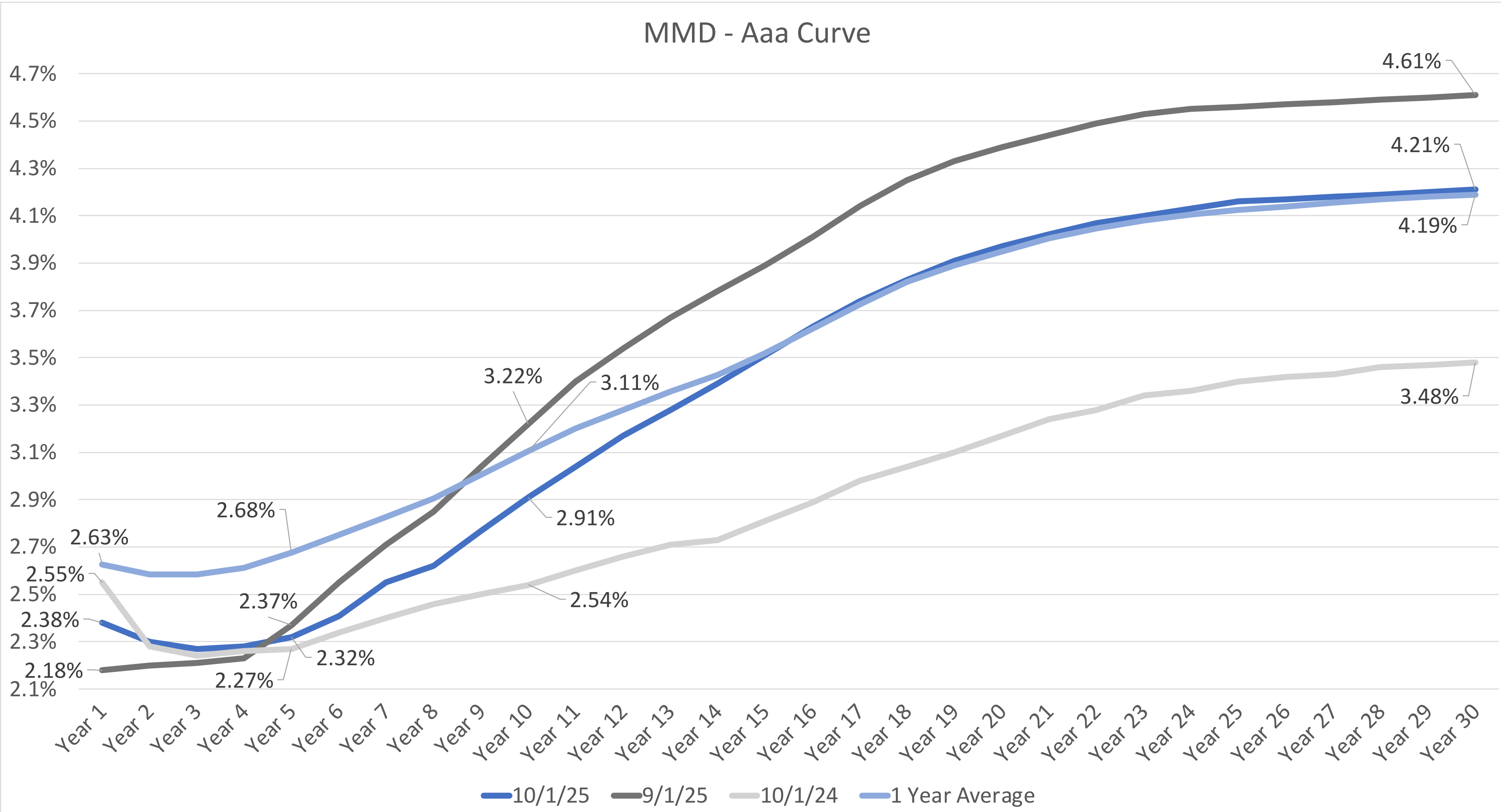
Municipal bond market rates, trends and expectations

Debt Market Outlook

Market Data Dates

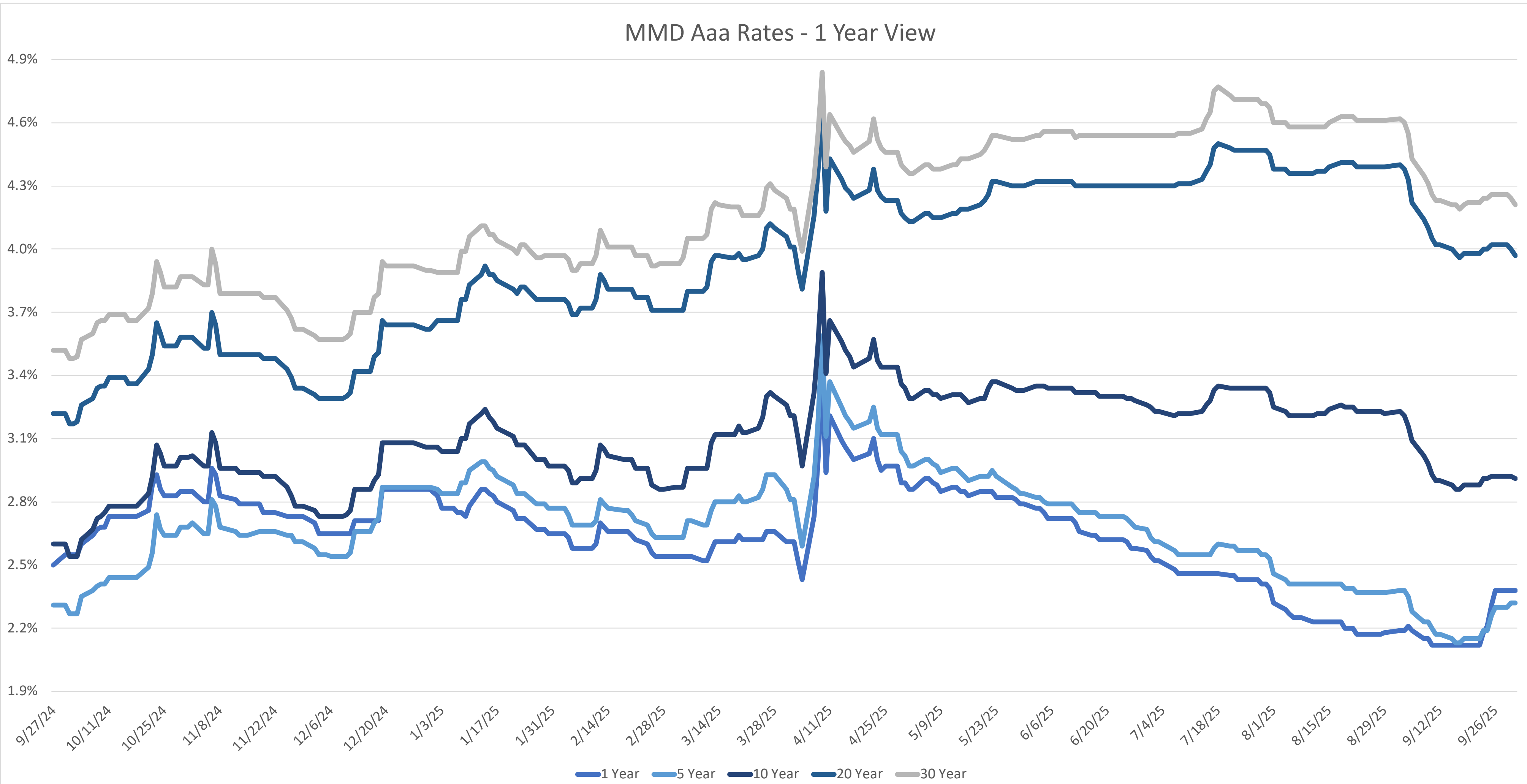
- FOMC Schedule: Sep 17, Oct 29, Dec 10
- CPI Inflation: Sep 11, Oct 15, Nov 13, Dec 10
- Unemployment: First Friday of Each Month





Sudsina & Associates, LLC
Registered Municipal Advisors

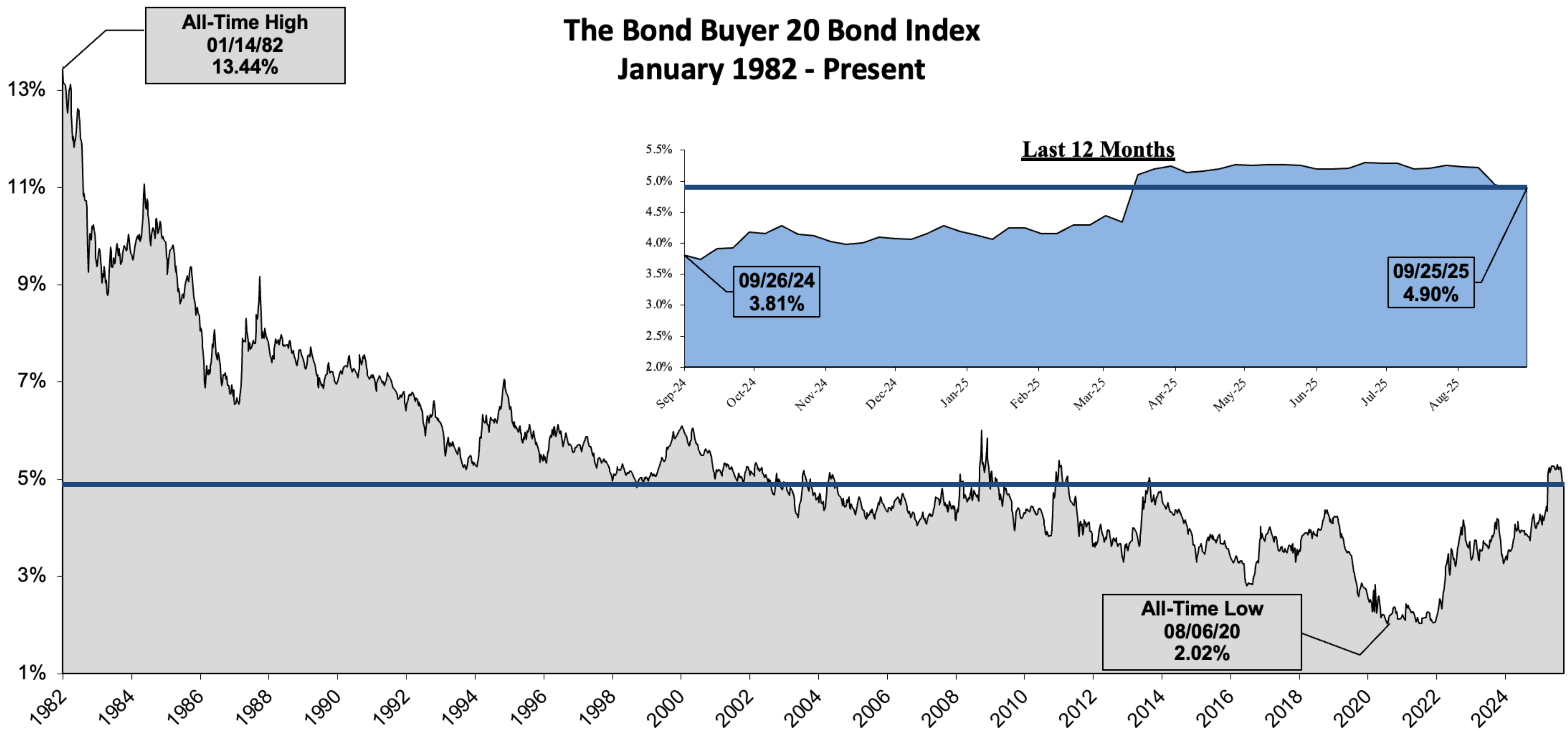
Debt Market Outlook



OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Debt Market Outlook



15-year average	3.64%	Average since January 1980	5.60%	Past 12 Months High	5.30%
10-year average	3.41%	Highest since January 1980 (1/14/82)	13.44%	Past 12 Months Low	3.74%
5-year average	3.41%	Lowest since January 1980 (8/6/20)	2.02%		

General obligation bonds maturing in 20 years are used to compile this index. The Index has an average rating roughly equivalent to Moody's Aa2 and S&P AA.

OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

September 17, 2025 Fed Action

Recent indicators suggest that growth of economic activity moderated in the first half of the year. Job gains have slowed, and the unemployment rate has edged up but remains low. Inflation has moved up and remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment have risen.

In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 4 to 4-1/4 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

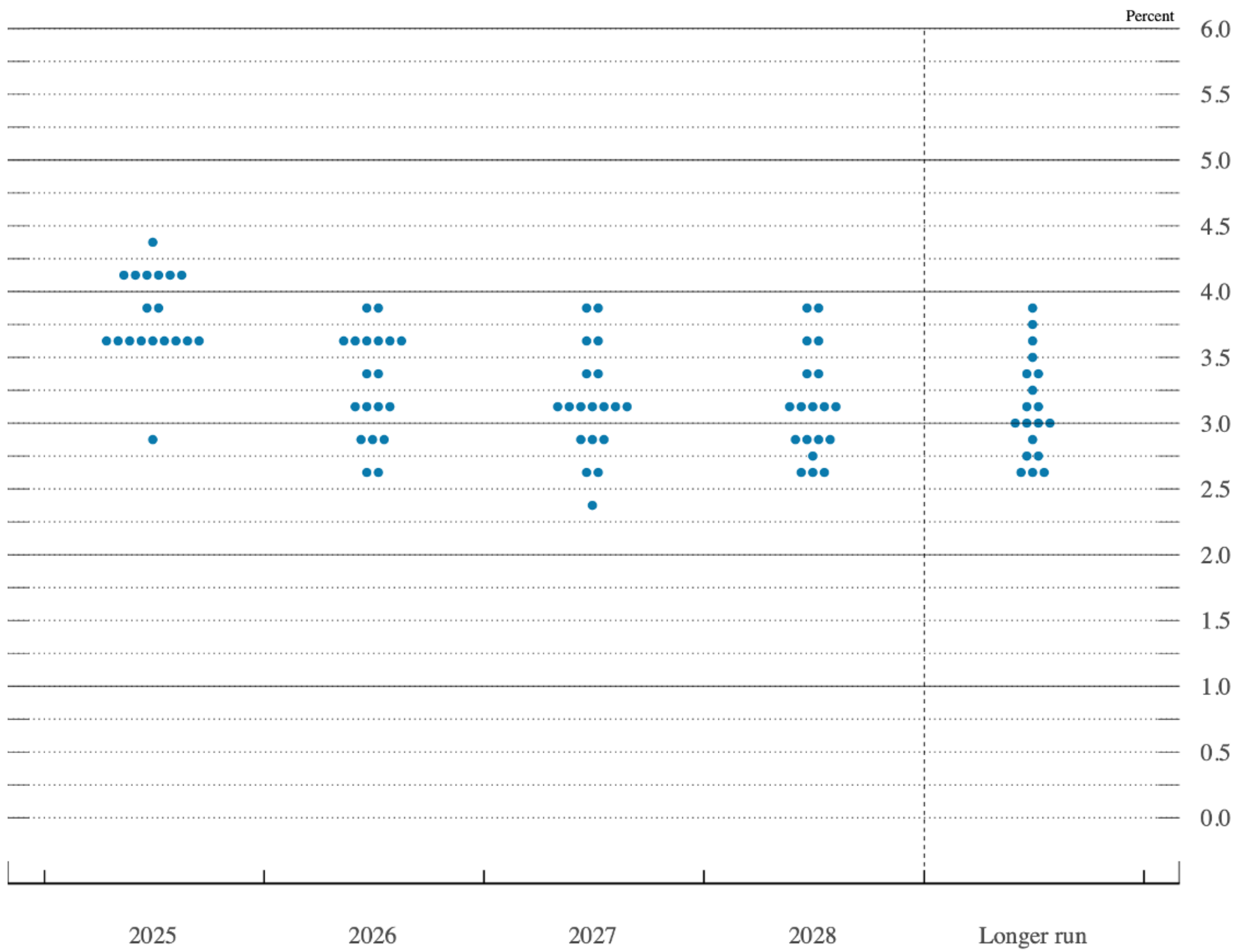
In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Susan M. Collins; Lisa D. Cook; Austan D. Goolsbee; Philip N. Jefferson; Alberto G. Musalem; Jeffrey R. Schmid; and Christopher J. Waller. Voting against this action was Stephen I. Miran, who preferred to lower the target range for the federal funds rate by 1/2 percentage point at this meeting.

Sudsina & Associates, LLC
Registered Municipal Advisors

September 17, 2025 Fed Dot Plot

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate

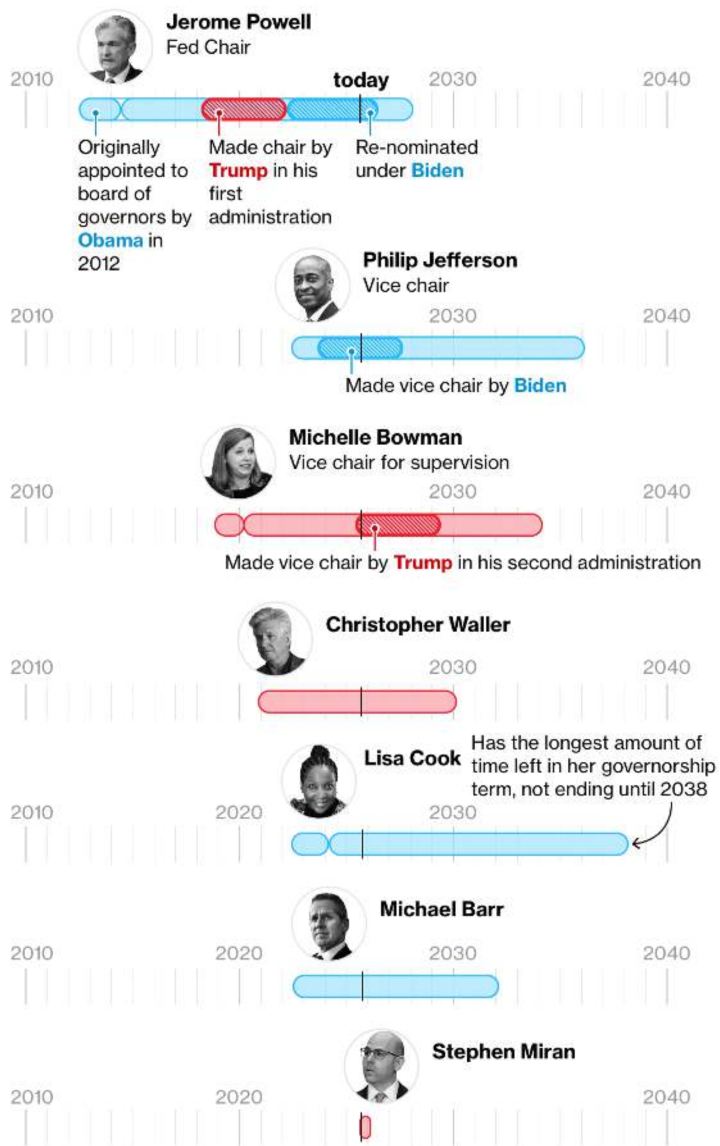


OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

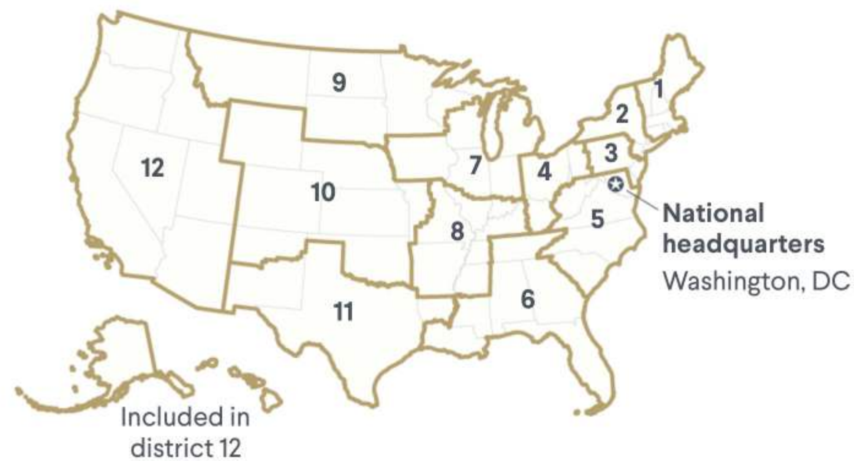
Federal Reserve Members

Terms of the Federal Reserve's Board of Governors



Source: Federal Reserve

1 Boston
2 New York
3 Philadelphia
4 Cleveland
5 Richmond
6 Atlanta
7 Chicago
8 St. Louis
9 Minneapolis
10 Kansas City
11 Dallas
12 San Francisco



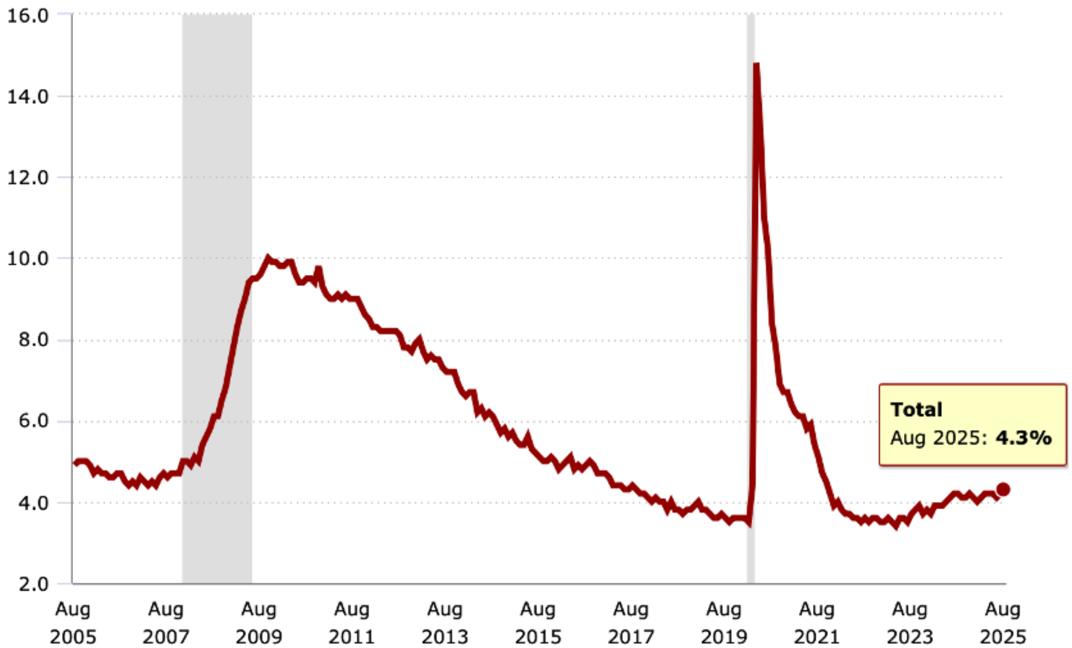
Voting Member Banks

	2025	2026	2027
Members	New York Chicago Boston St. Louis Kansas City	New York Cleveland Philadelphia Dallas Minneapolis	New York Chicago Richmond Atlanta San Francisco
Alternate Members	New York† Cleveland Philadelphia Dallas Minneapolis	New York† Chicago Richmond Atlanta San Francisco	New York† Cleveland Boston St. Louis Kansas City

OAPT

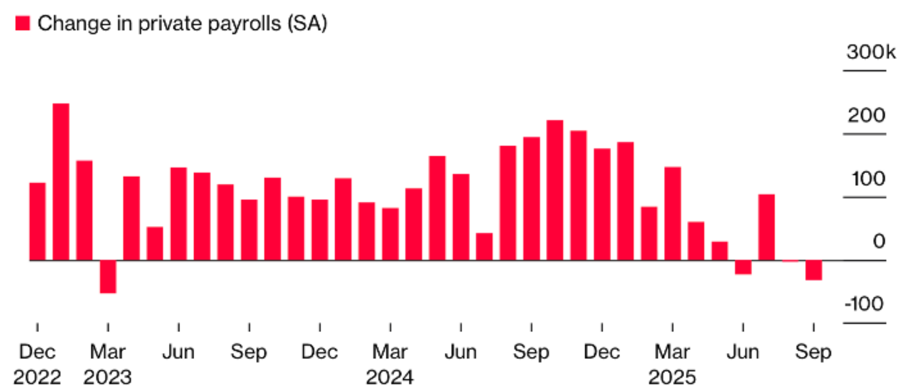
Federal Reserve Goals

Unemployment Rate – BLS Public Data



- Unemployment lower than 2007 lows
  - 2007 Range: 4.4% to 4.7%
- April 2008: 5.0%
- April 2009: 9.0%
- Oct 2010: 10.0%
- August 2024: 4.2%

Payroll Data – ADP Private Data



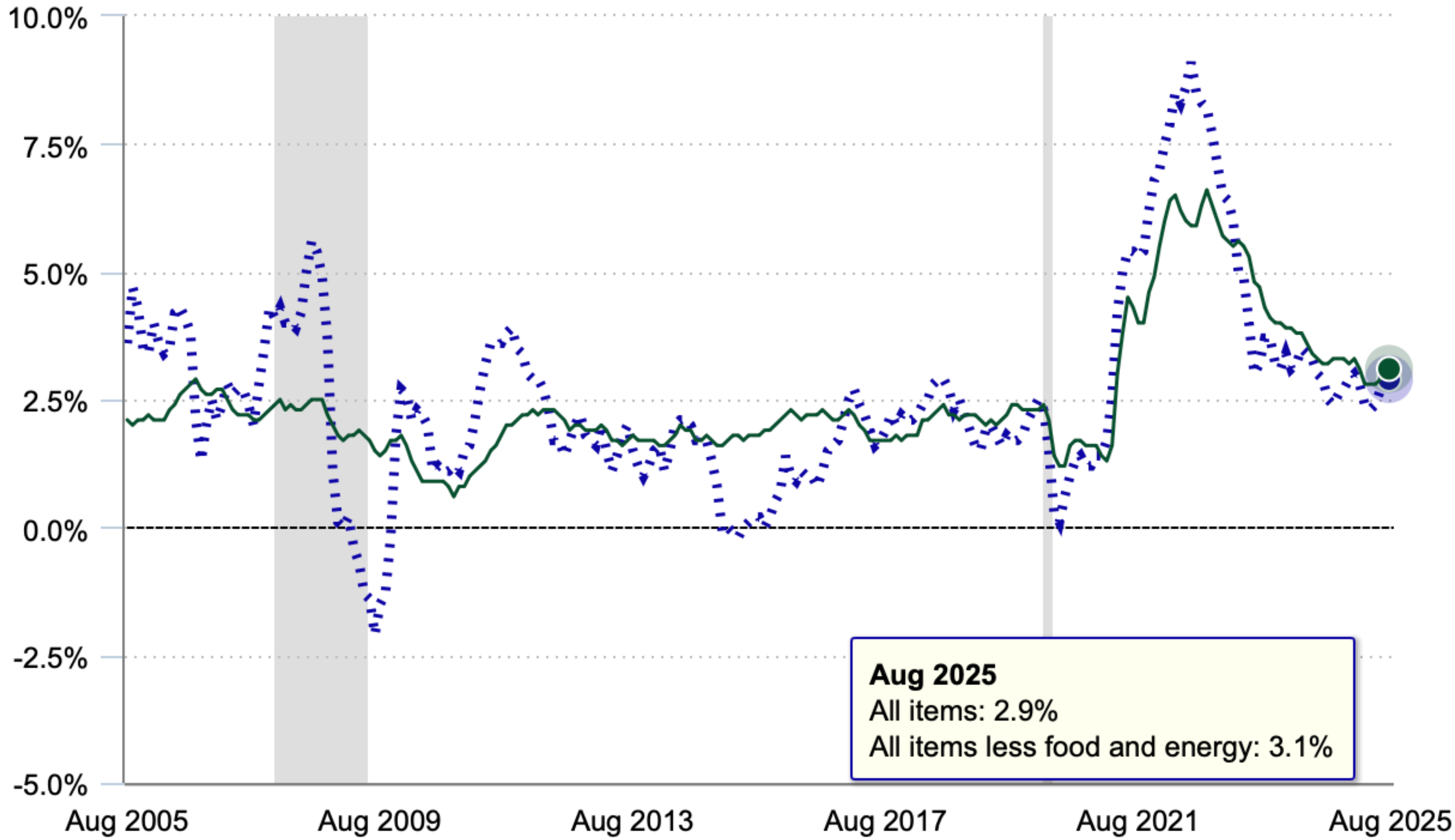
Source: ADP Research

- BLS Data will not be published 10/3
- Market will focus on ADP Data
- ADP adjusts using BLS Data

Sudsina & Associates, LLC
Registered Municipal Advisors

Federal Reserve Goals

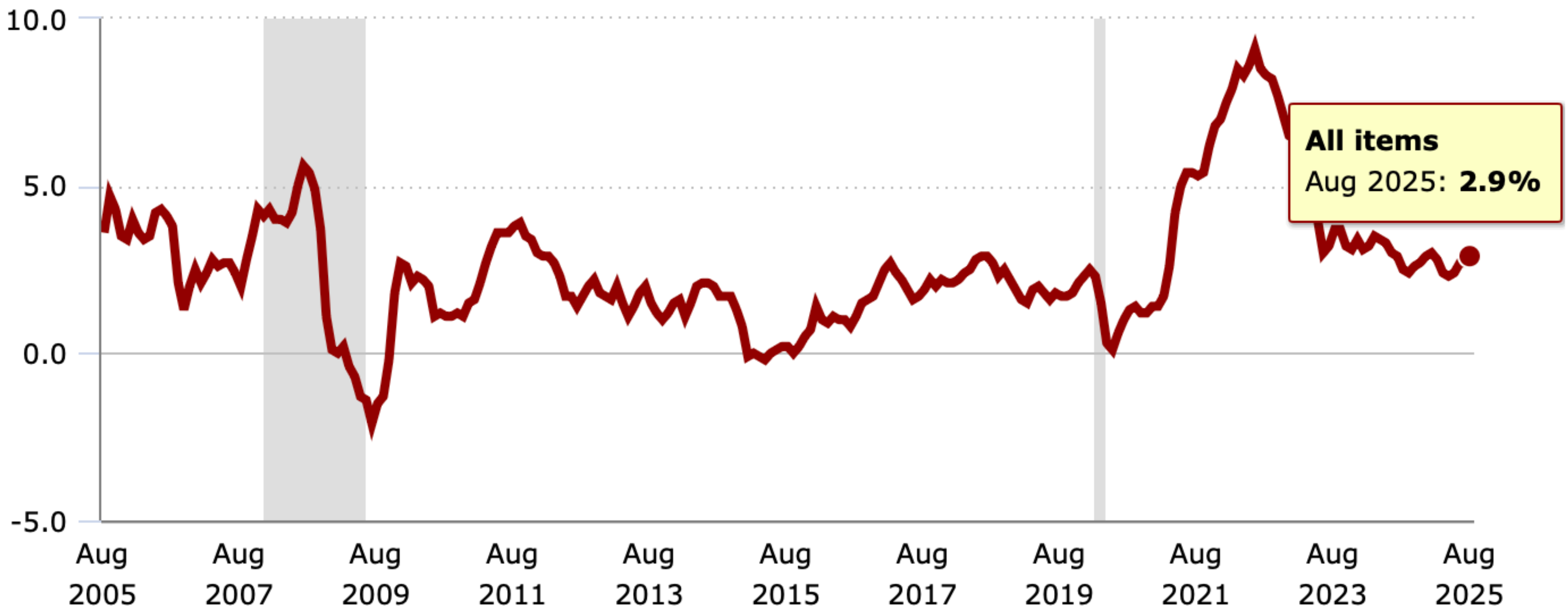
CPI - Inflation



Sudsina & Associates, LLC
Registered Municipal Advisors

Federal Reserve Goals

CPI - Inflation



- July 2008: 5.6%
- July 2009: -2.1%
- December 2009: 2.7%

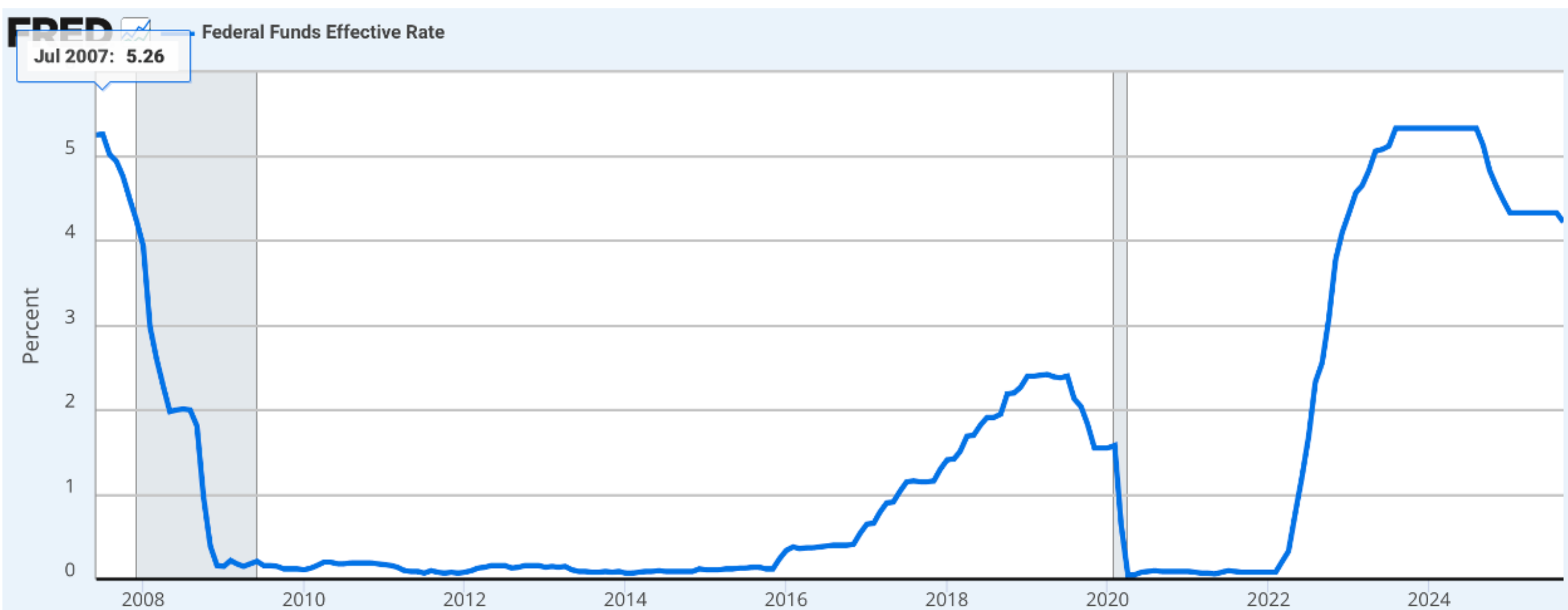
- November 2012: 1.8%
- January 2017: 2.5%

- January 2021: 1.4%
- June 2022: 9.1%
- June 2023: 3.0%

OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

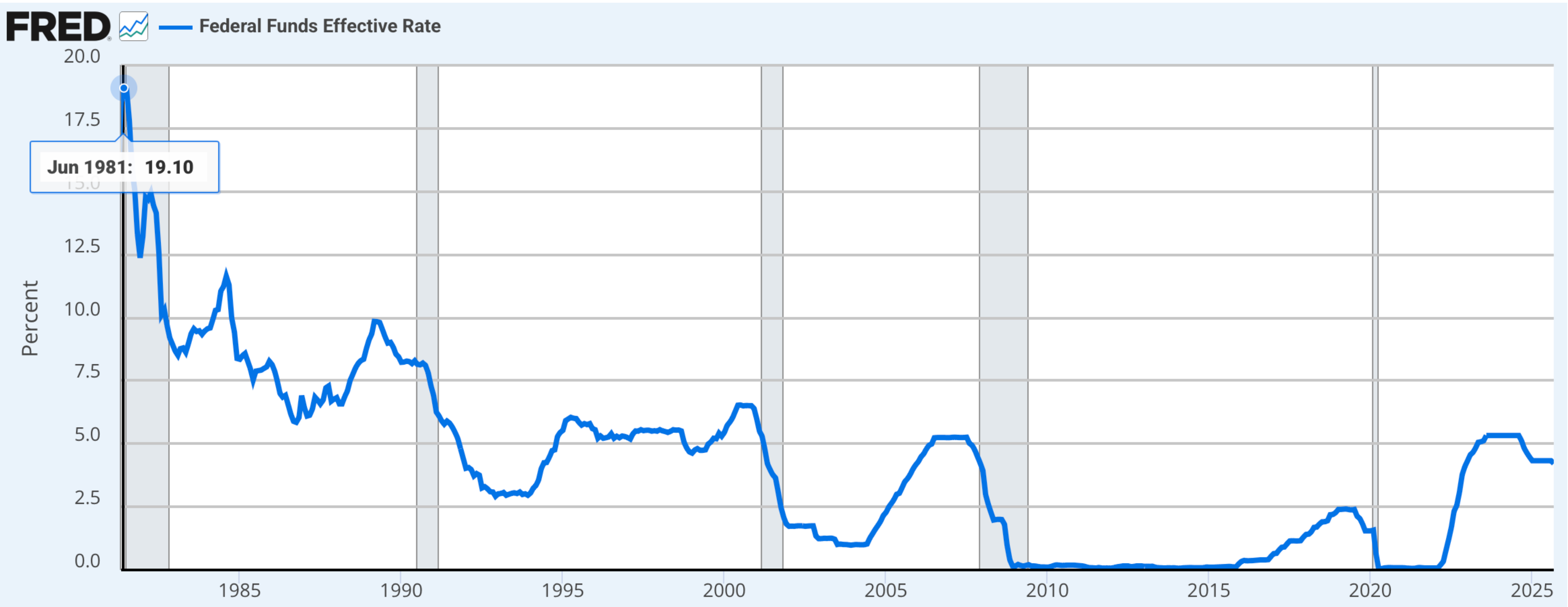
Debt Market Outlook – 2007 to 2025



OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Debt Market Outlook – 1981 to 2025



OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Debt Market Outlook – 1963 to 1993

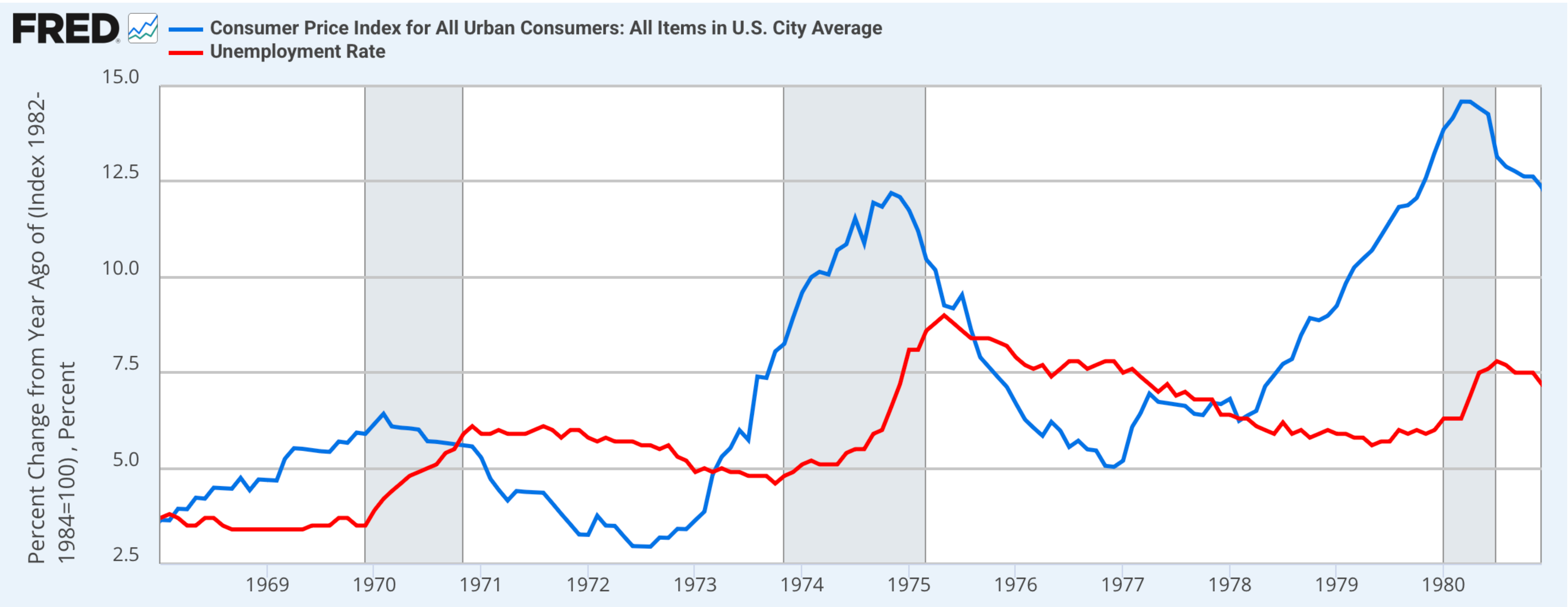
OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Federal Reserve Goals

Stagflation

- Increasing Inflation
  - Increase Rates to Cool Inflation
- Increasing Unemployment
  - Decrease Rates to Boost Economy and Employment



OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Part 2

Difficulties Presented by current market conditions

Sudsina & Associates, LLC
Registered Municipal Advisors

Debt Issuance:
Difficulties Presented by Current Market Conditions

- Refundings are starting to come back as short term rates fall. That said, issues maturing in 10 years or less are most likely candidates.

- Volatility requires that good communication among financing team members is paramount throughout process to ensure a successful outcome

OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Refundings

- Lack of ability to do advance refundings
  - Congress eliminated the ability to do advance tax-exempt refundings in 2018
  - As a result, only current refundings can be done for tax-exempt debt, or the refunding bonds have to be issued as taxable with higher rates
- High rates make refundings at sufficient savings levels unlikely
  - Industry standards recommend refundings be done only when present value saving total 3% of par or better
- Original issues done with shorter calls are more likely to be beneficial
- Higher investment rates do help escrow earn more, but escrows cannot be longer than 90 days, so not much time for earnings to accumulate

OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Volatility Makes Planning Difficult

- For voted issues:
  - Ballot millage calculations may require extra conservatism,
  - Maintaining ballot millage over life of bonds requires careful consideration of AV growth
- Debt service calculations likely to change from beginning of planning process to actual pricing of bonds

OAPT

Sudsina & Associates, LLC
Registered Municipal Advisors

Note Market

SEC charges four underwriters in first of its kind disclosure case

By Connor Hussey September 13, 2022, 12:28 p.m. EDT 4 Min Read

The charges represent a first of its kind for the Commission in addressing limited offering exemptions, or underwriters who fail to meet the legal requirements that would exempt them from obtaining disclosures for investors in certain municipal securities offerings.

SEC charges seventh firm for violating limited offering exemption

By Connor Hussey July 20, 2023, 1:17 p.m. EDT 2 Min Read

SEC Rule 15c2-12 includes an exemption for underwriters engaged in limited offerings, where they do not have to provide continuing disclosures for the sale of securities that remain in denominations of at least $100,000 and sold to no more than 35 persons who are capable of evaluating the merits and risks of the prospective investment.

OAPT

SEC Regulation Overview – Note Market

What this new SEC focus means for the short-term market

- Option 1: Public Sale of 9-month BAN
  - No Official Statement/Disclosure documentation

- Option 2: Public Sale of 12-month BAN
  - Official Statement/Disclosure documentation

    or

  - Underwriting firm receives sign off from investors

- Option 3: Sell Direct Placement
  - No Official Statement/Disclosure documentation

Sudsina & Associates, LLC
Registered Municipal Advisors

Methods of Sale

Direct Placement

Sell directly to one investor

Pros:
Quickly issue debt; Lower cost of issuance

Cons:
Potentially higher interest rates;

Maturity length restrictions

Negotiated Public Sale

Work directly with an investment bank to sell bonds to investors

Pros:
More flexible structuring, if needed

Cons:
Interest rates determined solely by bond underwriter

Competitive Public Sale

Auction a pre-defined bond to the lowest bidder in the market

Pros:
Competition lowers interest rate

Cons:
Prefers simplified structure

OAPT

Competitive Sale

GFOA recommended sales method when:

- High rating - A or better (– although bond insurance can offset a low rating)
- Issuer is known in marketplace
- Nothing unusual about structure
- Market conditions are relatively stable

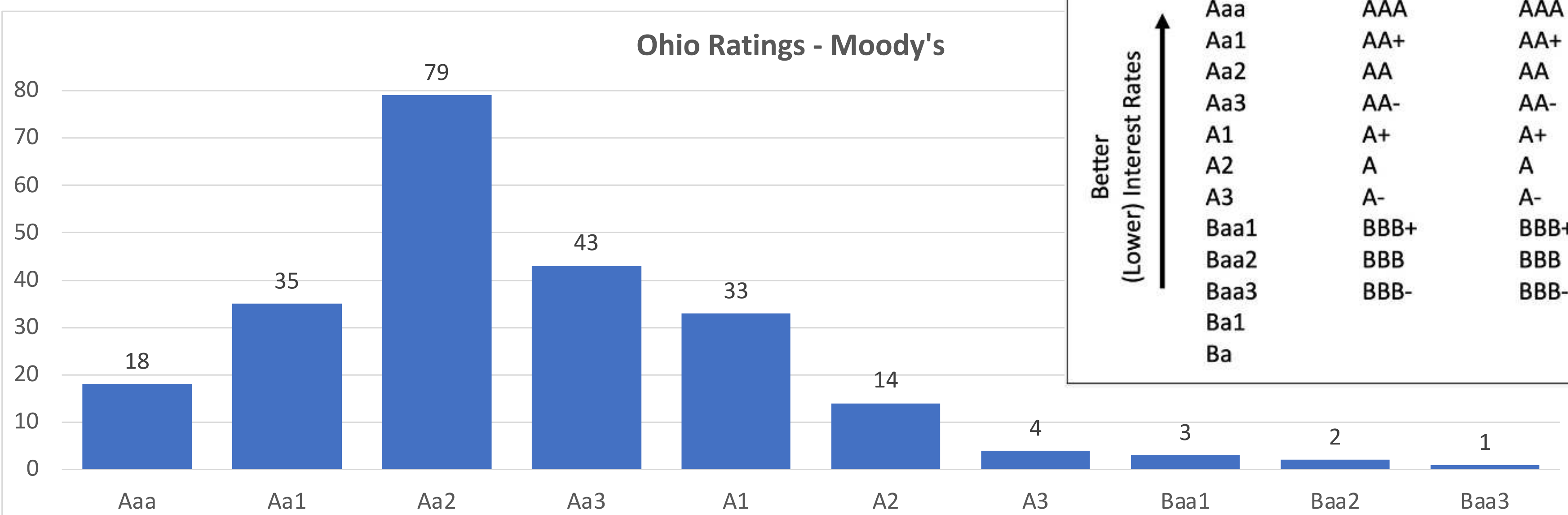
- Receives best deal entire market can provide
- Due to competition generally results in lower interest rates

Competitive Public Sale

Auction a pre-defined bond to the lowest bidder in the market

Pros:
Competition lowers interest rate

Cons:
Prefers simplified structure

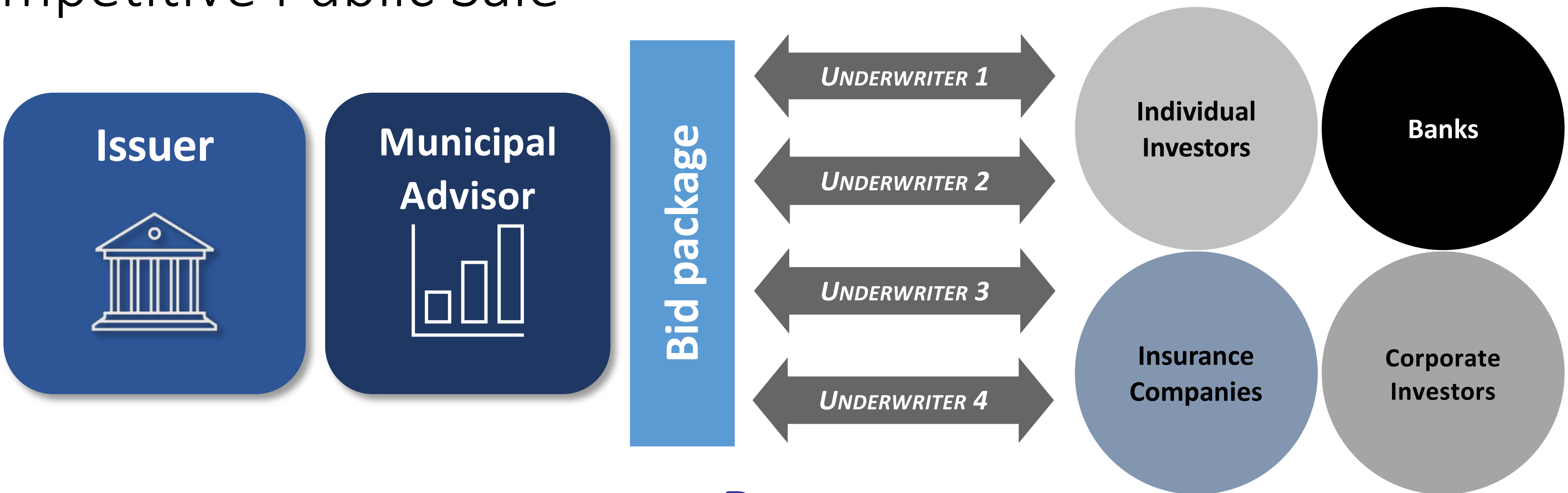


Better (Lower) Interest Rates ↑

Moody's	S&P Global	FitchRatings
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Ba1		
Ba		

of a competitive sales results screen can be found in the appendix

Competitive Public Sale



Pros

1. Extremely transparent
2. Can be successful with longer maturities (> 15 years)
3. Interest rates established by market forces
4. Recommended by GFOA*

Cons

1. Not applicable in all situations
2. Subject to changes in the market

24

Sudsina & Associates, LLC
Registered Municipal Advisors

SEC Regulation Overview – Note Market

What this new SEC focus means for the short-term market

- Option 1: Public Sale of 9-month BAN
  - No Official Statement/Disclosure documentation
- Option 2: Public Sale of 12-month BAN
  - Official Statement/Disclosure documentation

    or
  - Underwriting firm receives sign off from investors
- Option 3: Sell Direct Placement
  - No Official Statement/Disclosure documentation

OAPT

OMAP Program

Fee Schedule

- $2,500 Rating Fee
- Less than $4,000,000 of Par
  - No OMAP Fee
- Greater than $4,000,000 of Par
  - 2.5 bps rounded down to nearest $250
- Example
  - $5,000,000*0.025% = $1,250
  - Rating Fee = $2,500
  - Total Cost = $3,750

Ohio Market Access Program

Credit Profile		
US$5.83 mil various purp (GO ltd tax) BANs (Ohio Market Access Program) ser 2023 dtd 06/27/2023 due 03/21/2024		
Short Term Rating	SP-1+	New

Standby Note Purchase Agreement

- This agreement requires the Treasurer to purchase renewal notes from the political subdivision if, for any reason, a political subdivision is unable to issue new debt or otherwise retire the notes at maturity.

Sudsina & Associates, LLC
Registered Municipal Advisors

SEC Regulation Overview – Note Market

City of Sandusky
2025 Note Issue - Preliminary Numbers
Enhancement Options

Option	Description	Par Amount	Coupon	Estimated Reoffering Yield	Rating	Costs of Issuance	Estimated Underwriting Fee	Interest	Premium Back to City	Net Total Financing Costs
1	No Enhancement	$11,806,000	4.00%	3.40%	None	$21,650	$23,376	$470,928	$23,213	$447,715
2	OMAP	$11,806,000	3.75%	3.25%	SP-1+	$27,102	$23,612	$442,725	$6,428	$436,297
3	POS & Rating	$11,806,000	3.75%	2.90%	MIG-1	$54,150	$23,612	$442,725	$19,756	$422,969

OAPT

Competitive Note Sale

City of Sandusky
Final Bid Results - 2025 Notes

Pricing Date:	Thursday, August 21, 2025
Dated:	Thursday, September 4, 2025
Due:	Thursday, September 3, 2026
Settle:	Thursday, September 4, 2025
Par:	$11,806,000
Bank Qualified:	No
Rating:	MIG1
Underlying Rating:	A1

Bidder	Coupon	Premium	Reoffering Yield	NIC	
Piper Sandler & Co	3.500%	$97,635.62	2.500%	2.671%	Winner
Jefferies & Company, Inc.	4.000%	$156,075.32	2.600%	2.674%	
Oppenheimer	4.000%	$136,949.60	2.600%	2.837%	
BOK Financial Securities	4.000%	$55,252.08	3.000%	3.531%	

- The added cost from the lowest bid to the cover bid was $426 which is a 0.14% increase in interest expense.
- The added cost from the lowest bid to the highest bid was $101,249 which is a 32.20% increase in interest expense.

Quasi-Competitive Note Sale

City of Green, Ohio
Prosperous. Progressive. Promising.

- The City of Green wanted to issue notes for road improvements with a par amount of $1,350,000
- The City preferred a 1-year maturity to give work on the project time to be completed prior to potentially taking the borrowing to long-term bonds
- The City has very high credit ratings (AAA for sales tax debt; AA+ for GO debt)
- A competitive sale was scheduled, and even with the City's high credit rating we enhanced the offering with the OMAP program
- Still, with a great credit and OMAP backing, the competitive sale returned not bids
- The intel gathered from traders after receiving no bids was that the issue was just too small to bother with

Sudsina & Associates, LLC
Registered Municipal Advisors

Quasi-Competitive Note Sale

City of Green, Ohio
Prosperous. Progressive. Promising.

- We went back to the drawing board and decided to find a firm or a bank willing to negotiate a public sale for the notes or directly place the issue
- Still, the City wanted an element of competitiveness in the process, so we sent out a solicitation requesting pricing indications for either a public sale or a placement from a long list of broker/dealers and banks
- We requested public sale indications that included a spread to the MMD 1-year AAA rate index plus an underwriting fee; for a placement we requested an actual rate indication
- Two responses were received
  - Underwriting at 65 basis points over MMD & $3.50/$1,000 fee
  - Placement rate of 3.76%

OAPT

Quasi-Competitive Note Sale

City of Green, Ohio
Prosperous. Progressive. Promising.

City of Green
Final Bid Results - 2025 Notes

Pricing Date:	Thursday, September 11, 2025
Dated:	Thursday, September 18, 2025
Due:	Thursday, September 17, 2026
Settle:	Thursday, September 18, 2025
Par:	$1,350,000
Bank Qualified:	Yes
Rating:	SP-1+ (OMAP)
Underlying Rating:	AA+

Bidder	Coupon	Premium	Reoffering Yield	NIC	Net Total Financing Cost	
Piper Sandler & Co	5.000%	$27,472.50	2.900%	3.295%	$44,565.00	Winner
Huntington Bank	3.760%	$0.00	N/A	3.760%	$50,619.00	

The added cost from the lowest bid to the cover bid was $ $6,054 which is a 13% increase in overall financing cost.

Sudsina & Associates, LLC
Registered Municipal Advisors

Competitive Note Sale

City of Sidney
Final Bid Results - 2025 Notes

Sudsina & Associates, LLC
Registered Municipal Advisors

Pricing Date:	Wednesday, September 24, 2025
Dated:	Tuesday, October 7, 2025
Due:	Wednesday, October 7, 2026
Settle:	Tuesday, October 7, 2025
Par:	$21,220,000
Bank Qualified:	No
Rating:	SP-1+
Underlying Rating:	AA

Bidder	Coupon	Premium	NIC	
TD Securities	3.750%	$265,674.40	2.498%	
BNYMellon Capital Markets	4.000%	$314,230.00	2.519%	
Truist Securities, Inc.	3.500%	$204,773.00	2.535%	
Jefferies LLC	4.000%	$310,873.00	2.535%	
Oppenheimer	4.000%	$310,873.00	2.535%	
Piper Sandler & Co	3.750%	$254,427.80	2.551%	
Huntington Securities, Inc.	5.000%	$512,250.80	2.586%	

- The difference in first to second bid would cost $4,494 of added borrowing cost. This represents an increase of 0.8% in total interest paid.
- The difference in first to last bid would cost $18,674 of added borrowing cost. This represents an increase of 3.5% in total interest paid.

OAPT

Competitive Bond Sale

Sidney
Final Bid Results
2025 Bonds

Pricing Date:	September 24, 2025
Dated:	October 7, 2025
Call:	December 1, 2030
Final Maturity:	December 1, 2055
Par:	$6,600,000
Bank Qualified:	No
Rating:	AA

Bidder	TIC	
HilltopSecurities	4.584%	Winner
Robert W. Baird & Co., Inc.	4.586%	
StoneX Financial Inc.	4.696%	
Raymond James & Associates, Inc.	4.705%	
Bernardi Securities, Inc.	4.717%	

- The first to second bid would cost $12,143 of added borrowing cost. This represents an increase of 0.2% in total interest paid.
  - Annual debt service would increase by $405 per year.
- The first to last bid would cost $204,808 of added borrowing cost. This represents an increase of 3.5% in total interest paid.
  - Annual debt service would increase by $6,827 per year.

Summary

- Volatile interest rate markets are causing a variety of difficulties for debt issue planning. Be sure to understand most up-to-date conditions and best parameters for issuing your particular debt issue.
- Establishing good debt management and issuance policies will help ensure the success of your next debt issue.
- When the time comes to issue debt, be sure to consider which method of sale is most appropriate ***before*** you assemble a financing team.

Questions?

Michael Sudsina
(216) 215-7753
sudsinamg@sudsina.com

Michael Prcela
(216) 288-3983
prcela@sudsina.com

Greg Van Wagnen
(440) 320-7656
gvanwagnen@sudsina.com