



## **Rating Action: MOODY'S ASSIGNS A MIG 1 RATING TO THE CITY OF WOBURNS (MA) \$5 MILLION BOND ANTICIPATION NOTES, 2012**

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Global Credit Research - 24 Apr 2012

### **Aa2 LONG-TERM RATING APPLIES TO \$62.5 MILLION IN LONG-TERM G.O. DEBT**

New York, April 24, 2012 -- Moody's Rating

Issue: General Obligation Bond Anticipation Notes, Series 2012; Rating: MIG 1; Sale Amount: \$5,000,000; Expected Sale Date: 4/26/12; Rating Description: Note: Bond Anticipation

#### Opinion

Moody's Investors Service has assigned a MIG 1 rating to the City of Woburn's (MA) \$5 million General Bond Anticipation Notes, 2012. Concurrently, Moody's has affirmed the Aa2 rating on approximately \$62.5 million of general obligation parity debt. The current issue carries the city's general obligation limited tax pledge as the projects are not exempted from the levy limitations of Proposition 2 ½. The proceeds from the \$5 million bond anticipation notes will fund two school roof replacement projects and water system improvements. The notes will mature on October 26, 2012.

#### RATINGS RATIONALE

The MIG 1 short-term rating incorporates the city's above-average long-term credit characteristics as well as demonstrated market access to the capital markets. The Aa2 rating reflects the city's strong financial position reinforced by healthy stabilization fund reserves, a sizeable and diverse tax base, and a manageable debt burden.

#### STRENGTHS

- Sizeable and diverse tax base
- Structurally balanced financial operations
- Strong financial position with healthy reserves

#### CHALLENGES

- Above average long-term OPEB liabilities

#### WHAT COULD CHANGE THE RATING (UP):

- Significant growth in taxable assessed valuation due to new development
- Improved demographic profile
- Maintain General Fund reserves at current levels

#### WHAT COULD CHANGE THE RATING (DOWN):

- Material multi-year declines in fund balances and liquidity
- Significant growth in the city's direct debt burden

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

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Shannon McCue  
Associate Analyst  
Public Finance Group  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 212-553-0376

SUBSCRIBERS: 212-553-1653

GEORDIE THOMPSON  
Vice President - Senior Analyst  
Public Finance Group  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

Releasing Office:  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653



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