



Rating Action: Moody's assigns Aa2 rating to the City of Woburn's (MA) \$7.69 Million General Obligation Refunding Bonds

Global Credit Research - 18 Jun 2012

Aa2 long term rating applies to \$82.1 million in general obligation parity debt

New York, June 18, 2012 --

Moody's Rating

Issue: General Obligation Refunding Bonds; Rating: Aa2; Sale Amount: \$7,695,000; Expected Sale Date: 6/19/2012; Rating Description: General Obligation

Opinion

Moody's Investors Service assigns a Aa2 rating to the City of Woburn's (MA) \$7.69 Million General Obligation Refunding Bonds. Moody's maintains a Aa2 rating on approximately \$82.1 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 & half;. The bonds will refund a portion of the city's \$17.4 million in general obligation bonds dated September 1, 2004 for estimated net present savings of \$336,427 or 4.39% of par with no extension in maturity.

SUMMARY RATINGS RATIONALE

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

RATING METHODOLOGY

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.moodys.com for a copy of this methodology.

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