



## **Rating Action: MOODY'S ASSIGNS A MIG 1 RATING TO THE CITY OF WOBURN'S \$2 MILLION BOND ANTICIPATION NOTES, 2011**

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Global Credit Research - 18 Oct 2011

### **Aa2 LONG-TERM RATING APPLIES TO \$82.1 MILLION IN LONG-TERM G.O. DEBT**

New York, October 18, 2011 -- Moody's Rating

Issue: Bond Anticipation Notes, Series 2011; Rating: MIG 1; Sale Amount: \$2,000,000; Expected Sale Date: 10/19/2011; Rating Description: New Issue

#### Opinion

Moody's Investors Service has assigned a MIG 1 rating to the City of Woburn's (MA) \$2 million General Bond Anticipation Notes, 2011. Concurrently, Moody's has affirmed the 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 1/2. The proceeds will be used to retire \$2M in bond anticipation notes maturing on October 28, 2011.

#### 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

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

Maintenance or growth of current reserve levels relative to budgetary expansion

#### 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 Bond Anticipation Notes and Other Short-Term Capital Financings published in May 2007. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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