

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns MIG1 rating to the City of Woburn's (MA) \$6.24 Million General Obligation Bond Anticipation Notes

Global Credit Research - 17 Oct 2012

Affirms Aa2 long term rating applies to \$80.7 million in general obligation parity debt

New York, October 17, 2012 --

Moody's Rating

Issue: General Obligation Bond Anticipation Notes; Rating: MIG 1; Sale Amount: \$6,240,000; Expected Sale Date: 10/18/12; Rating Description: Note: Bond Anticipation

Opinion

Moody's Investors Service assigns a MIG1 rating to the City of Woburn's (MA) \$6.24 Million General Obligation Bond Anticipation Notes. Concurrently, Moody's affirms a Aa2 rating on approximately \$80.7 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 2½. The notes along with available funds will redeem \$7 million in notes maturing October 26, 2012. The notes will fund two school roof replacement projects and water system improvements.

SUMMARY 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
- Substantial growth in the city's direct debt burden

RATING METHODOLOGY

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 for a copy of this

methodology.

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