

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's assigns Aaa to Concord, MA's GOLT Bonds; outlook stable**

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10 May 2022

New York, May 10, 2022 -- Moody's Investors Service has assigned a Aaa rating to the Town of Concord, MA's \$19.97 million General Obligation Municipal Purpose Loan of 2022 Bonds. Moody's maintains the Aaa ratings on the town's outstanding general obligation unlimited tax (GOULT) and general obligation limited tax (GOLT) bonds. Post issuance the town will have \$58.5 million in outstanding general obligation debt. The outlook is stable.

#### RATINGS RATIONALE

The Aaa rating reflects a healthy financial position with strong fiscal management. The financial profile is stable although reserves are below-average for the rating category. The rating also incorporates a sizable and affluent tax base, below-average debt burden and well managed pension and OPEB liabilities.

The absence of distinction between the GOLT and GOULT ratings reflect the town's ability to override the property tax levy cap and its pledge of its full faith and credit.

#### RATING OUTLOOK

The stable outlook reflects our expectation that the town will continue to exercise conservative fiscal management to maintain a healthy financial position. The outlook also incorporates the stable tax base valuation and continuing voter support when needed to approve debt exclusions and general overrides to the Proposition 2 1/2 tax levy limit.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Decline in general fund reserves and liquidity
- Lack of voter support for debt exclusions or general overrides to the tax levy limit
- Material increase in the debt burden

#### LEGAL SECURITY

The bonds are backed by the town's full faith and credit general obligation limited tax pledge given that not all of the debt service associated with the bond issue has been voted excluded from the tax levy limits of Proposition 2 1/2.

The current issue and the outstanding general obligation limited tax bonds are considered limited tax because the entire amount of debt service on the bonds has not been voted by the town as excluded from the tax levy limits of Proposition 2 1/2. We consider the pledge supporting the outstanding GOULT bonds to be unlimited tax because the entire amount of debt service on the bonds has been voted by the town as excluded from the tax levy limits of Proposition 2 1/2.

#### USE OF PROCEEDS

Bond proceeds will fund various capital projects of the town including \$12 million towards the middle school construction project, roads program, water main replacement and park improvements.

#### PROFILE

Concord is primarily a residential community approximately 26 square miles in area with a population of

19,116 (2019 American Community Survey). The town is located 17 miles northwest of Boston.

## METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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