

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's assigns Aa2 to Framingham, MA's \$43.9M GO bonds, MIG 1 to \$4.4M GO BANs

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Global Credit Research - 23 Nov 2015

#### Affirms Aa2 on \$153M outstanding GO debt, including current issue

New York, November 23, 2015 --

#### Moody's Rating

Issue: General Obligation Municipal Purpose Loan of 2015 Bonds; Rating: Aa2; Sale Amount: \$43,914,000; Expected Sale Date: 12/2/2015; Rating Description: General Obligation

Issue: General Obligation Bond Anticipation Notes; Rating: MIG 1; Sale Amount: \$4,425,966; Expected Sale Date: 12/2/2015; Rating Description: Note: Bond Anticipation

#### OPINION

Moody's Investors Service has assigned a Aa2 rating to the Town of Framingham's (MA) \$43.9 million General Obligation Municipal Purpose Loan of 2015 Bonds and MIG 1 rating to \$4.4 million General Obligation Bond Anticipation Notes (dated December 11, 2015 and payable December 9, 2016). Concurrently, Moody's has affirmed the Aa2 rating on \$153 million of outstanding GO debt.

#### SUMMARY RATING RATIONALE

The Aa2 underlying rating reflects the town's satisfactory financial position with stable cash balances, a sizeable and expanding tax base with above average wealth indicators, above average but manageable debt burden and manageable pension burden.

The MIG 1 rating reflects the town's strong fundamental credit characteristics, as mirrored in its long-term rating, ample projected liquidity at time of takeout, and demonstrated history of market access.

#### OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

#### WHAT COULD MAKE THE RATING GO UP

- Maintenance of structurally balanced operations and increased reserve levels

#### WHAT COULD MAKE THE RATING GO DOWN

- Reduction of General Fund Balance and free cash
- Significant growth in debt burden

#### OBLIGOR PROFILE

The town of Framingham is located in Middlesex County, approximately 20 miles west of Boston. As of the 2010 census, the town had an estimated population of 68,318.

#### LEGAL SECURITY

The current issues are secured by the town's limited general obligation tax pledge, as debt service has not been voted exempt from the levy limitations of Proposition 2 ½.

#### USE OF PROCEEDS

Proceeds of the BAN issue and \$10.4 million of the bond issue will provide new money funding for various

capital improvements focused primarily on water, sewer, and roadway improvements. The remaining bond issue (\$33.5 million) will be used to redeem currently outstanding BANs.

#### PRINCIPAL METHODOLOGIES

The principal methodology used in the long term rating was US Local Government General Obligation Debt published in January 2014. The principal methodology used in the short term rating was US Bond Anticipation Notes published in April 2014. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of these methodologies.

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