

Rating Action: Moody's assigns Aaa to Mason, OH's GOLT bonds

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New York, February 18, 2020 -- Moody's Investors Service has assigned a Aaa to the City of Mason, OH's \$21.0 million General Obligation (Limited Tax) Municipal Recreational Facilities Improvement Bonds, Series 2020A&B. We maintain the Aaa issuer rating on the city and Aaa ratings on its outstanding general obligation limited tax (GOLT) bonds. Following the sale, the city will have \$54.9 million of GOLT debt outstanding, \$53.0 million which is rated by Moody's.

The issuer rating represents Moody's assessment of hypothetical debt which would be supported by a general obligation unlimited tax pledge (GOULT) pledge. The city does not currently have any outstanding debt supported by a GOULT pledge. The pledge supporting the city's GOLT bonds is considered limited tax based on the statutorily imposed limit of ten-mills on the ad valorem property taxes pledged.

RATINGS RATIONALE

The Aaa issuer rating reflects the city's affluent and sizeable tax base benefiting from its proximity to the Cincinnati (Aa2 stable) metropolitan area, strong financial position supported by ample reserves, and above average debt and pension burdens. The lack of distinction between the city's issuer and GOLT rating is based on the its full faith and credit pledge.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Not Applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Notable contraction of the city's property and/or income tax base
- Material narrowing of operating fund balance and liquidity
- Increase in long term leverage

LEGAL SECURITY

The bonds are secured by the city's full faith and credit and pledge to levy ad valorem property taxes under the statutory 10-mill limitation.

USE OF PROCEEDS

Proceeds from the Series 2020A&B bonds will finance a municipal aquatic center, construct improvements to the municipal golf course and refinance Bond Anticipation Notes, Series 2019. The refunded notes were originally issued to fund acquisition of a golf course.

PROFILE

The City of Mason encompasses 19 square miles in Warren County (Aaa stable), approximately 20 miles northeast of Cincinnati (Aa2 stable). Mason became a city in 1971, with a 2010 US Census population of 30,712.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in September 2019. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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