

**Rating Action: Moody's assigns Aaa to the Town of Weston, MA's GOULTs; outlook stable**

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New York, January 26, 2022 -- Moody's Investors Service has assigned a Aaa rating to the Town of Weston, MA's \$1.8 million General Obligation Municipal Purpose Loan of 2022 Bonds Unlimited Tax. Moody's maintains the Aaa ratings on the town's outstanding general obligation unlimited tax (GOULT) and general obligation limited tax (GOLT) bonds. The outlook is stable.

The current issue and outstanding GOULT bonds are considered unlimited tax because the entire amount of debt service has been voted by town voters as excluded from restrictions under Massachusetts law on the town's ability to increase the property tax levy to pay debt service, referred to as Proposition 2 1/2. We consider the pledge supporting the outstanding GOLT bonds to be general obligation limited tax because not all of the debt service has been voted by town voters as excluded from Proposition 2 1/2.

**RATINGS RATIONALE**

The Aaa rating reflects a strong tax base that is very affluent and favorably located west of Boston (Aaa stable). The rating also incorporates a stable financial position with conservative fiscal management although reserves as a percent of revenue are below the state and national medians. The rating also factors in an average debt burden and average pension and OPEB liabilities that are expected to remain manageable given a history of taxpayer support for debt exclusions and strong funding commitment towards OPEB.

The lack of distinction between the GOLT and GOULT bonds reflects the town's ability to override the property tax levy limit and its pledge of its full faith and credit.

**RATING OUTLOOK**

The stable outlook reflects the strength of the town's tax base that historically has weathered economic downturns with very limited valuation declines as well as very strong resident wealth and income. We expect the tax base to continue to vote to approve debt exclusions for capital needs that will help maintain a healthy financial position and operating flexibility while continuing its commitment to addressing long term liabilities.

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

- Not applicable

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

- Growing unfunded liabilities for pension and OPEB
- Decline in general fund reserves
- Significant deterioration in the tax base or resident wealth and income indices

**LEGAL SECURITY**

The 2022 bonds are backed by the town's general obligation unlimited tax pledge given that all of the debt service has been voted by the town to be excluded from the tax levy limitations of Proposition 2 1/2.

**USE OF PROCEEDS**

Bond proceeds will be used to finance surface drains, the high school F-wing roof replacement and a fire engine pumper vehicle.

**PROFILE**

Weston is primarily an affluent residential town with a population of 12,112 as of the 2019 American

Community Survey and is located 12 miles west 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.

## REGULATORY DISCLOSURES

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