

**Rating Action: Moody's assigns Aa2 to Croton-On-Hudson, NY's GOs**

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22 Nov 2019

New York, November 22, 2019 -- Moody's Investors Service has assigned a Aa2 rating to the Village of Croton-On-Hudson, NY's estimated \$3.5 million Public Improvement (Serial) Bonds, 2019. Moody's currently maintains a Aa2 issuer rating and general obligation limited tax (GOLT) rating on the village. The issuer rating is equivalent to the village's hypothetical general obligation unlimited tax rating (GOULT); there is no debt associated with the GOULT security.

**RATINGS RATIONALE**

The Aa2 issuer rating reflects a modestly sized tax base with a solid socio-economic profile; strong financial position; and above average unfunded liabilities.

We consider the outstanding debt to be GOLT because of limitations under New York State law on property tax levy increases. The lack of distinction between the GOLT rating and the Issuer rating reflects the village board's ability to override the property tax cap and the faith and credit pledge in support of debt service.

**RATING OUTLOOK**

Moody's does not generally assign outlooks to local governments with this amount of debt outstanding.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Significant reduction in unfunded liabilities
- Material increase in tax base
- Improved socio-economic profile

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Reduction in reserves or liquidity
- Increase in unfunded liabilities
- Material decline in tax base or socio-economic profile

**LEGAL SECURITY**

The GO bonds are secured by the village's general obligation pledge as limited by New York State's Property Tax Cap-Legislation (Chapter 97 (Part A) of the Laws of the State of New York, 2011) and by the village's pledge of its faith and credit to pay debt service.

**USE OF PROCEEDS**

The bonds will be issued to provide financing for various capital projects the largest of which is the purchase of a triple combination pumper.

**PROFILE**

The Village of Croton-on-Hudson is in the Town of Cortlandt (Aa1) in Westchester County (Aa1 negative), approximately 35 miles north of New York City (Aa1 stable). The village had approximately 8,250 residents as of 2017.

**METHODOLOGY**

The principal methodology used in this rating was US Local Government General Obligation Debt published in September 2019. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this

methodology.

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