

MOODY'S

RATINGS

Rating Action: Moody's Ratings upgrades Greene County, NY to Aa1; assigns MIG 1 to BANs

27 Nov 2024

New York, November 27, 2024 -- Moody's Ratings (Moody's) has upgraded the issuer rating for Greene County, New York to Aa1 from Aa2. Additionally, we have upgraded the county's outstanding general obligation limited tax (GOLT) bonds to Aa1 from Aa2. Finally, we have assigned a MIG 1 rating to the county's \$20 million Bond Anticipation Notes, 2024. Post sale, the county will have approximately \$75 million in debt outstanding.

The upgrade to Aa1 reflects the improvement in the county's financial position that is expected to remain steady going forward in part due to conservative budgeting around the county's sales tax receipts which are up 4% year to date. Additionally, the upgrade reflects the reduction in the county's long term liability profile with no additional debt expected following the issuance of the 2024 notes.

RATINGS RATIONALE

The Aa1 issuer rating reflects a moderately sized tax base with above average resident incomes and growing wealth levels with full value per capita increasing by 15% since 2019. The county maintains a substantial financial position with reserves and liquidity measuring over 60% in fiscal 2023 and manageable long term liabilities including debt, pension, and OPEB.

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 county's ability to override the cap and the county's pledge of its faith and credit in support of all GOLT debt.

The MIG 1 rating reflects the county's strong underlying credit quality, as evidenced by its Aa1 issuer rating and history of market access.

RATING OUTLOOK

We do not assign outlooks to local government credits with this amount of debt

outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Improvement in resident income above 120% of the US median
- Sustained economic growth above the US median

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Declines in reserves below 35% of revenue
- Significant increase in long term liabilities above 200% of revenue
- Downgrade of issuer rating (BANs)
- Inability to access financial markets (BANs)

LEGAL SECURITY

Payment of principal and interest on the county's general obligation limited tax bonds and notes is backed by the county's faith and credit supported by the county's authority to levy such ad valorem property taxes as may be necessary to pay the bonds, as limited by New York State's legislative cap on property taxes (Chapter 97 (Part A) of the Laws of the State of New York, 2011).

USE OF PROCEEDS

Note proceeds will provide the first financing for a new justice center building in the county.

PROFILE

The county, home to approximately 48,000 people, is situated on the west bank of the Hudson River about 20 miles south of the City of Albany and 25 miles north of the City of Kingston.

METHODOLOGY

The principal methodology used in the issuer and long-term ratings was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. The principal methodology used in the short-term rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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