

Rating Action: Moody's assigns Aa2 to the Village of Romeoville, IL's GO Bonds

23 Aug 2019

New York, August 23, 2019 -- Moody's Investors Service has assigned an underlying Aa2 rating to the Village of Romeoville, IL's \$20 million Taxable General Obligation Bonds, Series 2019B. Moody's maintains an underlying Aa2 rating on the village's outstanding general obligation unlimited tax debt. Following the sale, the village will have \$124 million in outstanding GOULT debt.

RATINGS RATIONALE

The Aa2 rating reflects a relatively large and growing tax base, a strong financial profile bolstered by financial flexibility derived from home rule status and elevated leverage related to long-term debt and pension burdens.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE

- Significant expansion of the tax base coupled with improved resident income levels
- Reduced leverage

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Weakening of the tax base or demographic profile
- Declines in reserves or economically sensitive revenues
- Increased leverage

LEGAL SECURITY

Debt service on the village's GOULT debt is secured by a full faith and credit pledge with the ability to levy a property tax levy without limitation as to rate or amount.

USE OF PROCEEDS

Proceeds from the 2019B bonds will finance the expansion of the village's athletic and recreation center.

PROFILE

The village is located in Will County (Aa1 stable), less than 30 miles southwest of the City of Chicago (Ba1 stable). The village encompasses approximately 20 square miles, with a total population of approximately 40,000 residents. The population grew significantly in recent decades, increasing by more than 50% between 1990 and 2000 and by an additional 88% between 2000 and 2010.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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