

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

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New York, September 23, 2021 -- Moody's Investors Service has assigned an underlying Aa2 rating to the Village of Romeoville, IL's \$2 million General Obligation Refunding Bonds, Series 2021A and to the village's \$8.6 million General Obligation Refunding Bonds, Series 2021B. Moody's maintains an underlying Aa2 rating on the village's outstanding general obligation unlimited tax debt. Following the sale, the village will have \$118 million in outstanding GOULT debt.

RATINGS RATIONALE

The Aa2 rating reflects a relatively large and growing tax base and a strong financial profile bolstered by financial flexibility derived from home rule status. The village's rating is constrained by 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 OF THE RATINGS

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

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Substantial weakening of the local economy and tax base
- Significant declines in reserves
- Increased leverage and fixed costs

LEGAL SECURITY

The village's GOULT debt is supported 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 of the Series 2021A Bonds will refund the village's outstanding General Obligation Bonds, Series 2013B. Proceeds of the Series 2021B Bonds will refund the village's outstanding 2008 Illinois Environmental Protection Agency Loan.

PROFILE

The village is in Will County (Aa1 stable), less than 30 miles southwest of the City of Chicago (Ba1 stable). The village has about 40,000 residents and encompasses about 20 square miles. The population has grown significantly since the 1990s, increasing by more than 50% between 1990 and 2000 and by an additional 88% between 2000 and 2010. The population has remained generally stable in recent years. The village has about 415 employees and provides police, fire and paramedic services, water and sewer system services, public works, refuse collection, road and bridge maintenance and general administrative services.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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 at: https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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