

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aa2 to Milwaukee County, WI's GO bonds and notes; outlook stable

07 Oct 2022

New York, October 07, 2022 -- Moody's Investors Service has assigned a Aa2 rating to Milwaukee County, WI's \$13 million General Obligation Corporate Purpose Bonds, Series 2022C, \$5.3 million Taxable General Obligation Recreational and Cultural Facilities Notes, Series 2022D, and \$5.2 million General Obligation Transit Bonds, Series 2022E. Moody's maintains the Aa2 rating on the county's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the county will have roughly \$465 million in GOULT debt outstanding. The outlook is stable.

RATINGS RATIONALE

The Aa2 rating reflects the county's large, diverse tax base that serves as a regional economic center for southeastern Wisconsin (Aa1 stable) and modest debt burden with rapid principal amortization. Operating reserves are satisfactory but below-average for the rating category due to statutory limitations. These strengths are balanced against the county's limited revenue raising ability, below-average resident income and elevated fixed costs.

RATING OUTLOOK

The stable outlook reflects our expectation that strong budgetary management and the county's large, diverse tax base will continue to support a stable financial profile.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Significantly increased operating reserves
- Moderation of total leverage and fixed costs

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Narrowed financial position
- Materially increased debt burden

LEGAL SECURITY

The county's outstanding GOULT debt, including the current issuances, is backed by its full faith and credit pledge. Debt service is payable from a designated property tax levy that is unlimited as to rate or amount.

USE OF PROCEEDS

Proceeds from the 2022C Bonds will finance improvements at county buildings and grounds.

Proceeds from the 2022D Notes will finance parks, recreational and cultural facilities projects.

Proceeds from the 2022E Bonds will finance the acquisition of electric buses, related improvements for the county transit system and fleet equipment.

PROFILE

Milwaukee County encompasses 242 square miles in southeastern Wisconsin. It provides comprehensive municipal services, including health and human services, recreation, transportation and public safety, to over 950,000 residents.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published

in January 2021 and available at <https://ratings.moodys.com/api/rmc-documents/70015>. Alternatively, please see the Rating Methodologies page on <https://ratings.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 on <https://ratings.moodys.com/rating-definitions>.

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Natalie Claes
Lead Analyst
REGIONAL_MIDWEST
Moody's Investors Service, Inc.
100 N Riverside Plaza
Suite 2220
Chicago 60606
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Douglas Goldmacher
Additional Contact
REGIONAL_NE
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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