



Rating Action: Moody's Assigns Aaa to Frederick County, MD's \$29.6M GO Bonds, Ser. 2017; Outlook Stable

Global Credit Research - 01 Dec 2017

New York, December 01, 2017 -- Issue: General Obligation Public Facilities Refunding Bonds, Series 2017B; Rating: Aaa; Rating Type: Underlying LT; Sale Amount: \$29,645,000; Expected Sale Date: 12/12/2017; Rating Description: General Obligation;

Summary Rating Rational

Moody's Investors Service has assigned an Aaa rating to Frederick County, MD's \$29.6 million General Obligation Public Facilities Refunding Bonds, Series 2017B. Moody's maintains the Aaa rating on the county's outstanding parity general obligation (GO) debt. The outlook is stable.

The Aaa rating incorporates the county's sizeable and diverse tax base located near Washington, D.C. (Aa1 stable), above-average resident wealth levels, sound reserve position supported by comprehensive fiscal policies, above-average direct debt burden mitigated by self-supporting utility debt, and manageable pension liability.

Rating Outlook

The stable outlook reflects the likelihood that the county's financial position will remain sound given management's adherence to formal fiscal policies. The outlook also reflects future growth in the county's base given ongoing commercial and residential development spurred by proximity to D.C. and the institutional presence of Fort Detrick.

Factors that Could Lead to an Upgrade

- Not applicable

Factors that Could Lead to a Downgrade

- Declines in general fund balance to levels marginally above the 5% policy minimum
- Tax base declines or deterioration in economic stability
- Significant expenditure pressures related to rapid economic and development growth within the county

Legal Security

The bonds are secured by the county's absolute and unconditional ad valorem tax pledge.

Use of Proceeds

Bond proceeds will refund a portion of the county's 2011A and 2014A bonds for an estimated net present value savings equal to 5.2% of refunded par with no extension of maturity.

Obligor Profile

Frederick County is located 45 miles northwest of Washington, D.C. along the I-270 corridor. The county has a 2015 population of 241,373 according to the most recent American Community Survey.

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's.com for a copy of this methodology.

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Evan Hess
Lead Analyst
Regional PFG Southeast
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007
US
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Leonard Jones
MANAGING DIRECTOR
Regional PFG Northeast
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

Moody's
INVESTORS SERVICE

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