MOODY'S
INVESTORS SERVICE

# Rating Action: Moody's assigns Aaa to Mason, OH's $9M GOLT Bonds, Ser. 2015

Global Credit Research - 18 Nov 2015

**Aa1 and Aa2 maintained on Ser. 2010, Ser. 2009 COPs**

New York, November 18, 2015 --

Moody's Rating

Issue: Various Purpose General Obligation Bonds, Series 2015; Rating: Aaa; Sale Amount: $9,000,000; Expected Sale Date: 12-01-2015; Rating Description: General Obligation Limited Tax

Opinion

Moody's Investors Service has assigned a Aaa rating to the City of Mason's (OH) $9 million Various Purpose General Obligation Bonds, Series 2015.

Concurrently, Moody's maintains the Aa1 rating on the city's Series 2010 Certificates of Participation and the Aa2 rating on the city's Series 2009 Certificates of Participation. Post-sale, the city will have $68.7 million in outstanding Moody's rated debt.

SUMMARY RATING RATIONALE

The Aaa rating reflect the city's moderately-sized, affluent tax base which benefits from its proximity to the Cincinnati (Aa2 stable) metropolitan area, strong financial position supported by ample reserves and sound formalized fiscal policies; and elevated but manageable debt burden with no immediate future borrowing expected. The Aa1 rating on the Series 2010 certificates is notched one off the GOLT rating due to the risk of non-appropriation and the essential nature of the facilities that were financed (administrative building), as well as satisfactory legal provisions. The Aa2 rating on the Series 2009 certificates is notched twice off the GOLT rating due to the risk of non-appropriation and the non-essential nature of the financed facilities (community center expansion).

OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- N/A

WHAT COULD MAKE THE RATING GO DOWN

- Material multi-year declines in fund balances and liquidity

- Deterioration of the city's tax base and/or demographic profile

OBLIGOR PROFILE

The City of Mason encompasses 18 square miles in Warren County, approximately 20 miles northeast of Cincinnati.

LEGAL SECURITY

The Series 2015 bonds are secured by the city's general obligation limited tax pledge, which is an ad valorem property tax pledge subject to the statutory 10-mill limitation, per Ohio Revised Code. Outstanding COPs are secured by a lease agreement annually renewed by city appropriation of pledged rental payments.

USE OF PROCEEDS

Proceeds of the bonds will be used to permanently finance the city's outstanding $6 million Building Acquisition and Improvement Notes, Series 2014, as well as fund the city's share of road improvements pursuant to an Intergovernmental Agreement between the City of Mason and the Warren County Transportation Improvement District.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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