

CITY OF PEABODY

24 LOWELL STREET
PEABODY, MASSACHUSETTS 01960



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OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

City's Bond / Note Sales Rate High, Credit Rating Reaffirmed

Mayor Edward A. Bettencourt, Jr. is pleased to announce that Moody's Investors Service assigned an Aa1 rating to the city's March 15th sale of \$15,000,000 of General Obligation Bonds and \$2,725,000 of Refunding Bonds and a MIG 1 rating to \$15.8 million General Obligation Bond Anticipation Notes (BANs). The city's long term credit rating of Aa1 was also reaffirmed by Moody's.

The mayor further reported that the net interest rate on the total bond sale of \$17,725,000 was 2.514% and the city received six very competitive bids for the bonds from various financial institutions. The sale of the \$15,800,00 in Bond Anticipation Notes was also very favorable. The net interest rate was .5890% and the city received six very competitive bids on the BANs from various financial institutions.

"We're obviously very pleased with the results of this note sale," said Mayor Bettencourt. "Peabody's strong 'Aa1' credit rating and the continuing low interest rate market enable us to make critical investments in Peabody's future while saving taxpayers tens of thousands of dollars in interest charges."

The bond sale included \$15,000,000 for the new Higgins Middle School and a Refunding Bond related to 2017 General Obligation Bonds issued for high school repairs, City Hall improvements, outdoor recreation and sewer upgrades.

Overall, Moody's cited the City's sizeable and diverse tax base, unused property tax levy capacity, stable financial position and a manageable debt burden as positive credit factors that enable the City to maintain its strong Aa1 credit rating. Aa1 is the second highest credit rating a municipality can earn and puts Peabody in a position to have one of the strongest bond ratings in the state.

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