

CITY OF PEABODY

24 LOWELL STREET
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P. 978-538-5700
F. 978-538-5980

OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

City's Aa1 Bond Rating Reaffirmed ahead of \$10 Million Note Sale

Mayor Edward A. Bettencourt, Jr. announced that in conjunction with the sale of \$10,000,000 of Bond Anticipation Notes (BAN) held on December 12, 2013, a MIG1 Rating was assigned to the notes and the City's long term credit rating of Aa1 was reaffirmed by Moody's Investors Service, Inc.

The mayor reported that the net interest rate on the total bond sale of \$10,000,000 was .13878% and that the city received five very competitive bids on the short term notes from various financial institutions. TD Securities purchased the entire issue which will mature on March 28, 2014.

"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 note sale included \$4.9 million towards the construction of the new Higgins Middle School and \$5.1 million for various capital projects including; the restoration of Crystal Lake, a new athletic complex at Peabody High School, a new fire truck, DPS fleet upgrades, and other school technology and facility upgrades.

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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