

Rating Action: Moody's assigns Aaa to Ramsey County, MN's GO bonds; outlook stable

10 Feb 2022

New York, February 10, 2022 -- Moody's Investors Service assigns a Aaa rating to Ramsey County, MN's \$19 million General Obligation Capital Improvement Plan Bonds, Series 2022A. Moody's maintains a Aaa rating on the county's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the county will have about \$190 million in Moody's rated GOULT debt outstanding. The outlook is stable.

RATINGS RATIONALE

The Aaa rating reflects the county's very large and growing tax base bolstered by a vibrant local economy that includes the capital of the State of Minnesota (Aa1 positive) and surrounding suburbs. The rating also incorporates the county's strong management that continues to support stable financial operations and robust reserves. The rating also considers the county's modest debt burden, moderate pension burden and average fixed costs. The county maintains some contingent risk given its operation of multiple direct care enterprises that have required ongoing governmental support.

RATING OUTLOOK

The stable outlook reflects our expectation that the county's economic and financial performance will remain strong.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Material declines in reserves or liquidity
- Significant deterioration in the tax base and demographic profile
- Deterioration in enterprise funds that negatively impacts operations

LEGAL SECURITY

The county's GOULT bonds are backed by the county's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are additionally secured by statute.

USE OF PROCEEDS

Proceeds of the Series 2022A bonds will finance various capital improvement projects in accordance with the county's adopted 2022 capital improvement program plan.

PROFILE

Ramsey County covers 170 square miles and is the second largest county in Minnesota by population. The City of St. Paul (Aa1 stable) is the state capital and the county seat. The county provides a large array of services, including human services, community corrections, public health, public safety, economic development, and information and public records. The county employs over 4,500 people and serves a population exceeding 552,000 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moody.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 at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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