



## Rating Action: Moody's upgrades Massillon, OH's Issuer and GOLT ratings to A2

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New York, November 06, 2023 -- Moody's Investors Service has upgraded Massillon, OH's issuer and general obligation limited tax (GOLT) ratings to A2 from A3. At the close of fiscal 2022, the city had about \$44 million in debt outstanding.

### RATINGS RATIONALE

The upgrade of the issuer rating to A2 reflects increases in the city's financial reserves aided by growing income taxes and the receipt federal aid. The strong reserves provide a buffer against potential fluctuations in economically sensitive income taxes, the city's largest revenue source. The rating also incorporates the city's below median resident income profile and full value per capita, and above median leverage.

The city's outstanding GOLT bonds are rated the same as the issuer as they are backed by the city's full faith and credit as well as its pledge to levy ad valorem property taxes within the state's statutory 10-mill limit. The bonds are considered a first budget obligation payable from all legally available revenue including the city's collection of income taxes.

### RATING OUTLOOK

Moody's does not usually assign outlooks to local governments with this amount of debt.

### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Significant strengthening of resident income and full value per capita
- Maintenance of strong operating fund balance and liquidity
- Moderation of leverage

### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material declines to available operating fund balance or liquidity
- Increase in the city's leverage or fixed costs ratios

### LEGAL SECURITY

The city's GOLT bonds are unvoted obligations backed by the city's full faith and credit as well as its pledge to levy ad valorem property taxes within the state's statutory 10-mill limit. The bonds are a first budget obligation payable from all legally available revenue including the city's collection of income taxes.

### PROFILE

The City of Massillon encompasses roughly 20 square miles of Stark County (Aa2) in northeastern Ohio,

approximately 50 miles south of the City of Cleveland (Aa3 stable). The city, which operates under a mayor-council form of government, provides municipal services, including certain utilities, to a community of 32,000 residents.

## METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moodys.com/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.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 on <https://ratings.moodys.com/rating-definitions>.

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Brian Craighead  
Lead Analyst  
REGIONAL\_MIDWEST  
Moody's Investors Service, Inc.  
100 N Riverside Plaza  
Suite 2220  
Chicago 60606  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

David Levett  
Additional Contact  
REGIONAL\_MIDWEST  
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

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