

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's upgrades the Town of Fishkill, NY's GOs to Aa1; assigns Aa1 to GO bonds

15 Feb 2022

New York, February 15, 2022 -- Moody's Investors Service has upgraded to Aa1 from Aa2 the issuer and general obligation limited tax (GOLT) ratings on outstanding bonds of the Town of Fishkill, NY. Concurrently, Moody's has assigned a Aa1 rating to the town's \$2.3 million Public Improvement Serial Bonds - 2022. Post issuance the town will have approximately \$20 million in outstanding debt.

RATINGS RATIONALE

The upgrade of the town's issuer rating to Aa1 reflects the town's ability to grow its financial resources over several years. This has resulted in very strong liquidity and available fund balance positions. The financial strength is a result of the town's conservative budget practices with major revenues sources including state aid, sales tax receipts, and mortgage tax revenues exceeding budget. Supporting these factors is a growing population due to its proximity to employment centers, solid wealth metrics, and affordable housing stock relative to its southern neighbors which has boosted demand. The debt burden including debt, pension, and OPEB liabilities remain modest and total fixed costs low. We consider the outstanding debt to be GOLT because of limitations under New York State law on property tax levy increases. The lack of distinction between the GOLT rating and the issuer rating reflects the town board's ability to override the property tax cap and the faith and credit pledge in support of debt service.

RATING OUTLOOK

We do not typically assign outlooks to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Improvement in resident wealth and incomes
- Maintenance of low debt burden and fixed costs

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Contraction of tax base/local economy
- Deterioration of resident wealth and incomes
- Significant growth in long term liabilities

LEGAL SECURITY

The 2022 bonds and currently rated debt are secured by the town's general obligation pledge as limited by New York State's Property Tax Cap-Legislation (Chapter 97 (Part A) of the Laws of the State of New York, 2011).

USE OF PROCEEDS

Water system improvements to the Beacon Hills Water District.

PROFILE

Town of Fishkill is located in Dutchess County (Aa2 stable) and surrounds the City of Beacon (Aa2) in the Hudson Valley. The American Community Survey reflects a growing population in 2019 to 24,151.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published

in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.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 at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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