

**Rating Action: Moody's assigns Aa2 to Oak Creek, WI's GO bonds and notes**

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New York, November 23, 2021 -- Moody's Investors Service has assigned a Aa2 rating to the City of Oak Creek, WI's \$6.3 million General Obligation Refunding Bonds, Series 2021C and \$2.6 million Taxable General Obligation Promissory Notes, Series 2021D. Moody's maintains a Aa2 rating on the city's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the city will have \$96.8 million GOULT debt outstanding.

**RATINGS RATIONALE**

The Aa2 rating reflects the city's wealthy, growing tax base located near the City of Milwaukee (A2 negative), solid operating reserves, and a moderate pension burden. These attributes are balanced against the city's limited revenue raising flexibility and elevated fixed costs.

**RATING OUTLOOK**

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

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

- Substantial growth in available operating reserves
- Moderation of fixed costs

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

- Tax base contraction
- Narrowing of operating reserves
- Materially increased leverage

**LEGAL SECURITY**

The city's outstanding GOULT debt, including the current issuance, is backed by its full faith and credit pledge. Debt service is payable from a designated property tax levy that is unlimited as to rate or amount.

**USE OF PROCEEDS**

The 2021C bonds will currently refund outstanding 2013 general obligation promissory notes for expected net present value savings. The series 2013 notes were originally issued to finance lakefront improvements, road improvements and facilities improvements.

The 2021D notes will finance projects within tax increment district (TID) No. 8. A portion will also be used to currently refund outstanding 2016 bonds for expected net present value savings. The bonds were originally issued to finance projects within TID No. 11.

**PROFILE**

Oak Creek is located just south of the City of Milwaukee in Milwaukee County (Aa2 stable). It encompasses an area of 28 square miles with an estimated population of 36,000.

**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](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moodys.com](http://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.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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