

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's upgrades City of Ravenna, OH's issuer rating to A1 from A3

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New York, March 15, 2022 -- Moody's Investors Service has upgraded to A1 from A3 the issuer rating of the City of Ravenna, OH. Ravenna does not currently have any rated debt. The city's outstanding general obligation limited tax (GOLT) debt totals about \$9 million.

The issuer rating represents Moody's assessment of hypothetical debt of the city supported by a general obligation unlimited tax (GOULT) pledge. The city does not currently have any GOULT debt outstanding. The city's GOLT debt is considered limited based on the state imposed 10-mill limitation on the ad valorem property taxes pledged.

#### RATINGS RATIONALE

The upgrade of the city's issuer rating to A1 from A3 reflects substantial strengthening of financial reserves following two voter approved permanent increases to the local income tax rate. The local economy is showing signs of growth which will further support income tax receipts. These factors are balanced with below average resident incomes and property tax wealth and elevated leverage relative to the city's modestly sized tax base.

#### 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 RATING

- Significant expansion in the city's property and income tax base
- Improved resident income and property tax wealth
- Reduction in leverage

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

- Contraction of the city's income tax base
- Deterioration of newly rebuilt fund balance and liquidity
- Material increase in long-term leverage

#### LEGAL SECURITY

Outstanding GOLT debt is backed by the city's full faith and credit and are payable from ad valorem taxes levied within the state's 10-mill limitation.

#### PROFILE

The city of Ravenna is located in Portage County (Aa2) about 20 miles east of Akron and 40 miles southeast of Cleveland (A1 stable). The city encompasses approximately six square miles and has an estimated population of 11,500. The city provides general government, public safety, and transportation services in addition to operating water and sewer utilities.

#### METHODOLOGY

The principal methodology used in this rating 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's.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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Stephanie Levine  
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

Coley Anderson  
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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