Rating Action: Moody's assigns MIG 1 to Edison, NJ's BANs

Global Credit Research - 23 Jan 2018

Rating applies to $63.2M of notes

New York, January 23, 2018 -- Moody's Investors Service has assigned a MIG 1 to the Township of Edison, NJ's $57.2 million Bond Anticipation Note consisting of a $49.7 million Bond Anticipation Note and a $7.5 million Sewer Utility Bond Anticipation Note. Moody's has also assigned a MIG 1 to Edison's $6.1 million Tax Appeal Refunding Bond Anticipation Note (Federally Taxable).

RATINGS RATIONALE

The MIG 1 short-term rating reflects the township's strong fundamental credit quality (the township's general obligation rating is Aa2 stable), healthy liquidity, and established record of market access.

RATING OUTLOOK

The stable outlook on the underlying rating reflects the township's large, stable tax base and strong financial position.

FACTORS THAT COULD LEAD TO AN UPGRADE (Long-term Only)

-Continued tax base expansion
-Increased resident wealth and incomes, and
-Significant increase in reserves

FACTORS THAT COULD LEAD TO A DOWNGRADE

-Material deterioration of the tax base
-Reduced resident wealth and incomes and
-Significant depletion of reserves

LEGAL SECURITY

Debt service on the GO notes is secured by the township's general obligation unlimited ad valorem tax pledge.

USE OF PROCEEDS

Proceeds from Bond Anticipation Note, plus cash on hand, will be used to currently refund $28.5 million of the township's $29.8 million Bond Anticipation Note, maturing February 9, 2018, and to currently refund $10 million of the township's $10 million Bond Anticipation Note, maturing February 9, 2018, and to provide $11.2 million in new money for various capital improvements. Proceeds from the Sewer Utility Bond Anticipation Note plus cash on hand will be used to currently refund $7.5 million of the Township's $7.6 million Sewer Utility Bond Anticipation Note, maturing February 9, 2018. Proceeds from the Taxable Note plus cash on hand will be used to currently refund $6.1 million of the Township's $8.1 million Tax Appeal Refunding Bond Anticipation Note (Federally Taxable) maturing February 9, 2018.

PROFILE

Edison is a near suburb of New York City with a population of just over 100,000.

METHODOLOGY

The principal methodology used in this rating was US Bond Anticipation Notes published in April 2014. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.
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