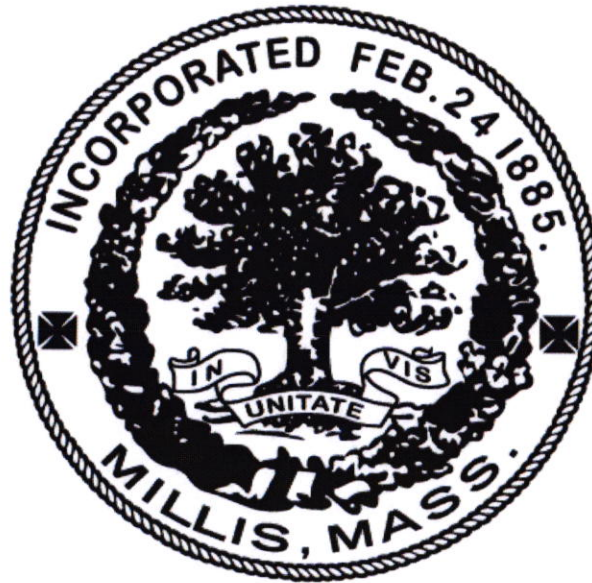


Presentation to Town of Millis, MA Tri-Board Meeting

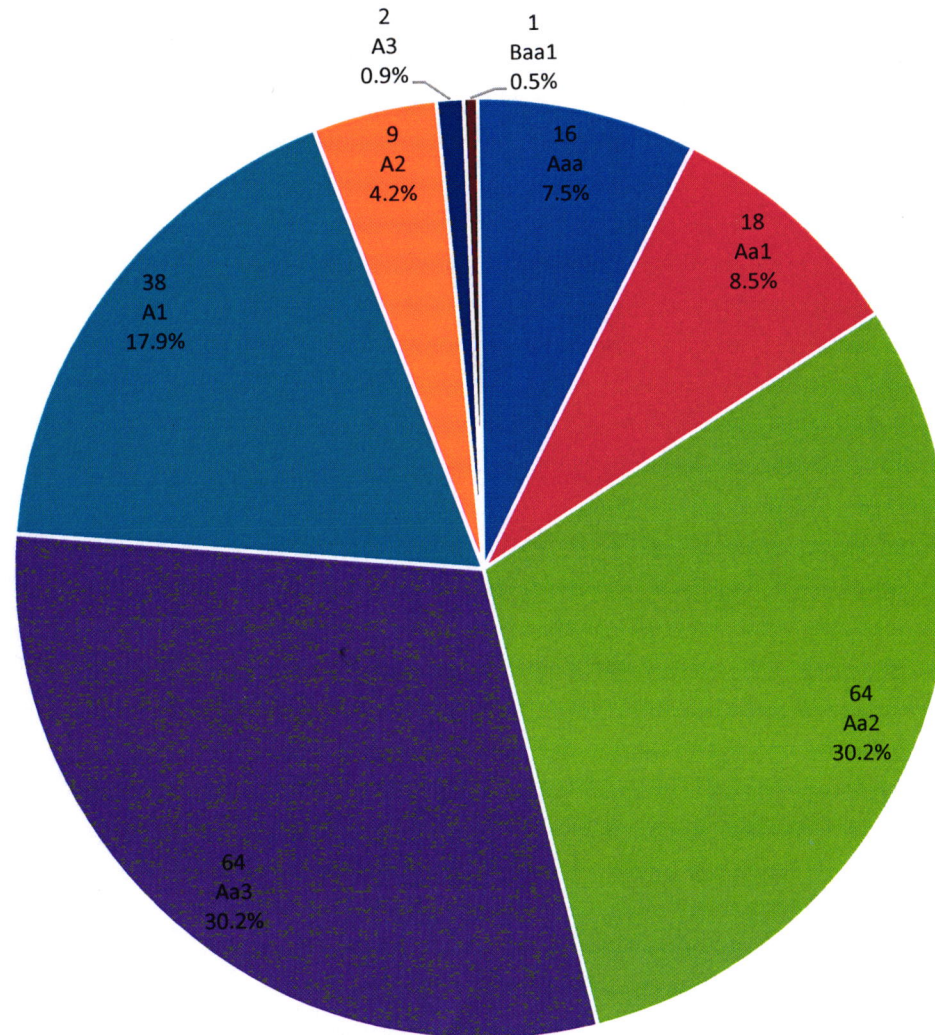


June 4, 2019

Bond Ratings

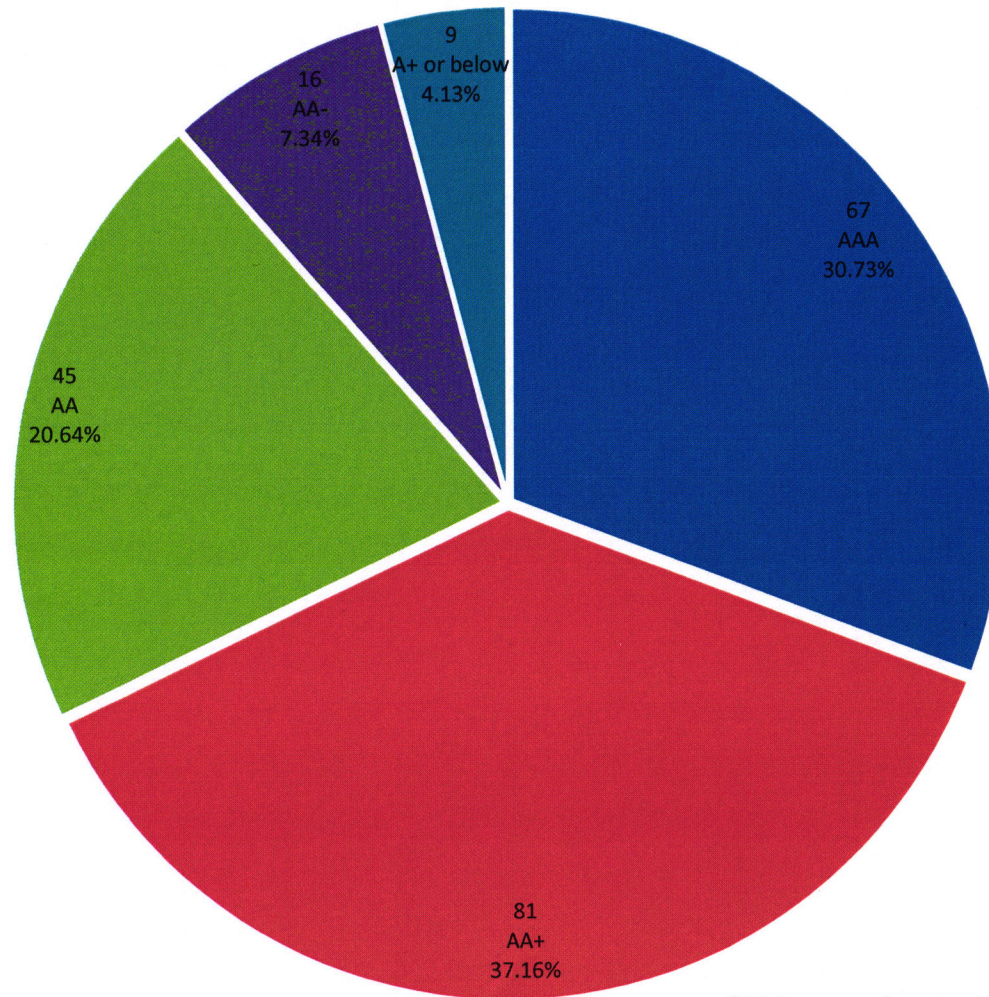
<u>Moody's</u>	<u>Standard & Poor's</u>
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-

Moody's Investors Service Rating Distribution of Massachusetts Communities* as of March 20, 2019



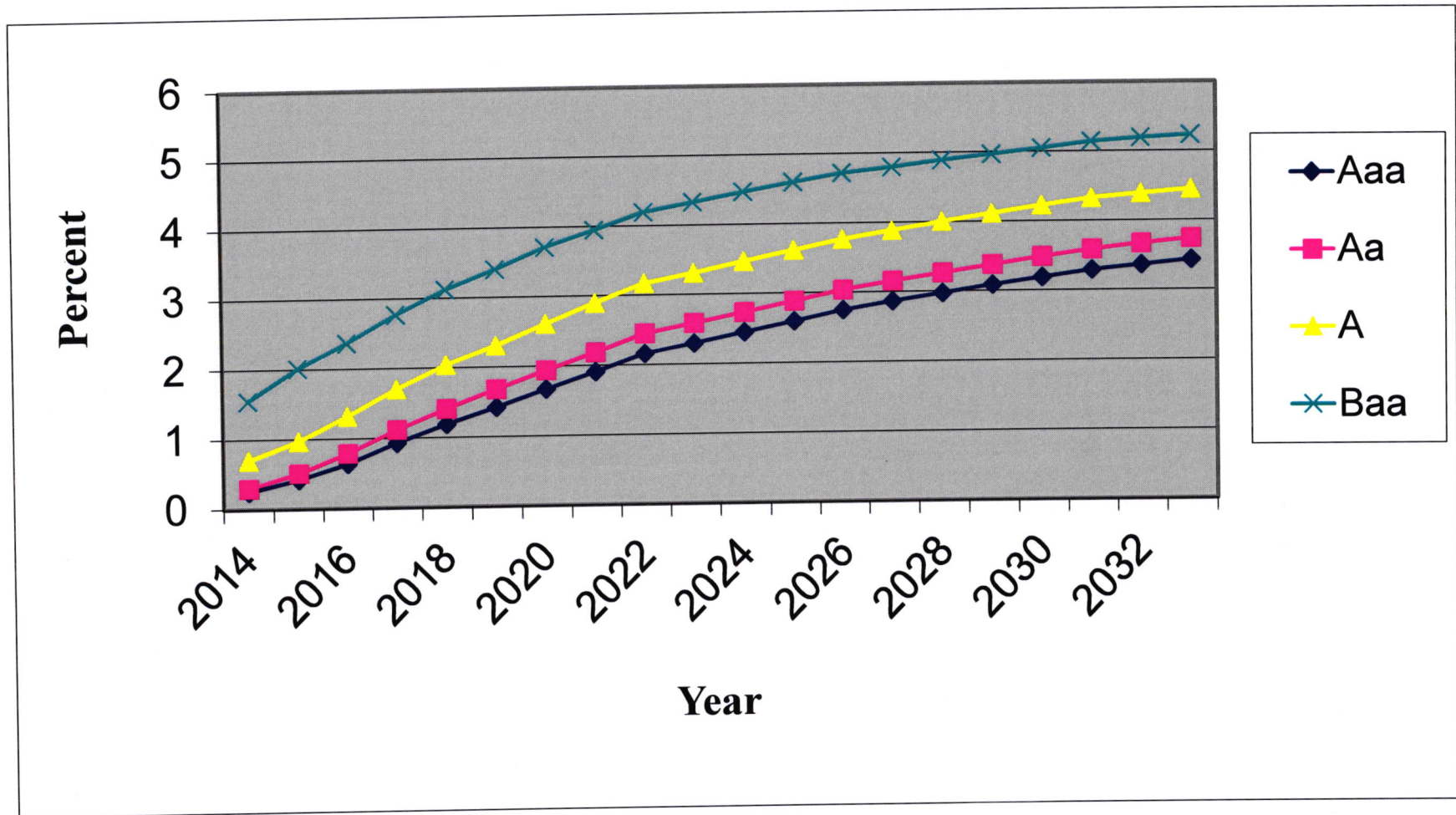
*Moody's currently rates 212 Massachusetts communities

S&P Global Ratings
Rating Distribution of Massachusetts Communities*
as of May 30, 2019



*S&P currently rates 218 Massachusetts communities

Yield Curves By Rating



Moody's Scorecard on the Town's Rating

The US Local Government General Obligation Rating Methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

General Obligation methodology scorecard

CMS: Full Width - Portrait(7.25")		
Millis (Town of) MA		
	Measure	Score
Rating Factors		
Economy/Tax Base (30%)^[1]		
Tax Base Size: Full Value (in 000s)	\$1,247,045	A
Full Value Per Capita	\$155,881	Aaa
Median Family Income (% of US Median)	154.7%	Aaa
Finances (30%)		
Fund Balance as a % of Revenues	11.9%	A
5-Year Dollar Change in Fund Balance as % of Revenues	2.9%	A
Cash Balance as a % of Revenues	17.5%	Aa
5-Year Dollar Change in Cash Balance as % of Revenues	5.1%	A
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	A
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	5.3%	Baa
Net Direct Debt / Operating Revenues (x)	2.1x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	2.4%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	0.9x	A
Notching Factors:^[2]		
Other Analyst Adjustment to Debt and Pensions Factor (specify): Contingent risk associated with state pension support		Down
	Scorecard-Indicated Outcome	A1
	Assigned Rating	Aa3

1 Economy measures are based on data from the most recent year available.

2 Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology dated December 16, 2016.

3 Standardized adjustments are outlined in the GO Methodology Scorecard Inputs Updated for 2018 publication

Sources: US Bureau of Economic Analysis, Moody's Investors Service

Moody's Rating Methodology

EXHIBIT 1

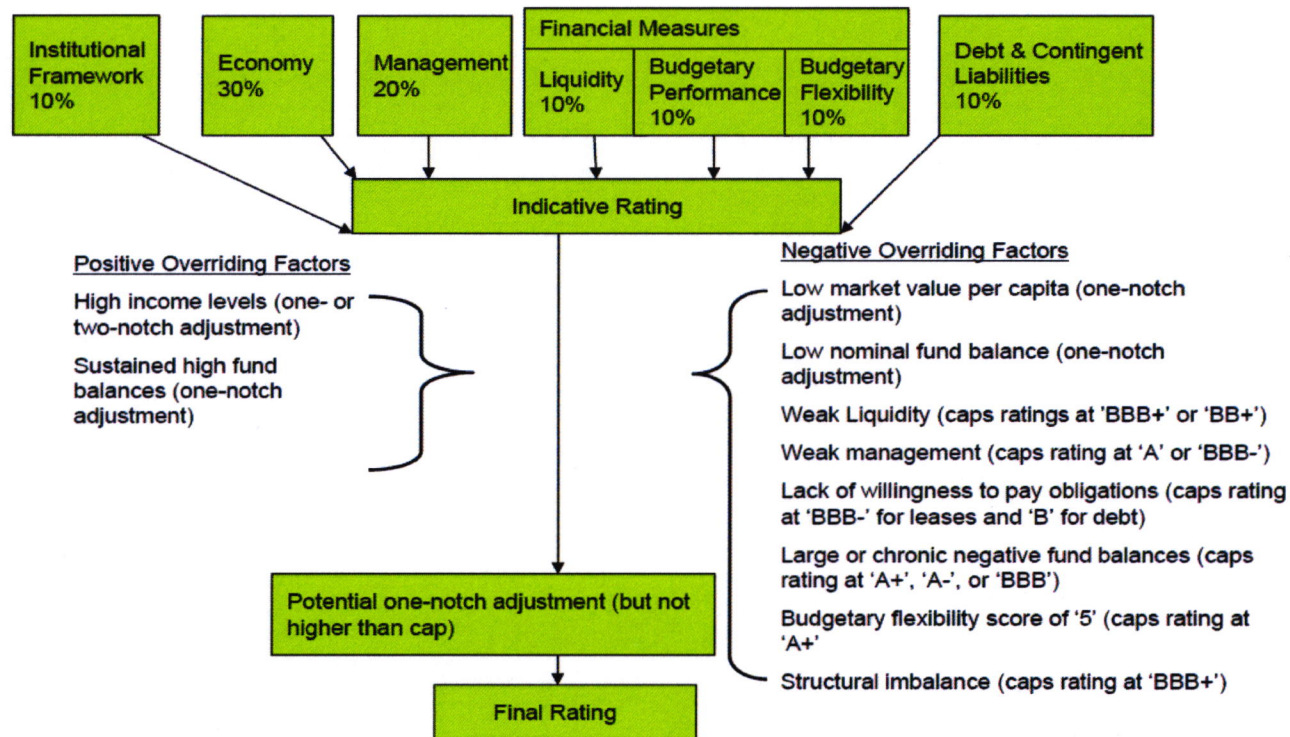
Scorecard Factors and Weights

Local Governments

Broad Rating Factors	Factor Weighting	Rating Sub-factors	Sub-factor Weighting
Economy/Tax Base	30%	Tax Base Size (full value)	10%
		Full Value Per Capita	10%
		Wealth (median family income)	10%
Finances	30%	Fund Balance (% of revenues)	10%
		Fund Balance Trend (5-year change)	5%
		Cash Balance (% of revenues)	10%
		Cash Balance Trend (5-year change)	5%
Management	20%	Institutional Framework	10%
		Operating History	10%
Debt/Pensions	20%	Debt to Full Value	5%
		Debt to Revenue	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Full Value	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Revenue	5%

S&P Rating Methodology

Analytical Framework



Source: Standard & Poor's Ratings Services.

Major Credit Factors

- Economy & Institutional Framework (40%)
- Management (20%)
- Finances (30%)
- Debt and Contingent Liabilities (10%)

Major Credit Factors

- Economy
 - Local, Regional, National & Global
 - Tax Base – size, composition, growth
 - Employment
 - Demographics – Wealth & Income
 - Home Values, Building Permits

Major Credit Factors

- Management – “Best Practices”
 - Managers’ Qualifications and Experience
 - Procedures and Policies
 - Budgeting
 - Forecasting
 - Capital Planning
 - Policies – Reserves, Debt, Investments - Frequency of Performance Monitoring

Major Credit Factors

- Finances
 - Amount and type of reserves (as % of revenues)
 - Unassigned General Fund Balance
 - Stabilization Funds
 - Structural Balance
 - Recurring revenues vs. recurring expenditures

Reserves

- Measure of financial flexibility
- Provides resources to meet unanticipated expenses
- Helps to stabilize town employment and service delivery through economic cycles
- Reserves generate investment income
- Contributes to enhanced market access and lower borrowing costs

Major Credit Factors

- Debt & Long Term Obligations
 - Amount
 - Sources of Revenue
 - Exempt from Proposition 2 ½
 - Enterprise (Water & Sewer) Supported
 - Tax supported within the Levy Limit
 - Amortization
 - Offsetting Aid Payments/Subsidy
 - Unfunded Pension & OPEB Liabilities