MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aaa to Bloomington, MN's new GOs

06 Oct 2025

New York, October 06, 2025 -- Moody's Ratings (Moody's) has assigned Aaa ratings to the City of Bloomington, MN's General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57 (the "Series 57 Bonds") with a proposed par amount of about $3 million and the Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D with a proposed par amount of about $3.2 million. We maintain the city's Aaa issuer rating and the Aaa ratings on the outstanding general obligation unlimited tax (GOULT) bonds. Following the sale, the city will have about $213 million in total debt outstanding.

RATINGS RATIONALE

The Aaa issuer rating reflects the city's solid economic base with a resident income ratio of just over 110% of the US and a strong and growing full value per capita that now exceeds $200,000. There is a degree of taxpayer concentration, with the top 10 taxpayers comprising about 16% of net tax capacity, the largest of which is the Mall of America at about 8%. The city has an exceptionally strong financial profile with an available fund balance ratio that consistently exceeds 95% and a liquidity ratio that typically hovers around 130%.

Year-to-date results for fiscal 2025 reflect solid financial performance, with governmental funds tracking close to the prior year. Most of the enterprise funds are currently outperforming budget and tracking towards slight surpluses. The long-term liabilities ratio, inclusive of the recent debt issuances, totals about 150%.

The Aaa rating on the GOULT bonds is at the same level as the Aaa issuer rating because of the city's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount to pay the bonds.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Substantial economic contraction coupled with a weaker resident income ratio

- An available fund balance ratio closer to 50%

- A long-term liabilities ratio closer to 250%

PROFILE

Bloomington is the fourth most populous city in Minnesota and it encompasses just under 40 square miles in Hennepin County, about ten miles south of Minneapolis. The city provides a range of municipal services, including public safety, public works, community services, and municipal utilities to almost 90,000 residents.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in July 2024 and available at https://ratings.moodys.com/rmc-documents/425429. Alternatively, please see the Rating Methodologies page on https://ratings.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 on https://ratings.moodys.com/rating-definitions.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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