



Rating Action: Moody's upgrades City of Pittston, PA's issuer and GOULT ratings to Baa2

06 Dec 2023

New York, December 06, 2023 -- Moody's Investors Service upgrades City of Pittston, PA's issuer and general obligation unlimited tax (GOULT) ratings to Baa2 from Baa3, affecting approximately \$15 million in debt outstanding. The stable outlook was removed.

RATINGS RATIONALE

The upgrade to Baa2 reflects the city's improved financial position that is expected to remain stable in the near term as the city continues to pursue revitalization efforts in its downtown area. The rating also incorporates the city's weak resident income and wealth levels paired with an elevated poverty rate. The city's long-term liabilities and fixed costs are manageable, though are anticipated to increase moderately in the medium term as the city addresses capital needs in its sewer system.

The lack of distinction between the city's Baa2 issuer rating and the Baa2 rating on the GOULT debt is based on the city's general obligation full faith and credit pledge.

RATING OUTLOOK

The outlook was previously stable. Outlooks are not typically assigned to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Further material improvement in reserves and liquidity
- Material increases to the tax base
- Improved funding for pension obligations

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material decrease in reserves and liquidity
- Substantial contraction in the tax base
- Additional borrowing that leads to outsized leverage metrics

LEGAL SECURITY

The city's bonds are general obligations of the city, payable from its tax and other general revenues and carry a full faith, credit and taxing power pledge. The city's taxing power includes the power to levy ad valorem taxes on all taxable real property, unlimited as to rate or amount.

PROFILE

Pittston City is located in Luzerne County, roughly halfway between the cities of Wilkes-Barre and Scranton. The city is

home to a resident population of about 7,700.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moodys.com/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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Isabelle Hazel
Lead Analyst
REGIONAL_NE
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Dan Seymour
Additional Contact
REGIONAL_NE
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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