

CREDIT OPINION

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Village of Garden City, NY

Update to credit analysis

Summary

The [Village of Garden City](#), New York (Aaa stable issuer and GOLT, MIG 1 short-term) benefits from its proximity to [New York City](#) (Aa2 stable) and the high demand for its residential and commercial property. The village also benefits from ample liquidity at over 100% of annual revenues in fiscal 2024, a minimal debt burden and manageable pension and retiree health care liabilities. We expect the village to maintain its ample reserves in fiscal 2025 supported by its strong financial management.

Credit strengths

- » High resident incomes and full value per capita
- » Strong reserves and liquidity
- » Conservative fiscal management

Credit challenges

- » Moderately elevated leverage and fixed costs

Rating outlook

We do not assign outlooks to local government credits with this amount of debt outstanding.

Factors that could lead to an upgrade

- » N/A

Factors that could lead to a downgrade

- » Significant deterioration of reserves and liquidity bringing available fund balance below 35% of revenue and liquidity below 40%
- » Increase in leverage beyond currently expected level
- » Multi-notch downgrade of the village's issuer rating (BANs)

Key indicators

Exhibit 1

Garden City (Village of) NY

	2021	2022	2023	2024	Aaa Medians
Economy					
Resident income ratio (%)	233.6%	241.3%	259.0%	N/A	168.9%
Full Value (\$000)	\$7,233,555	\$7,670,751	\$7,638,900	\$8,737,241	\$9,011,663
Population	23,087	22,871	22,866	N/A	36,103
Full value per capita (\$)	\$313,317	\$335,392	\$334,072	N/A	\$218,941
Annual Growth in Real GDP	5.1%	2.2%	1.6%	N/A	2.4%
Financial Performance					
Revenue (\$000)	\$74,429	\$75,365	\$86,408	\$86,241	\$108,194
Available fund balance (\$000)	\$70,616	\$68,159	\$70,502	\$67,256	\$68,159
Net unrestricted cash (\$000)	\$93,778	\$85,532	\$83,307	\$86,345	\$99,090
Available fund balance ratio (%)	94.9%	90.4%	81.6%	78.0%	62.6%
Liquidity ratio (%)	126.0%	113.5%	96.4%	100.1%	95.0%
Leverage					
Debt (\$000)	\$90,246	\$87,425	\$85,610	\$91,656	\$72,678
Adjusted net pension liabilities (\$000)	\$75,898	\$61,944	\$47,818	\$36,434	\$89,696
Adjusted net OPEB liabilities (\$000)	\$151,744	\$132,305	\$90,671	\$87,970	\$10,915
Other long-term liabilities (\$000)	\$12,377	\$12,840	\$13,607	\$12,568	\$4,029
Long-term liabilities ratio (%)	443.7%	390.8%	275.1%	265.1%	217.2%
Fixed costs					
Implied debt service (\$000)	\$5,845	\$6,330	\$6,106	\$5,947	\$4,949
Pension tread water contribution (\$000)	\$4,942	\$3,494	\$3,117	\$4,629	\$2,629
OPEB contributions (\$000)	\$3,946	\$4,048	\$3,992	\$4,114	\$594
Implied cost of other long-term liabilities (\$000)	\$876	\$868	\$897	\$945	\$274
Fixed-costs ratio (%)	21.0%	19.6%	16.3%	18.1%	10.0%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area Metropolitan Statistical Area.

Sources: US Census Bureau, Garden City (Village of) NY's financial statements and Moody's Ratings, US Bureau of Economic Analysis

Profile

The Village of Garden City is located in western Long Island in Nassau County, New York, approximately 25 miles east of New York City.

Detailed credit considerations

Garden City benefits from a robust local economic profile and conservative fiscal management which have resulted in very strong reserves. The village benefits from its commuter proximity to New York City and high resident incomes at 259% of the national median and property wealth, as reflected in the village's full value per capita of \$330,000. The village is largely suburban residential. The redevelopment of commercial properties, expansion of [NYU Langone Hospital](#) (A1 stable) and continued residential property improvement have contributed to revenue growth. High demand for residential and commercial property within Garden City is a significant strength and source of stability.

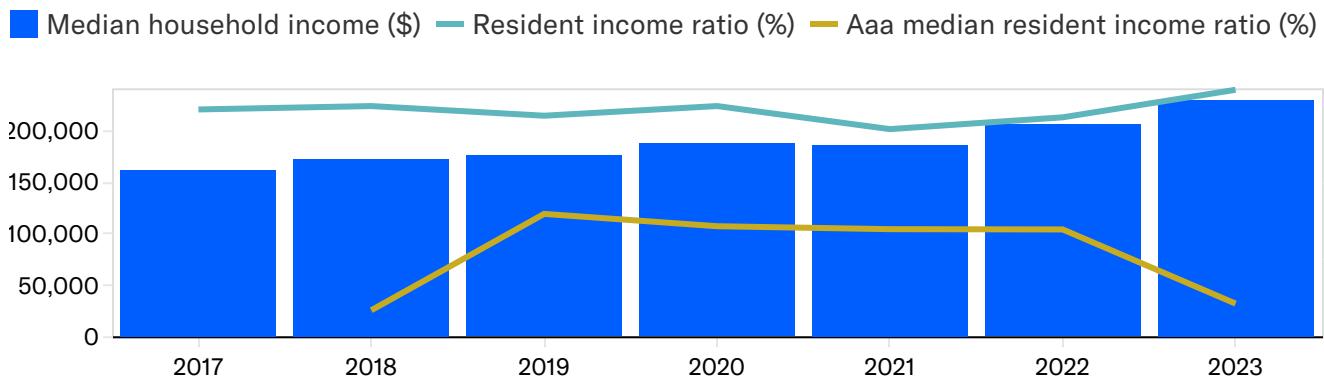
In fiscal 2024, general fund revenues exceeded the budget by \$2.1 million, primarily due to \$1.4 million in interest income as well as higher than expected state and federal aid. Expenditures were \$3 million under budget, with savings from unfilled positions and unused contingency funds. We expect the village to maintain its strong financial position in fiscal 2025, and slightly increase its general fund balance.

Garden City's long term liabilities are moderate and expected to remain stable. Adjusted net OPEB liabilities are high but manageable. The majority of the current issuances will provide financing for the village's water fund projects, including combatting contaminants

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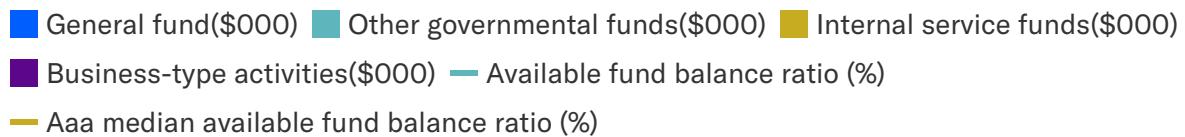
and water main improvements. The village has an additional \$20 million in unissued bond authorizations for capital projects. Management expects grant funding is anticipated to reduce the total bond amounts required.

Exhibit 2

Resident income levels are exceptionally strong


Source: Moody's Ratings

Exhibit 3

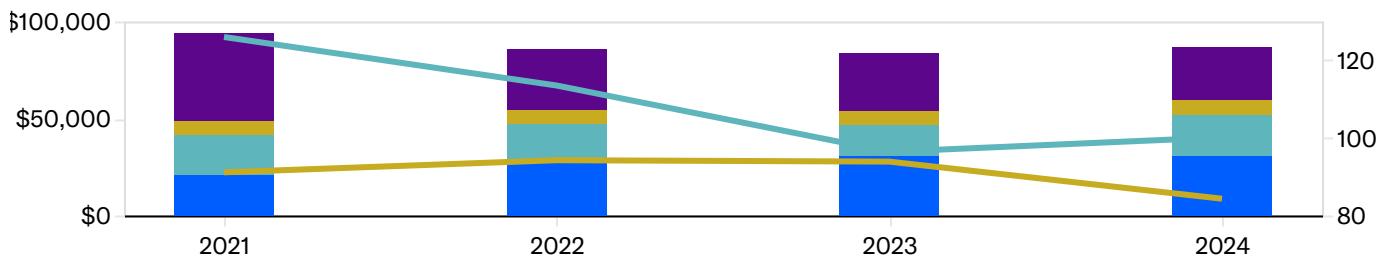
Fund balance remains favorable


Source: Moody's Ratings

Exhibit 4

Liquidity is above that of Aaa-rated peers

General fund Other governmental funds Internal service funds Business-type activities
 Liquidity ratio (%) Aaa median liquidity ratio (%)

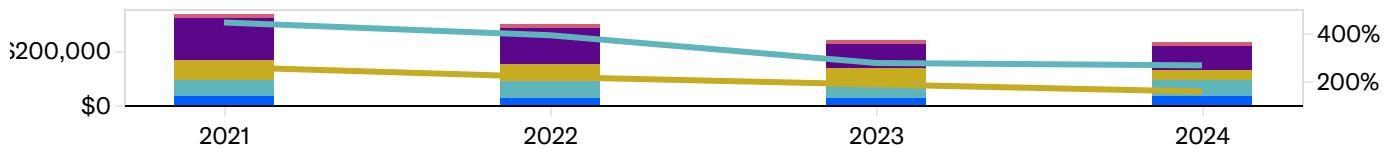


Source: Moody's Ratings

Exhibit 5

Outstanding debt and adjusted OPEB liabilities drive the village's long-term liabilities ratio

Governmental Debt(\$000) Business-Type Activity Debt(\$000)
 Adjusted net pension liabilities(\$000) Adjusted net other post-employment liabilities(\$000)
 Other long-term liabilities(\$000) Long-term liabilities ratio (%)
 Aaa median long-term liabilities ratio (%)



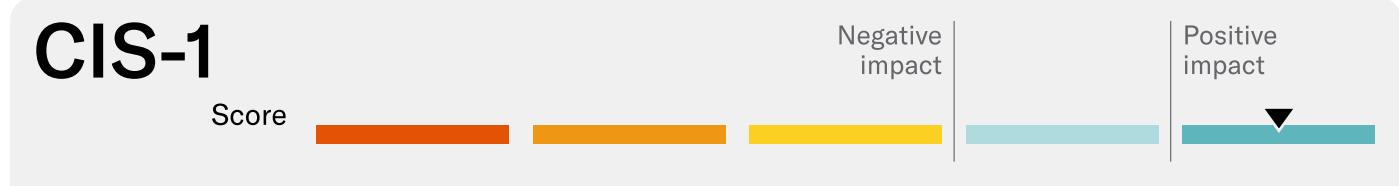
Source: Moody's Ratings

ESG considerations

Garden City (Village of) NY's ESG credit impact score is CIS-1

Exhibit 6

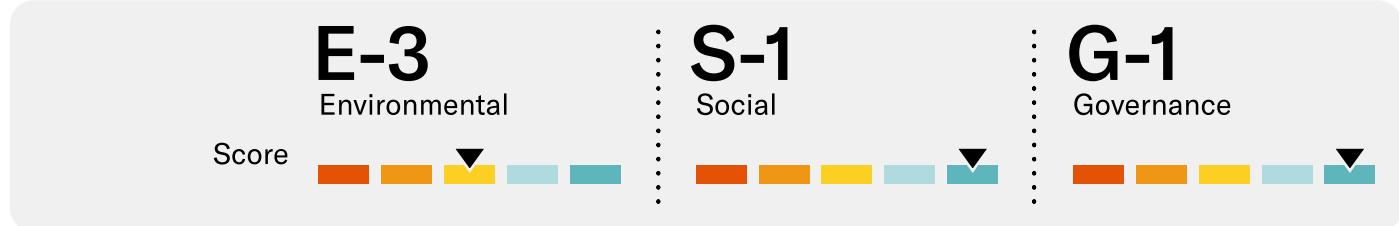
ESG credit impact score



Source: Moody's Ratings

The Village of Garden City's ESG credit impact score is positive (**CIS-1**), reflecting positive exposure to governance, and social risks while environmental risks are moderately negative.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

The Village of Garden City's overall environmental issuer profile score is moderately-negative (**E-3**). All issuers in Nassau County have an elevated exposure to storms and water stress. The county maintains an active emergency management team and hazard mitigation plan to aid in navigating these challenges and works closely with all their local governments to help mitigate risks. The state and federal government have a long history of supporting local governments following extreme weather events. Exposure to other environmental risks such as carbon transition, natural capital, and pollution risks are low.

Social

The Village of Garden City's social issuer profile score is positive (**S-1**). Strong employment, low poverty, high resident income, high educational attainment, and low violent crime are positives. All municipalities in Nassau County have good access to basic services while risks associated with housing are neutral-to-low.

Governance

The Village of Garden City's governance issuer profile score is positive (**G-1**). Government operations are managed by certified and experienced professionals who are responsible for implementing policy objectives. This, plus a combination of a strong state-wide institutional framework and conservative budgeting, has allowed for stable and strong financial operations. Finally, management is generally prompt in publishing its budgets and audited financial statements. Monthly or quarterly interim statements are not available publicly.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 8

Garden City (Village of) NY

	Measure	Weight	Score
Economy			
Resident income ratio	259.0%	10.0%	Aaa
Full value per capita	382,106	10.0%	Aaa
Economic growth metric	-0.8%	10.0%	Aa
Financial Performance			
Available fund balance ratio	78.0%	20.0%	Aaa
Liquidity ratio	100.1%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	Aa
Leverage			
Long-term liabilities ratio	265.1%	20.0%	A
Fixed-costs ratio	18.1%	10.0%	A
Notching factors			
Additional Strength in Local Resources	1.0		
Scorecard-Indicated Outcome			Aa1
Assigned Rating			
			Aaa

The Economic Growth metric cited above compares the five-year CAGR of real GDP for New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Garden City (Village of) NY's financial statements and Moody's Ratings

Appendix

Exhibit 9

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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