

# MOODY'S

## RATINGS

### Rating Action: Moody's Ratings assigns Aaa to Town of Southampton, NY's GO Bonds

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02 Oct 2025

New York, October 02, 2025 -- Moody's Ratings (Moody's) assigns a Aaa to the Town of Southampton, NY's estimated \$12 million Public Improvement (Serial) Bonds - 2025. We currently maintain a Aaa issuer rating and Aaa General Obligation Limited Tax (GOLT) rating. Post-sale, the town will have approximately \$117 million in GOLT long-term debt outstanding.

#### RATINGS RATIONALE

The Aaa issuer rating reflects a strong financial position as evidenced by available and liquidity exceeding 50% of revenues (net of the Community Preservation Fund). Reserves are likely to remain stable through 2025 given conservative budgeting and strong fiscal oversight. The town's local economy is strong, as evidenced by its extremely high full value per capita of \$1.7 million, far exceeding the thresholds for Aaa. This is driven by the large number of multi-million single family homes, many of which are considered second home, driving down the town's resident income metric.

Leverage, however, is above average (270% of revenues, net of community preservation fund), but manageable, and is largely driven by OPEB liabilities (approximately 50% of total liability) which are well in excess of national medians. The rating also incorporates the town's exposure to extreme weather events as well as the ongoing efforts by multiple levels of government to address this risk.

We consider the outstanding debt to be GOLT because of limitations under New York State law on property tax levy increases. The lack of distinction between the Aaa GOLT rating and the Aaa issuer rating reflects the town's ability to override the property tax cap and the faith and credit pledge in support of debt service.

#### RATING OUTLOOK

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

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- N/A

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Available reserves and/or liquidity decline below 40% of revenues
- Long-term liability ratio increases above 300% of revenues

#### PROFILE

The Town encompasses an area of approximately 138 square miles and is located on the south fork of Long Island 70 miles east of Manhattan in Suffolk County. The town's population of approximately 67,000 people increases significantly throughout the summer as a result of the area's longstanding popularity as a vacation destination.

#### METHODOLOGY

The principal methodology used in this rating 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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Robert Weber  
Lead Analyst

Thomas Jacobs  
Additional Contact

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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