

## CREDIT OPINION

20 May 2019

 Rate this Research

### Contacts

Andrew T. Van Dyck      +1.312.706.9974  
Dobos  
AVP-Analyst  
andrew.vandyckdobos@moodys.com

Matthew Butler          +1.212.553.7108  
VP-Senior Analyst  
matthew.butler@moodys.com

### CLIENT SERVICES

Americas                    1-212-553-1653  
Asia Pacific                852-3551-3077  
Japan                        81-3-5408-4100  
EMEA                        44-20-7772-5454

# Livingston (County of) MI

## Update to credit analysis

### Summary

[Livingston County's](#) (Aaa stable) strong credit profile is supported by its large, growing tax base, above average socioeconomic characteristics, and solid financial position that includes ample operating fund balance and liquidity. The county is subject to property tax limitation laws imposed by the [State of Michigan](#) (Aa1 stable), which constrains overall operating flexibility. However, the county's very strong reserves and operating margins mitigate this limitation. They also enhance the county's capacity to address long-term liabilities as indicated by a fiscal 2018 pension contribution that far exceeded the county's actuarial requirement.

### Credit strengths

- » Large, residential tax base experiencing strong year-over-year valuation growth
- » Above average wealth and income
- » Healthy financial position highlighted by robust operating fund balance and liquidity, and strong capacity to address long-term liabilities

### Credit challenges

- » Michigan's statutory limits on taxable valuation and revenue growth cause revenue loss during times of tax base decline and slow recovery of revenue as valuations increase

### Rating outlook

The stable outlook reflects our expectation that the county's strong financial position, solid socioeconomic metrics, and favorable tax base trends will continue to support the Aaa rating.

### Factors that could lead to a downgrade

- » Material tax base contraction and/or diminished resident income indices
- » Significant reductions in available operating fund balance and liquidity
- » Substantial increases to the county's outstanding debt or unfunded post-employment benefits liability burdens