

Research Update:

Maplewood, MN's Series 2025 GO Improvement Bonds Assigned 'AA+' Rating

June 18, 2025

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to [Maplewood](#), Minn.'s \$2.7 million series 2025A general obligation (GO) improvement bonds.
- At the same time, S&P Global Ratings affirmed its 'AA+' long-term rating on the city's GO debt outstanding.
- The outlook is stable.

Rationale

Security

The city's full faith and credit and ability to levy unlimited ad valorem property taxes secure the GO bonds. Bond proceeds will be used for capital improvements, mainly focused on streets, sidewalks, and water mains.

Credit highlights

The rating reflects our view of the city's stable operating results, robust long-term planning and forward-looking budget practices, predictable operating budget, healthy reserves and liquidity, and above-average gross county product on a per capita basis stemming from its location within the Minneapolis-St. Paul metropolitan area. While economic productivity in the region exceeds levels seen throughout the U.S., local income metrics lag those of similarly rated peers and this continues to limit the rating when combined with the above-average debt metrics. We do acknowledge that the city's robust debt policy helps keep the debt burden manageable, and we do not expect that debt will pressure the budget, but debt and income metrics are not commensurate with those of higher-rated peers.

The city's fiscal 2025 budget was structured with a balanced result incorporating full staffing and benefits into expenditures even though some turnover from retirements and relocations is expected. With the city's careful budgetary monitoring, including the recent implementation of an enterprise resource planning system, we expect results will finish close to budget estimates.

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As in fiscal 2025, the budget for fiscal 2024 was balanced. Officials report that permit activity drove revenue above expectations and that short-term staffing vacancies put expenditures under budget. The fiscal 2023 result included \$1.2 million of revenue that was restricted for public safety aid. Net of this one-time aid, the net result was equal to about 2% of revenue. In our opinion, this result once again demonstrates the city's budgetary monitoring and planning efforts. The city is aiming to reduce its available reserves to comply with its formal fund balance policy of five to six months of expenditures. In 2022, \$1.15 million of available fund balance was allocated to other sources to begin achieving this after extra careful budgetary considerations utilized during the COVID-19 pandemic resulted in reserves above the policy level.

The rating further reflects our view of the following:

- Ramsey County, situated in the Minneapolis-St. Paul metropolitan area, has economic productivity exceeding the U.S. level based on gross county production on a per capita basis. However, incomes are essentially in-line with those of U.S. levels and the City of Maplewood has income metrics that do not materially differ. Over the past 10 years, the city's tax base and population have seen relatively robust growth of 66.0% and 5.4%, respectively, relative to other Minnesota local governments. With the city's location and careful economic development planning, we expect such growth trends to continue exceeding those of most Minnesota local governments.
- We expect the city will maintain reserves at, or above, its policy level of five to six months of expenditures, which we view as supportive of the rating. Further supporting the rating are the city's routinely balanced operating results, reflecting its proactive budgetary practices and careful budgetary monitoring. With these practices, we expect that similar balanced operating results are likely to persist.
- Our financial management framework assessment reflects robust budgetary practices that assess how budget decisions will affect the future and semimonthly budgetary monitoring with the council along with more robust oversight from an enterprise resource planning system. The annual budget includes financial projections and capital planning as well as an extensive amount of policies that help ensure that similar budgetary practices are utilized, reserves are maintained at supportive levels, investments are managed safely, the city does not become overleveraged, and risks (including cyber security threats) are reduced.
- Costs for debt and liabilities are elevated, but we believe the relatively rapid amortization somewhat offsets this. The city has \$47.5 million in direct debt and has plans to issue an additional \$7.7 million in the next two years, but we do not expect that this debt will materially alter our assessment of debt and liabilities. Pension and other postemployment benefits are manageable, though we note that current funding practices could lead to out-year cost increases and that costs would be about 3% higher if the city were making contributions equal to our minimum funding progress metric.
- For more information on our institutional framework assessment for Minnesota municipalities, see "[Institutional Framework Assessment: Minnesota Local Governments](#)," Sept. 10, 2024, on RatingsDirect.

Environmental, social, and governance

We have analyzed environmental, social, and governance factors relative to the county's economy, management, financial measures, and debt and liability profile, and have determined that all are neutral within our credit rating analysis.

Outlook

The stable outlook reflects our opinion that Maplewood is well positioned to continue to achieve stable and structurally balanced operations based on its historical tax base stability and resilience, coupled with our view of its very strong reserves, significant taxing flexibility, and robust management policies and practices.

Downside scenario

We could lower the rating if multiple credit measures deteriorated, as in a slowdown in the economy leading to weaker revenue performance and a reduction in reserve balances.

Upside scenario

We could raise the rating if the economic profile improved to levels commensurate with those of higher-rated issuers, or if the debt and liability burden moderated to levels more commensurate with those of higher-rated peers with similar economic metrics.

Maplewood, Minnesota--Credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.75
Economy	1.5
Financial performance	2
Reserves and liquidity	1
Management	1.00
Debt and liabilities	3.25

Maplewood, Minnesota--Key credit metrics

	Most recent	2023	2022	2021
Economy				
Real GCP per capita as % of U.S.	124	124	123	122
County PCPI as % of U.S.	100	100	100	100
Market value (\$000s)	6,009,121	5,651,774	5,124,121	4,751,312
Market value per capita (\$)	144,707	136,102	118,526	110,429
Top 10 taxpayers as % of taxable value	11.5	11.6	14.1	--
County unemployment rate (%)	3.0	2.6	2.7	4.2
Local median household EBI as % of U.S.	108	108	108	--
Local per capita EBI as % of U.S.	95	95	99	--
Local population	41,526	41,526	43,232	43,026
Financial performance				
Operating fund revenue (\$000s)	--	26,155	22,878	26,193
Operating fund expenditures (\$000s)	--	25,244	23,371	22,072
Net transfers and other adjustments (\$000s)	--	789	(1,662)	(386)
Operating result (\$000s)	--	1,700	(2,155)	3,735
Operating result as % of revenue	--	6.5	(9.4)	14.3

Maplewood, Minnesota--Key credit metrics

	Most recent	2023	2022	2021
Economy				
Operating result three-year average %	--	3.8	6.8	12.1
Reserves and liquidity				
Available reserves as % of operating revenue	--	60.3	66.6	50.5
Available reserves (\$000s)	--	15,760	15,246	13,226
Debt and liabilities				
Debt service cost as % of revenue	--	21.7	22.8	21.9
Net direct debt per capita (\$)	1,144	1,222	1,267	1,556
Net direct debt (\$000s)	47,504	50,759	54,774	66,935
Direct debt 10-year amortization (%)	76	80	--	--
Pension and OPEB cost as % of revenue	--	5	5	5
NPLs per capita (\$)	--	420	883	226
Combined NPLs (\$000s)	--	17,439	38,192	9,714

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

Ratings List

New Issue Ratings

US\$2.68 mil GO imp bnds ser 2025A due 02/01/2041

Long Term Rating AA+/Stable

Ratings Affirmed

Local Government

Maplewood, MN Unlimited Tax General Obligation AA+/Stable

Maplewood, MN Unlimited Tax General Obligation and Special Assessments AA+/Stable

Maplewood, MN Unlimited Tax General Obligation, Water System, and Special Assessments AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceid/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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