

NEW BUSINESS

4-27-09



SACRED HEART PARISH

Serving the Faith Communities of Middleborough and Rochester

April 16, 2009

Selectmen's Office
Middleboro Town Hall
10 Nickerson Street
Middleboro, MA 02346

Dear Selectmen:

On Saturday, May 2, 2009, from 6:00 to 9:30 p.m. I am planning to hold an appreciation dinner at the Sacred Heart Parish Hall located at 53 Oak Street, Middleboro, MA 02346.

I would like permission to serve all types of alcohol at this event. I intend to hire a professional bartender for this service. You may reach me or my Business Manager, Gina Lewis at 508-947-0444 with any questions.

Sincerely,

Richard P. Crowley
Pastor

Sacred Heart Church
340 Centre St.
Middleborough, MA 02346-2102
Tel: 508.947.0444
Fax: 508.947.2364

e-mail: contact@sacredheart-middleboro.org
www.sacredheart-middleboro.org

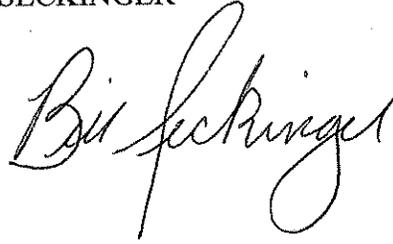
**Saint Rose of Lima
House of Worship**
282 Vaughan Hill Rd.
Rochester, MA 02770-0040
Tel: 508.763.2244
Fax: 508.763.9877

To Whom It May Concern:

MUCKEYS LIQUORS WOULD LIKE TO APPLY FOR A 1 DAY
LIQUOR LICENSE, APRIL 29, 2009
OAKPOINT IS HOSTING PLYMOUTH CHAMBER OF
COMMERCE HOURS 5-7.

THANK YOU

BILL SECKINGER

A handwritten signature in cursive script that reads "Bill Seckinger". The signature is written in black ink and is positioned to the right of the printed name "BILL SECKINGER".

Old Colony YMCA

April 13, 2009

Board of Selectman
10 Nickerson Ave.
Middleboro, MA 02346

Dear Sir or Madam:

We are requesting to run a road race on June 6, 2009 and a Triathlon on July 12, 2009. The course for the road race and triathlon will begin at Camp Yomechas and run along Rt. 28 to Rocky Gutter, Purchase St., Thomas St., Tispaquin St. and back on Rt. 28 to the camp.

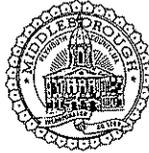
I will be notifying the police department that we will be need police detail that day. If you have any questions please feel free to contact me at 508-947-1390.

Sincerely,



Susan Okolita
Associate Executive Director

Incorporated 1669
336 Years of Progress



CRANBERRY CAPITAL
OF THE WORLD



Town of Middleborough
Massachusetts

Town Manager

508-947-0928
FAX 508-946-2320

April 15, 2009

Michael O'Shaughnessy
42 Primrose Lane
Middleborough, MA 02346

Dear Mr. O'Shaughnessy:

At the request of the Chairman for the Conservation Commission, I am happy to appoint you to the Conservation Commission subject to the approval of the Board of Selectmen pursuant to Massachusetts General Laws Chapter 40, Section 8C. This appointment will run to 2012.

By copy of this letter, I am asking the Selectmen to approve your appointment at their meeting on *Monday, April 27, 2009*.

Thank you for your willingness to serve the Town of Middleborough.

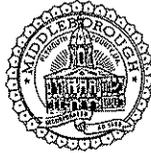
Very truly yours,

Charles J. Cristello
Town Manager

CJC/ajf

cc: Board of Selectmen
Eileen S. Gates, Town Clerk
Conservation Commission

Incorporated 1669
336 Years of Progress



CRANBERRY CAPITAL
OF THE WORLD



Town of Middleborough
Massachusetts

Town Manager

508-947-0928
FAX 508-946-2320

April 15, 2009

D. Jeffrey Erickson
127 Colby Drive
Middleborough, MA 02346

Dear Mr. Erickson:

At the request of the Chairman for the Conservation Commission, I am happy to appoint you to the Conservation Commission subject to the approval of the Board of Selectmen pursuant to Massachusetts General Laws Chapter 40, Section 8C. This appointment will run to 2012.

By copy of this letter, I am asking the Selectmen to approve your appointment at their meeting on *Monday, April 27, 2009*.

Thank you for your willingness to serve the Town of Middleborough.

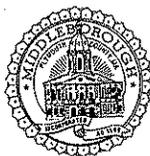
Very truly yours,

Charles J. Cristello
Town Manager

CJC/ajf

cc: Board of Selectmen
Eileen S. Gates, Town Clerk
Conservation Commission

Incorporated 1669
336 Years of Progress



CRANBERRY CAPITAL
OF THE WORLD



Town of Middleborough

Massachusetts

Town Manager

508-947-0928
FAX 508-946-2320

April 15, 2009

Deborah S. Kirsch
99 Fuller Street
Middleborough, MA 02346

Dear Ms. Kirsch:

At the request of the Chairman for the Conservation Commission, I am happy to appoint you to the Conservation Commission subject to the approval of the Board of Selectmen pursuant to Massachusetts General Laws Chapter 40, Section 8C. This appointment will run to 2010.

By copy of this letter, I am asking the Selectmen to approve your appointment at their meeting on *Monday, April 27, 2009*.

Thank you for your willingness to serve the Town of Middleborough.

Very truly yours,

Charles J. Cristello
Town Manager

CJC/ajf

cc: Board of Selectmen
Eileen S. Gates, Town Clerk
Conservation Commission

2009 ANNUAL APPOINTMENTS

One Year Appointments

Fence Viewer –
Robert Whalen

Tree Warden –
Donald A. Boucher

Moth Superintendent –
Donald A. Boucher

Dog Officer –
Jayson Tracy

Animal Inspector –
Jessica Gardner

Alternate Animal Inspector –
Jayson Tracy

Forest Fire Warden –
Lance Benjamino

Alternate Wiring Inspectors –
Stephen Peterson
John Hogan

Pound Driver & Keeper –
Jayson Tracy

Town Counsel –
Daniel F. Murray

Veterans' Agent –
Paul Provencher



JUDY M. MACDONALD
TREASURER AND COLLECTOR

Town of Middleborough
Office of the Treasurer and Collector
20 Centre Street, 3rd Floor
Middleborough, MA 02346-2270
email: jmcndl@middleborough.com

TELEPHONE
(508) 946-2420
(508) 946-2421

FAX
(508) 947-5447

Date: April 23, 2009
To: Board of Selectmen
CC: Charles Cristello, Town Manager
Finance Committee
From: Judy M. MacDonald, Treasurer/Collector *J.M.M.*
Bonding: 7,988,952.00.
Dated: May 1, 2009

Results of faxed bids, Wednesday, April 21, 2009

<u>Bank</u>	<u>Bid Amount</u>	<u>Interest</u>
Morgan Keegan & Co., Inc.	\$7,988,952.00	3.423728
Fidelity Capital Markets	7,988,952.00	3.461510
Robert W. Baird & Co., Inc.	7,988,952.00	3.558445
Eastern Bank Capital Markets	7,988,952.00	3.654866
FTN Financial Capital Markets	7,988,952.00	3.669176

Bid awarded, subject to Selectmen's approval to:

Morgan Keegan & Co., Inc.	3.423728
Water Mains	\$5,500,000.
Platform Fire Truck	950,000.
Land Acquisition (Gibbs)	244,000.
Land Acquisition (Freitas)	225,000.
MHS Roof	650,000.
MHS Science Lab	250,000.
School Buses	80,000.
Cruisers	89,952.
	<u>\$7,988,952.</u>

11:00:12 a.m. EDST [Upcoming Calendar](#) [Overview](#) [Compare](#) [Summary](#)

Bid Results

**Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds**

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/>	Morgan Keegan & Co., Inc.	3.423728
<input type="checkbox"/>	Fidelity Capital Markets	3.461510
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	3.558445
<input type="checkbox"/>	Eastern Bank Capital Markets	3.654866
<input type="checkbox"/>	FTN Financial Capital Markets	3.669176

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Morgan Keegan & Co., Inc. - Memphis , TN's Bid
Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds



For the aggregate principal amount of \$7,988,952.00, we will pay you \$8,058,981.50, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	483.952M	4.0000
05/01/2011	475M	2.0000
05/01/2012	470M	2.0000
05/01/2013	415M	2.0000
05/01/2014	415M	2.5000
05/01/2015	415M	3.0000
05/01/2016	415M	3.0000
05/01/2017	415M	3.0000
05/01/2018	415M	4.0000
05/01/2019	415M	4.0000
05/01/2020	415M	3.1250
05/01/2021	415M	3.2500
05/01/2022	415M	3.3750
05/01/2023	410M	3.5000
05/01/2024	345M	3.7500
05/01/2025	345M	4.0000
05/01/2026	345M	4.0000
05/01/2027	345M	4.0000
05/01/2028	345M	4.1000
05/01/2029	275M	4.1250

Total Interest Cost: \$2,809,463.08
 Premium: \$70,029.50
 Net Interest Cost: \$2,739,433.58
 TIC: 3.423728
 Time Last Bid Received On:04/21/2009 10:59:51 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Morgan Keegan & Co., Inc., Memphis , TN
 Contact: marcone tony
 Title: vp trader/underwrite
 Telephone:901-529-5401
 Fax:



**Fidelity Capital Markets - Boston , MA's Bid
Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds**

For the aggregate principal amount of \$7,988,952.00, we will pay you \$8,059,726.24, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	483.952M	2.0000
05/01/2011	475M	2.0000
05/01/2012	470M	2.0000
05/01/2013	415M	2.0000
05/01/2014	415M	2.2500
05/01/2015	415M	2.6250
05/01/2016	415M	3.0000
05/01/2017	415M	3.0000
05/01/2018	415M	4.0000
05/01/2019	415M	3.0000
05/01/2020	415M	3.2500
05/01/2021	415M	4.0000
05/01/2022	415M	4.0000
05/01/2023	410M	4.0000
05/01/2024	345M	3.7500
05/01/2025	345M	3.8750
05/01/2026	345M	4.0000
05/01/2027	345M	4.0000
05/01/2028	345M	4.1000
05/01/2029	275M	4.2000

Total Interest Cost: \$2,846,459.04
 Premium: \$70,774.24
 Net Interest Cost: \$2,775,684.80
 TIC: 3.461510
 Time Last Bid Received On: 04/21/2009 10:59:24 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Fidelity Capital Markets, Boston , MA
 Contact: Barbara DeCarll
 Title: Vice-President
 Telephone: 617-563-7691
 Fax: 617-692-5949



Robert W. Baird & Co., Inc. - Red Bank , NJ's Bid
Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds



For the aggregate principal amount of \$7,988,952.00, we will pay you \$8,185,244.01, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	483.952M	3.0000
05/01/2011	475M	3.0000
05/01/2012	470M	3.0000
05/01/2013	415M	3.0000
05/01/2014	415M	3.0000
05/01/2015	415M	3.0000
05/01/2016	415M	3.0000
05/01/2017	415M	4.0000
05/01/2018	415M	4.0000
05/01/2019	415M	4.0000
05/01/2020	415M	4.0000
05/01/2021	415M	4.0000
05/01/2022	415M	4.0000
05/01/2023	410M	4.0000
05/01/2024	345M	4.0000
05/01/2025	345M	4.0000
05/01/2026		
05/01/2027	690M	4.1250
05/01/2028		
05/01/2029	620M	4.2000

Total Interest Cost: \$3,066,822.31
 Premium: \$196,292.01
 Net Interest Cost: \$2,870,530.30
 TIC: 3.558445
 Time Last Bid Received On:04/21/2009 10:14:17 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Red Bank , NJ
 Contact: charles massaro
 Title: director
 Telephone:732-576-4410
 Fax: 732-576-4420

Upcoming Calendar	Overview	Results	Excel
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Eastern Bank Capital Markets - Boston , MA's Bid
Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds



For the aggregate principal amount of \$7,988,952.00, we will pay you \$8,076,175.77, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	483.952M	2.5000
05/01/2011	475M	3.0000
05/01/2012	470M	2.0000
05/01/2013	415M	2.0000
05/01/2014	415M	2.2500
05/01/2015	415M	2.5000
05/01/2016	415M	2.7500
05/01/2017	415M	3.0000
05/01/2018	415M	5.0000
05/01/2019	415M	4.0000
05/01/2020	415M	3.7500
05/01/2021	415M	4.0000
05/01/2022	415M	4.0000
05/01/2023	410M	4.0000
05/01/2024	345M	4.0000
05/01/2025	345M	4.0000
05/01/2026	345M	4.2000
05/01/2027	345M	4.2500
05/01/2028	345M	4.3000
05/01/2029	275M	4.4000

Total Interest Cost: \$3,020,881.30
 Premium: \$87,223.77
 Net Interest Cost: \$2,933,657.53
 TIC: 3.654866
 Time Last Bid Received On:04/21/2009 10:59:10 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Eastern Bank Capital Markets, Boston , MA
 Contact: Marcia Byrne
 Title: Vice President
 Telephone:617-235-8166
 Fax: 617-235-8122



FTN Financial Capital Markets - Memphis , TN's Bid
Middleborough (Town)
\$7,988,952 General Obligation Municipal Purpose Loan of 2009
Bonds



For the aggregate principal amount of \$7,988,952.00, we will pay you \$8,058,959.18, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	483.952M	3.2500
05/01/2011	475M	3.2500
05/01/2012	470M	3.2500
05/01/2013	415M	3.2500
05/01/2014	415M	3.2500
05/01/2015	415M	3.2500
05/01/2016	415M	3.2500
05/01/2017	415M	3.2500
05/01/2018	415M	3.5000
05/01/2019	415M	3.5000
05/01/2020	415M	3.5000
05/01/2021	415M	3.5000
05/01/2022	415M	3.7000
05/01/2023	410M	3.9000
05/01/2024	345M	4.0500
05/01/2025	345M	4.1500
05/01/2026	345M	4.2000
05/01/2027	345M	4.2500
05/01/2028	345M	4.3000
05/01/2029	275M	4.3500

Total Interest Cost: \$3,000,615.94
 Premium: \$70,007.18
 Net Interest Cost: \$2,930,608.76
 TIC: 3.669176
 Time Last Bid Received On:04/21/2009 10:19:08 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: FTN Financial Capital Markets, Memphis , TN
 Contact: Henry Herren
 Title:
 Telephone:901-435-8006
 Fax: 901-537-7745

April 16, 2009

Summary:

Middleborough, Massachusetts; General Obligation

Primary Credit Analyst:

Victor Medeiros, Boston (1) 617-530-8305; victor_medeiros@standardandpoors.com

Secondary Credit Analyst:

Michael P Taylor, New York (1) 212-438-1458; michael_taylor@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Research

Summary:

Middleborough, Massachusetts; General Obligation

Credit Profile

US\$7.989 mil GO mun purp loan of 2009 bnds dtd 05/01/2009 due 05/01/2010-2029

Long Term Rating

AA-/Stable

New

Rationale

Standard & Poor's Ratings Services assigned its 'AA-' rating, and stable outlook, to the town of Middleborough, Mass.' series 2009 general obligation (GO) municipal purpose loan bonds.

In our opinion, the rating reflects the town's:

- Good location with access to the larger employment base surrounding Boston and Providence, R.I.;
- Strong median household income levels;
- Extremely strong per capita market values; and
- Low overall debt burden, coupled with limited additional capital needs.

In our opinion, offsetting these strengths is the town's:

- History of operating with below-average, albeit adequate, reserves; and
- Limited revenue-raising capability due to Proposition 2 1/2 levy limits.

Officials will use bond proceeds to retire bond anticipation notes outstanding issued for various municipal purposes.

Middleborough is in Plymouth County, approximately 35 miles south of Boston and 40 miles north of Providence. The town has a 2008 population estimate of 21,510; and land wise it is the commonwealth's second largest municipality. The town is primarily a rural residential community with large tracts of land devoted to commercial and agricultural uses, accounting for roughly 12% of the property tax base. Interstate 495 serves the town, providing access to larger employment bases that surround Boston and Providence. Residents also benefit from a Massachusetts Bay Transportation Authority passenger rail station for commuter service directly into Boston.

Middleborough's tax base has little concentration with the 10 leading taxpayers accounting for about 5% of total assessed value. Market value is, in our opinion, an extremely strong \$133,215 per capita due, in part, to the commercial presence in the property tax base. Median household effective buying income is strong compared with the nation's 128% average and the commonwealth's 110% level. Per capita effective buying income is a lower 99% of the national level and 82% of the commonwealth level. Unemployment has been rising due to the slumping economy; as of February 2009, unemployment, which has historically been above the commonwealth's rate and on par with the nation's rate, was 10.7%.

Middleborough's financial position improved significantly in fiscals 2007 and 2008 when the town received \$2.4 million from the sale of town-owned land in 2007 and \$2.7 million of proceeds from a court judgment claim in

2008. The town had closed audited fiscal 2008 with an unreserved general fund balance of \$4.7 million, or what we consider a good 8% of operating expenditures, an improvement from fiscal 2005 when the town had roughly \$947,000, or roughly 2%, in the unreserved general fund.

During the 2008 fall town meeting, the town appropriated the proceeds from the judgment into a stabilization fund, which is a separate reserve fund outside the general fund that can only be used with 2/3 vote of the town selectman. The proceeds from the judgment will be used to help pay down landfill debt on an ongoing basis that was incurred for closure and post-closure monitoring costs. The town has historically operated with lower reserves compared with similarly rated communities nationally.

Property taxes generate approximately 45% of the town's general fund revenues while state aid accounts for 44%. In fiscal 2009, property tax collections remain comparable to previous-years collections; but according to management, some revenues, in particular those sensitive to economic cycles, are coming in less than budgeted. Despite reduced revenues, management is making expenditure adjustments and estimates to close the year within budgeted expectations.

For fiscal 2010, the town faces continued budgetary challenges stemming from reduced state aid and reduced investment income and other local receipts. Moreover, the town is constrained from raising the property tax due to Proposition 2 1/2 levy constraints. The town, however, expects to reduce its budget by 3.5% from the previous year; and management is working with union officials to provide some relief in health care contributions and other employee benefit costs.

Standard & Poor's considers Middleborough's financial management practices "standard" under its financial management assessment (FMA) methodology, indicating the finance department maintains adequate policies in most, but not all, key areas. Management frequently monitors the town's financial performance and provides monthly reports to the town selectman on the results. Management also prepares a five-year capital plan that it reviews and reprioritizes yearly, and it performs five-year financial forecasts to help manage resources and outlays. Middleborough lacks a formal reserve liquidity policy, but it is working to adopt one over the next several months.

In our view, net of self-support on the debt incurred in the enterprise funds, the town's overall debt burden is low. The town's overall debt burden is \$1,467 per capita, or 1.1% of total market value. In our opinion, debt service expenditures are also low, accounting for roughly 7% of total general fund operating expenditures. Amortization of existing debt is, in our opinion, above average with officials retiring 73% of principal by fiscal 2019 and 100% by fiscal 2029.

Outlook

The stable outlook reflects Standard & Poor's expectation that the town will continue to keep expenditures in-line with revenues as they have historically demonstrated despite a history of below-average reserves. Moreover, the town's strong wealth and income levels, low debt burden, and location and access near larger labor markets, in our view, provide additional long-term rating stability.

Judy MacDonald

From: Lisa Dickinson [Lisa.Dickinson@unibank.com]
Sent: Thursday, April 16, 2009 5:26 PM
To: Judy MacDonald
Cc: Janine Zoldes
Subject: FW: Middleborough (Town of) MA

Judy -

Final copy of rating report. Will send over formal one with Moody's logo when their printing department sends me the pdf copy.

Lisa

-----Original Message-----

From: GID - Moody's Investors Service [mailto:epi@moodys.com]
Sent: Thursday, April 16, 2009 2:37 PM
To: Lisa Dickinson
Subject: Middleborough (Town of) MA

MOODY'S ASSIGNS A2 LONG-TERM RATING TO TOWN OF MIDDLEBOROUGH'S (MA)
\$7.98
MILLION GO BONDS; NEGATIVE OUTLOOK REMOVED

A2 LONG-TERM RATING AFFECTS \$47.5 MILLION OF LONG-TERM DEBT, INCLUDING
CURRENT ISSUE, INCLUDING CURRENT ISSUE

Middleborough (Town of) MA
Municipality
Massachusetts

Moody's Rating

Issue	Rating
General Obligation Municipal Purpose Loan of 2009 Bonds	A2
Sale Amount	\$7,988,952
Expected Sale Date	04/21/09
Rating Description	General Obligation

NEW YORK, April 16, 2009 -- Moody's Investors Service has assigned an A2 rating to the Town of Middleborough's \$7.98 million General Obligation Municipal Purpose Loan of 2009 Bonds. Concurrently, Moody's has affirmed the town's long-term A2 rating and removed the negative outlook, affecting \$39.5 million in outstanding long-term debt. The 2009 bonds are issued to finance \$5.5 million in water system improvements, retiring roughly \$5.1 million in maturing BANS, and providing new money financing for various town capital needs including land acquisition, purchase of a fire truck and high school renovations. The bonds are secured by the town's general obligation limited tax pledge as debt service has not been excluded from Proposition 2 1/2. Affirmation of the A2 long-term rating incorporates Middleborough's moderately-sized tax base that is experiencing moderate expansion with average wealth and income levels, and an affordable debt burden. Removal of the

negative outlook reflects an improving financial position, although partially due to one-time revenues, as well as Moody's expectation that the town will maintain structural balance and reserves at levels comparable to similarly-rated communities.

SIGNIFICANT IMPROVEMENT IN RESERVES

Moody's believes that Middleborough's financial position has begun to stabilize after several years of reserve declines related to unreplenished free cash appropriations. Operations in fiscal 2008 were positive, as reflected in the relatively healthy \$5.18 million general fund balance, a satisfactory 8.3% of general fund revenues and a significant improvement over the extremely narrow \$1.1 million general fund balance, representing 2.1% of general fund revenues, in fiscal 2006. Notably, the surplus was driven primarily by the receipt of a \$2.7 million court judgment settling a long-standing landfill dispute and reimbursing the general fund for related costs in previous years. The town reduced its annual free cash appropriation and projects balanced operations in fiscal 2009 despite a mid-year cut in state aid. Unspent appropriations are expected to offset the \$299,000 state aid reduction as well as a \$300,000 snow and ice deficit. Another one-time settlement of approximately \$900,000 is anticipated in fiscal 2009 and could again boost general fund balance, however the town plans to transfer up to \$2.75 million of the landfill settlement to a stabilization fund earmarked for future debt service. Maintaining structural balance in fiscal 2010 budget poses a significant challenge due to additional state aid reductions, however management has prepared a balanced budget for Middleborough's upcoming annual town meeting which includes 3.5% departmental expenditure reductions and conservative revenue forecasts. The town's five-year budget forecast projects deficits averaging \$4.75 million, driven by flat state aid and no appropriations of free cash.

The town has limited financial flexibility as taxes are typically levied to the limit as allowed under Proposition 2 1/2; the operating budget is likely to remain strained, with only minimal revenue growth anticipated to balance rising expenditures. Favorably, revenue assumptions have been more conservative and significant measures to contain health insurance and other personnel-related costs have been implemented to control costs. Future rating actions will rely on the town's ability to maintain structural balance, reducing reliance on one-time revenues and maintaining reserves at levels consistent with similarly-rated communities.

MODEST TAX BASE GROWTH ANTICIPATED IN MEDIUM TERM

While residential market values have declined in Middleborough's \$2.86 billion tax base, moderate new growth activity is anticipated, despite sluggish regional growth trends, due to the town's favorable location, and ample supply of developable land. Since 2003, the town has seen healthy annual equalized value growth averaging 12.6%, although assessed valuations declined modestly by 3.6% and 2.3%, respectively, in 2007 and 2008. While near-term residential values are at best expected to be flat, medium-term growth is anticipated in industrial and commercial sectors, spurred by the community's use of economic development incentives. Through these incentives as well as strategic use of commonwealth grant funding for economic development, including tax increment financing assessments (TIFs), Middleborough has been able to attract six new enterprises in the last several years, including an Ocean Spray facility, a Christmas Tree Shops warehouse, a Federal Express distribution center and Cirelli Foods' warehouse and retail center. Town officials anticipate further growth going forward, as additional expansion at the Sippican and Covossa Industrial Parks is in the permitting phase. The town's location, 35 miles southeast of Boston (rated Aa1/stable outlook), with easy access via a commuter rail line, has also served to attract development across all sectors. While income levels in Middleborough trail commonwealth medians, 2009 equalized value per capita is a healthy \$134,877, reflecting a considerable 14.6% commercial and industrial sector.

In 2007 Middleborough's voters approved plans to construct of a 650-acre casino and resort development with an expected total valuation of up to \$1 billion. The proposal has stalled at the state and federal levels, and the likelihood of additional approval and future development is unclear. Should the development occur the town has negotiated impact payments and infrastructure improvements and could potentially benefit in the long-term from room occupancy tax and utility revenues, although the development itself is likely to be tax-exempt. While negotiated gross revenues and impact fees appear to be consistent with the level of taxes and fees for a similarly-sized development, approvals are still pending and it is unclear whether the development proposal will ultimately materialize; furthermore, initial projections for the cost of additional services are limited to equipment purchases and new hires for public safety, accordingly the long-term financial impact of the development on Middleborough is uncertain.

AFFORDABLE DEBT BURDEN WITH MINIMAL FUTURE BORROWING PLANS

Moody's believes that Middleborough's average 1.8% (of equalized value) overall debt burden, which claimed a moderate 7.4% of the fiscal 2006 operating budget, will remain affordable due to limited future borrowing

plans, significant state school building aid (79%), user fee support of utility debt, and a satisfactory amortization of principal (68.5% in 10 years). When school construction aid is incorporated, the debt burden declines to a more favorable 1.3% of equalized value. The town's capital program, including future borrowing plans, has been shelved while federal and state approvals are sought for the proposed casino development. Under the agreement negotiated between the town and the developer, up to \$250 million in related infrastructure improvements would be funded by the new development. Middleborough has no exposure to variable or auction rate debt or swap agreements.

KEY STATISTICS

2007 Population: 21,245 (+6.5% since 2000)

2009 Equalized Valuation: \$2.86 billion

2009 Equalized Value per capita: \$134,877

Average Annual Growth, Equalized Valuation (2003-2009): 12.6%

1999 Per capita income: \$20,246 (78% of MA, 94% of US)

1999 Median family income: \$59,173 (96% of MA, 118% of US)

Overall debt burden: 1.2%

Adjusted debt burden: 0.9%

Amortization of principal (10 years): 73.2%

FY08 General Fund balance: \$5.18 million (8.3% of General Fund revenues)

FY08 Available Reserves: \$5.2 million (8.3% of General Fund revenues)

Post-sale outstanding long-term G.O. debt: \$47.5 million

METHODOLOGY AND LAST RATING ACTION TAKEN

The principal methodology used in rating the current issue was "Local Government General Obligation and Related Ratings," which can be found at www.moody.com in the Credit Policy & Methodologies directory, in the Index of Special Reports - U.S. Public Finance. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

The last rating action was on September 11, 2007 when the A2 rating for the Town of Middleborough, MA was affirmed and a negative outlook was assigned.

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