

# MOODY'S

## RATINGS

### Rating Action: Moody's Ratings assigns a Aa1 to the City of Urbandale, IA's GO Capital Loan Notes

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14 Apr 2026

New York, April 14, 2026 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to the City of Urbandale, IA's General Obligation Capital Loan Notes, Series 2026A with a proposed par amount of roughly \$8 million. We maintain the city's outstanding Aa1 issuer rating and Aa1 rating on outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the city will have over \$50 million of debt outstanding.

#### RATINGS RATIONALE

The Aa1 issuer rating reflects the city's strong economic base and financial position. The city will continue benefit from its favorable location in the growing Des Moines metropolitan area, supporting new development activity and growth in the population and tax base. The city has strong property wealth, illustrated by its high full value per capita above \$190,000 and resident income is over 150% of the national median. Reserves and liquidity are strong, with an available fund balance ratio around 60% and liquidity ratio around 130% as of fiscal 2025 (year-end June 30). Cash is higher than reserves because of funds restricted for capital improvements.

Reserves will likely remain robust given favorable revenue trends and a track record of prudent budget management. Management reports general fund operations for fiscal 2026 are tracking better than budget and expects a surplus above \$1.1 million, partially reflecting interest income exceeding budget. While the proposed fiscal 2027 budget projects a slight general fund deficit near \$137,000, this is lower than the projected deficit in the adopted fiscal 2026 budget, which was around \$1.7 million. The long-term liabilities ratio will remain moderate at around 130% following the upcoming sale. Leverage could materially increase in the next few years, as the city's capital improvement plan includes a potential GO bond around \$48 million for a police station replacement project that would require voter approval in a bond referendum.

The Aa1 GOULT rating is equivalent to the Aa1 issuer rating because of the city's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

#### 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

- Sustained maintenance of available fund balance ratio above 65%
- Economic growth and diversification that brings resident income and full value per capita to levels more in line with higher rated peers

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

- Significant economic and tax base contraction along with a weakening of resident incomes
- Decline in available fund balance ratio below 35%
- Increase in long-term liabilities ratio approaching 350%

#### PROFILE

The City of Urbandale is located in Polk County and a portion of Dallas County in central Iowa and is a northwestern suburb immediately bordering the City of Des Moines. The city provides public safety (police, fire and EMS), water, sewer, street maintenance, economic development, recreation and other governmental services to over 46,000 residents.

#### METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in December 2025 and available at <https://ratings.moody.com/rmc-documents/455983>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

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