

Research Update:

Braintree, MA's GO Municipal Purpose Loan Of 2026 Bonds Assigned 'AA' Rating

February 4, 2026

Overview

- S&P Global Ratings assigned its 'AA' long-term rating to [Braintree](#), Mass.'s \$8.9 million general obligation (GO) municipal purpose loan of 2026 bonds.
- At the same time, we affirmed our 'AA' long-term rating on the town's GO debt outstanding and our 'SP-1+' short-term rating on the town's bond anticipation notes maturing Feb. 26, 2026.
- The outlook, where applicable, is stable.

Rationale

Security

Braintree's full faith and credit, subject to Proposition 2 1/2 limitations, secures the GO debt. A small portion of the series 2026 bonds will not be subject to the limitations of Proposition 2 1/2. Despite commonwealth levy limit laws, we make no rating distinction between the town's limited-tax GO pledge and its general creditworthiness because our analysis of the town's financial and economic conditions already includes the tax limitation imposed on its revenue-raising ability.

The bond proceeds will retire bond anticipation notes and add new money for various capital projects. Braintree also intends to concurrently issue \$3.2 million in (unrated) bond anticipation notes.

Credit highlights

Under a new mayor and financial team since 2024, Braintree has made strides toward bringing recurring balance to its finances, and we expect that the team will continue its efforts to formalize long-term planning practices and financial policies. The rating also incorporates our understanding that Braintree's fiscal 2025 available fund balance growth will more than offset a steep 2024 decline, primarily because the town paid a fiscal 2024 \$11.9 million legal judgment with bond and note proceeds received in fiscal 2025.

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In advance of the fiscal 2025 budget--the first proposed by the current mayor--voters approved an \$8.0 million levy limit override, \$1.5 million of which has been banked as reserves for future years. The budget also contained service cuts, including education personnel reductions, and more cautious assumptions for historically underbudgeted expenditure items. Draft financial statements from management project a \$20.7 million general fund surplus, increasing available fund balance to more than \$23 million (12% of revenue). Of the surplus, \$11.9 million is attributable to judgment bond and note proceeds and the remainder to higher-than-budgeted local receipts, banked override revenue, and various expenditure savings. The fiscal 2026 budget totals \$175.7 million (budgetary basis), a 2.85% increase, and is balanced without reserve use. The town's collective bargaining agreements with each of its 12 bargaining units expired following fiscal 2025; management reports that Braintree has reached agreements with several unions, including its largest, and believes it can absorb any unbudgeted labor costs into its 2026 budget while maintaining balanced operations as a result of favorable revenue and expenditure performance.

We believe the town is on a trajectory that leverages the strength of its local economy to raise sufficient revenue, which will support sustainable operating balance when combined with diligent budgeting to contain expenditure growth and manage retirement costs growth likely to outpace the budget. No major changes are planned for the fiscal 2027 budget and management aims to incrementally increase reserves, though reserves are likely to remain below those of state and national peers over the next several years. While not anticipated, any further decline in reserves is likely to lead to a negative rating action. (For more on budgetary challenges facing Massachusetts cities and towns, see ["U.S. Local Governments Credit Brief: Massachusetts Municipalities Means and Medians,"](#) Nov. 5, 2025.)

The rating reflects our view of the town's:

- Growing, largely residential tax base, with elevated incomes relative to the national average and access to employment opportunities throughout the Boston region.
- Framework for long-term budget forecasting, with a comprehensive capital plan that includes intended funding sources, in addition to improved budgetary assumptions and controls. Finance department policies for reserve management target free cash plus general stabilization funds equal to at least 10% of operating revenue, and a debt management policy aims to limit governmental fund debt service to 6% to 7% of revenue. The finance department developed these policies as internal guidelines, but the governing body has not yet adopted them, and our view of policies could further improve if these policies were increasingly formalized. Development of an investment policy is also underway, and the town is taking measures to mitigate cyber risk.
- Large surplus anticipated in fiscal 2025 as a result of an override vote and expenditure cuts to better align recurring revenue and expenditures, though reserves will remain below rating medians and limit upward rating potential.
- Manageable fixed costs, but elevated debt and retirement liabilities per capita that may increasingly pressure the budget given a high pension discount rate (7.125%) and a relatively low other postemployment benefit funded ratio, although we note that significant debt is issued for the school department, operations of which are captured in the town's general fund reporting. We expect that amortization will roughly offset new debt issuance over the outlook horizon. The town is studying school facility needs over the longer term, and any major building projects would likely hinge on a debt exclusion vote.

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- Largely stable operating environment, as is generally the case for Massachusetts municipalities and which we expect will continue. For more information on our institutional framework assessment for Massachusetts municipalities, see "[Institutional Framework Assessment: Massachusetts Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We view environmental, social, and governance factors as neutral in our analysis.

Outlook

The stable outlook reflects our view of Braintree's affluent local economy and ongoing enhancements to its budgeting and long-term planning practices that we believe will support long-term operating balance. The outlook further reflects our understanding that Braintree's fiscal 2025 results will increase fund balance to levels closer to medians for 'AA' rated commonwealth peers.

Downside scenario

If the town is unable to sustain budgetary balance beginning in fiscal 2025, leading to further decline in reserves without projected improvement, we could lower the rating.

Upside scenario

If the town increases reserves to levels commensurate with those of higher-rated peers, while continuing to enhance financial planning practices and effectively managing its long-term liabilities, we could take a positive rating action.

Braintree, Massachusetts--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.36
Economy	1.0
Financial performance	2
Reserves and liquidity	2
Management	2.30
Debt and liabilities	4.50

Braintree, Massachusetts--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita as % of U.S.	--	--	118	120
County PCPI as % of U.S.	--	--	164	164
Market value (\$000s)	--	9,679,935	8,988,462	8,550,391
Market value per capita (\$)	--	246,553	228,819	216,663
Top 10 taxpayers as % of taxable value	--	8.5	9.4	9.7
County unemployment rate (%)	--	3.7	3.1	3.3
Local median household EBI as % of U.S.	--	153	149	141

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Braintree, Massachusetts--key credit metrics

	Most recent	2024	2023	2022
Local per capita EBI as % of U.S.	--	144	137	136
Local population	--	39,261	39,282	39,464
Financial performance				
Operating fund revenue (\$000s)	--	173,730	168,355	158,461
Operating fund expenditures (\$000s)	--	191,973	164,751	157,353
Net transfers and other adjustments (\$000s)	--	1,551	3,226	1,760
Operating result (\$000s)	--	(16,692)	6,830	2,868
Operating result as % of revenue	--	(9.6)	4.1	1.8
Operating result three-year average %	--	(1.2)	1.2	(0.9)
Reserves and liquidity				
Available reserves as % of operating revenue	--	1.4	12.0	8.4
Available reserves (\$000s)	--	2,375	20,171	13,324
Debt and liabilities				
Debt service cost as % of revenue	--	4.9	4.8	5.2
Net direct debt per capita (\$)	5,142	4,509	4,795	4,981
Net direct debt (\$000s)	201,885	177,041	188,349	196,553
Direct debt 10-year amortization (%)	62	66	--	--
Pension and OPEB cost as % of revenue	--	12	11	11
NPLs per capita (\$)	--	2,917	3,299	1,979
Combined NPLs (\$000s)	--	114,527	129,601	78,104

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\$8,895,000 Town of Braintree, Massachusetts, General Obligation Municipal Purpose Loan Of 2026 Bonds, dated: Date of delivery, due: February 15, 2046

Long Term Rating AA/Stable

Ratings Affirmed

Local Government

Braintree, MA Limited Tax General Operating Pledge AA/Stable

Braintree, MA Limited Tax General Operating Pledge BAN SP-1+

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

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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.

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