

Research Update:

Maize, KS 2025A GO Bonds Assigned 'AA-' Rating, 2025A Temporary Notes Assigned 'SP-1+' Rating; Outlook Stable

June 26, 2025

Overview

- S&P Global Ratings assigned its 'AA-' long-term rating to [Maize](#), Kan.'s approximately \$14.6 million series 2025A general obligation (GO) bonds.
- At the same time, we assigned our 'SP-1+' short-term rating to the city's \$7.3 million 2025A temporary notes.
- The outlook is stable.

Rationale

Security

The bonds and temporary notes are payable from special assessments levied against properties that benefit from improvements financed with bond proceeds and, if not so paid, from ad valorem taxes that may be levied without limitation as to rate or amount on all the taxable property within the territorial limits of the issuer. We rate the city's special-assessment-supported debt based on the underlying GO pledge.

Bond proceeds will be used to redeem portions of the city's outstanding temporary notes. Note proceeds are for utility and street improvements.

Credit highlights

In our view, the city's rapidly growing tax base and stable finances support its general creditworthiness, and are offset by an elevated debt burden, particularly on a per capita basis. The rating also incorporates our view of the city's location just outside of Wichita, Kan. The city continues to see healthy building permit activity, with approximately 2,400 plotted lots planned in the near term.

Primary contact

Alex Louie
Englewood
1-303-721-4559
alex.louie
@spglobal.com

Secondary contact

Jackie Dove
Englewood
3037214317
jackie.dove
@spglobal.com

Financial performance has been generally positive in the past five years, aside from one-time drawdowns in fiscal 2022 for capital projects. For fiscal 2025, officials expect to end the year with a similar surplus to what was reported in 2024, which was \$1.2 million, or 17 percent of 2025's general fund expenditures. Driving this significant increase is primarily growth in revenues from a rapidly growing property tax base; officials state that preliminary values for fiscal 2025 show an increase of around 17%. In an effort to diversify revenue streams, the city plans on asking voters to approve a sales tax and is also studying utility rates, possibly increasing them to ensure the enterprise operations of the city are self-sufficient.

Given what we expect to be continued growth, as the city is approximately 50% built out, we anticipate limited downside rating pressure through the two-year outlook horizon, barring any significant changes to the city's finances. As Maize's local economic ratios remain aligned with 'AA-' peer medians, and the city likely will have to continue to leverage capital markets to issue debt to support population growth, any future rating movement is dependent on material improvements to economic metrics and a stabilizing of the city's debt burden.

The city's creditworthiness also reflects:

- Per capital gross county product for Sedgwick County is 92.8% of the U.S. level, and per capital personal income is 88.2%, both of which are similar to those of 'AA-' peer medians. Maize has seen rapid population growth in recent years, and although it is located near Wichita, a growing metro area, metrics still lag higher-rated national peers'.
- Operating results are typically positive, with deficits generally attributable to one-time capital expenditures. Management expects surplus results in 2025, similar to the \$1.2 million surplus in 2024 (17% of expenditures). We expect the city will continue balanced results given management's actions to diversify revenue, either by increasing utility rates or asking voters to approve a sales tax.
- Reserves are supported by a formal 25% percent reserve target and, although they are reported on a cash basis, we still consider them strong. Reserves are \$2.7 million, or 37.7% of general fund revenue, and the city has \$1.5 million in other reserves that are available with council approval in its capital projects and equipment reserve funds. Including these, reserves are at 58% of general fund revenues.
- The city has an elevated debt burden, with plans to issue additional debt to support utility systems. Officials expect these bonds to be primarily repaid with enterprise revenues.
- Budgeting practices are conservative, in our view, with policies including monthly budget-to-actual comparison reports submitted to the city council, a debt management policy, a reserve policy that requires 25% of general fund expenditures, and a five-year capital improvement plan.
- For more information on our institutional framework assessment for Kansas municipalities, see "[Institutional Framework Assessment: Kansas Local Governments](#)," Sept. 9, 2024 on RatingsDirect.

Environmental, social, and governance

We have assessed environmental, social, and governance factors relative to Maize's economy, management, financial measures, and debt profile; we view them all as neutral in our analysis.

Outlook

The stable outlook on the long-term rating reflects our expectation that Maize will maintain at least balanced budgetary performance and very strong reserves during the next two fiscal years, supported by a growing tax base and good financial management practices and policies.

Downside scenario

We could lower the rating if budgetary performance weakens on a sustained basis, leading to an unplanned material cash-based reserve reduction below what we consider very strong levels.

Upside scenario

If reserves grow nominally and economic metrics continue to improve, assuming all other credit factors remain stable or improve, we could take a positive rating action.

Maize, Kansas--Credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.37
Economy	3.0
Financial performance	2
Reserves and liquidity	1
Management	2.35
Debt and liabilities	3.50

Maize, Kansas--Key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	93	--	93	94
County PCPI % of U.S.	88	--	88	88
Market value (\$000s)	698,050	602,338	521,038	464,919
Market value per capita (\$)	112,589	97,151	84,038	107,272
Top 10 taxpayers % of taxable value	12.6	14.5	15.2	15.6
County unemployment rate (%)	4.1	3.9	3.1	3.1
Local median household EBI % of U.S.	112	--	112	122
Local per capita EBI % of U.S.	93	--	93	99
Local population	6,200	--	6,200	4,334
Financial performance				
Operating fund revenues (\$000s)	--	7,405	6,071	5,622
Operating fund expenditures (\$000s)	--	5,084	4,856	4,475
Net transfers and other adjustments (\$000s)	--	(1,049)	(1,000)	(2,013)
Operating result (\$000s)	--	1,272	215	(866)
Operating result % of revenues	--	17.2	3.5	(15.4)
Operating result three-year average %	--	1.8	1.6	5.3

Maize, Kansas--Key credit metrics

	Most recent	2024	2023	2022
Economy				
Reserves and liquidity				
Available reserves % of operating revenues	--	37.7	25.1	23.2
Available reserves (\$000s)	--	2,793	1,521	1,306
Debt and liabilities				
Debt service cost % of revenues	--	13.4	9.4	9.0
Net direct debt per capita (\$)	16,875	13,425	11,911	13,236
Net direct debt (\$000s)	104,628	83,233	73,849	57,363
Direct debt 10-year amortization (%)	54	81	88	--
Pension and OPEB cost % of revenues	--	2.0	1.0	1.0
NPLs per capita (\$)	--	724	567	478
Combined NPLs (\$000s)	--	4,488	3,516	2,071

Financial data may reflect analytical adjustments and are 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. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$14.56 mil GO bnds ser 2025A dtd 08/26/2025 due 10/01/2046

Long Term Rating AA-/Stable

US\$7.31 mil GO temp nts ser 2025A dtd 07/29/2025 due 10/01/2028

Short Term Rating SP-1+

Ratings Affirmed

Local Government

Maize, KS General Obligation Lease Nonappropriation AA-/Stable

Maize, KS Unlimited Tax General Obligation AA-/Stable

Maize, KS Unlimited Tax General Obligation BANS SP-1+

Maize, KS Unlimited Tax General Obligation 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.

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