

Research Update:

Bloomfield Charter Township, MI Series 2025B Special Assessment Bonds Rated 'AAA'; Outlook Is Stable

July 17, 2025

Overview

- S&P Global Ratings assigned its 'AAA' rating to [Bloomfield Charter Township](#), Mich.'s \$16.32 million series 2025B general obligation (GO) limited-tax special assessment bonds.
- At the same time, S&P Global Ratings affirmed its 'AAA' rating on the township's existing GO debt.
- The outlook is stable.

Rationale

Security

The series 2025B special assessment bonds will fund road improvements in the township.

The bonds are secured by, and are payable from, special assessments for the improvements in the special assessment district. The township's full-faith-credit-and-resources pledge and agreement to levy ad valorem property taxes, within Michigan limitations as to rate and amount, also secure the bonds. We rate the limited-tax GO debt at the same level as our view of the township's general creditworthiness because the township collects ad valorem taxes from the entire property tax base and there are no limitations on the fungibility of resources available for debt service.

While officials use utility revenue and other special assessments to repay or secure several series of the township's GO debt outstanding, we base our rating on all of the township's GO debt outstanding on its GO pledge. Existing series 2015 GO bonds are further secured by Oakland County's GO pledge. We rate the bonds to the stronger link, and both obligors are currently rated 'AAA'.

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Credit highlights

Enduring credit strengths that substantiate Bloomfield Charter Township's stability at the 'AAA' rating include its extremely strong economic base, consistently positive operating performance supporting its healthy reserve and liquidity positions, and robust management practices; these are offset by its elevated fixed costs. To further support prudent fiscal oversight, officials have augmented the existing policy framework by incorporating rolling, long-term capital planning into the township's annual budget process as well as formalizing a reserve target of 50%-75% of general fund expenditures. The township's current maintenance of approximately 77% of operating expenditures, or \$44.8 million, across its general, public safety, and equipment and replacement (E&R) funds adheres to this policy. Property taxes, which represent 70% of combined (general and public safety funds) township operating revenue, continue to perform well, reflecting the strength of Bloomfield Charter Township's commercial and residential real estate. Although the township is mostly built-out, residential infill and redevelopments continue. While high fixed costs continue to command more than one-third of the budget, these costs include the township's increased funding of its pension and other postemployment benefits (OPEB) liability in 2024 as part of the strategy to improve its long-term position.

Conservative management practices, investment earnings, and state revenue sharing from Michigan sales tax revenue have supported the township's positive financial results in recent years, as have vacancies in staff and the 2020 transition to a self-insured health care model for employees. In fiscal 2024, the township reported an operating surplus of 0.5%, net of a \$5.3 million transfer to the E&R fund. In fiscal 2025, unaudited results indicate a general fund surplus of \$680,000 in addition to a \$7 million transfer to the E&R fund. In fiscal year 2026, officials anticipate ending the year with at least a breakeven result.

The 'AAA' rating further reflects our view of the township's:

- Robust and affluent residential tax base, which participates in the broad and diverse Detroit-Warren-Dearborn metropolitan statistical area, with access to economic institutions in Oakland County, including Ford, General Motors, and Stellantis as well as growing construction, health care, distribution and warehousing, and high-tech research and development sectors.
- Thorough, forward-looking financial management policies and practices, including a detailed five-year rolling capital plan and a 10-year financial plan. In addition, the board receives quarterly budget-to-actual reports, and its budgets are informed by data from external sources, which have collectively resulted in positive operating performance in recent years. The township also maintains formal investment, debt management, and fund balance policies and management is taking measures to mitigate cyber risk.
- Positive operating track record that we expect will continue, considering management's ability to adjust the budget as well as its healthy and stable property tax-driven revenue mix, all of which we expect will support the maintenance of very strong reserves, in line with its formal policy.
- Elevated fixed costs, with a weak debt and liability position, although debt amortization remains rapid and the township has no future debt plans at this time.
- Fiscal year 2024 results showed a funded ratio of 87.3%, with a net pension liability of \$32.27 million and a discount rate of 6%. Annual pension contributions made up 12.3% of total governmental fund revenue in fiscal 2024; however, the township overcontributed to the liability and plans to continue to do so when possible, and therefore we do not view fixed costs as a significant credit risk.

- For more information on our institutional framework assessment for Michigan municipalities, see "[Institutional Framework Assessment: Michigan Local Governments](#)," Sept. 9, 2024, on RatingsDirect.

Environmental, social, and governance

We view the township's environmental, social, and governance factors as neutral in our analysis.

Rating above the sovereign

The rating on Bloomfield Charter Township's GO debt is eligible to be higher than the sovereign rating because we believe the township can maintain positive credit characteristics relative to the U.S. sovereign in a stress scenario. Under our "[Ratings Above The Sovereign--Corporate And Government Ratings--Methodology And Assumptions](#)" criteria, Nov. 19, 2013, the township has predominantly locally derived revenue with independent taxing authority and treasury management from the federal government.

Outlook

The stable outlook reflects our view of the township's extremely strong economy as well as our belief that the proactive management team will continue to achieve positive operating results over the next two years.

Downside scenario

We could lower the rating if the township is unable to maintain balanced operations, leading to a sustained weakening of reserves.

Bloomfield Charter Township, Michigan--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.70
Economy	1.0
Financial performance	1
Reserves and liquidity	1
Management	1.00
Debt and liabilities	4.50

Bloomfield Charter Township, Michigan--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	134	--	134	135
County PCPI % of U.S.	130	--	130	129
Market value (\$000s)	13,332,640	12,169,474	11,264,074	10,802,168
Market value per capita (\$)	301,978	275,633	255,126	263,224
Top 10 taxpayers % of taxable value	6.9	1.7	2.2	2.1
County unemployment rate (%)	3.9	3.6	2.9	3.0
Local median household EBI % of U.S.	180	--	180	181
Local per capita EBI % of U.S.	192	--	192	212

Bloomfield Charter Township, Michigan--key credit metrics

	Most recent	2024	2023	2022
Economy				
Local population	44,151	--	44,151	41,038
Financial performance				
Operating fund revenues (\$000s)	--	58,001	49,761	46,357
Operating fund expenditures (\$000s)	--	46,759	44,285	44,472
Net transfers and other adjustments (\$000s)	--	(10,970)	(5,148)	(1,218)
Operating result (\$000s)	--	272	328	667
Operating result % of revenues	--	0.5	0.7	1.4
Operating result three-year average %	--	0.9	1.3	1.8
Reserves and liquidity				
Available reserves % of operating revenues	--	51.3	59.3	63.2
Available reserves (\$000s)	--	29,749	29,505	29,296
Debt and liabilities				
Debt service cost % of revenues	--	16.3	15.8	16.6
Net direct debt per capita (\$)	2,586	1,608	1,775	2,112
Net direct debt (\$000s)	114,177	70,981	78,354	86,687
Direct debt 10-year amortization (%)	78	99	--	--
Pension and OPEB cost % of revenues	--	20.0	16.0	17.0
NPLs per capita (\$)	--	731	947	596
Combined NPLs (\$000s)	--	32,271	41,791	24,458

Financial data might 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\$16.32 mil spl assess bnds (ltd tax GO) ser 2025B dtd 08/19/2025 due 04/01/2040

Long Term Rating AAA/Stable

New Rating

Local Government

Charter Township of Bloomfield, MI Limited Tax General Obligation and Special Assessment Revenues AAA/Stable

Ratings Affirmed

Local Government

Bloomfield Charter Twp, MI Limited Tax General Operating Pledge AAA/Stable

Bloomfield Charter Twp, MI Limited Tax General Operating Pledge and Special Assessments of AD 417 and 418 AAA/Stable

Bloomfield Charter Twp, MI Limited Tax General Operating Pledge and Special Assessments of SAD 411, 412, and 413 AAA/Stable

Bloomfield Charter Twp, MI Limited Tax General Operating Pledge and Special Assessments of SAD No. 425 AAA/Stable

Bloomfield Charter Twp, MI Limited Tax General Operating Pledge and Water System AAA/Stable

Bloomfield Charter Twp, MI Unlimited Tax General Obligation AAA/Stable

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Charter Township of Bloomfield, MI Limited Tax General Obligation and Special Assessment Revenues	AAA/Stable
Charter Township of Bloomfield, MI Limited Tax General Obligation and Special Assessment Revenues	AAA/Stable
Pooled	
Oakland Cnty, MI Limited Tax General Operating Pledge and Bloomfield Charter Twp, MI Limited Tax General Operating Pledge 2015 Series	AAA/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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