

Research Update:

Dodge City, KS' Series 2025-A GO Bonds Rated 'A+', Outlook Stable; Series 2025-1 GO Temporary Notes Rated 'SP-1+'

July 16, 2025

Overview

- S&P Global Ratings assigned its 'A+' rating to [Dodge City](#), Kan.'s anticipated \$16.4 million series 2025-A general obligation (GO) bonds and its 'SP-1+' short-term rating to Dodge City's roughly \$1.5 million series 2025-1 GO temporary notes.
- We also affirmed our 'A+' long-term rating and underlying rating (SPUR) on Dodge City's existing GO debt and our 'SP-1+' short-term rating on the city's existing notes.
- The outlook on the long-term ratings is stable.
- The ratings are based on the application of our criteria, [Methodology For Rating U.S. Governments](#), Sept. 9, 2024.

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Rationale

Security

Dodge City's full-faith-and-credit pledge secures the GO bonds and notes, which are a GO of the city. Certain GO bonds and notes are also payable from special assessment taxes levied for improvements financed with bond and note proceeds. Despite the dual pledge, we rate the bonds and notes to the strength of the city's GO pledge.

The short-term rating reflects our high-investment-grade long-term rating on Dodge City and its low market risk profile. In our view, and pursuant to our bond anticipation notes criteria, we have assessed the city's market risk as low, due to Dodge City's strong market access, information availability, and takeout authorization.

Officials intend to use proceeds for various street and utility improvements.

Credit highlights

Dodge City, in Ford County, is a 14-square-mile rural city with accelerating growth prospects buoyed by the November 2024 opening of the Hilmar Cheese processing plant. The plant investment is estimated at about \$637 million, which would make it the largest taxpayer. The plant will also bring job growth, with about 247 employees estimated at opening, but will also add to the area employment concentration in manufacturing. The Hilmar plant is expected to drive ancillary business expansions in the county, such as dairy farm production. Housing is also picking up, with several housing developments in the planning phase or under construction. Management reported enrollment at the local school district grew by 100 students this year. Also under development are several solar and wind farms.

After performing a salary survey in 2022, the city raised compensation between 3% and 5% depending on the position for the fiscal year ended Dec. 31, 2023, helping it improve staffing recruitment. Management had expected this to result in a general fund balance drawdown. However, the actual deficit was smaller than the originally budgeted, at roughly 19%, which we still consider very strong. An additional 6% compensation increase was budgeted for fiscal 2024, which management states was offset by reductions in other expenses, resulting in a surplus of about \$2.5 million. For fiscal year-end Dec. 31, 2025, management projects to spend about \$400,000 of general fund balance on expenditures that were originally slated for fiscal 2024.

The long-term rating reflects our view of the following credit factors:

- Dodge City's employment base is stable but concentrated in agriculture, with ongoing developments that will drive job and population growth.
- The city reported a sizable surplus for fiscal 2024, and with budget balance projected for fiscal 2025 and targeted for fiscal 2026. Negatively affecting our view of liquidity is the city's use of cash accounting, which reduces clarity about the amount of funds that are truly available.
- Budgeting practices have historically produced better-than-budgeted results, but lack formalized long-term financial planning. Officials provide monthly budget reports and has an informal goal of maintaining a 15% reserve. Management is also taking measures to mitigate cyber risk.
- The debt profile is elevated, with recurring annual debt plans to support road and utility improvements. Capital needs are partially supported by a half cent sales tax dedicated to streets. In addition, the city has outstanding loans through the Kansas Department of Health and Environment with what we view as permissive provisions that could be a liquidity risk if triggered by an event of default, though annual payments represents roughly 10% of combined general fund and wastewater fund annual revenue and it is with a state agency, so we believe the state is unlikely to enforce those provisions. We do not currently view retiree benefits as a source of budget pressure.
- In our view, financial transparency for most Kansas cities, including Dodge City, is weak due to the use of cash-based accounting and a credit weakness. For more information on our institutional framework assessment for Kansas, see [Institutional Framework Assessment: Kansas Local Governments](#), Sept. 9, 2024.

Environmental, social, and governance

The rating incorporates our view of environmental, social, and governance factors, all of which we consider neutral in our analysis.

Outlook

The stable outlook reflects S&P Global Ratings' anticipation that Dodge City's local economy and financial operations will remain stable and that reserves will remain very strong (on a cash basis).

Downside scenario

We could lower the rating if budgetary imbalance persists such that reserves are no longer comparable with peers' or if significant debt issuances were to increase already elevated carrying costs materially, pressuring the budget.

Upside scenario

We could raise the rating if economic expansion led to employment diversification and improved incomes compared with higher-rated peers', and if the debt profile improved.

Dodge City, Kansas--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	3.03
Economy	4.0
Financial performance	3
Reserves and liquidity	2
Management	2.65
Debt and liabilities	3.5

Dodge City, Kansas--key credit metrics

	Most recent	2023	2022	2021
Economy				
Real GCP per capita % of U.S.	106	106	110	110
County PCPI % of U.S.	69	69	72	74
Market value (\$000s)	1,908,108	1,561,365	1,429,108	1,416,987
Market value per capita (\$)	69,049	56,502	53,491	52,619
Top 10 taxpayers % of taxable value	19.5	16.1	--	--
County unemployment rate (%)	3.0	2.4	2.2	2.2
Local median household EBI % of U.S.	92	92	79	--
Local per capita EBI % of U.S.	72	72	61	--
Local population	27,634	27,634	26,717	26,929
Financial performance				
Operating fund revenues (\$000s)	--	16,570	17,110	16,417
Operating fund expenditures (\$000s)	--	19,770	16,848	16,558
Net transfers and other adjustments (\$000s)	--	1,311	(118)	(335)

Dodge City, Kansas--key credit metrics

	Most recent	2023	2022	2021
Economy				
Operating result (\$000s)	--	(1,889)	144	(476)
Operating result % of revenues	--	(11.4)	0.8	(2.9)
Operating result three-year average %	--	(4.5)	4.7	4.1
Reserves and liquidity				
Available reserves % of operating revenues	--	20.5	30.9	30.8
Available reserves (\$000s)	--	3,405	5,294	5,057
Debt and liabilities				
Debt service cost % of revenues	--	14.5	21.5	19.7
Net direct debt per capita (\$)	4,638	3,553	3,610	3,575
Net direct debt (\$000s)	128,170	98,188	96,436	96,271
Direct debt 10-year amortization (%)	74	80	--	--
Pension and OPEB cost % of revenues	--	4.0	2.0	4.0
NPLs per capita (\$)	--	630	596	383
Combined NPLs (\$000s)	--	17,404	15,919	10,320

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\$1.5 mil GO temp nts ser 2025-1 dtd 08/28/2025 due 09/01/2028

Short Term Rating SP-1+

US\$16.395 mil GO bnds ser 2025-A dtd 08/28/2025 due 09/01/2045

Long Term Rating A+/Stable

Ratings Affirmed

Local Government

Dodge City, KS Unlimited Tax General Obligation A+/Stable

Dodge City, KS Unlimited Tax General Obligation and Special Assessments A+/Stable

Dodge City, KS Unlimited Tax General Obligation and Special Assessments 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 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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