



City of Suffolk

NEWS RELEASE

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City Receives “Positive” Ratings Outlook

Good for Business, Good for Life

In mid-June, officials from the City of Suffolk met with the rating agencies of Standard & Poor’s, Fitch Ratings, and Moody’s Investors Service to obtain bond ratings on the city’s approximately \$18.5 million general obligation bond issue scheduled for sale in mid-July. The bond proceeds will finance various capital improvements identified in Suffolk’s capital improvement plan including the final funding for the new Kings Fork High School.

Standard & Poor’s has notified the city that they’ve revised their outlook to “Positive” from “Stable,” while affirming their rating of “AA-“ for the city. According to Standard & Poor’s, their outlook revision “...is based on the city’s sustained strong financial position and rapidly growing tax base and economy.” Standard & Poor’s also notes that “the city has been able to sustain its strong financial position through its rapid tax base growth and tight financial oversight.”

Both Moody’s and Fitch held the City in good financial standing, retaining their “Aa2” and “AA” ratings respectively.

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JoAnne Carter, Managing Director at Public Financial Management, the city's financial advisor, said: "The city's continued favorable ratings from all three rating agencies – particularly Standard & Poor's change from stable to positive for its outlook – reflect the city's sound financial management practices and strong financial condition as well as the continued economic development initiatives taking place throughout the city. The new positive outlook is based on S&P's expectation that the existing positive trends within the city will continue."

In its report, Standard & Poor's said: "Suffolk is a well managed city with a seasoned management team that is committed to adhering to formal reserve guidelines intended to achieve sound financial performance. The city typically posts general fund operating surpluses, which have allowed the fund balance to grow to substantial levels."

Fitch noted that its rating is based on the "city's strong financial operations, including the establishment of sizable reserves and the maintenance of a competitive tax rate, accelerating economic growth, and moderate debt levels with manageable capital needs."

Moody's Investors Service comments that "the high quality rating reflects the city's growing and diversifying tax base; strong financial performance, which benefits from conservative management and significant revenue raising flexibility; and manageable debt levels with moderate planned borrowing."

"Standard & Poor's positive outlook is acknowledgment of the efforts by all city employees to make Suffolk a great place to work, live and play," said City Manager R. Steven Herbert. "The city continues to sustain its strong financial posture." Herbert added that "the city's economic characteristics are improving, counter to the regional and national economic conditions." Herbert further attributed the positive bond ratings to the sound financial policies adopted by Suffolk City Council and administered by a seasoned professional staff under the direction of Finance Director M. Christine Ledford.

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Mayor E. Dana Dickens credited much of the positive fiscal outlook to the City Council's commitment to its goals, which include:

- Maintenance of a competitive tax rate
- Successful efforts in attracting new business and industry investment
- Retention and expansion of existing business and industry
- Expansion and diversification of the tax base.

"It's wonderful to see that the bond rating agencies on Wall Street recognize our financial strength, our economic development successes, and our commitment to all our plans and goals," said the mayor, and he concluded that the positive bond ratings were just another reason why "It's a good time to be in Suffolk!"

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