

Fiscal stability leads to healthy bond rating for City of New Bedford in S&P report

“Standard & Poor’s Global Ratings cited “very strong management,” “continued economic expansion” and consistent operating budget performance in awarding the City of New Bedford an AA long-term rating, and a stable AA- underlying rating, for more than \$41 million in bond obligations to fund capital projects such as wastewater improvements and a central kitchen for public schools.

“The rating reflects our opinion of the city’s continued economic expansion beyond its historical status as a fishing port and home to the largest fishing fleet on the East Coast,” the credit ratings agency said this week in its latest report on the City’s finances. “During the past several years, New Bedford has seen economic development in the offshore wind industry, dining, and hospitality industries. Residential development has increased, with over 450 housing units expected to come online. The city’s prudent management practices have produced solid and predictable financial results through fiscal 2021.”

S & P’s added that, “Although the city faces challenges from long-term retirement liabilities and remains vulnerable to potential decreases in state aid, we expect the financial profile to remain stable.”

The report said the City’s stable long-term credit rating reflected several factors:

- Three fiscal years of modest growth in reserves and in the general fund in fiscal 2022;
- Very strong management and institutional framework score;
- Local economy that while adequate, is gaining advantage from

access to a broad and diverse metropolitan statistical area and diversifying tax base; and

- Manageable debt, but with large pension and other postemployment benefit obligation liabilities.

“This very favorable review from S&P’s is a credit to our dedicated finance team, which has worked on this particular bond issue for several months,” Mayor Jon Mitchell said. “Their dedication and experience, along with my Administration’s focus on economic expansion and cost reductions, are paying off with strong credit ratings that will benefit every taxpayer in the City for years to come.””