

# **City of New Bedford maintains favorable bond rating; Rating agency points to ‘very strong management,’ a growing and diversifying economy, and ‘strong budgetary performance’**

Standard & Poor’s Rating Service (S&P) has reaffirmed New Bedford’s AA- bond rating, and the City has maintained the highest bond rating it has achieved in at least the last forty years.

The AA- rating was first awarded to New Bedford in January 2014, and the reaffirmation of the rating puts New Bedford again among the top half of all issuers of municipal debt in the Commonwealth of Massachusetts.

In its report, S&P cited several factors to support New Bedford’s strong rating, including:

- “Very strong management, with strong financial policies and practices;” “very strong” is the agency’s highest rating for financial management.
- Strong budgetary performance, which was raised from ‘adequate’ in past reviews.
- 1,500 new jobs created in the city over the past year.
- A diversifying economy at the port including offshore wind staging, as well as business growth in the city.

The AA- rating has had an ongoing positive effect on City finances. Investors reacted very favorably last week to the sale of \$10,485,000 in general obligation bonds, accepting lower interest rates than initially forecast.

Credit agency ratings are utilized by investors to gauge a municipality's financial strength and the desirability of its debt. The AA- rating, the fourth-highest rating on S&P's scale, is the highest rating the City of New Bedford has received since at least 1970, and will continue to result in significant reductions to the City's future debt service expenditures.

Mayor Jon Mitchell said that maintaining the City's strong bond rating and recent bond sale is important. "New Bedford's favorable bond rating is a continued reaffirmation of the hard work the City has done to properly manage our finances. I'm pleased that the City's strong financial policies and practices were a key factor that helped to maintain our highest rating, and I'm grateful the work of our finance team was recognized as very strong."

Chief Financial Officer Ari Sky said, "Securing – and maintaining – a AA- rating remains a very significant achievement for New Bedford, and it influences the City's standing in financial markets. The rating yields positive results both for favorable interest rates, as well as the marketability of New Bedford for economic development."