



For Immediate Release
June 9, 2014

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Bond Rating Agencies Assign Ratings to City's Bond Issue

Harrisonburg, VA – The City of Harrisonburg's planning and strong financial management has been affirmed by its bond rating agencies.

In advance of the city's bond issuance for the construction of the new City Hall, energy efficiency upgrades to several city-owned facilities, and the Ramblewood remediation/restoration project the city was evaluated by representatives from Standard & Poor's Rating Services (S&P) and Moody's Investors Services (Moody's).

The city recently received a AA rating from S&P and a Aa2 rating from Moody's reflecting the financial stability of Harrisonburg.

"City staff and my fellow Council members plan ahead and work hard to ensure we are making responsible financial decisions not only for today but for the future," said Mayor Ted Byrd.

According to the report from S&P, the rating reflects their opinion of the following factors for the city, including:

- A strong economy that is broad and diverse and serves as a regional economic center with an employee base anchored by higher education and related sectors;
- Very strong budgetary flexibility with fiscal 2013 audited available general fund reserves equal to 34.4% of general fund expenditures after accounting for committed reserves that management could use for general expenses following council approval;
- Solid budgetary performance with a history of balanced budgets, as well as audited surpluses in three of the past four fiscal years and a very diverse revenue stream with property taxes, the leading revenue source, accounting for 36.8% of general fund revenue;
- Very strong liquidity, providing very strong cash to cover debt service and expenditures; and

- Very good management conditions with “strong” financial management policies and practices, as well as a consistent ability to maintain balanced budgets.

The report from Moody indicated the city’s strengths were a stable and diverse tax base, sound financial position bolstered by policies, and conservative approach to budgeting.

A bond or credit rating process is undertaken when a locality plans to issue bonds in the municipal bond market. The city was last rated in November 2011.

To view the full reports, visit www.HarrisonburgVA.gov/budget-documents.

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