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City of New Bedford  
Jonathan F. Mitchell, Mayor

## P R E S S   R E L E A S E

### **New Bedford Maintains Favorable Bond Rating**

*Rating agency points to New Bedford's "very strong management" and improving New Bedford economy as sources of its financial strength*

**New Bedford, Massachusetts**-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 four decades. 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 a number of factors supporting the strong rating, including:

- Increased development throughout the city that has spurred improved market values and led to a stronger the New Bedford economy.
- S&P raised the classification of the City's financial management from "strong" to "very strong"- the highest rating attainable for the category. In its rating, the agency cited the City's financial policies and practices in place and the development of a five-year long-term financial plan as the basis for the upgrade.
- Adequate budgetary performance and flexibility coupled with strong liquidity.

The AA- rating has had an ongoing positive effect on City finances. Investors reacted very favorably on Thursday to the sale of \$14,262,000 in General Obligation Bonds; accepting lower interest rates than forecast, and saving New Bedford approximately \$1 million in financing costs over the life-time of the debt, meaning that the City will save more than \$3.6 million in financing costs over the lifetime of bonds issued since last year's upgrade.

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 Mitchell explained the importance of maintaining the City's bond rating and recent bond sale, "The reaffirmation of New Bedford's bond rating is a clear vote of confidence in all of the hard work we've done to properly manage the City's finances. I am very pleased that our strong financial policies and practices were a key factor that helped to maintain New Bedford's favorable rating."

The City's Chief Financial Officer, Ari Sky, noted the impact of the S&P rating on the City's finances and overall reputation: "To secure and maintain a AA- rating is a significant achievement for the City, and is indicative of New Bedford's positive standing in the financial markets. Our favorable rating has yielded positive results, both in terms of favorable interest rates, and the City's marketability for economic development."

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