

FOR IMMEDIATE RELEASE – MARCH 27, 2015

CONTACT: MAYOR FELICITY BUCKLEY

City of Shrewsbury Obtains High Credit Rating

Standard & Poor's Ratings Services, a leading global credit rating, research and risk analysis firm, assigned a "AA" credit rating to the City of Shrewsbury. The double-A rating is only one rating category lower than the highest possible rating, which is a triple-A rating.

In addition, Standard & Poor's assigned a rating of "AA-" to the City's proposed \$1,800,000 of Certificates of Participation to be sold next month. The Certificates of Participation are a form of borrowing, similar to bonds, which the City will utilize to finance improvements to its city center and public safety buildings.

Mayor Felicity Buckley stated that this was the first time that the City had obtained a bond rating in its 102 year history. She stated that "the City is extremely pleased with the rating. As noted in the rating report, several factors were largely responsible for the assignment of such a positive rating. These included the City's high reserve balances and strong financial management policies, which include a formalized capital improvement plan and reserve balance policy."

According to Ms. Howard, principal of WM Financial Strategies and the City's financial advisor, "the high credit rating is largely attributable to the City's conservative approach to spending and maintenance of high reserves during economically challenging times." She also noted that the high credit rating will significantly lower the City's borrowing cost. Ms. Howard stated that "the rates on non-rated or lower rated municipal securities are often more than 1.00% higher than securities that have "AA" category ratings." For this transaction, Howard estimates that the rating will reduce the City's interest cost by as much as \$175,000 over the 15-year life of the Certificates.

The improvements to the city center and the public safety buildings include overhauling the buildings' HVAC, lighting, roofing and facility access systems. These improvements will greatly enhance the efficiency of the buildings' operations and will reduce energy costs. The result of the upgrades will ensure the viability of these structures for decades to come.

In addition to the cost savings realized by the assignment of a favorable rating, the City will further ensure the lowest cost of financing by soliciting proposals for the sale of the Certificates.