



MAYOR DAVID J. NARKEWICZ

City of Northampton

210 Main Street Room 12

Northampton, MA 01060-3199

(413) 587-1249 Fax: (413) 587-1275

mayor@northamptonma.gov

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Standard & Poor's Affirms Northampton's AAA Bond Rating and City Receives Favorable Interest Rate on Capital Borrowing

Today Mayor David J. Narkewicz announced positive fiscal news for the City of Northampton regarding its strong bond rating and the favorable interest rate it obtained in a recent \$3,410,000 10-year general obligation bond issue.

On April 18, 2018, S&P Global Ratings affirmed the city's AAA bond rating, the highest rating attainable, with a stable outlook. The rating agency cited the city's very strong economy, very strong management with strong financial policies and practices, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, and very strong debt and contingent liability position as positive credit factors. Northampton was upgraded from AA to AAA in 2016 and the rating has been subsequently affirmed in 2017 and now 2018.

Following the affirmation of its strong bond rating, the City of Northampton received competitive bids from bond underwriters for a \$3,410,000 10-year general obligation capital bond issue. The city received a total of 5 bids on the bonds. Fidelity Capital Markets, a trading arm of Fidelity Investments, was the winning bidder with an average interest rate of 2.196%. Bids for the bonds were accepted at the offices of the City's financial advisor, FirstSouthwest, a division of Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts.

Northampton will use the \$3.4 million capital borrowing to finance various capital infrastructure, facility, and equipment projects, including \$1.5 million for street paving. The city's AAA bond rating resulting in favorable interest rates has allowed Northampton to maximize the use of tax dollars on capital expenses and accelerate the pace of its capital improvement program.

A copy of the S&P Global Ratings bond rating report for the City of Northampton is available online at: <http://www.northamptonma.gov/DocumentCenter/View/10000>