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FOR IMMEDIATE RELEASE - May 24, 2016

Standard & Poor's Upgrades City of Northampton Bond Rating to AAA

Mayor David Narkewicz announced today that Standard and Poor's (S&P) Global Ratings raised its rating on City of Northampton General Obligation (GO) bonds from AA+ to AAA/Stable.

"I am extremely proud to announce this significant financial milestone for the City of Northampton," said Mayor Narkewicz. "S&P's rating upgrade is an affirmation of my administration's determined and disciplined work to stabilize our city budget, rebuild our financial reserves, and strengthen our fiscal practices and policies. It also reflects our overall economic strength as a city." Northampton is now one of only 65 municipalities in the state to have attained the highest AAA-level bond rating.

Released this afternoon, S&P's report reflects the rating agency's opinion on several factors: a very strong local economy; strong financial management as evidenced by strong financial policies and practices; strong budgetary performance; very strong budgetary flexibility with an improving available fund balance; very strong liquidity; and a very strong debt and contingent liability position. "The upgrade to AAA reflects our view of the city's improved economic indicators and strong financial management assessment," the report states.

On May 10, 2016, Mayor Narkewicz, Finance Director Susan Wright, and Treasurer/Collector Kristine Bissell participated in a rating call with S&P analysts to review detailed information about Northampton's municipal finances and local economic conditions. The city is preparing to issue \$4,825,000 in debt for wastewater treatment plant upgrades, street resurfacing, conversion of street lights to LED, a new fire engine and updated equipment for emergency dispatch, as well as the renovation of Pulaski Park and replacement of city communication systems. The diversity and growth in the local tax base combined with the city's progress in building reserves were cited as strong assets. Budgetary performance for the past several years has demonstrated stable and sustainable performance. Quarterly financial reporting to the City Council and the city's progress toward funding Other Post-Employment Benefits (OPEB) were also highlighted in the report.

"During the rating call with S&P, I outlined our ongoing commitment to multi-year financial planning and budgeting, fiscal discipline, and continuous improvement of practices and policies," said Mayor Narkewicz. "I also emphasized the strong support for that approach we have received from the City Council and the community as a whole."

"Attainment of this 'AAA/Stable' bond rating will ensure favorable interest rates on upcoming and future borrowings for critical capital investments," said Mayor Narkewicz. "This in turn enhances the City of Northampton's overall fiscal stability and allows us to continue providing quality city and school services to our community."

A copy of the S&P Bond Rating Report is available [here](#).