



City of Yakima

News Release

Subject: City of Yakima Bond Rating

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Release Date: Monday, May 19th, 2014

City of Yakima Bond Rating Upgrade Will Save Taxpayer Dollars

Based on what it described in a recently released report as very strong budgetary flexibility, strong budgetary performance, and strong management, Standard and Poor's (S&P) elevated the City of Yakima's general obligation debt rating from A+ (A plus) to AA- (Double A minus).

The net result of the upgraded bond rating is that the City will pay lower interest rates on bonds it sells to pay for major infrastructure projects like road improvements. A higher credit rating also lowers the cost of insuring bonds that are sold by the City.

Thanks to the bond rating upgrade, the City will pay about \$90,000 less in interest alone on bonds that have just been sold to pay for repaving more than 90 lane miles of roads this year, said City Manager Tony O'Rourke. That's significant, and as long as we maintain the AA-rating, that level of savings will continue. The higher bond rating sends a strong signal that City of Yakima bonds are a good investment because the City is a good steward of taxpayer dollars, said O'Rourke.

In the S&P report, which was published on May 14th, the stability of the local economy, which is heavily reliant on agriculture, was specifically noted as a positive indicator to investors.

The stable outlook reflects our opinion of the city's historically stable finances, supported by strong management, together with its stable, if limited, economy, wrote the report's authors. Although the city's economy is limited by low to adequate wealth and income levels, property values in the area have historically been stable, and we do not expect a significant decline in key economic indicators.

S&P is one of the world's leading providers of independent credit risk research and benchmarks and each year publishes more than a million credit ratings on debt issued by sovereign, municipal, corporate and financial sector entities.