



City of Arts & Innovation

# News Release

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## **Bonds Issued by City of Riverside, Riverside Public Utilities Earn High Ratings**

*Excellent bond ratings show investor confidence in City's financial management, long-term planning*

RIVERSIDE, Calif. – Sound financial management and a comprehensive approach to long-term planning by the City of Riverside have resulted in Standard & Poor's upgrading the City's sewer revenue bonds from an A to an A+ while also affirming the stable outlook for the bonds.

S&P also retained the Riverside Public Utilities' water revenue bonds rating at AAA.

Taken together, the two developments demonstrate that the City and RPU both are practicing exceptionally strong fiscal management and long-term planning.

"Our residents and business owners in Riverside expect their government to uphold the highest standards in our financial practices," Mayor Rusty Bailey said. "High ratings from independent rating agencies show us that we are hitting the mark."

The rating agency attributed the upgrade in the sewer bond rating to several factors, including the City's strong financial management policies and practices, and ensuring adequate debt service coverage.

"Finance professionals in the City and RPU aspire to the highest professional standards," said Scott G. Miller, Interim Finance Director/Treasurer for the City of Riverside. "It's very gratifying to see that commitment validated by a rating agency as respected as S&P."

The decision to rate the water revenue bonds at AAA was based on RPU's plentiful and affordable groundwater supplies and its ability to keep water rates competitive in the region. RPU also does not rely on imported water, which is more expensive, and employs prudent and conservative financial policies, according to S&P.

"The decision by S&P to keep our water revenue bonds at AAA is very rewarding," said RPU's Laura Chavez-Nomura, Assistant General Manager – Finance. "We're appreciative of the rating agency's willingness to get down to the regional level in order to assess our strong fiscal health."

Improved ratings help the City and RPU save money on the cost of borrowing and can provide greater flexibility in future financial decision-making.

This is the second time in recent months that a bond rating agency has issued ratings that reflect an approval of the City's financial strategy to address short-term and long-term budgeting issues.

In April, the City's Short Term Pension Obligation Bonds received Fitch's highest possible rating, an F1+, while the rating on the City's 2006 Certificates of Participation (COPS) was raised from A+ to AA-.

"Bond ratings help us to take the temperature of our local financial practices, and the ratings we are getting these days are very encouraging," Mayor Pro Tem Andy Melendrez said.