
MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Chowchilla Assigned “A” Bond Rating by S&P

Chowchilla, CA – June 27, 2017

Standard & Poor’s Global Ratings assigned its “A” long-term rating and an underlying outlook of stable for the City of Chowchilla’s taxable lease revenue bonds and the direct pay subsidy new clean renewable energy bonds (CREBs). S&P based this rating and outlook on the City’s strong management, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, and a very weak debt and contingent liability position.

“When I came onto the Council two years ago, we confronted prior management practices head on with a determination that it would not be business as usual,” said Mayor Mary Gaumnitz. “Today’s announcement by S&P is solid validation we are on the right track. We have strengthened our debt and investment policies, maintained strong fiscal reserves, and built into our budget a five year forecast. Through the combined efforts of the City Council and staff who have worked side-by-side in budgeting responsibly, Chowchilla is poised to grow neighborhoods, create jobs and step strongly into the future.

The S&P Global Rating focused on the City of Chowchilla’s General Fund. This is an important distinction because 42% of that fund is dedicated to public safety, with the next largest portion supporting the City’s Public Works Department. By having a strong rating for the General Fund, the City can borrow money at a lower overall interest rate and save city taxpayers in terms of

lower debt service in future years. For example, when borrowing funds for construction projects, the City will be able to devote more money to construct buildings and facilities.

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