



# City of Gilroy

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## For Immediate Release

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### **City of Gilroy Garners AA and A+ Bond Ratings From Standard and Poor's and Fitch Ratings**

The ratings agencies of Standard & Poor's and Fitch Ratings have granted the City of Gilroy AA and A+ respectively in advance of its library bond issuance which was approved by voters in November 2008.

City Administrator Tom Haglund, Finance Director Christina Turner, and Mayor Al Pinheiro met with the ratings agencies last week in San Francisco to determine the City's rating as it relates to the Measure F "Library Bond". The city officials discussed the city's history, management structure, and finances.

Both ratings agencies indicated that they were pleased with the city's aggressive tackling of the many financial challenges that it has faced over the past year and the city's determination to continue to keep close management of its finances. The bond ratings follow a media release by the Santa Clara County Assessor, Larry Stone, which indicates an 11% reduction in Gilroy's property tax base in the coming fiscal year. Both rating agencies conferred with the city on the property tax issue raised by the Assessor, yet maintained their AA and A+ ratings based on the city's efforts to keep firm control of its finances.

Additionally, Fitch Ratings upgraded its outlook on the city's 2003 COP issuance from negative to stable on review of the substantial efforts by the city to trim expenditures and move towards a balanced budget. S&P maintained its stable rating on the 2003 COP's.

The city indicates that the first bond offering will occur later this month with a second to follow next year as construction of the facility proceeds.

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors.

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