



Press Release

City of Edmonds

Mayor David O. Earling

For Immediate Release: October 12, 2012

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Moody's Affirms Credit Rating for the City of Edmonds

(Edmonds – WA) The City of Edmonds recently completed a review of its finances with Moody's Investors Service as part of refinancing outstanding general obligation bonds. At the conclusion of that review Moody's affirmed the strong Aa3 rating for the City's limited tax general obligation bonds and Aa2 for unlimited tax general obligation bonds.

Moody's cited the City's "sound financial position and modest debt burden" as some of the factors contributing to the rating. Other cities in Washington recently had their credit rating decrease due to declining revenue, increasing expenses and also because of the overall poor economic conditions faced by cities. The strong credit rating for Edmonds means an overall lower cost of borrowing. The refunding currently anticipated for late October or early November will result in a savings to the City of over \$1.4 million over the life of the bonds.

Moody's also cited the City's "improved general fund reserve levels" when assigning the credit rating. The Edmonds City Council adopted a new reserve policy this July that calls for the setting aside of a minimum of two months, or 16%, of General Fund revenue in a new Contingency Reserve Fund. The Contingency Fund was fully funded up to the 16% target with transfers-in totaling nearly \$5.3 million. The 2013 Proposed Budget to be presented to Council on October 16th will be a balanced budget using none of the reserves the City has worked so hard to put together and set aside. Mayor Earling stated "the independent review by Moody's and the strong credit rating they affirmed is confirmation the City is on solid ground financially and is making strides in addressing its long-term economic challenges."

The rating report issued by Moody's can be found on the City's website at:

http://financeref.edmondswa.gov/Edmonds_NIR_October_2012.pdf