



City of Arts & Innovation

News Release

FOR IMMEDIATE RELEASE:

May 2, 2016

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City of Riverside Bonds Receive High Marks From Credit Rating Agency

Short- and long-term bonds rated highly due to City's decisive budget plan, will cut cost of borrowing

RIVERSIDE, Calif. – Bonds issued by the City of Riverside have received high marks from the rating agency Fitch Ratings Inc., reflecting an approval of the City's financial strategy to address short-term and long-term budgeting issues.

Short Term Pension Obligation Bonds from the City 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-. The improved ratings will help the City save money in the future on the cost of borrowing and provide the City with greater flexibility in re-funding the COPS in the future.

"Both of these ratings point to the fact that Fitch, which may be the most conservative of the ratings agencies, truly believes in what City management is doing in the budget arena," said Interim Finance Director Scott Miller. "They feel the City is taking specific positive actions in terms of the financial challenges we face."

Representatives of the City of Riverside recently made rating presentations to Fitch. The resulting decisions by Fitch provide positive feedback not just to the City, but also to financial investors, reflecting that Riverside is headed in the right direction.

"The news from Fitch is a welcome sign that Riverside is headed in the right direction," Mayor Rusty Bailey said. "I'm proud that an outside agency has validated the good work being done by our professional staff and our leadership team."

The City of Riverside is currently in the process of closing an \$8 million deficit in its current fiscal year, which ends June 30, and discussing ways to deal with an anticipated \$12 million deficit in fiscal year 2016-17. That process involves balancing ongoing expenditures with ongoing revenues and eliminating the instances in which the City uses one-time revenues for ongoing expenses.

That effort will continue in budget hearings and City Council sessions through late June.

“We still have some significant work ahead of us on the budget, but it is encouraging to hear that steps we already have taken are receiving positive reviews in the marketplace,” Mayor Pro Tem Mike Soubirous said. “Moving forward, we must remain diligent on the issues of fiscal responsibility and conservative budgeting.”

More information on the City’s budget can be found at EngageRiverside.com.