



# CITY OF NEW BRITAIN

EST. 1871

OFFICE OF THE MAYOR  
THE HONORABLE ERIN E. STEWART

WWW.NEWBRITAINCT.GOV

FOR IMMEDIATE RELEASE:

October 18, 2016

## FITCH RATINGS UPGRADES NEW BRITAIN'S RATING

**NEW BRITAIN**—Mayor Erin E. Stewart announced today that Fitch Ratings has upgraded the City's general obligation bond rating from "BBB+" to "A-" and improved the outlook from "negative" to "stable." This is the second time in 10 months that a rating agency has positively upgraded the city's bond rating.

In January 2016, Standard and Poor's Rating Services (S&P) upgraded the City's bond rating from "A" to "A+."

"This is further evidence that the steps we have taken over the last three years to bring stability and strength to our finances have had a real impact on how others view our ability to repay debts and grow in the future," said Mayor Stewart. "It has been a collaborative effort to make this happen: from the Finance Department to our labor unions to our Economic Development division. We've found ways to reduce costs, attract developers, and grow our local economy."

In their report, Fitch noted that "revenue raising measures, significant cost cutting efforts and one-time savings from a debt restructuring have supported recent positive results and improved reserve levels." The City's reserves are now at "sound levels" and will aid the City during future economic downturns, according to the Fitch report.

Fitch cites several areas where the City recently realized cost savings or gained additional revenue:

- Moving labor unions to high deductible health plans
- A stronger than anticipated tax collection rate (98%)
- The restructuring of debt to save \$3.5 million
- "Significant efforts" by management to curtail spending

Fitch also noted that the opening of CTfastrak has led to more than a half dozen projects that have started because of the bus rapid transit system. In its report, Fitch also cited growth over the last two years on the City's Grand List (which added \$1.71 million in new revenue), due to new developments like Costco, as well as growth in the city's housing values.

"This is another piece of great financial news for the City," said Finance Director Lori Granato. "We are proud of the work that we are doing to ensure that we are being prudent with our dollars now, while also planning for more difficult times in the years ahead."

Contact:

David Huck

860-826-3302

dhuck@newbritainct.gov