

CITY OF NEW BRITAIN



Office of the Mayor

FOR IMMEDIATE RELEASE:

January 20, 2015

Contact: John J. Healey
(860) 826-3307 – desk
(860) 227-6594 – cell

STANDARD & POOR’S SIGNIFICANTLY UPGRADES CITY BOND RATING TO “A”

Praises administration’s efforts to turn things around, calls City’s outlook “stable.”

NEW BRITAIN— Standard & Poor’s Rating Services (S&P) today announced a significant upgrade to New Britain’s bond rating, increasing it by three notches to “A” with a stable outlook, up from their rating of “BBB” last year when the City was downgraded.

“This is phenomenal news and is a strong validation of the difficult financial decisions we have made over the past fourteen months,” said Mayor Erin E. Stewart. “A year ago, we were staring a \$30 million-dollar deficit in the face and were being downgraded by the rating agencies following several years of mismanagement and overspending. Today’s upgrade by Standard & Poor’s is their recognition that we are doing our best to turn New Britain around, both financially and economically.”

Mayor Stewart continued, “When the City was downgraded last year, I pledged to continue making the tough, and often unpopular decisions to get us moving forward again and back into the “A” range. Together, we have done just that...and there is still more to be done.”

S&P cited positive actions by the City as the primary drivers for the increase, namely returning to a structurally-balanced budget, and taking steps to remove contingent liabilities. They also highlighted the fact that the 2015 budget does not rely on one-time revenues or draw-downs from our reserves.

“This is great news for the City,” said Acting Finance Director Chris Wolf. “I believe it is a reflection on the Mayor’s strong fiscal leadership and it confirms that the City is on the right path for a brighter and more financially sound future.”

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Mayor Stewart's 2015 budget contained over \$16 million in spending cuts from the previous year's budget, eliminated over 30 full-time equivalent positions and called for concessions from employees' unions, and included an 11% increase in taxes. In June 2014, it received the support of a supermajority of the Common Council.

"A three-notch upgrade is very rare, especially coming on the heels of a downgrade last year," said Richard Thivierge of William Blair & Co., the City's underwriter. "It reinforces that the difficult decisions made by the Mayor and supported by the Council were the right things to do."

Mayor Stewart concluded, "Even though they have given us a "stable" outlook, S&P has said they will be watching to make sure we continue moving in the right direction. As we enter the 2016 budget cycle, I look forward to continuing to work with my colleagues on the Common Council – Democrats and Republicans alike – to keep this momentum going."