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## FOR IMMEDIATE RELEASE

### Manchester Maintains AAA Bond Rating; Issues GO Bonds at 1.868% Interest Rate

**MANCHESTER, CT** – General Manager Scott Shanley today announced Manchester has maintained its AAA bond rating as assigned by Fitch Ratings, the highest possible rating given by the rating agency. In addition, S&P Global Ratings affirmed Manchester's AA+ rating, which is the second highest bond rating it assigns. The Town has maintained the top credit ratings from both rating agencies for the past several years. Mr. Shanley also today announced the successful sale of \$15 million in general obligation bonds at a historically low net interest rate of only 1.868%.

According to Fitch Ratings, Manchester's AAA rating reflects the organization's strong fiscal management and stable financial position, as well as its vibrant economy, with access to a broad and diverse metropolitan statistical area. The rating also takes into account Manchester's conservatively managed debt profile and its planning efforts with respect to its pension obligations.

"In Manchester, we're committed to creating opportunities for all and ensuring a high level of service for all of our residents," said Mayor Jay Moran. "To do that, we need to maintain a strong fiscal foundation that allows us to invest in the programs and policies that make a difference. I'm proud Manchester once again has achieved a AAA bond rating, allowing us to continue successfully planning for our future."

"By controlling costs, addressing long term liabilities and using data-informed decision making in creating our budget, the Town has prioritized strong financial management," said Kim Lord, Director of Finance. "This bond rating highlights a commitment to Manchester's long-term prosperity as we continue to make investments in our strategic priorities."



S&P Global Ratings cites Manchester's "diverse industrial and commercial base," "strong management, with good financial policies and practices," and "strong budgetary performance" as rationale for the high rating assignment. In addition, S&P noted the town's positive economic climate and recent downtown revitalization efforts: "Manchester is in a favorable geographic location, with access to interstates 84, 384, and 91 and Bradley International Airport...the Downtown 2020 initiative continues to bring existing buildings in the historic downtown into compliance with current fire and building codes through a loan program with current property owners. Other small businesses, including an ice cream shop and a microbrewery, continue to open downtown, helping revitalize the space." Both Fitch and S&P affirmed a stable outlook for Manchester.

As a result of these excellent ratings, Manchester is able to leverage historically low interest rates to finance infrastructure projects. "The strong bond ratings translate into lower borrowing costs, which allows the Town to fund several critical investments for the community," said Deputy Manager Steve Stephanou. The benefit of a high credit rating was made evident at the Town's most recent bond sale, taking place on February 11, 2020: Manchester sold \$15,000,000 in general obligation bonds at a net interest rate of only 1.868 %. Last year, the Town issued the same amount of bonds at a rate of 2.86%.

Proceeds from the bonds will fund school construction, roads, sidewalks and other capital investment projects previously approved by the voters of Manchester via election referendums.

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