



News Release

For Immediate Release

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S&P, Moody's and Fitch affirm the City of Fredericksburg's Outstanding Bond Ratings

Agencies cite "strong economy, investment in economic development projects, fiscal constraint, very strong budgetary flexibility, liquidity and management"

(Fredericksburg, VA) May 4, 2020 - The City of Fredericksburg is pleased to announce that the three major bond rating agencies – Fitch, Moody's, and Standard & Poor's – all confirmed their current credit ratings for the City of Fredericksburg last week.

The agencies were reviewing the City in conjunction with a proposed re-financing of the City's 2011 General Obligation Bonds. The City's refinancing, which does not extend the due date on the remaining bonds, will provide an estimated \$1.6 million in debt service savings in FY 2021, which will help the City manage the effects of the economic downturn related to the pandemic.

S&P Global Ratings assigned a AA+ rating to the City's upcoming bond issuance. Fitch Investor Service assigned a AA+ rating to the issue. Moody's assigned an underlying rating of Aa2, enhanced to Aa1 based on Virginia state law credit protections. (These rating are all one notch from AAA ratings, the highest rating available.)

The rating analysts discussed with City officials our growth, economy, and the effects of the global health pandemic and the related financial downturn. "The COVID-19 virus is a terrible tragedy, in so many ways. There is no doubt that financially, the City will have less revenue in both FY 2020 and FY 2021 to meet our obligations, and that we will have to make many hard decisions as a result. I am pleased though that the rating agencies' recognized our work to date to mitigate the financial impacts of the crisis and our underlying strengths as a community led all three to affirm Fredericksburg's high credit ratings," said Timothy J. Baroody, City Manager.

The sale of the refunding bonds is currently scheduled for Wednesday, May 6, 2020.

Please feel free to contact the City Manager's office with any questions or for additional information. They may be reached by calling 540-372-1010 or emailing citymanager@fredericksburgva.gov.

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