



Headlines



October 14, 2004

City of Rock Island Bond Rating

The City of Rock Island announced today an upgrade in the city's bond rating to A1 from A2 by Moody's Investor Service. This improvement in the city's rating was made in conjunction with a \$4,955,000 General Obligation Bond sale planned for Monday, October 18.

"This is great news for the City of Rock Island. It demonstrates the confidence the investment community has in our city. Gaining a rating upgrade following the past couple of years of a very difficult economic environment is particularly gratifying," Mayor Schwiebert noted.

The Moody's review states that the A1 rating "incorporates the expectation of moderate long-term growth in the city's tax base, historically sound and stable financial operations with healthy reserves and financial flexibility derived from home-rule status, and a manageable debt burden supported by non-property tax sources that is rapidly retiring."

According to the City Manager John Phillips, an upgrade in the city's bond rating saves the taxpayer money. "With the A1 rating, we are considered a better investment risk by investors; as a result the interest rate we pay is lower on the amount the city borrows." He estimated that the savings over the upcoming issue could be as much as \$26,700 in interest expense.

The improvement in the city's bond rating "didn't happen overnight," according to Phillips. "It has required many years of following sound financial management priorities in the city by our Mayor and City Council." He also noted that the improving local economy was an important factor. "Our economic development efforts have had an impact. The investment in downtown, new housing in the southwest and the Casino project were noted by the Moody's analysts."

Moody's Investor Service is one of the most utilized sources for credit ratings, research and financial information for the Capital Markets.

For more information, contact John Phillips, City Manager at 732-2012.