



OFFICE OF THE MAYOR
WOONSOCKET, RHODE ISLAND

PRESS RELEASE

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CITY OF WOONSOCKET BOND RATING UPGRADED TWO NOTCHES TO "BB-" BY FITCH RATINGS

Rating Agency Also Assigns Positive Outlook for the City

WOONSOCKET, R.I. – Mayor Lisa Baldelli-Hunt today announced that Fitch Ratings has upgraded the long-term credit rating of the City of Woonsocket to BB- with a Positive outlook. "This is a great day for the City of Woonsocket. The Fitch upgrade is a dramatic improvement from the previous rating of B with a Stable outlook and in July 2013 the outlook was Negative. This is a triple upgrade for Woonsocket. The rating improved two notches and the outlook also improved," said the Mayor. The Positive outlook means the City can be upgraded again if it stays on its positive course," she added.

According to the Fitch Report, the upgrade reflects stabilized finances and a trend of positive operating results as well as an approved five-year operating plan that maintains structural balance. The report also notes challenges that the City must continue to address including limited financial flexibility.

The Mayor noted that Fitch recognizes that the City is moving in the right direction. "But, we must remember this is just the first few steps on a long road back to an investment grade rating. We need to maintain structural balance to continue the improvement in our bond rating which will result in lower borrowing costs," she added. Just last month, Moody's Investors Service also upgraded Woonsocket.

According to the Mayor, city service consolidations and other budget savings along with changes to the City's pension benefits and tax increases in accordance with the Five Year Plan are necessary for the long-term financial health of the City. Balancing the budget and implementing the five-year financial plan along with the successful emergence from the oversight of the former Budget Commission were key drivers in Fitch's upgrade.

Fitch reviews the City on an annual basis. In assigning the Positive outlook, Fitch said: "The positive outlook reflects an expectation that the City will address (its) challenges, with a resulting trend of continued financial improvement, including balanced operations and improved liquidity." The report noted that continued improvement in City finances, including balanced operations, continued full funding of required pension contributions, improved ending balances and improved liquidity could lead to continued improvement in the rating.

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