



OFFICE OF THE MAYOR
WOONSOCKET, RHODE ISLAND

PRESS RELEASE

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CITY OF WOONSOCKET BOND RATING UPGRADED TO “B2” BY MOODY’S INVESTORS SERVICE

Rating Agency Also Assigns Positive Outlook for the City

WOONSOCKET, R.I. – Mayor Lisa Baldelli-Hunt today announced that Moody’s Investors Service has upgraded the long-term bond credit rating of the City of Woonsocket to B2 with a Positive outlook. “This is a marked improvement from the previous rating of B3 with a Stable outlook and just a year ago, the outlook was Negative. This is a double upgrade in that both the outlook and the rating improved,” said the Mayor. The Positive Outlook means we have the opportunity to move up again if we stay the course, she added.

According to the Moody’s Report, the upgrade reflects recent improvement in the City’s financial position and an approved five-year operating plan that maintains structural balance. The report also notes challenges that the City must continue to address.

The Mayor noted that the difficult decisions that the City has made and the hard work of everyone in City government is paying off. “Moody’s recognizes that the City is moving in the right direction. But it is important to note that this is the first step in a long road back to an investment grade rating. We need to stay on the path of structural balance to continue the improvement in our bond rating which will result in lower borrowing costs,” she added.

The report notes that the rating will continue to go up if the following occur:

- Trend of structurally balanced operations in line with the five-year budget forecast
- Continued improvement in liquidity
- Continued full payments of annual pension contributions

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 Forecast 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 Moody's upgrade.

In assigning the Positive outlook, Moody's said: "The positive outlook reflects our expectation that the City will maintain structurally balanced operations...in line with the adopted five-year budget forecast. It also reflects our expectation of full funding of its annual required pension contributions."

Moody's Rating Services cites factors that have strengthened the rating, including:

- Recent Improvement in the Operating funds, including the expected elimination of the deficit in the School Fund in fiscal 2015;
- Ongoing oversight of the Finance Advisor pursuant to the Fiscal Stability Act; and
- An approved five-year operating plan that maintains structural balance.

Moody's reviews the City on an annual basis. "In connection with this review Finance Director Christine Chamberland and other members of my staff, and City Finance Advisor Paul Luba, along with representatives of FirstSouthwest, our Financial Advisor joined me on a conference call with Moody's to discuss the City's progress. I commend my staff and the City's financing team on an excellent job," said the Mayor.

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