

HAMPTON VA

NEWS RELEASE

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Hampton earns AA+/AA+/Aa1 bond ratings

April 2, 2015 – New York’s bond rating agencies gave Hampton high marks in advance of the city’s plan to issue bonds, both for new projects and to refinance some existing bond debt. All three agencies assigned the city’s plans with the second highest rating possible.

In its ratings report that gave the city’s proposed bonds “AA+” ratings, Fitch Ratings noted that Hampton “has maintained strong reserve levels and sound liquidity metrics despite a pressured operating revenue environment. City management adheres to prudent fiscal policies and budgets conservatively.” The report also highlighted the city’s diversifying economy: “Recent growth in healthcare, high-tech manufacturing, and retail has helped to diversify the local economy away from its historical concentration in military.”

Moody’s noted that the city’s “Aa1 rating reflects a solid financial position with sound reserves, a large tax base anchored by institutional presence.”

A report from Standard & Poor’s Rating Services cited Hampton’s “very strong management conditions with strong financial policies and practices.” S&P noted that the “strengths of the assessment include a formal reserve policy, debt management policy, and robust capital planning.”

“I am pleased that the rating agencies continue to recognize the conservative financial principals this city has had in place for many years,” said Mayor George Wallace. “These excellent credit ratings allow us to get favorable interest rates, which save our taxpayers money.” In its presentation to the rating agencies, Hampton noted that its direct net debt level was lower than other comparable AA-rated cities, including Norfolk, Richmond, Newport News and Portsmouth.

Hampton’s City Council approved the bond resolution March 25, authorizing the issuance of up to \$69.2 million in bonds to refinance debt (not extending the debt but saving in interest rates) and up to \$52.5 million in new bonds that will cover projects for the city and schools for FY14-16.

There are two upcoming public hearings on the city’s five-year capital spending plan for FY16-20:

- Planning Commission, Thursday, April 2, at 3:30 p.m. in Council Chambers at City Hall
- City Council, Wednesday, April 8, at 6:30 p.m. in Council Chambers at City Hall

Both meetings will be televised on the city’s cable channel (Cox 47; Verizon 23) and streamed at http://hampton.granicus.com/MediaPlayer.php?publish_id=2.

You can view the proposed capital plan at: <http://hampton.gov/DocumentCenter/View/7057>

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