



NEWS

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Montco Maintains Solid Bond Rating

Norristown, PA (May 19, 2017) – Moody’s Investors Service has reaffirmed Montgomery County’s Aa1 bond rating with a stable outlook, and noted that “Montgomery County benefits from strong management that adheres to fiscal policies, multi-year budgeting and long term capital planning.”

The new Moody’s rating is related to a \$58 million County bond offering for the purposes of providing funds to finance capital improvements and refund prior bonds for savings. The County expects to receive bids for the 2017 Series A and B bonds through a competitive sale process on May 31. The Series B of 2017 Bonds are being issued to refinance existing county debt at lower borrowing rates, resulting in overall future debt service savings for the county.

According to Moody’s – “the Aa1 rating incorporates the county’s sizeable tax base with above-average wealth indicators located in the Philadelphia metro area, its satisfactory financial position, low debt burden, and below average pension obligation.” Moody’s also noted that “overall debt is very low compared to its sizable tax base.”

“By affirming our Aa1 rating, Moody’s is recognizing the county’s smart fiscal policies, focused on investments in infrastructure and economic development, coupled with responsible approaches to managing county funds,” said Valerie Arkoosh, MD, chair of the Montgomery County Board of Commissioners. “Our approach is to build a strong fiscal foundation to help us address our capital funding needs while at the same time maintaining our high-level of services to county residents.”

Moody’s noted that the county’s “Wealth levels are notably strong and continue to exceed the state and national medians, with median family income of 147% and 152%, respectively. The unemployment rate of 3.8% as of March 2017 is particularly low and remains well below the state (5.1%) and nation (4.6%).”

“Funding for part of the bonds will come from the five dollar motor vehicle fee which must be used to address transportation needs. One of our top priorities is bringing the many structurally deficient county-owned bridges

into a state of good repair and this bond issue will allow us to speed up and expand the number of current bridge projects,” added Arkoosh.