Montco Receives Outlook Upgrade and Maintains Solid Bond Rating

Norristown, PA (Sept. 26, 2017) – Moody’s Investors Service has upgraded Montgomery County’s outlook to “positive” and has reaffirmed its Aa1 bond rating. The report noted that “Montgomery County benefits from strong management that adheres to fiscal policies, multi-year budgeting, and long term capital planning.” They further noted that the upgraded outlook from “stable” to “positive” reflects the “county’s considerably improved financial position, and our expectation of continued financial operations at this level.”

“The outlook upgrade is proof that the county is moving in the right direction due to years of focusing on strong fiscal management, including restoring our fund balance to appropriate levels to support county operations and making wise investments in economic development and infrastructure,” said Dr. Val Arkoosh, Chair, Montgomery County Commissioners. “This approach ensures that we can continue to provide a high level of services to our constituents while managing their tax dollars responsibly.”

The new Moody’s rating is related to a $14.4 million county bond offering through a competitive sale process on October 4, 2017 for funding the Montgomery County Opportunity Loan Program in the county’s five-year capital plan and refinancing the outstanding debt on the Cherry Street parking garage located in downtown Norristown.

The county expects to receive bids for $4,575,000 in taxable Series D of 2017 bonds to fund the Loan Program, which is designed to spur economic development within the county. The program has seen success with loans to businesses such as Dino’s Backstage Restaurant in Abington, the Flourtown Farmers Market in Springfield, and Square 2 Marketing in Conshohocken.

The county also expects to receive bids for $9,850,000 in Series C of 2017 bonds to fund the refinancing of the Cherry Street parking garage at a lower borrowing rate, which was previously issued by the Redevelopment Authority of Montgomery County and is projected to result in meaningful future savings on debt service for the county.
Moody’s considered the county’s continued development growth, investment in infrastructure, and improved fiscal management since 2011 when determining the rating.

Moody’s also recognized that Montgomery County increased the real estate tax millage in 2016 and 2017 to support its community college and the general fund operations, but still maintains the lowest property tax rate among the four counties surrounding Philadelphia. They noted that the county’s higher reserve levels, coupled with the millage increases, are “indicative of management’s commitment to continued fiscal stability and a robust, liquid, general fund.”

“Our residents want economic stability in their lives, and in their county. Today’s report from Moody’s shows that we are on firm ground, and are continuing to invest in a strong future for Montgomery County,” Arkoosh added.