AA+

CITY'S CREDIT SCORE REFLECTS FINANCIAL STABILITY AND RESPONSIIBLITY

Mayor Carlo DeMaria is pleased to announce that this week, the City's bond rating has been reaffirmed as AA+ by Standard and Poor's Global Rating (S&P). This score is the second highest rating that any municipality can receive and reflects the City's strong financial position and their commitment to borrow responsibly.

While many communities may face downgrades on their score, Everett remains strong under the leadership of CFO Eric Demas. The City is currently issuing short-term debt relating to the City's Capital Improvement Plan and has received a rating of SP1+ the highest short-term rating attainable by any municipality.

"The City's financial state is sturdy in lieu of the COVID19 pandemic. I am proud of the hard work by the Administration, specifically CFO Demas and the entire financial team for keeping the City's financial state as strong as they have," said Mayor Carlo DeMaria".

S&P highlighted the City's strengths:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating results that we expect could improve in the near-term relative to fiscal 2019, which closed with operating deficits in the general fund and at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 15% of operating expenditures;
- Very strong liquidity, with total government available cash at 23.9% of total; governmental fund expenditures and 4.lx governmental debt service, and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 5.8% of expenditures and net direct debt that is 46.3% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of market value and rapid amortization, with 66.5% of debt scheduled to be retired in 10 years, but a large pension and other postemployment benefits (OPEB) obligation; and
- Strong institutional framework score.