



TOWN OF RIVERHEAD NEWS

Office of the Supervisor
SEAN M. WALTER

200 Howell Avenue
Riverhead, NY 11901
(631) 727-3200

www.townofriverheadny.gov

FOR IMMEDIATE RELEASE: February 24, 2014

CONTACT: Sean Walter, Supervisor (631) 727-3200

Supervisor Announces High Bond Rating by Standard and Poor's (S&P)

Riverhead, NY – Riverhead Town Supervisor, Sean M. Walter, announced that the Town has recently received one of **Standard and Poor's (S&P)** highest bond ratings available to municipalities when the agency rated the credit worthiness of the town.

Recognizing that the Riverhead Town Board has effectively managed its budget during extremely difficult financial times and expressing confidence in the Town's ability to continue to meet its financial obligations through prudent fiscal policies, S&P credit ratings has maintained Riverhead Town's strong AA- bond rating with a stable financial outlook. The Town of Riverhead has maintained its impressive AA- since July 2005, when it was upgraded from an A+.

Walter said the stable outlook from S&P, "Is a positive sign that the town government is financially secure and makes it easier for the town to borrow at a lower cost. With many levels of government receiving credit downgrades across the nation and the downgrading of the credit rating of even the United States itself, I am once again happy to say that Riverhead maintains one of the best credit ratings any government can have."

The Town of Riverhead maintained its rating, within the second highest ratings category, in large part because S&P considers the town's budget flexibility to be strong. S&P also stated that the town's "very strong liquidity" supports town finances with a total government-available-cash ratio of 40% of total governmental fund expenditures and more than 200% of debt service.

Financial Administrator, William Rothaar, said S&P was also influenced by the fact that the Town of Riverhead has made significant strides in the re-development of the downtown Riverhead, the expansion of development along the Route 58 commercial corridor, as well as the reuse and revitalization effects at the Enterprise Park at Calverton (EPCAL).

With a potential budget shortfall looming, Walter noted that S&P's affirmation of the Town's stable financial outlook is critical as the town has begun to explore leveraging town owned land at EPCAL to secure a bridge loan until portions of that asset can be sold. "The strong rating from

S&P ensures that taxpayers will receive a competitive interest should the Town Board decide to issue bonds to cover eligible capital projects or expenses," he said. The Town Board may also consider a bridge loan in anticipation of development-related revenue related to EPCAL should redevelopment plans proceed to stabilize short-term budget issues.



Walter said he was, "Pleased that in these continuing times of financial distress, the Town Board is doing its part to assure the taxpayers that its town tax dollars are well cared for. Even Wall Street recognizes Riverhead's house is in good, stable financial order."

S&P is one of the country's major credit rating agencies and they pass judgment upon the credit worthiness of governments and governmental agencies across the world. S&P makes careful assessment of a municipality's finances and after that audit determines a credit rating. A high rating means that a government is looked upon as being financially stable or strong and thus that entity's ability to fund itself at a lower cost is increased. Credit ratings express relative opinions about the creditworthiness of an issuer from the strongest to weakest while assessing credit risk. The likelihood of default is the single most important factor in S&P's assessment of creditworthiness according to S&P's website (www.standardandpoors.com).

-XX-