MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Chowchilla sees a jump in bond rating

Chowchilla, CA – August 25, 2016

Call Chowchilla the comeback kid. After financial challenges in 2010 that led to a missed bond payment and talk of disincorporation, the City's Successor Agency to the Redevelopment Agency has rebounded with an A bond credit rating for its uninsured bonds.

The confidence shown by Standard & Poor's is directly attributable to a number of key activities taking place in Chowchilla. The City demonstrated that it has a solid budget with a general fund reserve of 28% (Government Finance Officers Association recommends 17%); its most recent outside auditor report came back with no findings, meaning a clean bill of health financially; and its revenues are strong enough to once again offer raises to its bargaining units while fully staffing key departments like public safety, public works and finance.

S&P also took note that Chowchilla has a spending plan for how it allocates money and that the City is seeing an increase in economic activity attributable to incentives put in place to attract new housing, retail and industrial development. This latter point is important because the City relied on this bond rating to refinance a more expensive Redevelopment Agency bond. The present and projected increase in economic activity in the area covered by the former RDA gave S&P the confidence to take that action that it did.

Mayor Waseem Ahmed praised the rating agency saying, "Chowchilla is definitely on the upswing as new retail stores open up and jobs are created. S&P's action reflects what we are seeing on the ground."

City Administrator Brian Haddix added that, "this refinanced bond will save the Successor Agency $2 million and the City directly $377,000 over the life of the bond. This is money that can be used to enhance services to the community."

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