



For Immediate Release: March 24, 2017  
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### **Standard and Poor's Upgrades City of Grosse Pointe to Highest Financial Rating**

The City of Grosse Pointe announced that Standard and Poor's (S&P) upgraded the City's bond rating to AAA, the highest possible bond rating. S&P undertook a rating review during the course of the City's preparations to issue \$2.2 million in water main replacement bonds and to refinance the City's existing parking structure bond at lower interest rates. The City was upgraded from AA+, the second highest rating, which the City has historically held.

"The upgrade reflects our view of the city's strong budgetary performance and strong management team that has facilitated the maintenance of very strong budgetary flexibility and liquidity," said S&P Global Ratings credit analyst Kathryn Clayton in S&P's March 22, 2017 announcement.

The 'AAA' rating is based on many factors, including strong management conditions with good financial policies and practices, strong budgetary performance, and a strong local economy. The City joins the ranks of only a few municipalities in the entire State of Michigan to share this rating.

Mayor Dale Scrace commented, "This upgrade is the recognition of financial directives from City Council including formal adoption of a stricter fund balance policy and approval of budgets that would increase reserves to at least 25% of its annual General Fund operating budget. It also reflects great management performance by the City Administration who have proposed and implemented fiscally responsible budgets that consistently delivered high-quality local services without overspending budgeted allocations. Despite the economic challenges of the Great Recession, the City's conservative financial approach has worked for the community and it is great to have S&P recognize our financial performance."

The 'AAA' rating represents an independent and trusted validation of the City's excellent financial stewardship of taxpayer resources," indicated Pete Dame, Grosse Pointe's City Manager. "It would have been hard to imagine this upgrade in 2009 and 2010 while we endured a significant reduction of tax base and restructuring of City operations necessitated by reductions in revenue. Every employee, elected official, citizen, and business in our community should be proud of this accomplishment and deserve a big 'thank you' for their contributions to ensure that the City came out of this experience on a sound financial footing."

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