



ST. MARY'S COUNTY GOVERNMENT
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NEWS RELEASE *for Immediate Release*

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St. Mary's County's AA+ Rating Affirmed

Fitch deems overall fiscal outlook "Stable"

Leonardtown, MD – As part of its routine surveillance review Fitch Ratings has affirmed St. Mary's County's AA+ credit rating on \$70.5 million of outstanding unlimited tax general obligation bonds. The bonds are used primarily to fund school construction but have also paid for road construction and improvements at public facilities.

Though the county is not selling bonds at this time, the review is not considered uncommon. Rating agencies typically update their review whenever a county has not sold bonds in a few years. Fitch last issued a review of the county's rating in 2013. The last issuance of new bonds by the county was in 2009. The rating agency noted the likelihood that a moderate amount of bond issuance would be likely to fund the county's capital needs in FY2017.

In its review Fitch pointed to the county's "healthy reserves and budgetary flexibility," "low debt, modest pension liability" and "economic base concentrated in the military" as key rating drivers. Fitch also took note that the county has consistently maintained a separate reserve to preserve its bond rating at 6% of general fund expenditures and a constant \$1.625 million rainy day fund. In addition, a minimum unrestricted fund balance policy of 15% of general fund revenue was established in August 2015.

"This is very good news. A strong, positive rating confirms that our conservative fiscal policies and practices are sound," said County Administrator Dr. Rebecca Bridgett.

The agency also pointed out the county's careful management of its capital spending program, issuance of debt and rapid amortization of debt. Fitch concludes the county is on track to reduce 86% of its current outstanding debt within 10 years and debt service represents a low 5% of governmental spending.

"This report is another indication of how county government and the Commissioners of St. Mary's County continue to be good stewards of the taxpayer dollar," said Commissioner President Randy Guy. "This review reaffirms our conservative approach to overall fiscal management as we continue to meet the needs of our ever growing community."

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