



NEWS RELEASE

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CONTACT: Peter Anderson / Peter.Anderson@erie.gov or Bryan Fiume /Bryan.Fiume@erie.gov
Phone: (716)858-8500 / Mobile: (716) 270-7842 or (716) 858-4745 / Mobile: (716) 830-5801

ERIE COUNTY RECEIVES THREE STEP RATING UPGRADE FROM STANDARD & POOR'S

S&P Notes the County's "Consistently Strong Budgetary Performance"

Three Step Credit Upgrade will Lead to Savings as County Prepares to Enter Bond Market this Fall

ERIE COUNTY, NY— Wall Street rating agency Standard & Poor's ("S&P") has significantly upgraded Erie County's ("County") credit rating three steps to AA- and commented favorably on the County's fiscal management. Their report announcing the credit rating increase was released today. The AA- rating for Erie County is the highest rating the County has ever received from S&P and takes the county's credit rating for any rating agency to its highest level since July 2004, prior to the "Red-Green" fiscal crisis.

S&P conducted a routine analysis of the County's credit rating and noted many positive factors involving the County's finances that led to the rating upgrade. S&P cited the County's "strong budgetary flexibility that has remained consistent over time," "very strong liquidity, with strong access to external liquidity," "strong management, with good financial policies and practices in place," and the County's "strong debt and contingent liability profile, with limited exposure to fixed costs associated with pension and other postemployment benefit libation (OPEB) liabilities."

In a show of bi-partisan cooperation, Erie County Executive Mark C. Poloncarz and Erie County Comptroller Stefan I. Mychajliw jointly announced the ratings upgrade.

"As we all know locally, Erie County continues to experience strong fiscal results and a revived economy, and now Standard & Poor's has acknowledged that fact by upgrading the County's credit rating. In announcing its decision, S&P specifically highlighted my administration's prudent budgeting, our strong fiscal discipline, reduced expense, and a revived economy that is showing more diversity, significant progress and lower unemployment," **said Erie County Executive Mark C. Poloncarz.** "This acknowledgment from an independent Wall Street financial entity validates the hard work of my administration and our budgeting and fiscal practices."

Erie County Comptroller Stefan I. Mychajliw said: "I am proud to have worked with the administration to turn Erie County into a model of fiscal discipline. Our efforts to provide important services to the public at the lowest possible cost have paid off. This ratings upgrade is the fruits of the County Executive and County Comptroller working together for taxpayers."

Mychajliw added, "Through vacancy savings and putting our banking services out to bid, my office alone will deliver more than \$1,000,000 in savings back to the taxpayer. This rating upgrade should further encourage stronger collaboration and cooperation amongst all public servants in county government. It is

my pleasure to make this announcement jointly with the County Executive. Our respective offices worked together preparing the documentation to receive an upgrade.”

Poloncarz concluded, “This rating upgrade to AA- is great news for the residents of Erie County and affirms the progress we have made over the past few years as well as the growing strength of the Buffalo and Erie County economy.”

The substantial, three-step rating upgrade could possibly lead to savings as the County prepares to re-enter the bond market later this fall. Earlier this year, the county executive directed the comptroller to conduct the County’s annual General Obligation borrowing for capital projects of approximately \$32.1 million.

Credit ratings help determine the interest rate and capacity at which Erie County can borrow money. After the rapid decline in Erie County’s credit ratings following the “Red-Green” Fiscal Crisis, the County had opted to allow the Erie County Fiscal Stability Authority to borrow on its behalf because of the interest savings associated with their superior credit rating. However, these upgrades could make it more economically feasible for the County to begin borrowing under its own authority once again like all other local governments and school districts including the City of Buffalo (which has a rating of A+ one step below Erie County’s new rating).

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