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## Press Release

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### City of Camanche S&P Bond Rating

In preparation for the City of Camanche issuing \$2.25M in bonds for an upcoming infrastructure improvement project, City officials agreed to seek a bond rating from Standard and Poor's Global. The professional assessment of the City's finances has resulted in an A+ rating from S&P.

The report from S&P finds Camanche's financial outlook as stable citing cash balances, economic development, installment of a Capital Improvement Plan, a proposed urban renewal area for economic development, and standard investment practices as being highlights of what brings Camanche to its A+ rating. The report also notes strong financial performance in spite of recent natural disasters including the 2019 flood and the 2020 derecho, as most expenditures were recovered through FEMA requests for funding. Also highlighted in Camanche's report were balanced budgets or surpluses which ensure reserves will remain at strong levels. Property tax base stability and continued construction has created a stable environment. "We also expect budgetary flexibility to remain strong and liquidity to remain very strong" according to the report.

Managing the City's debt is another aspect of the positive rating. The manner in which the debts have been approached have low liability and "do not pose a liquidity risk". The rapid amortization by which the City has scheduled its debt repayments offsets any outstanding liabilities including pension contribution increases and any outstanding employee benefit obligations.

The City could improve its rating by creating more positive cash flow to certain proprietary funds, adopting other policies concerning fund balances, and addressing environmental, social and governance (ESG) issues. The City's rating could lower if additional debt issuance results in obligations of exceptionally high levels or the budgetary flexibility were to decline due to one-time expenditures.

The City is grateful to the elected officials, staff and citizens for making this situation possible. The A+ rating will enable the City of Camanche to offer the assurance to creditors that debts issued by the City have sustainable finances to repay those debts. The assurance will provide the City with better than average interest rates. This will allow Camanche to continue to move forward with projects and plans as established and directed by the Camanche City Council.