

## Town of Kennebunk Receives AAA Bond Rating

### Town Receives Highest Rating Possible from Standard & Poor's

#### Posted Date:

5/23/2013

KENNEBUNK, ME – Standard & Poor's announced today that the Town of Kennebunk received the highest rating from Standard & Poor's Rating Services. Standard & Poor's issued its highest rating of "AAA" reflecting an unbiased assessment of the credit worthiness of debt obligation in the public financial market. The higher the rating, the stronger the borrowing power and the lower the interest rates available to municipalities.

Four key factors are used by Standard & Poor's to rate the Town's debt issues. The Economy is a factor, which includes demographics, employment base, property values and taxpayer composition. Another major factor is Management, which includes policies and procedures, strategic planning, ability to achieve budget targets, management experience and continuity. The third major factor is Financial, which includes budget practices, investments and fund balances. The final major factor is Debt, which includes debt ratios such as debt per capita, debt to real estate values, capital needs planning and legal debt limits.

A simple representation of savings between an AAA and AA+ rating would be \$1,800,000 over the life of \$100 million in bonded debt and \$4,800,000 when compared to an A rated locality in interest (savings variable to prevalent rates).

The rating agency, in the most recent review, noted the following in their reports on Kennebunk's rating:

- Diverse local economy, with additional access to the greater Portland metropolitan statistical area (MSA);
- Stable property base with extremely strong wealth and very strong incomes;
- Very strong available general fund balance bolstered by a sizable committed balance that could be used for operations;
- Limited pension and other postemployment benefit (OPEB) liabilities;
- Low debt burden with limited capital needs and;
- Conservative budgeting and fiscal management policies;
- Consistently strong financial performance;
- Low debt burden and;
- Strong management practices.

"We are proud to be the only Town in Maine, and just one of 213 localities in the Country to receive AAA stable rating from Standard & Poor's" said Town Manager Barry A. Tibbetts. "We have a great management and financial team, which is an incredible asset for the community. The big win from this AAA rating allows the Town to borrow money at a lower interest rate, which in turn saves taxpayers' money on much needed capital improvements."

## Current Long-term Bond Ratings (Maine)

<u>Municipality Name</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>	<u>Municipality Name</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>
Alfred	NR	AA-	Presque Isle	A1	NR
Auburn	Aa3	AA-	Saco	Aa3	AA-
Augusta	NR	AA	Scarborough	Aa3	AA
Bangor	Aa2	AA	Skowhegan	NR	BBB+
Bar Harbor	Aa2	AA	Somerset Cnty	Aa3	A
Bath	A1	AA-	South Berwick	A1	NR
Berwick	NR	A	South Portland	Aaa	AA+
Biddeford	Aa2	AA-	St. George	NR	A-
Brewer	Aa3	AA-	Topsham	NR	AA-
Brunswick	Aa2	AA	Waterville	Aa3	A+
Bucksport	NR	A-	Wells	Aa2	AA
Cape Elizabeth	Aa1	AA+	Westbrook	Aa3	A+
Casco	NR	A+	Windham	Aa2	AA-
Castine	Aa3	NR	Winslow	Aa3	AA-
Cumberland	Aa3	AA	Winthrop	A1	A+
Cumberland Cnty	Aa1	AA+	Yarmouth	Aa2	AA
Ellsworth	Aa3	AA-	York Cnty	NR	A
Fairfield	NR	BBB	York	NR	AA+
Falmouth	Aa1	AA+			
Farmington	NR	A	<b><u>Enterprise District</u></b>		
Farmington Vlg Corp	NR	A-	Auburn Sewer Dist.	NR	A+
Freeport	Aa2	AA+	Auburn Water Dist.	A1	A+
Gorham	Aa2	AA	Bruns&Tops WD	Aa3	A+
Gray	Aa2	AA	Linc-Sag Jail Auth	NR	A
Hallowell	NR	A+	Freeport Swr	Aa3	NR
Hancock Cnty	Aa2	AA	Houlton WC	A1	NR
Hermon	A1	AA-	Kenn WD	A1	NR
Kennebunk	Aa2	AAA	Ken Lt & Pr	Aa3	A-
Kittery	Aa2	AA	Ken Swr	Aa3	NR
Knox Cnty	Aa3	AA	MSAD #51	Aa3	AA
Lewiston	Aa2	AA-	Portland Jetport	Baa1	BBB+
Madison	NR	BBB	Portland Wtr Dis	A1	A-
Manchester	NR	AA-	RSU No. 23	A2	A
Monmouth	A2	NR	Yarmouth WD	Aa3	A+
New Gloucester	Aa3	AA-	ecomaine	NR	AA
North Berwick	A1	NR			
Old Orchard Beach	Aa3	A			
Orono	Aa3	A+			
Oxford	NR	AA-			
Paris Twn	NR	A+			
Pittsfield Twn	NR	A			
Portland	Aa1	AA			

May 24, 2013