



City of Placentia Press Release

For Immediate Release

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**Contact: Damien R. Arrula
City of Placentia
(714) 993-8117**

Placentia's Credit Rating Increases Indicating Improvements to Financial Management

PLACENTIA, CA – The City is pleased to announce Standard & Poor's (S&P) Global Ratings has taken a positive rating action and assigned its 'A-' issuer credit rating to the City of Placentia with a 'positive outlook.' S&P is a leading provider of transparent and independent credit ratings worldwide. This is a two notch increase from the City's previous credit rating of 2019.

The City's S&P issuer credit rating is a forward-looking opinion about the City's overall creditworthiness and focuses on the City's capacity and willingness to meet its financial commitments. The City's issuer credit rating category of 'A-' demonstrates S&P's belief that the City has a strong capacity to meet its financial obligations. The 'positive outlook' reflects S&P's view that the City has continued to make strides in improving its credit quality.

"The City of Placentia is thrilled about this recent credit rating increase," said Mayor Ward Smith. "It truly is a testament to the hard work and dedication to our strengthened financial policies and prudent fiscal management."

S&P also recognizes the potential to raise the City's Issuer Credit Rating multiple "notches" above the 'A-' level should the City's strengthened policies and practices become further embedded and institutionalized. Per S&P, these improvements, coupled with firm economic and liquidity profiles, anchor the City's overall credit profile at a higher rating level, indicating that previous credit quality constraints driven by past management and financial challenges have eased.

In addition to the issuer credit rating, S&P also assigned a new rating and upgraded multiple issue ratings for the City, including:

- Upgraded the 2011 Gas Tax Bonds from an 'A-' to an 'A'
- Upgraded the 2003 COPs from a 'BBB' to a 'BBB+'
- Affirmed the 2020 Placentia Public Financing Authority Lease Revenue Bonds of 'BBB+'

"This rating upgrade is a strong indication that investors recognize that Placentia has positively turned the corner and that the City's financial future is bright," said City Administrator Damien Arrula. "It is a clear reflection of Wall Street's confidence that the City is investing in projects and programs that positively serve the community and that Placentia is continuing on an upward trajectory."

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