

Town of Brookhaven Credit Rating Affirmed by Standard & Poor's at AA+ and Revises Its Outlook to Positive

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Town commended for "very strong management with strong financial policies"

Farmingville, NY - Supervisor Ed Romaine is pleased to report that the Town of Brookhaven has received an affirmation of its credit rating from Standard & Poor's (S&P). Standard & Poor's also has revised its Outlook from Stable to Positive. The credit rating was issued in conjunction with the Town's planned \$96.3 million in bond sales scheduled for February 20, 2014.

Last week, Moody's Investor Services also affirmed the town's credit rating of Aa2 with a Stable Outlook. Both ratings are in the top tier of the agencies ratings categories and considered high quality investment grade. A town's credit rating is an important and reliable indicator of its fiscal health determined by independent and objective fiscal monitors. A higher credit rating saves the town money on its borrowings in the form of lower interest costs.

Supervisor Ed Romaine said, "Our financial team has worked long and hard to fine tune our conservative fiscal policies which have resulted in the re-affirmation of our high credit rating from both agencies," said Supervisor Romaine. "The real winners are the taxpayers who will save millions of dollars in the years ahead and also see their money spent more wisely than in the past. I'd like to thank Commissioner of Finance Tamara Wright, Chief of Operations Matt Miner, Sole Assessor Jim Ryan and Councilman Dan Panico for the work they have done in the strong management of the Town's finances."

"The Town of Brookhaven is well positioned for significant economic growth and through the strong management policies which we have enacted, both S&P and Moody's have affirmed our high investment grade bond ratings," commented Brookhaven Town Councilman Dan Panico. "We will continue our work to run an efficient and effective government that keeps costs in check while delivering for the residents and taxpayers of the Town."

Councilwoman Jane Bonner, who serves as Town Board Liaison to the Finance Department said, "Both rating reports show that the fiscal policies of the last year have made the Town's finances much stronger. I look forward to working with the Supervisor and the Commissioner of Finance to further improve our financial position and continue moving the Town in the right direction."

In affirming their AA+ rating, S&P revised their outlook from 2013's "Stable" to "Positive" for 2014, and noted that they "view the town's management conditions as very strong, with strong financial practices combined with a consistent ability to maintain balanced budgets." Their positive outlook also reflects a view that "Brookhaven's budgetary performance may strengthen over the two-year horizon, while the town's debt and contingent liability position is held at least constant."

The S&P report also indicates that Brookhaven's economy is "very strong" and noted that "several near- and medium-term economic development projects, including a transit-oriented redevelopment project (the Ronkonkoma hub), should aid in the future growth of the tax base."

In addition, S&P's AA+ rating and "positive outlook" reflects their opinion of the town's:

- Very strong economy, which benefits from participation in the broad and diverse New York - New Jersey economy;
- Very strong budgetary flexibility with 2012 audited general fund reserves at 34.1% of general fund expenditures;
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures; and
- Very strong management with strong financial policies with a consistent ability to maintain balanced budgets.

In re-affirming their Aa2 bond rating, Moody's noted that "the stable outlook reflects our belief that the town's financial position will remain satisfactory given its solid policies and still strong fund balances across most of the town's operating funds. The outlook also incorporates our expectation that management will continue to move the town's budgeting practices towards operational balance and end the reliance on the use of reserves to balance the budget." They identified the Town's strengths as a "large tax base with average regional wealth levels" and that the Town's "significant institutional presence provides workforce stability."

"These ratings confirm that the town is on the right path to fiscal stability," said Supervisor Romaine. "I will continue to pursue the fiscal discipline necessary to move the Town of Brookhaven forward and to make sure the taxpayers are protected during these tough economic times."

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