



NEWS RELEASE

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S&P, Moody's reaffirm Town of Vienna's AAA rating

Noting Vienna's strong economy and the Town's strong management and good financial policies and practices, S&P Global Ratings and Moody's have reaffirmed the Town of Vienna's AAA/Aaa bond rating with a stable outlook. These ratings are the highest available and have been maintained by the Town of Vienna since 2010.

The Town sought the reaffirmed ratings as it plans to issue \$34.5 million in general obligation bonds next month. These bonds will be used to fund construction of a new police station, anticipated property acquisitions, potential public parking facility, and parks master plan as well as stormwater improvements and water and sewer infrastructure improvements. Vienna's bonds, which typically are issued every two years to fund capital projects, are repaid utilizing meals tax and water and sewer revenues; neither real estate taxes nor any other general fund revenues are used for debt payments.

"Having the highest rating available," says Finance Director Marion Serfass, "ensures that the Town's debt offerings are attractive to investors and that we're able to borrow money at the most favorable rate. Ultimately, a higher bond rating saves the Town money."

In comments related to Vienna's economy, S&P says in its analysis: "[R]edevelopment efforts have spurred townhome and condominium construction as well as expansion of retail stores and restaurants, bolstering the Town's economic base as well as its meal tax revenue."

In its press release, Moody's says: "The Aaa rating reflects the Town's sizeable and growing tax base that benefits from its proximity to the District of Columbia..., above average resident wealth levels, a strong reserve and liquidity position supported by conservative fiscal management, and manageable debt and pension burdens."

S&P also noted the Town's very strong budgetary flexibility and liquidity, modest deficits, adherence to fund balance policy, and conservative budgeting practices.

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