NEWS RELEASE

TOWN OF VIENNA
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S&P, Moody's Reaffirm Town of Vienna's AAA Rating
Budgetary performance elevated from adequate to strong

Sound financial practices, a healthy fund balance and robust economic development helped lead to Vienna's latest AAA/Aaa bond rating from S&P Global Ratings and Moody's. The ratings made public last night are the highest available and have been maintained by the Town of Vienna for more than a decade.

The Town sought to reaffirm the ratings as it plans to issue $12.5 million in general obligation bonds next month. These bonds will be used to pay for sidewalks, paving, park improvements and water and sewer infrastructure. Vienna's bonds are typically issued every two years to fund capital projects and are repaid with meals taxes and water and sewer revenues rather than general fund dollars.

"The highest bond rating available means the Town can borrow money from investors at the most favorable rate," said Finance Director Marion Serfass. "The bottom line is the highest bond rating saves the Town money."

In its analysis of Vienna's economy, S&P said the rating reflects its view of the town's predominantly residential community with very strong wealth metrics, strong management with formalized and constantly adhered to financial policies, a robust and stable available fund balance, and a very strong institutional framework score among other favorable attributes.

Moody's noted that its Aaa rating reflects Vienna's sizeable and growing tax base stemming from continued growth through ongoing commercial and residential redevelopment. It also cited the benefits of Vienna's proximity to Washington, D.C. in its ratings rationale.

The Town's economic base remained strong throughout the pandemic with assessed values growing a cumulative 4% over the past five years. The strong financial standing is among the reasons the credit rating agencies elevated Town's budgetary performance from adequate in 2020 to strong this year.

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