

MEDIA RELEASE

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SUFFOLK ANNOUNCES IMPROVED BOND RATINGS

SUFFOLK, Va. (October 15, 2008) – As part of its City Council approved, multi-year Capital Program the City of Suffolk is moving forward with a roughly \$17.0 million General Obligation Bond Issue for General Government Capital Projects. Suffolk updated the national rating agencies as part of the bond issuance process.

As a result of progress the city has made over the past 18-24 months, all three national credit rating agencies have enhanced the City's credit ratings. The announcement was made at the Suffolk City Council work session this afternoon that Standard & Poor's has upgraded the City's rating to "AA" with a stable outlook. The rating was previously "A+" with a stable outlook.

Moody's affirmed the City's "Aa3" rating and removed the negative outlook and Fitch affirmed the City's "AA-" rating and enhanced the outlook from negative to positive.

Some of the factors that led to the upgrade as reported by Standard and Poor included "Suffolk's growing economy which continues to diversify, prudent financial management dedicated to maintaining strong financial performance goals, as evidenced by reaching its reserve target, among other comprehensive financial policies." The report also cited that "Suffolk's financial position has significantly improved as a result of strong management practices implemented by a new management team which came in two years ago."

Similar factors were reported by Moody's including "The City's new management team has exerted more effective financial control and adopted more prudent capital planning and borrowing procedures" and that the organization "anticipates that Suffolk will continue to effectively manage its financial position, growing reserves at a minimum in step with budgetary expansion, while maintaining positive operations in its various funds."

Representatives from the three agencies were in Suffolk in September for a tour. At that time, city staff highlighted the City's successful efforts in attracting new business and industry investment, retention and expansion of existing business and industry and the expansion and diversification of the tax base.

David Rose of Davenport Financial, who delivered the news to City Council, advised that increased ratings can mean savings of hundreds of thousands of dollars for Suffolk taxpayers. Mayor Linda Johnson was pleased that the improved ratings will provide a bottom line savings to the citizens in the city's annual borrowing cost. She advised that "the future of Suffolk is in good fiscal hands with the current administration." City Manager Selena Cuffee-Glenn credited City Council with the improvements in the credit ratings, advising "they are the result of diligent efforts and bold decisions by Council to shore up the financial practices of the city."

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