



Scenic Pacifica
Incorporated Nov. 22, 1957

CITY OF PACIFICA

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PRESS RELEASE

August 3, 2016

Standard & Poor's Upgrades City of Pacifica's Credit Rating

FOR IMMEDIATE RELEASE (Pacifica, CA) 3 August 2016 –

On July 26, 2016, Standard & Poors (S&P) Global Ratings raised the City of Pacifica's underlying credit rating from 'A-' to 'AA-'.

A rating of 'AA' differs from the highest-rated obligations (AAA) only to a small degree. This new rating means that the City's capacity to meet its financial commitment on the obligation is very strong. (A plus (+) or minus (-) sign can be added to show relative standing within the major rating categories.)

The re-evaluation of the City's rating occurred as part of re-funding existing certificates of participation (a type of bond). The impact of the rating upgrade is that the interest rate will be lower and yield an additional savings of approximately \$400,000.

S&P indicated that the following factors were taken into consideration in developing the City's new rating:

- the City's very strong economy;
- strong management, with "good" financial policies and practices;
- strong budgetary performance, with annual expenses being well within annual revenues in the general fund and at the total governmental fund level for the last fiscal year;
- adequate budgetary flexibility;
- very strong liquidity;
- strong debt and contingent liability position; and a
- strong institutional framework.

"We are very pleased that S&P recognizes the City's strong financial performance and improved management practices," said Assistant City Manager Lorenzo Hines Jr.

Standard & Poor's is a leading provider of financial market intelligence and one of the world's foremost sources of credit ratings, indices, investment research, risk evaluation and data. For more information, please contact Assistant City Manager Lorenzo Hines Jr., at (650) 738-7300 or via email at lhines@ci.pacificaca.us.

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