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# **Standard & Poor's Acknowledges City's Outstanding Financial Management Practices**

**The credit rating service reviews the City of Rancho Santa Margarita's general obligation debt along with 11 other municipalities in California.**

**Rancho Santa Margarita, CA** – Following a comprehensive review of credit strength, Standard & Poor's Ratings Services has raised the credit rating for the City of Rancho Santa Margarita from A+ to AA+. Various factors contributed to the increased credit rating, including economic data, financial metrics, administrative considerations and debt factors. The credit rating increase was one of only 12 municipal government credit rating increases granted statewide.

The key to achieving a higher credit rating, according to Standard & Poor's, is the ability to demonstrate stability, both economic and financial. Standard & Poor's Credit Analyst, Paul Dyson says the City's "good financial management over the past several years have resulted in healthy general fund surpluses, and reserves." He goes to say that the reserves policy that was adopted last year requiring an emergency reserve of \$7 million or 41% of expenditures adds a substantial buffer or assurance.

"My City Council colleagues and I have been extremely proactive in gathering trend information and reviewing economic indicators so that we can align our revenue projections and anticipated expenses given the uncertainty of the current economic downturn," says Gary Thompson, Mayor for the City of Rancho Santa Margarita.

Dyson explains that even though the City is expecting a decline in sales tax and property tax revenue for the fiscal year 2009/2010, they have made the appropriate adjustments in expenditures. While cities across the state are struggling to make budget adjustments to accommodate economic conditions, the City of Rancho Santa Margarita is ahead of the curve.

"It is extremely gratifying that Standard & Poor's recognizes the hard work of City Council and staff in continuing to prudently manage the City's finances," shares Paul Boyer, the City's Director of Administrative Services.

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