



NEWS RELEASE

Board of Supervisors

June 4, 2019

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S&P Global upgrades County's credit rating to AA+

Citing prudent budgeting practices by the county and an improving county economy, one of the nation's top three credit rating agencies today upgraded San Bernardino County's credit rating from AA to AA+.

"This is a testament to the great work being done by our budget staff, our department managers and all County employees, who provide the public with a high level of service with efficiency and innovation," said Board of Supervisors Chairman Curt Hagman.

The County requested the credit review by S&P Global as part of a \$335.2 million dollar refunding of outstanding debt approved by the Board of Supervisors last month. Based on current market conditions, the County expects the higher rating to help save over \$30 million dollars on that refunding alone.

In its notification to the county, S&P Global cited a strengthening local economy as part of the reason for the upgrade, particularly employment growth, a rise in retail activity and rebounding real estate values.

It also praised the County for using "fiscal discipline" in the face of surging tax revenue from the improved economy.

"We view the county's management as very strong, with strong financial policies and practices," S&P wrote in its notification to the County. "We view the county's budgetary flexibility as very strong. ... Management reports that stronger tax revenue and continued actions to reduce expenditure growth contributed to a rebound in general fund performance in recent fiscal years."

Among the specifics S&P Global cited were:

- Strong budgetary performance, with operating surpluses at the general fund and the total governmental fund levels in fiscal 2018.
- Very strong debt and contingent liability profile.
- An analytically robust budget development process that uses trends and forecasts to build assumptions with input from local economists, and a budget document that includes details on assumptions to support decision-making by the Board of Supervisors.
- Quarterly budget updates to the Board of Supervisors that include details on year-to-date revenue and expenditures.
- Good debt disclosure online and in annual financial reports as well as a debt policy that is integrated with the strategic plan.

