



COUNTY OF MARIN

NEWS RELEASE

Contact: Gary Burroughs
Interim Director of Finance
(415) 499-7133
www.co.marin.ca.us

FOR IMMEDIATE RELEASE

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MARIN COUNTY'S HIGH CREDIT RATING REAFFIRMED BY FITCH RATINGS *Rating reflects County's "strong and consistent financial position"*

San Rafael, CA – Fitch Ratings, a global debt rating agency, announced today that, in the course of routine review, Marin County has maintained an excellent credit rating.

“The credit rating released today by Fitch Ratings confirms Marin County's prudent financial management and its ability to respond early and appropriately to the economic downturn that has affected our community and the entire nation,” said Board President Susan Adams. “It's gratifying to know that financial professionals among the major credit rating agencies appreciate the quality of our efforts and Marin's resulting financial stability.”

The ratings are the highest level that the County could have obtained. Specifically, the County's \$112.3 million 2003 pension obligation bonds (POBs) and its \$12.2 million 2001 certificate of participation (COP) were both rated “AA+”. These ratings confirm similar ratings by S&P and Moody's over the last one to two years. The County does not have any general obligation (GO) bond debt, but Fitch notes that such debt would be rated “AAA” per its “implied GO rating.”

Fitch writes, “The 'AAA' implied GO rating reflects the county's strong and consistent financial position, achieved through sound management practices and ability to match revenue

declines with spending cuts." Fitch also noted that "direct debt levels are very low at \$876 per capita and 0.4% of Assessed Valuation."

Fitch was impressed with the County's response to the projected \$20 million FY 2010-11 operating gap, noting that "the county eliminated 90 positions, about 70 of which were vacant, and initiated a voluntary separation incentive program and the county expects to end fiscal 2011 with a general fund balance similar to the prior year. The county estimates a \$5.6 million structural gap in fiscal 2012 due to revenue declines and increased pension costs. The Board of Supervisors has approved reductions to close the gap including elimination of 60 positions, 35 of which are vacant as well as the continuation of the voluntary separation incentive program. Service reductions will reportedly be limited."

The Fitch Rating report can be found at:

<http://www.businesswire.com/news/home/20110518007174/en/Fitch-Affirms-Marin-County-CAs-POBs-COPs>

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