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NEWS RELEASE

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Dubuque Bond Rating Upgraded by Moody's

DUBUQUE, Iowa – Moody's Investors Service announced Friday it upgraded the rating on a City of Dubuque bonds series from A3 to A2. The rating applies to the City's Sales Tax Increment Revenue (Annual Appropriation Property Tax Supported) Senior Bonds Series 2015A, which represent nearly \$18 million in bonds issued to support the Bee Branch Watershed Flood Mitigation Project.

Moody's says issuers or issues rated A present "above-average creditworthiness relative to other U.S. municipal or tax-exempt issuers or issues." Moody's report said the upgrade concludes a review of the rating conducted following a July 2016 revision of Moody's rating methodology. It also stated the rating change "reflects the City's moral obligation pledge to consider appropriating from its debt service levy to replenish the debt service reserve if it is drawn upon." Moody's also said the change reflects the "more essential nature of the financed projects, which were flood mitigation projects." The new rating is also based on the adequate debt service provided by pledged sales tax revenue, projections of which are expected to provide 2.5 times the maximum annual debt service.

Moody's municipal ratings are based upon the analysis of four primary factors relating to municipal finance: economy, debt, finances, and administration/management strategies. According to Moody's, "issuers or issues rated Aa demonstrate very strong creditworthiness relative to other U.S. municipal or tax-exempt issuers or issues."

Specifically, the bonds affected by this rating upgrade are being used to fund costs associated with the lower Bee Branch creek restoration (phase 4) and the upper Bee Branch creek restoration (phase 7), the flood mitigation gate replacement (phase 5), flood control maintenance facilities (phase 9) and north end sewers (phase 10), and the related costs for property acquisition, engineering and design, and other professional services.

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