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PRESS RELEASE

City of Sumner Receives Bond Rating Upgrade to A+

Sumner, WA— This week, Standard and Poors upgraded the City of Sumner's general obligation debt bond rating from A to A+. This upgrade was done in conjunction with the City refinancing some existing debt. The bond rating is a reflection of several factors including the City's credit history, the local economy and growth potential, existing debt structure, City financial condition, and the management practices of the City. The improved rating helps reduce the cost of borrowing money, including bond insurance and the interest rate.

More specifically, the factors that influenced Sumner's upgraded rating were

- the expanded tax base resulting from about 1,200 acres of industrial land,
- limited amount of general obligation debt
- the City's new financial policies and controls on operations and investments, and
- the establishment of contingency and operating reserve funds.

General obligation debt is borrowed money that is used for capital projects and is secured by the City's general tax revenues. The only general obligation debt for Sumner is the recent expansion of City Hall and the construction costs associated with the Sumner Meadows Golf Course. Both are being paid without an increase in taxes, with the golf course paying the majority of the debt service from user fees.

Mayor Dave Enslow said, "This bond upgrade recognizes the work that everyone does to continue to raise the bar in Sumner. It is excellent to see that in this economy, Sumner can receive such an upgrade."

The current refinance is for the two outstanding bond issues and will refinance about \$4.4 million at a lower interest rate for an estimated savings of about \$225,000 over 10 years. The actual interest rates and exact savings will be determined by the bond market by the end of the day on Monday, June 2, 2008.

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