

## **City of Kyle Receives Bond Rating Upgrade to “AA-” from Standard & Poor’s**

Standard & Poor's Ratings Services has upgraded the City of Kyle's long-term rating and underlying rating for the City's general obligation (GO) debt one notch from “A+” to “AA-” for the issuance of \$1.86 million in debt for the purchase of various capital items for the city.

The City of Kyle is issuing the debt in order to purchase much-needed capital items. These items include police vehicles, public works vehicles, technology upgrades, water storage tank rehabilitation, and portable defibrillators for city facilities.

The rating agency's thorough evaluation and due diligence process that resulted in the “AA-” rating for the City of Kyle included the following primary factors:

- Adequate economy,
- Very strong budgetary flexibility,
- Adequate budgetary performance,
- Very strong liquidity,
- Strong management conditions,
- Very weak debt and contingent liabilities, and
- Strong Institutional Framework.

“The City Council and City staff have worked together to develop and implement sound fiscal policies that result in our improving bond rating,” said Kyle Mayor Lucy Johnson. “Issuing debt is always an important decision for any council and we give these decisions a lot of careful thought. We only move forward with it when we confirm that the funds are investments to our city in terms of needed infrastructure or service delivery. The vehicles and equipment being purchased with these funds will directly benefit our citizens through improved customer service, important infrastructure upgrades, and a more efficient operational status for our equipment.”

The debt being issued to allow the city to catch up on capital purchases that have been delayed due to the national economic downturn of the past few years. Even during the downturn, the City of Kyle has continued to see growth in its economic base, but at a slower rate than previously experienced. That growth has accelerated over the past year giving the City more resources to work with.

Congratulations to our Mayor and Council, City Manager, and the entire City staff,” said Perwez Moheet, City of Kyle Director of Finance. “Our Council policy directives, management efforts, and the vast improvement in the City's financial position over the past three years have all contributed in the ratings upgrade today from S&P.”

### **Supporting Documents**

 [S&P Report - Kyle](#)

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