

*A Wonderful Place*

Moody's Investor Service affirms City's credit rating - removes negative outlook

On June 17, 2016, Moody's Investors Service affirmed the City of Park Ridge's existing general obligation tax rating at Aa2 for \$39.1 million of Moody's rated debt. Although the rating remained the same, Moody's removed the "negative outlook" imposed back in 2012 when it downgraded the City's rating from Aa1. That negative outlook had raised the possibility of further rating downgrades.

The Aa2 rating reflects the city's stabilizing, moderately-sized tax base with an affluent demographic profile; improved financial position characterized by recent operating surpluses and healthy reserves; manageable debt burden; and above average pension liabilities.

"There is still plenty of work to be done, however the removal of the negative outlook by Moody's is affirmation that the City is moving in the right direction financially", stated Acting City Manager Gilmore. He continued, "Under the direction of City Council, with hard work from City Staff and the support of the community we now have a solid financial base to build upon."

This positive action by Moody's is the product of a financial philosophy introduced by the City's late Mayor Dave Schmidt and carried forward by the City Council that combined prudent austerity with reasonable – but not painless – tax and fee increases.

This good news, however, is not without lingering concerns by Moody's over possible weakening of the City's tax base valuation (*i.e.*, its property values), excessive spending that would reduce the fund balances that have been rebuilt with operating surpluses, and a growth in the City's debt or pension burden.

Although the City Council has led the way on this reform philosophy that the City Staff has capably implemented, credit also must go to the City's taxpayers who have contributed the extra tax and fee revenues while accepting the various economies necessarily imposed on City services.

"This is a hard-fought win for the entire City and all of its people, stretching from City Hall to the City's borders." said Acting Mayor Marty Maloney in response to the Moody's update. "Our next goal is to raise the rating itself."

[« Back to News](#)

www.parkridge.us

Park Ridge City Hall, 505 Butler Place, Park Ridge, IL 60068 | (847) 318-5200 | Hours: Mon - Fri: 8:00am - 5:00pm

© 2010 City of Park Ridge. All Rights Reserved.