



For Immediate Release

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S&P MAINTAINS MACOMB COUNTY'S AAA BOND RATING

Macomb County Executive Mark A. Hackel today announced that Standard & Poor's (S&P), a leading Wall Street bond rating agency, has affirmed Macomb County's AAA bond rating and has given the County a "stable outlook."

"I am very pleased with our rating," Hackel said. "We are going against the grain considering the downward trend for other government entities in our region and across the country."

Hackel noted that the AAA rating is the highest given by S&P and indicates that Macomb County has an extremely strong capacity to meet its current and future financial commitments.

The rating affirmation is based on a recent conference call between S&P analysts and members of the County's Finance Department and Public Works Department. "It reflects the agency's recognition of the County's strong budgetary and fiscal management practices," Hackel said. "S&P has given Macomb County a strong vote of confidence in the County's ability and approach to managing its financial operations."

He saluted Public Works Commissioner Anthony V. Marrocco and Treasurer Ted Wahby for their astute financial leadership and their steady hands in challenging economic times.

"S&P has acknowledged our strong strategic direction and strict financial controls," Hackel said. "This rating gives us the ability to obtain the lowest interest rates possible in the bond markets if needed."

For example, the AAA rating means taxpayers will pay less interest to finance bonds on construction projects, such as the Public Works Department's upcoming \$30 million Clintondale Pump Station improvement project in Clinton Township.

"It's real great news that we have been reaffirmed as having an AAA rating," said Public Works Commissioner Marrocco. In the 60 years that Macomb County has been pledging its full faith and credit behind drain bonds, no local municipality has ever defaulted on a bond payment and the County has never had to advance funds for a debt service payment. "Our unblemished bond payment record over six decades is a major factor in the S & P rating", added Marrocco.

The following is a summary of S&P's rationale for assigning Macomb County the highest possible rating:

- o Deep economic base and participation in the Detroit metropolitan area, though challenged by the current economic downturn and job losses;

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- Maintenance of very strong general fund reserve levels, despite challenges posed by this current revenue climate;
 - Strong management practices;
 - Additional liquidity found in the delinquent tax revolving fund; and
 - Moderate debt burden at \$3,336 per capita and 5.2 percent of market value, with limited future capital needs.

Hackel said S&P was also in favor of the County's new two-year budget cycle that is being implemented this year, noting that it will allow the County "to anticipate the short-term effects of financial decisions" as well as Treasurer Wahby's investment policy that generates quarterly reports on investment holdings and performance.

"The report clearly recognizes the economic challenges that we face in the future," Hackel said. "However, the agency believes our strong fiscal management and willingness to make budget adjustments to address any gaps created by an economic downturn positions us very strongly."

Macomb County is one of only three counties in Michigan and 67 nationwide to have the AAA rating.

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