NEWS FROM THE OFFICE OF
ADAM J. BELLO
MONROE COUNTY EXECUTIVE

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COUNTY EXECUTIVE ADAM BELLO ANNOUNCES CREDIT RATING UPGRADE, PROPOSED FUND BALANCE POLICY AND NO INCREASE IN TAX LEVY FOR 2024 BUDGET

S&P Global Ratings raises Monroe County's Bond Rating to AA, citing county's "consistently positive financial results" and "expanding economy."

ROCHESTER, NY — Monroe County Executive Adam Bello today announced Standard & Poor's Global Ratings last week upgraded Monroe County's long-term bond rating and its underlying rating (SPUR) from AA- to AA with a stable outlook. This reflects the county's highest credit rating since 2001 and is the second time S&P increased the rating during the Bello administration. This reflects the county's highest credit rating since 2001.

> "This upgrade is a validation of my administration's focus on responsible, common-sense budgeting that supports the four pillars of our ongoing recovery: public safety, public health, infrastructure and economic/workforce development," **said County Executive Bello**. "Higher credit ratings mean lower costs for critical projects that move Monroe County forward, when we can borrow at lower interest rates, we save taxpayer money. A strong credit rating is a reflection of market confidence in Monroe County's financial trajectory and disciplined stewardship of public dollars."

S&P attributed the better credit rating to significant growth in the county's reserves along with the agency's expectation that county officials will continue to "adhere to conservative financial policies, leading to balanced operations over the near term while also experiencing ongoing economic expansion."

S&P analysts also said the rating increase reflects their view of the county's:

- Expanding economy, centered on manufacturing, with significant employment in higher education and health care;
- Well-embedded financial management policies and strong institutional framework;
- Consistently positive financial results, leading to reserve growth we expect to continue; and
- Limited fixed cost pressure because of a stable debt profile, with low debt service costs and well-funded pensions.

This is the fourth time in the past two years that one of the big three credit ratings agencies lifted Monroe County's credit rating. S&P increased the credit rating from A+ to AA- in June 2021, Fitch Ratings Inc. bumped the bond rating to A+ in February 2022 and in October 2022, Moody's Investor Service raised the county's bond rating from A2 Stable to A1 Positive.

In all cases, the ratings agencies cited the county's conservative budgeting, strong fiscal management and growing fund balance as strengths.

Maintaining a healthy fund balance – the cumulative difference between the money the county has received and money it has spent over the years – is vital for long term financial planning. Fund balance allows the county to engage in multi-year financial projections and maintain consistent tax rates. Moreover, a sufficient fund balance provides the county with the ability to respond promptly to unforeseen emergencies, including natural disasters or economic downturns. This ensures taxpayers are shielded from abrupt tax hikes or detrimental cuts to essential services.

To maintain the county's strong financial footing, County Executive Bello is proposing the County Legislature adopt a fund balance policy that seeks to maintain an available general fund balance of approximately 10 percent of the total county budget.

> "Ten percent is a good number, a fair number and a number our financial team believes will position Monroe County for continued future success," **said County Executive Bello**. "Adopting this policy will make Monroe County more fiscally resilient, provide residents with longer-term stability in property tax and continue to show investors that Monroe County has its financial house in order."

In 2018, an audit by state Comptroller Thomas DiNapoli revealed Monroe County's precarious financial situation. The county was on the brink of insolvency, resorting to short-term borrowing to cover deficit cash balances. Furthermore, its fund balance had dwindled to around 0.1% of total spending.

Each of the Bello Administration's three previous fiscally responsible, common-sense budgets has allowed for fund balance growth while including property tax rate decreases and continuing strong investments in the pillars that support the county's post-COVID recovery: public safety, public health, infrastructure and economic/workforce development. Currently, the county's current property tax rate of $7.56 per $1,000 of assessed value is the lowest it has been since 1947.

County Executive Bello also announced today that his upcoming spending plan will not increase the tax levy over 2023 levels. The 2024 budget is still in development, making it impossible to provide a precise amount for any proposed tax rate reduction at this time.

> "These increases in our county's credit rating prove we're on the right financial path," **said County Executive Bello.** "A fund balance policy will ensure we stick to that path long into the future. And, because of our strong financial footing, we are able to hold the tax levy flat in 2024 for the first time in more than two decades. I am proud of our progress and

remain committed to responsible financial management and the continued success of Monroe County."

County Legislature Majority Leader Steve Brew said: "Protecting taxpayers is not only about keeping more money in the pockets of local families - it is also about safeguarding every dollar that is collected**.** Establishing a proper Fund Balance Policy will ensure your government is prepared for changing economic conditions, shifting state funding policies, or any catastrophic event. As we have seen over the last several years of inflation, State intercepts of Medicaid and other dollars, and government-imposed revenue loss through business closures - planning for uncertainty is more important than ever before. I am proud to support this legislation to ensure that your hard-earned tax dollars are never wasted or misused no matter what scenario we face."

County Legislator Howard Maffucci said: "For too long, Monroe County wasn't just broke, it was broken. Today's announcement of yet another credit upgrade for the county, coupled with formalizing a fund balance policy and holding the tax levy flat in 2024, demonstrate clearly County Executive Bello's commitment to responsible budgeting. That is what is necessary to correct years of fiscal mismanagement. I am proud to support his efforts and will continue to work with him to ensure the county's fiscal condition is strong and can fund the services county residents pay for and expect for years to come."

County Legislator Dave Long said: "The improved financial outlook of our county is proof we can be fiscally responsible while also making progress in so many areas. I'm proud to partner with County Executive Bello to improve the financial resiliency of Monroe County as well as the quality of life for all residents."

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