



# NEWS

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## **Moody's Reaffirms Montco Bond Rating, Revises Outlook**

**Norristown, PA (August 19, 2013)** – Moody's Investors Service late Friday affirmed Montgomery County's Aa1 bond rating saying that it reflected the county "management's efforts over the past year to grow recurring revenues, control costs and improve long-term budgeting procedures."

At the same time, however, Moody's revised the county's outlook from stable to negative, basing that decision on what it called "the county's narrow financial position following several years of operating deficits, including a larger than projected deficit for fiscal 2012."

In its outlook, Moody's said the county suffered "significant operating deficits in fiscal years 2008 through 2012, driven largely by structural imbalances that the county began to close in fiscal 2012." It went on to explain that the new county administration employed "a variety of cost reduction measures that resulted in a more modest operating deficit in fiscal 2012 than in several prior fiscal years."

"We are not at all surprised by either of Moody's actions today," said Uri Monson, the county's chief financial officer. "Moody's reaffirmed our rating, because they know that we are aggressively and systematically addressing the problems we inherited, but they also know that our road has not been an easy one to traverse, and these challenges will not be solved overnight."

"We are emerging from a deep financial hole. We are weathering steep funding cuts by the state. Real estate transactions such as the sale of our Human Services Center and One Montgomery Plaza, which will significantly enhance our position, are still pending," Monson said. "It is also worth noting that the market still priced us as if we had a AAA rating when we did our recent borrowing."