



The Honorable Mayor Shaunna O'Connell

City of Taunton  
Standard and Poor's Results  
&  
Financial Policy Introduction

Presented by the Finance Department  
Office of the Mayor  
12-6-22

# Update City Officials and Residents

- ▶ Objectives
  - ▶ Update on results of most recent S&P Rating
  - ▶ Break Out of S&P Report
  - ▶ Introduction of City-wide Finance Policies
  - ▶ Team Accomplishments

# Standard & Poor's Credit Highlights

## ▶ Credit Highlights

- ▶ **S&P Global Ratings raised long-term rating to “AA+” from “AA”**
  - ▶ Regional Leader amongst cities
- ▶ **Upgrade reflects formalization of several financial policies**
  - ▶ Mayor O’Connell adopted policies brought forward by Finance Dept
- ▶ **Strength in financial performance**
  - ▶ Conservative revenue estimates and improved budgetary controls
- ▶ **Steady growth in City's reserves**
  - ▶ Very strong level of Reserve to Budget ratios

# Accomplishments

- ▶ **Increased Rating of AA to AA+**
  - ▶ **O'Connell Administration formalized Financial Policies**
    - ▶ First time in City's history - direct impact to rating
    - ▶ Policies to be ratified by Council in near future
  - ▶ **Strength in financial performance**
    - ▶ Modification to carryforwards
    - ▶ Plan for OPEB
  - ▶ **Steady growth in City's reserves**
    - ▶ Maintaining stabilization at 3-10%
    - ▶ Specific Stabilization Fund establishments

# Consolidated Financial Policies

- ▶ Budget Policies
- ▶ Revenue Policies
- ▶ Capital Improvement Plan
- ▶ Financial Reserve
- ▶ Debt Policies
- ▶ Receipt and Turnover Policy
- ▶ OPEB / Investment Policy
- ▶ Credit Card Policy
- ▶ Accounts Payable
- ▶ Procurement / Surplus
- ▶ Contract Procedures
- ▶ Future Financial Policies

# Impact on the City

## ▶ **FACTs**

- ▶ Taunton now Regional Leader amongst cities
- ▶ Reduction of Interest Rate
- ▶ Major Milestone for City of Taunton

## ▶ **Next Steps**

- ▶ Maintain Financial Strength
- ▶ Continuous Improvement
- ▶ Work to get to AAA

# Comments and Considerations

- ▶ Mayor O’Connell’s leadership placed City in best financial position of its time according to S&P

Ratings Detail (As Of September 23, 2022)		
Taunton mun purp st qual loan bnds		
<i>Long Term Rating</i>	AA+/Stable	Upgraded
<i>Underlying Rating for Credit Program</i>	AA+/Stable	Upgraded
Taunton GO st qual mun purp ln bnds		
<i>Long Term Rating</i>	AA+/Stable	Upgraded
<i>Underlying Rating for Credit Program</i>	AA+/Stable	Upgraded
Taunton GO NONSCHSTPR		
<i>Long Term Rating</i>	AA+/Stable	Upgraded
<i>Underlying Rating for Credit Program</i>	AA+/Stable	Upgraded

- ▶ City’s finances under management environment that welcomes constant improvement
  - ▶ Best idea wins the Day
- ▶ Thank you, City Council, for continuous support in advancing the City