



OFFICE OF THE COMMISSIONERS AND MANAGER

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Media Release

Union County Debt Ratings Raised

November 10, 2015, Monroe, NC – Citing strong fiscal management marked by healthy reserve levels and a conservative approach to budget development, Fitch Ratings (Fitch), has raised its long-term and underlying ratings on Union County’s general obligation (GO) debt to AAA from AA+. The AAA rating is the best rating available to municipal debt issuers. Fitch raised its long-term and underlying ratings on the county’s limited-obligation bonds and certificates of participation (COPs) to AA+ from AA. The outlook on all the ratings is stable.

Key rating factors Fitch identified to establish Union County’s ratings increase include:

1. **Strong Financial Profile** – The rating upgrade reflects the county’s strong financial profile including revenue and spending flexibility as well as robust reserves. A recent court ruling eliminated the risk of a potential financial burden on the county related to school capital projects. The school board’s appeal was struck down.
2. **Moderate Overall Debt Profile** - Overall debt levels and total carrying costs remain moderate. Pension and other post-employment benefit (OPEB) costs are modest and do not pressure financial operations.
3. **Favorable Economic Indicators** – The county’s economy benefits from the broad employment base of the city of Charlotte in adjacent Mecklenburg County. Wealth levels continue to exceed national averages. Unemployment is low relative to state average.

A complete copy of Fitch’s release can be viewed [here](#).

“The upgrade validates the direction and steps the Board has taken to ensure the fiscal sustainability of the organization,” said County Manager Cindy Coto.

An upgraded rating will reduce the interest cost to the County on future debt issuances, translating into reduced costs for the tax payers of Union County. Union County has a General Obligation Refunding Bond sale scheduled for December 10, 2015.

“The market is recognizing the work that has been done in Union County to improve the County’s debt portfolio and managing the cost of government,” said Jeff Yates, Union County’s Chief Financial Officer.

This is the second time in six months the County’s General Government Debt rating has been upgraded. On June 3, 2015, Standard and Poor’s upgraded the County from AA to AA+.