

FOR IMMEDIATE RELEASE

City of Marysville, CA

Contact: Jennifer Styczynski, Finance Director

Phone: 530-749-3903

Email: jennifers@marysville.ca.us

Marysville's Long-term Rating Raised One Notch

The City of Marysville is pleased to announce that effective February 3, 2021, S&P Global Ratings raised its long-term rating to 'A+' from 'A' on Marysville, Calif.'s pension obligation bonds (POBs) outstanding. At the same time, S&P Global Ratings raised its long-term rating to 'A' from 'A-' on the city's outstanding certificates of participation (COPs). The outlook is stable.

"Further supporting the raised ratings is our view of the city's available general fund reserve and liquidity levels that have been maintained at very strong levels during the previous three years," said S&P Global Ratings credit analyst Michael Parker.

"The rating action partially reflects the discovery of an error in our analysis regarding the city's participation in the Yuba City metropolitan statistical area, or MSA," analyst Michael Parker. In our prior review of the city (Sept. 6, 2019), the Yuba City MSA was incorrectly assessed as weak rather than strong, negatively affecting the city's economic score applied through our "[U.S. Local Governments General Obligation Ratings: Methodology And Assumptions](#)" criteria (published Sept. 12, 2013).

We note that the recessionary pressures from the COVID-19 pandemic as well as the statewide shelter-in-place order that went into effect in previous months have not substantially affected the city's revenue streams. According to estimated fiscal 2020 (June 30 year-end) financials, general fund revenue fell roughly 3.4% due to reduced economic activity affecting overall sales taxes. However, management was largely able to offset the modest revenue loss by delaying planned capital projects. In addition, officials are currently budgeting to increase overall general fund reserves by fiscal 2021 year-end. Although we expect the ratings to remain stable, S&P Global Ratings believes uncertainty remains high regarding the evolution of the coronavirus pandemic.

The City of Marysville will be able to utilize this increase in rating to their advantage on future projects when funding is required – saving the City a limitless bottom-line.