

PRESS RELEASE

May 15, 2008

FOR IMMEDIATE RELEASE

CONTACT: JAMES GOINS, FINANCE DIRECTOR/TREASURER: 510-620-6740
JACQUELINE VACA: 510-307-8150



Richmond's Bonds Ratings Rank Among the Highest in California! *Credit Agency Upgrades City's Ratings*

Richmond, CA – Standard & Poor's Rating Services (S&P) has upgraded the City of Richmond's issuer credit rating one notch to A+, the highest rating in the single-A tier of credit ratings! S&P has also upgraded the City's Wastewater Bonds an impressive four notches to A+ and upgraded the **Richmond Community Redevelopment Agency one notch to A!**

It was a little over two years ago that S&P reinstated the City's issuer credit rating after the new management team successfully completed two overdue audits and demonstrated the return of fiscal balance in the City's operations. Since reinstating the ratings in 2006, S&P has gone on to upgrade the City's issuer credit rating by a total of three notches in two years.

Richmond's upgrades come at a much needed time when public agencies are expecting a difficult financial environment. According to James Goins, the City's Finance Director/Treasurer, "the credit upgrades are evidence that the focused and dedicated efforts of many City employees and the City Council is paying off." Mr. Goins pointed out that the City has completely transformed itself into an agency committed to prudent fiscal practices, as evidenced by S&P's assignment of a score of "Strong" to Richmond's financial management practices, which is the highest Financial Management Assessment (FMA) score possible. S&P cites the City's adoption of formal policies in the areas of balanced budgets, cash targets, reserves and debt management along with regular revenue and expenditure reviews, 5-year budget projections and conservative management of investments as strong practices that are well embedded and likely sustainable.

S&P's reports concerning the upgrades were issued over the past week as part of the City's program to restructure three bond issues. The City expects the rating upgrade to result in debt service savings of about \$2.3 million once the restructuring is completed for the bonds that funded the City's Civic Center project. This is the largest construction project ever undertaken by Richmond, with the City Hall portion expected to be completed as early as February 2009. The project is currently on schedule and on budget, and the City expects the majority of its employees to relocate to the historic downtown Civic Center by early summer 2009.

###