

Sumner County's bond rating upped by Standard & Poor's

Sumner County now has one of the top six bond ratings in Tennessee, County Executive Anthony Holt announced Thursday, Jan. 14.

Standard & Poor's Rating Services assigned its AA+ rating and "stable" outlook to Sumner County's series 2010 general obligation bonds. This reflects an improvement of two levels over the county's Aa3 Moody's rating in 2007.

"Obviously, this is very exciting news in these economic times," Holt said. "We were optimistic that our rating would increase, but this exceeds our expectations."

Sumner now joins the larger counties of Hamilton, Knox, Rutherford and Shelby with the AA+ rating. Only one of Tennessee's 95 counties, Williamson, has the AAA rating from S&P.

Holt attributes the improved rating, in part, to the county's "bite the bullet" approach to recent budget woes.

"With revenue projections down, elected officials and county commissioners opted to make some serious cuts in the 2009-2010 budget," he said. "A lot of these actions were not popular but were necessary if we were going to maintain fiscal responsibility."

In its copyrighted report, Standard & Poor's cites its "expectation that the county's economic profile and good financial management practices will allow (the county) to sustain its strong financial position through natural economic cycles."

Sumner's improved bond rating is expected to translate into an improved interest rate.

“Based on today’s market, the AA+ rating could save the county at least 10 basis points and about \$60,000 in interest on the current bond issue over the old rating,” said Julianne G. Graham, vice president of Nashville-based Wiley Bros., the securities firm assisting in the transaction.

Sumner County anticipates issuing \$6.5 million in general obligation bonds on Jan. 20, with bond proceeds earmarked for a new \$1.2 million animal control facility and needed improvements to existing county buildings and facilities.