



*Office of Mayor Lawrence J. Morrissey  
LEADING BOLDLY, WORKING TOGETHER*

## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE:**

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### **CITY OF ROCKFORD BOND RATING MOVES TO A1**

Rockford, IL - The municipal bond rating agency Moody's has downgraded the City of Rockford's bond rating by one category from Aa3 to A1. The City's A1 rating is fifth highest available from Moody's and are considered to have many favorable investment attributes.

The Moody's report listed underfunded pensions and lack of home rule powers as challenges for the city. Moody identified Rockford's large tax base that has been experiencing positive trends in the manufacturing sector and recent positive performance of the General Fund as strength's in the city's fiscal profile.

The city is among other Illinois municipalities, including Peoria that have been downgraded due to police and fire pension obligations. "The simple fact is that the State Legislature has created this issue by setting unreasonable benefit levels and forcing cities to make the payments," said Mayor Morrissey.

The practical, short-term effect of the Moody's change is the cost of borrowing money will increase minimally, five to ten -100ths of a percentage point on future bond issues and will not affect the interest rate paid by the city on outstanding bond issues.

#### **About the Moody's Rating System:**

The Moody's system of rating securities was originated by John Moody in 1909. The purpose of Moody's ratings is to provide investors with a simple system of gradation by which future relative creditworthiness of securities may be gauged.

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