



Snohomish County Council

NEWS RELEASE

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Keys to Upgraded Bond Rating: Fiscal Responsibility, Strong Economy

County officials who met with bond rating agencies today stressed the county's fiscal responsibility and the strong area economy as reasons to upgrade the county's bond rating. The bond rating helps determine the interest rates the county will be charged when it sells bonds. A major bond issue is likely later this year.

While the county's rating has always been strong, it received a minor reduction in 2003 during the strong economic downturn in the Puget Sound Region.

"The economy now is strong in this region, particularly in Snohomish County," said Council Vice Chair Dave Gossett. "The council and executive have worked to restore our financial reserves and adopt fiscally responsible budgets."

The county council established reserve policies in the 1990's to guide the county through economic downturns. The policy sets a target level of 11% fund balance reserves. The county then uses those reserves during times when revenue is down, much like a rainy-day fund. The reserves were used as planned during the economic downturn that began in 2001. The policy of an 11% reserve was reaffirmed in the last budget process and the county is building toward that goal.

"Snohomish County has a long history of fiscal responsibility," said Gossett. "The bond agency representatives indicated they will be recommending an improvement in our bond rating status. This should save the taxpayers money."

County officials who attended today's meeting with representatives of the bond agencies included Gossett, Executive Aaron Reardon, and county staff from the Council, Executive, and Treasurer's office.

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