



NEWS RELEASE

TOWN OF CHESHIRE

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CHESHIRE:

The Town of Cheshire has been notified by Fitch Ratings, the credit rating agency, that the Town was upgraded from an "AA" to an "AA+" rating. This upgrade resulted from a presentation by the Town of Cheshire to Fitch on June 5, 2009, and a very thorough rating review of the Town by Fitch analysts, in anticipation of the Town's upcoming \$7.230 million bond sale on June 16, 2009.

In conducting a credit rating review, Fitch evaluates four primary factors of the municipality: debt management, administrative issues, financial performance and economic base; and determines the overall rating on the community's strength in each area.

Credit rating is one of the most important indicators of government financial performance. This upgrade is especially significant because it places Cheshire in the second highest credit category. However, the most immediate benefit of this upgrade will be a reduction in the Town's interest rate on borrowings, translating into thousands of dollars in savings in interest costs, not only on the imminent \$7.230 million bond issue but future bond offerings as well.

Noteworthy in this credit rating upgrade is that it occurred during a time of economic distress. In their credit rating report, Fitch cited "a long history of solid financial operations, ... a moderation of the town's debt ratios,the town's strong economic indicators that continue to perform well in the current recessionary environment, ... and conservative budgeting practices" as the major reasons for the upgrade.

The other credit rating agency, Moody's Investment Services, maintained the Town's credit rating at "Aa2". This rating was assigned as an upgrade during the Town's last bond sale in December 2006.