



PRESS RELEASE

Bond Rating Agencies Reaffirm Franklin County's Very Strong Credit Ratings as County Successfully Refinances Capital Projects

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Rocky Mount, Virginia –

Earlier last month, the global credit rating agencies of Moody's, Fitch, and Standard & Poors each issued and reaffirmed Franklin County's very strong credit ratings. Moody's stated their "rating reflects our (Moody's) assessment of the County's general implicit obligation credit strength" and "the County's sizeable tax base" as well as "healthy & stable reserves and liquidity supported by conservative management and long-range planning". Fitch stated in their rating commentary that "The County's positive financial performance is supported by an ongoing commitment to conservative financial management." Standard and Poors stated "Franklin County has a history of sound financial management, supported by a number of formalized financial policies and practices as well as a growing economic base. As a result, we (Standard and Poors) believe the County will continue to maintain its very strong financial position, despite the onset of COVID-19 earlier in the year."

The excellent credit ratings were issued last month in advance of this month where the County most recently successfully sold bonds to permanently finance approximately \$16 million of the previous interim financing of the Summit View Business Park and refinance roughly \$29 million of existing bonds for other projects (i.e. Windy Gap Elementary, E-911 Radio System, Landfill) to recognize over a million dollars in savings over the remaining terms of debt. The Summit View Business Park has rapidly achieved economic success with \$43 million in private investment and multiple high wage jobs already announced by Traditional Medicinals, ValleyStar Credit Union, and Stik-Pak Solutions, thereby filling all three available business park sites.

The final, fixed interest rate on the Summit View Bonds was slightly above 2% (2.03%) for 20 years. This result was nearly three quarters of a percentage point lower than initially planned several years ago and, as such, the County will realize almost \$3 million in lower debt payments over the life of the loan versus planning estimates. "This is tremendous news for the citizens and businesses of Franklin County where the national credit rating agencies and subsequent investors recognize our solid financial position and strong fiscal management" stated Board of Supervisors Chairman Leland Mitchell.

In addition to the excellent financing results, the refinancing removes previously existing liens on County facilities including the Windy Gap Elementary School, the County library, and the County Government Center, amongst others. "We are particularly excited to achieve these results for several reasons," stated County Administrator Christopher Whitlow. "First, it demonstrates that County Staff and the Board of Supervisors were



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able to move quickly and strategically. Second, the highly favorable results mean that the County will have increased capacity for future projects and other general County needs.”

David Rose, the County’s Senior Financial Advisor at Davenport & Company, stated that “the reason the County achieved these results was a combination of factors including excellent credit ratings, strong yearly financial budgeting and results, and a high degree of cooperation and planning amongst the Staff and Board of Supervisors.”

“The combination of the current and previous Board’s fiscal prudence, sound financial management, and historically low interest rates have resulted in this excellent financing opportunity,” said Brian Carter, the County’s Director of Finance.

Franklin County regularly meets with its Financial Advisors at Davenport & Company to strategize for its annual Capital Budget and Yearly Operations. As such, the Board of Supervisors is up to speed on the Global Credit Markets and what it means for the County. With the above referenced financing now complete, the County Staff, Davenport, and the Board of Supervisors will begin planning for the Fiscal Year 2022 Budget which begins next July.

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