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News Release

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Murphy receives highly favorable S&P credit rating

MURPHY (January 16, 2018) Murphy residents will benefit significantly from a recent announcement by analysts from one of the country's largest rating houses, placing present and future debt close to the highest level of favorability.

On Jan. 4, Standard and Poor's assigned AA/Stable to Murphy's debt profile, the third-highest rating possible.

"The announcement by Standard and Poor's is most certainly welcome news," says Finance Director Karen Montgomery. "The AA rating assigned by S&P says that Murphy is not only a good investment for lenders, but it also allows us the ability to negotiate for more favorable interest rates when we borrow."

The rating has been assigned to 2018 General Obligation (GO) Bonds designed to underwrite the Capital Improvement projects recently approved by voters, and affirmed for existing GO bonds that the City is already committed to.

In much the same way that a high credit score from consumer credit bureaus allows purchasers to take advantage of low interest rates for auto loans, consumer loans or mortgages, a high rating from municipal bond analysts gives cities and other government entities the ability to borrow money at reduced rates.

"We as a City go through a very thorough review process where not only are all of our financial procedures carefully studied, but virtually every aspect of how the City of Murphy conducts itself are taken into consideration," she said. "After their inspection, the analysts determined that we were worthy of a very favorable rating."

According to the Standard and Poor's own criteria, any obligation, in Murphy's case, the GO bonds, which are "rated 'AA' differ from the highest-rated obligations only to a small degree." The City of Murphy's "capacity to meet its financial commitments on the obligation is very strong."

The analysts further stated that Murphy's budgetary flexibility is among the City's many financial strengths. Particularly noted was Murphy's "available fund balance in fiscal 2016 of 39% of operating expenditures."

"The high rating is indicative of both financial discipline and a conservative approach to managing funds at the City Council level and the staff level," she said. "Our goal is to maintain that kind of financial standing into the long-term."

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ABOUT MURPHY -- Murphy is a fast-growing community located in Collin County. The population is approximately 19,330, generally characterized as highly educated with a median household income above the state average. With more than 70 percent of the land developed, the community is dominated by single-family residences. City planners strive to preserve a country feel while exhibiting an aggressive economic development stance. Money Magazine has dubbed Murphy as the 27th Best Place to Live in America for small cities, and D Magazine placed Murphy as the fifth best suburb in the 2014 list, where it has consistently ranked in the top 10.