



NEWS RELEASE

City of Tomball, Texas

For Immediate Release

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City of Tomball Receives Rating Upgrade from Standard & Poor's for City's General Obligation Bonds

In a report released on February 10, 2009 by Standard & Poor's Rating Service, the City of Tomball was notified that the credit rating on the City's General Obligation Bonds was increased from an "A" to "AA-". This increase represents a two step increase in the City's credit rating.

Contributing factors to the upgrade included: 1) strong financial management 2) a very strong General Fund reserve balance and 3) a high median household effective buying income among the population. Other Texas cities in the "double A" category include Grapevine, La Porte, Rowlett, Webster and Farmers Branch.

In December, the City was notified that its credit rating on its Water and Sewer Revenue Bond system had also been upgraded; also due to strong financial management practices and strong reserves and debt ratios. Upon hearing of another credit rating increase, Mayor Gretchen Fagan commented, "This is such an accomplishment for our City. Our citizens should be proud of our financial stability. In today's uncertain economic times, our City Council and Staff have implemented strong financial policies and through this credit upgrade, everyone can see we really do 'walk our talk'."

Higher bond ratings equate to cost savings for the citizens of Tomball. Higher credit ratings result in lower interest rates paid by the City to purchasers of the City's bonds. Lower interest rates mean the City does not have to increase ad valorem tax rates as much to repay bond debt issued to design and construct general government related capital improvements such as street and drainage projects.