



# The Chairman's Corner

by

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## MOODY'S RATING & STRESS RATING

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Early in November, Moody's Investors Services released its annual Columbia County credit analysis rating and I'm pleased to report that the county has maintained its Aa3 rating. The NASDAQ defines Aa3 as Moody's fourth highest rating -- obligations rated Aa3 are judged to be of high quality and are subject to very low credit risk.

In its summary, Moody's states that the county rating "benefits from continued increases in the county's financial position, driven by conservative budgeting practices and strong sales tax results despite the ongoing COVID-19 pandemic. Additionally, the county maintains a strong regional economy, conservative financial management, and low fixed costs."

Further, adds county Treasurer PJ Keeler, "The county continues on a positive financial course without overburdening the taxpayer. I'm pleased that with the 2022 county budget, we were able to offer county taxpayers a 6.2% tax rate reduction as well as a two percent tax levy reduction that taxpayers will see in their 2022 tax bills, and I look forward to maintaining conservative financial management in the county."

Added county Controller Ron Caponera, "The 2022 county budget was done without any reduction in services or staff."

In the detailed credit considerations section of its report, Moody's writes: "The county's economic base is shifting to recreation and tourism with about 18% of the county's housing representing seasonal second homes, which benefits the county's strong full value per capita of \$156,823 compared to all New York counties at \$64,171. Resident wealth and incomes remain near national averages, with median family income representing 103% and median home values representing 107% of the national average. The county's median age of 48 years is 10 years higher than the national average."

As chief financial officer and budget officer, I was pleased to see the following Moody's recognition of our financial team's efforts:

"Reserves will likely continue to improve due to ongoing economic growth and conservative budgeting. Over the past several years, the county has recorded operating surpluses leading reserves, which were previously significantly below Aa3 peers, to now be more in line with the current rating level. We believe the county's management team will continue to conservatively forecast volatile sales tax revenue, and as a result, the county will continue to see improving finances."

In one key observation, Moody's wrote, "Fiscal 2020 audited results reflected a \$2.8 million surplus, which was possible due to over \$10 million of budgeted reductions following the onset of the ongoing COVID-19 pandemic. The quick reaction by management to reduce expenditures demonstrates sound financial management, which benefits the rating. At fiscal year-end, available fund balance measured \$20.2 million or 19% of revenues."

Again, I will stress that the continuing strong financial footing of Columbia County comes through a concerted effort of department heads and the county workforce, working with the financial management team. The Board of Supervisors thanks everyone for their efforts.