FY 2012-13 Rating Agencies Communications

Summary

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FY 2012-13 Rating Agencies Communications

Summary

Highlight Comments:

County Staff and the County's financial advisors (Davenport & Company LLC) in the month of June 2013 made presentations to all three (3) of the international credit rating agencies.

Standard & Poor's upgraded the County's rating from AA- to AA. This is the second ratings upgrade that the County has received from Standard & Poor's since 2008. Moody's Investors Service and Fitch Ratings affirmed the County's excellent credit ratings of AA and Aa2 respectively with a stable outlook.

The above noted ratings are one category below the highest rating level achievable.

The excellent credit rating allows the County to receive very favorable and considerably lower interest rates resulting in significant savings to taxpayers over the life of the County's bonds.

County Credit Ratings

Year	Moody's Rating	Moody's Comment	S&P Rating	S&P Comment	Fitch Rating	Fitch Comment
1990	'A'	Initial	-		-	
1997	'A2'	Refined	'A'	Initial	-	
2003	'A2'	Affirmed	'A+'	**Upgrade**	-	
2004	'A2'	Affirmed	'A+'	Affirmed	-	
2005	'A2'	Affirmed	'A+'	Affirmed	-	
2008	'A1'	**Upgrade**	'AA-'	**Upgrade**	'AA-'	Initial
2010	'Aa2'	**Upgrade**	'AA-'	Affirmed	'AA'	**Upgrade**
2011	'Aa2'	Affirmed	'AA-'	Affirmed	'AA'	Affirmed
2012	'Aa2'	Affirmed	'AA-'	Affirmed	'AA'	Affirmed
2013	'Aa2'	Affirmed	'AA'	**Upgrade**	'AA'	Affirmed

Rating Agency Commentary

Standard & Poor's

"The upgrade reflects our assessment of the County's ability to maintain its strong financial performance, including structural budgetary balance, in part, through property tax rate increases...."

Moody's

"The 'Aa2' reflects the County's sound financial management practices with a demonstrated commitment to maintaining its ample reserves despite the loss of its largest taxpayer in 2011."

Fitch

"The rating is sensitive to shifts in fundamental credit characteristics including the County's strong financial management practices. The Stable Outlook reflects Fitch's expectation that such shifts are unlikely."

FY 2012-13 Rating Agencies Communications

Detail

STANDARD & POOR'S
RATINGS SERVICES

RatingsDirect®

Summary:
Isle Of Wight County, Virginia; General Obligation

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Summary:

Isle Of Wight County, Virginia; General Obligation

Credit Profile		
US$32.0 mil GO rfdg bnds ser 2013 due 07/01/2036		
Long Term Rating	AA/Stable	New
Isle of Wight Cnty GO		
Long Term Rating	AA/Stable	Upgraded
Isle of Wight Cnty GO		
Unenhanced Rating	AA(SPUR)/Stable	Upgraded
Isle of Wight Cnty GO pub imp & rfdg bnds dtd 02/01/2003 due 02/01/2004-2023		
Unenhanced Rating	AA(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services raised its rating on Isle of Wight County, Va.'s general obligation (GO) debt one notch to 'AA' from 'AA-'. The outlook is stable.

The upgrade reflects our assessment of the county's ability to maintain its strong financial performance, including structural budgetary balance, in part, through property tax rate increases that have offset the county's recent loss of one of its leading employers.

At the same time, Standard & Poor's assigned its 'AA' rating and stable outlook to the county's series 2013 GO refunding bonds.

The rating reflects our opinion of the county's:

- Large and diverse residential property tax base that benefits from its location and participation in the greater and diverse Hampton Roads regional economy;
- Strong wealth and good income, coupled with a history of low unemployment compared with the nation's rate;
- Continued strong finances with very strong reserves, aided by conservative fiscal policies; and
- Moderate debt with an aggressive, yet manageable, adopted five-year capital improvement plan (CIP).

We believe what we consider the county's assessed value (AV) decreases over the past three fiscal years, due, in part, to lower home prices, and International Paper Co.'s closure of its paper mill in June 2010 somewhat offset these strengths.

The county's full-faith-and-GO-credit pledge secures the bonds. The county plans to use bond proceeds to refund previously issued GO bonds and notes.

In our opinion, the county's financial performance and reserves have been historically strong due primarily to, what we regard as, its conservative management and formal reserve policy of maintaining an unassigned general fund balance equal to 10% of the subsequent year's budgeted operating expenditures. The fiscal 2014 general fund budget is $96.3 million, an increase of 2% from the previous year. The county increased the real estate tax rate by eight cents, five cents of which represents an equalization from the AV decrease. Officials expect the three additional cents to provide roughly $1.2 million of additional property tax revenue. Despite the eight-cent tax rate increase, the fiscal 2014 real estate tax rate of 73 cents is still one of the lowest of any southeastern Virginia locality. It is our understanding officials balanced the fiscal 2014 budget without using existing fund balance or the sale of county property. As such, management expects reserves to remain unchanged at fiscal year-end.

The fiscal 2013 general fund budget was $94.46 million, a 3.6% increase from the previous year. To avoid a property tax rate increase for the year, the new county board included the sale of certain county-owned property, roughly $3 million, as revenue to balance the budget. County management, however, indicates the sale of property did not occur during the year; as such, management indicates it expects to draw down general fund reserves by about $3 million at fiscal year-end 2013. Despite the drawdown, the projected general fund balance of $18.4 million at year-end remains, in our view, a very strong 32% of operating expenditures.

The county closed fiscal 2012 with a $954,000 surplus, net of transfers. The general fund balance, almost all of which was unassigned, was $21.4 million, which we view as a very strong 37.2% of expenditures and well above the minimum 10% fund balance policy. Officials increased the property tax rate by 25%, or 13 cents, to 65 cents from 52 cents in fiscal 2012 to offset revenue lost due to International Paper's plant closure. Property taxes, the leading general fund revenue source, generate 63% of revenue followed by commonwealth sources, which account for 20%.

Standard & Poor's considers the county's financial management practices and policies "good" under its Financial Management Assessment methodology, indicating financial practices exist in most areas but that governance officials might not formalize or regularly monitor all of them.

Isle of Wight County, with a population estimate of 36,119, is in southeastern Virginia in the Tidewater area. The still largely rural county is part of the greater Hampton Roads region. Smithfield Foods (5,000 employees), which serves the northern county, and International Paper (1,100), which serves the southern county, have historically anchored the local economy. The county's economy, however, experienced a major setback in October 2009 when International Paper abruptly announced the closure of its paper mill in the county. Following the closure, in June 2010, unemployment spiked moderately; it peaked at 7.3% in 2010 but has since improved, in our view, considerably. As of March 2013, unemployment was just 5%, below the commonwealth's 5.2% and the nation's 7.6%.

The county continues to experience economic growth, which should aid in job growth over the next several years. In May 2011, Gov. Bob McDonnell announced International Paper would invest $83 million to repurpose a portion of the plant as a fluff pulp mill, creating an initial 213 new jobs. In addition, Tak Investments Inc. invested $60 million to establish a recycled tissue plant using a portion of the closed International Paper facility; this new plant currently has 65 employees, and we understand it should reach 85 new jobs at full operation. Furthermore, Green Mountain Coffee Roasters Inc. announced plans to establish a production and distribution facility in the county. According to officials, Green Mountain will invest $180 million over the next five years for this new facility; employment at the site already totals 150, and we understand it should increase to 800 over the next five years. According to a report published by the

Virginia Economic Development Partnership, by 2017, it expects the region to recoup most of the 1,100 jobs lost due to the International Paper plant closure.

Historically, the county experienced, what we view as, good AV growth due to economic development and ongoing residential construction, primarily in the Smithfield area. Following the International Paper plant closure and the national housing market decline, AV decreased by 12.4% over the past two fiscal years to $5.02 billion in fiscal 2012. Despite this decrease, market value remains, in our opinion, an extremely strong $139,056 per capita. In our view, per capita and median household effective buying incomes are a good 102% and a strong 113%, respectively, of national levels.

Overall net debt is, in our opinion, a moderate $4,382 per capita, or 3.2% of market value. Carrying charges are, in our view, low at just 4.9% of governmental expenditures. We consider debt amortization above average with officials planning to retire 63% over 10 years. The county's five-year CIP through 2018 is $138.4 million; we understand officials primarily fund the CIP through proposed debt issuances, which account for 89% of funding. We do not believe the additional proposed debt will materially increase

The county contributes to the Virginia Retirement System for its pension plan, and it continues to fund the actuarial annual required contribution (ARC) in full. In fiscal 2012, the ARC was $1.5 million, or 2.6% of governmental expenditures. As of June 30, 2011, the pension liability was 78.9% funded. In addition, the county provides postemployment health care benefits to eligible employees. As of July 1, 2010, the unfunded actuarial accrued liability was $1.4 million for the county and $7.5 million for the school board.

Outlook

The stable outlook reflects Standard & Poor's opinion of the county's diverse local economy and participation in the broader Hampton Roads regional economy. The stable outlook also reflects our expectation that the county will likely maintain, what we consider, its strong finances, including strong reserves, supported by management's conservative budgeting and good financial policies and practices. We believe the county's manageable capital needs and additional debt will likely adhere to its debt management policy, providing additional stability. As such, we do not expect to change the rating within the outlook's two-year period.

Related Criteria And Research

USPF Criteria: GO Debt, Oct. 12, 2006

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

MOODY'S
INVESTORS SERVICE

New Issue: Moody's assigns Aa2 rating to Isle of Wight County's (VA) $32.1 million General Obligation Refunding Bonds, Series 2013

Global Credit Research - 11 Jun 2013

Aa2 rating applies to $137.2 million of outstanding general obligation bonds, including current issue

ISLE OF WIGHT (COUNTY OF) VA
Counties
VA

Moody's Rating

ISSUE		RATING
General Obligation Refunding Bonds, Series 2013		Aa2
Sale Amount	$32,055,000	
Expected Sale Date	06/28/13	
Rating Description	General Obligation	

Moody's Outlook NOO

Opinion

NEW YORK, June 11, 2013 --Moody's Investors Service has assigned a Aa2 rating to Isle of Wight County's (VA) $32.1 million General Obligation (GO) Refunding Bonds, Series 2013. Concurrently, Moody's has affirmed the county's Aa2 general obligation bond rating affecting approximately $137.2 million of parity debt. The bonds are secured by the county's general obligation, unlimited tax pledge. The current issue will refund a portion of the Series 2004 and Series 2008B bonds, as well as the Series 2011C Literary Loan Anticipation Note (matures in 2016).

SUMMARY RATINGS RATIONALE

The Aa2 reflects the county's sound financial management practices with a demonstrated commitment to maintaining its ample reserves despite the loss of its largest taxpayer in 2011. The rating further incorporates the county's moderate tax base which has weathered the loss of its major taxpayer, stable underlying economy representative of the Hampton Roads region, and above-average, but manageable debt burden.

STRENGTHS

- Sound financial management

- Stable underlying economy indicative of the Hampton Roads region

CHALLENGES

- Maintenance of financial stability amidst tax base volatility from recent assessed value declines

- Sizable increases to the county's debt burden in coming years related to anticipated economic development projects

DETAILED CREDIT DISCUSSION

TAX BASE CONTRACTION RESULTING FROM LOSS OF TOP TAXPAYER; LONG-TERM STABILITY EXPECTED

Moody's expects that Isle of Wight County's $5 billion tax base will exhibit long-term stability given its strategic location in the southeastern Virginia, Hampton Roads region. Furthermore, the county has demonstrated an underlying robustness to its tax base following the closure of its largest tax payer (represented 12% of total assessed value in fiscal 2011) and second-largest employer, International Paper. International Paper's facility, which employed approximately 1,100 or approximately 5.8% of the county's labor force at its peak, ceased operations in fiscal 2011. Positively, the effects of the closure have been partially mitigated by an $83 million investment from International Paper to repurpose a portion of the plant for another product line and a $60 million from Tak Investments to use another portion of the facility to manufacture recycled tissue. Both of these plants are currently in operation and have created over 250 new jobs for the county.

County management continues to pursue a long-term development strategy centering on a 1,500 acre Intermodal Industrial Park Complex, which already includes a one million square foot retail distribution center for the national retailer Cost Plus and a 300,000 square foot distribution center for the furniture retailer, SAFCO. In addition, Green Mountain Coffee Roasters, Inc (senior unsecured rated Ba3/stable) recently established a production and distribution facility at the Intermodal Park with plans to invest $180 million over a five-year period (2011-2015) and hire as many as 800 employees (currently operating at approximately 150 employees). Additionally, the county expects to be well positioned to attract a number of new developments after the widening of the Panama Canal in 2014 citing the Port of Virginia's (Virginia Port Authority, Lease Revenue rating Aa1/negative outlook) ability to receive the new super-tankers and provide easy access to rail lines located in the intermodal complex.

The county experienced an average annual decrease in full valuation of 0.1% from 2007 to 2012, inclusive of 3.8% (fiscal 2011) and 8.9% (fiscal 2012) declines, reflecting the closure of International Paper. Going forward, the county is projecting a 6.2% increase in fiscal 2013 and a 1.1% increase in fiscal 2014, which incorporates the repurposing of the International Paper plant and investment by Green Mountain Coffee Roasters, Inc. The county's unemployment rate continued to decline to 4.9% in April 2013, which was below both the state (5.0%) and national (7.1%) rates. In addition, full value per capita at $141,652 remains well above state (127.1%) and national (186.9%).

FINANCIAL POSITION EXPECTED TO REMAIN SOUND GIVEN HEALTHY RESERVE LEVELS

Moody's anticipates the county will continue to maintain a sound financial position given a history of conservative budgeting and sound financial flexibility afforded by healthy reserve levels and a demonstrated commitment t maintain operating surpluses. The county has consistently maintained a healthy financial position well above its 10% fund balance policy while transferring funds for capital and other one-time uses. Fiscal 2012 total General Fund balance ended at $21.4 million or 35.5% of revenues of which $20.6 million or 34.2% of revenues was unassigned. The $954,000 operating surplus in fiscal 2012 was generated primarily from expenditure savings related transfers to the Capital Projects and Public Utilities funds, despite originally appropriating $3.6 million of fund balance.

In fiscal 2013, the county balanced a 3.6% increase in spending with $2.7 million in asset sales and other one-time revenues and an aggressive 24% increase (budget-to-budget, $1.3 million) in economically sensitive taxes in comparison to historical trends. Based on preliminary projections, management expected to end fiscal 2013 with a $3 million operating deficit, which would decrease General Fund balance to $18.4 million, due to unrealized asset sales and one-time capital expenditures. The fiscal 2014 budget represents a 2% increase relative to the prior year and does not include any appropriation of fund balance. During the fiscal 2014 budget process, the county adopted a $0.08 (per $100 of assessed valuation) property tax rate increase, $0.05 of which is a equalization based on the county's most recent real estate assessment, with the remaining $0.03 expected to generate approximately $1.2 million of additional revenue.

ABOVE AVERAGE DEBT BURDEN REMAINS MANAGEABLE

Isle of Wight's above average 3.0% direct debt burden will likely increase, given near-term debt plans and below average amortization of principal (57.2% retired within 10 years), but is expected to remain manageable due to the county's debt affordability policy that requires annual debt service costs to be no more than 10% of expenditures (6.4% in fiscal 2012). The county's direct debt burden increases slightly to 3.1% after accounting for the overlapping debt obligations of the Towns of Smithfield and Windsor. The county's $138.4 million capital improvement plan (2014-2018) includes $122.9 million of additional borrowing over the next five years, which will significantly increase the county's debt burden (5.8% pro-forma). However, new issuances will be contingent upon developments at the intermodal park with the increased burden to be offset by increases to the county's tax base. The county has no exposure to variable rate debt and is not party to any derivative agreements.

The county participates in the Virginia Retirement System (VRS), a multiple-employer defined benefit plan administered by the state. Pension payments for fiscal 2012 for county and school board totaled $1.8 million or

1.9% of operating expenditures. The payment constituted 100% of the annually required contribution. The county's adjusted pension liability, under Moody's methodology for adjusting reported pension data, is $60.7 million or a below-average 0.58% of operating revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. We determined the district's share of liability for the state-run plans in proportion to its contributions to the plans. Other post employment benefits are funded on a pay-as-you-go basis. As of the July 1, 2011 valuation, the county has identified a combined $9 million liability for both its county and school board.

WHAT COULD MAKE THE RATING GO UP

- Significant growth of the underlying tax base

- Increased reserve levels

- Decrease in debt burden

WHAT COULD MAKE THE RATING GO DOWN

- Diminished financial reserves

- Persistent structural operational imbalances

- Substantial decrease in tax base

KEY STATISTICS:

2010 Population: 35,270 (18.6% increase since 2000)

2012 Full Valuation: $5.0 billion

2012 Full Value Per Capita: $141,652

2010 Per Capita Income: 91.9% of VA; 108.1% of US

2010 Median Family Income: 97.6% of VA; 113.9% of US

Direct Debt Burden: 3.0%

Overall Debt Burden: 3.1%

Payout of Principal (10 years): 57.2%

FY 2012 Total General Fund Balance: $21.4 million (35.5% of General Fund revenue)

FY 2012 Unassigned General Fund Balance: $20.6 million (34.2% of General Fund revenue)

Post-Sale Long Term GO Debt Outstanding: $137.2 million

RATING METHODOLOGY

The principal methodology used in this rating was General Obligation Bonds Issued by US Local Governments published in April 2013. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

FitchRatings

Fitch Rates Isle of Wight County, VA's GO Bonds 'AA'; Outlook Stable Ratings Endorsement Policy

11 Jun 2013 11:37 AM (EDT)

Fitch Ratings-New York-11 June 2013: Fitch Ratings assigns an 'AA' rating to the following general obligation (GO) bonds of Isle of Wight County, Virginia (the county):

--$32 million general obligation refunding bonds, series 2013.

The proceeds of the bonds will be used to refund a portion of certain outstanding general obligation bonds and notes of the county. The bonds will sell via negotiated sale the week of June 17.

In addition, Fitch affirms the following ratings:

--$144 million in outstanding GO bonds at 'AA'.

The Rating Outlook is Stable.

SECURITY

The bonds are general obligations of the county, secured by its full faith and credit and unlimited taxing power.

KEY RATING DRIVERS

AMPLE FINANCIAL FLEXIBILITY: Solid reserve levels as well as competitive tax rates enhance the county's financial position.

MODERATE DEBT LEVELS: Debt levels should remain moderate given the county's manageable capital needs.

DIVERSIFYING ECONOMY: The county's employment base remains heavily concentrated in manufacturing, although this risk is somewhat offset by the diversity exhibited in the broader regional economy and continued local investment in non-manufacturing enterprises attributed in part to growth of the regional port.

RATING SENSITIVITIES

CONTINUED STRONG FINANCIAL POSITION: The rating is sensitive to shifts in fundamental credit characteristics including the county's strong financial management practices. The Stable Outlook reflects Fitch's expectation that such shifts are unlikely.

CREDIT PROFILE

Isle of Wight County is located in the Hampton Roads region of southeastern Virginia. The county's population is small at an estimated 35,399 in 2012 but growth has been strong increasing 19% over the past decade. The population is expected to increase an additional 10% by 2020.

MANUFACTURING BASED ECONOMY IS BEGINNING TO DIVERSIFY

The county's economy remains concentrated in manufacturing (31% of employment) but is diversifying as a result of the increased demand for warehousing and distribution that is driven by the growth of the nearby Port of Virginia. Fitch anticipates that the presence of the port, with its commercial and military activities, will help continue to broaden the local economy.

Per capita and median household income metrics are above the national standard and track closely to those of the wealthy state despite the high number of local manufacturing jobs.

The county's employment base has done well to recover from the loss of 1,100 jobs due to the closure of International Paper in 2010. At 5% as of March 2013 the county's unemployment rate tracks well below the national average and has significantly improved from a high of 7.1% in 2010.

Green Mountain Coffee Roasters, Inc. opened a $180 million distribution facility in the county and will add 800 employees over five years. Also, Tak Investments, Inc. opened a $60 million recycled tissue plant which is expected to employ 85. Lastly, International Paper opened a new fluff fiber operation which employs about 213 people.

RESERVE LEVELS REMAIN AMPLE

Financial operations are consistent and strong and reserve levels are sound. Fiscal 2012 marked the third consecutive year of general fund operating surplus during which period total general fund reserves improved nearly $5 million. At the close of fiscal 2012 general fund unrestricted fund balance of $21.3 million equaled an ample 35.8% of spending. The county's fund balance policy requires an undesignated GF balance of no less than 10% of subsequent budgeted operating expenditures in any given year.

The general fund is largely supported by property taxes (63% of revenues in fiscal 2012). In response to the county's softened housing market the fiscal 2012 budget was adopted with a 13 cent or 25% tax rate increase, the first tax increase in over a decade The tax rate increase more than offsets a 3.8% decline in taxable assessed value (TAV) in fiscal 2011 and 8.9% drop in fiscal 2012. The budget also prudently assumed a 97.8% collection rate although collections have historically exceeded 99%. The county's tax rate or tax levy is not subject to any limitation or cap. The county's tax rate is amongst the lowest in the region, and combined with ample reserves provides for a strong level of financial flexibility.

MODEST DEFICIT ANTICIPATED FOR FISCAL 2013

The fiscal 2013 budget is balanced with no property tax rate increase or fund balance appropriation. Estimated fiscal year-end results reflect a $2.8 million use of fund balance for one-time capital needs, reducing the unrestricted balance to $18.5 million or a still ample 31.7% of estimated year-end general fund spending.

BALANCED FISCAL 2014 BUDGET

The adopted fiscal 2014 budget includes an eight cent real estate tax increase ($3.2 million in additional revenue) and no fund balance appropriation. The county prudently implemented a tax rate increase to fund education and public safety increases and five cents is dedicated to the equalization of revenues following the 8.9% decline in TAV in fiscal 2012. Fiscal 2013 projected TAV shows a 6.2% increase.

MODERATE DEBT PROFILE

Fitch expects overall debt ratios (2.9% of market value or $4,061 per capita) will remain moderate given the county's affordable additional borrowing plans. Debt ratios include GO water and sewer bonds as the utility systems is currently not self-supporting. Debt service expenditures account for a low 6.2% of total governmental and education spending (excluding capital) and amortization is average (57.2% in 10 years).
The county's fiscal years 2014 - 2018 capital improvement plan (CIP) totals $138 million. The plan will be approximately 92% debt financed, doubling the county's debt ratios to still moderate levels as annual debt plans are greater than the annual principal amount amortized. Utility needs and school construction projects represent nearly half of the projects included in the plan.

The county participates in the state-wide Virginia Retirement System in a separate cost-sharing pool. The plan is well funded at 79% for county employees and assumes a discount rate of 7%. The county regularly contributes its annual required contribution (ARC). For fiscal 2012 the $1.47 million ARC equaled a modest 2.4% of total governmental (less capital) spending. The ARC to amortize the county's other post-employment benefits ($198,291) is also very manageable at a low 0.3% of total governmental (less capital) spending, although the county currently funds this cost on a pay-as-you-go basis. Carrying costs for debt service, pension and OPEB totaled a manageable 9% of governmental (less capital) fund spending (less capital).

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Additional information is available at 'www.fitchratings.com'.

In addition to the sources of information identified in Fitch's Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates, S&P/Case-Shiller Home Price Index, IHS Global Insight, National Association of Realtors, RealEstate Business Intelligence.

Applicable Criteria and Related Research:
--'Tax-Supported Rating Criteria' (Aug. 14, 2012);
--'U.S. Local Government Tax-Supported Rating Criteria' (Aug. 14, 2012).

Applicable Criteria and Related Research:
Tax-Supported Rating Criteria
U.S. Local Government Tax-Supported Rating Criteria

Additional Disclosure
Solicitation Status