



City of Burnsville

100 Civic Center Parkway, Burnsville, MN 55337

Phone: 952-895-4400

Fax: 952-895-4404

www.burnsville.org

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Contact: Jim Skelly

Communications Coordinator

952-895-4402

BURNSVILLE EARNS AAA BOND RATING

Strong fiscal management leads upgrade to highest rating available

Moody's Investors Service has announced that it has assigned its "Aaa" rating to the general obligation bonds for the City of Burnsville, the highest bond rating available.

"The Council is committed to financial management policies that maintain our fiscal health, especially during these difficult financial times," commented Burnsville Deputy City Manager Tammy Omdal . Burnsville was last upgraded to the "Aa1" rating, the second highest bond rating available, in 2001. "Our finance staff has provided a framework for decision making that has served the City well in reaching this achievement."

Last May the Burnsville City Council made a permanent \$3.5 million budget cut and followed up with a 0% property tax levy increase for 2010. The "Aaa" rating is important because it allows the city to borrow money lower interest rates.

"This upgrade will be a gift that keeps on giving to our residents and business property owners who will benefit in the form of lower interest payments for years to come," commented Burnsville Mayor Elizabeth Kautz. "Our approach to lower our debt and our stewardship to live within our means as a city is directly reflected in this recognition."

The upgrade in Moody's rating for Burnsville is part of a widespread "recalibration" to compare state and local governments with all categories including corporations, non-profits and asset backed securities. Previously, Moody's noted Burnsville's affluent and diverse local economy, historically strong financial position and manageable debt burden as factors in the rating process. In particular, the Moody's commented that Burnsville's conservative policies regarding use of debt and its impact on property taxes by stating that "Over 80% of the city's debt is supported by tax increments, special assessments, and utility revenues significantly reducing the impact on the general tax levy."

More information on the city's finances is available on www.burnsville.org.

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