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News Release

City of Menlo Park NEWS RELEASE

For Immediate Release

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Fitch Rates Menlo Park Bonds at AAA

MENLO PARK, CA – Fitch, one of the country’s leading bond rating agencies, released late last week a AAA general obligation bond rating for the City of Menlo Park. Triple AAA is the highest rating possible, and, according to Menlo Park Finance Director Carol Augustine, a “spectacular rating given the state of the California economy and the recent State grab on local revenues,” in reference to the dissolution of the City’s Redevelopment Agency. She added, “We are grateful that Fitch dedicated the resources necessary to examine the underlying strengths and vulnerabilities of each city’s fiscal situation, rather than providing a blanket rating to California municipal bonds.”

In their announcement, officials from Fitch cited Menlo Park’s “exceptionally strong financial position and tax base, outperforming economy, high wealth and income levels, and capable management.” They further stated, “The city is located in the heart of Silicon Valley and has benefited from the recent strong performance of the technology sector. Fitch views management’s expectation for continued strong results in fiscal 2012 as reasonable given its proven track record of consistently identifying new revenue opportunities and cost savings strategies to address potential imbalances.”

Fitch also stated, “Additional sources of financial flexibility include an authorized but unimplemented increase in the City’s utility user’s tax and a proposed increase in the transient occupancy tax to be considered by Menlo Park voters in November 2012.”

For more information on the proposed transient occupancy tax increase, Measure K, also known as a hotel tax, see http://www.menlopark.org/departments/fin/TOT_information.pdf.

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