



City of Malibu News

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City of Malibu Again Achieves Highest Possible Credit and Bond Ratings for Cities, Making Historic Open Space Land Purchase Possible

(MALIBU, CA) – The bond-rating agency S&P Global Ratings (S&P) assigned the highest credit rating available for a city's bonds, its "AA+" long-term rating, for the City of Malibu's 2018 Certificates of Participation (COPs) on July 26. S&P also affirmed its "AA+" long-term rating on the City's outstanding COPs, and its "AAA" issuer credit rating (ICR) on the City.

Proceeds from the sale of the 2018A COPs will be used for the City's historic purchase of 29.24 acres of open space from the Malibu Bay Company for the community's future use. The City Council unanimously approved the land purchase agreement and authorized the issuance of COPs to fund a portion of the acquisition on July 9.

"Thanks to the economic health of our community and the City's long record of outstanding fiscal management and transparency, Malibu can purchase this land that will serve the people of our community long into the future," Mayor Rick Mullen said.

The high ratings will ensure that Malibu gets the best possible interest rates, saving taxpayer dollars.

In its report, S&P listed factors that contributed to the City's high rating, including Malibu's very strong economy, very strong management with good financial policies, strong budgetary performance, and a large general fund reserve.

Malibu's High Credit Ratings Factors:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA)
- Strong management, with good financial policies and practices under S&P's Financial Management Assessment (FMA) methodology
- Very strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in Fiscal Year 2017
- Very strong budgetary flexibility, with an available fund balance in Fiscal Year 2017 of 116% of operating expenditures
- Very strong liquidity, with total government available cash at 119.4% of total governmental fund expenditures and strong access to external liquidity

The City Council has discussed multiple parcels for sale in closed session over the past year. Malibu's strong financial position has allowed the City to take advantage of this rare opportunity. To view Malibu's credit report, visit www.MalibuCity.org/FinancialReports.

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