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Pawtucket gets a thumb's up from Fitch Rating agency - by Donald Grebien

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Donald Grebien,
Mayor of Pawtucket

The City of Pawtucket is on the right path to maintaining its fiscal solvency. Last month, the Fitch Ratings assigned the city an “A+” rating on its General Obligation (GO) Bonds, an “A-” rating on its Issuer Default Rating (IDR), and a Stable Outlook. These very positive results come after the rating agency’s thorough review of the city’s financial and managerial operations in connection with its annual surveillance review of Pawtucket.

The New York-based credit rating agency’s reviews are expected to continue resulting in a lower cost of borrowing for the city on future debt.

According to the Fitch report, “The city has achieved positive operations in both the general and school funds after a period of managing the accumulated deficit in the school fund. Management’s willingness and ability to raise revenues and reduce expenses underscores the city’s financial flexibility.”

I am encouraged to have an outside agency, Fitch Ratings, one of the big three credit rating agencies, reaffirm the real progress that we continue to make here in Pawtucket. Fiscal responsibility has been a staple of my administration since inheriting this city on the brink of bankruptcy when I first came on as Mayor, in 2011. These results could not have been achieved for the taxpayers if it weren’t for the hard work and commitment of the City Council and the Pawtucket School Department.

While the city’s financial progress has been acknowledged by Fitch, we know that there is still plenty of work to be done as we focus on the long-term fiscal health of the city. We will always take a conservative approach to debt and, along with the council, will continue to build up our reserves to protect our taxpayers if the city ever faces an economic downturn in the future.

The Fitch report notes that, “Residents approved bond authorizations of \$25 million for city capital improvements this month in addition to \$220 million for school projects which is contingent upon receiving at least 75% reimbursement from the state. Fitch does not expect additional issuance of

debt to impact the current assessment.” The school projects bond and the city capital improvements bonds were all approved with overwhelming voter support. The school project bonds will provide generational upgrades to the city’s schools adding to the recently completed renovations of Nathanael Greene and Potter Burns as well as security and health upgrades that have occurred in every school.

The city capital improvement bonds will give Pawtucket the opportunity to continue its improvements of city infrastructure including adding on to the more than half of the city roads that have been repaved under my administration.

I recognize that fiscal stability, a 21st century school system and a robust infrastructure are critical to the future economic success of the city, and Pawtucket will continue to make the wise investments in our city that will attract and retain businesses and a talented workforce.

Donald Grebien is mayor of the City of Pawtucket.

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