

TOWN OF HERNDON

Enriching the Quality of Life and Promoting a Sense of Community



NEWS RELEASE

FOR IMMEDIATE RELEASE

Press Contact: Anne Curtis
703/435-6800 X2010
anne.curtis@herndon-va.gov

FITCH AFFIRMS TOWN OF HERNDON'S AAA BOND RATING, REVISES OUTLOOK FROM NEGATIVE TO STABLE *Herndon is Only Town in Commonwealth to Receive AAA Rating*

Herndon, VA (August 2, 2010) – Fitch Ratings, a global financial agency that provides credit opinions to worldwide credit markets, has affirmed the Town of Herndon's AAA rating and has upgraded its outlook from negative to stable.

Herndon is the only town within the Commonwealth of Virginia that has received a rating of AAA from Fitch. Last month, analysts from Standard & Poor's (S&P) also gave the town a rating of AAA, one of only two towns within the Commonwealth to be so rated by S&P.

In upgrading Herndon's rating outlook from negative to stable, Fitch analysts cited the town's "willingness and ability to maintain structural balance despite the pressured operating environment," as well as positive economic indicators, including low unemployment and high personal income levels. Fitch also recognized the town's financial flexibility, particularly its diversified revenue sources that offset the impact of the real estate market downturn, and its debt strategy that includes low current debt levels, stringent debt policies and minimal plans for future debt.

Fitch last rated the Town of Herndon early in 2009. At that time, the town's outlook was revised from stable to negative, based on concern over the town's willingness to consider revenue-raising options in the face of real estate declines as well as delayed implementation of utility rate increases. "Since then," wrote analysts, "the town has been proactive in regards to revenue rate increases in both the general and enterprise funds." These revenue increases, combined with careful cost containment, have resulted in positive operating results for the town over the past three years as well as an unreserved balance of 22.5 percent at the end of FY 2009, an amount characterized by Fitch analysts as "healthy."

"This affirmation of our AAA status, the only town in Virginia to receive such a rating from Fitch, is yet another reflection of the fiscally responsible way in which taxpayers' money is managed," said Mayor Steve DeBenedittis.

The Town of Herndon was incorporated by the General Assembly of the Commonwealth of Virginia on January 14, 1879. Located in western Fairfax County, Herndon is the 3rd largest town in the Commonwealth and is home to more than 23,000 citizens. Businesses located within the Town of Herndon, which range from high tech enterprises to entrepreneurially-owned establishments, employ approximately 25,000 people. *Business Week* Magazine has named Herndon one of the nation's "Best Affordable Suburbs," and *Money* Magazine has ranked Herndon among its "Best Places for the Rich and Single."

For more information, visit the town's Web site at www.herndon-va.gov.

###