



NEWS RELEASE

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NEWS MEDIA CONTACT:

Katie Casey, Communications Manager
(805) 816-4330 | katie.casey@oxnard.org

Oxnard Receives 5th S&P Credit Rating Upgrade in Past Year

OXNARD, Calif. – As a testament to Oxnard’s strong financial footing, Standard and Poor’s Global Ratings (S&P) upgraded the City’s Issuer Credit Rating from “A” to “A+” on October 26, 2022. The report also revised its long-term rating on the City’s lease revenue bonds from “A-” to “A”, the City’s Gas Tax Bond from “A+” to “AA-” and assigned a “stable” outlook to all three.

The City has made steady progress improving its ratings in recent years. The new S&P ratings mark Oxnard’s 5th upgrade by S&P in just the last 12 months. As shown in the table below, ratings were also increased by one notch on the wastewater fund earlier this year, and the outlook on the water bonds was moved to “positive” from “stable.”

S&P analyst Li Yang stated, “The raised ratings reflect our view of the city’s implementation of stronger internal controls, materially stronger sales tax revenue generating ability with the passage of a voter-approved sales tax rate increase in 2020 (Measure E), and a projection of increasing general fund reserves to very strong levels going into fiscal 2023 despite a one-time settlement paid from the general fund. Additionally, we note that the city has resolved its litigation regarding the use of the city’s infrastructure use fees (IUF) which, in our view, reduces the uncertainty regarding the financial influence of this contingent liability.”

The City’s management team was a critical component of the ratings upgrade. According to S&P, “With the hiring of new senior management beginning in 2018, City staff have made progress in resolving most of its auditor findings and is working toward a resolution of the remaining findings. As a result, we no longer consider the city to be affected by political instability and turnover that would negatively affect city financial performance and flexibility.”

“The recent credit rating upgrades showcase the City finance team’s diligent work and the City Council’s commitment to long-term fiscal sustainability,” said City Manager Alex Nguyen. He added that this rating will assist the City with current and future financings (ability to obtain lower interest rates) that might be considered by the City Council when improvements are needed to upgrade the City’s aged-out infrastructure.

Chief Financial Officer Betsy George stated, “We are proud of the recent upgrades and we will continue to guard the internal control program. We are pleased to see that the 3rd party credit rating experts are taking note of these significant improvements.”

A full copy of the S&P Global Ratings report published today is available [here](#) and attached to this press release.

	Calendar Year 2017	Calendar Year 2021	Calendar Year 2022
Issuer Credit Rating (ICR)	A (Stable Outlook)	A (Stable Outlook)	A+ (Stable Outlook)
General Fund Lease	A- (Stable Outlook)	A- (Stable Outlook)	A (Stable Outlook)
Water Fund	A (Stable Outlook)	A (Stable Outlook)	A (Positive Outlook)
Wastewater Fund	BBB (Stable Outlook)	A- (Stable Outlook)	A (Stable Outlook)
Gas Tax Fund	A (Stable Outlook)	A+ (Positive Outlook)	AA- (Stable Outlook)

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