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Fwd: Council Credit Rating - Negative

1 message

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To: mark kilgour <kilgourm@hotmail.com>, Raymond Mudford <raymond.mudford@gmail.com>

Who would have thought?

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Angela O'Leary for Mayor of Hamilton City

12 hrs

Hamilton Council's credit rating has just been put on a 'negative watch' list. The change is based on the city's likelihood to be able to "meet its financial commitments". In plain language, the city becomes a riskier investment to lenders. If a downgrade happens, the financial impact on the city's books is an increase in interest costs of \$500 for every \$1 million borrowed. Currently city debt is \$400 million. Fitch Ratings (our credit agency) have changed the way they evaluate, so this has had an impact. But I believe that if Council had resilience in the budget, the city should be able to weather any change. Fitch will be reviewing us over the next 6 months and I will keep you informed

Kind regards

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