

## Pittsfield Charter Township, MI GO Bond Ratings Raised To 'AA+' On New Criteria

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NEW YORK (Standard & Poor's) Nov. 20, 2013--Standard & Poor's Ratings Services raised its long-term and underlying ratings (SPUR) on Pittsfield Charter Township general obligation (GO) bonds, and bonds issued by other entities for the Township with a GO by the Township, by one notch to 'AA+' from 'AA' based on the application of our recently released [local GO criteria](#). The outlook on all ratings is stable.

The bonds are secured by a limited tax, full-faith-and-credit pledge of the township.

"The rating on the township reflects our assessment of its strong economy, very strong budgetary flexibility and liquidity, adequate budget performance, and good financial practices," said Standard & Poor's credit analyst Errol Arne.

The township participates in the Michigan Municipal Employees' retirement system (MERS). The township contributes 100% of annual required contributions (ARC) to the system, which was 76.2% funded as of Dec. 31, 2011. The township also provides other post-employment benefits through healthcare fund operated by MERS. The combined ARC pension costs and other postemployment benefit contributions for fiscal 2012 were about 7.4% of expenditures, and we do not anticipate that these costs will increase substantially in the near term.

The stable outlook reflects our expectation that the township will maintain very strong budgetary flexibility even with an adequate budgetary performance and maintain very strong reserves during the two-year outlook horizon. The stable outlook also reflects our view that the township will maintain very strong debt profile supported by limited future capital needs. Although unlikely we could raise the rating if the township adopts, in our opinion, strong management policies including a formal reserve policy. Conversely, we do not expect to lower the rating in two-year outlook horizon.

### RELATED CRITERIA AND RESEARCH

#### Related Criteria

- USPF Criteria: [Local Government GO Ratings Methodology And Assumptions](#), Sept. 12, 2013

#### Related Research

- [S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency](#), Sept. 12, 2013

Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com) and at [www.spcapitaliq.com](http://www.spcapitaliq.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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