



City of Melissa
3411 Barker Ave.
Melissa, TX 75454
(972) 838-2338
<https://cityofmelissa.com/>

News Release

FOR IMMEDIATE RELEASE
December 2, 2020

Media Contact: Celso Martinez 972-623-8836

Moody's upgrades City's credit rating to fourth highest

MELISSA (December 2, 2020) Melissa residents stand to benefit significantly from a recent announcement by analysts from Moody's Investors Service, one of the country's largest rating houses, upgrading the City's credit rating.

Moody's has assigned the very favorable Aa3 to Melissa, the fourth-highest rating possible, from the previous A1 level. Moody's features over 20 rating categories.

"The announcement by Moody's is most certainly welcome news," says Finance Director Gail Dansby. "The Aa3 rating assigned by Moody's says that Melissa is not only a good investment for lenders, but it also allows us the ability to earn more favorable interest rates when we borrow."

In much the same way that a high credit score from consumer credit bureaus allows purchasers to take advantage of low interest rates for auto loans, consumer loans or mortgages, a high rating from credit rating analysts gives cities and other government entities the ability to borrow money at reduced rates. The savings from those reduced rates lessens the impact on the City budget.

The City's upgraded rating means that Moody's analysts see a highly encouraging outlook for Melissa because of its current and impending growth, development, and expansion, indicating a strong financial stance for the municipality's short- and long-term future.

"We're obviously rapidly growing as a City, and with that comes the obligation to build a secure financial future," added Dansby. "In addition, our financial processes go through a very thorough review where not only are all of our financial procedures carefully studied, but virtually every aspect of how the City of Melissa conducts itself are taken into consideration. After their inspection, Moody's analysts determined that we were worthy of the upgrade in our rating."

According to the Moody's own criteria, "the upgrade to Aa3 is driven by the City's quickly growing tax base supported by extensive residential development and large amount of available land paired with consistent surplus financial operations leading to materially stronger reserves."

Dansby says the City's goal is to maintain that advantageous position. "The upgraded rating is indicative of Melissa's attractiveness as a location for residential and commercial growth, but also because of the financial discipline and conservative approach to managing funds at the City Council and staff levels. Our goal is to maintain that kind of financial standing into the long-term."

###

ABOUT THE CITY OF MELISSA – The City of Melissa is a fast-growing progressive suburb with a small-town feel, located 35 miles north of downtown Dallas in the dynamic growth area of northeast Collin County. Melissa sits on 21 square miles, is home to over 16,000 people, and is easily accessible by way of three intersecting highways. Melissa has ample inventory of the highly-sought-after undeveloped frontage available on US 75 and SH 121, primed to serve the commercial needs of a booming Collin County. Melissa is a home-rule municipality, governed by a council-manager form of government.