



Published on *GazetteNET* (<http://www.gazettenet.com>)

Northampton's bond rating upgraded

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Created 11/29/2011 - 6:00am

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NORTHAMPTON - The city's bond rating has been upgraded by Moody's Investors Services, a change that likely will save Northampton money when it borrows for its police station construction project.

Mayor-elect David Narkewicz said Monday the city's new rating is Aa2, up two positions from its previous rating. The rating covers the city's outstanding long-term debt.

Narkewicz said the rating is based on the city's stable tax base, tax collection rates and recent appropriations to a stabilization fund.

It also reflects the fact that free cash was not used to balance budgets in the current or last fiscal year, he said.

The rating agency interviewed Northampton officials by phone Nov. 16 about the city's finances.

"I emphasized that despite tough economic times, Northampton residents have shown significant community support," the mayor-elect said in a statement.

He cited past override approvals and this month's vote to retain the Community Preservation Act.

- LARRY PARNASS

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