

## Administration

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## Flagler County's S&P financial rating improves to AA+

**April 9, 2024** – Flagler County's financial rating continues to improve, which is reflective of an improving economic climate and a stronger financial position in the county. The county received word on April 5 that Standard & Poor's Rating Services boosted the county's rating from AA to AA+ for its general obligation rating and from AA to AA+ for its non-ad valorem debt rating.

"This upgrade reflects the hard work and dedication of each and every one of you in ensuring the success and stability of our organization," County Administrator Heidi Petito said. "It reaffirms our commitment to excellence, responsible financial management, and strategic decision-making."

The rating reflects the S&P view of Flagler County's:

- Significant tax base growth due to new residential development and robust housing demand due to a growing local economy;
- Strong operations because of conservative budgeting practices and stable revenues from local taxes (71%), leading to growth of very strong reserves that we expect will be largely maintained;
- Good management practices including conservative budgeting practices and regular budget monitoring, robust long-term financial and capital planning, and a target to maintain available reserves at a minimum of three months' (25%) operating expenditures; and
- Very strong debt and liabilities profile, including limited budgetary pressure from pension and other postemployment benefit costs (OPEB).

"About four years ago, the Board of County Commissioners made the hard choices necessary to begin moving Flagler towards a more fiscally stable position. Through their leadership and solid commitment to fiscal accountability, we were able to formulate a multi-level plan that included paying down debt and building up reserves," said Finance Director John Brower. "This news from S&P is a clear indicator that the financial and managerial decisions that were made to implement the plan were the right ones for us."

Operating surpluses, reflecting strong tax revenue, have enabled the county to grow reserves to \$49 million (43% of operating expenditures), providing flexibility for future storm-related expenditures given its coastal

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District 2

David Sullivan  
District 3

Leann Pennington  
District 4

Donald O'Brien, Jr.  
District 5

location and elevated physical risk, according to the S&P report prepared by Primary Credit Analyst Michael Ryter, and Secondary Contact Christian Richards.

“S&P’s decision to raise our credit rating to ‘AA+’ places us in an even stronger position in the eyes of investors, stakeholders, and the financial community at large,” Petito said. “It is a testament to our resilience, prudent financial policies, and long-term vision. This achievement wouldn’t have been possible without the collective efforts of our entire team, who’s dedication, expertise, and unwavering commitment to our organization’s goals have propelled us to new heights.”

The best S&P rating is AAA.

“As we celebrate this significant milestone, let’s continue to uphold the values and standards that have brought us to this point,” Petito told leadership. “Let’s remain focused on our objectives, innovate boldly, and collaborate enthusiastically to continue to drive our community forward.”

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