Bond Rating and Issuance Process

August 3, 2026

City of Charlottesville AAA Bond Rated

City Receives Highest Rating Possible from Standard & Poor's and Moody's Investors Services

Moody's has rated Charlottesville Aaa since 1973 and Standard & Poor's has rated AAA since 1964.

Moody's

S&P Global

AAA BOND RATING

What is a Credit Rating?

Opinion of creditworthiness assigned by an independent third party.

A rating is an opinion by a rating agency as to the willingness and ability of an issuer to repay principal and interest in full on a timely basis.

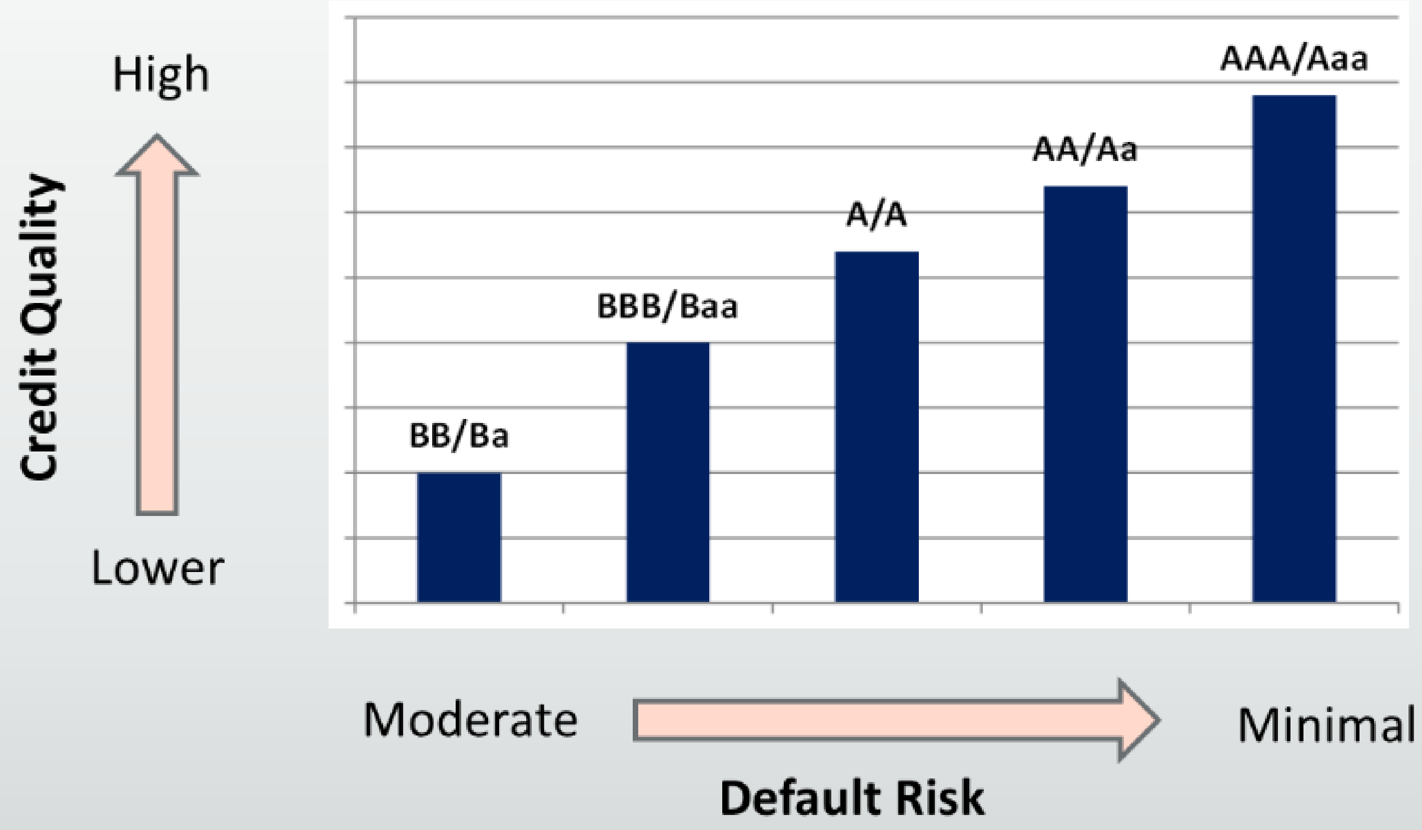
<u>Major National Rating Organizations</u>

S&P Global Ratings

Moody's Investor's Service, Inc.

Fitch Investor's Service Inc.

Investment Grade Risk and Credit Quality



S&P Global Rating Comments

Strengths

- "Ability to make budgetary adjustments toward maintaining balance, supported by a growing economy and longstanding financial management policies"
- "….we expect management will incorporate rising debt service costs into the budget while adhering to its adopted debt management policy, leading to our expectation of maintenance of high reserves and cash balances"

Downside Scenarios

- Persistent budgetary imbalances, requiring draws on reserves without a plan to replenish
- Materially deviating from formal policies and practices
- If debt and liabilities increase to levels no longer comparable to peers or that are no longer consistent with city policy

Moody’s Rating Comments

Strengths

- Robust economic base with high property wealth, anchored by UVA
- Strong and Stable reserves supported by formal policies

Downside Scenarios

- Sustained decline in reserves
- Material tax base contraction with weakening resident income levels
- Substantial increase in debt burden

Series 2026 Bondable Project Categories

Projects		Amount*
Transportation and Access	$	2,315,216
Public Facilities		4,859,973
Public Schools		3,679,714
Public Safety		200,000
Parks and Recreation		3,120,000
Affordable Housing		3,422,837
General Government Projects	**$**	**17,597,740**
Water System Improvements		5,500,000
Wastewater System Improvements		2,000,000
Stormwater System Improvements		1,500,000
Utility Projects	**$**	**9,000,000**
Total to Be Issued	**$**	**26,597,740**

*Amounts are estimates and subject to change based on actual project expenses and completion. Funds can be reallocated between categories as needed.

Projects to Be Funded by Series 2026 Bonds

Public Schools	
City Schools HVAC Replacment Plan	1,500,000
CCS Priority Improvements	1,000,000
Lump Sum to Schools	1,179,714
Transportation and Access	
Street Reconstruction	500,000
Minor Bridge Repairs	100,000
ADA PW Implementation	1,115,216
Stribling Avenue Sidewalk	400,000
Safe Routes to School	200,000
Public Facilities	
City Solar PV Prog	75,000
City Facility HVAC Replacement	1,000,000
Facilities Lump Sum	1,045,491
Lump Sum to Facilities CIP	521,096
IT Data Center AC	318,386
RSWA Baler and Bailing Facility	1,100,000
Climate Action Initiatives	800,000

Projects to Be Funded by Series 2026 Bonds

Parks and Recreation	
Riverview Park Restroom	220,000
Meadowcreek Golf Course - Irrigation	2,000,000
Washington Park Bathroom Remodel	500,000
Downtown Mall Crossing	100,000
Downtown Mall Infrastructure Repairs	300,000
Affordable Housing	
Public Housing Redevelopment	170,894
S. First Street Phase 2	600,000
6th Street Phase I	2,651,943
Public Safety	
Fire/EMS Apparatus Replacement	200,000

Bond Sale Schedule