



(/en_US/web/guest/home) Deerfield Beach, FL's 2012B-2 Bonds Upgraded To 'AA' From 'AA-' On Improved Operating Performance

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DALLAS (S&P Global Ratings) Aug. 29, 2017--S&P Global Ratings raised its long-term rating on Florida Municipal Loan Council's series 2012B-2 revenue refunding bonds, issued for Deerfield Beach, one notch to 'AA' from 'AA-'. The outlook is stable.

In addition, S&P Global Ratings raised its long-term rating on the council's series 2012B-1 refunding and improvement revenue bonds, supported by Deerfield Beach, one notch to 'AA-' from 'A+'. The outlook is stable.

"The upgrade reflects Deerfield Beach's improved operating performance that has resulted in the recovery and accumulation of healthy reserve balances," said S&P Global Ratings credit analyst Amahad Brown. In fiscal 2014, the city approved a 1-mill property tax rate increase that, in combination with the introduction of public service taxes in fiscal 2012, increased its revenue base, resulting in improved operating results. Deerfield Beach has also benefited from the recovery of taxable assessed values that has contributed to the steady growth in property tax revenues.

The ratings reflect our opinion of the following factors for the city:

Strong economy;
Adequate management;
Strong budgetary performance;
Very strong budgetary flexibility;
Very strong liquidity;
Strong debt and contingent liability position; and
Strong institutional framework score.

Deerfield Beach is a coastal community in northeastern Broward County, Florida. The city is approximately 18 miles north of Fort Lauderdale, halfway between Miami and West Palm Beach. The local economy, which tourism has historically anchored, has continued to diversify toward industries like trade, government, health care, education, and professional services. Indicators point to continued growth in the local economy, with total county employment increasing more than 9% since 2014 and the unemployment rate falling below 5% in 2016.

The stable outlook reflects our view that, within our two-year outlook horizon, we will not change the rating. We expect Deerfield Beach to maintain stable operating performance leading to continued very strong budgetary flexibility and liquidity. The outlook also reflects our expectation that the city's economy will continue to grow modestly spurred by residential and commercial development.

We could raise the rating if Deerfield Beach were to strengthen its management policies and practices while maintaining strong budgetary performance and reserves. Although outside of our two-year outlook horizon, we could also raise the rating if the city were to experience continued economic growth and diversification leading to higher income levels and taxable values.

We could lower the rating if Deerfield Beach's budgetary performance were to weaken, leading to a material reduction in reserves.

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