



# Making an Effective Rating Presentation

## Site Visits

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## Site Visits with Rating Agencies are a Great Tool for Issuers to shape your narrative

- ◆ A site visit under appropriate conditions allows an issuer an opportunity to effectively convey unique credit qualities & characteristics which may not be openly apparent by simply reading financial statements
- ◆ Rating Methodologies Heavily Focus on Economy and Management Factors (combined 50% weighting)
  - ◆ Economy = 30%
    - Tax Base Trends & Property Values
    - Demographics & Income Levels
    - Employment Base & Taxpayer Composition
  - ◆ Management = 20%
    - Financial Management Practices & Policies
    - Experience & Continuity of officials
    - Policy Making environment
    - Labor Relations



## When are Site Visits are Most Effective

- New Administration Taking Office
  - Turnover in key staff positions
- New rating analyst assigned to region
- Pre & Post Economic Development Projects
  - Role of stabilizing institution
- Coping with fiscal or economic stress
- Address emerging credit issues
  - Infrastructure demands & capital investments
  - Strategies to deal with Climate Change
    - Acute episodes impacting essential services
    - Gradual changes and impact on property values
  - Technology Innovations & Cybersecurity efforts
  - Demographics & Workforce Trends
    - Housing Market & Commuter Projects



## Logistics

### ◆ Frequency

- Site visits not needed frequently but helpful when used at the right time
- Most useful at critical points in credit lifecycle – close to an upgrade or downgrade

### ◆ When to schedule

- 2-4 weeks prior to when rating is needed

### ◆ Who Attends

- Local officials, Chamber of Commerce, community leaders

### ◆ What to Do & How Long

- Tie the tour into the key messages of the rating presentation

### ◆ Follow Up

- Assign someone (generally FA) to note any requested follow up items and coordinate with the rating analyst
- Use pictures / reminders in future rating presentations as reinforcement in future years of key messages from the site visit



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