FOR IMMEDIATE RELEASE

Helena, Alabama Achieves 'AA-' Long-Term Rating from S&P Global Ratings for New General Obligation Warrants

Helena, Alabama, September 3, 2024 — S&P Global Ratings has assigned its 'AA-' long-term rating to Helena, Alabama's approximately $17.5 million series 2024-A general obligation (GO) warrants and $26.3 million series 2024-B GO warrants. This rating reflects the city's strong financial management and favorable economic outlook. Concurrently, S&P Global Ratings has affirmed its 'AA-' rating on Helena's existing GO debt.

The 'AA-' long-term rating is indicative of Helena's robust financial position, supported by its full faith, credit, and taxing power. The stable outlook suggests that this favorable credit rating is expected to persist, barring any significant changes in economic conditions or financial practices. This rating puts Helena in the Top 6% of the 461 cities and towns ranked in the State of Alabama.

Key Credit Highlights:

- **Strong Financial Management:** Helena's series 2024 GO warrants will fund the construction of a new city hall and a sports and leisure complex. The city has demonstrated historically positive budgetary performance and maintains very strong available reserves, which are projected to remain robust.

- **Growing Economic Base:** Helena benefits from its proximity to the diverse Birmingham metropolitan area, contributing to its expanding residential base. The city's economic fundamentals have improved due to significant growth in market value per capital.

- **Stable Revenue Streams:** Despite a large operating deficit in fiscal 2023, driven by cash-funded capital expenditures, Helena's fiscal 2024 budget is balanced and trending toward a surplus. The city's primary revenue source is sales taxes, which, while subject to cyclical volatility, are supported by a broad base including online sales and essential items.

- **Debt Profile:** The city's debt profile is characterized by a high level of issuance and significant capital needs, contributing to a relatively high debt burden. However, Helena's pension and other postemployment benefits obligations are manageable in the near term. The city is working to address these long-term challenges through improved financial planning and reserve policies.

Management Practices:

Helena's financial practices include conservative budgeting, a formal reserve policy, and a recently adopted investment policy. While the city has established a capital improvement planning (CIP) policy, it is still developing its long-term financial planning and debt management practices.

Outlook and Future Expectations:

S&P Global Ratings anticipates that Helena will continue to benefit from its expanding residential base and strong financial practices. The city’s focus on maintaining high reserve levels and balanced budgets supports the stable outlook for its credit rating.

About Helena, Alabama (cityofhelena.org):

Helena is a rapidly growing city located in Alabama, benefiting from its proximity to the Birmingham metropolitan area. Known for its strong residential growth and robust financial management, Helena continues to invest in infrastructure and community development to support its expanding population.

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