



Presentation to:



Bond Rating Results

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October 7, 2026 Workshop Discussion

Village of Estero: AAA Credit Rating

S&P Global
Ratings

RatingsDirect®

Research Update:

Village Of Estero, FL Series 2026 Special Obligation
Revenue Bonds Rated 'AAA'

September 25, 2026

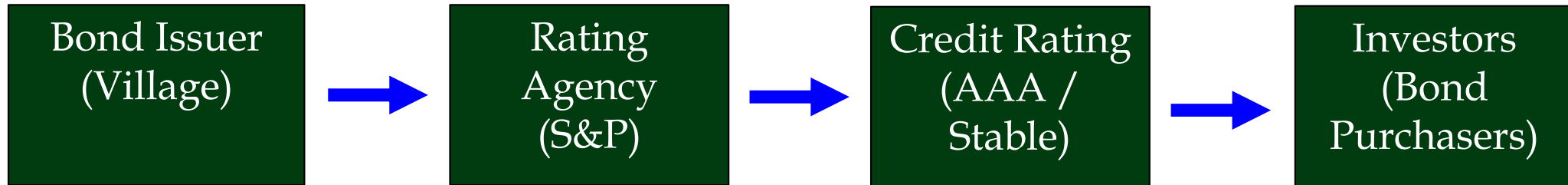


Village of Estero, Florida
Special Obligation Revenue Bonds, Series 2026
Presentation to S&P Global Ratings

Presented: September 16, 2026

- The Village recently engaged S&P Global Ratings as part of the approx. \$62 million bond issuance process
- Staff and the Village's Municipal Advisor, PRAG, presented the Village's key credit strengths and the financing plan to the S&P analyst team on September 16
- Following its review, S&P assigned an **AAA / Stable rating** to the Village's bonds – **the highest rating S&P assigns** – and affirmed the Village's **AAA / Stable Issuer Credit Rating** first obtained in 2024

What is a Bond Rating?



- Independent assessment of **creditworthiness**
- Focus on the ability and willingness to **meet financial obligations**
- Provides investors with a common measure of **credit risk** when considering a bond investment
- Credit quality can affect **investor demand** and ultimately **borrowing costs**

Understanding the Bond Rating Scale

<u>Credit Quality</u>	MOODY'S	<u>S&P Global</u>	Fitch Ratings
Highest Credit Quality	Aaa	AAA	AAA
Very Strong	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Strong	A1	A+	A+
	A2	A	A
	A3	A-	A-
Adequate	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
Lowest Investment Grade	Baa3	BBB-	BBB-
Speculative Grade ↓	Ba1	BB+	BB+

- S&P “AAA” Definition:

An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

<https://www.spglobal.com/ratings/en/regulatory/article/190705-s-p-global-ratings-definitions-s504352>

AAA-Rated Florida Municipalities

Moody's	S&P Global	Fitch Ratings
Boca Raton, City of	Boca Raton, City of	Boca Raton, City of
Coral Gables, City of	Coral Gables, City of	Coral Gables, City of
Palm Beach, Town of	Coral Springs, City of	Coral Springs, City of
Wellington, Village of	Davie, Town of	Doral, City of
Weston, City of	Estero, Village of	Ocoee, City of
	Fort Lauderdale, City of	Orlando, City of
	Naples, City of	Winter Park, City of
	Palm Beach, Town of	
	Palmetto Bay, Village of	
	Pinecrest, Village of	
	Tampa, City of	
	Weston, City of	

Source: EMMA; PRAG analysis as of October 5, 2026; excludes utility and other dedicated revenue bonds (e.g. water/sewer, stormwater)

- PRAG identified 17 cities, towns or villages in the State of Florida that currently maintain the highest general credit rating from at least one major rating agency
- Only approx. 4% of the State's 400+ municipalities currently carry AAA/Aaa general credit ratings

Why S&P Rates Estero AAA

STRONG RESERVES

"History of healthy reserves well above that of peers despite substantial pay-go capital spending"

- Robust reserves and liquidity
- Capacity to manage capital needs and contingencies

STRONG POLICIES & PLANNING

"Well-embedded policies and practices"

- Formal reserve policy
- Multi-year financial and capital planning
- Debt management & investment policies

CONSERVATIVE FINANCIAL MANAGEMENT

"History of conservative budget assumptions"

- Historical pay-go capital investment
- Significant revenue and expenditure flexibility

LOW FIXED COSTS & LIABILITIES

"Very low fixed costs"

- Track record of minimal long-term liabilities
- Defined-contribution plan / No pension liability
- Limited service responsibilities

AAA / Stable Outlook

Rating incorporates the Village's proposed debt issuance and ongoing capital needs, while also reflecting S&P's view of Estero's strong local incomes and growing local economy