



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Melissa Ryan, CPA, Director, Financial Services/Treasurer

Date: Wednesday, December 3, 2025

Subject: 2025 County of Essex Credit Rating - Standard & Poor's

Report #: 2025-1203-FIN-R28-MR

Purpose

To report the results of the County of Essex 2025 credit rating review conducted by Standard & Poor's (S&P), dated November 13, 2025.

Background

The S&P credit rating provides issuers, investors and intermediaries with an independent view of the creditworthiness of an entity or simply the entity's ability and willingness to meet financial obligations (principal and interest) in full and on time. Factors influencing a credit rating include: state of the economy, changes in the business climate, changes to cash flow, liquidity and taxation capacity.

Recently S&P conducted its evaluation of Essex County. The evaluation included an interview with the Director of Financial Services / Treasurer, obtaining first-hand information regarding the political, administrative and financial stewardship of the County. Joining the Director was Wendy Stark, Director, Business Retention & Expansion at Invest WindsorEssex to provide additional insight into the economic outlook of the region.

The analysis included discussion and review of a number of key performance areas:

- Review of the Corporation's prior period financial statements
- Physical asset management practices
- Reserve Management Policy
- Investment portfolio and budget performance

- The status of residential, commercial and industrial development activities
- Informal discussions regarding strengths, weaknesses and diversity of the local economy
- Examination of the relative strength of local municipalities
- Discussions with administration regarding future challenges and opportunities relating to management of municipal infrastructure

Discussion

As a result of the 2025 review, S&P has affirmed the County's credit rating at AAA, with a stable outlook. (See Appendix A for the media release.) It is significant to point out that the County of Essex continues to have the highest credit rating afforded to a county level government in Ontario.

As described below, there are two distinct but equally important elements expressed in a credit rating.

First, the AAA rating signifies that the County of Essex credit status is of a high quality and low risk. This translates into more attractive interest rates and lower interest costs should the County and/or the local municipalities decide to issue debt.

Second, the Stable outlook rating reflects the expectation that the County of Essex's credit rating quality should remain consistent in the coming years.

S&P notes that the County maintains strong financial management practices, including conservative budgeting, multi-year planning, and consistent adherence to adopted policies. The report highlights the County's healthy liquidity position, predictable revenue framework, and history of generating operating surpluses as key strengths supporting the current rating. The County's debt burden remains low relative to comparable jurisdictions, reflecting Council's ongoing commitment to sustainable capital financing and responsible long-term planning.

The analysis also acknowledges several challenges external to the County's direct control, including ongoing regional exposure to trade-related risks. As noted in the report, current trade uncertainties, particularly those connected to cross-border economic activity and supply-chain volatility, have the potential to impact local growth and investment patterns. S&P recognizes that the regional economy is heavily linked to manufacturing, goods movement, and U.S.–Canada trade flows, and that shifts in trade policy or economic conditions could influence the broader fiscal landscape.

Importantly, S&P's overall outlook remains Stable, indicating that these risks are currently assessed as manageable within the context of the County's strong financial fundamentals.

The credit report also reiterates that continued population growth and increasing service demands will require sustained capital investment. However, S&P notes that the County's established planning frameworks, disciplined reserve strategies, and prudent debt management practices position it well to accommodate these pressures without compromising long-term sustainability.

Financial Implications

The affirmation of the County's AAA credit rating with a stable outlook reinforces the County of Essex's strong fiscal management, prudent financial practices, and overall stability. This top-tier rating communicates to vendors, financial institutions, and the broader marketplace that the County is financially well managed and resilient. It underscores confidence in the County's ability to maintain essential services and meet its obligations even amid economic uncertainties, including trade disruptions or market volatility. Additionally, it strengthens public trust and signals to residents, businesses, and stakeholders that the County is committed to long-term fiscal sustainability and sound governance.

Funding for this credit rating exercise is not included in the 2026 County Budget, however, Council may choose to reinstate it during deliberations on December 3, 2025, to continue supporting the proactive financial oversight provided by this exercise.

Consultations

N/A

Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<input type="checkbox"/> Scaling Sustainable Services through Innovation <input checked="" type="checkbox"/> Focusing "Team Essex County" for Results <input type="checkbox"/> Advocating for Essex County's Fair Share	<input type="checkbox"/> Being an Employer with Impact <input type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness	<input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners <input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That Essex County Council receive report number 2025-1203-FIN-R28-MR, 2025 County of Essex Credit Rating, as information.

Approvals

Respectfully Submitted,

Melissa Ryan

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
A	Media Release- S&P Global Ratings Credit Report