

Research Update:

West Hartford, CT Series 2026A GO Bonds Assigned 'AAA' Rating

May 21, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to **West Hartford**, Connecticut's \$25 million general obligation (GO) bonds, series 2026A.
- At the same time, S&P Global Ratings affirmed its 'AAA' rating on the town's GO debt outstanding.
- The outlook is stable.

Rationale

Security

West Hartford's full faith and credit pledge, payable from the levy of an unlimited ad valorem tax on all taxable property in the town, secures the bonds and GO debt outstanding.

Bond proceeds will be used to finance various capital improvements.

Credit highlights

West Hartford's regional and local economic metrics, consistent financial performance, growing reserves, and in-depth management practices and policies support the current rating, despite its sizable debt and retirement liabilities. The town has actively managed its long-term liabilities, however, and successfully incorporates the associated current costs of these liabilities into its budget while still typically reporting surplus results annually. It issued pension obligation bonds (POBs) in 2021, which has reduced its net pension liability and annual contribution costs. The town's stable financial position and track record of strong performance through various economic and business cycles provide additional credit stability.

The town's beneficial location halfway between New York City and Boston supports its strong county-based and local economic metrics, alongside a growing tax base and population. Since the onset of the pandemic, the town has experienced increased population growth and housing demand. Officials expect this trend to continue, leading to additional economic development

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projects and consistently high housing demand. These positive economic trends support continued local tax revenue growth, which is the town's largest source of general fund revenue.

The town's consistent financial performance and increasing reserves are a credit strength, and we expect this will continue, based on management's projections and comprehensive budgeting practices and long-term planning. While available reserves in the general fund are weaker on a percentage basis (against operating revenues) compared to many similarly rated peers, we note that the town has also traditionally allocated surpluses into various other reserve accounts, which indirectly alleviates reliance on the unassigned general fund balance. In aggregate, West Hartford maintains roughly a \$21 million spread across several other funds that could be used for operations with an action of town council. Additionally, the pension reserve fund, used to help manage outyear volatility in its pension costs, maintains a balance of \$27.2 million.

West Hartford has approximately \$420 million of total direct debt outstanding, including the 2021 POBs. While the town's debt burden is weak compared with many peers following the POB issuance in 2021, current debt service costs remain stable. The town's 12-year capital improvement program (CIP) shows roughly \$92 million in bonds are expected to be issued during the next two years for capital purposes.

The rating also reflects our view of the following:

- County-based gross county product and per capita personal income metrics exceed the nation, with local incomes reflecting additional strength due to a growing tax base and ongoing economic development following increased housing demand. Although the tax base is primarily residential, West Hartford has a substantial local commercial base and is a regional retail and restaurant destination. The local economy also features employers in government, health care, higher education, and manufacturing.
- Consistent budgetary performance over the past decade has led to increased unassigned general fund reserves, with plans to increase them further over the coming years along with access to additional committed reserves and reserves in other funds. Fiscal 2025 results were slightly positive, with unassigned reserves maintained at nearly 9% of general fund revenue. Going forward, the town expects to grow its unassigned reserves until they reach its fund balance policy target of 16% of operating expenditures. The fiscal 2026 budget totals \$367 million, a 5.7% increase over the previous year, and assumes no use of reserves. Management indicates budget-to-actual results are currently on target to achieve a budgetary surplus. For fiscal 2027, the budget increased to \$387 million and includes a 4.4% tax increase to address increasing benefit costs, wages, and other expenditures as well as to continue providing a high level of government services.
- Management focuses on conservative budgeting, forward-looking planning, and establishing key thresholds related to debt and reserves. It monitors the budget regularly throughout the year, reporting budget-to-actual results to the town council monthly. West Hartford also maintains a strong focus on capital and financial planning, as evidenced by its 12-year comprehensive CIP and its five-year financial forecast that it updates as part of its budget development process. The town's formal reserve policy aims to increase the unassigned fund balance to 16% of audited general fund expenditures, with excess amounts above policy targets used to bolster reserves in other funds. A formal debt management policy states measurable debt benchmarks and metrics for capital-related borrowing. West Hartford also adheres to a formal investment policy with reports of earnings and holdings sent regularly to the town council.

- Large debt and liabilities result in higher per capita liability and current cost metrics than many national peers at the current rating. However, the town continues to be proactive in addressing these liabilities and ensuring that they remain stable and manageable.
- For more information on our institutional framework assessment for Connecticut local governments, see "[Institutional Framework Assessment: Connecticut Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We have analyzed West Hartford's environmental, social, and governance (ESG) risks relative to its economy, financial performance, management, and debt and long-term liability profile, and view them to be credit neutral within our analysis.

Rating above the sovereign

Under our criteria, "[Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#)," Nov. 19, 2013," we rate West Hartford higher than the sovereign because we believe the town can maintain better credit characteristics than the nation in a stress scenario, based on its predominantly locally derived revenue base and our view that pledged revenue supporting bond debt service is at limited risk of negative sovereign intervention.

Outlook

The stable outlook reflects our view that the town's economy and management practices will continue to support positive financial performance and growing reserves while management successfully addresses its large debt and retirement liabilities.

Downside scenario

We could lower the rating should the town's financial performance or general fund reserves weaken or if liabilities significantly increase from current levels.

West Hartford, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.20
Economy	1.0
Financial performance	2
Reserves and liquidity	2
Management	1.00
Debt and liabilities	5.00

West Hartford, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	--	--	140	143
County PCPI % of U.S.	--	--	110	108

West Hartford, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Market value (\$000s)	--	10,458,000	10,419,610	10,337,181
Market value per capita (\$)	--	162,497	161,901	162,363
Top 10 taxpayers % of taxable value	--	5.0	4.7	--
County unemployment rate (%)	--	3.7	3.2	3.2
Local median household EBI % of U.S.	--	--	139	141
Local per capita EBI % of U.S.	--	--	151	156
Local population	--	--	64,358	63,667
Financial performance				
Operating fund revenues (\$000s)	--	392,773	380,600	359,020
Operating fund expenditures (\$000s)	--	355,498	341,014	316,774
Net transfers and other adjustments (\$000s)	--	(33,605)	(38,021)	(37,683)
Operating result (\$000s)	--	3,670	1,565	4,563
Operating result % of revenues	--	0.9	0.4	1.3
Operating result three-year average %	--	0.9	3.2	2.9
Reserves and liquidity				
Available reserves % of operating revenues	--	9.7	9.1	9.1
Available reserves (\$000s)	--	38,197	34,724	32,701
Debt and liabilities				
Debt service cost % of revenues	--	19.5	19.6	19.1
Net direct debt per capita (\$)	6,530	6,573	6,780	7,060
Net direct debt (\$000s)	420,245	423,020	436,341	449,477
Direct debt 10-year amortization (%)	50	53	52	51
Pension and OPEB cost % of revenues	--	7.0	6.0	6.0
NPLs per capita (\$)	--	639	979	1,719
Combined NPLs (\$000s)	--	41,099	63,036	109,465

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$25,000,000 West Hartford, Connecticut, General Obligation Bonds, Series 2026A, dated: Date of Delivery, due: June 1, 2046

Long Term Rating AAA/Stable

Ratings Affirmed

Local Government

West Hartford Twn, CT Unlimited Tax General Obligation AAA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

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different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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