

Town of West Hartford

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FOR IMMEDIATE RELEASE

Bond Rating agencies affirm West Hartford's top rating

WEST HARTFORD, CONN. (January 30, 2020) -- Both Moody's Investor Services and Standard & Pooors, the nation's largest bond rating agencies, have assigned their highest ratings, Aaa and AAA, respectively, to the Town of West Hartford's \$17 million General Obligation Bonds, Series 2020.

Moody's Investor Services and Standard & Poor's are the nation's largest financial rating agencies and their ratings are used for institutional investors, such a large banks and insurance companies, when bonds are sold. The Aaa/AAA rating allows cities and towns to secure the best possible interest rate because they are considered low risk to lenders.

At the bond sale today, January 30, 2020, West Hartford received the lowest rate in over a decade – 1.485494%, down from last year's interest rate of 2.652298%.

"This is great news for West Hartford," said Peter Privitera, director of financial services department. "This incredibly low interest rate means that it will cost us significantly less to fund our capital projects," he said.

Bond proceeds fund such projects as town and school facility improvements, streets and storm water management, park improvements, financial management systems, rolling stock and technology improvements.

"We are very proud and pleased to be awarded this prestigious distinction for our strong and solid fiscal strategies and management," said Mayor Shari Cantor

“West Hartford’s economy is strong. We see investments throughout our town. At Corbin’s Corner, the former Sears property has been transformed into a vibrant multi-business shopping/dining area. Bishops Corner is reinvigorated with the arrival of the state’s first small-format Target - and it is thriving. The New Park Avenue corridor is an Opportunity Zone and is experiencing investments in residential and commercial businesses. We are looking forward to the creation of a new streetscape between CTfastrak transit stations to encourage additional reinvestment. New residential development, including apartments, condominiums and single-family homes, are continuing to be built throughout our community,” said Mayor Cantor

Less than 1% of all municipalities nationwide earn the highest-possible ratings from Moody’s and Standard & Poors.

Moody's Investors Service report stated, “The Aaa rating reflects the town's sizable and growing tax base, strong resident income and wealth profile, stable financial position and moderate long-term liabilities.”

“The stable outlook reflects the expectation that the town's financial position will remain stable given conservative budgeting practices and formally adopted policies. The town's tax base will benefit from ongoing development projects, which will support property tax revenue growth. The outlook also incorporates the town's proactive management of long-term liabilities and the expectation that the pension plan's funded ratio will continue to increase.”

S&P Global Ratings assigned its 'AAA' long-term rating to West Hartford's series 2019A general obligation (GO) bonds.

Standards & Poor’s report stated, “West Hartford has a very strong set of financial policies and controls that are institutionalized and embedded into its overall financial management, and, in our view, is a key factor contributing to its ability to sustain budgetary balance through a period of slow economic growth statewide and past state aid revenue pressures. We expect the town to maintain a steady pace of modest economic growth and a manageable debt profile over the two-year outlook period.”

"In our view, these factors will allow it to maintain strong flexibility and liquidity to guard against potential state-level fiscal pressures, which we note remains a budgetary consideration, particularly if economic deterioration occurs.

"The Aaa/AAA credit ratings from both Moody's and Standard & Poor's reflects West Hartford's solid economic health, growing tax base, booming economic development, sound and conservative financial strategies, its experienced management team, and long range plans for infrastructure improvements, all desirable factors to the credit rating agencies," said Peter Privitera, Director, Department of Financial Services, Town of West Hartford.

West Hartford is one of a select few cities or towns nationwide that have held the top ratings consistently since 1974.

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