Fitch Rates Danbury, CT $60.1MM Ser 2026 GO Bonds 'AA+' and $139.6MM BANs 'F1+'; Outlook Stable

Related Content:

[Danbury (CT)](#)

Fitch Ratings - New York - 03 Feb 2026: Fitch Ratings has assigned a 'AA+' rating to the city of Danbury, CT's $60,130,000 general obligation (GO) bonds, issue of 2026, and an 'F1+' rating to the city's $139,605,000 GO bond anticipation notes (BANs).

The bonds and BANs are scheduled to sell competitively on Feb. 10, 2026. Proceeds of the bonds will be used to finance various water, sewer, general purpose, and school related projects. The notes are being issued to refinance a portion of outstanding BANs and to finance various general purpose, school, water and sewer projects.

In addition, Fitch has affirmed Danbury's Issuer Default Rating (IDR) and outstanding GO bonds at 'AA+'.

The Rating Outlook is Stable.

The 'AA+' IDR and GO bond ratings reflect the city's 'aaa' financial resilience assessment and Fitch's expectations that unrestricted general fund reserves (sum of committed, assigned and unassigned) will be maintained at or above 10% of spending. This expectation is based on the city's 'High-Midrange' level of budgetary flexibility and unlimited ability to raise revenues.

The city's long-term liability burden is assessed as 'Strong', reflecting slightly elevated direct debt and Fitch-adjusted net pension liabilities (NPL) when compared to estimated personal income levels. This is offset by a 'Strong' ratio of liabilities to governmental revenues and manageable, but increasing, fixed carrying costs. The city has plans for future non-enterprise debt associated primarily with new school projects for which a portion of costs will be reimbursed by the state of Connecticut. Future bond debt service costs will be partially offset by rapidly amortizing principal of outstanding governmental debt (80% over 10 years, inclusive of the 2026 bonds) and therefore should not have an effect on the current rating.

The city's economic and demographic metrics associated with residents' employment, educational attainment and median household income levels are assessed at 'strong' when compared to Fitch's local government ratings portfolio. The city economy is diverse and its population has experienced

moderate annual growth trends the past decade.

The 'F1+' short-term rating on the BANs corresponds to the city's 'AA+' IDR and reflects the unlimited tax pledge for note repayment.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A sustained approximate 70% increase in long-term liabilities and carrying costs absent a commensurate increase in personal income and/or governmental resources;

--A reduction in fund balance that results in unrestricted reserve levels sustained below 10% of spending, leading to a lower financial resilience assessment.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--A sustained approximate 20% decrease in long-term liabilities and carrying costs absent a commensurate decrease in personal income and/or governmental resources;

--Improved demographic and economic indicators including stronger median household income, population growth, and lower unemployment rates.

SECURITY

The bonds and BANs are general obligations of the city backed by its full faith and credit and unlimited tax power.

Fitch's Local Government Rating Model

The Local Government Rating Model (LGRM) generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio (the Model Implied Rating will be the IDR except in certain circumstances explained in the applicable criteria). The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale, which ranges from 10.0 or higher ('AAA'), 9.0 ('AA+'), 8.0 ('AA') and so forth down to 1.0 ('BBB-' and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile, and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-three notches.

Ratings Headroom & Positioning

Danbury Model Implied Rating: 'AA+' (Numerical Value: 9.87)

-- Metric Profile: 'AA+' (Numerical Value: 9.87)

-- Net Additional Analytical Factor Notching: 0.0

Danbury's Model Implied Rating is 'AA+'. The associated numerical value of 9.87 is at the upper end of the 9.0 to 10.0 range for a 'AA+' rating.

Key Rating Drivers

Financial Profile

Financial Resilience - 'aaa'

Danbury's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: High

-- Expenditure control assessment: Midrange

-- Budgetary flexibility assessment: High Midrange

-- Minimum fund balance for current financial resilience assessment: >=10.0%

-- Current year fund balance to expenditure ratio: 22.5% (2024)

-- Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024: 15.7% (2020)

Revenue Volatility - 'Strong'

Danbury's weakest historic three-year revenue performance is neutral to the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

-- Lowest three-year revenue performance (based on revenues dating back to 2005): 0.9% increase for the three-year period ending fiscal 2021

-- Median issuer decline: -4.3% (2024)

Demographic and Economic Strength

Population Trend - 'Weak'

Based on the median of 10-year annual percentage change in population, Danbury's population trend is assessed as 'Weak'.

Population trend: 0.4% (2024) (23rd percentile) (vs. 0.1% 2023 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Strong'

The overall strength of Danbury's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Strong' on a composite basis, performing at the 66th percentile of Fitch's local government rating portfolio. This is due to high education attainment levels and very low unemployment rate offsetting midrange median-issuer indexed adjusted MHI.

-- Unemployment rate as a percentage of national rate: 70.0% 2024 (88th percentile), relative to the national rate of 4.0%

-- Percent of population with a bachelor's degree or higher: 34.5% (2023) (62nd percentile)

-- MHI as a percent of the portfolio median: 98.5% (2023) (48th percentile)

Economic Concentration and Population Size - 'Strongest'

Danbury's population in 2024 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the fifth percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 88,692 (2024) (above the 15th percentile) (vs. 87,263 2023 Actual)

-- Economic concentration: 36.4% (2024) (above the 15th percentile)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Long-Term Liability Burden

Long-Term Liability Burden - 'Strong'

Danbury's carrying costs to governmental expenditures and liabilities to governmental revenue remain strong while liabilities to personal income remain midrange. The long-term liability composite metric in 2024 is at the 63rd percentile, indicating a somewhat lower liability burden relative to the Fitch's local government rating portfolio.

-- Liabilities to personal income: 6.4% Analyst Input (41st percentile) (vs. 6.1% 2024 Actual)

-- Liabilities to governmental revenue: 104.6% Analyst Input (83rd percentile) (vs. 100.0% 2024 Actual)

-- Carrying costs to governmental expenditures: 12.2% (2024) (69th percentile)

Fitch adjusted liability metrics to reflect the issuance of new debt (less self-supporting water- and sewer-related debt) and amortization of outstanding debt since fiscal year end 2024.

PROFILE

Danbury is located in northern Fairfield County approximately 60 miles north of New York City and is proximate to other major employment centers in Connecticut. Its estimated population in 2024 was 88,692, up approximately 9.6% since 2010.

Danbury benefits from continued economic development and its role as a regional employment and retail center. The city's major employers besides the city and schools include the Western Connecticut Health Network-affiliated Danbury Hospital and Boehringer-Ingelheim Pharmaceuticals. The city is also home to Western Connecticut State University, one of four state-operated universities. The city's top 10 taxpayers comprise approximately 8% of the total, with the Danbury Fair Mall the largest, at 2% of the tax base.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Fitch Ratings Analysts

Arthur Tildesley III, CFA
Director
Primary Rating Analyst
+1 646 582 4749
Fitch Ratings, Inc. Hearst Tower 300 W. 57th Street New York, NY 10019

Blythe Logan
Analyst
Secondary Rating Analyst
+1 646 582 3640

Jose Acosta
Senior Director
Committee Chairperson
+1 512 215 3726

Media Contacts

Anne Wilhelm
New York
+1 212 908 0334
anne.wilhelm@thefitchgroup.com

Eleis Brennan
New York
+1 646 582 3666
eleis.brennan@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
Danbury (CT) [General Government]	LT IDR	AA+ ⊙	Affirmed		AA+ ⊙
• Danbury (CT) /General Obligation - Unlimited Tax/ 1 LT	LT	AA+ ⊙	Affirmed		AA+ ⊙

ENTITY/DEBT	RATING		RECOVERY	PRIOR
• Danbury (CT) /General Obligation - Unlimited Tax/ 1 ST	ST	F1+	Affirmed	F1+

RATINGS KEY OUTLOOK WATCH

	OUTLOOK	WATCH
POSITIVE	⊕	◈
NEGATIVE	⊖	◈
EVOLVING	◎	◆
STABLE	⊡	

Applicable Criteria

[U.S. Public Finance Local Government Rating Criteria (pub.02 Apr 2024) (including rating assumption sensitivity)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 [(1)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Danbury (CT)   EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts

of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

Endorsement policy

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.