

Research Update:

East Haven, CT Series 2026A And 2026B General Obligation Bonds Rated 'A+'; Outlook Is Stable

April 29, 2026

Overview

- S&P Global Ratings assigned its 'A+' long-term rating to the town of [East Haven](#), Connecticut's series 2026A and 2026B general obligation (GO) bonds, totaling about \$2.6 million and \$17.4 million, respectively.
- At the same time, S&P Global ratings affirmed its 'A+' long-term rating on the town's existing GO debt.
- The outlook is stable.

Rationale

Security

The town's full-faith-and-credit pledge supports the bonds and existing debt. The series 2026 A bond proceeds will be used for various capital projects. The series 2026B bond proceeds will be used for various capital projects and towards the settlement of a litigation related to a land use case from 2016. We understand the litigation is now settled and the town does not anticipate any significant financial implications from the settlement.

Credit highlights

The rating reflects East Haven's mature tax base, with household incomes that are stable but slightly below average relative to those of higher-rated state and national peers. In addition, available reserves, while having improved the past few years, are also below average compared with those of higher-rated peers, and do not fully offset the risks associated with the town's high proportionate share of the net pension and other postemployment benefits (OPEB) liabilities.

East Haven is a primarily built-out residential community east of New Haven along Interstate 95 and Route 80. It has various development initiatives underway, including a potential new manufacturing and regional headquarters for Granarolo, a large multinational food production company. In addition, officials indicate that Tweed New Haven Airport, which is located within the town, is positioned to undergo significant renovations, costing more than \$450 million and largely

Primary Contact

Anthony Polanco
Manchester
1-617-530-8234
anthony.polanco
@spglobal.com

Secondary Contact

Rahul Chakraborty
New York
+ 2124381864
Rahul.Chakraborty
@spglobal.com

East Haven, CT Series 2026A And 2026B General Obligation Bonds Rated 'A+'; Outlook Is Stable

supported by state funding, including the relocation of the airport terminal to the East Haven side of the airport. The town, along with other stakeholders, has entered into an agreement to support enabling legislation to move the proposed airport expansion to the next stage of review and approval. As part of the legislative framework, the town is structured to receive an annual statutory fixed payment in lieu of taxes (PILOT) payment of approximately \$4.4 million, along with an increase in the formula-based PILOT from its current level of approximately \$462,000 to an estimated \$1 million annually. In addition, the state has committed \$40 million in grant funding to support the town's public safety facility needs. The legislative framework also includes provisions for additional funding related to environmental, noise, and traffic mitigation measures, as well as an anticipated annual direct payment of approximately \$1.5 million from the airport management company to support the FAA-required police presence at the airport.

After experiencing multiple years of consistent general fund surplus, the town estimates to have ended fiscal 2025 with a slight general fund drawdown of about \$670,000, or less than 1% of budget. According to officials, this was primarily due to higher-than-budgeted health insurance costs at its school department related to unexpected increases in claims for the year.

Management indicates these claims were related to isolated, one-time events and are not expected to be recurring. For fiscal 2026, while budget-to-actual results are tracking favorably in most areas of the budget, the town projects to end the year with a general fund deficit of about \$831,000 due to higher-than-expected special education costs. In the future, the town plans to continue to budget more conservatively on special education and health insurance costs and town officials meet regularly with the school department to discuss the budget. For fiscal 2027, the town adopted a budget of \$116.9 million, which represents a 6.4% increase over the previous years, mostly due to improved employee benefits, debt service, and school department costs, and does not include any fund balance appropriation, which the town has historically done. The budget also includes a 7% increase in property taxes and management indicates there are no major changes in its fiscal 2027 budget compared with fiscal 2026's. While reserves and financial performance weakened slightly in fiscal years 2025 and 2026 compared with previous years, the town plans to maintain balanced operations and has no plans to draw on reserves going forward.

With this issuance, the town will have about \$61 million in total direct debt. While its net direct debt per capita ratios are slightly elevated, we believe its combined debt and pension liabilities are manageable as a percentage of total revenue.

While East Haven's retirement costs remain manageable, we believe its combined pension and OPEB liabilities remain large on a per capita basis. The town participates in the Connecticut Municipal Retirement System, which was 69.5% funded as of fiscal 2023, with a \$55 million proportionate net pension liability, which the town makes its full actuarially determined contribution towards to every year. It also has an OPEB liability totaling about \$136 million as of fiscal 2024, which its funds on a pay-as-you-go basis. Overall, we believe fixed costs will continue to increase as result of this debt issuance and the low-funded pension and OPEB plans.

Our rating also reflects the following:

- Built-out residential local economy participating in the New Haven metropolitan statistical area (MSA) employment base, with limited growth and weaker household incomes than county, state, and national averages.
- Historically strong financial performance and improved reserves, although fiscal years 2025 and 2026 results are estimated to be weaker than previous years. In addition, available reserves remain below average compared with those of higher-rated peers.

East Haven, CT Series 2026A And 2026B General Obligation Bonds Rated 'A+'; Outlook Is Stable

- Conservative budgeting practices that have yielded stronger financial results in the past few years but lack a long-term track record. The long-term capital plan guides investment in capital needs, but there is no multiyear financial forecast to help identify future shortfalls. The town has some financial management policies, formal and informal, that it adheres to, but there is limited reporting or links to the operating environment.
- Material increases in debt burden as result of this issuance, although the town's additional debt plans remain limited. The town's pension liability remains moderate but we view its OPEB liability as sizable. While fixed costs are expected to continue to increase, we expect they will remain manageable.
- Stable operating framework with significant autonomy to raise local-source revenue for operations. For more information on our institutional framework assessment for Connecticut municipalities, please see "[Institutional Framework Assessment: Connecticut Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We analyzed the town's environmental, social, and governance factors relative to its economy, management, financial measures, and debt and liability profile, and consider them neutral in our credit rating analysis. The town has coastal exposure and increasing environmental risks over the long term because of flooding, which might impair future development initiatives, particularly along the coastline.

Outlook

The stable outlook reflects our expectation that East Haven will maintain stable financial results and reserves at estimated levels, supported by its strong management framework. We do not expect to revise the rating during the two-year outlook period.

Downside scenario

We could consider a negative rating action if the town maintains negative financial operations, resulting in a sustained decrease in available reserves beyond what is projected, without a plan for replenishment. We could also lower the rating if fixed costs associated with additional debt issuances or retirement liabilities rise to the point where we believe they are pressuring budgetary performance.

Upside scenario

We could raise the rating should East Haven maintain structural balance and sustain reserves at levels that are commensurate with those of higher-rated peers, providing a cushion to manage unforeseen credit events, and if the town continually demonstrates strong budgeting practices and financial performance without relying on one-time budget measures or the use of reserves.

East Haven, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	3.00
Economy	2.5
Financial performance	3
Reserves and liquidity	3

East Haven, Connecticut--credit summary

Management	3.00
Debt and liabilities	3.50

East Haven, Connecticut--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	--	--	91	92
County PCPI % of U.S.	--	--	97	98
Market value (\$000s)	--	3,448,927	3,428,201	2,895,707
Market value per capita (\$)	--	124,501	123,990	101,348
Top 10 taxpayers % of taxable value	--	5.4	--	--
County unemployment rate (%)	--	3.2	3.2	4.2
Local median household EBI % of U.S.	--	97	100	101
Local per capita EBI % of U.S.	--	97	97	99
Local population	--	27,702	27,649	28,572
Financial performance				
Operating fund revenues (\$000s)	--	109,274	106,907	100,214
Operating fund expenditures (\$000s)	--	108,370	105,911	98,632
Net transfers and other adjustments (\$000s)	--	15	12	(27)
Operating result (\$000s)	--	919	1,008	1,555
Operating result % of revenues	--	0.8	0.9	1.6
Operating result three-year average %	--	1.1	1.8	0.8
Reserves and liquidity				
Available reserves % of operating revenues	--	8.4	7.7	7.2
Available reserves (\$000s)	--	9,179	8,260	7,253
Debt and liabilities				
Debt service cost % of revenues	--	3.3	3.2	1.5
Net direct debt per capita (\$)	2,215	1,403	1,345	1,347
Net direct debt (\$000s)	61,350	38,874	37,184	38,494
Direct debt 10-year amortization (%)	56	66	--	--
Pension and OPEB cost % of revenues	--	9.0	8.0	8.0
NPLs per capita (\$)	--	2,003	2,007	1,850
Combined NPLs (\$000s)	--	55,492	55,492	52,867

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\$17,400,000 East Haven Town, Connecticut, Federally Taxable General Obligation Bonds, Series 2026B, dated: Date of Delivery, due: July 15, 2045

East Haven, CT Series 2026A And 2026B General Obligation Bonds Rated 'A+'; Outlook Is Stable

Ratings List

Long Term Rating	A+/Stable
------------------	-----------

US\$2,600,000 East Haven Town, Connecticut, General Obligation Bonds, Series 2026A, dated: Date of Delivery, due: July 15, 2045

Long Term Rating	A+/Stable
------------------	-----------

Ratings Affirmed

Local Government

East Haven Twn, CT Unlimited Tax General Obligation	A+/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 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.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.