

Research Update:

Stamford, CT Series 2026 GO Bonds Assigned 'AAA' Rating

April 9, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to [Stamford](#), Conn.'s \$80 million general obligation (GO) bonds, issue of 2026.
- At the same time, we affirmed our 'AAA' long-term rating on the city's previously issued GO debt.
- The outlook is stable.

Rationale

Security

Stamford's faith and credit secures the bonds and its GO debt outstanding. Bond proceeds will fund various school and public improvement projects.

Credit highlights

The 'AAA' rating reflects our view of Stamford's high resident incomes, above-average economic output, and wealthy tax base, which we believe supports the city's revenue-generating ability and which in turn supports balanced operations. The city's detailed capital and debt issuance planning, well-funded pension liabilities, and significant other postemployment benefit (OPEB) funding progress limit potential long-term budgetary pressure from fixed costs relative to peers. In our view, these credit strengths, coupled with the city's statutory revenue-raising flexibility, more than offset the city's below-average general fund reserve position.

After several years of late audits, we believe the city has taken steps to improve its audit completion timeliness and address material weakness internal control findings, but we could take negative rating action if the city's transparency and reporting do not continue improving as anticipated, particularly if financial results become obfuscated or deteriorate as a result. Stamford's fiscal 2023 audit was delayed until April 2025 as a result of issues stemming from a now-completed conversion to new financial management software; the fiscal 2024 audit was delayed to February 2025 for the same reason. The city's comptroller, hired in mid-2024, completed a restructuring of the comptroller's office in mid-2025 that included hiring four new employees that support auditing and accounting functions, partly to expedite audit completion.

Primary Contact

Michael Ryter
Chicago
1-312-233-7016
michael.ryter
@spglobal.com

Secondary Contact

Anthony Polanco
Manchester
+ 1 (617) 530 8234
anthony.polanco
@spglobal.com

The city also believes the improved staffing will enable it to address material weaknesses cited in the fiscal 2024 report related to audit readiness, grant reporting, recording of liabilities, and classification misstatements. Fiscal 2024 audit completion delayed the commencement of work on the fiscal 2025 audit, but Stamford is targeting completion of it this summer, according to the city's internal audit completion tracker provided to S&P Global Ratings.

We expect that operating performance will remain steady, bolstered by highly predictable property tax revenue (84% of operating revenue), practical revenue-raising flexibility sufficient to match rising expenditures, and our view that the late audits have not caused year-end results to deviate from budget or adversely affected the city's long-term financial and capital planning practices. Unaudited fiscal 2025 results provided by management indicate a projected \$5 million surplus, and management reports that fiscal 2026 is tracking favorably to budget. The mayor's proposed fiscal 2027 operating budget totals \$742 million, a 6.4% increase, and is structurally balanced with a \$10.2 million proposed use of capital nonrecurring reserves for one-time projects. We also expect general fund reserves will remain stable.

The rating further reflects our view of the city's:

- Status as a regional employment hub in Fairfield County, with high-paying employment opportunities in financial services, insurance, and professional and business services, supporting consistent tax base appreciation.
- Thorough budgeting process and quarterly budget-to-actual review with the board of finance, leading to consistent balanced-to-positive budgetary variance, a detailed five-year capital plan with substantial funding source detail, and revenue-to-expenditure forecasts for two years beyond the budgeted year, the last of which we believe supports proactive identification of potential operating pressures. Stamford's charter requires management to deliver annually to elected officials a comprehensive "Safe Debt Report," a comprehensive analysis of debt and projections for the effects of proposed issuances. Finally, the city maintains formal policies on investments, with regular reporting, and a "rainy day" target of no more than 5% of general fund expenditures, and has taken steps to mitigate cyber risk.
- Below-average general fund reserves, partly because it consistently transfers operating surpluses to other governmental funds that support its capital program, reducing pressure to use general fund reserves. We note that the city maintains fund balances outside the general fund, including \$30 million in the capital nonrecurring fund as of April 2026, which can be used for any legal purpose by a vote of elected officials. Stamford plans to utilize a portion of the roughly \$75 million in its school construction fund for ongoing projects, but projects the balance will remain at a minimum of \$44 million through at least 2032. We also believe consistent operating performance and revenue-raising flexibility offset comparatively weaker reserves.
- Roughly \$457 million in direct debt outstanding after issuance, with well-funded retirement liabilities that have limited cost escalation risk from pensions (four plans, three of which have net liabilities totaling \$161 million) and OPEBs (\$2 million net asset). Stamford anticipates issuing an additional \$270 million in GO debt through fiscal 2032. We expect the city's debt and pension liabilities will remain manageable relative to budget, despite somewhat elevated per capita liabilities.
- We expect the operating environment for Connecticut municipalities will remain stable. For more information, see "[Institutional Framework Assessment: Connecticut Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We view the city's transparency and reporting risks as somewhat elevated given its delayed completion of recent audits and cited material weaknesses, which we reflect in our management score. In our view, the city's restructuring of its comptroller's office partly mitigates these risks, as does its ability to maintain its budgeting and long-term planning practices and willingness to provide us detailed unaudited information on fiscal 2025 and fiscal 2026 to date. We view environmental and social factors as neutral in our analysis.

Rating above the sovereign

Stamford's GO bonds are eligible to be rated above the sovereign because we believe the city could maintain better credit characteristics than the U.S. in a stress scenario. The city has predominantly locally derived revenue sources, with independent taxing authority and independent treasury management from the federal government.

Outlook

The stable outlook reflects our view that Stamford's high resident incomes and large tax base, statutory revenue-raising flexibility, and detailed long-term planning will enable it to maintain its operations, more than offsetting its below-average general fund reserve position. It also reflects our view that Stamford's late audits have not materially affected its financial performance and that the city has taken steps to improve its audit timeliness and enhance internal controls.

Downside scenario

We could take negative rating action if the city ceases making progress on its audit completion timeliness and enhancing internal controls as anticipated, or if its general fund reserves materially decrease without a plan to replenish them.

Stamford, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.00
Economy	1.0
Financial performance	2
Reserves and liquidity	2
Management	3.00
Debt and liabilities	2.00

Stamford, Connecticut--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita as % of U.S.	--	--	149	148
County PCPI as % of U.S.	--	--	197	196
Market value (\$000s)	39,039,814	35,273,515	32,470,776	31,711,030
Market value per capita (\$)	282,664	255,402	236,225	243,093
Top 10 taxpayers as % of taxable value	6.2	5.8	6.9	12.1

Stamford, Connecticut--key credit metrics

	Most recent	2024	2023	2022
County unemployment rate (%)	--	2.8	2.8	4.1
Local median household EBI as % of U.S.	--	137	139	133
Local per capita EBI as % of U.S.	--	149	155	159
Local population	--	138,110	137,457	130,448
Financial performance				
Operating fund revenue (\$000s)	--	726,088	703,967	671,405
Operating fund expenditures (\$000s)	--	651,188	625,942	599,317
Net transfers and other adjustments (\$000s)	--	(72,503)	(70,238)	(78,174)
Operating result (\$000s)	--	2,397	7,787	(6,086)
Operating result % of revenues	--	0.3	1.1	(0.9)
Operating result three-year average %	--	0.2	0.8	1.1
Reserves and liquidity				
Available reserves as % of operating revenue	--	9.0	10.4	9.4
Available reserves (\$000s)	--	65,299	73,453	63,336
Debt and liabilities				
Debt service cost as % of revenue	--	6.3	6.9	7.0
Net direct debt per capita (\$)	3,311	3,277	3,620	3,821
Net direct debt (\$000s)	457,268	452,586	497,597	498,467
Direct debt 10-year amortization (%)	68	68	77	76
Pension and OPEB cost as % of revenue	--	5	7	9
NPLs per capita (\$)	--	1,165	1,380	1,994
Combined NPLs (\$000s)	--	160,914	189,661	260,103

Financial data may reflect analytical adjustments and is 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. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

Ratings List

New Issue Ratings

US\$80.0 mil GO bnds ser 2026 due 05/15/2046

Long Term Rating AAA/Stable

Ratings Affirmed

Local Government

Stamford, 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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