S&P Global Ratings

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Research Update:

Trumbull, CT Series 2026 GO Bonds Rated 'AA+' And Series 2026 Bond Anticipation Notes Rated 'SP-1+'

August 24, 2026

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Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to the Town of Trumbull, Connecticut's approximately $25.7 million series 2026 general obligation (GO) bonds.
- In addition, S&P Global Ratings assigned its 'SP-1+' short-term rating to the town's $15.2 million series 2026 bond anticipation notes (BANs).
- Finally, S&P Global Ratings affirmed its 'AA+' long-term rating on the town's existing GO debt and its 'SP-1+' short-term rating on the town's existing BANs.
- The outlook on the long-term rating is stable.

Rationale

Security

Trumbull's full faith and credit pledge secures the bonds and BANs. The short-term rating reflects our criteria for evaluating and rating BANs. Trumbull maintains a very strong capacity to make principal and interest payments when BANs come due. We view the town's market risk profile as low because Trumbull has strong legal authority to issue long-term debt to take out the BANs and is a frequent debt issuer that regularly provides disclosure to market participants.

Officials intend to use series 2026 bond and note proceeds to fund several capital projects.

Credit highlights

Our view of the town's creditworthiness is supported by strong incomes and a growing property tax base, record of healthy reserves, and manageable current costs for debt and liabilities, despite additional debt plans and pension actuarial assumptions that could lead to cost volatility.

The rating reflects gross county product and income metrics well above the U.S. average, and we expect ongoing development will support growth trends. Although the town has a diverse tax base, among its largest taxpayers is Trumbull Mall, which was recently placed into receivership after the owner defaulted on a loan in 2025. Management reports the property went up for sale early in calendar year 2026, and will likely sell by year-end, after which officials project a boost in grand list figures and property tax collections. Trumbull's recent operational results have been hindered by an appeal settlement from Digital, a former leading taxpayer. The settlement included $6.4 million in payments and credits across fiscal years 2024 and 2025. In October 2025, the town secured a memorandum of understanding with new ownership that includes an agreement to not appeal tax assessments, as well as commitments for economic development and investment over five years. We view the recent developments with major leading employers and taxpayers positively, and further economic developments will likely contribute to economic stability.

Trumbull has experienced some budget pressure in recent years, stemming from inflation, pension cost increases, and additional board of education (BOE) needs. The BOE is the largest line item in the general fund, and management recently allocated additional support to the BOE by reducing costs elsewhere in the budget. The rising costs have contributed to the recent deficits, weakening our view of financial performance; we anticipate the town will end fiscal 2026 with another general fund deficit. Management is projecting balanced operations in fiscal 2027 due to spending reductions for the town and BOE, along with growth in property tax collections associated with recent economic growth. Officials do not plan to use fund balance appropriation in fiscal 2027, and we expect reserves will remain above the town's policy threshold to maintain 10% of expenditures in reserve.

Following the series 2026 issuance, the town will have about $170.5 million in net direct debt outstanding. Trumbull will seek about $80 million in additional debt to support the middle school project and will receive a 44% reimbursement from the state for the project. We do not expect this debt will alter our view of the town's liabilities, as costs should remain affordable despite the elevated per capita debt burden. We do not view pension and other postemployment benefits (OPEB) liabilities as a significant source of credit pressure given the relatively low unfunded liabilities and annual costs. The town has also been proactive in funding its OPEB liabilities; the net OPEB liability is $19.6 million.

The rating also reflects our view of the following:

- This predominantly residential community benefits from participation in the robust Fairfield County regional economy. The town's personal income metrics are significantly higher than county and national levels and support the 'AA+' rating. Trumbull has also seen steady grand list growth due to the diverse mix of commercial and residential development.
- Despite variable operating results in recent years, the town has a track record of stable reserves--supported by stable general fund revenue primarily made up of property taxes (82%)--and budget oversight and expenditure controls. Results from fiscal years 2024 through 2026 have been challenged by the tax appeal settlement with Digital, but we expect revenue and expenditures will broadly be balanced.
- The town's policies and planning include conservative revenue and expenditure assumptions as management factors recent performance into its budget estimate. The town maintains a five-year capital improvement plan that it reviews and updates annually but lacks formal long-term financial planning. Trumbull adheres to a policy to maintain fund balance equal to at least 10% of the annual budget. The policy also calls for any exigent circumstance or emergency that would cause the town to reduce its fund balance below 10% to be subject to two-thirds majority council approval with a plan to address and restore the fund balance decrease in the subsequent fiscal year. Trumbull has also adopted a debt management policy that limits debt service to no more than 10% of expenditure, and the charter stipulates a voter referendum for debt above $15 million. The investment policy formalizes the town's commitments to state

requirements and guidelines. Trumbull's cyber risk mitigation measures align with our view of its risk management policies and practices.

- Fixed costs are low and the overall debt burden is elevated on a per capita basis, while retirement liabilities are affordable. The town will issue additional debt to support the middle school renovation project.
- The operating framework for Connecticut municipalities is generally stable with significant statutory flexibility to raise local-source revenue for operations. For more information on our institutional framework assessment for Connecticut municipalities, see "Institutional Framework Assessment: Connecticut Local Governments," Sept. 9, 2024.
- Although physical risks are relevant for the local government sector, we consider Trumbull's exposure to natural hazards, including flooding and extreme weather, low compared with national peers and in a nominal sense; therefore, it is not a material factor in our credit analysis.

Outlook

The stable outlook reflects our view that Trumbull will likely sustain reserves in line with policy thresholds and that the local economy will continue to grow, leading to stability in operations.

Downside scenario

We could lower the rating if finances were to weaken further, resulting in a sustained decrease of available fund balance with no plan to restore reserves.

Upside scenario

We could raise the rating if the town were to reduce debt and liabilities substantially, while returning to more balanced operations and increasing available reserves to levels we consider commensurate with those of 'AAA' rated peers.

Town of Trumbull, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.35
Economy	1.0
Financial performance	3
Reserves and liquidity	2
Management	2.00
Debt and liabilities	3.75

Town of Trumbull, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	--	--	119	121
County PCPI % of U.S.	--	--	146	146
Market value ($000s)	--	7,595,460	7,589,175	7,530,328

Town of Trumbull, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Market value per capita ($)	--	203,861	206,300	204,701
Top 10 taxpayers % of taxable value	--	9.8	9.8	10.3
County unemployment rate (%)	--	4.6	3.8	3.6
Local median household EBI % of U.S.	--	167	--	--
Local per capita EBI % of U.S.	--	147	--	--
Local population	--	37,258	--	--
Financial performance				
Operating fund revenues ($000s)	--	219,123	215,288	212,765
Operating fund expenditures ($000s)	--	222,966	216,778	207,425
Net transfers and other adjustments ($000s)	--	--	--	453
Operating result ($000s)	--	(3,843)	(1,490)	5,793
Operating result % of revenues	--	(1.8)	(0.7)	2.7
Operating result three-year average %	--	0.1	1.0	1.4
Reserves and liquidity				
Available reserves % of operating revenues	--	12.6	15.1	15.7
Available reserves ($000s)	--	27,561	32,414	33,317
Debt and liabilities				
Debt service cost % of revenues	--	5.5	5.9	3.1
Net direct debt per capita ($)	4,577	3,885	3,707	3,629
Net direct debt ($000s)	170,546	144,729	136,372	133,497
Direct debt 10-year amortization (%)	61	70	76	--
Pension and OPEB cost % of revenues	--	4.0	4.0	4.0
NPLs per capita ($)	--	1,566	1,930	2,145
Combined NPLs ($000s)	--	58,341	70,985	78,918

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$15.210 mil GO BANs dtd 9/11/2026 due 9/10/2027	
Short Term Rating	SP-1+
US$25.735 mil GO bnds issue of 2026 due 9/1/2046	
Long Term Rating	AA+/Stable
Ratings Affirmed	
Local Government	
Trumbull, CT Unlimited Tax General Obligation	AA+/Stable
Trumbull, CT Unlimited Tax General Obligation BAN	SP-1+

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.