Research Update:

Bristol, CT Series 2026 GO Bonds Rated 'AA+'; Outlook Stable; Series 2026A And B Bond Anticipation Notes Rated 'SP-1+'

October 16, 2026

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to the City of Bristol, Connecticut's $68.775 million series 2026 general obligation (GO) bonds.
- S&P Global Ratings also assigned its 'SP-1+' short-term rating to the city's $21 million series 2026A GO and $4.8 million series 2026B GO bond anticipation notes (BANs).
- In addition, S&P Global Ratings affirmed its 'AA+' rating on the city's GO debt outstanding and its 'SP-1+' short-term rating on existing BANs.
- The outlook, where applicable, is stable.

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Rationale

Security

Bristol's unlimited-tax GO pledge, to levy ad valorem taxes without limit as to rate or amount on all taxable property within the city's borders, secures the bonds and notes.

The short-term rating on the BANs reflects our criteria for evaluating and rating BANs. We view the city's market risk profile as low because Bristol has strong legal authority to issue long-term debt to take out the BANs and it is a frequent debt issuer that regularly provides ongoing disclosure to market participants.

Bond proceeds will permanently finance BANs issued to finance various capital projects, the series 2026A notes will renew existing notes issues to finance various capital projects, and the series 2026B notes will be used to finance the purchase of a golf course.

Credit highlights

The rating reflects our view of Bristol's stable economy, which is supported by strong economic output metrics--as measured by gross county product per capita--consistent budgetary performance and reserves, and manageable long-term liabilities. However, these strengths are

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somewhat offset by income levels that are in line with county and national levels but trail that of higher-rated peers.

Bristol has a history of producing budget surpluses, enabling it to maintain an available fund balance of over 15% of general fund revenues. In fiscal 2025, however, the city reported a deficit. Although general government operations generated a surplus, the school department posted a deficit, primarily due to increased special education costs. Bristol offset part of this deficit through higher-than-expected own-source revenues and expenditure savings. A similar pattern continued in fiscal 2026, with property taxes, permits, and fees exceeding budgeted amounts, but the school department again running a deficit--albeit smaller than the previous year, and the city reports nearly flat fund balance on a budgetary basis. However, we expect reserves to be equivalent to less than 15% of general fund revenues, due to growth in the overall budget. Bristol's adopted 2027 budget represents a 5.9% increase over the previous year, mainly due to higher salaries, benefits, and school department expenses, particularly special education costs. According to management, special education funding has improved for the year, and the city expects at least break-even results. Despite ongoing pressures, especially mandated school department expenditures, we expect Bristol's pursuit of additional revenue sources and continued collaboration with school department management will support at least balanced results and the maintenance of reserves consistent with historical levels.

With this issuance, the city will have approximately $210.7 million in total direct debt. Bristol's five-year capital improvement plan (CIP) totals about $175 million in bonded debt and is expected to result in $70 million-$80 million in new money debt over the next two years. We have incorporated this planned issuance into our analysis and do not expect the city's debt profile to deteriorate as a result.

The rating further reflects our view of the following:

- Bristol benefits from access to the city of Hartford's labor market. The city is home to ESPN, Bristol's largest employer (with 4,100 employees), as well as its largest taxpayer, accounting for 4.26% of the net taxable grand list. The city's tax base continues to expand, with several new residential projects in the downtown and surrounding areas and Bristol is working to identify additional development opportunities, including at underutilized properties within it.
- A record of consistent financial performance supports solid reserve levels despite recent declines due to budgetary pressure from the school department. Local tax revenue accounts for almost 80% of general fund revenue, lending stability to the city's budget; however, non-tax revenues have performed well and have been a source of revenue growth for Bristol.
- Budgeting practices are conservative and include the use of three-to-five years of historical trends as well as monthly budget-to-actual reporting, with five-year expenditure and debt service projections to support its long-term financial stability and planning that, in turn, supports operating flexibility. Similarly, the city maintains a formal CIP that covers the current fiscal year and five future years, which it updates annually and that identifies funding sources as part of the annual budget process. In addition, the city has a formal debt management policy, an investment policy with monthly holdings and earnings reports to the board, and a reserve policy that limits the unassigned fund balance to 12%-15% of expenditures and the total fund balance to 15%-20%, to which it has historically adhered. The city has taken steps to mitigate cybersecurity risk.
- Debt is manageable, with some additional debt plans that are incorporated in the city's long-term planning and limited fixed costs because of overfunded pensions, which are funded at a 125% minimum. We do not view Bristol's retirement obligations as a significant budgetary

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pressure due to its overfunded pension plan. The Bristol Retirement Fund is extremely well funded. The city's adopted formal policy calls for maintaining pension plan funding at no less than 125%. It also participates in the State Teacher Retirement System, to which the state contributes on behalf of the city and that has another postemployment benefits liability totaling $77 million as of fiscal 2025.

- Although physical risks are relevant for the local government sector, we consider Bristol's exposure to natural hazards, including flooding and extreme weather, low compared with that of national peers and in a nominal sense; therefore, it is not a material factor in our credit analysis.
- For more information on our institutional framework assessment for Connecticut municipalities, see "Institutional Framework Assessment: Connecticut Local Governments, Sept. 9, 2024.

Outlook

The stable outlook reflects our expectation that Bristol will return to maintenance of balanced financial performance and strong reserves in accordance with its policies.

Downside scenario

We could lower the rating if the city were to experience sustained weakened budgetary performance or flexibility with no plan to restore reserves, or if additional debt issuances far exceeded current projections.

Upside scenario

We could raise the rating if Bristol's economic indicators and reserves improved to levels comparable with those of higher-rated peers and operating results remained balanced.

Bristol, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.29
Economy	2.5
Financial performance	3
Reserves and liquidity	2
Management	1.7
Debt and liabilities	2.25

Bristol, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	--	--	85	86
County PCPI % of U.S.	--	--	99	98
Market value ($000s)	--	7,786,522	7,766,431	6,058,019
Market value per capita ($)	--	125,820	127,473	100,022
Top 10 taxpayers % of taxable value	--	11.5	11.6	13.3

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Bristol, Connecticut--key credit metrics

	Most recent	2025	2024	2023
County unemployment rate (%)	--	4.5	3.8	3.7
Local median household EBI % of U.S.	--	104	102	100
Local per capita EBI % of U.S.	--	101	99	99
Local population	--	61,886	60,926	60,567
Financial performance				
Operating fund revenues ($000s)	--	264,059	257,250	248,255
Operating fund expenditures ($000s)	--	253,383	242,261	233,860
Net transfers and other adjustments ($000s)	--	(13,271)	(14,663)	(11,903)
Operating result ($000s)	--	(2,595)	326	2,492
Operating result % of revenues	--	(1.0)	0.1	1.0
Operating result three-year average %	--	--	0.4	0.6
Reserves and liquidity				
Available reserves % of operating revenues	--	15.3	16.7	17.1
Available reserves ($000s)	--	40,311	42,881	42,520
Debt and liabilities				
Debt service cost % of revenues	--	4.9	4.9	4.9
Net direct debt per capita ($)	3,306	2,522	2,179	2,293
Net direct debt ($000s)	204,611	156,066	132,758	138,877
Direct debt 10-year amortization (%)	53	54	67	--
Pension and OPEB cost % of revenues	--	3.0	3.0	3.0
NPLs per capita ($)	--	--	--	--
Combined NPLs ($000s)	--	--	--	--

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$21.000 mil GO BANs ser A dtd 11/05/2026 due 11/04/2027	
Short Term Rating	SP-1+
US$4.800 mil taxable GO BANs ser B dtd 11/5/2026 due 11/4/2027	
Short Term Rating	SP-1+
US$68.775 mil GO bnds ser 2026 due 11/01/2051	
Long Term Rating	AA+/Stable
Ratings Affirmed	
Local Government	
Bristol, CT Unlimited Tax General Obligation	AA+/Stable
Bristol, 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

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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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