S&P Global
Ratings

Research

Research Update:

Glastonbury, CT Series 2026 GO Bonds Rated 'AAA'; Outlook Stable

November 12, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to Glastonbury, Connecticut's $2.7 million series 2026 general obligation (GO) bonds.
- At the same time, we affirmed our 'AAA' long-term rating on the town's existing GO debt.
- The outlook is stable.

Rationale

Security

Glastonbury's full-faith-and-credit pledge secures the bonds and its existing GO debt.

Bond proceeds are financing the purchase of two fire engines.

Credit highlights

Glastonbury's credit profile is supported by its financial framework, affluent tax base and proficient management environment that emphasizes long-term planning as a regular part of its culture. Glastonbury's tax base continues to demonstrate annual growth in assessed values, driven by steady permit activity largely for residential development or redevelopment opportunities. These opportunities in turn support growth in property tax revenue that underpins budgetary stability. Financial performance continues to be positive, allowing management to both add to fund balance levels while making strategic investments in pay-go capital and outstanding liabilities. Fiscal 2025 ended with revenues beating budgeted expectations, so officials assigned $3 million in fund balance for a future pension contributions while still producing a positive year-end result. Preliminary estimates for fiscal 2026 indicate another positive year-end result again driven largely by positive revenue variances. These results bring available fund balance to about 22% of estimated general fund revenue, just above the town's formal policy threshold; while officials could use a portion of fund balance for a one-time purpose, we do not expect it would substantially deplete reserves to the point it would pressure credit quality.

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Glastonbury has $27 million in total debt outstanding when including this issuance, and its debt service costs are a very manageable portion of the budget. We also do not view pension and other postemployment benefits (OPEB) liabilities as an immediate source of credit pressure, given typically adequate plan funding status along with management's demonstrated ability to address its unfunded liabilities above required amounts.

The rating reflects our view of the town's:

- Very stable underlying tax base. Glastonbury is a desirable suburb of Hartford, attracting higher-income earners from associated employment opportunities in health care, financial services and retail. This results in local incomes that are substantially above county and national averages and stable long-term economic growth prospects.
- Generally predictable revenue profile, largely composed of property taxes and intergovernmental revenue, supporting structurally balanced annual budgets. Current fund balance levels are in line with similarly-rated state peers. While the town could use a portion of fund balance above its 16% minimum policy threshold, we view it as proactively addressing capital or other liabilities rather than relying on reserves for ongoing operations.
- The town has well-embedded management practices with a focus on long-term planning. Management uses historical trend analysis, along with its seven-year financial forecast, to construct budgetary decisions. The five-year capital improvement plan guides annual pay-go funding decisions along with long-term capital planning. Glastonbury has formal policies guiding investments, debt management and fund balance. We view the town's cyber risk mitigation efforts as consistent with our view of its credit fundamentals.
- Manageable debt service costs along with a low debt burden on a per capita basis.
- Connecticut municipalities have a generally stable operating framework with significant statutory flexibility to raise local-source revenue for operations. For more information, see "Institutional Framework Assessment: Connecticut Local Governments," Sept. 9, 2024.
- Although physical risks are relevant for the local government sector, we consider Glastonbury'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.

Rating above the sovereign

Glastonbury's GO debt is eligible to be rated above the sovereign because we believe the town can maintain better credit characteristics than the U.S. in a stress scenario. Under our "Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions" criteria (Nov. 19, 2013), Glastonbury has a predominantly locally derived revenue source, with approximately 82% of general fund revenue coming from property taxes. The town also has independent taxing authority and treasury management from the federal government.

Outlook

The stable outlook reflects the strength of the town's underlying tax base and its proactive management framework, which in our view will continue to support its solid financial position over the two-year outlook horizon.

Downside scenario

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We could lower the rating if the town experiences sustained financial pressures that lead to material declines in reserves, with no plan to restore them.

Town of Glastonbury, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.30
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.00
Debt and liabilities	1.50

Glastonbury Town, Connecticut--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita as % of U.S.	--	--	133	134
County PCPI as % of U.S.	--	--	115	113
Market value ($000s)	--	7,740,897	7,696,424	6,362,964
Market value per capita ($)	--	217,998	216,673	179,132
Top 10 taxpayers as % of taxable value	--	5.0	5.0	5.4
County unemployment rate (%)	--	4.1	3.4	3.2
Local median household EBI as % of U.S.	--	170	--	--
Local per capita EBI as % of U.S.	--	169	--	--
Local population	--	35,509	--	--
Financial performance				
Operating fund revenue ($000s)	--	210,689	207,887	200,330
Operating fund expenditures ($000s)	--	201,101	198,614	189,703
Net transfers and other adjustments ($000s)	--	(5,769)	(5,909)	(5,820)
Operating result ($000s)	--	3,819	3,364	4,807
Operating result as % of revenue	--	1.8	1.6	2.4
Operating result three-year average %	--	1.9	1.9	1.6
Reserves and liquidity				
Available reserves as % of operating revenue	--	23.4	21.9	21.0
Available reserves ($000s)	--	49,274	45,461	42,120
Debt and liabilities				
Debt service cost as % of revenue	--	2.5	3.8	3.6
Net direct debt per capita ($)	763	953	1,090	1,175
Net direct debt ($000s)	27,083	33,837	38,727	41,725
Direct debt 10-year amortization (%)	85	88	89	--
Pension and OPEB cost as % of revenue	--	5.7	5.8	5.7
NPLs per capita ($)	--	1,361	1,647	2,076
Combined NPLs ($000s)	--	48,317	58,487	73,736

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

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Glastonbury Town, Connecticut--key credit metrics

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$2,700,000 Town Of Glastonbury, Connecticut, General Obligation Bonds, Issue Of 2026, dated: Date of Delivery, due: December 1, 2036	
Long Term Rating	AAA/Stable
Ratings Affirmed	
Local Government	
Glastonbury Twn, 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 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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