

RATING ACTION COMMENTARY

Fitch Rates Trumbull, CT's \$21.5MM 2025 GO Bonds 'AA+' and \$5MM BANS 'F1+'; Outlook Remains Positive

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Fitch Ratings - New York - 25 Aug 2025: Fitch Ratings has assigned a 'AA+' rating to the town of Trumbull, CT's \$21,480,000 general obligation (GO) bonds, issue 2025, and a 'F1+' rating to the town's \$5,000,000 of GO bond anticipation notes (BANS).

The bonds and BANS are scheduled to sell competitively on Aug. 28, 2025. Bond proceeds will be used to finance various schools, public improvement and sewer related projects and permanently finance maturing notes. The BANS are being issued to finance various school projects.

Additionally, Fitch has affirmed Trumbull's Issuer Default Rating (IDR) and outstanding GO bonds at 'AA+' and outstanding GO BANS at 'F1+'.

The Rating Outlook is Positive.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕
Trumbull (CT) [General Government]	LT IDR AA+ Rating Outlook Positive Affirmed	AA+ Rating Outlook Positive

Trumbull (CT) /General Obligation - Unlimited Tax/1 LT	LT	AA+ Rating Outlook Positive	AA+ Rating Outlook Positive
		Affirmed	

Trumbull (CT) /General Obligation - Unlimited Tax/1 ST	ST	F1+ Affirmed	F1+
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[VIEW ADDITIONAL RATING DETAILS](#)

Trumbull's 'AA+' IDR and GO bond rating reflects the town's 'aaa' financial resilience, 'Strongest' economic and demographic level metrics, and manageable long-term liabilities when factoring in anticipated new borrowing related to resident-approved school projects. Fitch expects that management will continue to maintain unrestricted general fund reserves (sum of committed, assigned and unassigned) at or above 10% of spending, supported by its unlimited legal ability to adjust tax rates, and relatively flexible expenditure controls, resulting in a budget flexibility assessment of 'High Midrange'. The town has experienced recent operating deficits, which are manageable overall but have reduced headroom relative to the 10% 'aaa' reserve requirement.

The town has maintained reserves above this level since at least fiscal 2018 and operates to a minimum general fund balance policy of 10% of spending. The rating also considers the town's educational attainment and median household income levels, each assessed at 'Strongest', offsetting only moderate population growth trends relative to Fitch's local government ratings portfolio.

Long-term liabilities associated with direct debt and Fitch-adjusted net pension liabilities (NPLs) are low relative to governmental resources. Fitch's assessment of the town's long-term liability burden is inclusive of expected debt to finance a sizable school construction project approved by voters in a ballot referendum held in November 2024, and capital maintenance needs of \$66 million over the next two to three years, indicating the town's credit quality would not materially impact the Model Implied Rating. The town may also borrow funding for a senior center, subject to voter approval in a referendum this November.

The Positive Outlook reflects Fitch's expectation for maintenance of unrestricted general fund balance levels close to or better than current levels, following some volatility in operating results and an increased appropriation of fund balance in the fiscal 2026 budget.

Fitch also expects no significant changes in new debt plans or net pension liabilities, supporting stability or potential improvement in the town's long-term liability assessment.

The 'F1+' short-term rating corresponds to the town's 'AA+' IDR and reflects the unlimited tax pledge for note repayment.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A sustained reduction of unrestricted reserves below 10% of general fund spending, leading to a financial resilience assessment lower than 'aaa';

--A sustained material increase in long-term liabilities and carrying costs outside of Fitch's expectations, assuming current levels of personal income and governmental resources and exclusive of the projected middle-school project, and capital related debt of \$66 million.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--Evidence of budget stability and expectations for continued maintenance of unrestricted reserves comfortably above 10% of general fund spending;

--Management of future capital demands that preserve long-term liabilities at or near current levels assuming current governmental resources and personal income;

--Consistent timely release of future audited financial statements.

SECURITY

The bonds are GOs of the town, backed by its full faith and credit and unlimited taxing power.

FITCH'S LOCAL GOVERNMENT RATING MODEL

The Local Government Rating Model (LGRM) generates a Model Implied Rating that communicates the issuer's credit quality relative to Fitch's local government rating portfolio (the Model Implied Rating will be the IDR except in certain circumstances explained in the applicable criteria). The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

The Model Implied Rating reflects the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

RATINGS HEADROOM & POSITIONING

Trumbull Model Implied Rating: 'AAA' (Numerical Value: 10.30)

-- Metric Profile: 'AAA' (Numerical Value: 10.30)

-- Net Additional Analytical Factor Notching: 0.0

Trumbull's Model Implied Rating is 'AAA'. The associated numerical value of 10.30 is at the lower end of the range for a 'AAA' rating.

KEY RATING DRIVERS

DEVIATIONS FROM MODEL IMPLIED RATING

Trumbull's Model Implied Rating is above the 9.0-10.0 numerical range associated with a 'AA+' rating. However, planned and potential additional debt issuance could return the long-term liability metrics to levels that are consistent with a 'AA+' Model Implied Rating. Expectations for continued maintenance of unrestricted reserves comfortably above 10% of general fund spending, along with minimal changes in demographic and economic indicators, coming off a peak economic period, could support removal of the temporary model deviation. Fitch expects that growth in the personal income base over the next few years could minimize the impact of this additional debt on the town's liability metrics, which could be supportive of a rating upgrade, assuming debt plans do not materially deviate from current expectations.

FINANCIAL PROFILE

Financial Resilience - 'aaa'

Trumbull's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: High

- Expenditure control assessment: Midrange
- Budgetary flexibility assessment: High Midrange
- Minimum fund balance for current financial resilience assessment: $\geq 10.0\%$
- Current year fund balance to expenditure ratio: 15.2% (2024)
- Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024: 13.4% (2020)

Revenue Volatility - 'Strong'

Trumbull's weakest historic three-year revenue performance is neutral to the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- Lowest three-year revenue performance (based on revenues dating back to 2005): 0.2% increase for the three-year period ending fiscal 2021
- Median issuer decline: -4.3% (2024)

DEMOGRAPHIC AND ECONOMIC STRENGTH

Population Trend - 'Weakest'

Based on the median of 10-year annual percentage change in population, Trumbull's population trend is assessed as 'Weakest' relative to Fitch's portfolio.

Population trend: 0.0% Analyst Input (11th percentile) (vs. -0.0% 2023 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Strongest'

The overall strength of Trumbull's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Strongest' on a composite basis, performing at the 84th percentile of Fitch's local government rating portfolio. This is due to relatively very high education attainment levels and median-issuer indexed adjusted MHI, midrange unemployment rate.

-- Unemployment rate as a percentage of national rate: 91.5% Analyst Input (60th percentile) (vs. 72.5% 2024), relative to the national rate of 4.0%

-- Percent of population with a bachelor's degree or higher: 59.9% Analyst Input (95th percentile)

-- MHI as a percent of the portfolio median: 192.7% (2023) (97th percentile)

Economic Concentration and Population Size - 'Strongest'

Trumbull's population in 2023 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with a small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 38,073 Analyst Input (above the 15th percentile) (vs. 37,602 2023 Actual)

-- Economic concentration: 36.2% (2024) (above the 15th percentile)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Fitch updated the population trend and size metrics with the most recently available data from the U.S. Census from 2024, and utilized the most recently available data from the U.S. Census for "Population with a Bachelor's Degree and Higher" from 2023. Unemployment was adjusted to the five-year average from 2020 to 2024 as the 2024 value is a historical low and is not expected to remain at that level.

LONG-TERM LIABILITY BURDEN

Long-Term Liability Burden - 'Strong'

Trumbull's carrying costs to governmental expenditures has deteriorated while liabilities to personal income remain midrange and liabilities to governmental revenue remain moderately strong. The long-term liability composite metric in 2024 is at the 63rd percentile, indicating a somewhat lower liability burden relative to the Fitch's local government rating portfolio.

-- Liabilities to personal income: 6.3% Analyst Input (42nd percentile) (vs. 4.7% 2024 Actual)

-- Liabilities to governmental revenue: 122.8% Analyst Input (76th percentile) (vs. 91.5% 2024 Actual)

-- Carrying costs to governmental expenditures: 11.5% Analyst Input (74th percentile) (vs. 9.1% 2024 Actual)

Fitch included scheduled principal amortization of existing debt through fiscal year-end 2025 and principal amounts for the currently offered GO bonds, series 2025 and BANS. Fitch also adjusted debt service to reflect existing fiscal 2024 scheduled debt service and an estimate of the additional debt service increase from the GO bonds, series 2025 of \$21.48 million and planned near-term issuances for school projects and capital maintenance totaling \$66 million. Fiscal 2024 total governmental expenditures were also increased by the new estimated debt service associated with the current and expected issuances. The assessment assumes current levels of total governmental revenues and residents' personal income, which Fitch expects will grow.

PROFILE

Trumbull spans roughly 24 square miles in Fairfield County, which is about 20 miles from both Stamford and New Haven and 60 miles from New York City. The town is a primarily residential community that benefits from above-average wealth levels. The Trumbull Mall,

the town's second-largest taxpayer, makes up 1.5% of the total tax base and is currently under receivership. The mall's owners defaulted on their 2022 acquisition loan earlier this summer.

Trumbull is planning further residential and commercial development along the Main Street and Trumbull Mall areas. As of October 2024, 260 new homes were constructed and are now 95% occupied on the Main Street. The town is in the process of negotiating with the mall's property owners to enact a redevelopment plan that would create up to 1 million square feet of new residential and commercial development.

Outside of the mall area, the town also has smaller development projects under construction, including a 124-unit senior housing facility, a 114,000 square foot storage facility, and two mixed use, retail and residential developments of about 40,000 square feet combined. These projects should support continued growth of the town's taxable property values and provide new property tax revenues to support the town's school and other economic development projects.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

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APPLICABLE CRITERIA

[U.S. Public Finance Local Government Rating Criteria \(pub. 02 Apr 2024\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 (1)

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Trumbull (CT)

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