

Research Update:

Bristol, CT's 2025 GO Bond Anticipation Notes Assigned 'SP-1+' Rating

October 15, 2025

Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to [Bristol](#), Conn.'s \$80.875 million 2025 general obligation (GO) bond anticipation notes (BANs).
- S&P Global Ratings also affirmed its 'AA+' rating on the city's outstanding GO debt and 'SP-1+' short-term rating on existing notes.
- The outlook, where applicable, is stable.

Rationale

Security

The city's unlimited-tax-GO pledge, to levy ad valorem taxes without limit as to rate or amount on all taxable property within its 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 it 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.

Note proceeds will renew existing notes and provide new-money financing for various capital projects.

Credit highlights

The rating reflects our view of Bristol's stable economy that is supported by high economic output metrics as measured by gross country product per capita, consistent budgetary performance and reserves, and manageable long-term liabilities. These factors are offset somewhat by income levels that are relatively average compared with those of state and national peers.

Bristol has a record of producing surplus results through fiscal 2024, which has enabled it to maintain available fund balance at about 16%-17%, which we view as somewhat average

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compared to similarly rated peers; however we note this level is in line with its policy. Management attributes the results to conservative budgeting practices and stable revenue. However, the city reports a deficit of about \$550,000 in fiscal 2025. While the city's general government operations generated a surplus, the city's school department produced deficit results, primarily due to pressure from special education costs. The city was able to make up a portion of this deficit through additional state funding and overperforming own-source revenues. Bristol's adopted 2026 budget represents a 5.3% increase over the prior year, mostly due to salaries, benefits and special education costs. According to management, special education funding has improved for the year and the city should produce at least breakeven results.

With this issuance, the city will have about \$200 million of total direct debt. The city's capital improvement plan totals approximately \$100 million over the next five years, which will result in approximately \$20 million to \$30 million in new debt within the next two years; we have incorporated this approved amount into our analysis and do not expect the debt profile will deteriorate as a result.

We do not view Bristol's retirement obligations as a significant budgetary pressure due to its overfunded pension plans. The city previously maintained three separate pension plans: the firefighters' and police officers' benefit funds and the Bristol Retirement Fund. However, effective June 29, 2018, it consolidated all three plans, which were all extremely well funded, into the Bristol General Retirement System. 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 which has an other postemployment benefits liability totaling \$69.1 million as of fiscal 2024.

The rating further reflects our view of the following:

- Bristol benefits from access to Hartford's labor market. The city is home to ESPN, the city'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 projects in the downtown and surrounding areas and works to identify additional development opportunities.
- A record of consistent financial performance supports solid reserve levels. Local tax revenue accounts for about 78% of general fund revenue, lending stability to the city's budget.
- 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, which supports operating flexibility. Similarly, the city maintains a formal capital improvement plan that covers the current fiscal year and five future years that it updates annually 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 unassigned fund balance to 12%-15% of expenditures and total fund balance to 15%-20%, which it has adhered to historically. 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.
- For more information on our institutional framework assessment for Connecticut municipalities, see "[Institutional Framework Assessment: Connecticut Local Governments](#), Sept. 9, 2024.

Environmental, social, and governance

We consider Bristol's environmental, social, and governance factors to be neutral in our credit rating analysis.

Outlook

The stable outlook reflects our expectation that the city will maintain 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 the city'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)	1.79
Economy	2.0
Financial performance	2
Reserves and liquidity	1
Management	1.70
Debt and liabilities	2.25

Bristol, Connecticut--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	--	--	144	145
County PCPI % of U.S.	--	--	108	109
Market value (\$000s)	--	7,766,431	6,058,019	6,646,875
Market value per capita (\$)	--	127,473	100,022	111,187
Top 10 taxpayers % of taxable value	--	11.6	13.3	13.4
County unemployment rate (%)	--	3.2	3.2	4.3
Local median household EBI % of U.S.	--	100	99	101
Local per capita EBI % of U.S.	--	99	99	100
Local population	--	60,926	60,567	59,781
Financial performance				
Operating fund revenues (\$000s)	--	257,250	248,255	235,459
Operating fund expenditures (\$000s)	--	242,261	233,860	221,687
Net transfers and other adjustments (\$000s)	--	(14,663)	(11,903)	(13,451)
Operating result (\$000s)	--	326	2,492	321

Bristol, Connecticut--key credit metrics

	Most recent	2024	2023	2022
Operating result % of revenues	--	0.1	1.0	0.1
Operating result three-year average %	--	0.4	0.6	0.5
Reserves and liquidity				
Available reserves % of operating revenues	--	16.7	17.1	17.0
Available reserves (\$000s)	--	42,881	42,520	39,988
Debt and liabilities				
Debt service cost % of revenues	--	4.9	4.9	4.9
Net direct debt per capita (\$)	3,283	2,179	2,293	2,077
Net direct debt (\$000s)	200,010	132,758	138,877	124,181
Direct debt 10-year amortization (%)	62	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\$80.875 mil GO BANs ser 2025 dtd 11/06/2025 due 11/05/2026

Short Term Rating SP-1+

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 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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