



Town of Glastonbury

2155 MAIN STREET • P.O. BOX 6523 • GLASTONBURY, CT 06033-6523 • (860) 652-7500
FAX (860) 652-7505

Richard J. Johnson
Town Manager

ITEM #7
07-14-2020 Meeting

July 10, 2020

The Glastonbury Town Council
2155 Main Street
Glastonbury, CT 06033

Re: Town Manager's Report

Dear Council Members:

The following will keep you up to date on various topics.

1. **COVID-19**

Attached is a copy of the most recent weekly report and summary of Town operations.

2. **Bond Sale/Bond Rating**

In preparation for a \$10.4M Bond Sale held on July 9th, Moody's Investor Services and Standard & Poor's reaffirmed the Town's Aaa and AAA Bond Ratings. The reports by each rating agency are attached. The Bond issue is for the library project and land purchases including PFL, Chamberlain Lane, Dickinson Road and the Howe Farm. The sale attracted eight respondents with a low interest cost of 1.77%. This compares to the 2.75% assumed when the FY21 budget was adopted. Good news all around for Glastonbury.

3. **Refuse Disposal Permits**

Refuse Disposal Permits can be purchased at the Transfer Station or Bulky Waste Facility or by submitting an application through the mail or secure Tax Drop Box located at Town Hall. Completed applications must include required documentation, check payment, and a stamped, self-addressed return envelope, and may be sent to the attention of the Customer Service Center at Town Hall or deposited in the Tax Drop Box with "Refuse Permit" clearly printed on the outside of the envelope. The permit application is available online at www.glastonbury-ct.gov/recycle and permits are processed within 5-7 business days (mail is quarantined before opened). The mail-in / drop box application process has been well received to date this year.

4. **Tax Payments**

Mail-in, drop box and online options are available for tax payments. To date, the online process has doubled in collection dollars and tax payers using this option. Additionally, current taxes can be paid at People's Bank locations.

5. **Town Manager Expense Report**

A copy of my expense report for the three months April through June 2020 was forwarded separately. I will appreciate Council recognizing receipt of this report on Tuesday evening.

Sincerely,

Richard J. Johnson
Town Manager

RJJ/sal
Attachments



Memo

July 6, 2020

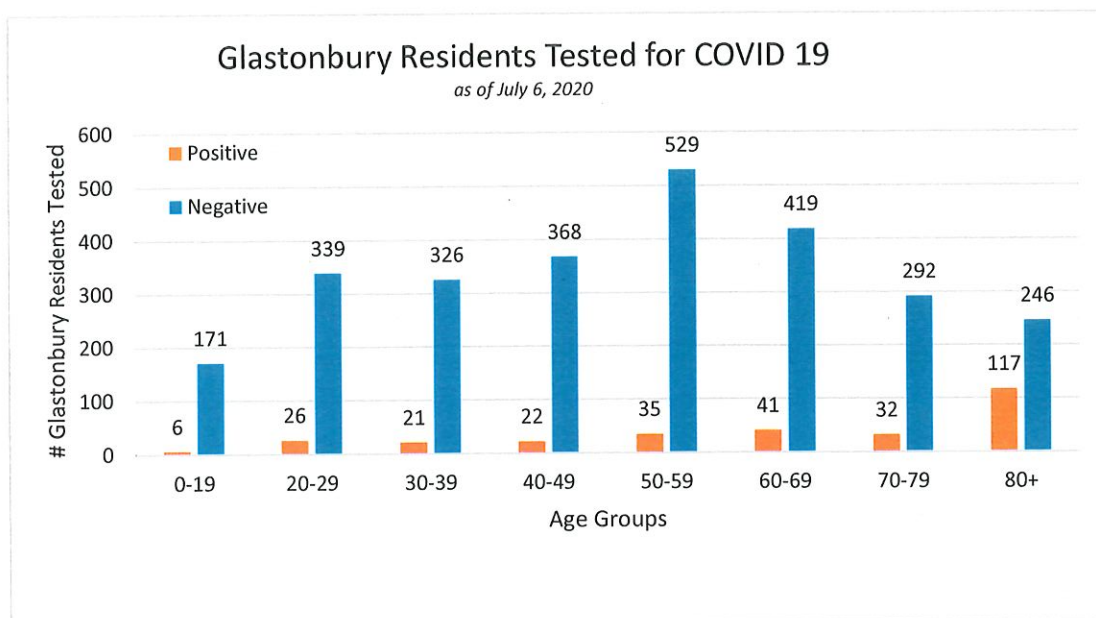
To: Richard J. Johnson
Town Manager

Fr: Wendy S. Mis *WSM*
Director of Health

Re: COVID 19 update

- Numbers in (parentheses) indicate change from the previous week

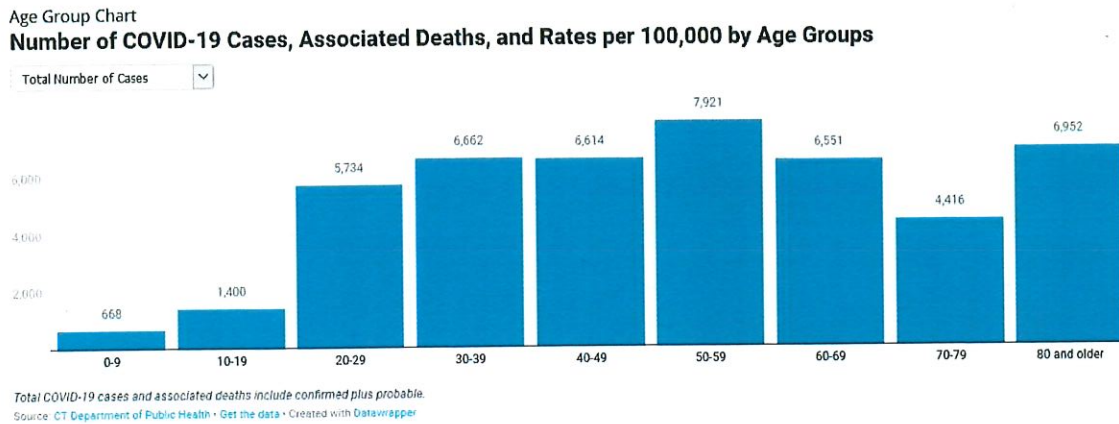
As per CT Department of Public Health (DPH) lab testing data available 7/6/20, Glastonbury has 2,990 (+533) residents who have been tested for COVID-19. Of those 2,990 residents, 300 (-2) are laboratory-confirmed positive and probable cases of COVID-19. Last week's information was updated to include one death, and one additional positive case was confirmed this week. Several positive cases were removed from previous weeks' data across multiple age groups. A total of 173 (-5) females and 127 (+3) males are positive. Glastonbury's loss of residents from Coronavirus now stands at 76.



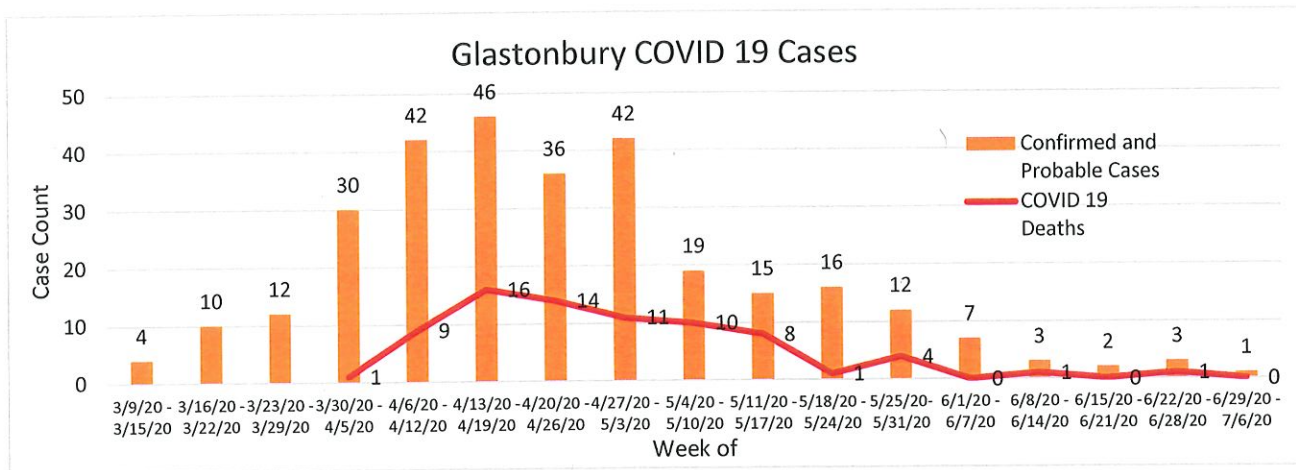
Testing is readily available in multiple locations in the Glastonbury area. We continue to see an increase in the number of individuals tested across all age ranges. DPH requires local health departments to follow up on

positive cases through use of a Contact Tracing program in attempt to keep the potential spread of disease and number of new cases down. The greatest number of residents tested is in the 50 - 59 year age group.

The July 6 data snapshot below shows the number of confirmed and probable cases in Connecticut by age group.



The graph below shows a weekly count of residents with confirmed positive and probable cases and COVID 19 related deaths. Peak activity for the number of positive COVID 19 cases and COVID related deaths occurred in April and has been trending downward since the beginning of May.



Data from DPH is considered preliminary, and data changes as new reports are received and data errors are corrected. In an ongoing process of data assessment, DPH continues to modify how certain disease-positive lab results are considered, changing some previous counts. Probable cases of COVID-19 involve persons who have not had confirmatory laboratory testing (RT-PCR) performed for COVID-19, but whose symptoms indicate they are likely to have a COVID-19 infection. In Connecticut, most of the probable COVID-19 cases involve persons whose death certificates list COVID-19 disease or SARS-CoV-2 as a cause of death or a significant condition contributing to death. Prior to June 1, probable and confirmed cases were reported together.¹

¹ <https://portal.ct.gov/Coronavirus/COVID-19-Data-Tracker>

News

Weekly Town Manager COVID-19 Update - July 6, 2020

Post Date: 07/06/2020 1:33 PM

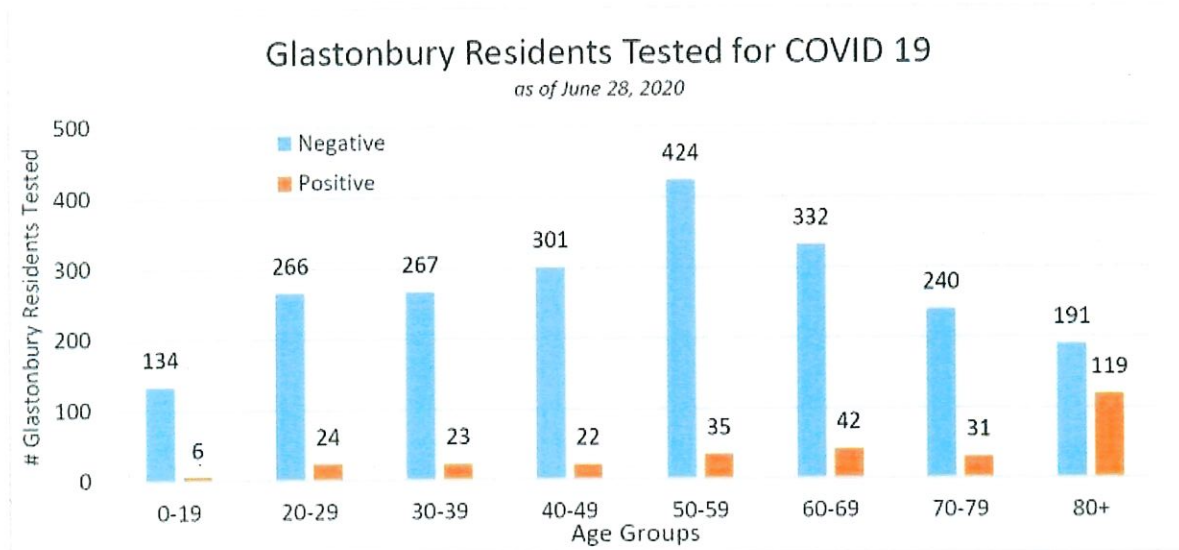
Please review the town updates summarized herein for resident convenience. In addition to this publication, the Town also maintains 3 resident reference guides linked below, which outline important details regarding how the pandemic continues to influence Town operations and service delivery.

1. [Summary of Services Available vs. Suspended](#)
2. [Facility Closures and Openings](#)
3. [Modified Processes for Town Services](#)

Glastonbury COVID-19 Figures as of 6/28/2020

Note: Numbers in (parentheses) indicate a difference from the previous week. Data for the week of the 6th is not yet available and will be published upon receipt.

As per CT DPH lab testing data available 6/28/20, Glastonbury has 2,457 (+277) residents who have been tested for COVID-19. Of those 2,457 residents, 302 (+1) are laboratory-confirmed positive and probable cases of COVID-19. While 0 new deaths or cases were reported this past week, previous data underwent some correction. 1 positive case was removed and 2 positive cases were added to last week's data. Glastonbury's loss of residents from COVID-19 remains at 75. Data correction added positive cases to data from previous weeks in the 30 – 39 age group (+1) and the 60 – 69 age group (+1). A data correction reduced the number of positive cases in the 80+ age group (-1) from last week. We continue to see an increase in the number of individuals tested across all age ranges as a result of increased access to testing. DPH encourages local health departments to follow up on positive cases through use of the new Contact Tracing program in an attempt to keep the potential spread of disease and number of new cases down. The greatest number of residents tested is in the 50 - 59 year age group. A total of 178 (+1) females and 124 (+0) males are positive.



- [View the Connecticut COVID-19 website, including resources & data points](#)
- [COVID-19 Data on Nursing Homes and Assisted Living Facilities as of June 30, 2020](#)

** Data from DPH is considered preliminary, and data changes as new reports are received and data errors are corrected. In an ongoing process of data assessment, DPH continues to modify how certain disease-positive lab results are considered, changing some previous counts. Probable cases of COVID-19 involve persons who have not had confirmatory laboratory testing (RT-PCR) performed for COVID-19, but whose symptoms indicate they are likely to have a COVID-19 infection. In Connecticut, most of the probable COVID-19 cases involve persons whose death certificates list COVID-19 disease or SARS-CoV-2 as a cause of death or a significant condition contributing to death. Prior to June 1, probable and confirmed cases were reported together.*

Parks & Recreation Updates – Pools, Playgrounds, and Basketball Courts

Glastonbury Parks & Recreation staff have been working diligently to reopen the town's numerous parks and recreational facilities while balancing resident and staff safety, heeding Governor and CDC guidelines, and managing operations with reduced staffing levels. Beginning this week, the facilities below are OPEN and available for summer recreation. **Please note, however, the Town is NOT sanitizing surfaces at recreational facilities so please USE AT YOUR OWN RISK, practice social distancing, and wear masks when a 6 foot distance cannot be maintained from non-household members.***

- **Addison & Grange Pools are now open.** Due to COVID-19 restrictions and DPH regulations, capacity will be limited and patrons will be required to make reservations/pay a fee in advance for specific time slots. Pool passes will NOT be available. Eastbury Pond will be swim-at-your-own risk (no lifeguards on duty). GHS Pool is CLOSED for summer 2020 due to school renovations. [Click here to review pool rules/regulations and reservation info.](#)
- **Basketball Courts and Playgrounds** - Effective July 3, the following facilities are OPEN:
 - Basketball courts at Riverfront, Welles, and Addison
 - Playgrounds at Riverfront Park, Addison, Naubuc, and Hebron Ave School. Please note, however, both Hebron Avenue and Naubuc School playgrounds are closed to the public during Summer Camp hours, which are Monday through Friday during the following hours: Hebron Ave. 7:30 am- 5:00 pm and Naubuc: 8:30 am to 3:00 pm.

The remaining playgrounds and basketball courts in town will open in the coming weeks as scheduling and resources permit.

*Please note, as of June 29, the GHS Track & Tennis Courts have temporarily **CLOSED** for repairs.*

Refuse Permits Available for Purchase as of July 1, 2020

Effective July 1, Glastonbury residents may obtain a refuse disposal permit through the new mail-in process, or in-person at the Transfer Station or Bulky Waste Facility during normal operating hours. As of June 29, both facilities are operating during their standard, pre-COVID-19 schedules.

To request a Refuse Disposal Permit by mail or Drop Box, [please click here and complete the application](#). Please **complete 1 application for each permit that you are applying for**. Submit your completed application form(s) and accompanying payment/documentation to the Attention of the Customer Service Center at Glastonbury Town Hall (2155 Main Street). For resident convenience, applications may also be deposited in the Tax Drop Box located on the exterior wall of Town Hall. Please CLEARLY print "Refuse Permit Application" on the outside of the envelope if using this

submission method. The Drop Box will be checked daily to retrieve applications. (Monday - Friday, excluding holidays.) [Please click here to learn more about the mail-in application process.](#)

New Online Permitting System for Right of Way and Sewer Permit Applications

The Town has implemented a new web-based program called Muncity for all permits issued by the Glastonbury Building and Engineering Departments. As of June 30, contractors and residents may apply for permits online using the program portal called **City Squared**, which can be found at <https://www.citysquared.com/#/app/map/GlastonburyTownCT>. Please use a Google Chrome or Firefox browser to view the site as it is not currently compatible with Internet Explorer (IE v11). Applicants should be mindful that there may be some delay in permit processing during the initial phases of this significant software transition. Town staff are actively working with the software vendor to further configure the program and these delays are expected to subside as additional customizations are completed. Your patience is appreciated as we work through this transition. **For more information, please click here.**

Reminders

- **Free Face Masks** - Available to residents. Request yours at www.glastonbury-ct.gov/mask
- **Renter's Rebate Program Now Open to Eligible Glastonbury Residents** – [Click here to view/download the application and required documentation.](#) (Includes instructions on how/where to submit).
- **Legal Notices** – Posted online until further notice at www.glastonbury-ct.gov/legalnotice
- **Governor Lamont Announces Tri-State Travel Advisory** - For the health and safety of all, Glastonbury residents visiting states on the [State's Travel Advisory list](#) are asked to observe the 14 day self-quarantine and avoid ALL PUBLIC PLACES until completing the 2 week period.
- **Marriage Licenses** - [Available by appointment only.](#)
- **Taxes** - The final day to pay July taxes without interest is Oct. 1, 2020. Taxes paid after October 1 are subject to interest dated back to July 1 at 1.5% per month or a total of 6%. [Learn more.](#)
- **Temporary Outdoor Dining Applications** are available on [the town website](#). Please email completed applications/supporting documentation to planning@glastonbury-ct.gov.
- **Vote by Mail Available for August 11, 2020 Presidential and State/Federal Primaries** - Ballots become available on July 21, 2020. (Voting at polls will still be available.) [Learn more.](#)
- **Written testimony (public hearings) and Public Comment – Electronic forms:**
 - **Public HEARINGS** - [click here to complete the form](#)
 - **TOWN COUNCIL** - www.glastonbury-ct.gov/TCpubliccomment
 - **ALL OTHER Board/Commission Meetings** - www.glastonbury-ct.gov/publiccomment

Resources:

- Grocery services for residents in need. [Click here to view options.](#)
- Glastonbury COVID-19 updates - www.glastonbury-ct.gov/covid19
- State of Connecticut COVID-19 updates, visit www.ct.gov/coronavirus
- [Subscribe to the Governor's email updates](#)
- Virtual programs, mental health resources, & activities from various Town Departments available at: www.glastonbury-ct.gov/stayengaged

Donate or Volunteer

Please contact Glastonbury Social Services at socialservices@glastonbury-ct.gov to discuss available volunteer opportunities. To donate supplies or assist with making face masks for residents in need, please contact Anna Park at anna.park@glastonbury-ct.gov.

Sincerely,

Richard J. Johnson
Town Manager

[Return to full list >>](#)

RatingsDirect®

Summary:

Glastonbury, Connecticut; General Obligation

Primary Credit Analyst:

Christian Richards, Boston (1) 617-530-8325; christian.richards@spglobal.com

Secondary Contact:

Kimberly Barrett, Centennial (1) 303-721-4446; Kimberly.Barrett@spglobal.com

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Related Research

Summary:

Glastonbury, Connecticut; General Obligation

Credit Profile

US\$10.39 mil GO bnds ser 2020B due 07/15/2040

<i>Long Term Rating</i>	AAA/Stable	New
Glastonbury GO bnds		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AAA' long-term rating to Glastonbury, Conn.'s series 2020B general obligation (GO) bonds. At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating on the town's existing GO debt. The outlook is stable.

Glastonbury's GO bonds are secured by the town's full-faith-and-credit pledge, and are payable from revenues of an unlimited ad valorem tax. The series 2020B GO bonds (approximately \$10.4 million) will fund several land acquisitions, as well as renovation and expansion of the library. The town's direct debt totals about \$56 million.

Credit overview

The rating reflects our view of the town's continued strong economy that exhibits steady, modest annual growth. In addition, its sustained strong financial performance is supported by very strong management practices and policies. With relatively low debt and pension obligations, we believe the town's credit pressures are limited, and we expect the credit profile to remain stable and strong. Our outlook is generally for two years, but we see some risks due to the COVID-19 pandemic and U.S. recession over the next six-to-12 months. There remains significant uncertainty stemming from the potential effects of the COVID-19 pandemic and the related economic recession, which we incorporated into our view of the town's budgetary performance and overall creditworthiness. We will continue to monitor any material adverse effects throughout the outlook period.

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 (published Nov. 19, 2013 on RatingsDirect), Glastonbury has a predominantly locally derived revenue source, with approximately 88% of general fund revenue coming from property taxes. The town also has independent taxing authority and treasury management from the federal government.

The long-term rating reflects our view of the following factors for the town:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;

- Adequate budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 18% of operating expenditures;
- Very strong liquidity, with total government available cash at 30.4% of total governmental fund expenditures and 5.7x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 5.3% of expenditures and net direct debt that is 30.0% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 82.5% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score

Environmental, social, and governance risks

We also analyzed the town's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt and liability profile. Our rating incorporates our view regarding the indirect risks posed by the COVID-19 pandemic. Absent the implications of COVID-19, we consider the town's social risks in line with those of the sector. We believe its environmental and governance risks are in line with our view of the sector standard.

Stable Outlook

The stable outlook reflects our opinion that Glastonbury will maintain strong financial performance, supported by very strong management practices and policies. Additional rating stability is provided by the town's strong local economy and participation in the broad and diverse Hartford MSA. We do not expect to change the rating within the two-year outlook period. We could lower the rating if the town experiences financial pressures that lead to structural budget imbalance and a material declines in reserves.

Credit Opinion

Very strong economy

We consider Glastonbury's economy very strong. The town, with a population of 34,482, is an affluent and predominantly residential suburb in Hartford County, approximately eight miles southeast of Hartford. It is in the Hartford-West Hartford-East Hartford MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 200% of the national level and per capita market value of \$177,144. Overall, market value grew by 1.2% over the past year to \$6.1 billion in 2021. The county unemployment rate was 3.9% in 2019.

State route 2 and 3 cross the town, connecting residents with employment opportunities throughout the broad and diverse Hartford MSA. Glastonbury's local economy is anchored by health care, financial and insurance services, and commercial retail sectors. Its leading employers include the town and school district, Healthtrax Inc., Fiserv, and Home Depot. Glastonbury's tax base remains very diverse, with the 10-leading taxpayers accounting for approximately 5.4% of the net taxable grand list.

S&P Global Economics is projecting a slow economic recovery from the COVID-19 recession. Please see the article,

titled "The U.S. Faces A Longer And Slower Climb From The Bottom" (published June 25, 2020). Over the past 10 years, the town has realized steady, modest growth in its grand list, of about 1% annually on average, with the exception of the fiscal 2019 revaluation, when values grew 5%. The town projects grand list growth to average about 0.9% annually over the next several years. Management further reports a number of projects in the pipeline, with continued activity in building permits and related services. While we expect Glastonbury's tax base to continue its incremental growth over the long term, if new growth slows, it could pressure the budget. We do not anticipate revising our view of the town's economy, despite the potential for slowing economic growth, given the strength of the underlying wealth and income metrics.

Very strong management

We view the town's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Management evaluates historical data and trends when projecting revenue and expenditure assumptions for budgeting purposes. The budget can be amended as needed throughout the fiscal year, and management provides monthly budget-to-actual reports to the board. The town's formal investment policy follows state guidelines, and investment holdings and earnings are also reported monthly. The town has a comprehensive seven-year financial forecast, which features a sensitivity analysis of key revenue and expenditure assumptions and tests budget performance under various conditions that allow the town to manage decisions and changes related to future operations, retirement benefits, capital projects, and debt service. Its five-year comprehensive capital improvement plan is updated annually, and identifies project costs, timing, and funding sources. Glastonbury's reserve policy requires unassigned fund balance to be maintained at a minimum of 12% of its combined town, education, debt, and transfer budget. Management notes this minimum reserve target assists with managing cash flows in the event of a revenue shortfall and unexpected changes in expenditures. The town also maintains a formal debt management policy, which outlines allowable types of debt, restricts debt service to no more than 10% of general fund expenditures, and limits direct debt to 2.5% of the town's equalized grand list.

Adequate budgetary performance

Glastonbury's budgetary performance is adequate, in our opinion. The town had slight surplus operating results in the general fund of 1.2% of expenditures, and surplus results across all governmental funds of 2.9% in fiscal 2019. General fund operating results of the town have been stable over the last three years, with results of negative 0.6% in 2018 and negative 0.7% in 2017.

The town consistently produced positive operating results in the general fund, before regular transfers out for capital projects, capital reserves, and land acquisitions. After transfers, operating results have been essentially balanced in each of the past three audited years. We adjusted performance to reflect these recurring transfers. However, due to the sudden rapid economic deterioration, we incorporated the uncertain revenue and expenditure risk into our assessment of performance to account for these risks over the next one-to-two fiscal years. This assessment incorporates heightened near-term uncertainty that exists due to the recessionary pressures related to the COVID-19 pandemic and resulting financial pressures.

The town's use of conservative budget assumptions typically results in actual revenues and expenditures

outperforming budget estimates. This was particularly apparent in fiscal 2019, when Glastonbury realized positive results, despite state aid cuts that year. We understand the town currently projects a modest surplus for fiscal 2020, in part due to revenues and expenditures outperforming the budget. However, we understand that the town has not revised the revenue and expenditure assumptions in its 2021 adopted budget. It adopted the final budget on March 5, 2020, prior to economic pressures from COVID-19. Management does not expect large aid cuts in 2021, the second year of the state's biennial budget, but is already examining potential effects of interest income coming in under budget.

In fiscal 2019, local property taxes accounted for about 88% of general fund operating revenue. On a budgetary basis, the town's property taxes outperformed by about 0.5%, or \$827,000. It generally budgets collections at 99.1%, despite regularly collecting 99.4% or better, which is one of the areas which management believes provides a budgetary buffer in fiscal 2021. The town's second-largest revenue source, intergovernmental aid, accounted for about 5% of operating revenue in 2019 (excluding pass-through payments for the teachers' retirement system), also outperforming the budget. Licenses and permits, investment income, and charges for services each accounted for about 0.8%-1% of revenues. We believe the town's collection rate is likely to decline somewhat, and other revenues could be pressured in the next one-to-two years. We also believe the unknown and unquantifiable revenue pressures over that period could pressure the budget and we reflected that in our forward-looking assessment of its budgetary performance.

Very strong budgetary flexibility

Glastonbury's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 18% of operating expenditures, or \$29.0 million.

The town has consistently maintained very strong budgetary flexibility in each of the past three audited years, ranging from \$26 million-\$29 million or 16%-17% of general fund expenditures. This reserve level is consistent with its policy to maintain fund balance equal to at least 12% of expenditures. The town would have to draw nearly \$4.5 million, holding 2019 operating expenditures constant, for us to revise our view of available reserves downward, which we do not anticipate. We do not believe it has significant political or practical constraints on its ability to raise taxes or cut expenditures. While we believe the town could experience revenue pressure potentially resulting in variable budgetary performance, we do not expect this to result in a change in our view of flexibility at this time.

Very strong liquidity

In our opinion, Glastonbury's liquidity is very strong, with total government available cash at 30.4% of total governmental fund expenditures and 5.7x governmental debt service in 2019. In our view, the town has strong access to external liquidity if necessary.

Glastonbury has demonstrated access to external liquidity through its previous issuance of short-term and long-term GO debt. The town's investments are primarily held in short- and medium-term certificates of deposits, which we view as relatively liquid. It does not have any variable-rate or direct-purchase debt. Nor does it have any liabilities that we view as a contingent liquidity risk. The town adopted the interest-free tax payment deferral program, which allows certain property owners to defer their first-quarter property tax payments until Oct. 1, 2020. We understand the town is monitoring its cash flow and does not expect to issue cash-flow borrowing as a result of this program. We do not expect it to experience significant cash-flow pressure in the coming year.

Very strong debt and contingent liability profile

In our view, Glastonbury's debt and contingent liability profile is very strong. Total governmental fund debt service is 5.3% of total governmental fund expenditures, and net direct debt is 30.0% of total governmental fund revenue. Overall net debt is low at 0.9% of market value, and approximately 82.5% of the direct debt is scheduled to be repaid within 10 years, which are, in our view, positive credit factors.

Following this issuance, the town has approximately \$56.2 million in outstanding debt, including clean water notes. We understand it could issue \$1 million-\$2 million over the next few years for land acquisition costs. We expect the town to retire more principal over this period and do not expect a material change in its debt ratios.

Pension and other postemployment benefits

We do not view pension and other postemployment benefit (OPEB) liabilities as an immediate source of credit pressure for Glastonbury, given our opinion of adequate plan funding status and limited escalating cost trajectory risk. Glastonbury's combined required pension and actual OPEB contributions totaled 5.4% of total governmental fund expenditures in 2019. Of that amount, 4.5% represented required contributions to pension obligations, and 0.9% represented OPEB payments.

Glastonbury participated in the following plan as of June 30, 2019:

- Single-employer defined-benefit public employee retirement system (PERS), 72.5% funded, with a net pension liability of \$58.2 million
- Single-employer OPEB plan: 27.4% funded, with a net OPEB liability of \$15.4 million

Strong institutional framework

The institutional framework score for Connecticut municipalities is strong.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Rating Action: **Moody's assigns Aaa to Glastonbury, CT's \$10.4M GO Bonds, Issue of 2020, Ser. B; outlook stable**

01 Jul 2020

New York, July 01, 2020 -- Moody's Investors Service has assigned a Aaa rating to the Town of Glastonbury, CT's \$10.4 million General Obligation Bonds, Issue of 2020, Series B. Moody's maintains a Aaa rating on the town's outstanding parity general obligation (GO) debt. The outlook is stable.

RATINGS RATIONALE

The Aaa rating reflects the town's sizable and growing tax base, strong resident wealth and income profile, stable financial position and manageable long-term liabilities.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for the town. However, the situation surrounding Coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the town changes, we will update the rating and/or outlook at that time.

RATING OUTLOOK

The stable outlook reflects the expectation that the town's tax base will continue to expand given various development projects and proximity to Hartford, which will support property tax revenue growth. Additionally, the town's low fixed costs provide operating flexibility, supporting fiscal stability.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Tax base deterioration or weakened resident income or wealth levels
- Trend of operating deficits leading to weakened reserves or cash
- Significant increase in debt or capital needs

LEGAL SECURITY

The bonds are secured by the town's pledge of its full faith and credit supported by its authority to levy ad valorem property taxes without limit as to rate or amount.

USE OF PROCEEDS

Bond proceeds will fund a library expansion and several land purchases.

PROFILE

The Town of Glastonbury is located 10 miles southeast of the state capital of Hartford (Ba3 stable). The town has approximately 34,578 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in September 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1191097. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: <https://www.moodys.com/researchdocumentcontentpage.aspx?>

[docid=PBC_79004](#).

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Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1133569.

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Lauren Von Bargen
Lead Analyst
Regional PFG Northeast
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007
US
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Robert Weber
Additional Contact
Regional PFG Northeast
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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