



(/en_US/web/guest/home) West Haven, CT Outlook On General Obligation Bonds Revised To Stable From Negative; 'BBB' Rating Affirmed

02-Oct-2013 11:57 EDT

[View Analyst Contact Information](#)

BOSTON (Standard & Poor's) Oct. 2, 2013--Standard & Poor's Ratings Services has revised its outlook on West Haven, Conn.'s general obligation (GO) bonds to stable from negative. At the same time, Standard & Poor's affirmed its 'BBB' rating on the bonds.

"The outlook revision reflects our view of the city's anticipated maintenance of negative reserves coupled with the already-approved cuts to prevent further deterioration," said Standard & Poor's credit analyst Henry Henderson.

A pledge of the city's full faith and credit secures the GO bonds. Unless paid from other sources, debt service on the bonds is payable from ad valorem property taxes without limitation as to rate or amount.

The rating reflects our assessment of the following factors:

Very weak budgetary flexibility, with negative balances in the general fund and total governmental funds for multiple years; and
Weak liquidity, although the city does maintain access to external liquidity through debt issuance.

Somewhat tempering these weaknesses are the city's:

Strong Institutional Framework for Connecticut municipal governments;
Adequate economy, with below-average income levels, although the city does participate in the New Haven, Conn. metropolitan statistical area (MSA); and
Adequate management, budget performance, and debt and liabilities.

The stable outlook reflects our view of West Haven's anticipated maintenance of negative reserves coupled with management's projection of improvement in fiscal 2013 and budgeted improvement in fiscal 2014. We do not anticipate changing the rating in the two-year outlook horizon given the city's likely continued limited budgetary flexibility. Adding to the stability of the rating is West Haven's participation in a broad and diverse MSA. Should the city's reserve position improve and become positive once again (above 1% of expenditures), we could raise the rating. However, should reserves remain weak and budgetary performance in the general fund does not improve, there could be downward rating pressure.

RELATED CRITERIA AND RESEARCH

USPF Criteria: Local Government GO Ratings Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/8188093),
Sept. 12, 2013
Institutional Framework Overview: Connecticut Local Governments (/en_US/web/guest/article/-/view/sourceld/8179798)

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Primary Credit
Analyst:

Henry W Henderson, Boston (1) 617-530-8314;
henry.henderson@standardandpoors.com
(<mailto:henry.henderson@standardandpoors.com>)

Secondary Contact:

Hilary A Sutton, New York (1) 212-438-7093;
hilary.sutton@standardandpoors.com (<mailto:hilary.sutton@standardandpoors.com>)

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (<http://www.standardandpoors.com>) (free of charge), and www.ratingsdirect.com (<http://www.ratingsdirect.com>) and www.globalcreditportal.com (<http://www.globalcreditportal.com>) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees (<http://www.standardandpoors.com/usratingsfees>).

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same

password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact S&P Global Ratings, Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to: research_request@spglobal.com (mailto:research_request@spglobal.com).

[Legal Disclaimers \(/en_US/web/guest/regulatory/legal-disclaimers\)](/en_US/web/guest/regulatory/legal-disclaimers)

[Careers at S&P Global Ratings \(http://www.spglobal.com/careers\)](http://www.spglobal.com/careers)

[Terms of Use \(/en_US/web/guest/regulatory/termsfuse\)](/en_US/web/guest/regulatory/termsfuse)

[Privacy and Cookie Notice \(/en_US/web/guest/regulatory/privacy-notice\)](/en_US/web/guest/regulatory/privacy-notice)

Copyright © 2018 Standard & Poor's Financial Services LLC. All rights reserved.

Reproduction and distribution of this information in any form is prohibited except with the prior written permission of Standard & Poor's Financial Services LLC and its affiliates (together, "S&P"). S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of this information, including ratings. S&P ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Please read our complete disclaimer here. (/en_US/web/guest/regulatory/legal-disclaimers)