

Preliminary Analysis of Tier Designations

MARB DESIGNATIONS AND THE ROLE OF THE MFAC

Tier Designations - Conditions and Related Indicators

Tier I					
Designation	Credit Rating	Fund Balance	State Aid	Equalized Mill Rate	Municipal Rev. Inc.
Set 1	No Rating or Rating of A or Higher	+ Positive F/B %	+ Cur Yr State Aid Under 30% of G/F budget		Revenue Inc. of 2% or Higher in FYE 18
Set 2	No Rating or Highest Rating is A	+ Positive F/B % of Under 5%	+ Cur Yr State Aid Under 30% of G/F budget		
Set 3	AA or Higher Rating	+ Positive F/B %	+ Cur Yr State Aid of 30% or higher of G/F budget	+ EQMR Under 30	Revenue Inc. of 2% or Higher in FYE 18

Tier II					
Designation	Credit Rating	Fund Balance	State Aid	Equalized Mill Rate	Municipal Rev. Inc.
Set 1	No Rating or Highest Rating is A	+ Positive F/B % of 5% or Higher	+ Cur or Prior Yr State Aid 30% or Above of Rev	+ EQMR Under 30	Revenue Inc. of 2% or Higher in FYE 18
Set 2	No Rating or Highest Rating is A	+ Positive F/B % of Under 5%	+ Cur or Prior Yr State Aid 30% or Above of Rev	+ EQMR Under 30	
Set 3	Highest Rating is AA or Higher		+ Cur or Prior Yr State Aid 30% or Above of Rev	+ EQMR of 30 or Above	
Set 4	Highest Rating is AA or Higher	+ Negative Fund Balance %			
Set 5	Highest Rating is Baa or BBB	+ Positive F/B %		+ EQMR Under 30	

Tier III					
Designation	Credit Rating	Fund Balance	State Aid	Equalized Mill Rate	Municipal Rev. Inc.
Set 1	At least one Bond Rating Below Investment Grade				
Set 2 - Either (A) or (B) below					
(A)	Not Rated or Highest Rating is: A or Baa or BBB; AND Must Have No Rating Below Investment Grade	+ Negative Fund Balance %			
(B)	Not Rated or Highest Rating is: A or Baa or BBB; AND Must Have No Rating Below Investment Grade		+ Cur or Prior Yr State Aid 30% or Above of Rev	+ EQMR of 30 or Above	

- If a municipality holds a bond rating below investment grade from any of the 3 rating agencies, it cannot be designated as a Tier I or Tier II municipality
- If a municipality meets the set of criteria listed for a tier above, its CEO can apply to the Secretary to be designated under that tier.
- Legislative body of the municipality participates in the application process for Tier III designations.
- Municipality automatically becomes a Tier III municipality if it (i) issues deficit bonds or (ii) meets the refunding bonds criteria under section 7-576c

Role of the MFAC

1	- Any municipality that has applied to and designated as a Tier I municipality by the Secretary must be referred to the MFAC. The municipality must prepare and present a 3-year financial plan to the MFAC for review and approval.
2	- OPM Secretary must designate a municipality as Tier III if the municipality meets the Tier III designated criteria and he finds that its fiscal condition warrants a Tier III designation, based on reports and findings from the MFAC.

PRELIMINARY PROJECTED TIERS

	Municipality	Moody's	S&P	Fitch	Fund Balance %	2015 State Aid %	2016 State Aid %	EqMR	Muni Rev Inc Factor
Tier III Municipalities									
S2	BRIDGEPORT	Baa1	A	A	2.56%	42.09%	41.06%	33.94	0.00%
S1	HARTFORD	Caa3	CCC		2.47%	49.23%	49.51%	40.47	0.00%
S2	NEW BRITAIN	Baa2	A+	A-	11.64%	44.22%	43.62%	33.29	0.00%
	WEST HAVEN - Deficit Bonds	Baa3	BBB		-9.82%	41.19%	43.45%	22.63	0.00%
- City of Hartford and City of West Haven have been designated as Tier III municipalities									
- City of Hartford bond rating upgraded by Moody's and S&P to A2 and A respectively, in April 2018									
Tier II Municipalities									
S2	BROOKLYN				3.48%	41.99%	37.71%	17.50	-1.04%
S2	DERBY				2.26%	31.97%	33.82%	27.42	0.00%
S3	EAST HARTFORD	Aa3			8.50%	32.57%	32.55%	32.75	0.00%
S3	NAUGATUCK	Aa3	AA	AA	10.47%	31.87%	32.04%	32.32	0.00%
S2	NEW HAVEN	Baa1	A-	A-	0.37%	45.37%	45.28%	25.95	0.00%
S2	PLYMOUTH		A+		3.92%	31.57%	33.05%	25.65	0.00%
S5	SPRAGUE	Baa2			1.94%	41.96%	41.83%	21.14	-1.00%
S3	WATERBURY	A2	AA-	AA-	5.43%	37.88%	37.55%	42.58	0.00%
Tier I Municipalities									
S2	DEEP RIVER				4.25%	17.05%	17.34%	18.63	-0.61%
S2	HAMDEN	Baa2	A+	BBB+	1.36%	17.87%	20.26%	29.82	0.00%
S2	PROSPECT				4.77%	18.79%	18.03%	19.85	-0.92%

PRELIMINARY PROJECTED TIERS

Municipality	Moody's	S&P	Fitch	Fund Balance %	2015 State Aid %	2016 State Aid %	EqMR	Muni Rev Inc Factor
Non-Tiered Municipalities								
ANDOVER		AA+		26.62%	27.35%	26.41%	22.55	-0.95%
ANSONIA	Aa3	AA		20.62%	41.11%	44.76%	25.62	0.00%
ASHFORD	Aa3			11.91%	33.51%	32.41%	23.48	-0.96%
AVON	Aaa	AAA		12.25%	11.07%	11.30%	19.94	-0.10%
BARKHAMSTED		AA		12.44%	18.73%	18.47%	19.31	-0.78%
BEACON FALLS		AA		13.52%	21.86%	21.34%	24.48	-0.97%
BERLIN	Aa2	AA+		16.40%	15.37%	15.76%	21.34	-0.49%
BETHANY	Aa2			13.47%	14.42%	14.20%	23.38	-0.50%
BETHEL		AAA	AAA	22.94%	17.97%	18.23%	21.51	-0.60%
BETHLEHEM				16.35%	16.87%	14.90%	16.27	-0.43%
BLOOMFIELD	Aa2	AA+		20.34%	12.36%	12.43%	25.17	0.00%
BOLTON	Aa3			13.61%	23.94%	22.93%	25.72	-0.78%
BOZRAH				7.64%	25.53%	26.02%	19.91	-0.77%
BRANFORD		AAA		22.48%	7.84%	8.09%	18.94	-0.17%
BRIDGEWATER				45.45%	2.70%	3.03%	13.23	0.36%
BRISTOL	Aa2	AA+	AAA	17.43%	32.48%	31.81%	24.81	0.00%
BROOKFIELD	Aa2	AAA		8.16%	10.23%	10.03%	18.22	-0.17%
BURLINGTON				15.49%	17.78%	16.54%	21.46	-0.64%
CANAAN				16.73%	17.49%	16.51%	16.72	-0.47%
CANTERBURY				14.72%	42.09%	40.38%	16.45	-1.01%
CANTON	Aa2	AAA		15.17%	17.97%	17.74%	20.93	-0.49%
CHAPLIN				10.92%	34.20%	32.17%	24.48	-0.96%
CHESHIRE	Aa1	AAA	AAA	10.41%	23.22%	22.31%	20.15	-0.67%
CHESTER				16.11%	10.82%	10.64%	18.21	-0.29%
CLINTON	Aa2			12.73%	21.19%	21.39%	18.83	-0.67%
COLCHESTER	Aa3			11.33%	33.56%	33.25%	22.18	-0.96%
COLEBROOK				21.70%	16.10%	15.80%	22.28	-0.15%
COLUMBIA	Aa2			20.04%	28.16%	26.30%	17.46	-0.80%
CORNWALL	Aa2			30.24%	9.24%	9.53%	12.52	0.68%
COVENTRY	Aa2			13.75%	29.45%	29.17%	21.97	-0.96%
CROMWELL		AAA		17.02%	16.64%	15.57%	21.72	-0.52%
DANBURY	Aa1	AA+	AAA	12.77%	19.53%	18.28%	19.50	0.00%
DARIEN	Aaa			13.53%	9.25%	9.60%	9.45	0.01%
DURHAM				11.80%	15.18%	14.51%	24.10	-0.71%
EAST GRANBY	Aa2			17.89%	14.49%	14.09%	19.87	-0.54%
EAST HADDAM		AA+		13.93%	21.17%	20.38%	20.32	-0.64%
EAST HAMPTON		AAA		11.24%	26.82%	25.92%	19.30	-0.93%
EAST HAVEN	A3	A+		5.35%	27.77%	27.98%	23.62	0.00%
EAST LYME	Aa2			7.99%	19.78%	19.49%	16.85	-0.59%
EAST WINDSOR	Aa2			23.67%	23.39%	22.36%	20.94	0.00%
EASTFORD				33.23%	32.30%	31.56%	18.26	-0.67%
EASTON		AAA		15.12%	6.51%	6.11%	20.66	-0.06%
ELLINGTON	Aa3			21.10%	28.40%	26.05%	21.48	-0.92%
ENFIELD	Aa2	AA		18.91%	32.43%	32.22%	20.69	-0.96%
ESSEX	Aa2	AA+		15.82%	6.50%	5.58%	14.01	-0.03%
FAIRFIELD	Aaa	AAA	AAA	9.03%	8.40%	8.57%	16.67	-0.08%
FARMINGTON	Aaa			10.79%	12.43%	12.58%	17.37	-0.27%
FRANKLIN				13.99%	26.57%	24.84%	15.73	-0.60%
GLASTONBURY	Aaa	AAA		16.34%	11.50%	11.85%	23.74	-0.25%
GOSHEN				21.23%	3.11%	2.81%	13.43	0.41%
GRANBY		AA+		9.98%	21.27%	21.70%	24.93	-0.65%
GREENWICH	Aaa	AAA	AAA	13.42%	7.99%	6.93%	6.99	0.05%

PRELIMINARY PROJECTED TIERS

Municipality	Moody's	S&P	Fitch	Fund Balance %	2015 State Aid %	2016 State Aid %	EqMR	Muni Rev Inc Factor
GRISWOLD		AA		11.71%	40.14%	40.54%	19.55	-0.93%
GROTON	Aa2	AA+	AA	10.06%	34.12%	34.37%	15.11	0.00%
GUILFORD	Aa2	AAA	AAA	10.79%	10.93%	11.00%	18.48	-0.19%
HADDAM	Aa3	AAA		15.35%	6.81%	6.83%	22.47	-0.39%
HAMPTON				14.05%	33.55%	32.05%	21.28	-0.96%
HARTLAND	A1			17.16%	29.87%	29.72%	17.86	-0.92%
HARWINTON				14.62%	17.93%	16.89%	19.14	-0.85%
HEBRON		AAA		18.41%	23.55%	23.18%	25.70	-0.96%
KENT	Aa2	AA+		19.37%	9.57%	7.81%	12.61	0.35%
KILLINGLY	Aa3	AA		19.02%	38.14%	36.95%	19.92	0.00%
KILLINGWORTH				20.79%	12.82%	11.80%	17.67	-0.47%
LEBANON				18.30%	30.88%	30.00%	20.09	-0.86%
LEDYARD	Aa2	AA		7.19%	34.99%	34.14%	21.84	-0.97%
LISBON	Aa3			14.48%	36.48%	35.52%	13.08	-1.02%
LITCHFIELD	Aa2			15.01%	11.22%	11.72%	18.43	-0.33%
LYME				15.33%	4.36%	5.19%	12.94	0.22%
MADISON	Aaa		AAA	15.11%	10.47%	10.86%	17.46	-0.09%
MANCHESTER	Aa1	AA+	AAA	12.47%	25.59%	24.43%	25.42	0.00%
MANSFIELD	Aa2			8.57%	40.82%	39.23%	20.55	-0.91%
MARLBOROUGH	Aa2			10.51%	17.70%	17.43%	22.75	-0.74%
MERIDEN		AA	AA-	8.76%	37.08%	37.05%	26.18	0.00%
MIDDLEBURY	Aa2			13.20%	4.06%	3.80%	20.87	-0.21%
MIDDLEFIELD				11.00%	14.89%	14.91%	23.61	-0.79%
MIDDLETOWN	Aa2	AAA		17.79%	23.09%	24.76%	24.26	0.00%
MILFORD	Aa1	AA+	AAA	13.92%	11.75%	11.69%	19.58	-0.37%
MONROE	Aa2			10.88%	14.77%	14.99%	24.01	-0.41%
MONTVILLE	Aa3			15.82%	36.33%	35.19%	19.95	-0.97%
MORRIS				17.87%	8.43%	8.40%	18.64	0.07%
NEW CANAAN	Aaa			19.31%	8.38%	8.41%	10.54	0.02%
NEW FAIRFIELD	Aa1	AAA		12.47%	16.01%	16.76%	18.92	-0.43%
NEW HARTFORD	Aa3	AA		15.83%	22.01%	21.32%	20.65	-0.72%
NEW LONDON		A+	A+	5.21%	41.03%	40.10%	26.60	0.00%
NEW MILFORD	Aa1	AA+		19.60%	22.65%	22.95%	18.67	-0.63%
NEWINGTON		AA+		18.31%	21.86%	21.81%	23.67	-0.73%
NEWTOWN	Aa1	AAA		10.22%	12.88%	13.57%	22.12	-0.32%
NORFOLK				15.29%	12.99%	13.59%	16.45	-0.19%
NORTH BRANFORD	Aa2			15.18%	22.43%	22.33%	21.12	-0.84%
NORTH CANAAN				9.14%	26.51%	26.78%	20.59	-0.99%
NORTH HAVEN	Aa1	AAA		12.84%	11.44%	11.38%	20.61	-0.35%
NORTH STONINGTON				10.65%	28.57%	28.71%	19.34	-0.81%
NORWALK	Aaa	AAA	AAA	14.33%	12.05%	11.85%	16.57	0.00%
NORWICH	Aa2	AA	AA	11.33%	34.86%	34.67%	27.85	0.00%
OLD LYME				25.73%	3.34%	4.67%	14.42	-0.01%
OLD SAYBROOK	Aa2			9.29%	10.83%	9.58%	13.06	0.03%
ORANGE	Aa1	AAA		16.50%	7.10%	7.51%	20.86	-0.17%
OXFORD	Aa2			25.06%	18.60%	17.36%	17.04	-0.53%
PLAINFIELD	Aa3			16.59%	43.47%	43.53%	19.66	-0.98%
PLAINVILLE	Aa3	AA+		17.51%	26.15%	26.02%	22.55	-0.93%
POMFRET				15.79%	34.27%	31.14%	18.79	-0.92%
PORTLAND	Aa3			17.51%	20.29%	19.68%	23.25	-0.72%
PRESTON		AA+		21.16%	35.11%	35.98%	16.92	-0.79%
PUTNAM		AA		22.32%	45.82%	44.65%	11.51	0.00%
REDDING	Aa1	AAA		18.35%	7.94%	7.47%	19.85	-0.07%
RIDGEFIELD	Aaa	AAA	AAA	11.73%	8.87%	9.46%	16.83	-0.07%
ROCKY HILL		AA+		8.26%	13.10%	14.56%	18.81	-0.43%

PRELIMINARY PROJECTED TIERS

Municipality	Moody's	S&P	Fitch	Fund Balance %	2015 State Aid %	2016 State Aid %	EqMR	Muni Rev Inc Factor
ROXBURY				23.63%	2.07%	1.84%	10.11	0.47%
SALEM	A1			17.07%	28.28%	27.69%	23.36	-0.91%
SALISBURY				14.55%	7.71%	9.92%	7.69	0.40%
SCOTLAND	A2			11.00%	32.06%	30.24%	26.79	-1.01%
SEYMOUR		AA+		10.10%	25.72%	25.02%	25.06	-0.92%
SHARON	Aa2			21.09%	6.01%	5.12%	10.74	0.63%
SHELTON	Aa2	AA+		10.39%	13.01%	12.73%	15.23	-0.32%
SHERMAN	Aa2			14.59%	8.36%	7.97%	13.64	0.04%
SIMSBURY	Aaa	AAA		13.33%	12.93%	13.74%	23.54	-0.35%
SOMERS	Aa2			23.09%	37.50%	36.62%	16.23	-0.98%
SOUTH WINDSOR	Aa2	AA+		8.65%	18.63%	18.43%	25.36	-0.65%
SOUTHBURY	Aa2			12.40%	5.57%	5.74%	18.87	-0.34%
SOUTHINGTON		AA+		13.66%	21.77%	22.19%	19.61	-0.75%
STAFFORD	A1			15.85%	33.81%	34.55%	23.14	-1.10%
STAMFORD	Aa1	AAA	AAA	7.45%	8.83%	8.94%	15.06	0.00%
STERLING	A1			36.11%	35.41%	36.09%	22.51	-0.93%
STONINGTON	Aa1	AA+		23.00%	8.79%	9.07%	14.03	-0.13%
STRATFORD	A1	AA		3.79%	18.99%	19.09%	25.86	-0.62%
SUFFIELD		AA+		17.60%	28.04%	28.37%	19.11	-0.92%
THOMASTON	Aa3	AA		12.69%	29.99%	30.23%	23.66	-0.85%
THOMPSON	A1			9.39%	40.30%	39.14%	17.27	0.18%
TOLLAND		AAA	AAA	14.94%	28.37%	28.17%	23.40	-0.96%
TORRINGTON	Aa3	AA-		7.82%	27.01%	27.45%	32.35	0.00%
TRUMBULL	Aa2	AA+	AA+	12.71%	10.82%	11.22%	21.66	-0.14%
UNION				12.23%	18.11%	17.83%	22.53	-0.37%
VERNON	Aa2			17.76%	27.74%	26.31%	25.82	0.00%
VOLUNTOWN				18.47%	41.14%	41.44%	19.59	-0.90%
WALLINGFORD	Aaa	AA+		17.67%	23.23%	23.10%	19.05	-0.77%
WARREN	Aa2			37.94%	2.65%	2.04%	9.34	0.36%
WASHINGTON				23.59%	2.91%	1.59%	8.73	0.40%
WATERFORD	Aa2	AA		12.90%	10.20%	8.87%	17.57	-0.06%
WATERTOWN	Aa2	AA+		11.32%	24.90%	25.81%	20.11	-0.89%
WEST HARTFORD	Aaa	AAA		7.73%	15.09%	15.64%	24.57	-0.45%
WESTBROOK	Aa2			15.59%	10.28%	10.09%	15.15	-0.02%
WESTON	Aaa			18.19%	9.13%	9.17%	18.74	-0.05%
WESTPORT	Aaa			17.72%	1.90%	1.62%	11.01	-0.04%
WETHERSFIELD	Aa2	AA+		11.39%	16.50%	16.89%	27.16	-0.53%
WILLINGTON	Aa3			16.56%	29.69%	28.89%	19.61	-0.95%
WILTON	Aaa			16.66%	8.77%	9.16%	17.60	-0.06%
WINCHESTER				17.79%	31.15%	31.25%	24.32	0.00%
WINDHAM	Aa3	AA		13.62%	49.93%	48.44%	28.30	0.00%
WINDSOR		AAA		21.20%	19.44%	19.04%	20.85	0.00%
WINDSOR LOCKS	Aa1	AA+		26.32%	29.47%	30.01%	19.34	0.00%
WOLCOTT	A1	AA		7.71%	36.46%	34.82%	19.71	-0.97%
WOODBIDGE	Aaa			13.05%	5.85%	5.66%	26.23	-0.12%
WOODBURY	Aa2			13.60%	4.46%	5.21%	19.13	-0.29%
WOODSTOCK	Aa3			14.46%	30.42%	29.88%	16.43	-0.90%