

# Standard and Poor's Confirms AAA Bond Rating For New Fairfield

*By Robert Byers*

Treasurer Phil Cammarano announced that Standard and Poor's rating service rated 2014 New Fairfield General Obligation refund bonds as AAA. This is S & P's highest rating. The bonds are going to be used to refinance existing 2006 callable bonds resulting in a financial savings for the town. The bonds do not extend the maturity of the existing debt and do not increase the net debt burden.

The ratings report cites several factors in arriving at its rating. These include a very strong economy based on the town's participation in the Bridgeport-Stamford-Norwalk metropolitan statistical area and New Fairfield's access to New York City. New Fairfield's long shoreline on Candlewood Lake was also noted as a driver of the town's robust economy as it makes New Fairfield a recreational destination. The next two factors upon which the AAA rating was based is the budgetary flexibility and liquidity that New Fairfield enjoys as a result of its large cash reserves. Similarly, the bond raters pointed to New Fairfield's low debt level and well funded pensions as further indications of the town's financial stability. They specifically mentioned the high funding ratios of the municipal and education pensions and our GASB45 fund which provide funding for future retirement medical expenses of current employees. The final factors cited by the rating report for its superlative rating are the strong management conditions and good financial policies.

Cammarano points out that the report puts New Fairfield in the top ten percent of Connecticut's 169 towns, and expressed his gratitude to all of the people that work to gather the requisite information for the credit rating analysts from Standard and Poor's. We should also remember all of the work over the years that was necessary to build up the fund balances that earned this rating and allowed us to save money through this refinance. The work of the finance department providing the reports that allow the BOS and the department heads monitor the spending of their budgets. The various town and education departments that build the budgets every year. The work done by the Superintendent and First Selectman in reviewing those budgets and refining the

priorities. Finally the Board of Education that reviews the Superintendent's budget and the BOS which finally approves the town budget for review by the Board of Finance, which further refines the budgets. It is the BOF that established many of the good financial policies mentioned in the report. Everyone connected to the municipal government or the school system is part of the team that made this glowing report possible.

At a time where government seems to have stopped working at the state and federal level, it is a reassuring that we can rely on own local politicians to do the right things and act responsibly for the future, especially when it is almost always more politically expedient to act otherwise.