

CITY OF NORWALK FINANCE & CLAIMS COMMITTEE

02-24-26 Special Joint Meeting of Finance and Claims Committee and Board of Estimate and Taxation Meeting

FEBRUARY 24, 2026 BY COMMON COUNCIL CHAMBERS CITY HALL 3RD FLOOR AND ZOOM VIRTUAL MEETING

To allow public access, anyone may access a meeting by telephone and/or Zoom, or a recording in the City of Norwalk YouTube channel. Specific instructions and links can be found at norwalkct.gov/meetings.



Members of the public may call in to participate. Callers will not be able to see the meeting participants. All participants will be muted upon entering the meeting. To speak, dial *9 on the phone and you will be called on by the host of the meeting during the public comment section. All speakers must state their name and address. Comments must be on a topic on the agenda, and are limited to three minutes. Anyone disrupting the orderly conduct of the meeting, including by using threatening, hateful, or sexually-explicit language, will be removed. Please find the information using the link above.



Members of the public who wish to provide "live comments" may also use the Zoom meeting platform. All participants will be muted upon entering the meeting. To speak, click the "raise your hand indicator" and you will be called by the host of the meeting during the public comment section. All speakers must state their name and address. Comments must be on a topic on the agenda, and are limited to three minutes. Anyone disrupting the orderly conduct of the meeting, including by using threatening, hateful, or sexually-explicit language, will be removed. Please find the information using the link above.



Members of the public who wish to provide public comment are encouraged to submit those via email in advance of the meeting. For these comments to be included into the record, they must be submitted by 12:00 p.m. the day of the meeting. Please email Chitsamay Lam at clam@norwalkct.gov with the subject line "Public Comment" to provide written public comment prior to the meeting.

I. CALL TO ORDER

Chair Frayer called the meeting to order at 6:30p.m.

II. ROLL CALL

Chair Frayer called the Roll: James Frayer, Nicole Eaddy, Richard Dellinger, Johan Lopez

City of Norwalk
Finance & Claims Committee

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February 24, 2026

BY COMMON COUNCIL CHAMBERS CITY HALL 3RD FLOOR AND ZOOM VIRTUAL MEETING

Page 1

City Clerk Marsha Elbourne called the Roll for the Board of Estimate and Taxation: Mayor Barbara C. Smyth, Artie Kassimis, Kendrick Constant, Anne Yange, Troy Jellerette

At Roll Call, both the Finance & Claims Committee and the Board of Estimate and Taxation had a quorum.

FINANCE: James Frayer, Chair; Nicole Eaddy, Richard Dellinger, Johan Lopez
BET: Mayor Smyth, Ed Abrams, Artie Kassimis, Kendrick Constant, Anne Yange, Troy Jellerette
STAFF: Jared Schmitt, Finance Director, Marsha Elbourne, City Clerk
OTHERS: Darlene Young, Anne Wennerstrand, Jan Degenshein, Jalin Sead, Bill Lindsay (Munistat)

III. PUBLIC PARTICIPATION

M. Jenowski of 8 Fordham Drive. He said he wanted to speak about the budget, but he will do so at the Council Meeting instead of this forum.

Chair Frayer closed public participation at 6:35p.m.

IV. REPORTS

A. PRESENTATION FROM MUNISTAT SERVICES, INC. REGARDING CITY OF NORWALK ANNUAL DEBT AND BOND RATING REVIEW.

Mr. Schmitt introduced the speaker as Mr. Bill Lindsay from Munistat. Mr. Lindsay is their municipal financial advisor for debt issuance. Mr. Schmitt stated he would give a presentation on the city's debt, capital plan and the process of the rating agencies and their scorecards.

Mr. Lindsay of Munistat shared his screen and began presenting on the City of Norwalk's Credit Rating. He reviewed the credit rating methodologies for Moody and S&P's rating, the recent rating and the experience with those two (2) rating agencies and the results of those rating discussions. He will also cover the current city debt load and future current debt loads and how that may affect the city's overall bond rating. He explained that there are two (2) major credit ratings that the city is using currently and each of them has its own published methodology. He discussed their scorecard approach. Mr. Lindsay also discussed the AAA scoring and Aaa scoring.

A discussion ensued with the committee about the ratings, fund balance and OPEB.

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February 24, 2026

BY COMMON COUNCIL CHAMBERS CITY HALL 3RD FLOOR AND ZOOM VIRTUAL MEETING

Page 2

They spoke about the high taxes and possible burden on the taxpayers. Mr. Lindsay answered all the questions.

V. **ADJOURNMENT**

Chair Frayer adjourned the meeting at 7:26p.m.



City of Norwalk
BET & City Council Finance Committee
Meeting

February 24, 2026



Tonight's Presentation

- Review credit rating methodology & current City ratings
- Current City debt position
- Authorized but unissued debt balances
- Forward debt load projections



Credit Rating Agencies

- Each rating agency evaluates credit risk based on its own methodology & weighs credit factors differently
- Both Moody's & S&P use a “scorecard” approach
 - Employ weighted average of certain key factors to develop indicative rating
 - Indicative rating adjusted for overriding factors (+/-) to develop final rating
- City has “Aaa” / “AAA” ratings from:
 - Moody's / S&P Global



Moody's Scorecard Factors

 Economy



Resident income



Provides an indication of the relative strength of a local government's capacity to generate revenue at the local level.

Full value capita



Provides an indication of a local government's economic strength and capacity to generate revenue, even beyond levying taxes on real estate values.

Economic growth



Provides an indication of a local government's ability to continue generating the revenue necessary for the programs and services it provides.

 Financial performance



Available fund balance ratio



Provides insight into whether a local government's resources would be sufficient to bridge temporary budget imbalances.

Liquidity ratio



Provides an indicator of a local government's most readily available liquid resources.

 Institutional framework

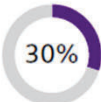


Institutional framework



Represents the statutory and legal framework under which a city or county operates, which determines how much flexibility it has to increase revenue or reduce spending.

 Leverage



Long-term liabilities ratio



Provides a comprehensive view of a local government's leverage compared to the revenue that will support those obligations.

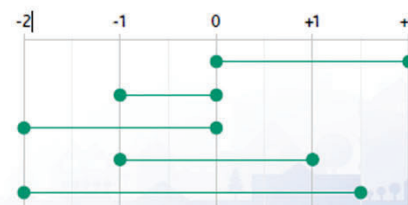
Fixed-cost ratio



Provides an indication of the annual financial burden associated with long-term liabilities relative to its revenue and provides, by proxy, the percentage of revenue that remains available to provide core services after fixed costs are paid.

 Notching factors

- Additional strength in local resources
- Limited scale of operations
- Financial disclosures
- Potential cost shift to or from the state
- Potential for significant change in leverage





Moody's Methodology

- City scores “Aaa” for some but not all factors
- The City only scores a net “Aa” for Financial Performance (30%) due to:
 - “A” score for Available Fund Balance Ratio
 - “Aaa” score for Liquidity Ratio
- Moody's criteria applies equal weighting to debt, pension and OPEB liabilities
 - Equivalent weighting of only **10%** for debt.
 - The City's historically well funded pension and OPEB plans offset current/future debt load



Moody's Scorecard – August 2025

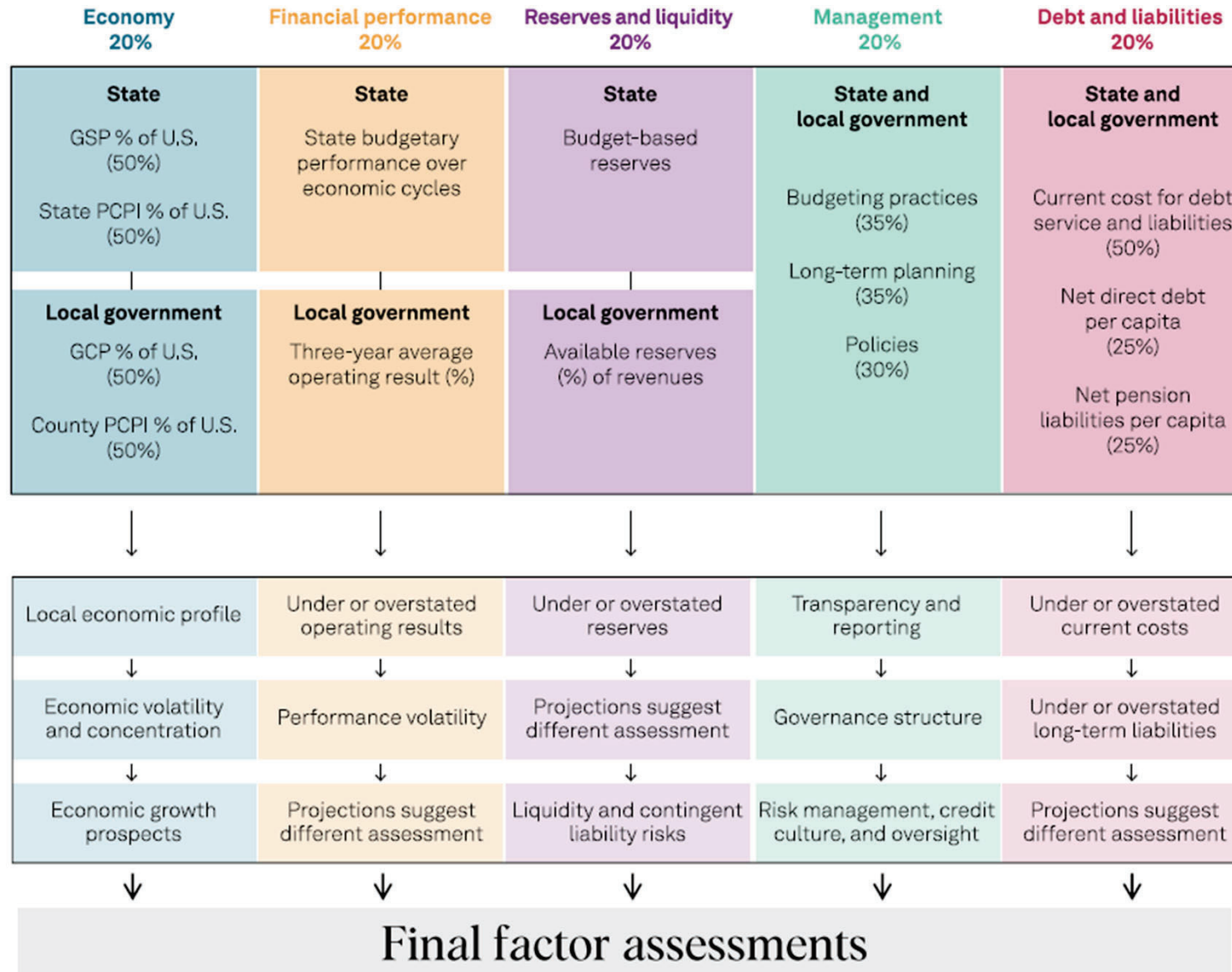
Exhibit 9
Norwalk (City of) CT

	Measure	Weight	Score
Economy			
Resident income ratio	125.9%	10.0%	Aaa
Full value per capita	301,125	10.0%	Aaa
Economic growth metric	-1.1%	10.0%	A
Financial Performance			
Available fund balance ratio	24.8%	20.0%	A
Liquidity ratio	51.8%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	Aa
Leverage			
Long-term liabilities ratio	124.0%	20.0%	Aa
Fixed-costs ratio	8.3%	10.0%	Aaa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
Assigned Rating			Aaa

Moody's Credit Opinion dated September 2, 2025 – “The distinction between the scorecard-indicated and the assigned rating is in consideration of the nominal strength of the city's reserves and ongoing economic development within the city that somewhat offsets the weaker economic growth of the metro statistical area.”



S&P Scorecard Factors





S&P Scorecard – August 2025

Norwalk, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.72
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.35
Debt and liabilities	3.25

--Individual credit profile--											
	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6
1	aaa	aaa	aa+	aa	aa-	a+	a	a-	bbb	bb+	bb-



Debt Capacity (Moody's Criteria)

- Measurement is principal only
- Total General Fund debt load at 6/30/26 = \$438.7MM
 - Includes \$15MM in outstanding BANs
 - FY 25-26 principal payment = \$29.5MM
 - FY 26-27 principal payment = \$31.4MM
- Munistat February 2026 debt capacity = \$650MM
- Authorized but Unissued debt = \$102.4MM



Current Authorized but Unissued

Fiscal Year	A/U Balance
2012-13	\$150,000
2013-14	\$119,000
2015-16	\$565,000
2016-17	\$404
2017-18	\$500,426
2018-19	\$8,415,874
2019-20	\$4,082,437
2020-21	\$1,359,000
2021-22	\$1,222,269
2022-23	\$8,966,409
2023-24	\$14,621,827
2024-25	\$21,751,232
2025-26	\$36,487,322
Supp Appropriation	\$4,200,000
Total	\$102,441,200



Debt Waterfall

		Additions		Reductions				
	Starting	Amortize	New	School	Principal	Ending		
FY	Balance	A/U	Capital	Grants	Payments	Balance	Capacity	Variance
2026-27	438.68	20.49	62.50	(15.40)	(31.40)	474.87	650.00	175.13
2027-28	474.87	20.49	113.00	(68.75)	(32.52)	507.09	650.00	142.91
2028-29	507.09	20.49	44.00		(31.27)	540.31	650.00	109.69
2029-30	540.31	20.49	43.20		(27.99)	576.01	650.00	73.99
2030-31	576.01	20.49	41.40		(25.94)	611.96	650.00	38.04
2031-32	611.96	0.00	41.00		(23.22)	629.74	650.00	20.26

Note: New capital borrowings based on CFO's Capital Recommendation.
 Year of issuance may be different than year in which projects are approved.



Conclusions

- City's history of economic and financial stability are the foundation for its "Aaa"/"AAA" ratings
 - Historically strong liquidity/reserves, well funded pension and OPEB off-set debt load
 - As debt increases (weakness) City must maintain credit strength in other factors/metrics
 - Future financial (30%) performance will have a more significant impact on rating than debt (10%)
 - Reserve levels (i.e. Fund Balance & ISF) are already low relative to sector and geographic medians and must be maintained to preserve the current ratings