

Town of Hamden, Connecticut

Interest Rate Outlook, Credit Overview & Debt Analysis

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Credit Rating Overview

Moody's Rating Categories with Sample Listing of Towns

Highest Aaa - Weston, Westport, Darien, Fairfield

Aa1 - Easton, Redding, Woodbridge

Aa2 - Cheshire, Newtown, Monroe, Trumbull

Aa3 - Bethel, Bristol, Shelton, Southington

A1 - Bethany, North Branford, Plainville

A2 - [Hamden](#), Derby, Hartford, Seymour

A3 - Ansonia, New Haven, East Haven

Baa1 - Bridgeport, Waterbury

Baa2 - West Haven

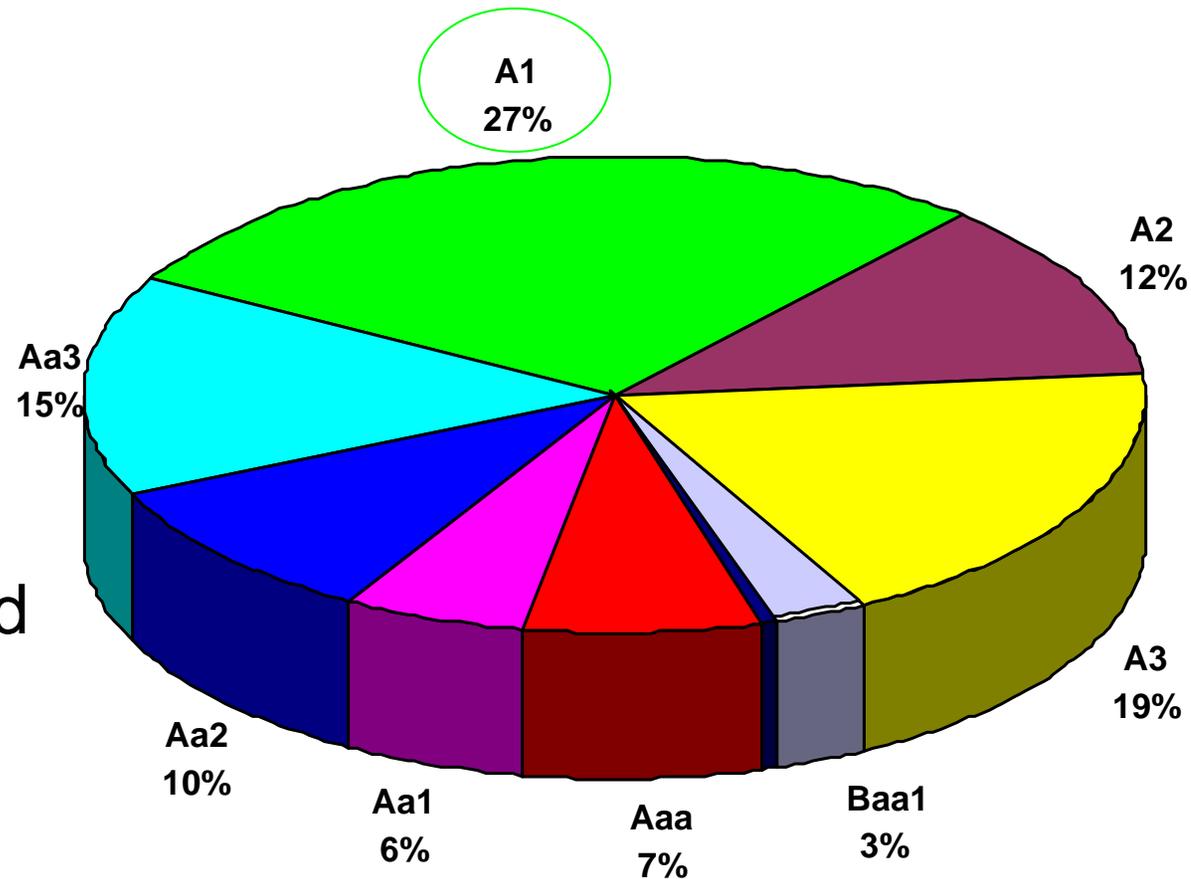
Lowest Baa3 - None

Why Are Credit Ratings Important?

- Directly Related to the Cost of Borrowing
 - The Higher the Rating the Lower the Cost
- *Independent* Assessment of the Ability and Willingness to Repay Debt
- Very Low Municipal Default Rate
Possible Rating “Recalibration”

Aaa Rated Municipalities in the State (12)

- Avon
- Darien
- Fairfield
- Greenwich
- New Canaan
- Norwalk
- Ridgefield
- Stamford
- West Hartford
- Weston
- Westport
- Wilton



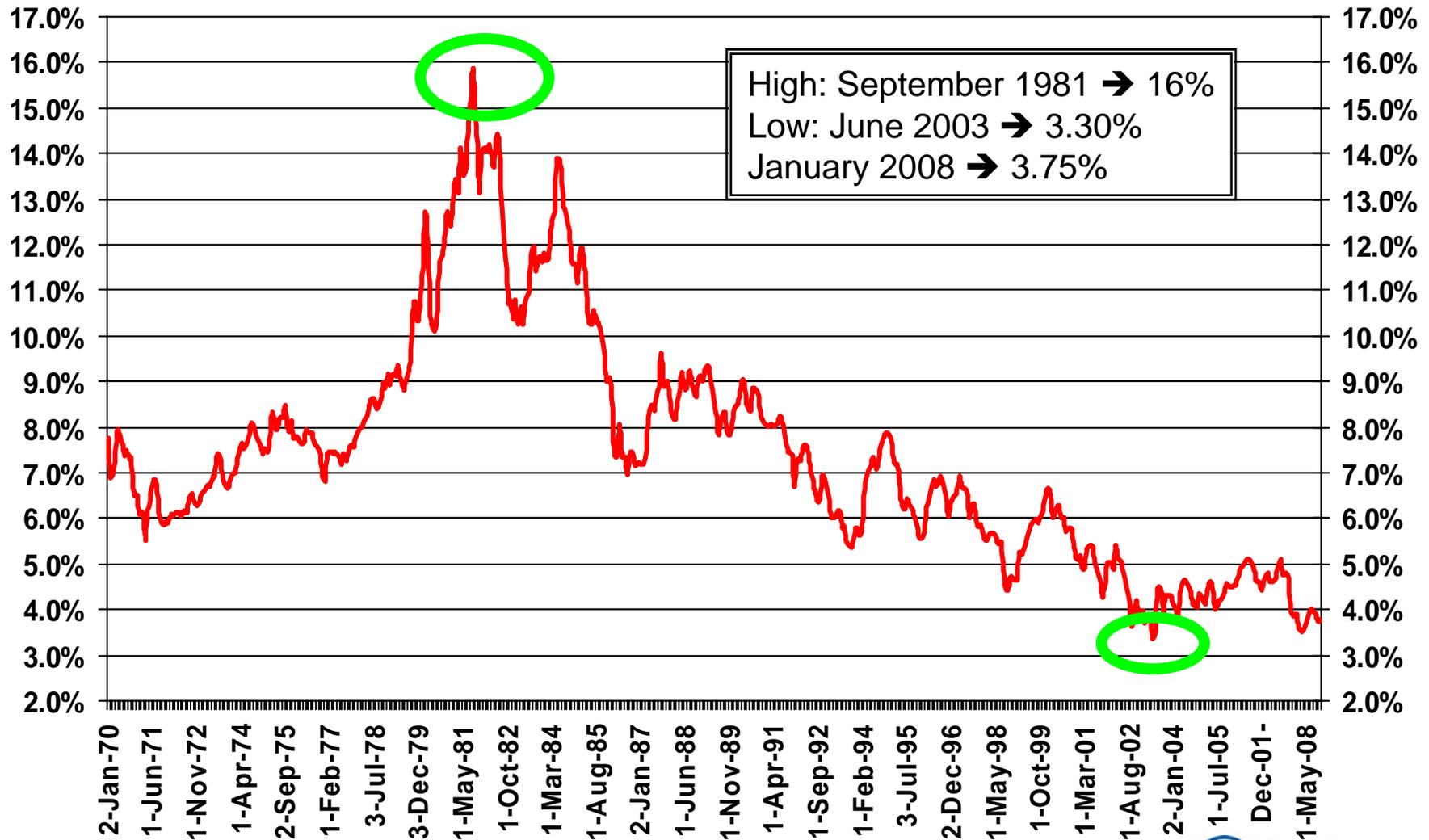
The Four Rating Assessment Categories

- 1) Structure and Effectiveness of Management
- 2) Economic & Demographic Characteristics
 - Income Levels, Housing Values
- 3) **Financial Performance** 
 - Fund Balance (Amount & Consistency)
 - Pension Funding
- 4) Debt Management 
 - Debt Per Capita, Debt to Assessed Value

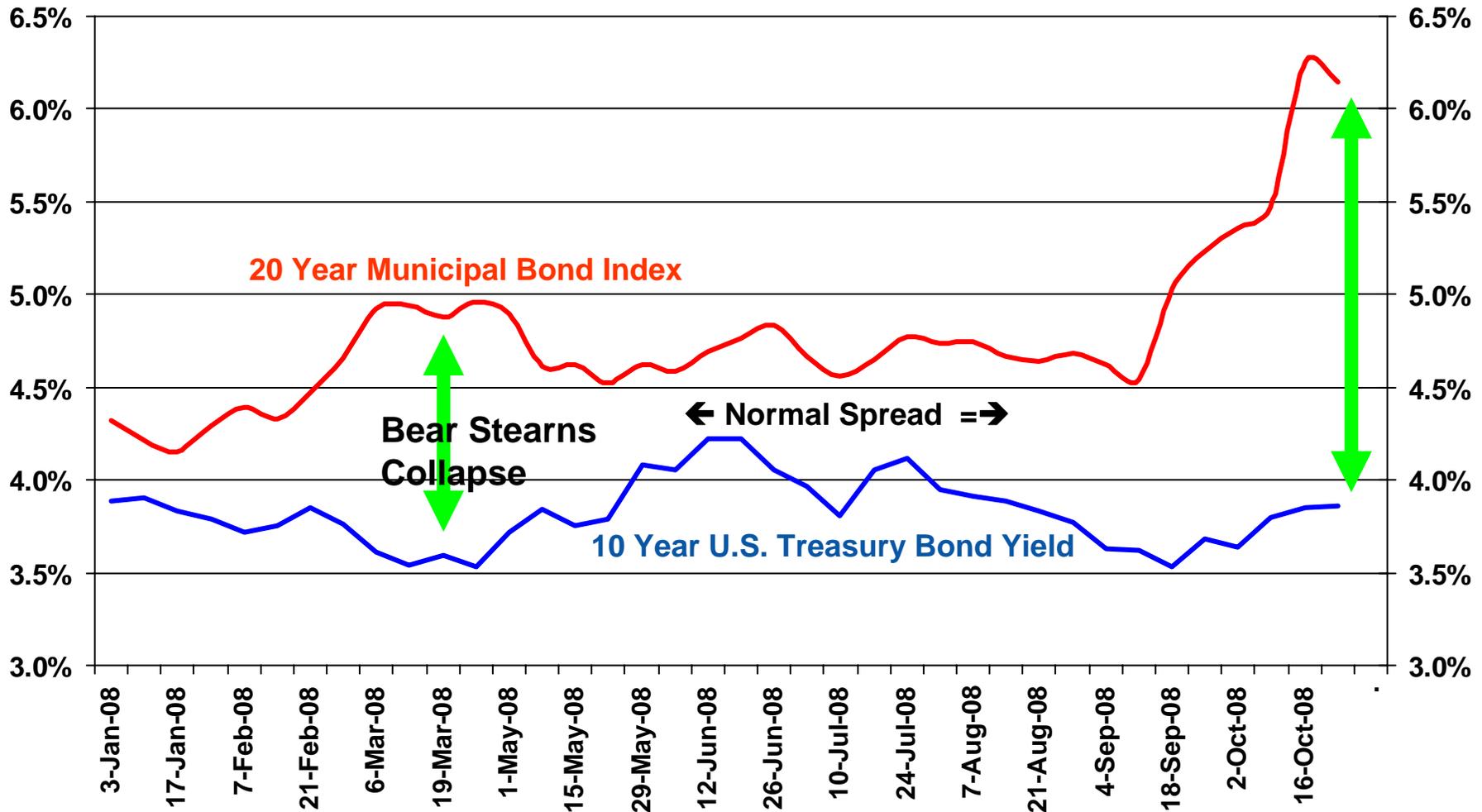


Interest Rate Outlook

Ten Year U.S. Treasury Yield - January 1, 1970 to October 27, 2008



Market Turmoil – U.S. Treasury Rates vs. Municipal Rates

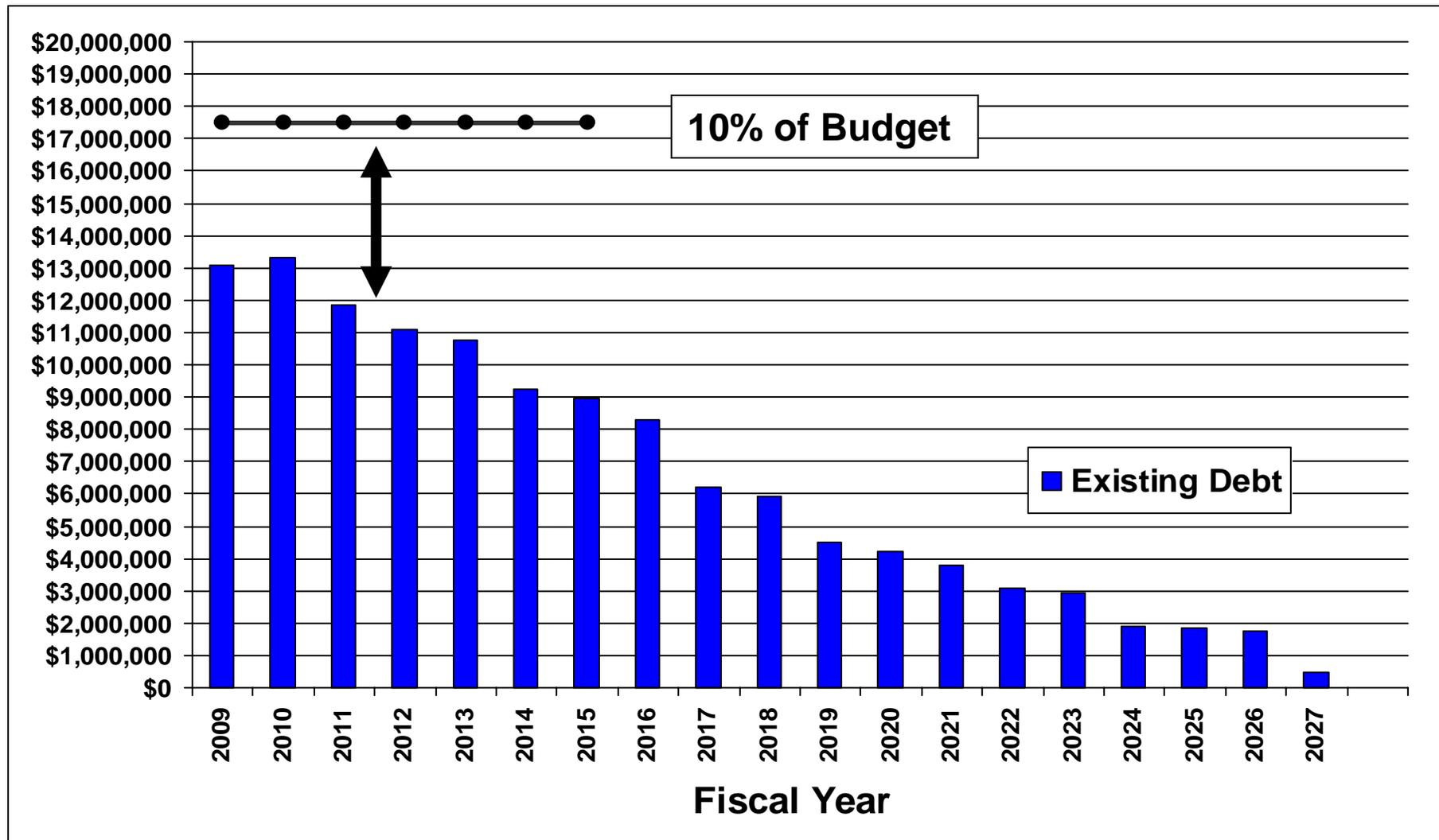


History of Hamden & Other Bond Sales

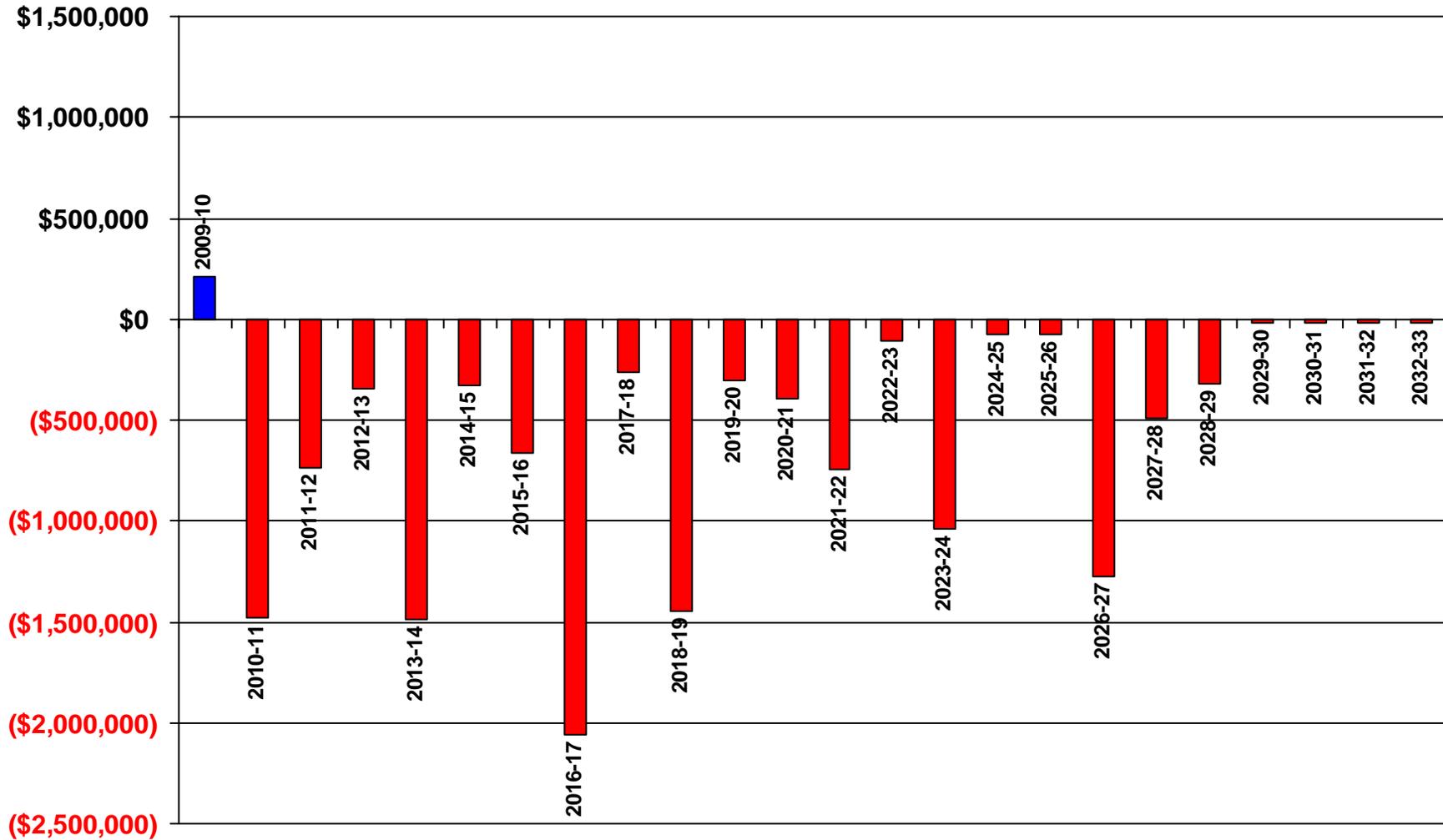
- Hamden July 2005 – was **4.05%**
- Hamden July 2006 was **4.15%**
- Town of Groton – \$10 million Oct 2008 - **5.00%**
- State of Connecticut, \$500 million, Oct 2008 – **4.90%**
- **Now (October 2008) about 5.00%**

Debt Analysis

Existing Debt Service (Principal & Interest)



Annual Change in Existing Fund Debt Service



Proposed Borrowing Timeline

→ Town has \$18,875,000 of Notes maturing July 2009

→ Proposed Bonds in July 2009

\$18,875,000 Existing Short-Term Notes

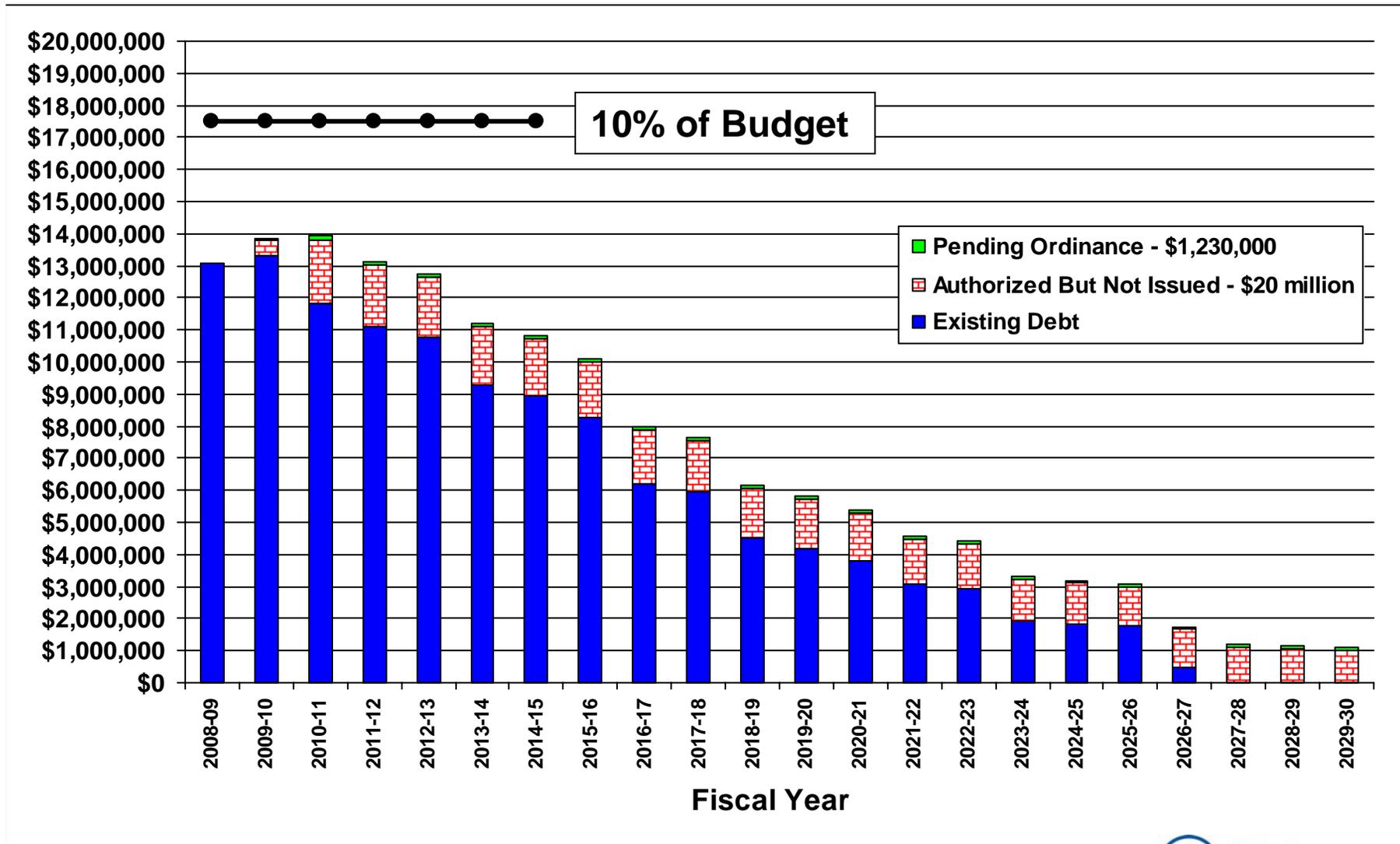
1,125,000 Authorized But Not Yet Issued

\$20,000,000 Existing Capital Projects

1,230,000 Police Station/Memorial Town Hall

\$21,230,000 Possible Bond Issue July 2009

Existing Plus Proposed Debt Service



Hamden Debt Breakout By Purpose

