



# Capital Improvements & The Issuance of Debt

Prepared by:



NW FINANCIAL GROUP, LLC  
*Exceeding Expectations*

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# Planning for Capital Improvements

- Capital Improvement Fund line item in the budget is designed to fund capital improvements
- Each municipality is required to file a 6-year (non-binding) capital plan as part of its budget
  - This plan evolves and based on the needs & responsibilities of the municipality
  - Capital plan does not allocate or appropriate any funds
  - Capital projects have useful lives of 5 to 40 years
- Examples of Capital Improvements
  - Land Acquisition
  - Road Improvements
  - Construction of Facilities
  - Building Improvements
  - Equipment (Vehicles, computers, office furniture, energy equipment, fire equipment, etc)

# Funding of Capital Improvements

- **Fund projects with cash through annual budget**
  - Adopt a capital ordinance
  - Capital ordinance is funded in cash through the Capital Improvement Fund line item in the budget
  
- **Issuance of debt**
  - Authorize project and the issuance of debt through a bond ordinance
  - 5% down payment is needed at time of authorization
    - Funded through budget
    - Exceptions to down payments
  - Bond ordinances require 2 readings:
    - Introduction of ordinance
    - Adoption of ordinance with public hearing
      - Special Majority vote (2/3 of full membership to pass)
  - Funding options:
    - Bond Anticipation Notes
    - Bonds
    - Lease
  - Municipality's net debt cannot exceed 3.5% of the municipality's average equalized valuation basis for the last three years

# Municipal Debt Limits

In New Jersey, a municipality's net debt cannot exceed 3.5% of the municipality's average equalized valuation basis for the last three years.

As of December 31, 2020. . . .

Holmdel's Three-Year Average Equalized Valuation

\$ 4,311,941,570

Maximum Debt Permitted by Statute at 3.5%

\$ 150,917,955

Holmdel's Current Debt is .895%

\$ 38,576,356

Statutorily Available Debt is 2.605%

\$ 112,341,599

# Issuance of Debt

- **Bond Anticipation Notes (“BANs”)**

- Issued for one year or less
- New interest rate with each issuance
- Must be repaid within 10 years of issuance
- Beginning in year 3 minimum paydowns are required
- Secured by a pledge of the Township’s *ad valorem* taxing power
- Sold on a competitive or negotiated basis
- Offering prospectus and bond rating not required

- **General Obligation Bonds**

- Issued for a term equal to or less than the weighted average life of the projects being financed (generally, 30 years or less)
- Interest rates are fixed at time of sale and do not change over time
- Principal payments are made once per year; interest paid twice per year
- Principal amortized quickly based on Local Bond Law maturity schedule requirements
- Sold through competitive sale process
- Requires bond rating and offering prospectus
- Bonds may be eligible for early prepayment or refinancing on date certain

- **Lease**

- Typically used for equipment and financed over the life of each piece of equipment
- The Township is a frequent participant of the Monmouth County Improvement Authority’s biennial equipment financing which is secured with a County guaranty
- Facilities can be financed through a public private partnership

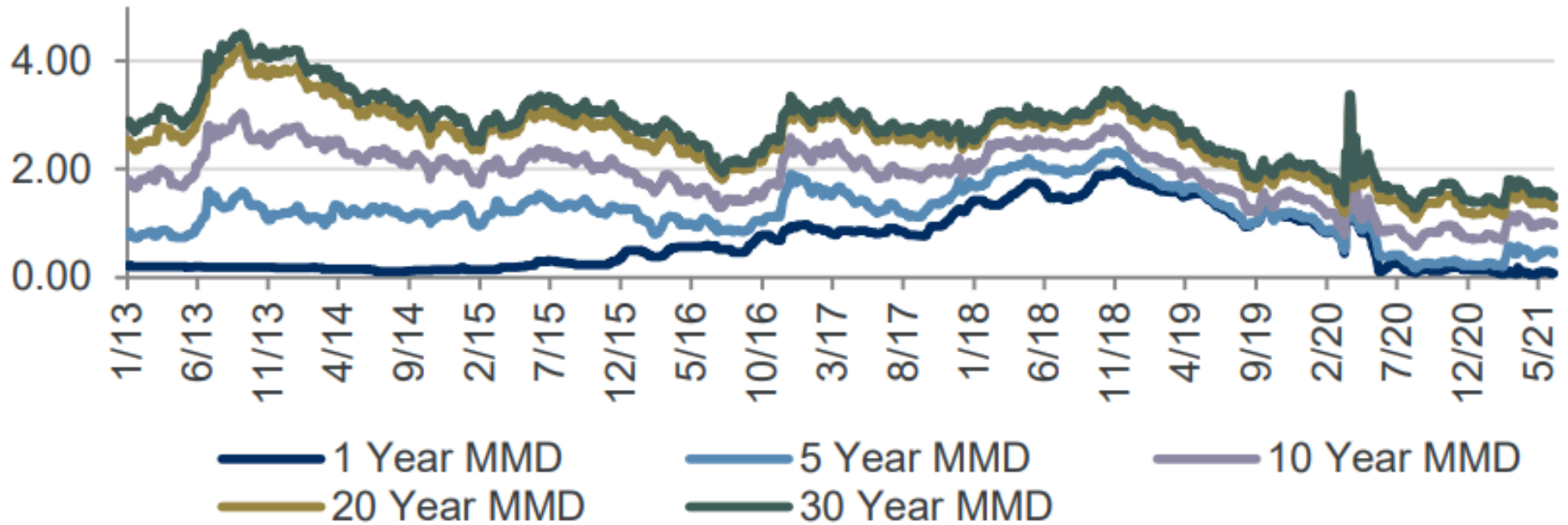
# Bonds or Notes?

- **What to consider when determining to issue bonds, notes or leases:**
  - Amount to be Financed
  - Required Principal Paydown of Notes
  - Balance in the Capital Improvement Fund
  - Future Capital Planning
  - Budget & Tax Impact
  - Municipal Reserves
  - Municipal Bond Market
  - Equipment or Facilities

## Market Update (as of 6/13)

- June 15<sup>th</sup> & 16<sup>th</sup> is the next Federal Open Market Committee meeting and it's expected the FED will continue to keep rates low for the foreseeable future.
- Strong demand for municipal paper versus the supply has been driving rates lower both in the short-term and long-term market.
- U.S. Treasury yields have improved with the 5 -year benchmark yields declined 2 bps, the 7 and 10-year notes declined by 4 bps, and the thirty-year bond yield dropped 5 bps since the previous week.
- Municipal yields continued to improve last week. In the first 3 years, rates were unchanged. From 2025 through 2029 yields declined by 1 to 4 bps. From 2030 through 2051, rates dropped 3 bps.
- U.S. municipal bond funds reported \$2.46 billion of net inflows into the market which was up significantly from the previous week.

### AAA-RATED GENERAL OBLIGATION TAX-EXEMPT RATES



Source: Raymond James Weekly Comment



# Results of Recent NJ Bond & Note Sales

## Results of Recent NJ Bond Sales

Date	Amt (M)	Issuer	Due	Underlying LT Rating	Winning Bid	Effective rate
05/25/2021	10.515	MATAWAN ABERDEEN REGL SD	9/15/2027	AA-	JP Morgan	0.5522%
05/25/2021	61.794	MERCER CO	2/15/2033	Aa2/SP-1+	Huntington Secs	1.3301%
05/25/2021	12.83	MONROE TWP -REF	6/1/2036	SP-1+	Fidelity Capital	1.4385%
05/25/2021	118.68	NJ INFRASTRUCTURE BK-A-1	9/1/2050	Aaa/AAA	BofA Securities	1.8818%
05/26/2021	5.1	CAMDEN CO	4/1/2036	Aa1/AA	Huntington Secs	1.6588%
05/26/2021	20.1	BERGEN CO	6/1/2041	Aaa	Mesirow Financial	1.7532%
06/02/2021	20.21	WASHINGTON TWP	5/15/2035	NR	Citigroup	1.4873%
06/03/2021	3.6	UNION CO	3/1/2031	Aaa/A+	RBC Capital Mkts	*1.1619%
06/08/2021	30.36	SUSSEX CO	6/15/2036	Aa2/AA+	BofA Securities	1.4496%
06/10/2021	30.604	BUENA REGL SD BOE	6/1/2041	NR	Wells Fargo Secs	*1.9677%
06/10/2021	15.91	CARLSTADT BORO	6/15/2033	A2	Baird	*1.6895%

## Results of Recent NJ Note Sales

Date	Amt (M)	Issuer	Tax	Due	Underlying LT Rating	Winning Bid	Effective rate
06/02/2021	3.138	MILLBURN TWP -BANS	BQ	6/10/2022	NR	Amboy Bank	0.3200%
06/02/2021	9.568	LAWRENCE TWP-BANS	BQ	6/10/2022	Aa1	BNY Mellon Cap Mkts	0.2703%
06/03/2021	43.798	JERSEY CITY-B-BANS	TE	6/16/2022	Aa3/AA-/MIG1	JP Morgan	0.1030%
06/03/2021	26.062	TOMS RIVER TWP-BANS	TE	6/15/2021	SP-1+	Morgan Stanley	0.1060%
06/08/2021	80	UNION CO -BANS	TE	6/17/2022	Aaa/A+	BofA Securities	0.0939%
06/08/2021	19.565	BRICK TWP-BANS	TE	6/20/2022	Aa2/AA	Oppenheimer	0.1970%
06/08/2021	12.352	JEFFERSON TWP -BANS	TE	6/17/2022	Aa2	Piper Sandler	0.2250%
06/09/2021	2.697	DENNIS TWP-BANS	BQ	6/17/2022	AA-	BNY Mellon Cap Mkts	0.3298%
06/09/2021	26.625	LAKEWOOD TWP-A-BANS	TE	11/19/2021	Aa3/A+	BofA Securities	0.2303%
06/09/2021	7.833	MIDDLESEX BORO-A-BANS	BQ	6/23/2022	AA	Piper Sandler	0.2730%
06/09/2021	1.924	PARAMUS BORO	TE	6/17/2021	Aa3	JP Morgan	0.3400%
06/09/2021	28.058	RIDGEWOOD VLG -BANS	TE	1/26/2022	SP-1+	BNY Mellon Cap Mkts	0.1952%
06/10/2021	5.074	RED BANK BORO -BANS	BQ	1/31/2022	Aa3	First Constitution	0.2700%
06/10/2021	30.522	WAYNE TWP-BANS	TE	6/20/2022	Aaa/AA+	Bank of America Merrill Lynch	0.1010%

# Holmdel Township Debt Picture

## Outstanding Long-Term Debt

Year	Serial Bonds			MCIA Lease			Bond Anticipation Notes			Serial Bonds + Lease
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total Annual Debt Service
2020	2,206,461.00	948,930.50	3,155,391.50	106,000.00	17,070.00	123,070.00	-			3,278,461.50
2021	2,427,999.00	722,203.60	3,150,202.60	108,000.00	12,740.00	120,740.00	-	230,338.39	230,338.39	3,501,280.99
2022	2,281,500.00	638,619.00	2,920,119.00	102,000.00	8,320.00	110,320.00			-	3,030,439.00
2023	2,366,500.00	564,604.00	2,931,104.00	106,000.00	4,240.00	110,240.00			-	3,041,344.00
2024	2,496,500.00	487,339.00	2,983,839.00			-			-	2,983,839.00
2025	2,586,500.00	406,946.50	2,993,446.50			-			-	2,993,446.50
2026	2,651,500.00	323,754.00	2,975,254.00			-			-	2,975,254.00
2027	2,711,500.00	238,184.00	2,949,684.00			-			-	2,949,684.00
2028	2,751,500.00	152,668.00	2,904,168.00			-			-	2,904,168.00
2029	2,580,000.00	65,000.00	2,645,000.00			-			-	2,645,000.00

## Outstanding Short-Term Debt

Ordinance	Amount	BAN Maturity Date
2019-09; 2019-29	5,923,825	7/12/2021
2019-23	375,175	7/12/2021
2019-09; 2019-29	2,750,000	11/23/2021
2020-11	2,350,000	11/23/2021
2020-15	1,900,000	11/23/2021
	13,299,000	

# Holmdel Township Financing Scenarios

Scenario 1							Scenario 2						
Rollover MCIA BANs to February then Permanently Finance All BANs and New Money In November 2021							Rollover Notes in 2021 and Permanently Finance Notes in 2022						
Year	Existing Debt Service	2021 Note Rollover Debt Service <sup>1</sup>	2021 MonCIA Proposed 2021 CELP Debt Service <sup>2</sup>	2021 Bond Debt Service <sup>3</sup>	Total	Increase/ (Decrease) from Prior Budget Year	Year	Existing Debt Service	2021 Note Rollover Debt Service <sup>4</sup>	2021 MonCIA Proposed 2021 CELP Debt Service <sup>2</sup>	2022 Bond Debt Service <sup>5</sup>	Total	Increase/ (Decrease) from Prior Budget Year
2020	3,278,461.50				3,278,461.50		2020	3,278,461.50				3,278,461.50	
2021	3,501,280.99				3,501,280.99		2021	3,501,280.99				3,501,280.99	
2022	3,030,439.00	18,372.08	380,229.34	1,086,249.04	4,515,289.46	1,014,008	2022	3,030,439.00	80,375.00	380,229.34		3,491,043.34	(10,238)
2023	3,041,344.00		90,920.00	1,076,915.00	4,209,179.00	(306,110)	2023	3,041,344.00		90,920.00	1,417,212.50	4,549,476.50	1,058,433
2024	2,983,839.00		79,360.00	1,063,915.00	4,127,114.00	(82,065)	2024	2,983,839.00		79,360.00	1,476,500.00	4,539,699.00	(9,778)
2025	2,993,446.50		67,320.00	1,050,915.00	4,111,681.50	(15,433)	2025	2,993,446.50		67,320.00	1,450,530.00	4,511,296.50	(28,403)
2026	2,975,254.00		54,800.00	1,037,915.00	4,067,969.00	(43,713)	2026	2,975,254.00		54,800.00	1,448,530.00	4,478,584.00	(32,713)
2027	2,949,684.00		41,800.00	1,080,665.00	4,072,149.00	4,180	2027	2,949,684.00		41,800.00	1,470,780.00	4,462,264.00	(16,320)
2028	2,904,168.00		34,250.00	1,153,940.00	4,092,358.00	20,209	2028	2,904,168.00		34,250.00	1,467,530.00	4,405,948.00	(56,316)
2029	2,645,000.00		26,300.00	1,393,940.00	4,065,240.00	(27,118)	2029	2,645,000.00		26,300.00	1,786,500.00	4,457,800.00	51,852
2030			17,950.00	1,460,790.00	1,478,740.00	(2,586,500)	2030			17,950.00	2,046,000.00	2,063,950.00	(2,393,850)
2031			9,200.00	1,573,000.00	1,582,200.00	103,460	2031			9,200.00	1,996,500.00	2,005,700.00	(58,250)
2032				1,534,000.00	1,534,000.00	(48,200)	2032				1,947,000.00	1,947,000.00	(58,700)
2033				1,495,000.00	1,495,000.00	(39,000)	2033				1,897,500.00	1,897,500.00	(49,500)
2034				1,456,000.00	1,456,000.00	(39,000)	2034				1,848,000.00	1,848,000.00	(49,500)
2035				1,417,000.00	1,417,000.00	(39,000)	2035				1,798,500.00	1,798,500.00	(49,500)
2036				1,378,000.00	1,378,000.00	(39,000)	2036				1,749,000.00	1,749,000.00	(49,500)
2037				1,339,000.00	1,339,000.00	(39,000)	2037				1,699,500.00	1,699,500.00	(49,500)
Total	27,024,455.49	18,372.08	802,129.34	20,597,244.04	48,442,200.95		Total	27,024,455.49	80,375.00	802,129.34	25,499,582.50	53,406,542.33	

<sup>1</sup> Assumes rolling over MCIA notes until early February. 0.5% projected interest rate. Currently, TIC on 1 year BANs are 0.10% to 0.40%.

<sup>2</sup> Assumes \$2,724,000 to be financed in August 2021 through the Monmouth County Improvement Authority's Capital Equipment Lease Program

<sup>3</sup> Permanently financing \$16,075,000 in debt which includes all outstanding BANs and \$2,776,000 for 2021 Capital

<sup>4</sup> Assumes rolling over MCIA and Township notes until July 2022. 0.5% projected interest rate. Currently, TIC on 1 year BANs are 0.10% to 0.40%.

<sup>5</sup> Permanently financing \$20,075,000 in debt which includes all outstanding BANs, \$2,776,000 for 2021 Capital and \$4 million of 2022 Capital

# Holmdel Township Future Capital at \$3.5 Million Annually

Scenario 1 + Adding \$3.5 Million in Annual Future Capital							
Rollover MCIA BANs to February then Permanently Finance All BANs and New Money In November 2021							
Year	Existing Debt Service	2021 Note Rollover Debt Service <sup>1</sup>	2021 MonCIA Proposed 2021 CELP Debt Service <sup>2</sup>	2021 Bond Debt Service <sup>3</sup>	Future Capital (\$3.5 million Annually) <sup>4</sup>	Total	Increase/(Decrease) from Prior Budget Year
2020	3,278,461.50					3,278,461.50	
2021	3,501,280.99					3,501,280.99	
2022	3,030,439.00	18,372.08	380,229.34	1,086,249.04	-	4,515,289.46	1,014,008
2023	3,041,344.00		90,920.00	1,076,915.00	52,500.00	4,261,679.00	(253,610)
2024	2,983,839.00		79,360.00	1,063,915.00	105,000.00	4,232,114.00	(29,565)
2025	2,993,446.50		67,320.00	1,050,915.00	278,500.00	4,390,181.50	158,068
2026	2,975,254.00		54,800.00	1,037,915.00	450,185.00	4,518,154.00	127,973
2027	2,949,684.00		41,800.00	1,080,665.00	620,055.00	4,692,204.00	174,050
2028	2,904,168.00		34,250.00	1,153,940.00	788,110.00	4,880,468.00	188,264
2029	2,645,000.00		26,300.00	1,393,940.00	849,350.00	4,914,590.00	34,122
2030			17,950.00	1,460,790.00	3,220,150.00	4,698,890.00	(215,700)
2031			9,200.00	1,573,000.00	3,264,650.00	4,846,850.00	147,960
2032				1,534,000.00	3,307,225.00	4,841,225.00	(5,625)
2033				1,495,000.00	3,353,875.00	4,848,875.00	7,650
2034				1,456,000.00	3,400,205.00	4,856,205.00	7,330
2035				1,417,000.00	3,446,215.00	4,863,215.00	7,010
2036				1,378,000.00	3,491,905.00	4,869,905.00	6,690
2037				1,339,000.00	3,537,275.00	4,876,275.00	6,370

<sup>1</sup> Assumes rolling over MCIA notes until early February. 0.5% projected interest rate. Currently, TIC on 1 year BANs are 0.10% to 0.40%.

<sup>2</sup> Assumes \$2,724,000 to be financed in August 2021 through the Monmouth County Improvement Authority's Capital Equipment Lease Program

<sup>3</sup> Permanently financing \$16,075,000 in debt which includes all outstanding BANs and \$2,776,000 for 2021 Capital

<sup>4</sup> Issue \$3.5 million in capital annually. Projected to rollover notes annually until permanently financing in 2029 and 2038

# Holmdel Township Future Capital at \$4.5 Million Annually

Scenario 1 + Adding \$4.5 Million in Annual Future Capital							
Rollover MCIA BANs to February then Permanently Finance All BANs and New Money In November 2021							
Year	Existing Debt Service	2021 Note Rollover Debt Service <sup>1</sup>	2021 MonCIA Proposed 2021 CELP Debt Service <sup>2</sup>	2021 Bond Debt Service <sup>3</sup>	Future Capital (\$4.5 million Annually) <sup>4</sup>	Total	Increase/(Decrease) from Prior Budget Year
2020	3,278,461.50					3,278,461.50	
2021	3,501,280.99					3,501,280.99	
2022	3,030,439.00	18,372.08	380,229.34	1,086,249.04	-	4,515,289.46	1,014,008
2023	3,041,344.00		90,920.00	1,076,915.00	67,500.00	4,276,679.00	(238,610)
2024	2,983,839.00		79,360.00	1,063,915.00	135,000.00	4,262,114.00	(14,565)
2025	2,993,446.50		67,320.00	1,050,915.00	358,500.00	4,470,181.50	208,068
2026	2,975,254.00		54,800.00	1,037,915.00	579,660.00	4,647,629.00	177,448
2027	2,949,684.00		41,800.00	1,080,665.00	798,480.00	4,870,629.00	223,000
2028	2,904,168.00		34,250.00	1,153,940.00	1,014,960.00	5,107,318.00	236,689
2029	2,645,000.00		26,300.00	1,393,940.00	1,149,100.00	5,214,340.00	107,022
2030			17,950.00	1,460,790.00	3,605,900.00	5,084,640.00	(129,700)
2031			9,200.00	1,573,000.00	3,756,025.00	5,338,225.00	253,585
2032				1,534,000.00	3,906,075.00	5,440,075.00	101,850
2033				1,495,000.00	4,080,875.00	5,575,875.00	135,800
2034				1,456,000.00	4,254,375.00	5,710,375.00	134,500
2035				1,417,000.00	4,435,250.00	5,852,250.00	141,875
2036				1,378,000.00	4,612,050.00	5,990,050.00	137,800
2037				1,339,000.00	4,787,025.00	6,126,025.00	135,975

<sup>1</sup> Assumes rolling over MCIA notes until early February. 0.5% projected interest rate. Currently, TIC on 1 year BANs are 0.10% to 0.40%.

<sup>2</sup> Assumes \$2,724,000 to be financed in August 2021 through the Monmouth County Improvement Authority's Capital Equipment Lease Program

<sup>3</sup> Permanently financing \$16,075,000 in debt which includes all outstanding BANs and \$2,776,000 for 2021 Capital

<sup>4</sup> Issue \$4.5 million in capital annually. Projected to rollover notes annually until permanently financing in 2029 and 2033

# Holmdel Township Future Capital at \$5.5 Million Annually

Scenario 1 + Adding \$5.5 Million in Annual Future Capital							
Rollover MCIAs to February then Permanently Finance All BANs and New Money In November 2021							
Year	Existing Debt Service	2021 Note Rollover Debt Service <sup>1</sup>	2021 MonCIA Proposed 2021 CELP Debt Service <sup>2</sup>	2021 Bond Debt Service <sup>3</sup>	Future Capital (\$5.5 million Annually) <sup>4</sup>	Total	Increase/(Decrease) from Prior Budget Year
2020	3,278,461.50					3,278,461.50	
2021	3,501,280.99					3,501,280.99	
2022	3,030,439.00	18,372.08	380,229.34	1,086,249.04	-	4,515,289.46	1,014,008
2023	3,041,344.00		90,920.00	1,076,915.00	82,500.00	4,291,679.00	(223,610)
2024	2,983,839.00		79,360.00	1,063,915.00	165,000.00	4,292,114.00	435
2025	2,993,446.50		67,320.00	1,050,915.00	437,500.00	4,549,181.50	257,068
2026	2,975,254.00		54,800.00	1,037,915.00	707,150.00	4,775,119.00	225,938
2027	2,949,684.00		41,800.00	1,080,665.00	973,950.00	5,046,099.00	270,980
2028	2,904,168.00		34,250.00	1,153,940.00	1,237,900.00	5,330,258.00	284,159
2029	2,645,000.00		26,300.00	1,393,940.00	1,464,000.00	5,529,240.00	198,982
2030			17,950.00	1,460,790.00	3,991,475.00	5,470,215.00	(59,025)
2031			9,200.00	1,573,000.00	4,182,225.00	5,764,425.00	294,210
2032				1,534,000.00	4,337,025.00	5,871,025.00	106,600
2033				1,495,000.00	4,511,925.00	6,006,925.00	135,900
2034				1,456,000.00	4,681,050.00	6,137,050.00	130,125
2035				1,417,000.00	4,834,300.00	6,251,300.00	114,250
2036				1,378,000.00	4,981,750.00	6,359,750.00	108,450
2037				1,339,000.00	5,128,400.00	6,467,400.00	107,650

<sup>1</sup> Assumes rolling over MCIAs until early February. 0.5% projected interest rate. Currently, TIC on 1 year BANs are 0.10% to 0.40%.

<sup>2</sup> Assumes \$2,724,000 to be financed in August 2021 through the Monmouth County Improvement Authority's Capital Equipment Lease Program

<sup>3</sup> Permanently financing \$16,075,000 in debt which includes all outstanding BANs and \$2,776,000 for 2021 Capital

<sup>4</sup> Issue \$5.5 million in capital annually. Projected to rollover notes annually until permanently financing in 2029 and 2033

# Holmdel Township Summary of Scenarios

Year	\$3.5 million Capital Annually		\$4.5 million Capital Annually		\$5.5 million Capital Annually	
	Total Debt Service <sup>1</sup>	Increase/ (Decrease) from Prior Budget Year	Total Debt Service <sup>2</sup>	Increase/ (Decrease) from Prior Budget Year	Total Debt Service <sup>3</sup>	Increase/ (Decrease) from Prior Budget Year
2020	3,278,461.50	-	3,278,461.50	-	3,278,461.50	-
2021	3,501,280.99	-	3,501,280.99	-	3,501,280.99	-
2022	4,515,289.46	1,014,008	4,515,289.46	1,014,008	4,515,289.46	1,014,008
2023	4,261,679.00	(253,610)	4,276,679.00	(238,610)	4,291,679.00	(223,610)
2024	4,232,114.00	(29,565)	4,262,114.00	(14,565)	4,292,114.00	435
2025	4,390,181.50	158,068	4,470,181.50	208,068	4,549,181.50	257,068
2026	4,518,154.00	127,973	4,647,629.00	177,448	4,775,119.00	225,938
2027	4,692,204.00	174,050	4,870,629.00	223,000	5,046,099.00	270,980
2028	4,880,468.00	188,264	5,107,318.00	236,689	5,330,258.00	284,159
2029	4,914,590.00	34,122	5,214,340.00	107,022	5,529,240.00	198,982
2030	4,698,890.00	(215,700)	5,084,640.00	(129,700)	5,470,215.00	(59,025)
2031	4,846,850.00	147,960	5,338,225.00	253,585	5,764,425.00	294,210
2032	4,841,225.00	(5,625)	5,440,075.00	101,850	5,871,025.00	106,600
2033	4,848,875.00	7,650	5,575,875.00	135,800	6,006,925.00	135,900
2034	4,856,205.00	7,330	5,710,375.00	134,500	6,137,050.00	130,125
2035	4,863,215.00	7,010	5,852,250.00	141,875	6,251,300.00	114,250
2036	4,869,905.00	6,690	5,990,050.00	137,800	6,359,750.00	108,450
2037	4,876,275.00	6,370	6,126,025.00	135,975	6,467,400.00	107,650
<sup>1</sup> Total annual debt service will grow to approximately \$4.8 million to \$5 million annually						
<sup>2</sup> Total annual debt service will grow to approximately \$5.5 million to \$6 million annually						
<sup>3</sup> Total annual debt service will grow to approximately \$6 million to \$6.5 million annually						

# Holmdel Township Comparison to Similar Municipalities

Municipality	Rating	Population	2020 Net Debt (\$)	2020 Net Debt Percentage	2020 Net Debt Per Capita
Millburn	NR	20,080	\$12,258,417	0.121%	\$610
Manalapan	Aa1	39,325	\$16,175,000	0.219%	\$411
Rumson	Aaa	6,714	\$9,732,206	0.255%	\$1,450
Middletown	Aa2	65,305	\$46,410,272	0.406%	\$711
West Windsor	AAA	27,895	\$42,108,685	0.628%	\$1,510
Marlboro	Aaa	39,640	\$56,483,727	0.696%	\$1,425
<b>Holmdel</b>	<b>Aaa</b>	<b>16,731</b>	<b>\$38,576,356</b>	<b>0.895%</b>	<b>\$2,306</b>
Moorestown	Aaa	20,516	\$44,756,805	0.904%	\$2,182
Wayne	Aaa	53,369	\$99,028,945	0.910%	\$1,856
Colts Neck	Aa1	9,822	\$28,156,294	0.916%	\$2,867
Berkeley Heights	Aa1	13,363	\$62,094,012	1.815%	\$4,647



# Holmdel Township Rating Scorecard for Debt & Reserves

Rating Scorecard Review	2016	2017	2018	2019	2020	Score
<b>Debt Review</b>						
Net Direct Debt	\$21,329,000	\$26,714,000	\$26,032,873	\$37,414,438	\$38,576,356	
Net Direct Debt/Full Value (%)	0.50%	0.60%	0.61%	0.87%	0.89%	Aa
Net Direct Debt/Operating Revenues (x)	1.0x	1.2x	0.96x	1.32x	1.4x	A
<b>Finances</b>						
Operating Revenue	\$20,613,000	\$22,070,000	\$26,895,575	\$28,332,114	\$26,771,480	
Adjusted Fund Balance	\$4,596,000	\$4,577,000	\$6,000,000	\$7,000,000	\$7,300,000	
Fund Balance as a % of Revenues	22.30%	20.70%	22.31%	24.71%	27.27%	Aa
5-Year Dollar Change in Fund Balances as % of Revenues					10.10%	Aa

## Net Debt to Full Value Summary between Rating Categories:

- AAA - <0.75%
- Aa – 0.75% to 1.75%
- A – 1.75% to 4%

## Net Debt to Operating Revenue Summary between Rating Categories:

- AAA - <0.33x
- Aa – 0.33x to 0.67x
- A – 0.67x to 3x

## Fund Balance as a % of Revenue Summary between Rating Categories:

- AAA - > 30%
- Aa – 30% > 15%
- A – 15% > 10%

## 5-Year Dollar Change in Fund Balance as a % of Revenues Summary between Rating Categories:

- AAA - > 25%
- Aa – 25% > 10%
- A – 10% > 0%