BOROUGH OF RINGWOOD

Capital Improvements and Borough Debt

Where we stand, what we are proposing, and what it means

Public meeting | September 15, 2026 | Violet E. Bogert Municipal Annex

Sources: Borough Aggregate Debt Service schedule; 2025 Annual Debt Statement filed with the NJ Division of Local Government Services; draft bond ordinances prepared by Hawkins Delafield & Wood LLP

PART ONE

Where We Stand Today

The Borough's existing debt and what it costs each year

General Capital and Water Utility Capital

Two separate funds, accounted for separately under State law and paid from different sources

$811,600

GENERAL CAPITAL — 2026 PAYMENT

Roads, buildings, equipment and other general municipal projects. Repaid from the property tax levy.

$410,950

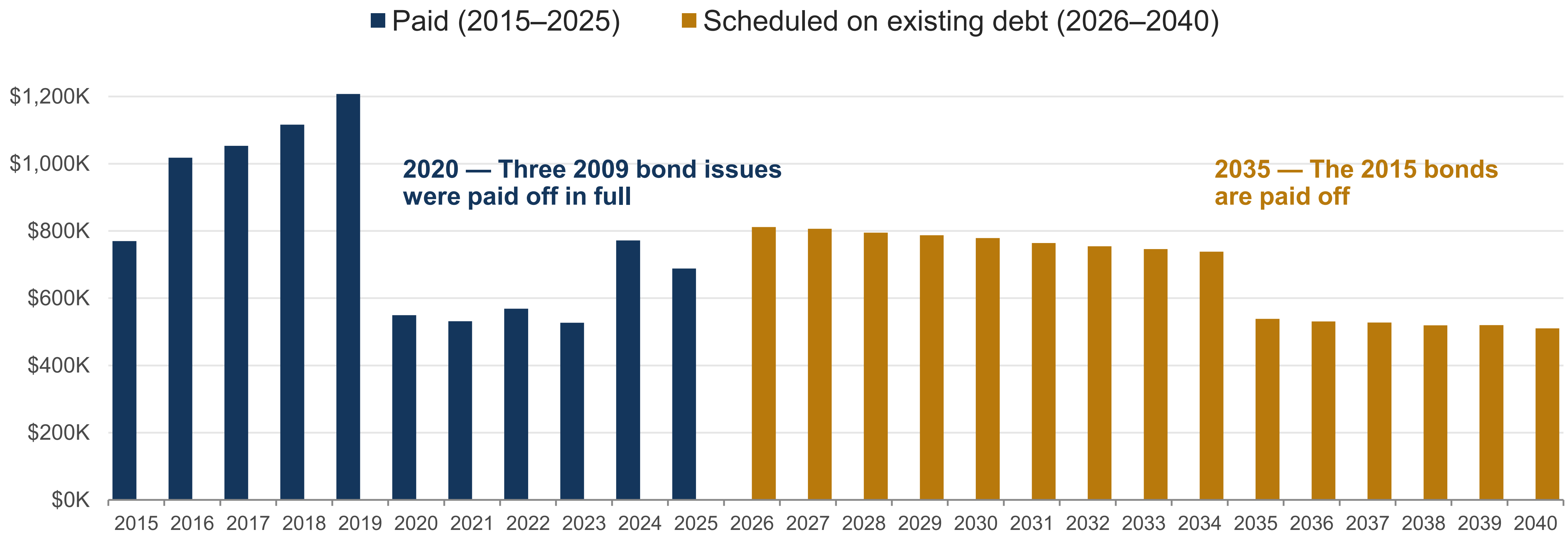
WATER UTILITY — 2026 PAYMENT

Wells, mains, tanks and treatment. Repaid from water user fees, not from the tax levy.

Together, the Borough will pay $1,222,550 of principal and interest in 2026.

General Capital — Annual Debt Service

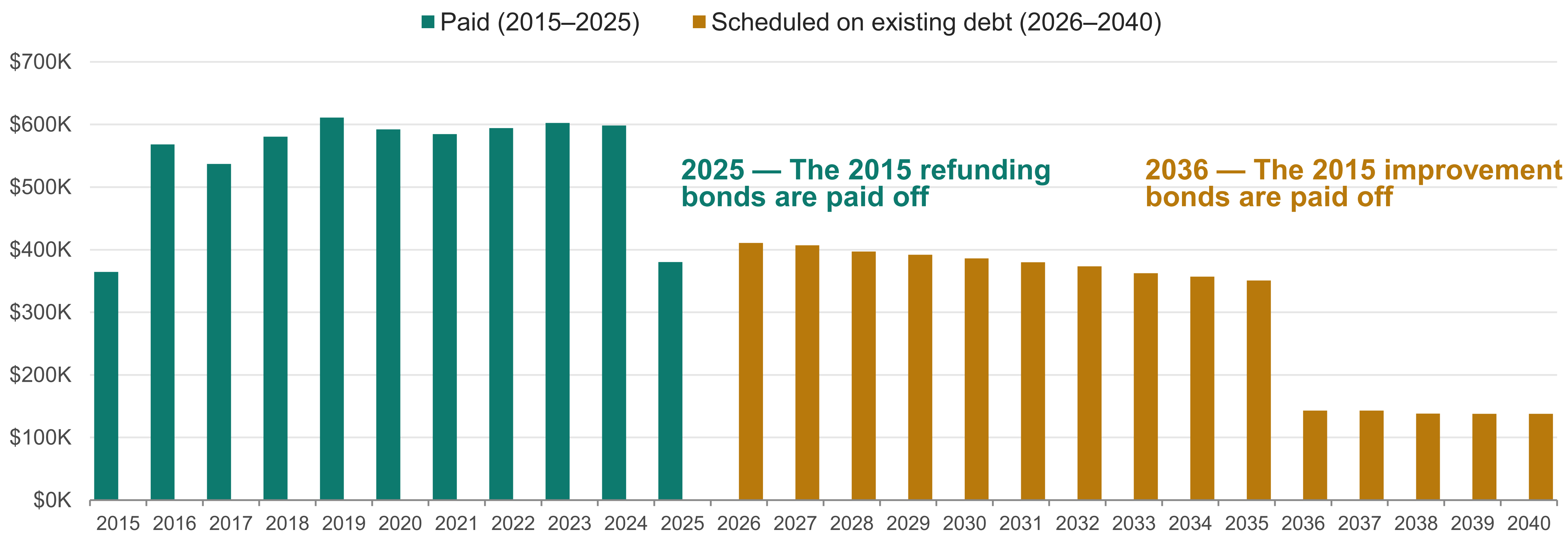
Principal and interest paid each year from the tax levy



Total 2015–2040: $18.9 million. The 2026 payment is 33% below the 2019 peak.

Water Utility — Annual Debt Service

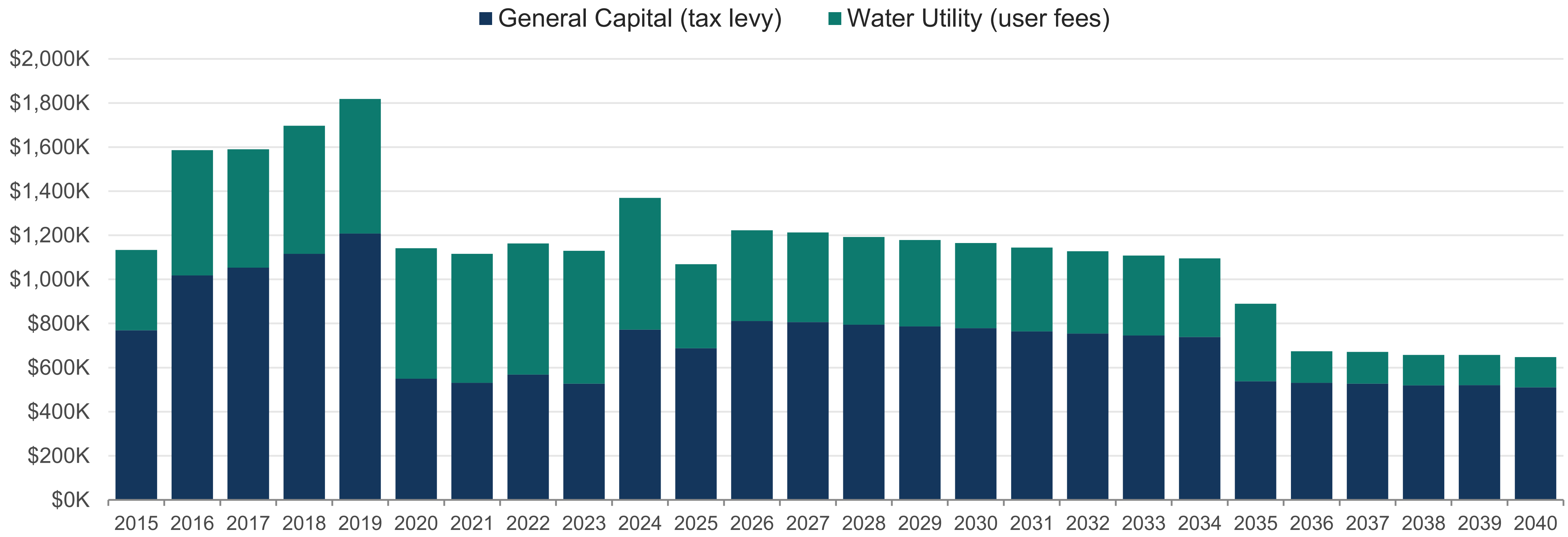
Principal and interest paid each year from water user fees



Total 2015–2040: $10.5 million. Payments fall by more than half after 2035.

Combined Debt Service

General Capital and Water Utility Capital, 2015–2040



Combined debt service peaked at $1,818,744 in 2019 and is scheduled at $1,222,550 in 2026 — a 33% reduction.

Why the Payments Change

Four events explain nearly every movement in the two charts

1

2020 — General Capital falls $658,372

Three bond issues from 2009 — the Sewer Refunding Bonds, the General Refunding Bonds and the PCIA Loan Bonds — were paid off in full at their scheduled 2019 maturity. Retired, not refinanced.

2

2024 and 2025 — A temporary rise in short-term interest

Interest on bond anticipation notes reached roughly $304,000 in each year, up from $55,000 in 2023. The 2025 bond issue replaced those notes with fixed-rate bonds.

3

2025 — Water Utility falls $218,044

The 2015 Water Refunding Bonds made their final payment in 2024. The 2025 bond issue then converted the remaining notes to permanent financing.

4

2035 and 2036 — Both 2015 bond issues are retired

General Capital's 2015 bonds finish in 2034, lowering payments by about $200,000 from 2035. The Water Utility's 2015 improvement bonds finish in 2035, lowering payments by about $208,000 from 2036.

What the Borough Owes Today

Debt outstanding at December 31, 2025, per the Annual Debt Statement

$7,850,248

GENERAL CAPITAL

Series 2015 and Series 2025 general improvement bonds, plus $20,248 of notes authorized but not issued.

$3,925,201

WATER UTILITY

Fully deductible as self-liquidating debt. Water revenues exceeded operating costs and debt service by $277,961.

Statutory debt capacity

Net debt equals 0.332% of the Borough's equalized valuation basis of $2.36 billion. The statutory municipal limit is 3.5%.

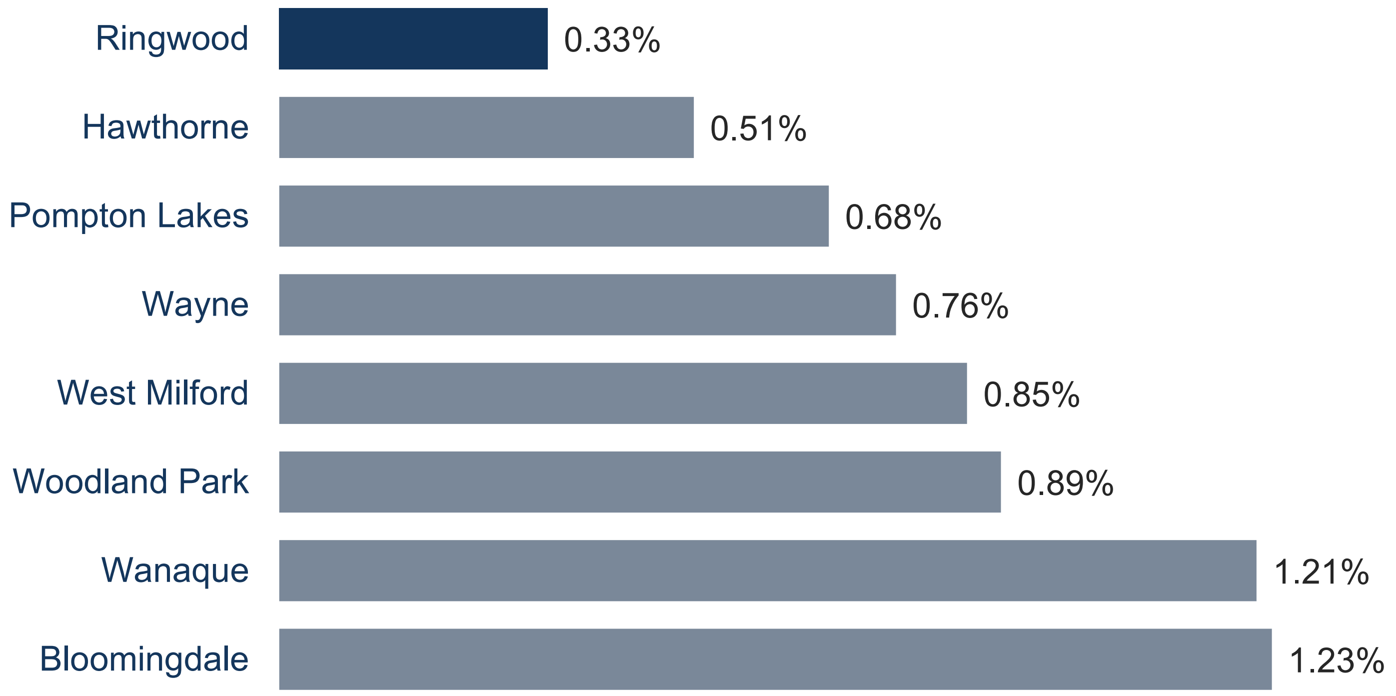
0.332% used

3.5% **statutory** limit

Municipal net debt limit of 3½% of the equalized valuation basis under N.J.S.A. 40A:2-6.

How Ringwood Compares

Net debt as a percentage of equalized valuation — Passaic County municipalities, 2025



Utility debt is excluded

Self-liquidating water and sewer debt is deducted in full before the ratio is calculated. Amounts deducted in 2025:

Wayne	$22.0M
Hawthorne	$14.8M
Wanaque	$7.6M
Bloomingdale	$7.3M
Ringwood	**$3.9M**
Woodland Park	$3.6M
Pompton Lakes	none
West Milford	none

Ringwood carries the lowest debt ratio of the eight municipalities shown — about 38% of the peer average of 0.88%.

Source: 2025 Annual Debt Statements published on each municipality's website and filed with the NJ Division of Local Government Services.

The 2025 Bond Issue

The Borough issued $473,000 less principal than it was authorized to

	Authorization funded	Bonds issued	Premium applied
General Capital	$6,403,000	$6,030,000	$373,000
Water Utility	$1,755,000	$1,655,000	$100,000
Total	**$8,158,000**	**$7,685,000**	**$473,000**

What a premium means

Investors paid more than face value for the Borough's bonds. That extra $473,000 went toward funding the approved projects, so the Borough borrowed $473,000 less in principal than the ordinances allowed. Less principal borrowed means less principal to repay.

PART TWO

How a Bond Ordinance Works

What tonight's vote does — and what it does not do

What a Bond Ordinance Does

Adopting an ordinance is permission to borrow, not an act of borrowing

It appropriates the money and authorizes debt

Adoption appropriates the funds and authorizes the Borough to issue bonds or notes once the ordinance is effective — after final adoption and the 20-day estoppel period.

It delegates note authority to the Chief Financial Officer

The ordinance gives the CFO defined powers over the timing, rate and sale of bond anticipation notes, with a written report to the governing body after any sale.

It does not, by itself, borrow anything

No debt exists until the Borough decides to issue notes, at the point a project is actually ready to proceed.

The amount is a ceiling, not a commitment.

The figure in each ordinance is a not-to-exceed amount. The Borough may borrow less, phase a project, or decide not to proceed at all.

How a Capital Project Gets Built

Tonight's vote is one step of seven — Council decides again at each later stage

1 **Identify and define the project**

Council identifies the need. The engineer prepares preliminary plans and construction estimates. The Borough determines financing, available grants and down payments.

2 **Prepare the bond ordinance**

Bond counsel drafts the ordinance under the Local Bond Law, setting the appropriation, estimated cost and period of usefulness. The CFO prepares the supplemental debt statement.

3 **Introduce and publish**

Council introduces the ordinance and publishes notice of the public hearing as required by law.

4 **Public hearing and vote ◀ tonight**

Residents are heard. Council then votes whether to proceed. Two-thirds of the full membership must concur.

5 **Engineering and design**

Final plans and specifications are prepared. Council authorizes whether each individual project moves forward.

6 **Public bidding**

Bids are advertised and evaluated. Council may award, reject, change the scope, or phase projects to allow for grants or debt staging.

7 **Construction and certification**

Notice to proceed issues to the lowest responsible bidder. The engineer administers the contract and certifies completion.

PART THREE

What We Are Proposing for 2026

Three bond ordinances before the Council tonight

The Three Ordinances at a Glance

Total capital program of $13,305,000, of which $10,838,000 would be borrowed

	Purpose	Appropriation	Bonds / notes	Down payment, grants & cash	Useful life
2026-09	Water supply and distribution system	$3,900,000	$3,900,000	—	40 years
2026-10	James Drive Sewer Treatment Plant	$1,415,000	$1,112,000	$303,000	40 years
2026-12	Various capital improvements	$7,990,000	$5,826,000	$2,164,000	17.10 years
Total		**$13,305,000**	**$10,838,000**	**$2,467,000**	

$2,467,000 — 18.5% of the program — is funded without borrowing.

Down payments already set aside in prior budgets, plus grants and cash on hand, cover that share of the cost.

Ordinance 2026-09 — Water Supply and Distribution

$3,900,000 appropriation, $3,900,000 in bonds or notes, repaid from water rates

Upgrade of the Hilltop water tanks — $2,750,000

Required by NJDEP and part of the Borough's mandatory maintenance program. Design in 2026, construction in 2027.

Final remediation of the 792 tank site — $650,000

Required by NJDEP. Includes inspection.

Upgrade of the Coventry Booster Station — $500,000

The station is 30 years old. Re-piping and replacement of the booster pumps.

This does not increase the Borough's net debt.

The water utility is self-liquidating, so this debt is deductible from gross debt under the Local Bond Law. No down payment is required, and the cost is carried by water rates rather than the tax levy.

Ordinance 2026-10 — James Drive Sewer Plant

$1,415,000 appropriation, of which $1,112,000 would be borrowed

Total appropriation	**$1,415,000**
Down payment already available	$56,146.20
Grants and cash on hand	$246,853.80
Bonds or notes authorized	**$1,112,000**

Why this work is required

The improvement is mandated by the State and consists of the rehabilitation of the plant and the removal of nitrogen, together with design, engineering, inspections, site work and associated penalties.

Period of usefulness: 40 years. Up to $300,000 of interest and issuance costs permitted under N.J.S.A. 40A:2-20 is included in the appropriation.

Ordinance 2026-12 — Various Capital Improvements

$7,990,000 appropriation, of which $5,826,000 would be borrowed

Project	Appropriation	Bonds / notes	
Roads and guiderails	$1,305,000	**$1,221,900**	Reconstruction and resurfacing at 15 named locations, including Lower Finch Rd., Victoria Ln., Van Dunk Ln., Oakwood Dr,, Wildwood Terr., Buena Vista Dr., Dale Rd., Pequot Rd., Laurel Pl., Snake Den Rd., Robin Ln., Morris Rd., Conklintown Rd., Carletondale and Shady Lane.
Two dump trucks	$395,000	**$376,150**	A tandem axle dump truck replacing the 2007 International, and a midsize dump truck for additional salting capacity.
DPW and municipal facilities	$125,000	**$119,000**	Upgrades to Department of Public Works facilities and equipment.
Storm water drainage	$851,000	**$810,450**	Stormwater retrofits required by NJDEP, materials only, with Borough labor. Must be completed by November 2027.
Turf field, Mary Roth Drive	$5,314,000	**$3,298,500**	Installation of artificial turf, offset by $1,850,569 of grants and cash on hand.
Total	**$7,990,000**	**$5,826,000**	

PART FOUR

What It Means for Ringwood

The effect on Borough debt if all three ordinances are adopted

What This Would Add to Borough Debt

Authorized debt outstanding, before and after the three ordinances

	Outstanding today	Newly authorized	Total authorized
General Capital	$7,850,248	+ $6,938,000	**$14,788,248**
Water Utility	$3,925,201	+ $3,900,000	**$7,825,201**

Water debt remains deductible from gross debt so long as the utility stays self-liquidating, so it does not count against the Borough's net debt.

$2,467,000

FUNDED WITHOUT BORROWING

Of the $13,305,000 program, 18.5% is covered by down payments set aside in prior budgets, grants, and cash on hand.

Illustrative annual cost

Based on the period of usefulness stated in each ordinance

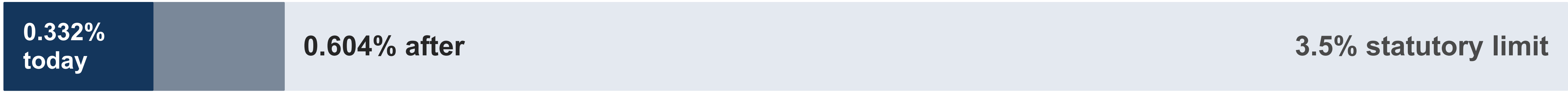
General Capital **$535,000 – $582,000**
2026-10 over 40 years; 2026-12 over 17 years

Water Utility **$197,000 – $227,000**
2026-09 over 40 years

Illustrative, at 4.0% to 5.0%. A shorter term would raise the annual payment.

Where That Leaves Ringwood

Net debt as a percentage of equalized valuation, before and after



0.604%

NET DEBT RATIO AFTER ADOPTION

Up from 0.332% today. The Borough would be using 17.9% of its legal borrowing capacity, leaving 82% unused.

2nd lowest

AMONG THE EIGHT MUNICIPALITIES SHOWN

Ringwood would move from lowest to second lowest, behind Hawthorne at 0.513%, and would remain below the peer average of 0.877%.

Peer ratios are as reported for 2025 and are not adjusted for any borrowing those municipalities may authorize in 2026.

Even with the full program authorized, Ringwood's debt remains modest by the measure the State uses and by comparison with its neighbors.

What Happens Next

Adoption tonight is not the last decision point

Tonight	Public hearing on all three ordinances, followed by a Council vote. Two-thirds of the full membership must concur for adoption.
Twenty days	If adopted, each ordinance takes effect twenty days after publication, once the estoppel period has run.
Design	Final engineering plans and specifications are prepared. Council authorizes whether each project proceeds.
Bidding	Projects are publicly bid. Council may award, reject, rescope, or phase any project.
Borrowing	Notes are issued only when a project is ready to proceed, and only in the amount then needed.

Questions