

**RESOLUTION MEMORIALIZING AND SUMMARIZING THE DEBT
MANAGEMENT PLAN AND POLICY**

WHEREAS, the powers of the Township of West Orange, N.J. (the “Township”), include the authorization to issue capital and bond ordinances for the purposes of acquiring capital assets; and

WHEREAS, the Township seeks to achieve and maintain bond ratings commensurate with demonstrating a long-term commitment to sound financial planning; and

WHEREAS, the Township recognizes that annual debt service costs meet or exceed 12.50% of the operating budget and that current debt exceeds \$170 million after a more than 50 percent increase in the last five years; and

WHEREAS, the Township recognizes that not actively managing capital needs, debt issuance and debt service requirements, especially during a period of higher interest rates, places a financial burden on the community and has an adverse impact on the property tax rate and the ability to provide services; and

WHEREAS, the Township desires to memorialize and establish many of the existing principles, practices, and metrics associated with the management of its existing and future debt portfolio with the long-term goal of better serving residents with reduced debt levels and debt service needs, resulting in a pay-as-you go cash-led capital and investment function; and

WHEREAS, the Township finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that the debt is issued and managed prudently in order to maintain sound fiscal policy; and

WHEREAS, this policy achieves strategic success by freeing up millions of debt service dollars (rather than spent on debt service payments) annually to support operations, capital

investment, and when possible, return value to taxpayers through increased usage of surplus rather than taxation as well as increased property values; and

WHEREAS, it is understood that this is an aspirational policy and is intended to serve as a reminder to the participants in the budgeting process, as to the goals that they should strive to achieve; and

WHEREAS, from time to time the imminent financial realities of a given circumstance may necessitate deviation from the same;

NOW, BE IT HEREBY RESOLVED, by the Township Council of the Township of West Orange that the attached policy shall serve to guide but not direct the decisions and actions of the Township of West Orange's existing and future debt-related activities.

Karen J. Carnevale, R.M.C.
Municipal Clerk

Susan Scarpa
Council President

Adopted: February 24, 2026