



Rating Action: Moody's Ratings assigns MIG 1 to Sayreville, NJ's 2026 BANs; affirms outstanding long-term ratings at Aa2

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New York, October 06, 2026 -- Moody's Ratings (Moody's) has assigned a MIG 1 to Sayreville (Borough of) NJ's \$17.7 million Bond Anticipation Notes, consisting of \$14,742,000 General Improvement Notes and \$3,000,000 Water Utility Notes. We have affirmed the borough's outstanding issuer and general obligation ratings at Aa2. The borough had \$73 million in total debt outstanding at the end of 2025.

RATINGS RATIONALE

The Aa2 issuer rating reflects the borough's large and growing local economy. The borough has a large redevelopment project called Riverton that will continue for several years and generate PILOT revenues. Resident income and wealth are solid for the rating category.

Reserves are down from pandemic highs but remain solid. Fiscal 2025's fund balance declined through a planned use of reserves to offset growing health care costs. Fiscal 2026 included a large tax levy increase to stabilize the use of fund balance. Operations are trending well to budget and management is expecting to have flat fund balance by the end of the year.

Leverage is above-average compared to national peers and driven by OPEB liabilities. There are not large capital projects or significant borrowings planned therefore leverage will continue to be heavily influenced by OPEB.

The Aa2 general obligation rating is at the same level as the issuer rating reflecting the unlimited ad valorem tax pledge.

The MIG 1 rating reflects the strong underlying credit quality of the borough, as evidenced by its Aa2 issuer rating, and history of market access.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Decline in leverage below 250% of revenue
- Improvement in wealth and income metrics to levels consistent with higher-rated peers

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Decline in fund balance to levels below 30% of revenues
- Sustained increase in leverage to above 400% of revenues
- Downgrade of the issuer rating to A3 (short-term only)

PROFILE

The Borough of Sayreville is located in Middlesex County in central New Jersey, approximately 25 miles southwest of Newark.

METHODOLOGY

The principal methodology used in the issuer and long-term ratings was US Cities and Counties published in June 2026 and available at <https://ratings.moodys.com/rmc-documents/466689>. The principal methodology used in the short-term rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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