

Research Update:

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

May 13, 2026

Overview

- S&P Global Ratings assigned its 'AA-' long-term rating to the City of **Burlington**, New Jersey's \$8.9 million series 2026 general improvement water and sewer utility bonds, which are a general obligation (GO) of the city.
- At the same time, S&P Global Ratings assigned its 'SP-1+' short-term rating to Burlington's \$6.6 million GO bond anticipation notes (BANs), series 2026A.
- We also affirmed our 'AA-' rating on the city's outstanding GO bonds.
- The outlook on the long-term rating is stable.

Rationale

Security

The city's full-faith-credit-and-resources pledge and an agreement to levy ad valorem property taxes without limitation as to rate or amount secure the bonds and notes.

The short-term rating reflects our opinion of Burlington's general creditworthiness and market risk profile, which we consider low. The low market risk profile reflects our view of the city's strong legal authority to issue long-term debt to take out the BANs and its ongoing disclosure to market participants.

Series 2026 bond proceeds will permanently finance about \$6.0 million in GO bond anticipation notes outstanding while providing roughly \$2.7 million in new-money financing for water and sewer utility capital improvements.

Series 2026A note proceeds will roll over about \$3.6 million in BANs outstanding while providing \$3.0 million in new money to finance general capital ordinances.

Credit highlights

Primary Contact

Timothy W Barrett
Washington DC
1-202-383-2232
timothy.barrett
@spglobal.com

Secondary Contact

Anthony Polanco
Manchester
+ 1 (617) 530 8234
anthony.polanco
@spglobal.com

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

Burlington's general creditworthiness is characterized by its stable primarily residential community with solid historical financial performance that has supported the maintenance of robust reserves.

Burlington encompasses 3.8 square miles in central New Jersey in Burlington County, about 20 miles east of Philadelphia and along the Delaware River. Residents have access to employment centers in Philadelphia, Trenton, and Camden via several major roadways and two New Jersey Transit light-rail stops within the city. The city's stable tax base has supported solid historical financial operations.

The city has generated on average slight surpluses over the last three fiscal years. Fiscal year 2024 ended with an \$819,000 surplus, increasing available reserves to \$7.8 million, or 34% of revenues. In fiscal 2025, according to its unaudited annual financial statements, the city maintained its strong reserve position, ending the year with available current fund reserves of \$7.2 million, or 36% of revenues. The city attributes its solid financial operations to conservative budgeting and stable revenue profile.

The fiscal 2026 budget includes a six-cent tax increase and uses \$5.0 million of reserves, which is similar albeit slightly higher than in previous years. Nevertheless, management anticipates fully replenishing appropriated reserves and ending the year without a material change to reserves. Property taxes are the city's primary revenue source, accounting for 41% of budget. The city maintains some financial flexibility by maintaining \$881,000 in banked levy capacity.

We view the city's fixed costs, including debt and retirement expenses, as somewhat elevated, equaling roughly 17% of the annual budget. Following the current issuance, the city will have roughly \$23 million in direct debt outstanding. We understand additional capital needs are limited to maintenance and road improvements over the next couple of years.

The rating also reflects our view of the following:

- Burlington's economic base is stable, with potential for continued new economic development in Burlington County. Income and wealth levels are in line with the national averages.
- Financial results are stable, resulting in the maintenance of strong current fund reserves, which historically have exceeded 30% of revenues. Balanced financial operations are expected in fiscal 2026, supported by a six-cent tax increase and utility rate increases.
- Historically conservative budgeting practices have resulted in perennial positive variances in revenues and expenses. The city also performs monthly monitoring and maintains a rolling three-year capital improvement plan that it updates annually. In addition, the city maintains a formal investment policy. The city does not maintain a reserve or debt policy beyond state statutes nor does it maintain formalized long term financial projections. In our view, the city has taken appropriate steps to mitigate cyber risks.
- Debt and retirement liabilities are elevated. The city's combined proportionate share of the net pension liability for both Police and Firemen's Retirement System (\$9.6 million) and the Public Employees' Retirement System (\$6.4 million) was about \$15.7 million in fiscal 2024.
- For more information on our institutional framework assessment for New Jersey municipalities, see "[Institutional Framework Assessment: New Jersey Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

We have analyzed the city's environmental and social factors relative to its economy, management, financial measures, and debt and liability profile, and view them as neutral within our analysis, although its location along the Delaware River could present some inland flooding risk. We view the state's governance of its pension plans and lack of a mechanism to prefund other postemployment benefits as a weakness for New Jersey local governments.

Outlook

The stable outlook reflects our anticipation that the city's conservative budgeting will support the maintenance of robust reserves above 30% of revenues.

Downside scenario

If the city were to materially draw on its reserves with no clear plan to restore them, or if fixed costs were to significantly pressure finances, we could take a negative rating action.

Upside scenario

If the city were to experience improvement in its incomes, along with adoption and clear incorporation of stronger financial management policies, we could take a positive rating action.

Burlington, New Jersey--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.33
Economy	1.5
Financial performance	2
Reserves and liquidity	1
Management	2.65
Debt and liabilities	4.50

Burlington, New Jersey--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GDP per capita % of U.S.	--	100	101	101
County PCPI % of U.S.	--	107	107	107
Market value (\$000s)	--	900,163	793,930	758,885
Market value per capita (\$)	--	89,810	79,512	76,997
Top 10 taxpayers % of taxable value	--	9.4	9.5	9.5
County unemployment rate (%)	--	4.2	3.9	3.6
Local median household EBI % of U.S.	--	102	104	91
Local per capita EBI % of U.S.	--	101	104	92
Local population	--	10,023	9,985	9,856
Financial performance				
Operating fund revenues (\$000s)	--	22,869	19,336	19,575
Operating fund expenditures (\$000s)	--	22,125	19,689	19,603
Net transfers and other adjustments (\$000s)	--	75	20	--

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

Burlington, New Jersey--key credit metrics

	Most recent	2024	2023	2022
Operating result (\$000s)	--	819	(333)	(28)
Operating result % of revenues	--	3.6	(1.7)	(0.1)
Operating result three-year average %	--	0.6	4.3	4.2
Reserves and liquidity				
Available reserves % of operating revenues	36.0	34.0	36.0	37.2
Available reserves (\$000s)	7,209	7,771	6,952	7,285
Debt and liabilities				
Debt service cost % of revenues	--	4.0	4.9	6.6
Net direct debt per capita (\$)	2,321	1,587	1,331	1,375
Net direct debt (\$000s)	23,267	15,909	13,291	13,555
Direct debt 10-year amortization (%)	62	45	61	--
Pension and OPEB cost % of revenues	--	13.4	15.4	14.5
NPLs per capita (\$)	--	1,574	1,605	1,692
Combined NPLs (\$000s)	--	15,779	16,026	16,675

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

City of Burlington, County of Burlington, New Jersey, \$8,873,000 General Obligation Bonds, Series 2026, Consisting of: \$884,000 General Capital Bonds, \$2,656,000 Water Utility Bonds, \$5,333,000 Sewer Utility Bonds, dated: Date of Delivery, due: April 1, 2046

Long Term Rating AA-/Stable

US\$6,573,000 City of Burlington, New Jersey, Bond Anticipation Notes of 2026, Series A, dated: June 3, 2026, due: June 2, 2027

Short Term Rating SP-1+

New Rating

Local Government

Burlington, NJ Unlimited Tax General Obligation SP-1+

Ratings Affirmed

Local Government

Burlington, NJ Unlimited Tax General Obligation AA-/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Burlington, NJ Series 2026 General Improvement Water And Sewer Utility Bonds Assigned 'AA-' Rating

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.