



South Orange Village

# Fiscal Year 2026 Budget

Introduced to the Village Council

Monday, March 09, 2026



**SOUTH  
ORANGE**  
VILLAGE

# BUDGET PLANNING PRINCIPLES

## Prioritize Fiscal Stability, Effective Services, and Transparent Engagement

### Ensure Fiscal Sustainability

- Adhere to fund balance policy
- Manage inflation impacts on capital & operating costs
- Optimize Open Space Trust Fund spending
- Monitor staffing and use contractual services when appropriate

### Deliver High-Quality Village Services Efficiently and Equitably

- Maintain core municipal services that residents rely on daily
- Use data and performance measures to monitor service delivery
- Prioritize maintenance of public infrastructure and assets
- Align resources with community needs and service demands

### Promote Transparent & Inclusive Budgeting

- Committee discussions
- Departmental budget presentations
- Nonprofit partner presentations
- Finance Committee review
- Village Council meetings



# BUDGET ENVIRONMENT: KEY PRESSURES & STRENGTHS

## Cost Pressures (outside the Village's control)

- Pension Cost +26.5%
- Health Care Premiums +24.25%
- Social Security +5.38%
- Street Lighting +5%

## Other Challenges/Factors

- Employee contract obligations
- Final year of NPP Grant - Seton Village Program
- Inflationary environment

## Strengths

- Healthy Fund Balance
- Debt Management, including water system sale proceeds
- Redevelopment Revenue exceeded 2025 projection



# VILLAGE PRIORITIES & BUDGET IMPLICATIONS

## Invest in Community Spaces & Facilities

- Open Space, Recreation & Historic Trust Fund Spending Plan - \$1.285M
  - Matching funds for Cameron Recreation Area improvements
  - Tree planting in Village parks
  - Debt Service on Baird Center
- Library Connections Project - \$1M Capital Request
  - (offset by reduction in Library operations)
- Engage professional services Greenway Phase 3 & 133 Fairview - \$15,000

## Focus on Workforce & Operations

- Engineering services expansion
- Recreation succession planning
- Public Works reorganization
- Police Department promotions to fill table of organizations
- Non-union COLA adjustment increased to 3%



# VILLAGE PRIORITIES and BUDGET IMPLICATIONS

## Expand Recreational Offerings

- Recreation Programs: + \$13,500 operating
- Cultural Affairs, Arts & Special Events Programs: +\$10,000 &OE
- Field improvements, equipment & maintenance: +\$10,000 OE & \$214,000 capital requests

## Manage Water System Transition

- Capital Debt Reduction – Allocation of \$19.8M sale proceeds & interest
  - \$17.8M – Water Utility Debt
  - \$1.9M – General Capital Debt
  - \$28,000 – Issuance Costs
  - \$52,700 – Remaining Balance
- Continue to collect outstanding accounts receivables

## Pursue Economic Development Opportunities

- Professional Services for Planning, Zoning & Affordable Housing - +\$25,000



# VILLAGE PRIORITIES and BUDGET IMPLICATIONS

## Invest in Community Partnerships & Neighborhoods

- Fund Seton Village NPP programs initiated through the NPP Grant: +\$35,000
- Establish a legal defense fund for residents detained by DHS/ICE: +\$10,000
- Maintain support levels with our community non-profit partners (CCR, Youthnet, SODT, SOPAC, SOPA): +\$5,000

## Increases to Health & Public Safety

- SOPD new vehicles and camera maintenance increase: +\$67,000 OE
- SOPD 911 system requires replacements: +\$266,000 capital
- Public Health - Increase extermination efforts in downtown & health screenings - +\$18,500

## Increase Environmental & Sustainability Initiatives

- Tree Planting - \$250,000
- Finalize MS4 Stormwater permit documentation requirements - \$60,000



# VILLAGE PRIORITIES and BUDGET IMPLICATIONS

## Continue Pedestrian & Vehicular Safety Initiatives

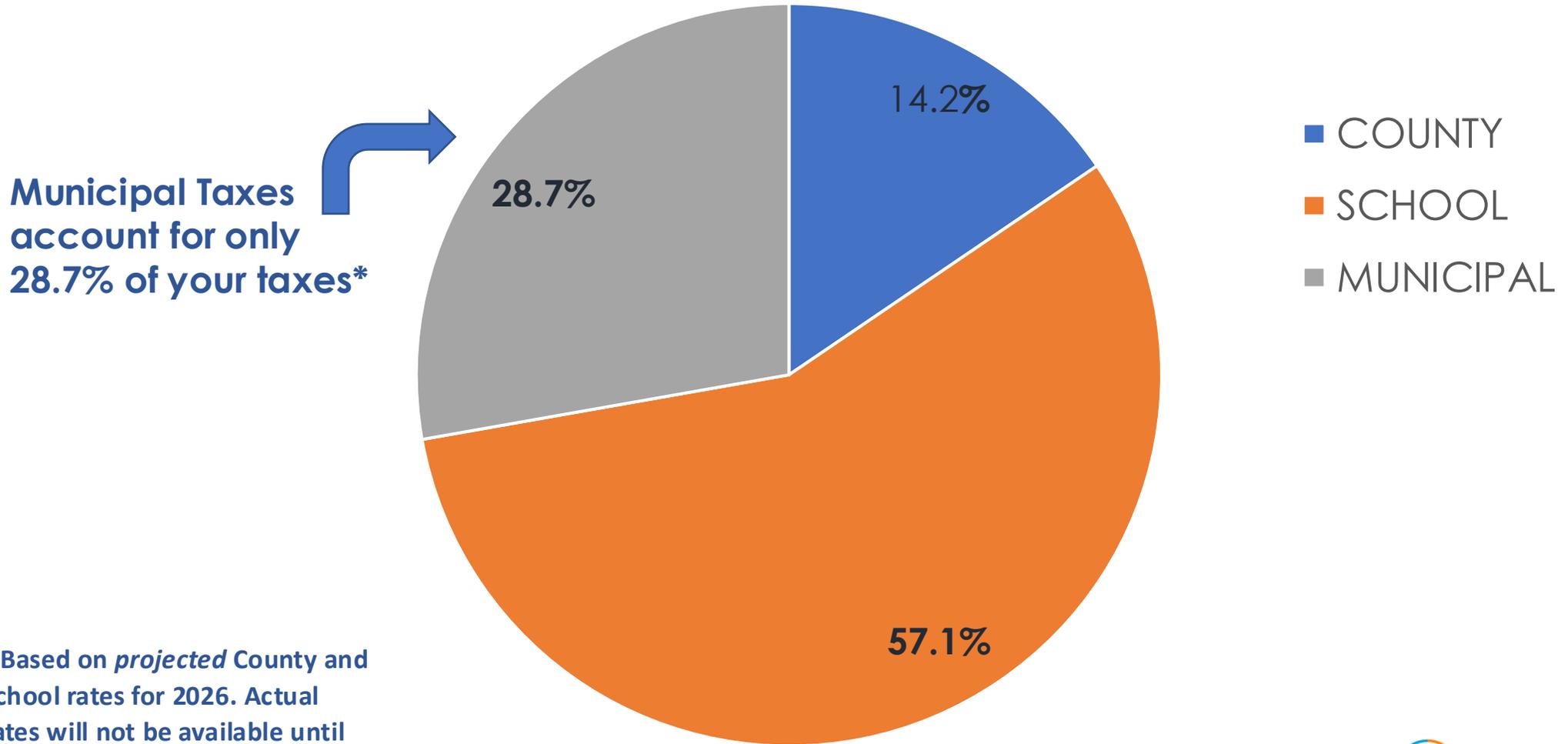
- Traffic Signalization @Third St. & Ridgewood Rd. - \$605,000 capital investment
- Village-wide lighting plan development (professional services) - \$100,000
- Increased investment in road projects - +\$170,000 over prior year
- Crosswalk and Roads Striping - \$60,000 capital investment
- Delineators, flashing crosswalk signs & other pedestrian safety devices - \$20,000

## Improve & Maintain Infrastructure

- Road reconstruction, milling & paving – \$1.32M
- Sanitary Sewer Projects & Maintenance - \$85,000
- Stormwater Projects & Maintenance - \$85,000



# WHERE DOES YOUR TAX DOLLAR GO?



Municipal Taxes account for only 28.7% of your taxes\*

\*Based on *projected* County and School rates for 2026. Actual rates will not be available until mid-to-late 2026.



# FY '26 BUDGET OVERVIEW

▪ Total budget:	\$50,186,721.13
▪ Municipal property tax increase:	3.497%
▪ Amount to be raised in taxes	\$31,869,907.59
▪ Impact on average homeowner:	
○ Average residential assessment:	\$880,444.18
○ Municipal tax rate:	0.748
○ Municipal taxes on average assessment:	\$6,585.72
○ Year over year increase:	\$229.57

# Major Drivers of Budget Change Year over Year +/- \$25,000\*

## APPROPRIATIONS:

DEBT SERVICE	\$	207,000.00
BOARDS AND COMMITTEES	\$	43,000.00
EMPLOYEE GROUP BENEFITS	\$	618,500.00
GENERAL LIABILITY/WORKERS COMP	\$	46,184.00
POLICE S&W	\$	126,900.00
POLICE O/E	\$	(103,680.00)
PUBLIC WORKS S&W	\$	89,500.00
RECREATION S&W	\$	223,200.00
RECREATION O/E	\$	99,400.00
WATER	\$	100,000.00
FIRE HYDRANT	\$	100,000.00
STREET LIGHTING	\$	42,021.83
SOCIAL SECURITY	\$	35,000.00
PERS (PENSION)	\$	155,119.21
PFRS (PENSION)	\$	(26,523.00)
MUNICIPAL LIBRARY O/E	\$	317,387.50
MUNICIPAL LIBRARY S&W	\$	(206,100.00)
JOINT TRUNK SEWER MAINTENANCE	\$	25,824.00
SALARY ADJUSTMENTS	\$	(87,000.00)
SOUTH ESSEX FIRE DEPARTMENT	\$	399,000.00
CAPITAL IMPROVEMENT FUND	\$	(110,000.00)
RESERVE FOR UNCOLLECTED TAXES	\$	25,000.00
CAPITAL LEASES	\$	233,600.00
PUBLIC WORKS O/E	\$	(50,000.00)

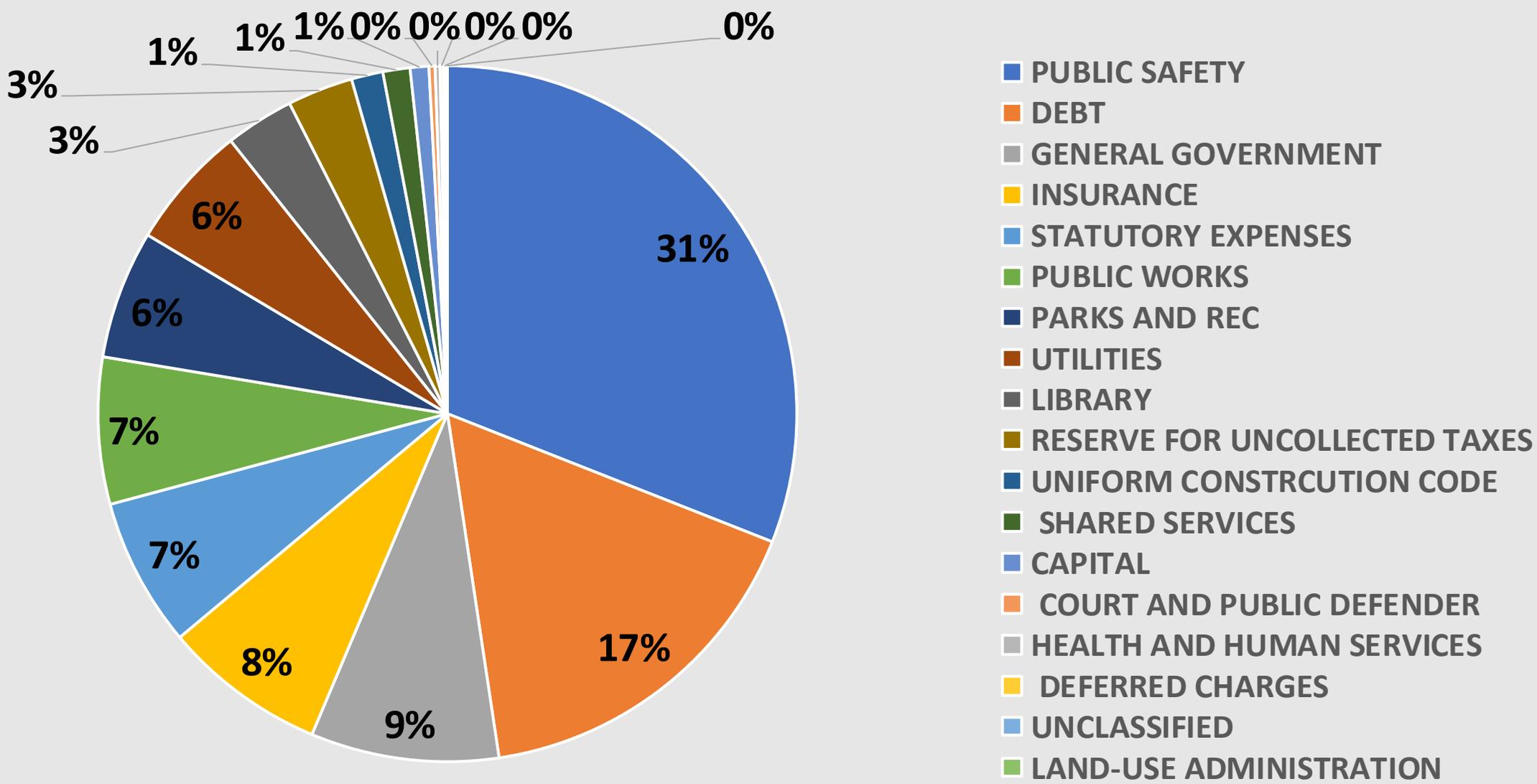
# Major Drivers of Budget Change Year over Year +/- \$25,000\*

## REVENUE:

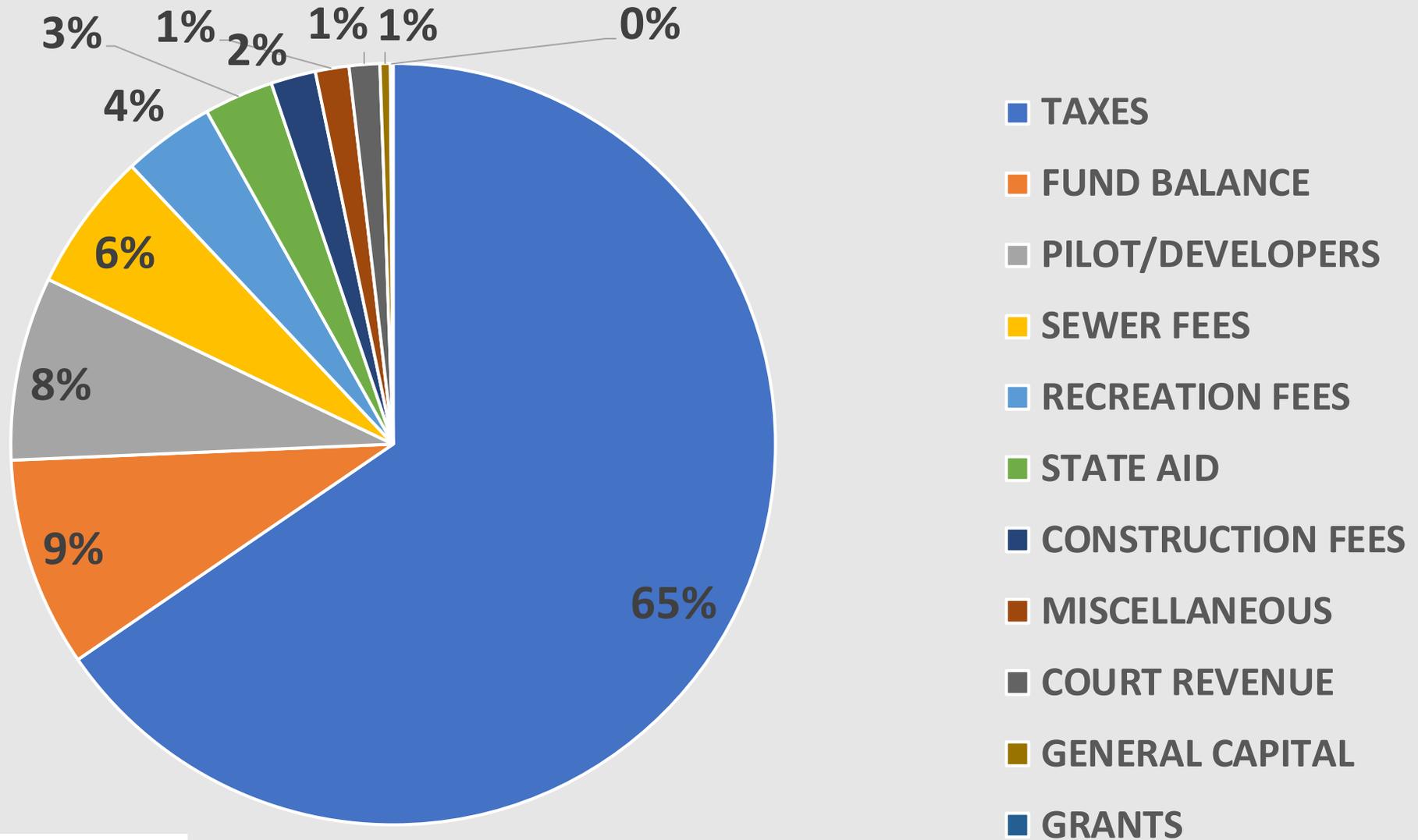
SURPLUS ANTICIPATED	\$	(525,000.00)
FINES AND COSTS - COURT	\$	(100,000.00)
RECREATION FEES	\$	(550,000.00)
SEWER USER FEES	\$	48,100.00
REDEVELOPMENT FEES (PILOTS)	\$	(131,000.00)
GENERAL CAPITAL SURPLUS	\$	(49,495.54)
SETON HALL DEBT SERVICE PAYMENT	\$	52,250.00
OPEN SPACE - DEBT SERVICE	\$	(120,000.00)
<b>TOTAL MAJOR DRIVERS</b>		<b>\$ 928,688.00</b>
MAJOR DRIVERS AS % OF TOTAL CHANGE		86.24%



# HOW WILL YOUR TAX DOLLARS BE ALLOCATED?



# WHERE DO LOCAL REVENUES COME FROM?



# 2026 CAPITAL BUDGET HIGHLIGHTS

- **Total 2026 Capital Request: \$3,404,020 (Net of Grant Awards)**
  - NJ DOT Road Improvement Walton Ave - \$660,640 gross before grant
  - Roads and Sidewalks - \$1,313,500
  - W Third & S. Ridgewood Signalization - \$605,000
  - Sloan Street Sidewalk Improvements - \$750,000 gross before Transit Village grant
  - DPW Trucks & Equipment - \$560,000
  - Park and Field Improvements - \$214,000
  - Stormwater & Sewer - \$220,000
  - Public Safety - \$266,000 (excluding SEFD)
  - Municipal Building Maintenance & Repairs - \$100,000



# Financial Outlook: A Closer Look

- Open Space Trust Fund Increase - \$851,804.52 anticipated
- Recreation Fees – Ongoing assessment of program fees
- Economic Development – Continued growth expected
  - 2025 – \$699,000 received over expected redevelopment revenue
  - Positive trend continues:
    - Taylor | Vose at 85%+ residential occupancy; 100% commercial
    - Meridia at 100% residential & commercial occupancy
    - Storage Platform at capacity
    - Mosaic at 100% capacity
    - 270-299 Irvington Avenue expected to break ground in spring 2026
  - Possible future developments:
    - 164 Valley Street
    - NJ Transit Lot/SOA
- Seek increased voluntary contribution revenue from nonprofit community members (501c3)
- Health Care Premium Relief - Continue exploring new carriers



# Financial Outlook: Revenue Sources – A Closer Look

## Grant Applications - Federal funding; uncertain environment

- **2026-7 Grant Awards**

1. NJDOT Local Aid (Road Improvements) – \$551,520
2. NJDOT Transit Village - \$279,000
3. Health Services Grants - \$120,000
4. SOPD Grants, various - \$16,500
5. Municipal Alliance Grant - \$13,500
6. Essex County Youth Services Grant - \$10,000

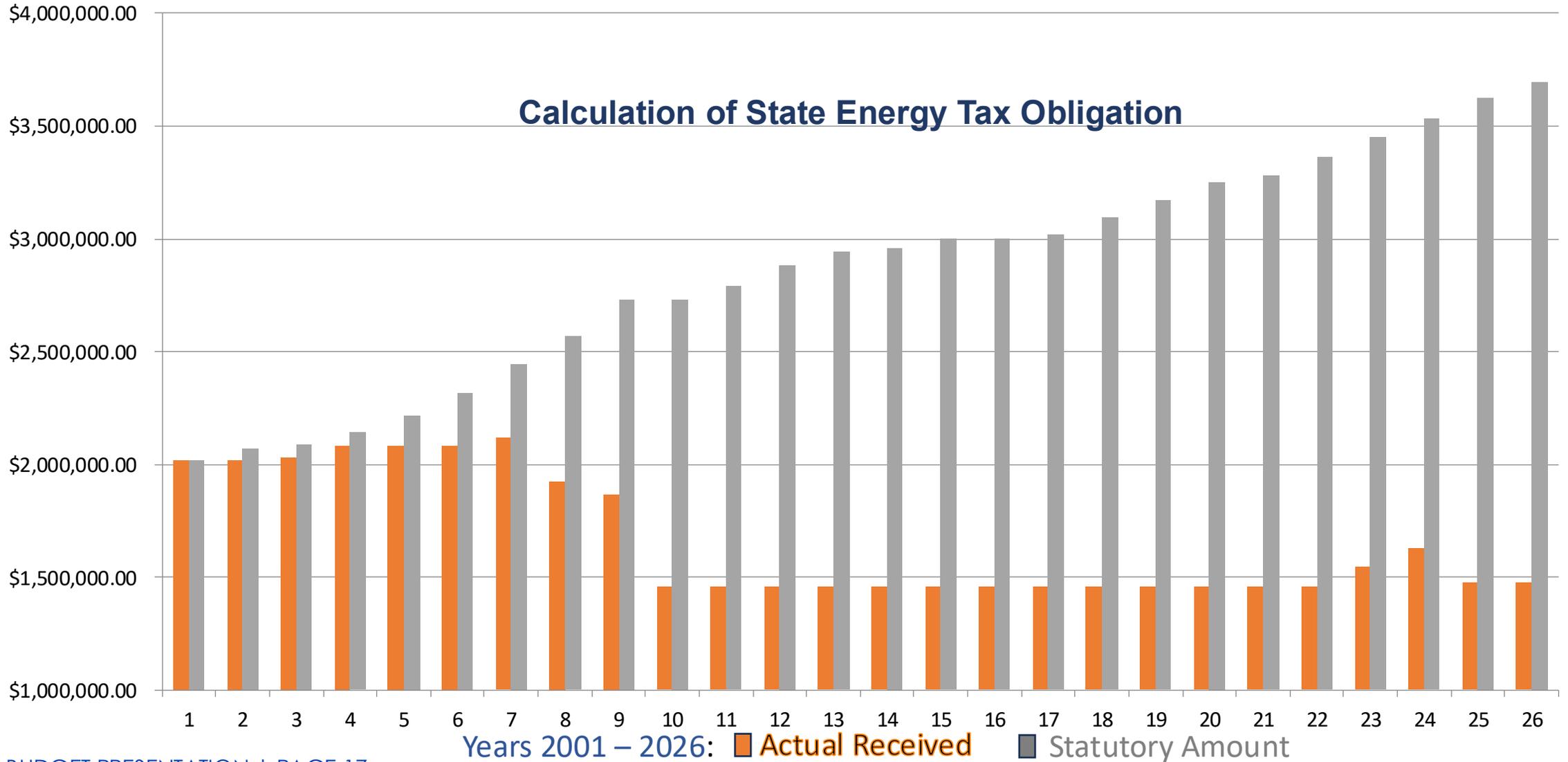
- **2026-7 Grant Applications to date (Not included in 2026 Budget projections)**

1. Sustainable Jersey
2. Community Project Grant (Federal Appropriation) – Sidewalks & Streetscapes
3. AARP Flagship Grant – Walkable Communities Audit
4. Local Recreation Area Grant



# Financial Outlook: Revenue Sources – A Closer Look

Diversion of Energy Tax Receipts/Municipal Relief Fund Aid - Lobby State for Reinstatement of Funds



## 2026 Proposed Budget – Next Steps

March 9: Introduce Budget

March 23: Public Comment Opportunity (Council Meeting)

April 13: Public Comment and Adoption (Council Meeting)

# QUESTIONS?