

FY 2026

Executive Municipal Budget Overview Presentation



Town Council Meeting | May 12, 2026

Jillian Barrick, Business Administrator

Budget Summary Points

- Net Assessed Valuation –\$4,680,543,008
- One Cent of the Municipal Tax Rate =\$468,054
- \$565,808 under the 2% Property Tax Levy CAP
- Tax Collection rate 98.1%- per 2025 AFS
- Proposed municipal tax rate increase - \$0.032

Tax Base

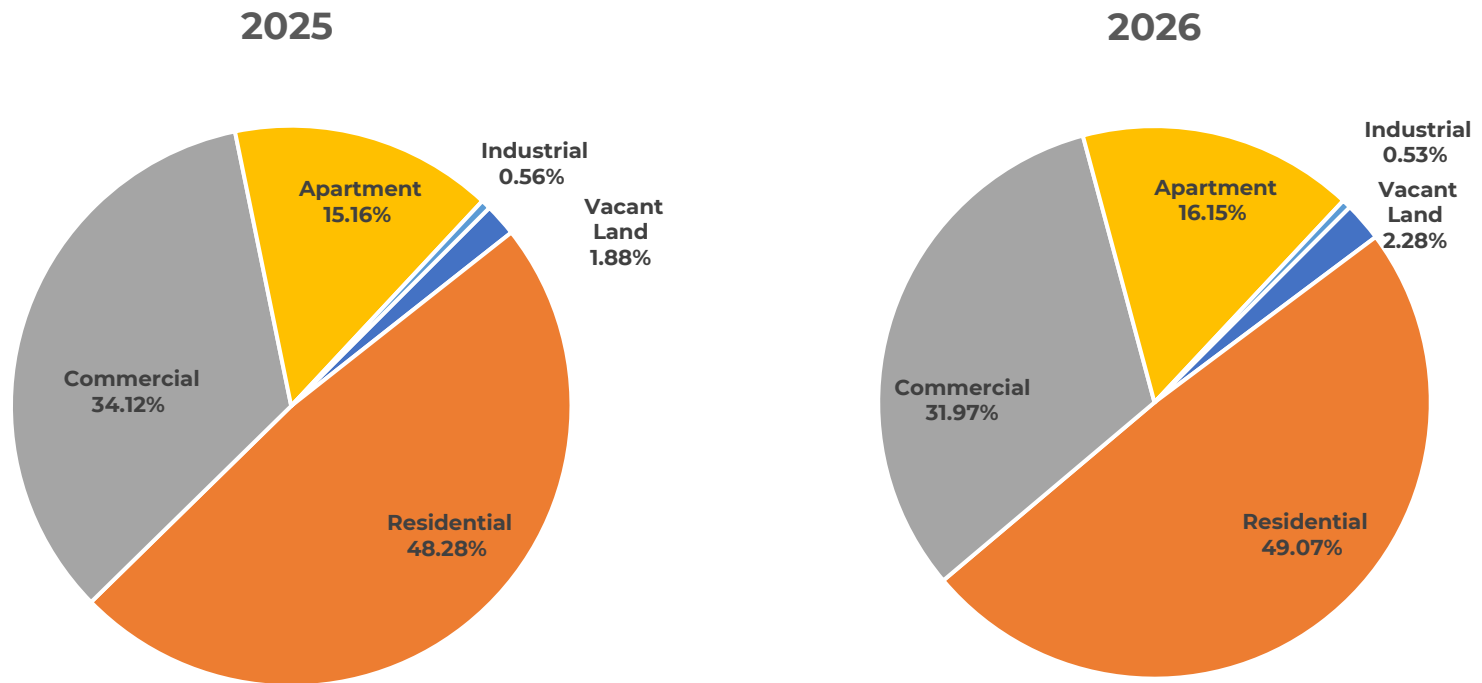
Total Net Assessed Valuation

\$73 million decrease over 2025 ratables

	2025	2026	\$ Change	% Change
Vacant Land	\$89,235,300	\$106,784,200	\$17,548,900	19.7%
Residential	2,295,229,900	2,296,658,300	1,428,400	0.1%
Commercial	1,621,882,200	1,496,515,000	(125,367,200)	-7.7%
Apartment	720,783,400	755,870,400	35,087,000	4.9%
<u>Industrial</u>	<u>26,394,200</u>	<u>24,668,600</u>	<u>(1,725,600)</u>	<u>-6.5%</u>
Total Assessed Value	\$4,753,525,000	\$4,680,496,500	(\$73,028,500)	-1.5%

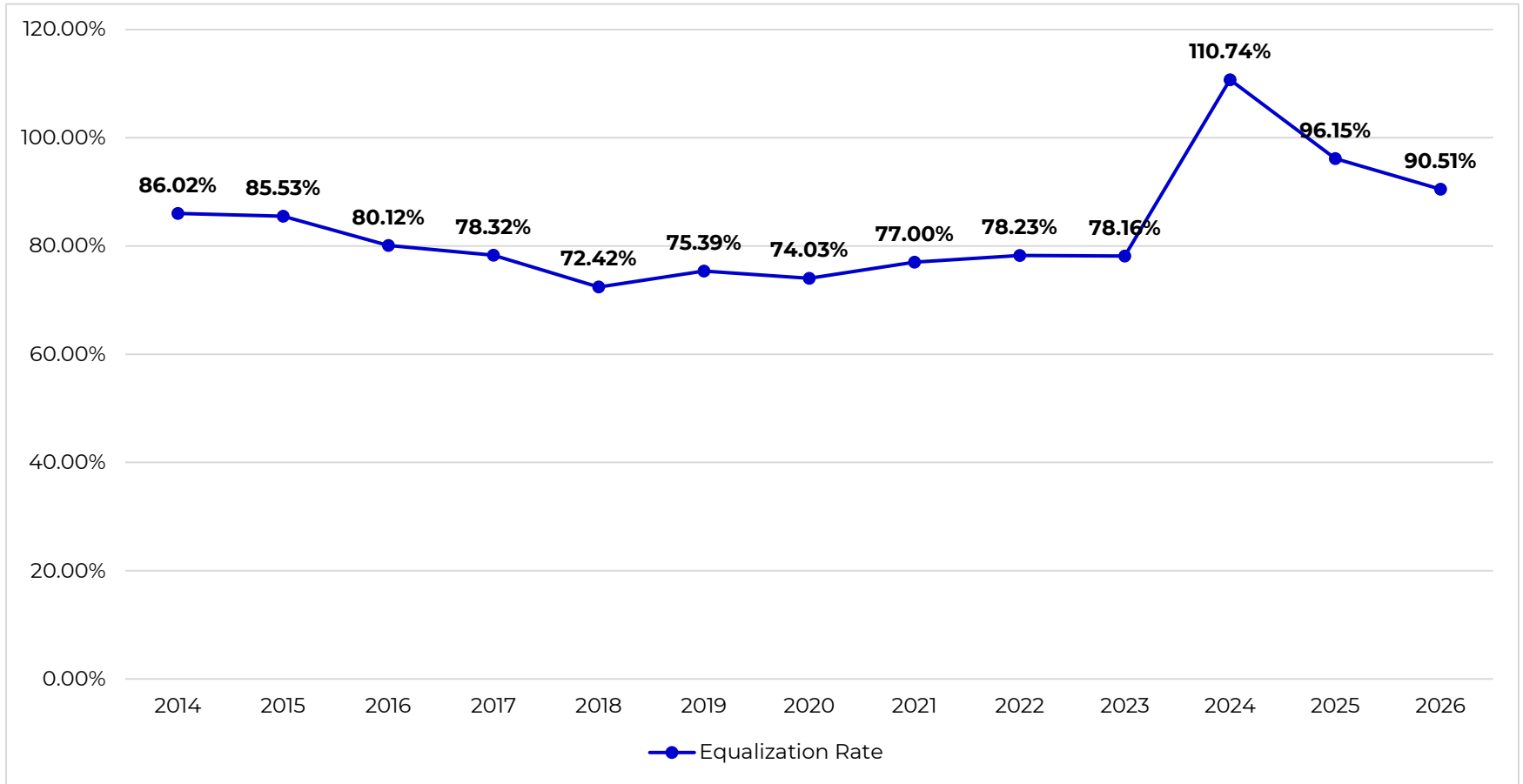
FY 2025 vs 2026

Valuation By Property Class



Minor changes

Equalization Rate



*2024 was the first effective year for the Town's Revaluation.

Financial Summary Totals

	FY2025	FY2026
<u>Operating Fund</u>		
Municipal Budget	\$48,734,395	50,979,593
Aid to the Library	1,750,674	1,750,661
<u>Grants</u>	<u>1,242,212</u>	<u>87,000</u>
Operating Fund Total	51,727,282	52,817,254
<u>Sewer Utility Fund</u>		
Sewer Utility Budget	7,046,210	7,189,246
Capital Improvements Plan	<u>549,815</u>	<u>565,000</u>
Sewer Utility Fund Total	7,596,025	7,754,246
Total Financial Budgets	\$59,323,307	\$60,571,500

Municipal Tax Bill Comparison

Average Residential Assessment for 2026 =

\$635,841

	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Municipal Operating:	\$3,629	\$3,835	\$207

FY 2026 Total Property Tax \$ Effect

Increase of \$17/month

** FY 2026 Estimated Tax Amounts*

Municipal Tax Bill Comparison

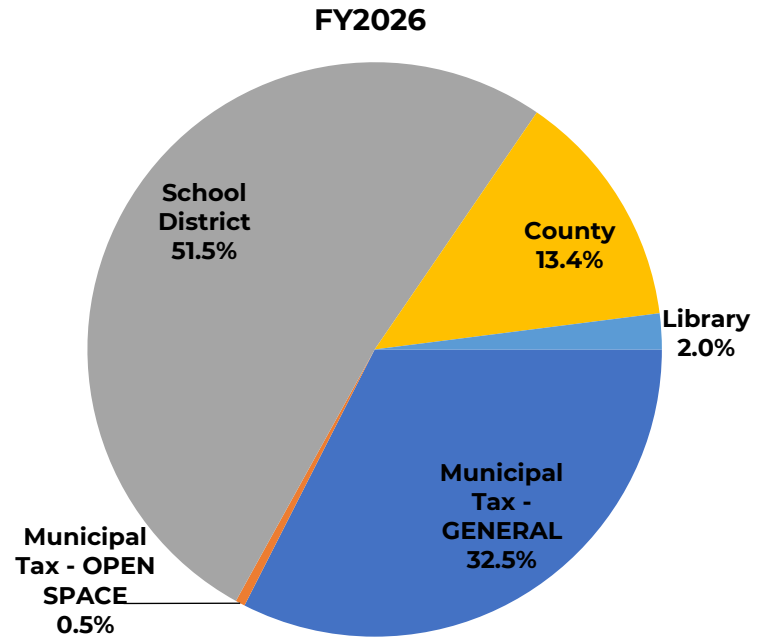
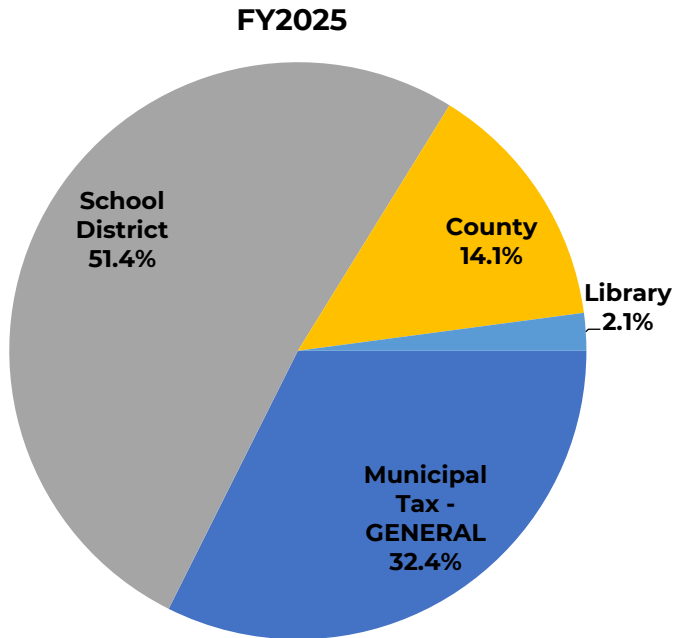
Average Residential Assessment for 2026 =

\$635,841

	%	MONTHLY \$	TAX RATE ¢
TOTAL INCREASE	5.5%	\$52	9.76¢
School	3.0%	\$27.56	5.20¢
Municipal	1.8%	\$17.20	3.24¢
Municipal Open Space	0.6%	\$5.30	1.00¢
County	0.1%	\$1.12	0.21¢
County Open Space	0.03%	\$0.24	0.05¢
Library	0.03%	\$0.30	0.06¢

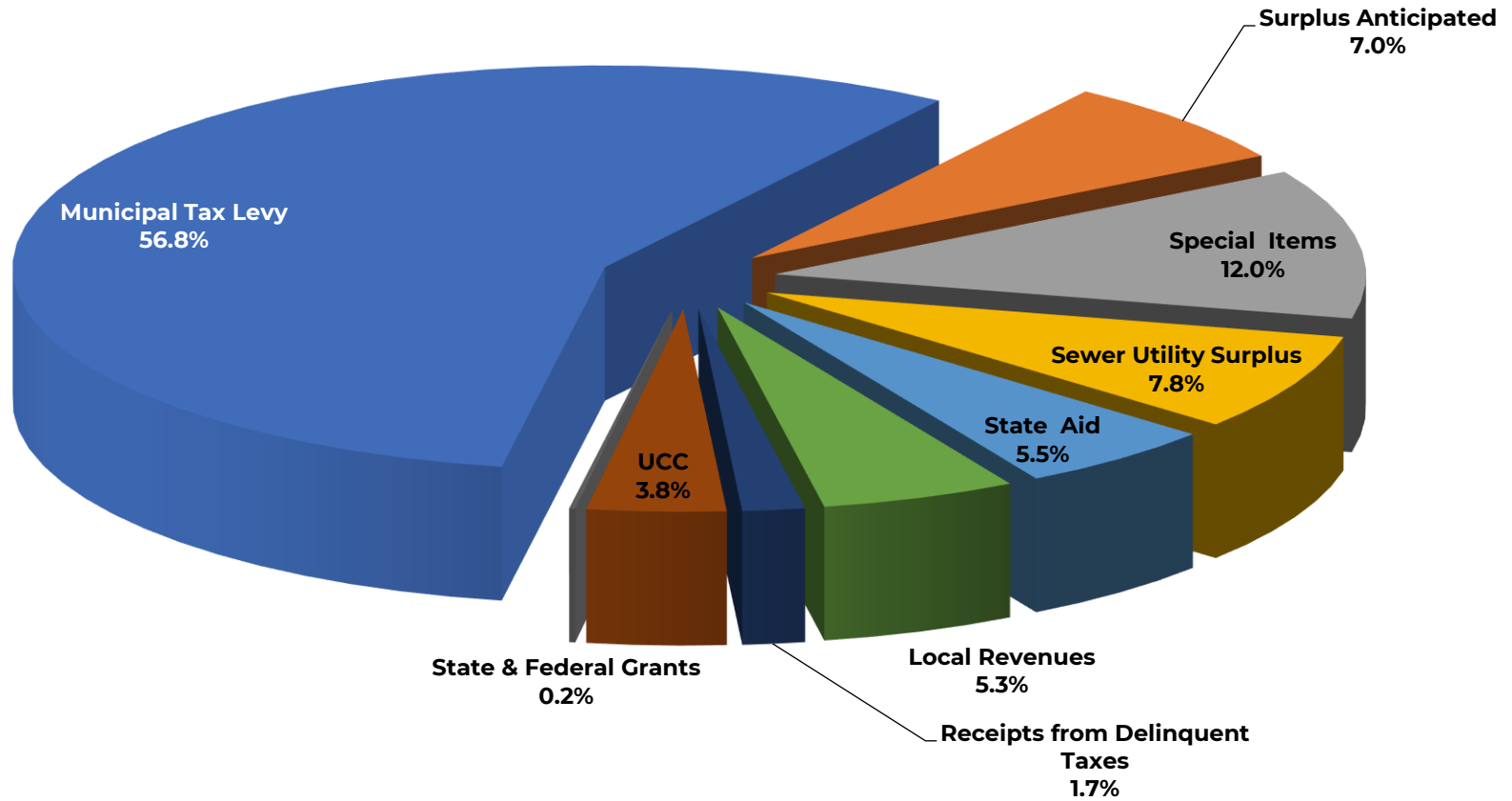
FY 2025 vs 2026

Property Tax Breakdown



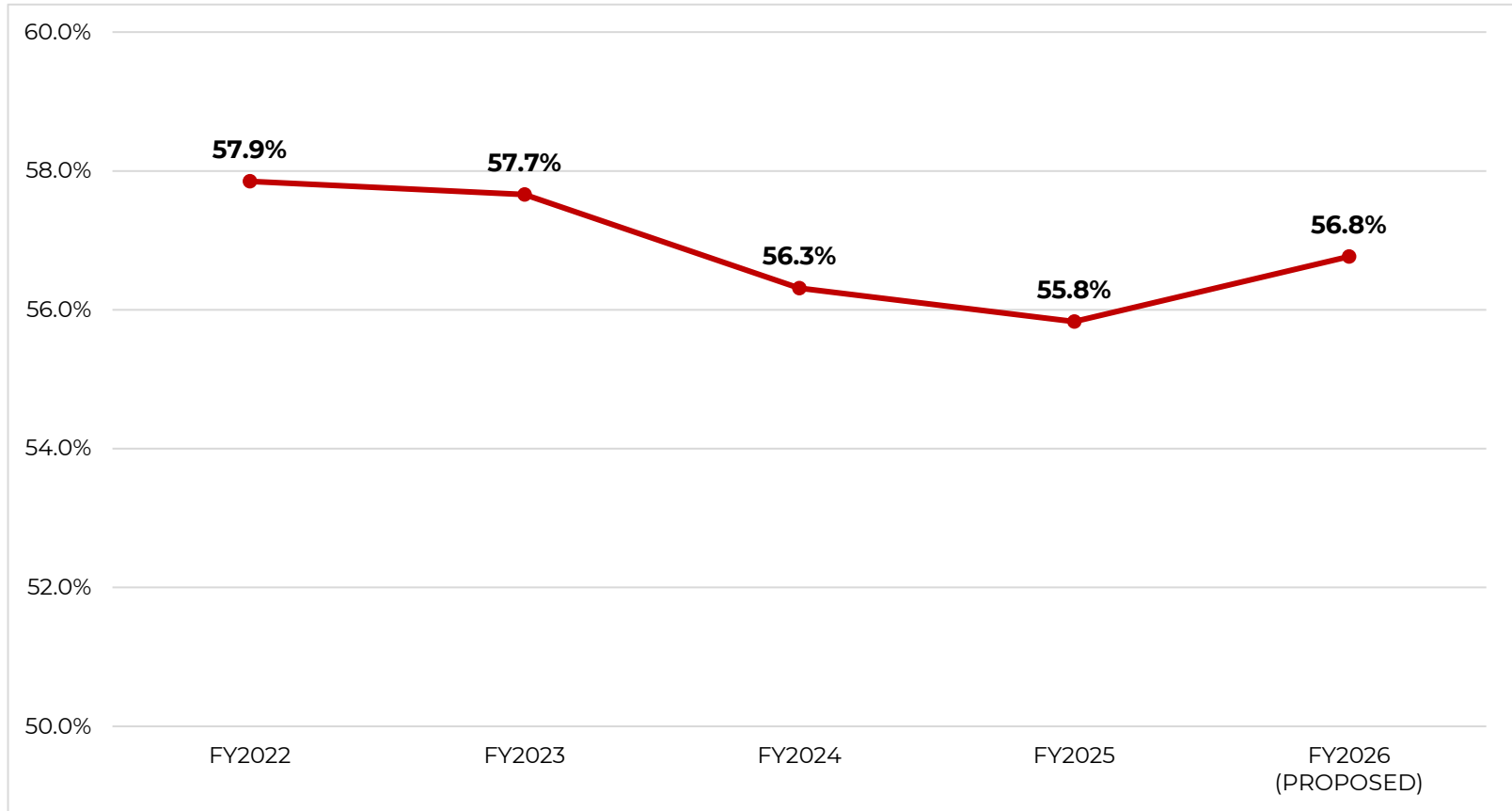
2026 Revenues

“Where The Budget \$\$ Comes From”



2025 Revenues

Tax Levy as % of Total Operating



General Revenues

Top 5 Revenue Increases 2025 vs 2026 (proposed)

• Atlantic Health Bed Tax	+\$818,471
• M Station West –PILOT	+\$216,391
• Cannabis Fees	+\$132,000
• Hotel & Motel Tax	+\$87,000
• <u>M Station East –PILOT</u>	<u>+\$82,000</u>
• TOTAL	+\$1,335,862

General Revenues

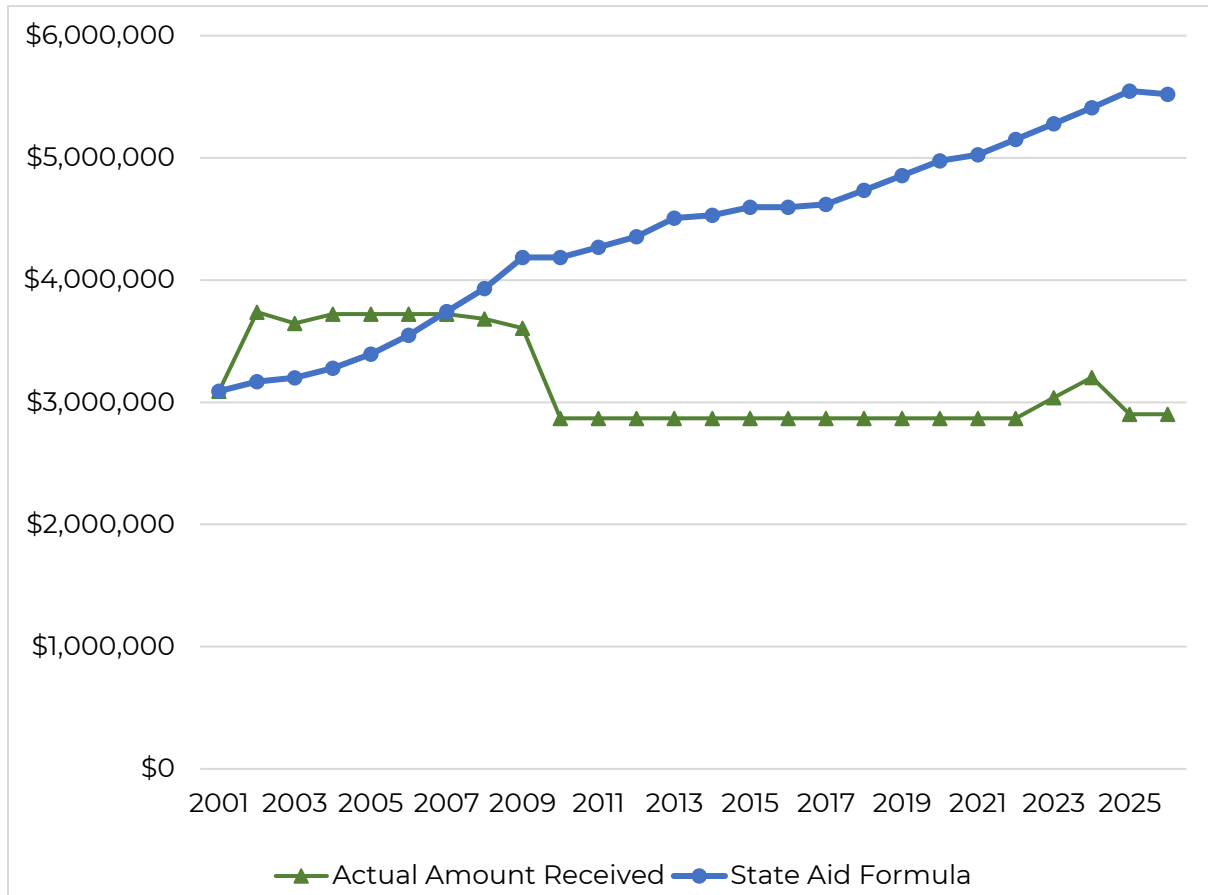
Top Revenue Decreases 2025 vs 2026 (projected)

- American Rescue Plan Revenue Loss - \$258,011
- Interest on Investments - \$215,000
- Moderator 44 PILOT - \$158,000
- Rental of Property - \$23,625
- Cable Franchise Fees - \$13,678

- TOTAL** - \$668,314

- Many revenue sources are expected to remain flat

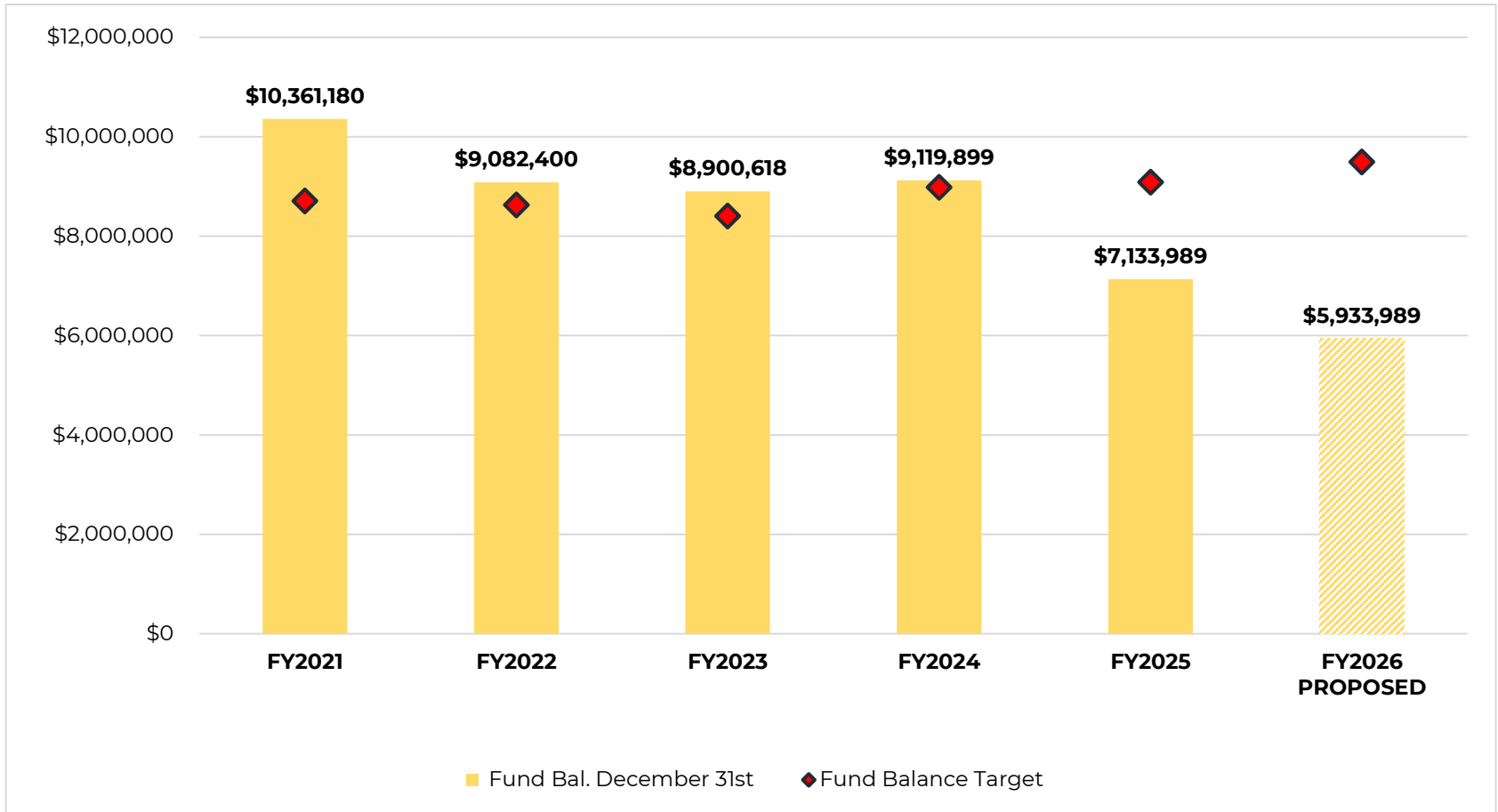
“State Aid” aka Energy Tax Receipts and CMPTRA



State aid received since 2001 is \$82.0M vs \$113.7M that Morristown should have received.

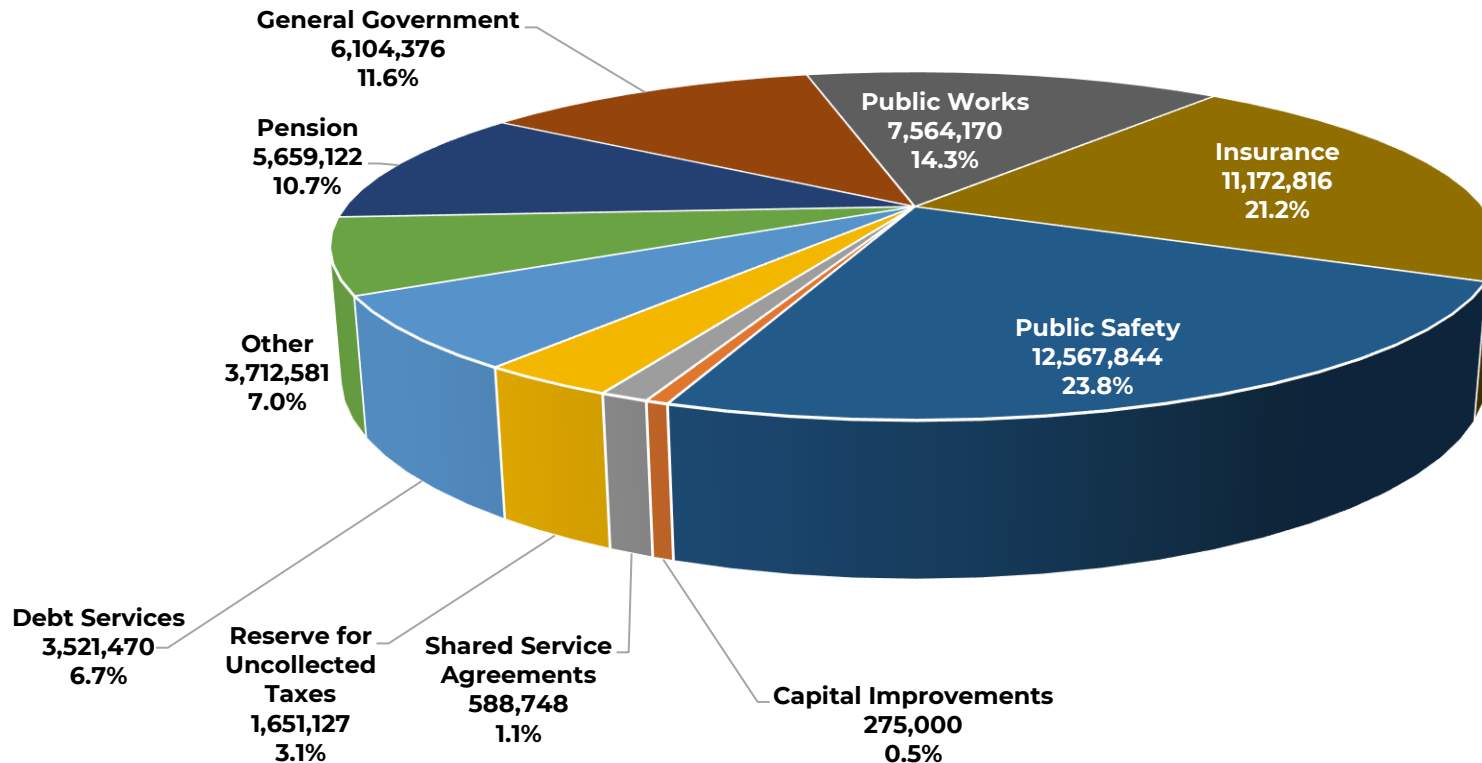
Cumulatively, the State has shorted the Town \$31.7 million since 2001

Fund Balance Trend 2021 -2026



FY 2026 Proposed Appropriations (%)

“How Budget is Allocated”



General Appropriations

Departmental Operations - \$27,654,828

- Up 4.6%, or \$1,227,917
- **Salary & Wages - \$20,183,479 (38% of Total Appropriations)**
 - Up 3.9%, or \$ 774,431
 - 191 Full-Time Employees vs 195 in 2025
35 Part-time
- **Other Expenses - \$ 7,471,349 (14% of Total Appropriations)**
 - UP 6.4%, or \$453,486

What Changed? – Largest Increases

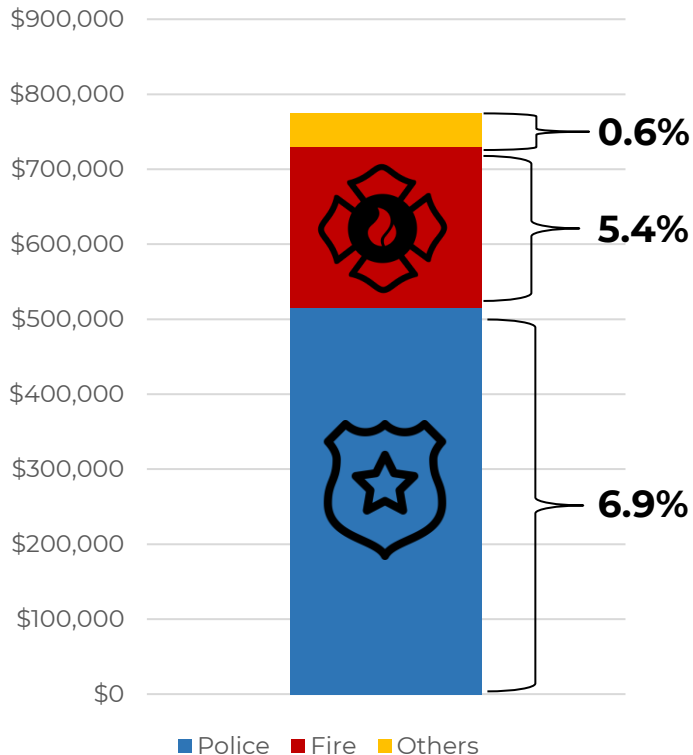
OPERATING BUDGET	FY2026 Increase*
Police - Salaries & Wages	+\$514,745
DPW - Other Expenses (Utilities and Salt)	+\$263,914
Fire - Salaries & Wages	+\$215,301
BANS Principal Payment	+\$190,000
Police and Fire Pension	+\$158,205
TOTAL CHANGE	+\$1,342,165

Police and Fire salary and pension increases alone total \$0.9 million

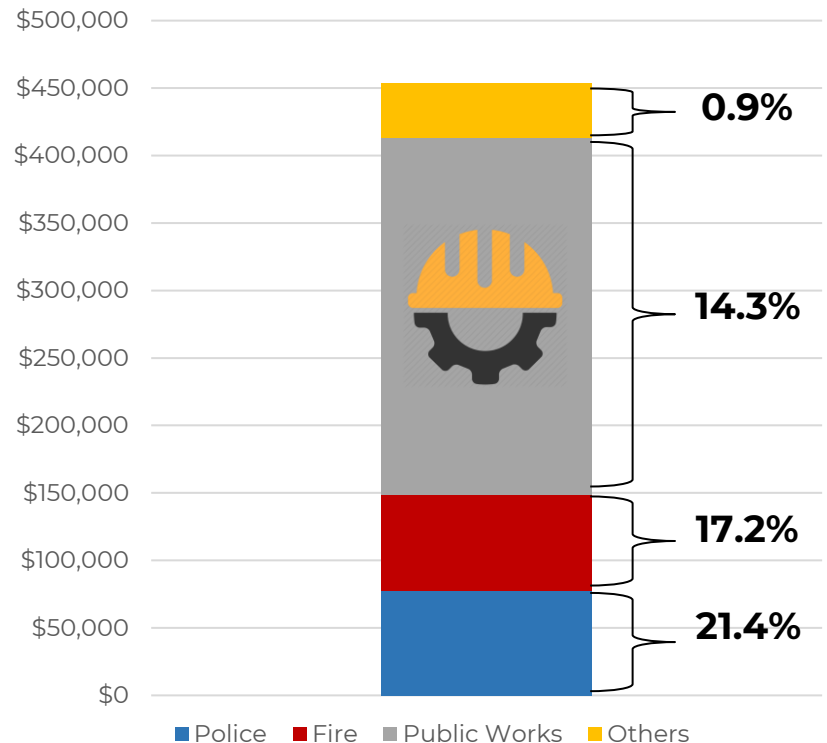
**compared to FY2025 Budget*

2026 Departmental Increases

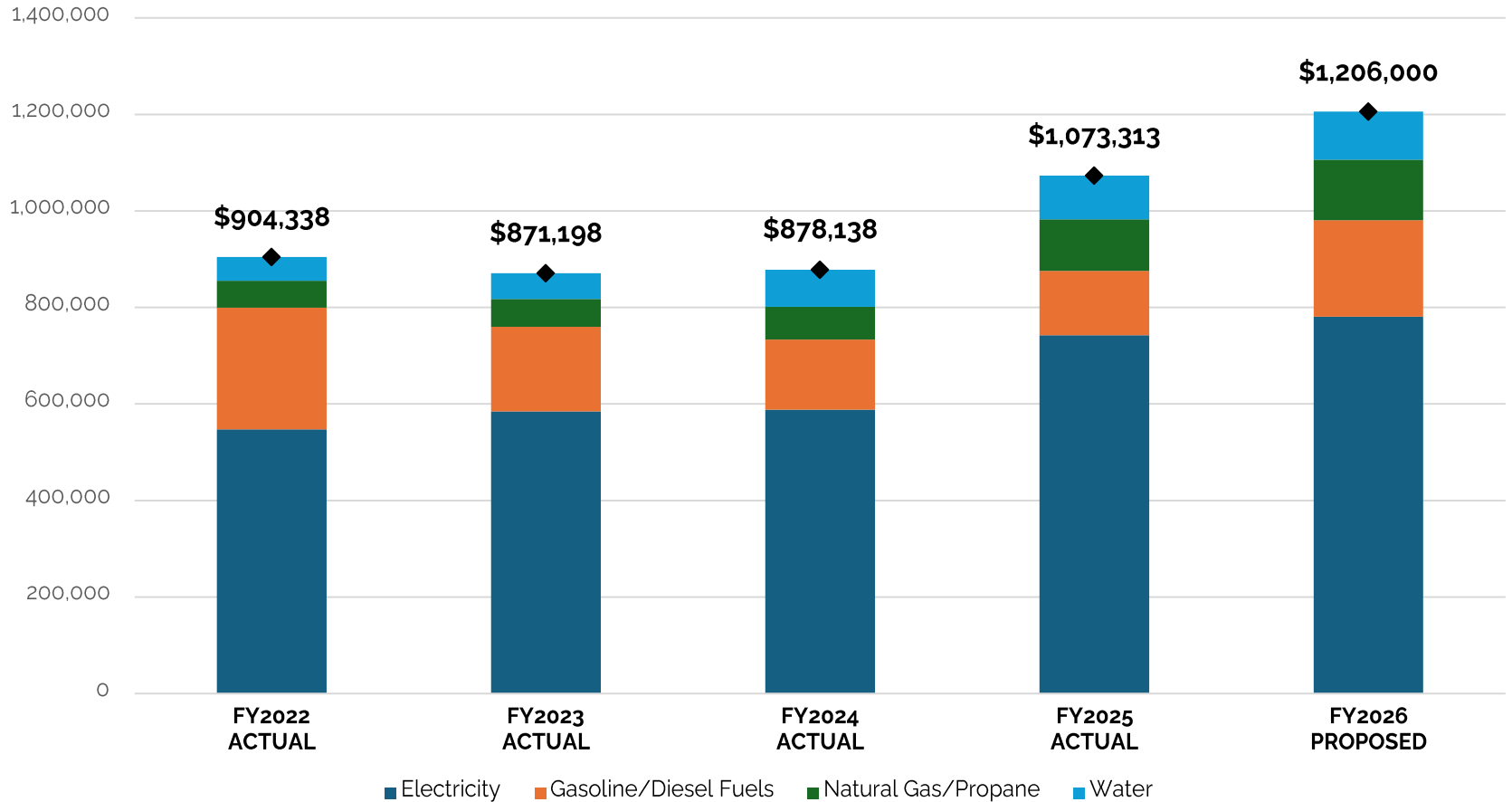
Salaries & Wages



Other Expenses



DPW – Utilities Trend



What Changed? – Largest Decreases

OPERATING BUDGET	<u>FY2026 Decrease*</u>
Interest on Bonds(debt service)	-\$100,825
Code Enforcement Director	-\$98,271
Pension - PERS	-\$78,919
Prior Year Bills	-\$44,392
Public Works Salaries & Wages	- \$24,027
TOTAL CHANGE	-\$346,434

**compared to FY2025 Budget*

Pension Costs

FY 2026 Pension Cost - \$ 4,813,622

Breakdown of Pension Obligations

- PFRS - \$158,205 Increase, Up 4.4% from 2025
- PERS - (\$78,919) Decrease, down 6.6% from 2025

Rates Per NJ Pension Website

<https://www.nj.gov/treasury/pensions/2026-employer-billing.shtml>

Local Employer contribution rate changes:

- PERS – 16.36% compared to 17.11% in 2025
- PFRS – 36.75% compared to 37.00% in 2025

Debt Service (Operating Budget)

Standard & Poor's Credit Rating – “AA+ (Stable Outlook)”

Principal Debt Payment Obligations paid down by \$2.5M in FY 2025

- \$2,510,000 scheduled principal payment this year

Net Debt Outstanding as of 12/31/25 - \$27,297,110

- General Obligation Bonds - \$17.1 million
- Bond Anticipation Notes - \$10.2 million

Total Net Debt to Equalized Valuation (\$4,789,931,447): 0.57%

Total Net Debt DECLINED BY \$17.5 million since FY 2010

Debt Service (Sewer Utility)

Sewer Utility Debt Outstanding as of 12/31/24 - \$0

- Long Term Debt - \$0
- Bond Anticipation Notes - \$0

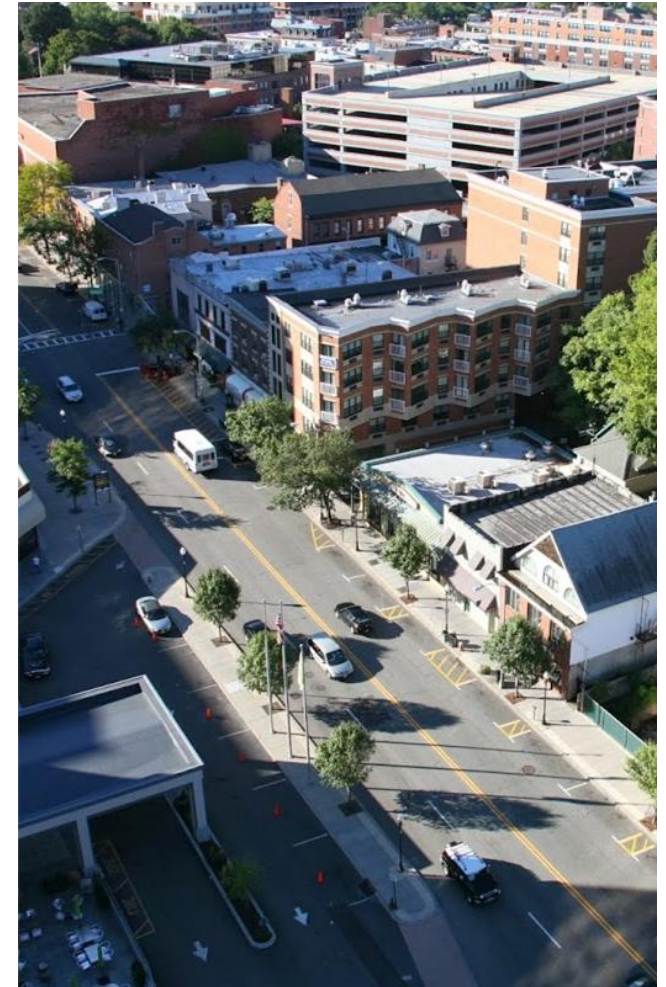
“Pay-As-You-Go” - Utility Budget includes \$565,000 for Capital Projects

No NEW Sewer Utility Debt – 14th year in a ROW!

Capital Projects

Total allocated for 2026 capital projects is \$3,653,000 which includes:

- \$1,890,000 in Roads and Engineering
- \$430,000 for Public Works Vehicles
- \$10,000 for Dams Repairs
- \$492,000 Parks & Recreation
- \$360,000 for Pool Improvements
- \$221,000 for Building Improvements
- \$250,000 Section 20 Professional Costs



Local Open Space Tax

Budgeted at 1 penny = \$468,054

Uses:

- \$402,000 for construction of new playgrounds
- \$66,054 for salaries towards park maintenance



Q&A