

TOWNSHIP OF NUTLEY

# 2026 Municipal Budget as Adopted

June 4, 2026



Essex County, New Jersey | **Calendar 2026**

*Prepared by the Department of Revenue & Finance*



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# Legal Compliance Is Not the Same as Genuine Transparency



## Our Obligation Is to You

The health, welfare, and safety of our community is the orientation of everything we do. A municipal budget is not simply a financial document — it is a statement of what Nutley values and a commitment to every resident about how their money will be used.



## We Went Beyond the Legal Minimum

New Jersey law requires only that the formal State budget document be made available. That document is posted on [www.nutleynj.org](http://www.nutleynj.org) — but it runs dozens of pages and is written in regulatory language most residents would find impenetrable. This presentation exists because posting a document is not the same as explaining it.



## Five Commissioners, One Budget

Nutley operates under a Commission form of government. Each Commissioner directs their own department and prepares their own budget. This deck brings all five budgets together in plain language, with every figure reviewed for compliance with the statutes, rules, and regulations of the State of New Jersey.

**Thomas J. Evans**

Commissioner of Revenue & Finance | Township of Nutley, New Jersey

**2026 Municipal Budget**

# 2026 Municipal Budget — Presentation Overview

- 1 About This Presentation** — What this deck covers, who it's for, and where to find more
- 2 Your Municipal Tax Bill** — What you pay, how it's calculated, and where every dollar goes
- 3 Revenue Sources** — How non-tax revenues reduce what you pay, and what changed in 2026
- 4 Fiscal Health & Debt** — Bond rating, borrowing capacity, debt structure, and our Aa1 credit standing
- 5 Water & Sewer Utility** — Self-funded utility costs; rate ordinance update forthcoming
- 6 Tax Rate Comparison** — How Nutley compares to five similar Essex County towns on tax bill, demographics, and state aid

# A Complete Picture of Nutley's 2026 Budget — In Plain Language



## What This Deck Covers

The 2026 municipal operating budget covers how much it costs to run Nutley, where the money comes from, and what it means for the average homeowner's tax bill.



## Who This Is Written For

Every Nutley property owner and resident. We have avoided accounting jargon throughout. Where technical terms appear, plain-language definitions are provided in the Glossary at the end of this deck.



## Available Online

This presentation is posted on the Township website at [nutleynj.org](https://nutleynj.org). Share it freely. Questions not answered here can be directed to [Treasureroffice@nutleynj.org](mailto:Treasureroffice@nutleynj.org).

## WHAT'S NEXT ►

Your 2026 Tax Bill — What the average Nutley homeowner will pay and why.

# What Does This Mean For You?

## Annual Combined Municipal/Library Tax Increase

# \$340

per year | \$28.33 per month

*For the average assessed home of \$494,786*

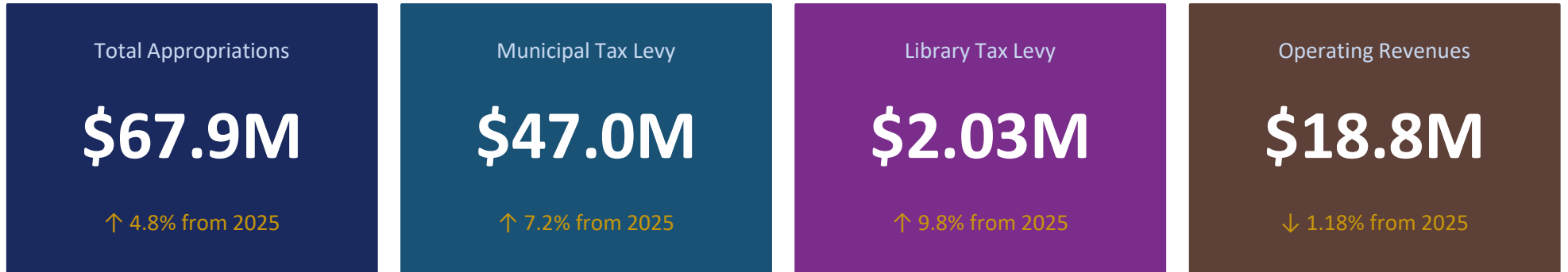
## Average Residential Property Tax Bill - What We Know

Tax Component	Avg Bill	2026 Chg	Status
Municipal	\$4,674	+\$322	Pending Adoption
Library	\$203	+\$18	Set by state law
<b>Muni + Library Combined Total</b>	<b>\$4,877</b>	<b>+\$340</b>	As Adopted by BOC
School District	\$7,234	+\$410	As adopted by BOE
County (estimate)	\$2,009	\$50	Determined by Essex County
<b>TOTAL Average Residential Increase</b>	<b>\$14,120</b>	<b>~+\$800</b>	Combined Total or <b>\$67 per month</b>

*~ Final rate certified by Essex County Tax Board in July.*

- Library levy increased \$181,348 (9.79%) — the state sets this rate based on assessed value; the Township does not control it.
- The Board of Education discontinued its \$300,000 crossing guard contribution — a BOE decision that added ~\$30 to the average municipal tax bill.
- County tax rates will be certified by the Essex County Tax Board in July and will appear on your final tax bill.

# 2026 Budget Overview — 5 Municipal Departments - One Budget Numbers at a Glance



## Revenue vs. Appropriations — 2026 vs. 2025

Category	2026	2025	Change	% Change
Total Municipal Operating Costs	\$67,904,322	\$64,799,792	+\$3,104,530	+4.8%
Total Revenues, other than taxes	\$18,846,764	\$19,071,571	-\$224,807	-1.2%
<b>Municipal Tax Levy</b>	<b>\$47,024,397</b>	<b>\$43,876,408</b>	<b>+\$3,147,989</b>	<b>+7.2%</b>
<b>Library Tax Levy</b>	<b>\$2,033,161</b>	<b>\$1,851,813</b>	<b>+\$181,348</b>	<b>+9.8%</b>
<b>Total Paid by Taxpayers (Muni + Library)</b>	<b>\$49,057,558</b>	<b>\$45,728,221</b>	<b>+\$3,329,337</b>	<b>+7.3%</b>

# The Township Directly Controls Only One Part of Your Property Tax Bill



## Four Separate Tax Levies

Your annual property tax bill has four components: Township Municipal, Library, School District, and County. Each is set independently — the Township has no authority over the other three.



## How Your Municipal Tax Is Calculated

Your assessed home value  $\div$  100  $\times$  the municipal tax rate = your municipal tax. The average assessed home of \$494,786 produces an average municipal tax of \$4,674 in 2026 — an increase of \$322.



## What the Next Slide Shows

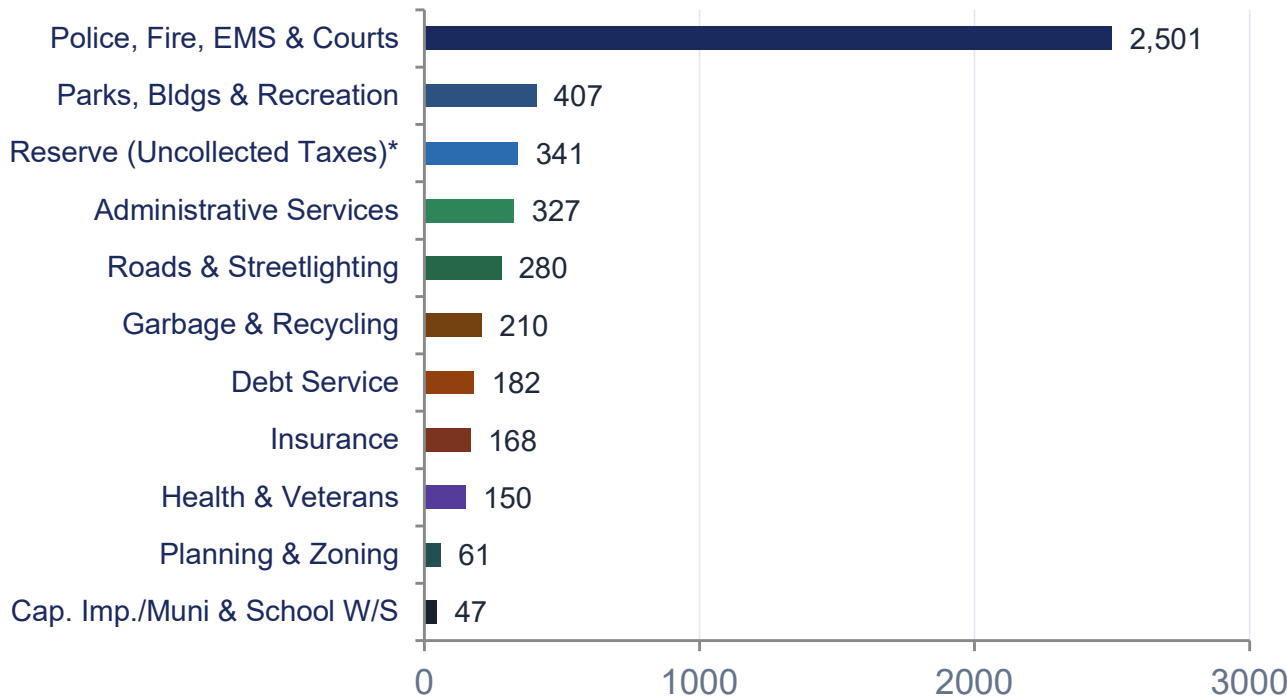
Every dollar of your \$4,674 municipal tax is allocated to a specific service. The breakdown that follows shows exactly what you are paying for — from police and fire to road maintenance and debt repayment.

### WHAT'S NEXT ►

Where Your \$4,674 Goes — A breakdown of every municipal service area and its cost per household.

# Where Does Your \$4,674 Municipal Tax Bill Go?

Based on average assessed home \$494,786 | Municipal taxes only — county & school appear separately on your bill | All people costs (salary, health, pension) and other expenses included in each service area.



## Quick Reference

Service Area	Share	Avg/Yr
Police, Fire, EMS & Courts	53.5%	\$2,501
Parks, Bldgs & Recreation	8.7%	\$407
Reserve (Uncoll. Taxes)*	7.3%	\$341
Admin Services	7.0%	\$327
Roads & Streetlighting	6.0%	\$280
Garbage & Recycling	4.5%	\$210
Debt Service	3.9%	\$182
Insurance, other than Med.	3.6%	\$168
Health & Veterans	3.2%	\$150
Planning & Zoning	1.3%	\$61
Capital Imp./Municipal & School Water/Sewer Usage	1.0%	\$47
<b>TOTAL</b>	<b>100%</b>	<b>\$4,674</b>

## Water & Sewer (W/S) Utility — Billed Separately from Property Taxes

[→ See Section 5](#)

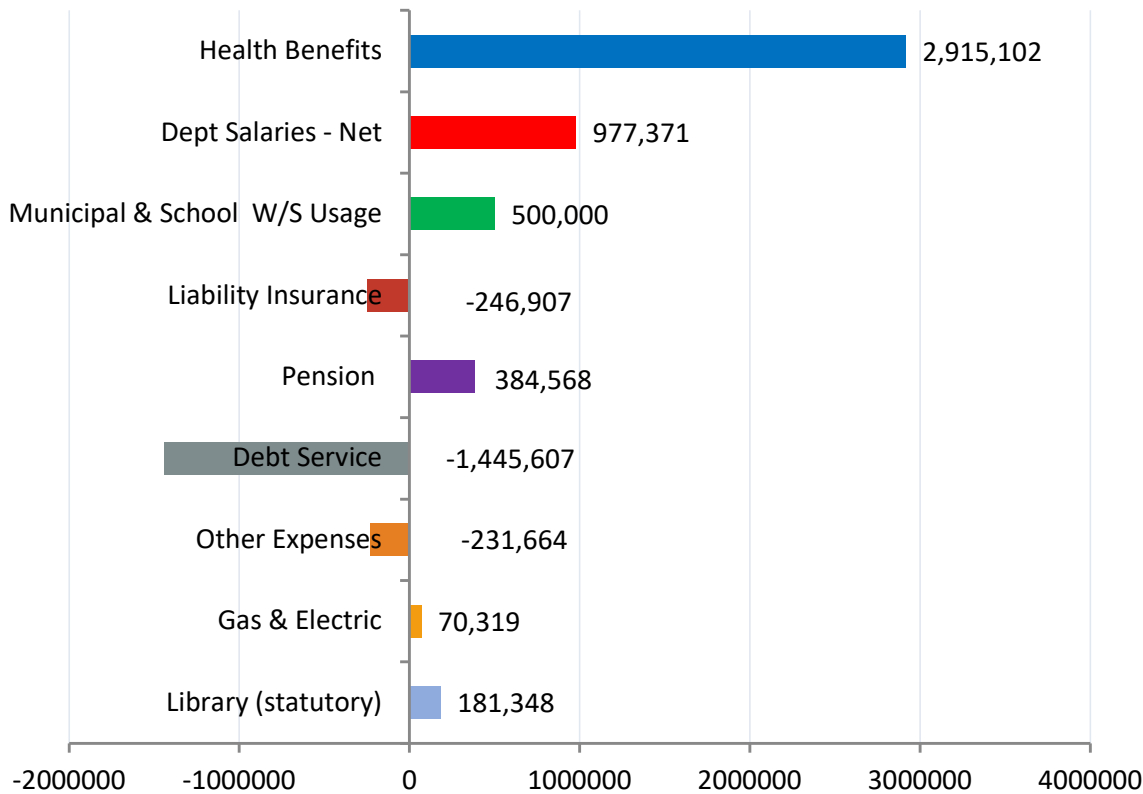
The \$11,780K utility budget is funded entirely by quarterly bills based on consumption.

**Library** (\$2,033,161) billed separately — not included above / \* Reserve for Uncollected Taxes is a state-mandated buffer.

# What Drove the Budget Increase?

Budget up \$3,104,530 (4.8%) | Revenue offsets down \$224,807 = Municipal levy up \$3,147,989 (+7.2%) | Library levy up \$181,348 (+9.8%)

## Overall Budget Change Drivers



## Salary Increase — By Department

**90% of the salary increase is Public Safety -**  
all other departments combined amount to 10%

Department	2026 S&W Chg	Note
<b>PUBLIC SAFETY</b>	<b>+\$877,778</b>	
Fire Department	<b>+\$563,216</b>	FMBA contract
Police Department	<b>+\$255,289</b>	PBA contract
Other Public Safety	<b>+\$59,273</b>	Courts, EMS, Haz-Mat
<b>ALL OTHER DEPARTMENTS</b>	<b>\$99,593</b>	
Dept of Public Works	+\$45,000	Teamsters contract
Mayor's Office	+\$10,040	Non-union
Parks & Public Property	+\$108,968	Teamsters contract
Public Affairs	-\$8,000	Non-union
Revenue & Finance	-\$56,415	Non-union
<b>TOTAL ALL DEPARTMENTS</b>	<b>+\$977,371</b>	<b>Net salary change 2026 vs 2025</b>

*Salary increases reflect contractual obligations — FMBA (Fire), PBA - (Police), Teamsters. Non - Union managed separately.*

# The Township Reduces Your Tax Burden With Non-Tax Revenues



## How the Tax Levy Is Determined

The tax levy is not simply the total budget. The Township first collects all available non-tax revenues — State Aid, PILOT payments, interest income, fees, and surplus — and subtracts them. Only the remainder is raised from taxpayers.



## Operating Revenues Improved in 2026

Excluding the 777 Building accounting item, operating revenues **actually increased** by over \$1.3 million in 2026 — driven by new PILOT billings, higher investment returns, and increased permit activity. Revenues are not the problem.



## One Revenue Loss Worth Noting

The Board of Education discontinued its \$300,000 annual crossing guard contribution. This was a BOE decision outside the Township's control, and it added approximately \$30 to the average household's municipal tax bill.

### WHAT'S NEXT ►

Revenue Changes in Detail — A line-by-line look at what changed in 2026 and why.

# 2026 Revenue Changes — What Changed and Why

Revenue Source	2026	2025	Change	Plain-Language Note
Applied Reserve	\$5,500,000	\$5,000,000	<b>\$500,000</b>	Increased surplus appropriation
PILOT Revenues	\$2,562,000	\$2,162,000	<b>\$400,000</b>	Increased PILOT billings
Interest Income	\$1,115,500	\$800,000	<b>\$315,500</b>	Higher returns on bank interest
BOE Lease Payment	\$220,000	\$0	<b>\$220,000</b>	New lease agreement related to 777 Bldg.
Parking Meter Fees	\$350,000	\$305,944	<b>\$44,056</b>	Improved meter collections
Municipal Court Revenues	\$270,000	\$230,000	<b>\$40,000</b>	Slight increase
Construction Permit Fees	\$452,000	\$427,000	<b>\$25,000</b>	Active development activity
EMS Billings – Medicare/Medicaid	\$715,000	\$700,000	<b>\$15,000</b>	Slight increase
State Aid	\$5,310,204	\$5,310,204	\$0	Flat — no increase from State
Cable Franchise Fees	\$345,000	\$370,087	<b>-\$25,087</b>	Declining cable subscribers
Delinquent Tax Receipts	\$1,060,000	\$1,100,000	<b>-\$40,000</b>	Stable trend overall
BOE Crossing Guard Contribution	\$0	\$300,000	<b>-\$300,000</b>	BOE subsidy cancellation
Capital Improvement Reserve	\$250,000	\$1,774,028	<b>-\$1,524,028</b>	777 Bldg. pre-K initial payment in 2025, principal payment in 2026
Net Other	\$697,060	\$592,308	<b>\$104,752</b>	Various small adjustments across several accounts
<b>Total General Revenues (excluding Grants)</b>	<b>\$18,846,764</b>	<b>\$19,071,571</b>	<b>-\$224,807</b>	

Full revenue detail available at [nutley.nj.org/budget](https://nutley.nj.org/budget)

# Nutley Is Financially Sound — Here Is the Evidence



## What a Bond Rating Tells You

An S&P Aa1, one step below AAA, bond rating means independent credit analysts have reviewed Nutley's finances and concluded the Township is a very safe borrower — similar to having an excellent personal credit score over 800. This earns us lower interest rates, which saves taxpayers money.



## Debt Is Actively Managed

Nutley's net debt dropped by \$3.6 million in 2025 alone — from \$25.4M to \$21.8M. The Township uses only 11.1% of its legal borrowing limit, leaving \$174 million of remaining capacity for future needs without financial strain. We have and will continue to maintain a very conservative approach to long term debt.



## The 777 School Building Investment

The \$7.75M 777 Building balance is short-term renewable Note financing for Nutley's new school building. It is structured to transition to the School District in 2032 when their major existing debt matures — minimizing long-term burden on municipal taxpayers.

### WHAT'S NEXT ►

Fiscal Health & Debt Composition — Bond rating, borrowing capacity, debt structure, and interest rates.

# Nutley's Fiscal Health — We Are in Strong Shape

S&P GLOBAL

# Aa1

Bond Rating

*Very safe borrower — excellent credit*

BORROWING USED

# 11.1%

of Legal Limit

*\$174M remaining borrowing capacity*

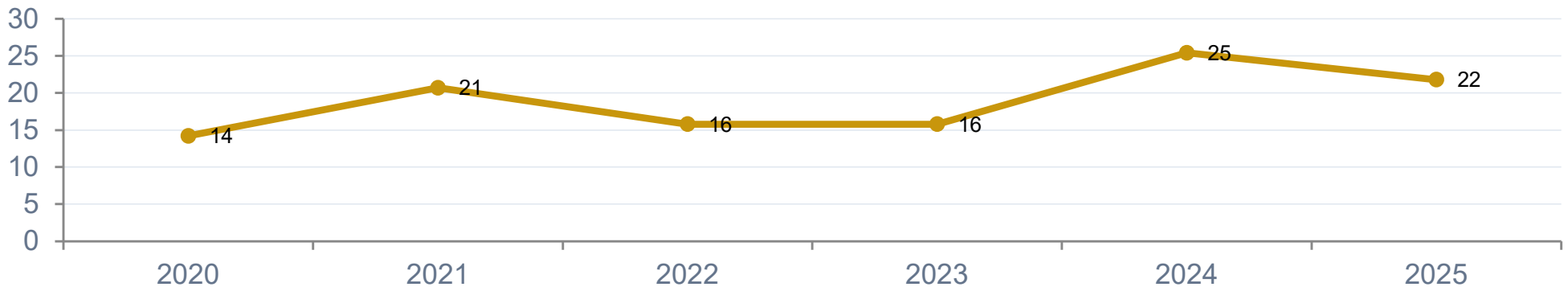
NET DEBT 2025

# \$21.8M

↓ from \$25.4M in 2024

*Debt reduced by \$3.6M in one year*

## Net Debt Trend — Responsible Cyclical Pattern



# Understanding Our Debt — What We Owe and Why

TOTAL NET DEBT

**\$21.8M**

*(2025 Annual Debt Statement)*

*11.1% of \$195.8M legal limit*

777 BUILDING

**\$7.75M**

*New school building balance*

*35.6% of total net debt*

GENERAL DEBT

**\$14.0M**

*Roads, infrastructure, capital*

*64.4% of total net debt*

## 2026 Annual Debt Service — How We Are Paying It Down

Debt Category	2026 Payment	Interest Rate	Structure & Context
<b>GENERAL MUNICIPAL BONDS — \$14.0M outstanding</b>			
Bond Principal	\$1,650,000	~2.0%	10-year bonds; principal matures every 5 years — steadily reducing balance
Bond Interest	\$284,818	~2.0%	Interest declines each year as principal is repaid
<b>777 BUILDING (NEW SCHOOL) — \$7.75M outstanding</b>			
Annual Note Interest	\$340,104	~2.5%	Short-term financing until the net debt transfers to the School District 2032†
Annual Note Principal Payment	\$250,000	—	Loan Principal repayment
<b>GREEN ACRES STATE LOAN — Open space preservation</b>			
Green Acres Loan Payment	\$41,776	~2.0%	State DEP loan, 10-year term, fixed low rate
<b>TOTAL ANNUAL DEBT SERVICE</b>	<b>\$2,566,697</b>	<b>~2.1%</b>	<b>\$184/yr per avg home   3.9¢ per muni tax dollar   incl. \$100K capital down payment</b>

*Nutley's Aa1 (S&P) bond rating means we borrow at favorable rates (~2% general bonds). † 777 Building BAN balance transitions to the Nutley School District in 2032 when their major debt matures.*

# Grants Keep Taxes Lower — Funding Major Projects Without New Debt



## \$1M+ in Annual Grant Awards

Nutley secures well over \$1 million in competitive grant awards annually (\$2.3 million in 2025). These awards fund capital improvements that would otherwise require the Township to issue bond debt — directly protecting taxpayers from higher borrowing costs.



## Largest Awards: Roadway and Park Improvements

The largest grants Nutley received in 2023, 2024 and 2025 provided funds for roadway (Chestnut Street and Bloomfield Avenue) and park improvement (Father Glotzbach) projects — that benefit every resident. Grant funding covers costs that would otherwise fall entirely on local taxpayers.



## Professional Grant Sourcing

Nutley retains a dedicated outside service to continuously identify and pursue available grant opportunities on behalf of the Township — ensuring we capture every dollar of outside funding available each year.

# The Utility Is Fully Self-Supporting — Billed Separately



## Those Who Use the Service Pay for the Service

The Nutley Municipal Water & Sewer Utility is funded entirely by user rates. It does not appear in the municipal property tax budget and has zero impact on your tax levy.



## A Fully Transitioned Utility

The transition to a combined Water & Sewer Utility was completed in 2025. Sewer-related costs are no longer included in the property tax — they are billed based on usage, consistent with most towns in Essex County.



## Rate Ordinance Under Development

**A new increase rate ordinance for 2026 has been cancelled.** A new rate ordinance is currently being developed for 2027. Revenues now include municipal and school use of water/sewer totaling \$500,000 for 2026. This entire amount has been absorbed in the municipal budget **without increasing the cost to taxpayers.**

### WHAT'S NEXT ►

2026 Utility Operating Costs — Where the \$11.78M goes and what drove the increase.

# 2026 Water & Sewer Utility — Revenues

Where Does the Money Come From?

Operating Revenues	2026	2025	Change	Change %
Surplus Anticipated	\$350,000	\$311,763	\$38,237	12.26%
Water & Sewer Billings	\$10,299,713	\$10,278,000	\$21,713	0.21%
Municipal and School - Water/Sewer Usage	\$500,000	\$0	\$500,000	100.00%
System Maintenance & Improvement Fees	\$610,558	\$710,000	-\$99,442	-14.01%
Other Small Revenues	\$20,000	\$0	\$20,000	100.00%
<b>Total Anticipated Revenues</b>	<b>\$11,780,271</b>	<b>\$11,299,763</b>	<b>\$480,508</b>	<b>4.25%</b>

- NJ Statutes and regulations require that the Utility Fund remains self-sustaining, total revenues must be sufficient to cover all operating expenses. Met for 2026.
- There will be no rate increase for 2026. A new ordinance will be needed in 2027.
- The projected revenue increase is primarily attributable to the anticipated water and sewer revenues associated with Board of Education and Township water and sewer usage which is a new line item for this year.

# 2026 Water & Sewer Utility — Operating Costs

Total 2026 budget: \$11,780K | ↑ \$481K (4.3%) from 2025.

Cost Detail (\$K means in thousands) | ● color matches Cost Mix chart on next slide

●	Cost Category	2026	2025	Change	% Chg
	⚠ EXTERNAL — Fixed regional authority costs (rates set by external providers)				
●	Passaic Valley Sewer	\$5,065K	\$4,723K	+\$342K	+7.2%
●	NJ / PV / Newark Water	\$2,480K	\$2,378K	+\$103K	+4.3%
	<b>External Subtotal</b>	<b>\$7,545K</b>	<b>\$7,101K</b>	<b>+\$444K</b>	<b>+6.3%</b>
	✓ INTERNALLY MANAGED — People & operations costs				
●	Salaries & Wages	\$2,494K	\$2,393K	+\$101K	+4.2%
●	Benefits, Pension & Insurance	\$1,132K	\$1,095K	+\$37K	+3.4%
●	Operations & Other Expense	\$423K	\$424K	\$1K	-0.3%
●	Debt Service	\$186K	\$287K	\$100K	-35.0%
	<b>Internal Subtotal</b>	<b>\$4,235K</b>	<b>\$4,199K</b>	<b>+\$36K</b>	<b>+0.9%</b>
	<b>TOTAL UTILITY BUDGET</b>	<b>\$11,780K</b>	<b>\$11,300K</b>	<b>+\$481K</b>	<b>+4.3%</b>

# 2026 Utility Budget — Cost Composition (\$11,780K)

## ⚠️ EXTERNAL COSTS

64% of budget | \$7,545K | Rates set externally

### • NJ / PV / Newark Water

**\$2,480K**

21% of total budget

↑ +\$103K (+4.3%)

*Bulk water purchase — regionally priced*

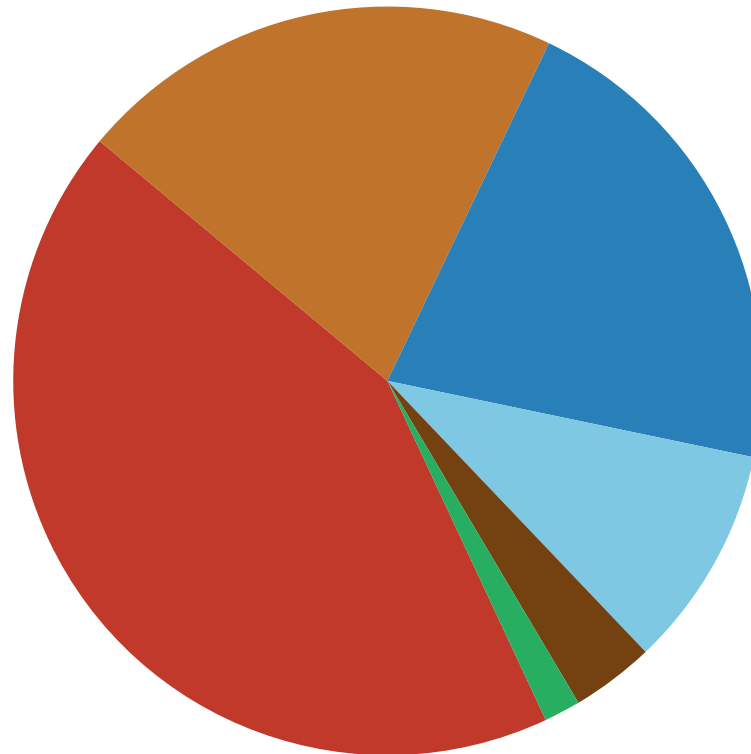
### • Passaic Valley Sewer

**\$5,065K**

43% of total budget

↑ +\$342K (+7.2%)

*Regional authority — rate not set by Nutley*



## ✓ MANAGED COSTS

36% of budget | \$4,235K | +0.9% — essentially flat

### • Salaries & Wages

**\$2,494K 21%**

*+\$101K vs 2025 | Contractual — union agreements*

### • Benefits, Pension & Med. Ins.

**\$1,132K 10%**

*+\$37K vs 2025 | Manpower-based — staffing driven*

### • Operations & Other Expenses

**\$423K 4%**

*-\$1K vs 2025 | Utilities, maintenance, supplies*

### • Debt Service

**\$186K 2%**

*-\$100K vs 2025 | ↓ 35% — loan payments declining*

⚠️ External (Sewer + Water): \$7,545K — 64% of budget — rates set by regional authorities, outside Nutley's control | ✓ Managed (People + Operations + Debt): \$4,235K — 36% of budget — **held to +0.9% through local management**

SECTION 6

TAX COMPARISON BASED ON 2025  
2026 Comparable data not yet available.

# Comparing Fairly — Why These Five Towns and Not Others



### Same Service Structure

All five towns operate a Paid Fire Department and a Local School System — the two major cost drivers in any municipal budget. Towns with volunteer fire or shared regional schools have fundamentally lower cost bases and are not a fair comparison. Only 10 of Essex County's 21 municipalities share this structure with Nutley.



### Reasonably Similar Demographics

We selected towns with median household incomes, average assessed home values, and population sizes in a reasonable range of Nutley's. Newark, Irvington, East Orange, and Orange share the same service structure but have very different income levels and property values — making a direct comparison misleading. They are not included.



### All Five Shown Honestly

Belleville and Bloomfield have lower tax bills than Nutley. West Orange and Montclair have higher bills. All five are shown. The school aid each town receives per resident is included in the table below — it directly explains why bills differ and puts Nutley's position in full context.

THE 5 COMPARABLE TOWNS | School Aid: 2025-26 NJDOE | Bills: 2025 NJ Tax Rate Tables | Municipal Aid: NJ DCA CY2025

Town	Avg Tax Bill	Median Income	Population	Avg Assessed Home Value	School Aid (total)	School Aid per Resident	Muni Aid (total)	Muni Aid per Resident
Belleville	\$11,635	\$90,140	38,200	\$279,899	\$68.3M	\$1,788	\$6.5M	\$170
Bloomfield	\$12,381	\$103,604	53,100	\$354,872	\$51.5M	\$970	\$6.4M	\$121
<b>NUTLEY ★</b>	<b>\$13,316</b>	<b>\$119,734</b>	<b>30,100</b>	<b>\$493,362</b>	<b>\$12.1M</b>	<b>\$402</b>	<b>\$5.3M</b>	<b>\$176</b>
West Orange	\$16,168	\$129,753	48,800	\$615,472	\$32.6M	\$668	\$4.7M	\$96
Montclair	\$22,489	\$151,075	40,900	\$639,628	\$9.9M	\$242	\$3.0M	\$73

**Nutley receives \$402 in school aid per resident** — Belleville receives \$1,788, Bloomfield \$970 and West Orange \$668. Higher school aid means less to raise locally — directly lowering taxpayer bills.

**Nutley's municipal aid has stabilized at \$5.3 million.** While lower than Belleville and Bloomfield, it has doubled since 2015 lowering the growth in property taxes \$220.00 on average.

# Plain Language Budget Guide — Key Terms Explained

## **Tax Levy**

The total amount raised from local property taxes to fund the budget after all other revenues are subtracted.

## **PILOT Revenue**

'Payment In Lieu Of Taxes' — annual payments from certain properties (e.g. 777 Building) instead of standard taxes.

## **Applied Reserve**

Money saved in prior years deliberately set aside to reduce how much needs to be raised from taxpayers this year. Min of \$5.0 Million reapplied each year.

## **Reserve for Uncollected Taxes**

A financial cushion required by state law that covers the small percentage of property taxes residents may not pay on time.

## **Deferred Charges**

One-time costs that state law allows the Township to spread over future years rather than pay all at once.

## **Debt Service**

Annual payments of principal and interest on bonds the Township borrowed to build or improve public facilities.

## **Equalized Valuation**

The state's estimate of the total fair market value of all property in Nutley — used to calculate borrowing limits.

## **PERS / PFRS**

State pension systems: PERS for civilian employees, PFRS for police and fire. Both required by state law.

## **Self-Liquidating**

NJ Statutes and regulations require that the Utility Fund remains self-sustaining, total revenues must be sufficient to cover all operating expenses.

## **Per Resident**

Total state aid divided by the number of people living in the town. Used in the Tax Comparison section (Section 6) to show how much school aid each town receives for every resident — making it possible to fairly compare towns of different sizes.

TOWNSHIP OF NUTLEY

# Thank You

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Questions about the 2026 budget? Contact:

**Department of Revenue & Finance**

Township of Nutley | 1 Kennedy Drive, Nutley, NJ 07110

**[Treasureroffice@nutleynj.org](mailto:Treasureroffice@nutleynj.org)**