

TOWNSHIP OF NUTLEY

2026 Municipal Budget

Public Budget Hearing Presentation- **Subject to Amendment
before Adoption.**



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



Prepared by the Department of Revenue & Finance

Scan to download presentation

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 — 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

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



What This Deck Covers

The 2026 municipal operating budget presented at tonight's public hearing 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. Share it freely. Questions not answered here can be directed to 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 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
Muni + Library Combined Total	\$4,877	+\$340	Tonight's hearing
School District	\$7,234	+\$410	As adopted by BOE
County (estimate)	\$2,009	\$50	Determined by Essex County
TOTAL Average Residential Increase	\$14,120	~+\$800	Combined Total or \$68 per month

~ 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	\$67,661,822	\$64,799,792	+\$2,862,030	+4.4%
Total Revenues, other than taxes	\$18,604,264	\$19,071,571	-\$467,307	-2.5%
Municipal Tax Levy	\$47,024,397	\$43,876,408	+\$3,147,989	+7.2%
Library Tax Levy	\$2,033,161	\$1,851,813	+\$181,348	+9.8%
Total Paid by Taxpayers (Muni + Library)	\$49,057,558	\$45,728,221	+\$3,329,337	+7.3%

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. Tonight's hearing covers only the municipal portion — 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

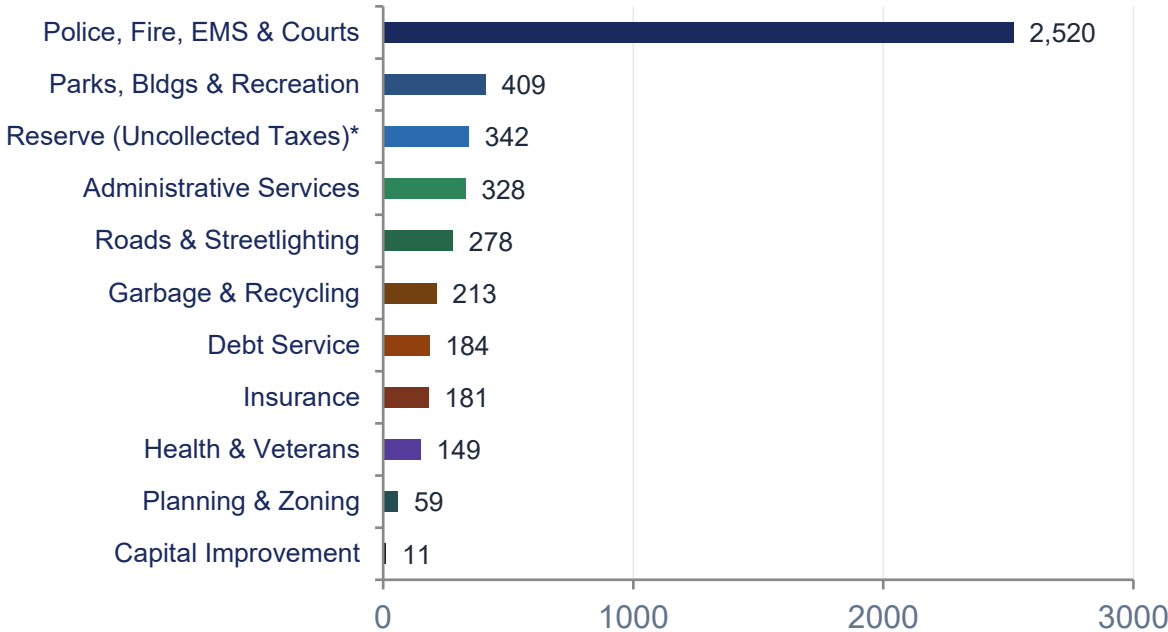
Every dollar of your \$4,674 municipal tax is allocated to a specific service. The breakdown that follows shows exactly what you are paying for — from police and fire to road maintenance and debt repayment.

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) included in each service area.



Quick Reference

Service Area	Share	Avg/Yr
Police, Fire, EMS & Courts	53.9%	\$2,520
Parks, Bldgs & Recreation	8.7%	\$409
Reserve (Uncoll. Taxes)*	7.3%	\$342
Admin Services	7.0%	\$328
Roads & Streetlighting	6.0%	\$278
Garbage & Recycling	4.6%	\$213
Debt Service	3.9%	\$184
Insurance, other than Med.	3.9%	\$181
Health & Veterans	3.2%	\$149
Planning & Zoning	1.3%	\$59
Capital Improvement	0.2%	\$11
TOTAL	100%	\$4,674

Water & Sewer Utility — Billed Separately from Property Taxes

Not part of your tax bill. The \$11,780K utility budget is funded entirely by quarterly user rates.

[→ See Section 5](#)

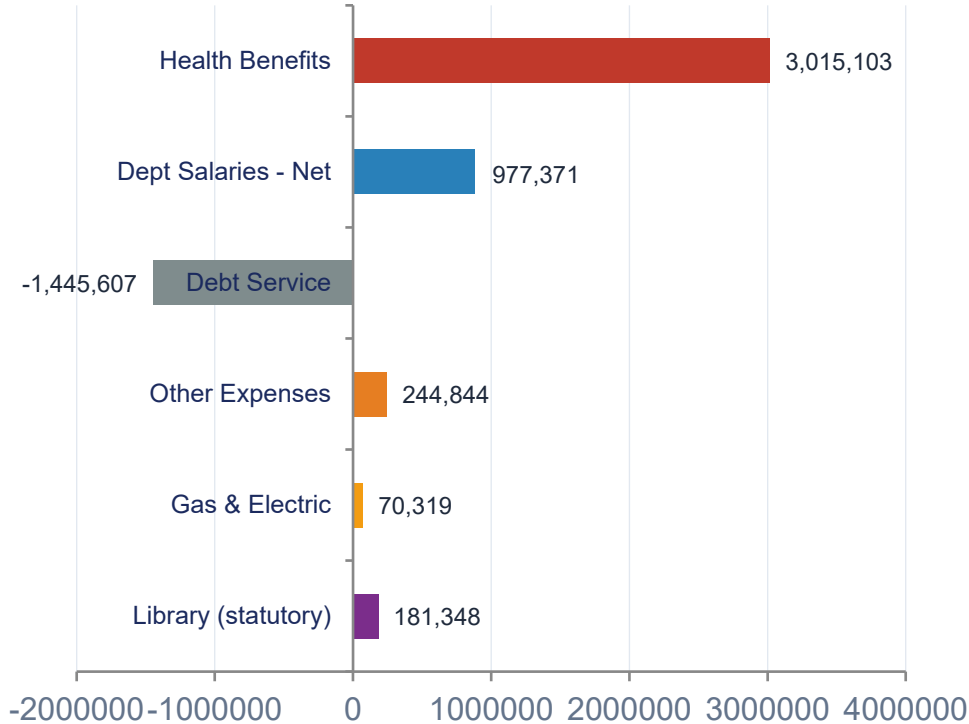
Billed quarterly based on consumption

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

What Drove the Budget Increase?

Budget up \$2,862,030 (4.4%) | Revenue offsets down \$467,307 = 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
PUBLIC SAFETY	+\$877,778	
Fire Department	+\$563,216	FMBA contract
Police Department	+\$255,289	PBA contract
Other Public Safety	+\$59,273	Courts, EMS, Haz-Mat
ALL OTHER DEPARTMENTS	\$99,593	
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
TOTAL ALL DEPARTMENTS	+\$977,371	Net salary change 2026 vs 2025

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- 100% utilization	\$5,250,000	\$5,000,000	+\$250,000	Increased surplus appropriation
State Aid	\$5,310,204	\$5,310,204	\$0	Flat — no increase from State
PILOT Revenues	\$2,562,000	\$2,162,000	+\$400,000	Increased PILOT billings
Interest Income	\$1,115,500	\$800,000	+\$315,500	Higher returns on investments
Delinquent Tax Receipts	\$1,060,000	\$1,100,000	-\$40,000	Slight reduction
EMS Billings – Medicare/Medicaid	\$715,000	\$700,000	+\$15,000	Slight increase
Construction Permit Fees	\$452,000	\$427,000	+\$25,000	Active development activity
Parking Meter Fees	\$350,000	\$305,944	+\$44,056	Improved collection
Cable Franchise Fees	\$345,000	\$370,087	-\$25,087	Declining cable subscribers
Capital Improvement Reserve	\$250,000	\$1,774,028	-\$1,524,028	777 Bldg pre-K initial payment in 2025, principal payment in 2026
BOE Crossing Guard Contribution	\$0	\$300,000	-\$300,000	Eliminated — added ~\$30 to avg tax bill

Full revenue detail available at nutleynj.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.

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

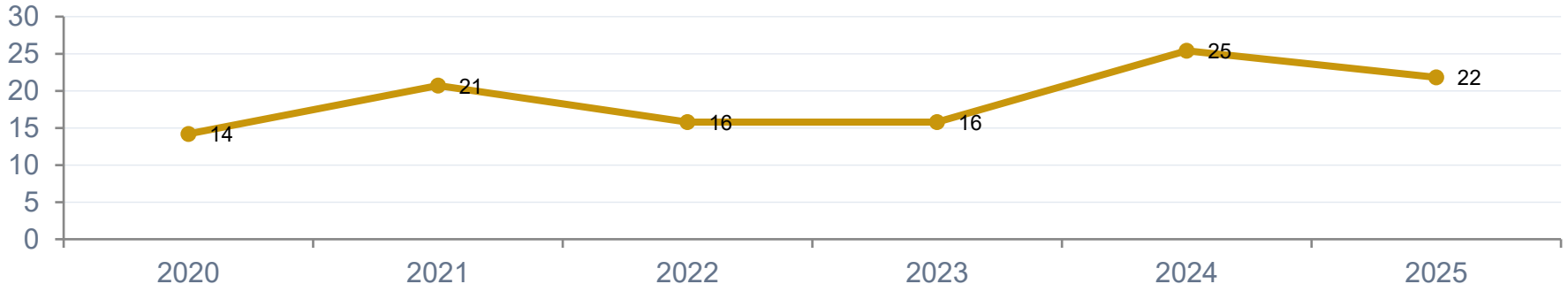
NET DEBT 2025

\$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
GENERAL MUNICIPAL BONDS — \$14.0M outstanding			
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
777 BUILDING (NEW SCHOOL) — \$7.75M outstanding			
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
GREEN ACRES STATE LOAN — Open space preservation			
Green Acres Loan Payment	\$41,776	~2.0%	State DEP loan, 10-year term, fixed low rate
TOTAL ANNUAL DEBT SERVICE	\$2,566,697	~2.1%	\$184/yr per avg home 3.9¢ per muni tax dollar incl. \$100K capital down payment

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 Goltzbach) 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. The rate structure is currently under review by the Board of Commissioners for 2026.



Rate Ordinance Under Development

A new rate ordinance is currently being developed and will not be ready for this hearing. The revenue side of the utility budget is subject to change. This section presents 2026 operating costs only. Rate impact information will be presented when the ordinance is finalized.

2026 Water & Sewer Utility — Operating Costs

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

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%
External Subtotal		\$7,545K	\$7,101K	+\$444K	+6.3%
✓ 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%
Internal Subtotal		\$4,235K	\$4,199K	+\$36K	+0.9%
TOTAL UTILITY BUDGET		\$11,780K	\$11,300K	+\$481K	+4.3%

Revenue side is not presented as it is subject to change pending new rate ordinance. Rate impact to be presented separately before we adopt the Municipal Budget 2026. See next slide for cost composition.

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

⚠️ EXTERNAL COSTS

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

• Passaic Valley Sewer

\$5,065K

43% of total budget

↑ +\$342K (+7.2%)

Regional authority — rate not set by Nutley

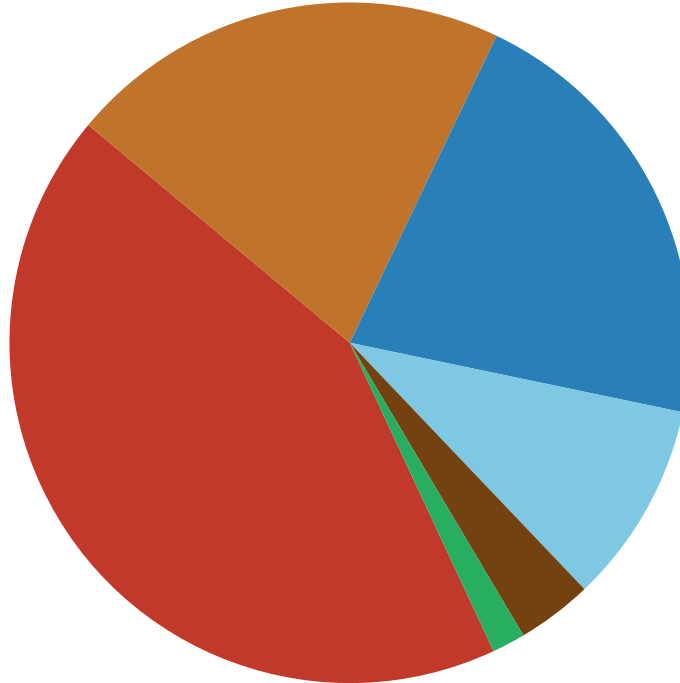
• NJ / PV / Newark Water

\$2,480K

21% of total budget

↑ +\$103K (+4.3%)

Bulk water purchase — regionally priced



✓ 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

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.

TOWNSHIP OF NUTLEY

Thank You

Questions about the 2026 budget? Contact:

Department of Revenue & Finance

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

Treasureroffice@nutleynj.org