



South Orange Village
**Fiscal Year
2025 Budget**

Introduced to the Village Council
Monday, March 10, 2025



BUDGET PLANNING OBJECTIVES

- **Achieve fiscal sustainability**
 - Continued adherence to fund balance policy
 - Manage inflationary impact on capital projects & operational expenses
 - Maintain flat year over year operational expenses for which we have control (exceptions: engineering staff and contractual obligations)
 - Revisit 6-year capital plan; seek alternate sources of funding/financing
 - Optimize Open Space Trust Fund (OSTF) spending plan
- **Deliver Village services effectively, efficiently and equitably**
- **Engage stakeholders throughout the budgeting process and facilitate constituent engagement and response**
 - Committee Discussions
 - Departmental Budget Presentations
 - Nonprofit Partner Organizations Budget Presentations
 - Finance Committee Meeting
 - Village Council Meetings

VILLAGE PRIORITIES and BUDGET IMPLICATIONS

• Pedestrian & Vehicular Safety Initiatives

- Increased investment in road projects - \$240,000 over prior year
- Crosswalk and Roads Striping - \$60,000
- SS4A Planning Grant match funding - \$25,000
- Additional p/t code inspectors w/focus on enforcement of leaf removal and sidewalks - \$20,000
- Warrant Signal Analysis @Third St. & Ridgewood Rd. – \$15,000
- Purchase temporary delineators, flashing crosswalk signs and other pedestrian safety devices - \$10,000
- Protected Bike lane and crosswalk testing Mead St. – Match AARP Grant Funding led by WBRSO - \$1,500

• Environmental and Sustainability Initiatives

- Tree Planting
 - \$100,000 DPW operating expenses
 - \$50,000 OSTF (Parks, Park Adjacent, Historic Adjacent)
 - Build Tree Replacement Fund through new Tree Ordinance adopted in 2024 (unanticipated revenue)
- Stormwater Water - Rain Garden near SOMSD in Meadowland Park (led by EC)

• Infrastructure Improvements

- Sanitary Sewer Projects & Maintenance - \$85,000
- Stormwater Projects & Maintenance - \$135,000 (+\$50,000 for hydraulic analysis at White Oak & Glenview)
- \$1.140M in roads reconstruction, milling & paving – Capital Budget

VILLAGE PRIORITIES and BUDGET IMPLICATIONS

- **Expanded Recreational Offerings**

- Recreation Programs + \$39,000
- Cultural Affairs, Arts & Special Events Programs: +\$20,000
- Parks improvements, equipment & maintenance: +\$10,000 Operating | \$1.9M Capital

- **Buildings & Maintenance**

- Additional \$1 million appropriated for Library renovation; offset capital costs during construction where possible
- Increase building & maintenance repair budget: +\$50,000

- **Staff Development & Retention**

- Propose salary adjustments - \$50,000
- Increase engineering budget - \$25,000
- Finalize Teamsters Contract - 3% off-guide, spot increases
- 2.75% cost of living adjustment for nonunion employees
- Education & training across all departments

FY '25 BUDGET REALITIES

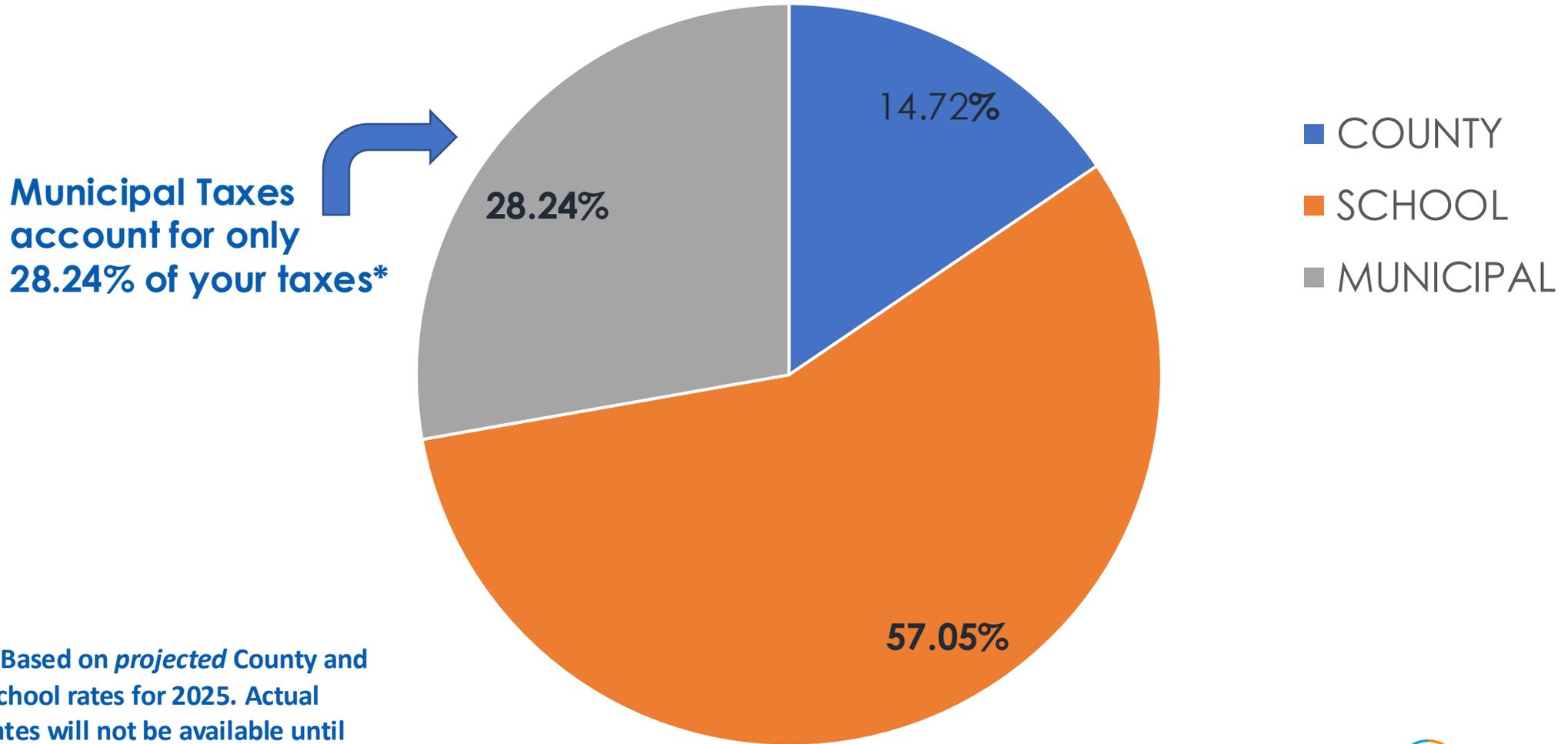
1. Uncontrollable Spending Increases

- Health Care Premiums +9%
- Social Security +14.65%
- Street Lighting +5%
- Debt Service Principal & Interest Payments +4%

2. Other Considerations & Challenges

- Employee contracts
- Inflationary environment

WHERE DOES YOUR TAX DOLLAR GO?



**Municipal Taxes
account for only
28.24% of your taxes***

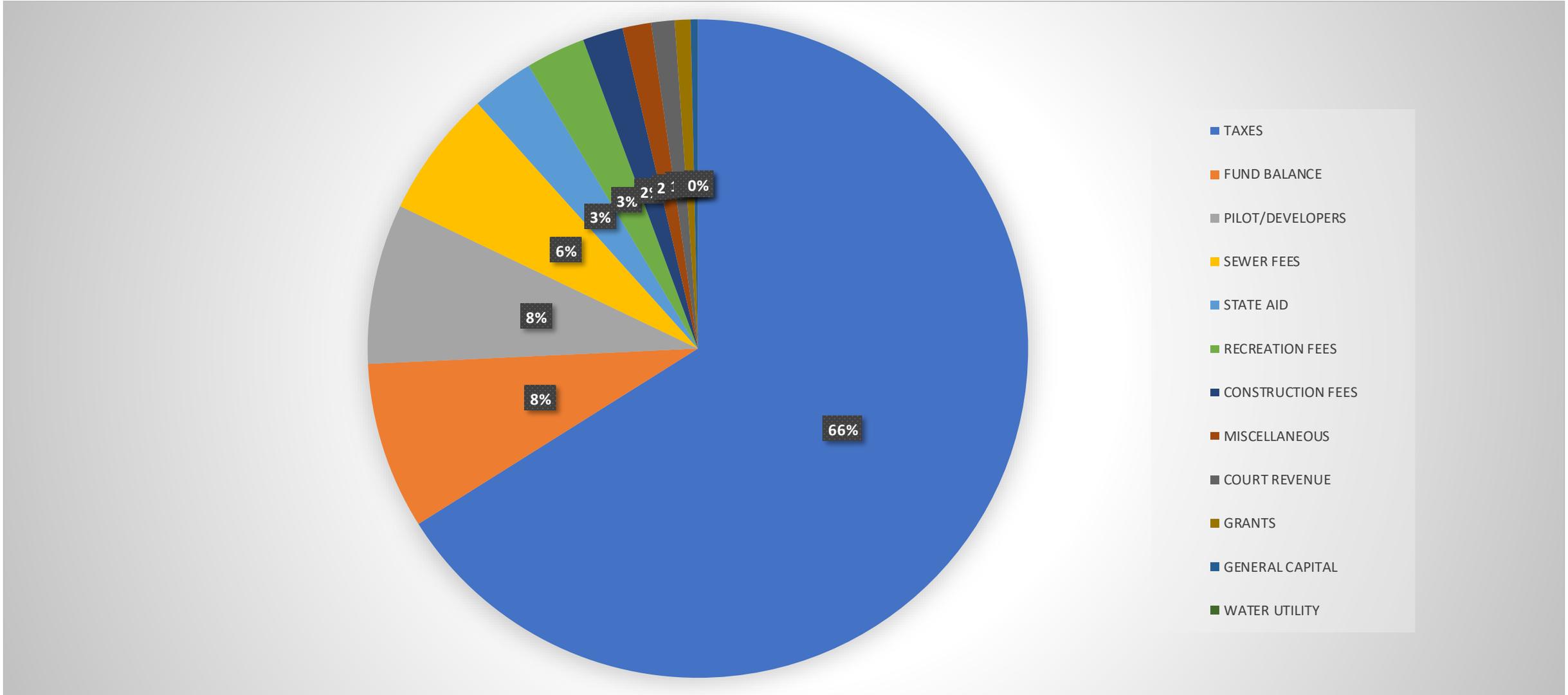
***Based on *projected* County and School rates for 2025. Actual rates will not be available until mid-to-late 2025.**



FY '25 BUDGET Overview

- Total budget: \$48,076,819.75
- Municipal property tax increase: 3.997%
- Amount to be raised in taxes \$31,758,059.91
- Impact on Average Homeowner:
 - Average residential assessment: \$879,273.03
 - Municipal tax rate: 0.723
 - Municipal taxes on average assessment: \$6,358.71
 - Year over year increase: \$255.37

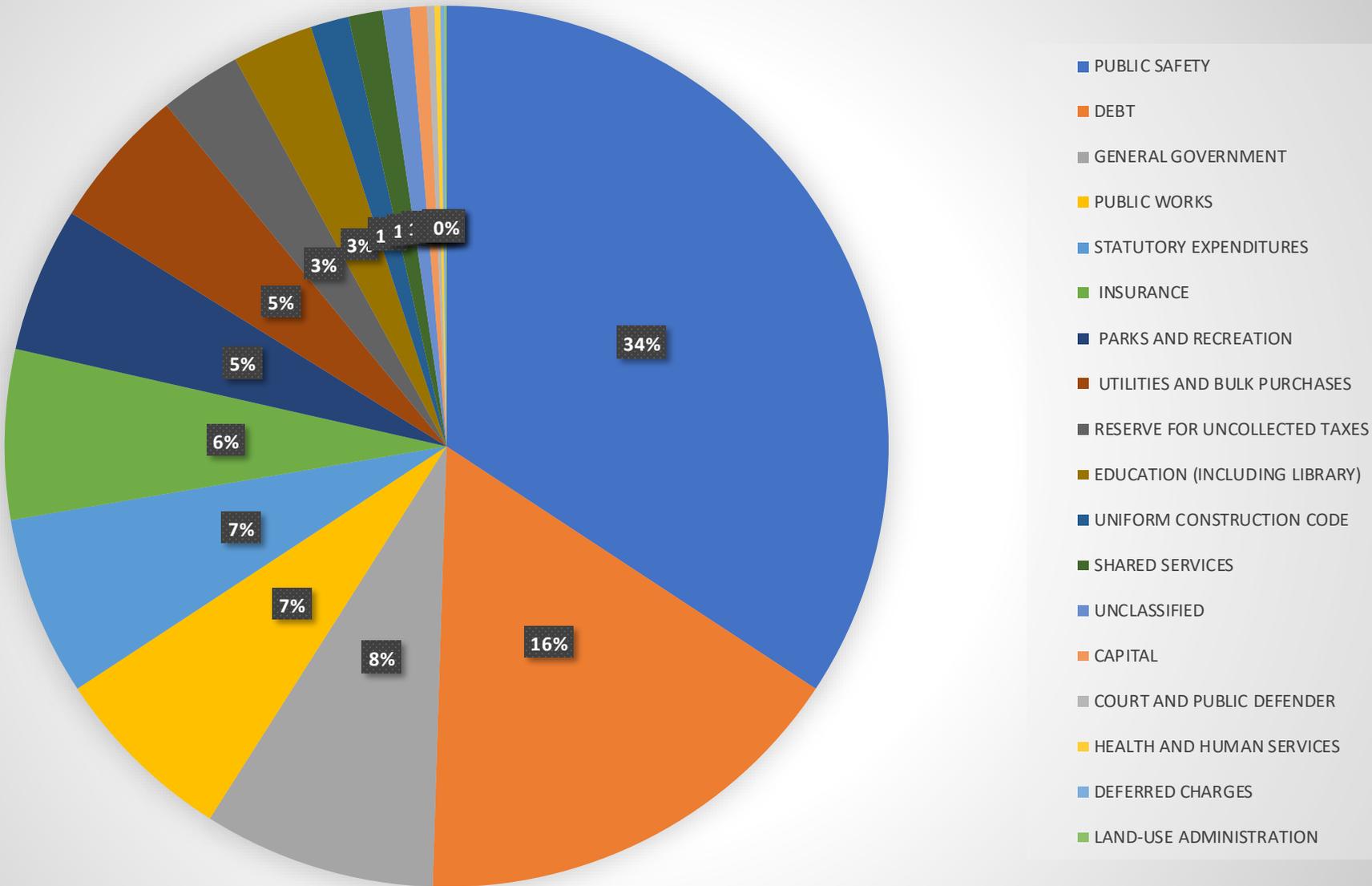
WHERE DO LOCAL REVENUES COME FROM?



WHERE DO LOCAL REVENUES COME FROM?

TAXES	\$	31,758,049.91	66.06%
FUND BALANCE	\$	3,943,000.00	8.20%
PILOT/DEVELOPERS	\$	3,779,000.00	7.86%
SEWER FEES	\$	3,008,100.00	6.26%
STATE AID	\$	1,474,233.00	3.07%
RECREATION FEES	\$	1,400,000.00	2.91%
CONSTRUCTION FEES	\$	950,000.00	1.98%
MISCELLANEOUS	\$	671,956.22	1.40%
COURT REVENUE	\$	550,000.00	1.14%
GRANTS	\$	372,514.40	0.77%
GENERAL CAPITAL	\$	169,966.22	0.35%
TOTAL	\$	48,076,819.75	100.00%

HOW WILL YOUR TAX DOLLARS BE ALLOCATED?



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

APPROPRIATIONS:			
ADMINISTRATION & EXECUTIVE O/E	\$ 134,000.00	33%	ADD'L PROF FEES: LEGAL, INSURANCE, WATER SALE CLOSING COSTS (TO BE OFFSET BY NJAW PAYMENT)
TAX COLLECTION S&W	\$ 32,720.00	17%	ADD'L PART-TIME
ENGINEERING S&W	\$ 34,200.00	24%	POTENTIAL FULL TIME ENGINEER
EMPLOYEE GROUP BENEFITS	\$ 180,372.63	9%	STATUTORY
GENERAL LIABILITY/WORKERS COMP	\$ 48,475.00	5%	STATUTORY
POLICE S&W	\$ 87,500.00	1%	RETIREMENTS
HEALTH O/E	\$ (91,230.00)	-46%	GRANT REVENUE
RECREATION S&W	\$ 390,000.00	33%	OFFSET WITH REVENUE
SOCIAL SECURITY	\$ 83,033.90	15%	STATUTORY
PERS (PENSION)	\$ (85,262.38)	-13%	STATUTORY
MUNICIPAL LIBRARY O/E	\$ 98,785.42	19%	STATUTORY
JOINT TRUNK SEWER MAINTENANCE	\$ 179,543.98	13%	PER INVOICE
SALARY ADJUSTMENTS	\$ 50,000.00	100%	PENDING MERIT INCREASES
SOUTH ESSEX FIRE DEPARTMENT	\$ 1,701,000.00	31%	INCLUDES \$932,534.00 PENSION (SEE BELOW); CAPITAL & OPERATING EXPENSES
PFRS (PENSION)	\$ (932,534.00)	-31%	MOVED TO SEFD LINE
CAPITAL IMPROVEMENT FUND	\$ 110,000.00	55%	UP TO \$5M OF NEW DEBT AUTHORIZED
BOND PRINCIPAL	\$ 645,000.00	14%	PER DEBT SERVICE SCHEDULES
NOTE PRINCIPAL	\$ (313,250.00)	-46%	PER DEBT SERVICE SCHEDULES
BOND INTEREST	\$ 549,300.00	52%	PER DEBT SERVICE SCHEDULES
NOTE INTEREST	\$ (169,000.00)	-17%	PER DEBT SERVICE SCHEDULES

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

REVENUE:			
SURPLUS ANTICIPATED	\$ (887,000.00)	-29%	FUND BALANCE UTILIZATION
RECREATION FEES	\$ (450,000.00)	-47%	OFFSET EXPENSES
SEWER USER FEES	\$ (308,100.00)	-11%	PER ACTUAL BILLING/COLLECTIONS
PILOT	\$ (769,000.00)	-27%	PER ACTUAL BILLING/COLLECTIONS
MUNICIPAL RELIEF FUND AID	\$ 151,958.78	100%	STATE AID NO LONGER OFFERED
GENERAL CAPITAL SURPLUS	\$ 125,339.10	42%	PREMIUM ON DEBT SERVICE TO OFFSET INCREASE
WATER UTILITY SURPLUS	\$ 300,000.00	100%	NO LONGER ALLOCATING ANYTHING TO WATER
JOINT MEETING REFUND OF SURPLUS	\$ 58,000.00	100%	PER INVOICE
3 RD & VALLEY CONTRIBUTION	\$ 70,000.00	39%	50% OF REMAINING BALANCE (\$220,000)
TOTAL MAJOR DRIVERS	\$ 1,046,103.43		
MAJOR DRIVERS AS % OF TOTAL CHANGE	0.883985382		



2025 CAPITAL BUDGET HIGHLIGHTS

Total 2025 Capital Request: \$3,779,000 (Net of Grant Awards)

- Cameron Recreation Area - \$1,537,500 (Green Acres Grant Matching Funds)
 - 2024 Roads and Sidewalks - \$1,400,000
 - So. Ridgewood Rd. (From 3rd St. to Lenox)
 - Lackawanna Place
 - Reynolds Place
 - Mercer Place
 - South Stanley Road
 - SOPD Parking Lot
 - 41-45 Third Street AH Parking Lot
 - Chyzowych Field Driveway
 - No. Ridgewood Rd. (Mountain House to Village Boundary)
 - Grove Park - \$580,000
 - DPW Front Trucks & Equipment - \$840,000
 - Municipal Building Maintenance & Repairs - \$310,000
 - Park and Field Improvements - \$290,000
 - Stormwater & Sewer \$220,000
 - Pool Shade - \$90,000

Financial Outlook: A Closer Look

- Proposed Open Space Trust Fund Increase – 2025 Ballot Referendum
- Recreation Fees – Ongoing assessment of program fees to reduce tax subsidies
- PILOT Revenue – Continued growth
 - 2024 – \$699,000 received over expected PILOT revenue
 - Current PILOTS – Positive trend continues
 - Taylor | Vose at 75%+ residential occupancy; 100% commercial
 - Meridia CO issued for residential occupancy; 100% commercial
 - Storage Platform CO issued February 2025
 - Mosaic TCO on track for spring 2025
 - 270-299 Irvington Avenue new owner expected to pursue development
 - Significant increases expected in 2025 with new developments reaching expected occupancy levels (
 - Possible future developments:
 - 164 Valley Street
 - 185 Church 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

- **2024 Grant Awards**

1. River Greenway Grant - \$1,400,000 (increase to existing)
2. Cameron Recreation Area Green Acres Grant - \$1,025,000
3. NJDOT Grants – \$483,000
4. NJACCHO (Health Services) - \$168,000
5. NPP Grant - \$125,000/Year 3
6. Safe Streets 4 All Planning - \$100,000
7. Clean Communities - \$39,123
8. Stormwater Assistance Grant - \$25,000
9. SOPD Grants, various - \$16,500
10. Municipal Alliance Grant - \$13,500
11. Essex County Youth Services Grant - \$10,000

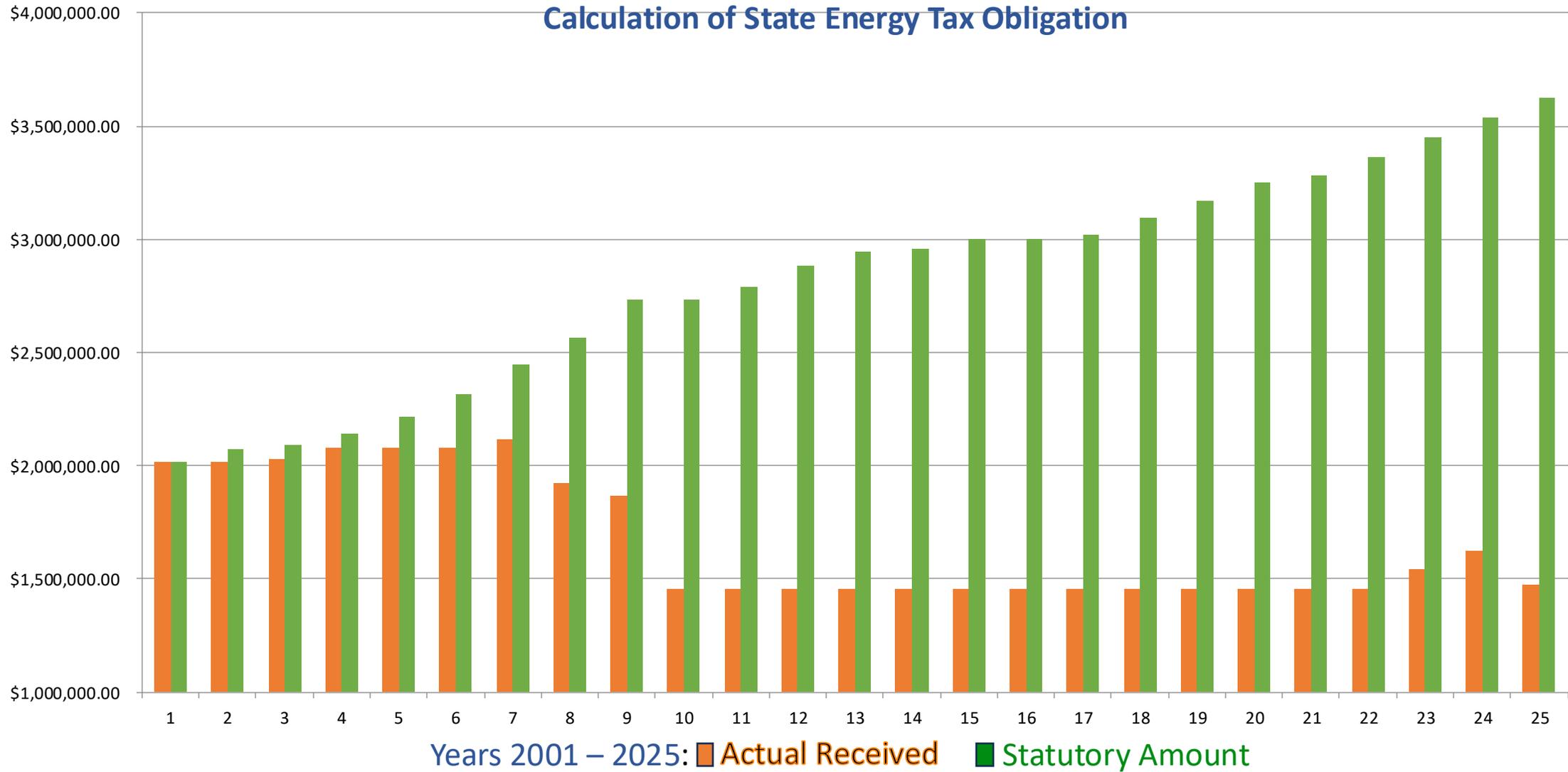
- **2025 Grant Applications, to date (Not included in 2025 Budget projections)**

1. Sustainable Jersey Grant – Rain Garden (Environmental Committee)
2. NJDOT Grant (2026 Road Improvements)
3. NPP Grant – Year 4
4. AARP Flagship Grant – Mead St. protected bike lane and crosswalk painting (WBRSO)
5. “Distracted Driving Crackdown” – (SOPD)
6. Local Recreation Improvement Grant – Additional Pool Shade
7. Community Project Grant (Federal Appropriation) – Sidewalks & Streetscapes



Financial Outlook: Revenue Sources – A Closer Look

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



2025 Proposed Budget – Next Steps

- March 24: Public Comment on Introduced (Council Meeting)
- March 25: OSTF Referendum Town Hall (Baird Center – In person)
- April 14: Public Comment and Final Passage (Council Meeting)

QUESTIONS?