



**2026 BUDGET
PRESENTATION
& OVERVIEW OF
PROPOSED
ADMINISTRATIVE
BUDGET**

BOROUGH OFFICIALS & FINANCIAL PROFESSIONALS

MAYOR

Jason F. Cilento

BOROUGH COUNCIL

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CHIEF FINANCIAL OFFICER

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BOROUGH CLERK

Lauren Staats

TAX COLLECTOR

Dawn Hutchison

AUDITORS

Suplee, Clooney & Company

BOND COUNCIL

McManimon, Scotland & Baumann

FINANCIAL ADVISOR

NW Financial Group

BUDGET DATES

- Budget Introduction
April 6th
- Online Advertisement
April 7th
- Public Hearing & Adoption
May 4th





WHAT'S IN A MUNICIPAL BUDGET?

- Two-Fold:

- Funding tool for the borough's operations for the upcoming year
- First step to lay out capital plan for maintenance and expansion of our infrastructure and equipment

- Includes both discretionary spending and non-discretionary spending to which the borough is committed (i.e., group health insurance, contractual salaries, retirement systems, employer match for Social Security/Medicare, Debt)

- It is important to note that less than 10% of the budget is discretionary spending. According to State Statute, we cannot spend more than what is budgeted on any line item.

2026 Budget Drivers

Approximately 90% of expenditures are driven by contractual and statutory obligations

Health insurance costs remain a major pressure, but strategic transition to Horizon HIF saves the Borough over \$340,000

Long-term healthcare cost growth moderated through proactive insurance fund change

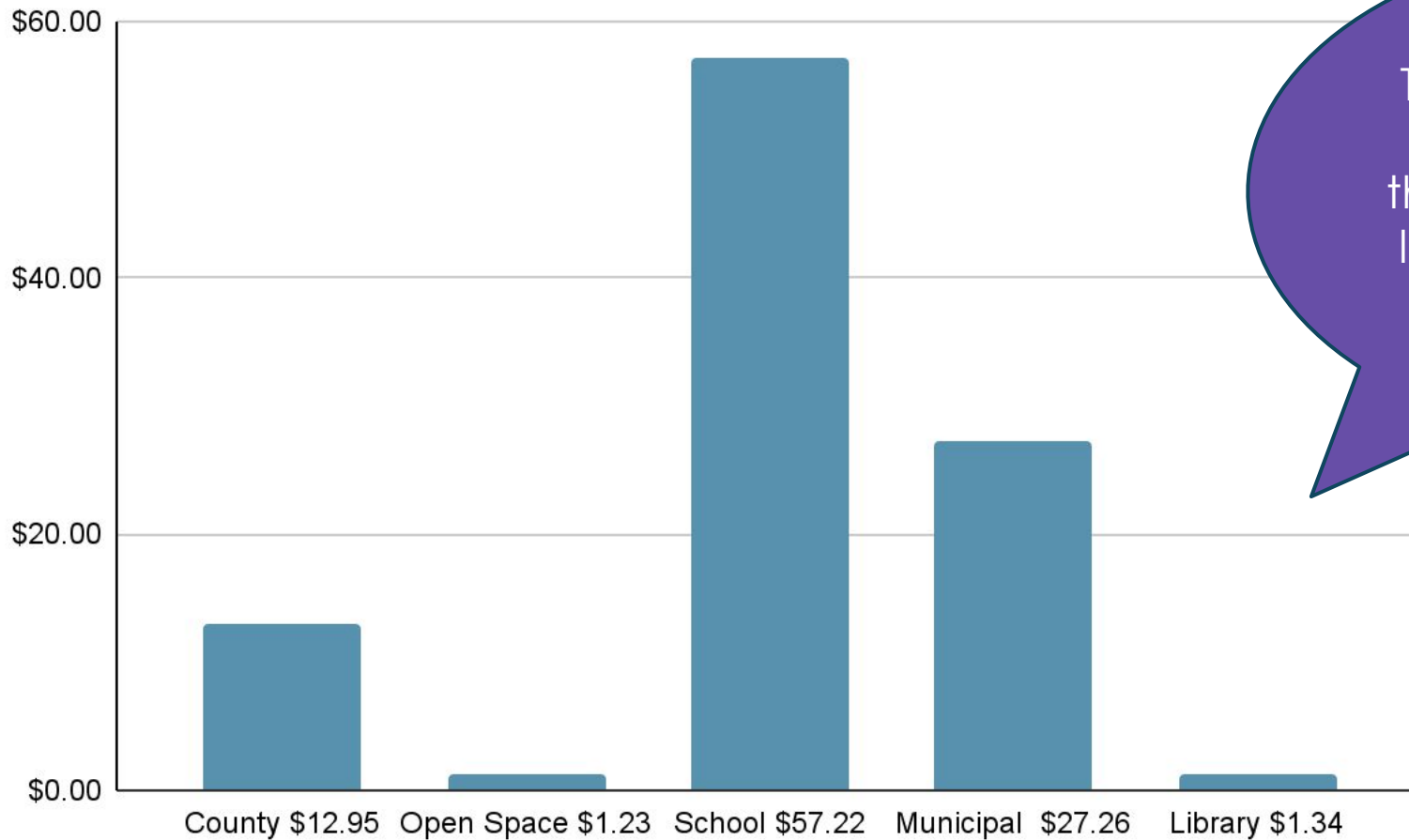
Debt service increasing due to Fire Headquarters and infrastructure investments, with reimbursement efforts underway

Operational efficiencies in Public Works reduce reliance on county recycling services and reduced costs

Capital investments in roads and streetscapes supported by significant NJDOT grant funding, reduce local tax impact

Where does every \$100 of my taxes go?

Estimated 2026 Total Tax Levy = \$25,503,188



The Municipal portion of your tax bill is less than 27% of the overall levy on any individual property.

2026 Total Levy:
County - \$3,265,965*
Open Space - \$309,232*
Schools - \$14,712,765
Municipal - \$6,877,271
Library - \$337,955

*Estimates

WHAT IS THE TAX LEVY?

Amount of money needed to be raised by “equitable distribution” among all Borough property owners

In NJ, “equitable distribution” is based on latest property valuation as of October 1 of the prior year

Municipal portion equals the difference between operating expenditures and other sources of revenue (such as Licenses, Fees & Permits, Municipal Court, Construction Office, Interest, State Aid)

2007 under Governor Corzine, a Tax Levy CAP was set at 4% above prior year’s levy

2010 under Governor Christie, the Tax Levy CAP was reset to 2% above prior year’s levy

Circumstances where increases above 2% can pass through to property owners: new construction; debt service and capital expenditure increases; pension and health benefit contributions in excess of 2%; deferred charges and declared emergencies

The instructions can be found on the instruction Tab of the workbook.			
Summary Levy Cap Calculation			
	MUNICIPALITY	COUNTY	EXAMINER
1203	Dunellen Borough	Middlesex	
Model Tax Levy Calculation Worksheet			
Levy Cap Calculation			
	Prior Year Amount to be Raised by Taxation for Municipal Purposes		\$6,390,045
	Cap Base Adjustment (+/-)		\$0
	Less: Prior Year Deferred Charges to Future Taxation Unfunded		\$20,000
	Less: Prior Year Deferred Charges: Emergencies		\$15,000
	Less: Prior Year Recycling Tax		\$0
	Less: Changes in Service Provider: Transfer of Service/ Function		\$0
	Net Prior Year Tax Levy for Municipal Purpose Tax for Cap Calculation		\$6,355,045
	Plus: 2% Cap increase		\$127,101
	Adjusted Tax Levy		\$6,482,146
	Plus: Assumption of Service/ Function		\$0
	Adjusted Tax Levy Prior to Exclusions		\$6,482,146
	Exclusions:		
	Allowable Shared Service Agreements Increase	\$0	
	Allowable Health Insurance Cost Increase	\$803	
	Allowable Pension Obligations Increase	\$59,811	
	Allowable LOSAP Increase	\$0	
	Allowable Capital Improvements Increase	\$0	
	Allowable Debt Service, Capital Leases and Debt Service Share of Cost Increases	\$62,513	
	Recycling Tax Appropriation	\$0	
	Deferred Charges to Future Taxation Unfunded	\$20,000	
	Current Year Deferred Charges: Emergencies	\$35,000	
	Add Total Exclusions		\$178,127
	Less Cancelled or Unexpended Exclusions		\$23,313
	Adjusted Tax Levy After Exclusions		\$6,636,960
	Additions:		
	New Ratables - Increase in Valuations (New Construction and Additions)	\$1,999,100	
	Prior Year's Local Municipal Purpose Tax Rate (per \$100)	\$0.650	
	New Ratable Adjustment to Levy		\$12,994
	2023 Cap Bank Utilized in 2026		\$0
	2024 Cap Bank Utilized in 2026		\$226,628
	2025 Cap Bank Utilized in 2026		\$689
	Amounts approved by Referendum		\$0
	Maximum Allowable Amount to be Raised by Taxation		\$6,877,271
	Amount to be Raised by Taxation for Municipal Purposes		\$6,877,271
	Amount to be Raised by Taxation for Municipal Purposes Under/Over Cap (+/-)		\$0

SUMMARY OF LEVY CAP CALCULATION

APPROPRIATIONS CAP

New Jersey state law limits any increase in a municipal budget to 2.0% or the cost-of-living adjustment (COLA), whichever is less (\$165,957)

- 2.0% Allowable: \$8,463,815

This CAP may be increased up to 3.5% by Ord.

- +\$124,468 Additional COLA
 - +\$12,994 New Construction
- +\$125,825 CAP "Bank" utilized
 - +\$200,000 PILOT Cap Waiver
 - Maximum Approp. \$8,927,102
 - Our Approp. \$8,927,102
- Amount Under Appropriations CAP: \$0

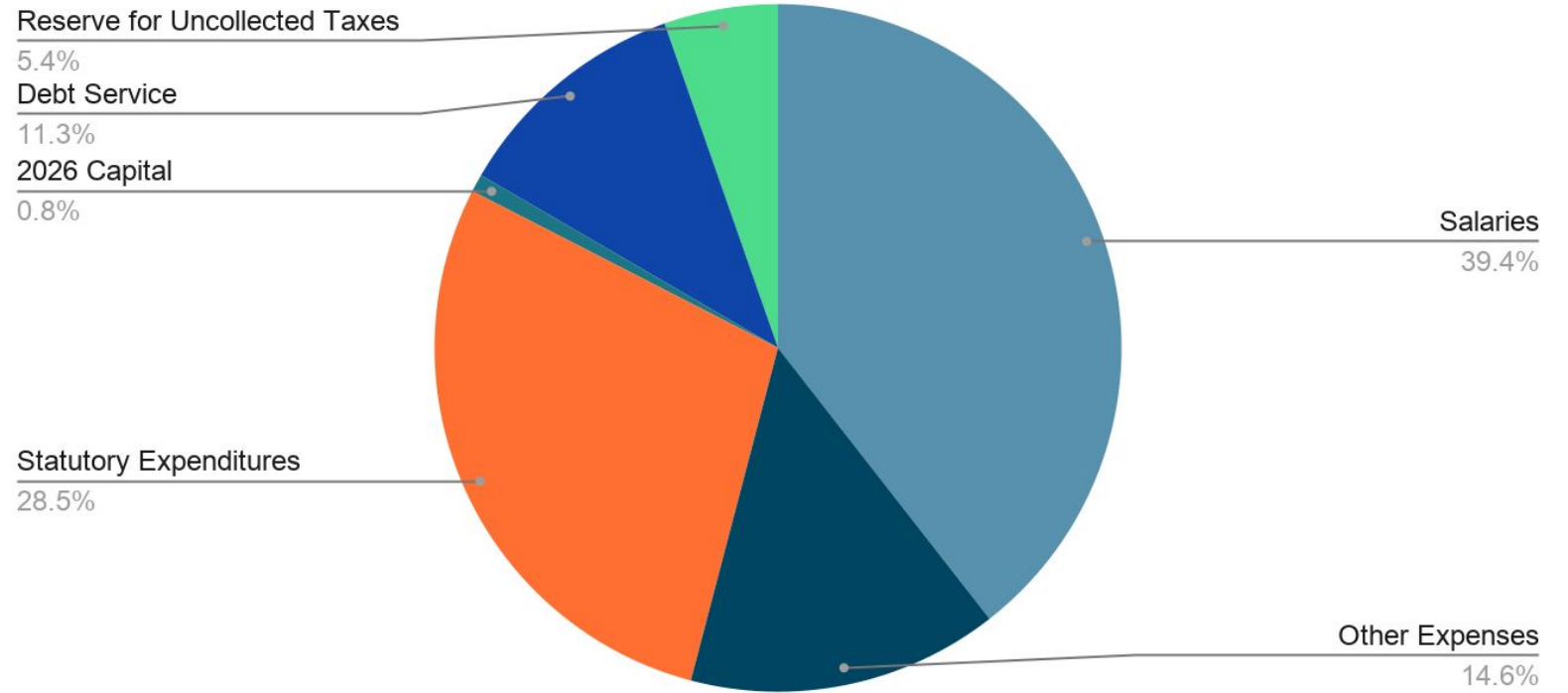
DEPARTMENT BUDGETS

<u>General Government</u>	<u>2026</u>	<u>2025</u>	<u>Inc./Dec.</u>
General Government (Administrator, Clerk, Mayor and Council, Finance, Tax Collector & Assessor, Elections, Planning Board, IT, Building and Grounds, Engineering, Construction, Communications Coordinator, Community & Economic Development)	\$1,329,807	\$1,368,370	-\$38,563
Public Safety (Police, Prosecutor, Fire, Crossing Guards, Aid to Rescue Squad, OEM, and Emergency Vehicles)	\$3,127,172	\$3,020,558	+\$106,614
Streets and Roads (DPW= Parks, Recreation and Public Works, Shade Tree)	\$893,228	\$794,360	+\$98,868
Sanitation (Solid waste, Recycling)	\$334,000	\$276,000	+\$58,000
Health and Welfare (Board of Health, Flood Control, Arts & Cultural Commission - Recreation and Senior Citizens moved to Parks, Recreation and Public Works)	\$257,214	\$218,913	+\$38,301
Debt Service (Long and short-term obligations, current year Capital Improvements)	\$1,317,271	\$1,248,071	+\$69,200
Court (Judge, Public Defender)	\$266,350	\$201,707	\$64,643
Utilities (Electric, Telephone, Water, Gas, Internet Service Provider)	\$378,000	\$342,900	\$35,100
Statutory Expenditures (Public Employee & Police Retirement Systems, Social Security, Unemployment, Group Health and Liability Insurances, RUT)	\$3,455,645	\$3,256,291	\$199,354

2026 BUDGET APPROPRIATIONS: \$11.338MM

- Salaries - \$4,471,923
- Other Expenses - \$1,660,247
- Statutory Expenditures- \$3,225,945
- 2026 Capital - \$95,000
- Debt Service - \$1,277,271
- Reserve for Uncollected Taxes - \$607,700

2026 Budget Appropriations



2026 BUDGET REVENUES: MUST EQUAL \$11.338MM

Local Revenues - \$539,000

Surplus Anticipated - \$180,000

State Aid - \$610,144

Uniform Const. Code - \$200,000

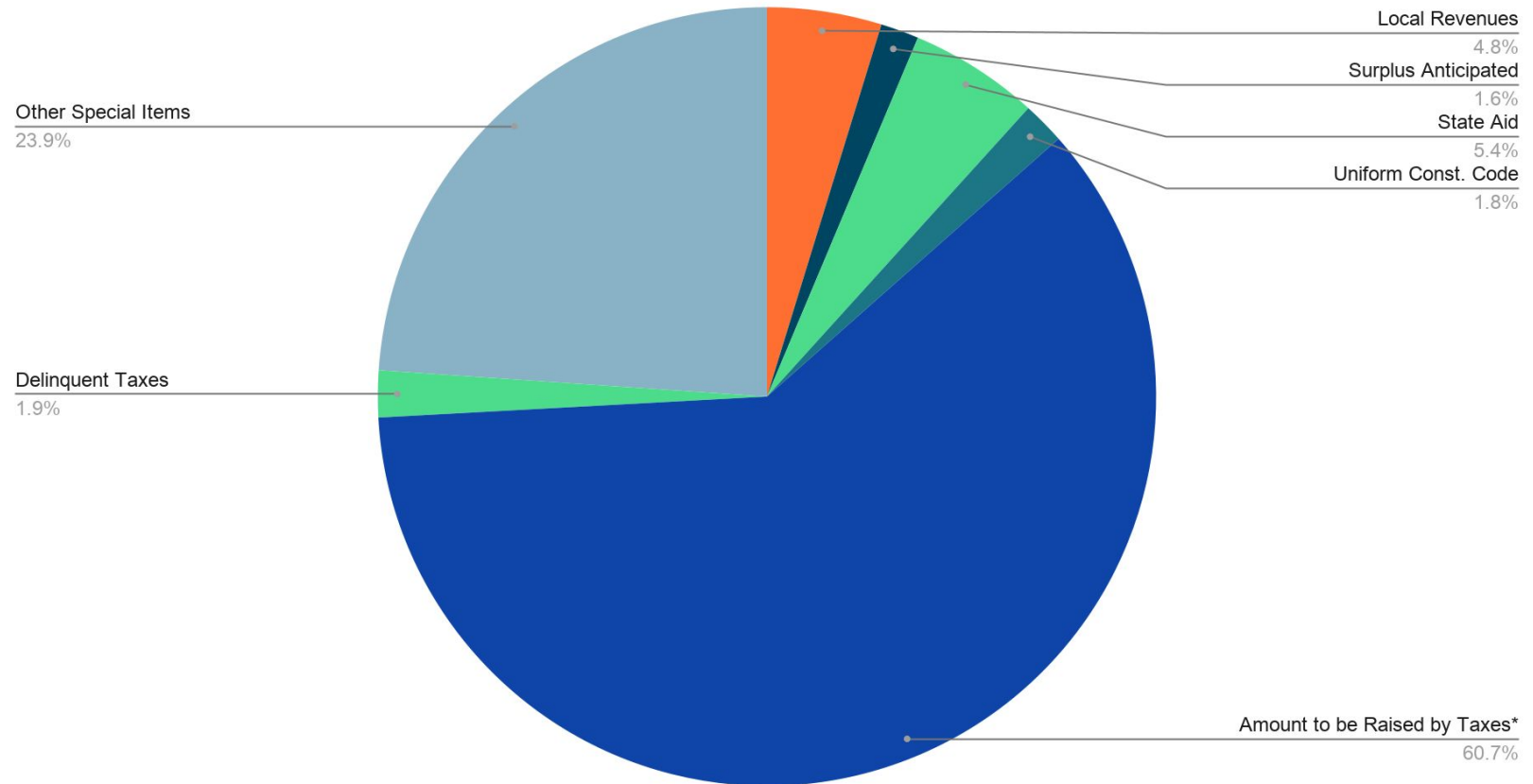
Amount to be Raised by Taxes* -
\$6,877,271

Delinquent Taxes - \$220,000

Other Special Items - \$2,712,275

*This does NOT include the statutory
\$337,955 (1/3 of a mil) calculation for
the operations of the Library.

Breakdown of General Revenues



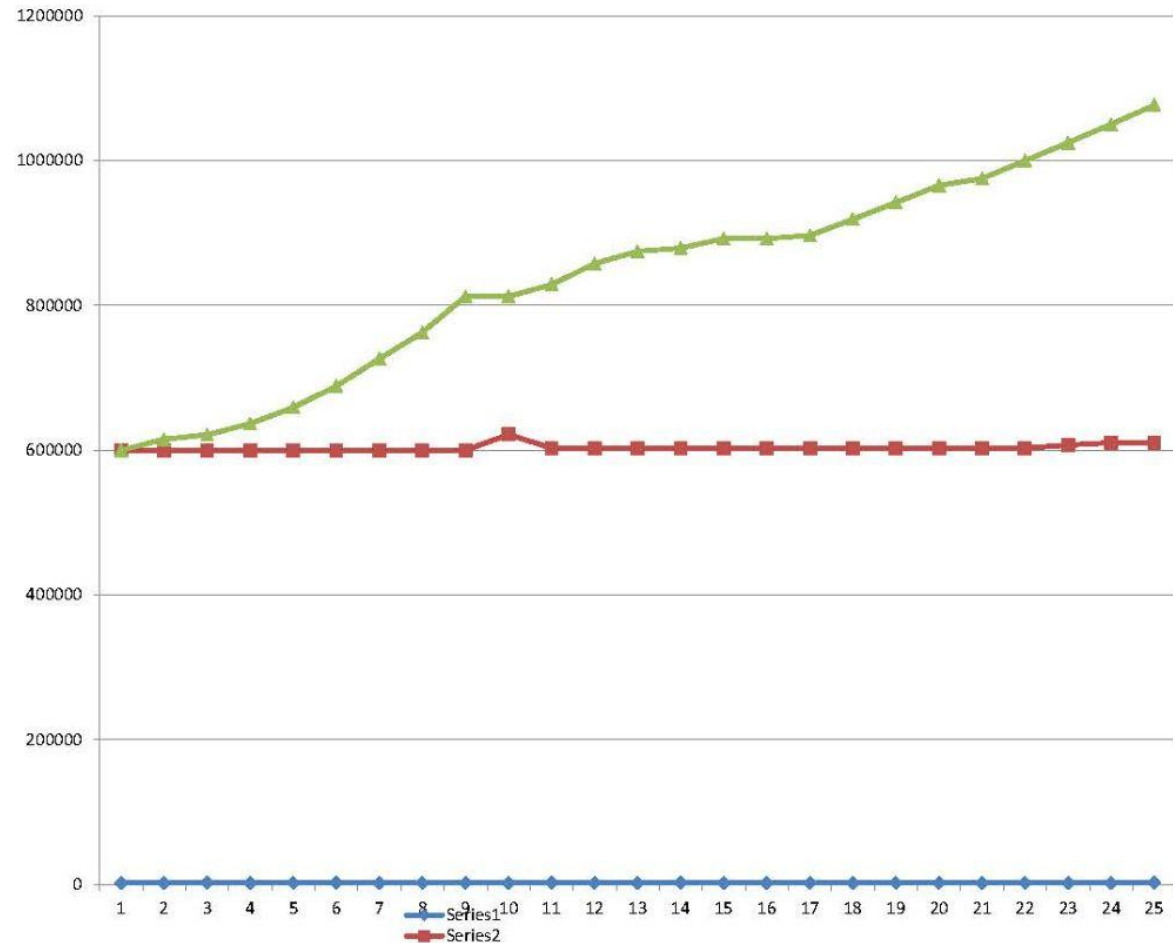
Energy Tax Calculator

State Aid Impact Calculation - Individual Municipality

Year	Actual Amount Received	Implicit Price Deflator	State Aid Formula	Excess/ (Deficit)
2001	600,000		600,000	-
2002	600,000	2.50%	615,000	(15,000)
2003	600,000	1.00%	621,150	(21,150)
2004	600,000	2.50%	636,679	(36,679)
2005	600,000	3.50%	658,963	(58,963)
2006	600,000	4.50%	688,616	(88,616)
2007	600,000	5.50%	726,490	(126,490)
2008	600,000	5.00%	762,814	(162,814)
2009	600,000	6.50%	812,397	(212,397)
2010	621,533	0.00%	812,397	(190,864)
2011	602,954	2.00%	828,645	(225,691)
2012	602,954	3.50%	857,648	(254,694)
2013	602,954	2.00%	874,801	(271,847)
2014	602,954	0.50%	879,175	(276,221)
2015	602,954	1.50%	892,362	(289,408)
2016	602,954	0.00%	892,362	(289,408)
2017	602,954	0.50%	896,824	(293,870)
2018	602,954	2.50%	919,245	(316,291)
2019	602,954	2.50%	942,226	(339,272)
2020	602,954	2.50%	965,781	(362,827)
2021	602,954	1.00%	975,439	(372,485)
2022	602,954	2.50%	999,825	(396,871)
2023	607,122	2.50%	1,024,821	(417,699)
2024	610,144	2.50%	1,050,441	(440,297)
2025	610,144	2.50%	1,076,702	(466,558)
	<u>15,084,391</u>		<u>21,010,802</u>	<u>(5,926,410)</u>

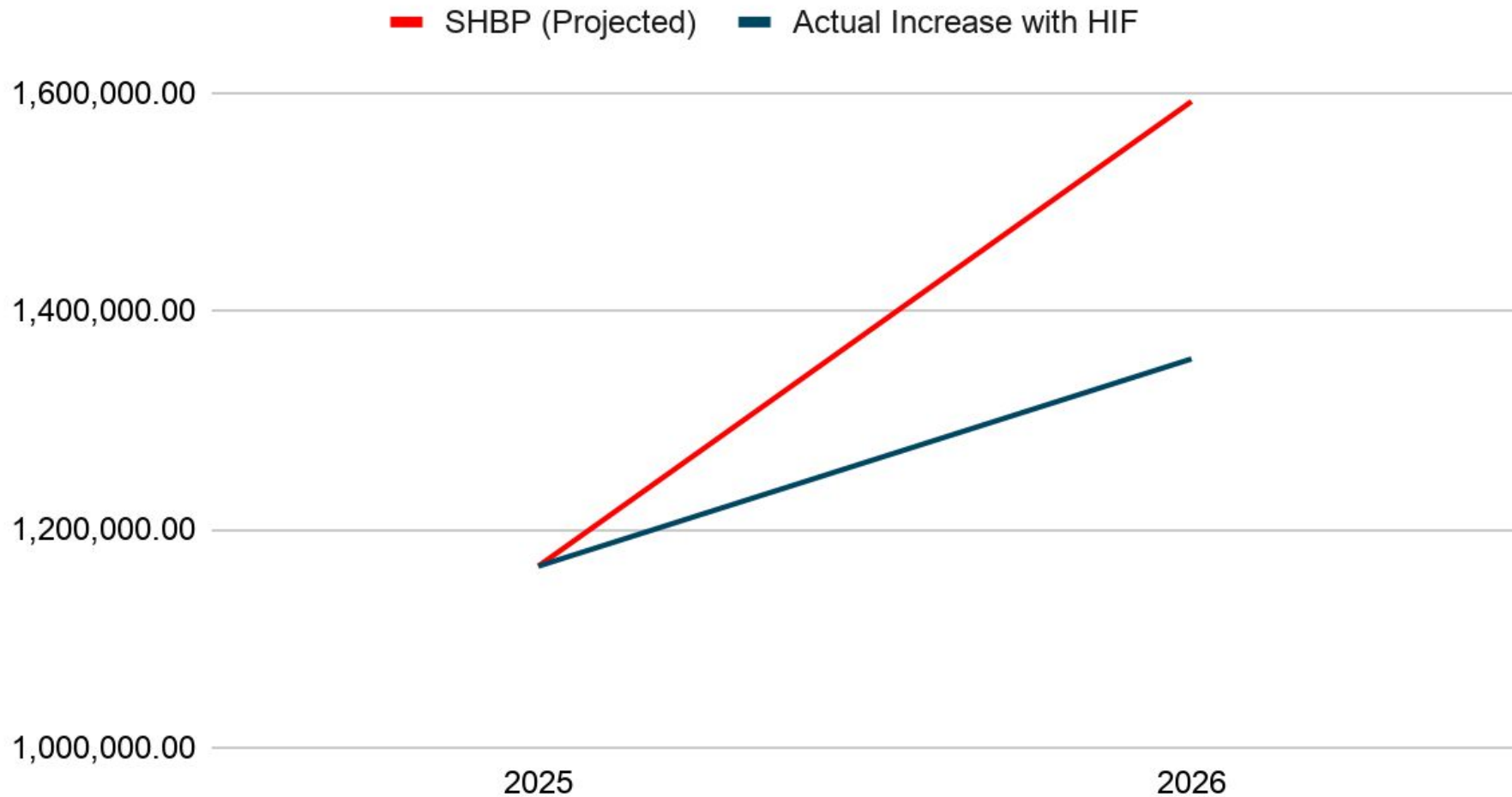
Enter ETR and CMPTRA amounts received in cells c7 thru c31. The rest of the sheet is calculated for you.

Calculation of State Energy Tax Obligation



Municipal Health Insurance Costs

Projected Increase with SHBP vs Actual Increase with HIF



What is the tax rate?

- A multiplier used to determine the tax levied on each property
It is expressed as \$1 per every \$100 of assessed value

The Municipal Tax Rate = Total Amount Borough Needs to Raise through Taxes / Total Assessed Value of All Taxable Property

Individual Property Tax = Tax Rate Above x Assessed Value of Individual Property

DUNELLEN BOROUGH PROPOSED 2026 TAX RATE

Tax Rate: \$0.649

DECREASE from
2025: 0.06%

Important: this does not necessarily mean that residents will see a tax bill decrease or increase*

*Increases or decreases are dependent upon the tax rate multiplied by the value of your home

BUDGET SNAPSHOT – MUNICIPAL ONLY

	2026	2025	Increase or (Decrease) 2026 over 2025	%
Borough Expenditures (E)	\$11,338,687	\$10,707,270	\$631,417	5.90%
Borough Revenues (R)	4,461,419	\$4,653,670	\$144,194	3.34%
Amount to be Raised by Taxes (A) = (E) - (R)	6,877,268	\$6,390,045	\$487,223	7.62%
Net Valuation (V)	1,059,288,500	\$983,654,000	\$75,634,500	7.69%
Tax Rate [A/V] (expressed in \$ per \$100 Assessed Value)	\$0.649	\$0.650	-\$0.001	-0.06%
Municipal tax on a home				
-assessed @ \$498,000	\$3,233	\$3,235	-\$2.00	-0.06%
-assessed @ \$462,000	\$2,999	\$3,001	-\$2.00	-0.06%

EVEN AS COSTS RISE FOR EVERYONE—INCLUDING THE BOROUGH— WE'VE WORKED TO KEEP YOUR MUNICIPAL TAX RATE FLAT

While inflation has slowed to 2.4%, the everyday costs that impact residents most—housing, utilities, and essentials—are still rising between 3% and nearly 10%. We know how much this matters, and that's why we've worked hard to avoid adding to that burden through municipal taxes.

 **Food (Overall): +2.9%**


- Groceries: +2.1%
- Dining Out: +4.0%

 **Utilities / Energy Components:**

- Electricity: +6.3%
- Natural Gas: +9.8%
(rates set by BPU)

 **Housing (Shelter): +3.0%**

 **Household Goods: +3.9%**

 **Personal Care: +5.4%**

 **Municipal Tax Rate (2026): -.06%**

WHY WOULD MY TAXES CHANGE FROM LAST YEAR?



The Borough is only about 27% of your total tax bill. Changes in the school, county, or other budgets will affect your property tax.



Did the assessed value of your property change in 2026?

In 2026 . . .

Average Dunellen
Home Assessment =
\$498,000

Average Municipal
Property Taxes =
\$3,233



**THE AVERAGE DUNELLEN HOME
PAYS ABOUT \$8.86 PER DAY IN
MUNICIPAL TAXES**

Why does the average household assessment change?

Property value is based on what it would sell for as of the prescribed appraisal date (October 1, 2025, for 2026). Real estate values are influenced by numerous external economic, social, governmental, and physical factors. For example, general economic conditions such as interest rates, inflation rates, supply and demand, changes in tax laws, and other factors can change and affect the value of property. As property values change in the marketplace, those changes must be reflected on the assessment roll.

Number of Municipal Employees by Department

 Full-Time  Part-Time

Mayor & Council



Administration



Clerk



Health & Human Services



Finance



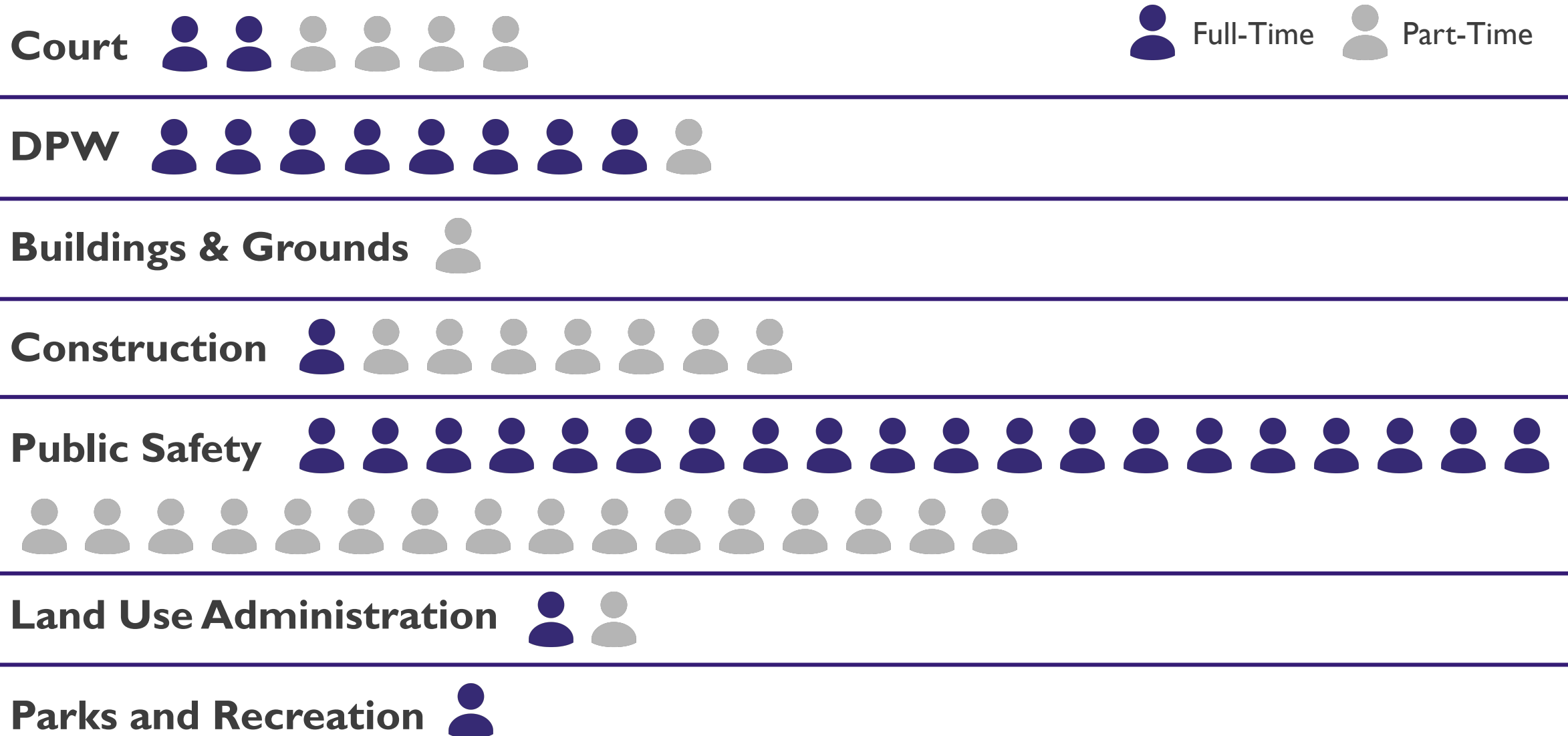
Tax Collector



Tax Assessor

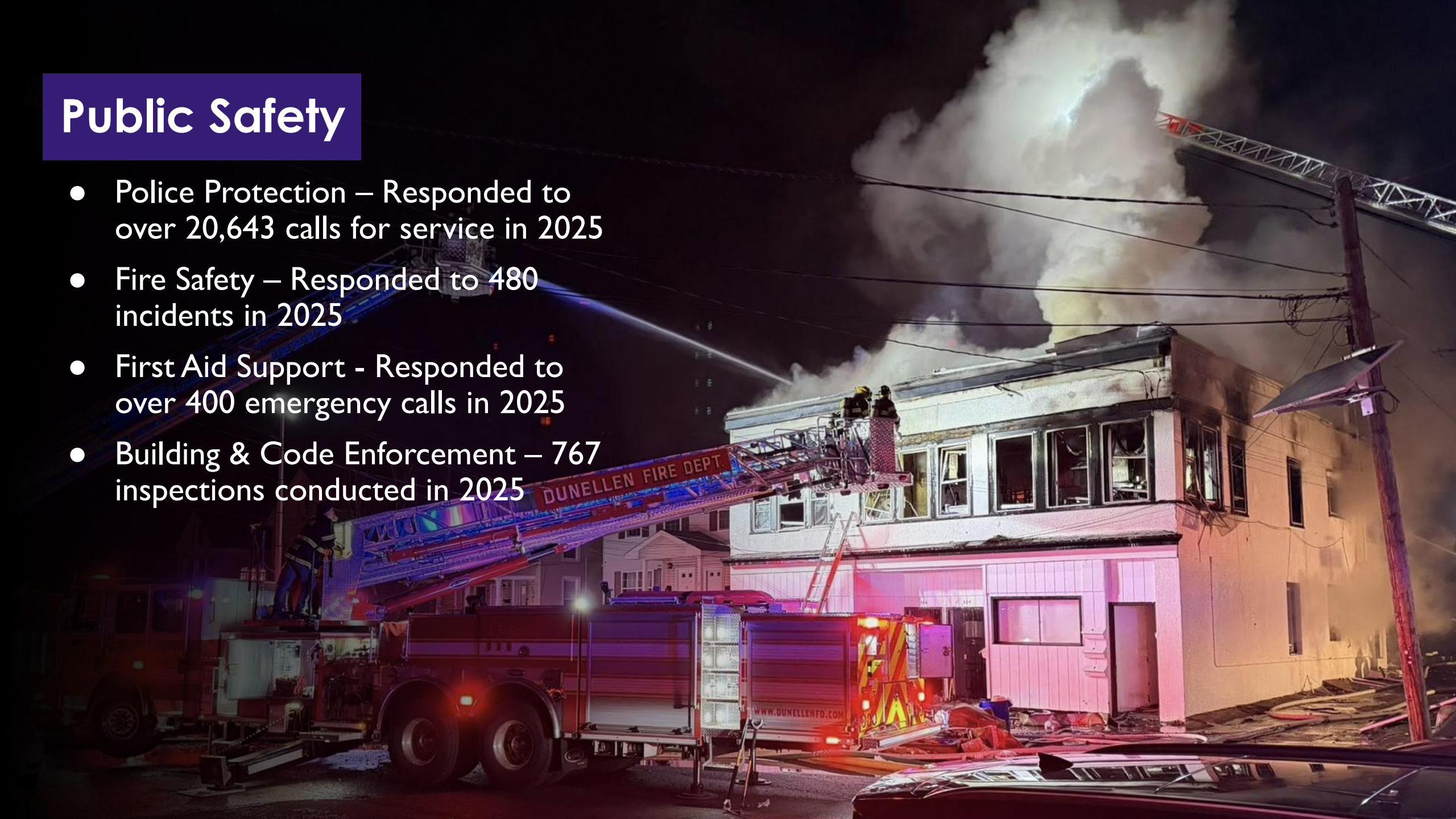


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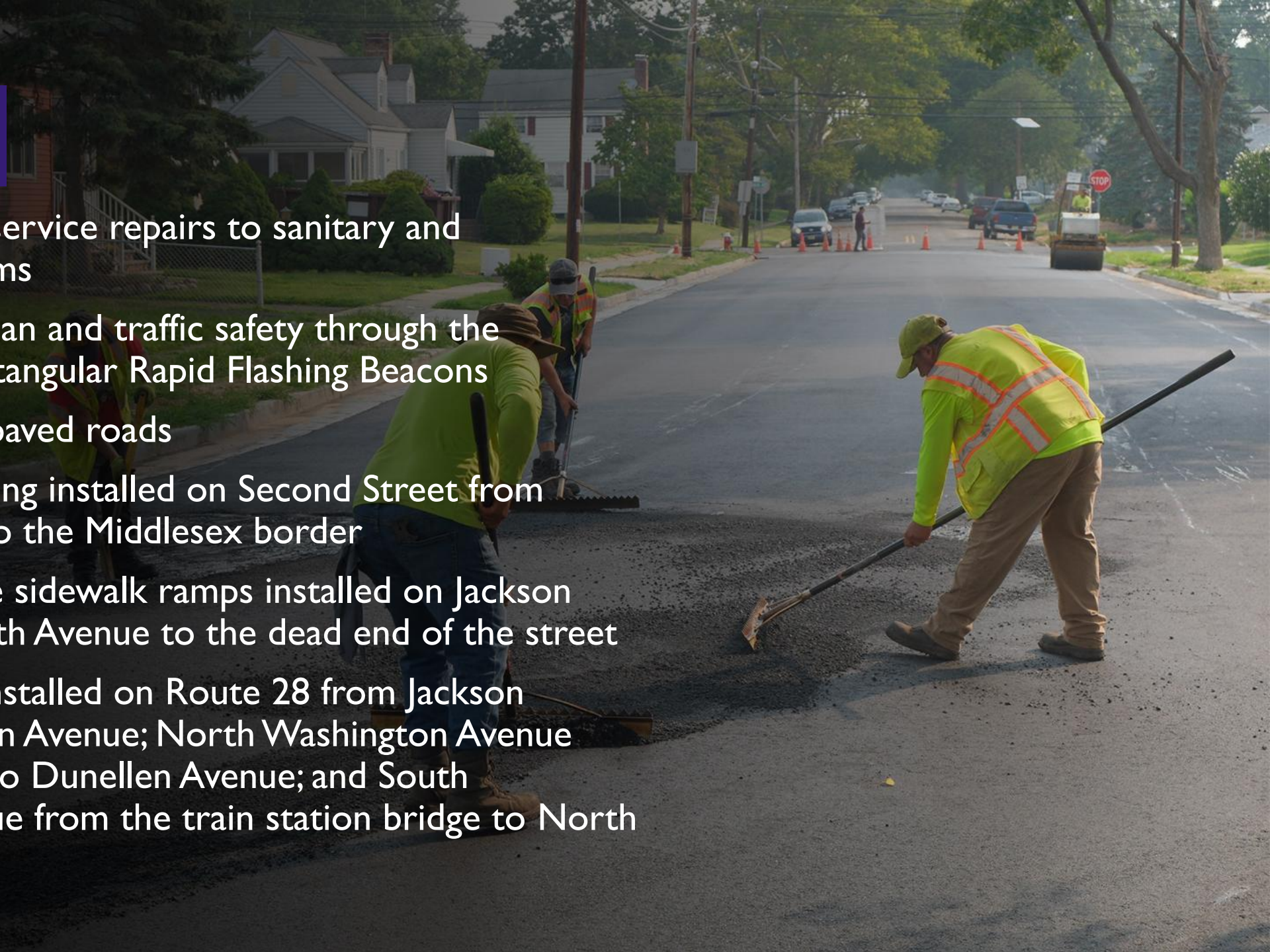
Public Safety

- Police Protection – Responded to over 20,643 calls for service in 2025
- Fire Safety – Responded to 480 incidents in 2025
- First Aid Support - Responded to over 400 emergency calls in 2025
- Building & Code Enforcement – 767 inspections conducted in 2025



Infrastructure

- Maintenance and service repairs to sanitary and stormwater systems
- Enhanced pedestrian and traffic safety through the installation of Rectangular Rapid Flashing Beacons
- .5 miles of newly paved roads
- 3,168 feet of curbing installed on Second Street from Madison Avenue to the Middlesex border
- 22 ADA-accessible sidewalk ramps installed on Jackson Avenue from North Avenue to the dead end of the street
- LED streetlights installed on Route 28 from Jackson Avenue to Madison Avenue; North Washington Avenue from First Street to Dunellen Avenue; and South Washington Avenue from the train station bridge to North Avenue



Emergency Response

- Lost/Missing Persons
- Tree Removal & Clearing
- Flooding Mitigation



Public Works

- Curbside branch and leaf bag pick up
- Park, courts, and ball field maintenance
- 300 miles cleaned via street sweeping
- Plowing and winterizing streets
- Inspection and cleaning of 304 catch basins
- Removed 730 tons of storm debris
- On call 24/7 for any sewer- and storm-related emergencies



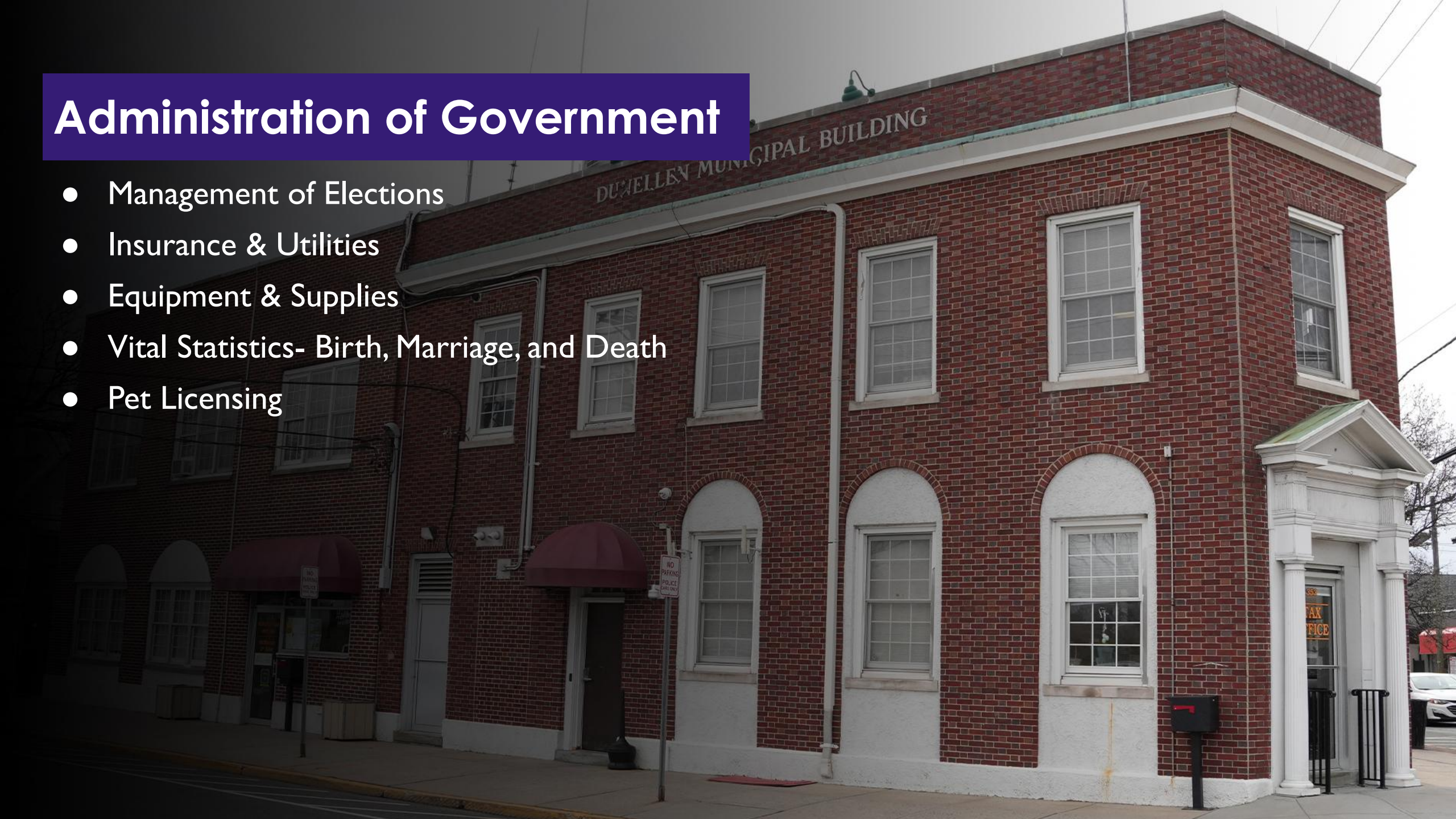
Community Events & Programming

- Youth Sports and Summer Camp
- Senior Programs
- Senior Bus Service
- Music, Movies, and Plays in the Park
- Memorial Day Parade, Halloween Parade, Founders' Day, Tree Lighting Ceremony



Administration of Government

- Management of Elections
- Insurance & Utilities
- Equipment & Supplies
- Vital Statistics- Birth, Marriage, and Death
- Pet Licensing



CAPITAL 2026

This proposal appropriates \$95,000 toward the capital improvement fund which is used for the statutorily required down payment

**Total Recommended General Capital Appropriations:
\$125,000
\$1,536,830 in grants**

Total Debt Recommended to be Authorized: \$2,571,000

Important Reminder:

The capital budget does NOT appropriate or authorize the expenditure of any funds. It is only a recommended plan. The Borough Council will need to take additional action to execute the proposals.



Link to the web page for the full CY2026 Municipal Budget

Can I calculate my taxes? Yes! Visit the website
<https://www.dunellen-nj.gov/TaxCalculator>



Questions?