

**TOWNSHIP OF CEDAR GROVE
COUNTY OF ESSEX NEW JERSEY**

AGENDA ITEM: #5(e)

JANUARY 5, 2026

PENDING ORDINANCE NO. 26-962

AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A:4-45.14).

WHEREAS, pursuant to N.J.S.A. 40A:4-45.2, municipalities and counties shall be prohibited from increasing their final appropriations by more than two-and-one-half percent (2.5%) or the cost of living adjustment (2% for CY 2026), whichever is less, unless action is taken by the Governing Body to increase their final appropriations subject to the cap to the statutorily permitted three-and-one-half percent (3.5%), subject to certain exceptions; and

WHEREAS, N.J.S.A. 40A:4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the three-and-one-half percent (3.5%) rate as an exception to its final appropriations in either of the next two (2) succeeding years; and

WHEREAS, the Township Council of the Township of Cedar Grove finds it advisable and necessary to increase its CY2026 budget by up to 3.5% of the previous year's final appropriations, in the interests of promoting the health, safety, and welfare of the citizens; and

WHEREAS, the Township Council hereby determines that a 3.5% increase in the budget for said year, amounting to \$245,742.49 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law is advisable and necessary; and

WHEREAS, with a 3.5% increase, the Township Council authorizes an increase in final appropriations in an amount not to exceed \$573,399.15; and

WHEREAS, the Township Council hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriations in either of the next two (2) succeeding years.

NOW, THEREFORE, BE IT ORDAINED, by the Township Council of the Township of Cedar Grove, in the County of Essex, a majority of full authorized membership of this Governing Body affirmatively concurring, that, in the CY 2026 budget year, the final appropriations of the Township of Cedar Grove shall, in accordance with this ordinance and N.J.S.A. 40A:4-45.14, be increased by 3.5%, amounting to \$245,742.49 in excess of the increase otherwise permitted by the Local Government Cap Law and that the CY 2026 municipal budget for the Township of Cedar Grove be approved and adopted in accordance with this ordinance; and

BE IT FURTHER ORDAINED, that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to the final appropriation in either of the next two (2) succeeding years; and

BE IT FURTHER ORDAINED, that a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within five (5) days of introduction; and

BE IT FURTHER ORDAINED, that a certified copy of this ordinance upon adoption, with the recorded vote included therein, be filed with the Director of the Division of Local Government Services within five (5) days after such adoption.

INTRODUCED BY: Councilwoman Skabich

SECONDED BY: Councilman Zazzali

ROLL CALL VOTE				
COUNCILMEMBER	YES	NO	ABSTAIN	ABSENT
Peterson				X
Skabich	X			
Zazzali	X			
Maceri	X			
Mega	X			

I HEREBY CERTIFY the foregoing to be a true copy of an ordinance introduced by the Township Council of Cedar Grove, in the County of Essex, at its meeting held on January 5, 2026. This ordinance will come up for final consideration after Final Reading and a Public Hearing on same at the meeting of the Township Council on February 2, 2026 at 7:00 P.M.

/s/ Dale A. Forde _____
Dale A. Forde
Township Clerk