

**CALENDAR YEAR 2026 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET
APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A: 4-45.14)**

WHEREAS, the Local Government Cap Law, N.J.S.A. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget to 2.0% a unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations, 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 3.5% percentage rate as an exception to its final appropriations in either of the next two succeeding years; and,

WHEREAS, the Township Council of the Township of West Orange in the County of Essex finds it advisable and necessary to increase its CY 2026 budget by up to 3.5% over the previous year's final appropriations, in the interest of promoting the health, safety and welfare of the citizens; and,

WHEREAS, the Township of West Orange hereby determines that a 3.5% increase in the budget for said year, amounting to \$1,210,791.70 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and,

WHEREAS, the Township of West Orange 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 appropriation in either of the next two succeeding years.

NOW THEREFORE BE IT ORDAINED, by the Township Council of the Township of West Orange, in the County of Essex, a majority of the full authorized membership of this governing body affirmatively concurring, that, in the CY 2026 budget year, the final appropriations of the Township of West Orange shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 3.5%, amounting to \$2,825,180.63 and that the CY 2026 municipal budget for the Township of West Orange 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 final appropriation in either of the next two 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 5 days of introduction; and,

BE IT FURTHER ORDAINED, that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such adoption.

This ordinance shall take effect after its final passage and publication in accordance with the law.

SUSAN MCCARTNEY, MAYOR

**SUSAN SCARPA
COUNCIL PRESIDENT**

**KAREN J. CARNEVALE, R.M.C.
MUNICIPAL CLERK**

INTRODUCED: April 28, 2026

ADOPTED: May 12, 2026

Ordinance Commentary – John Ditinyak – Chief Financial Officer

On an annual basis, the Division of Local Government Services promulgates a Cost-of-Living Adjustment “COLA” between 0% and 3.5% on prior year appropriations inside of the Budget CAP. For 2026, the COLA is 2.0%. By passing this ordinance, the Township can increase the in-CAP appropriations to 3.5%. The Township needs the 3.50% along with previously banked unused appropriation calculation to meet the proposed increase to in-CAP appropriation.