

Borough of Hawthorne

2025 Budget



Mayor Lane's remarks upon introduction

April 2, 2025

Municipal Tax Rate Increase

2025 rate: 74.4 cents per \$100 of Assessed Valuation, a 4.5% increase

Why? Four factors:

Sewage

Health Benefits

Garbage

Pensions

All four are outside direct local control

2025 Increases in Costs

Passaic Valley Sewer	\$ 330,268 (up 22.5%)
Employee Health Benefits	\$ 251,000 (up 15.0%)
Garbage Disposal	\$ 135,700 (up 24.1%)
PFRS Pension	\$ 98,665 (up 6.6%)
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Total of these items	\$ 815,723

Total Increase in the Tax Levy is \$1,025,052

Without these 4 items, tax increase would be .3%

Taxes

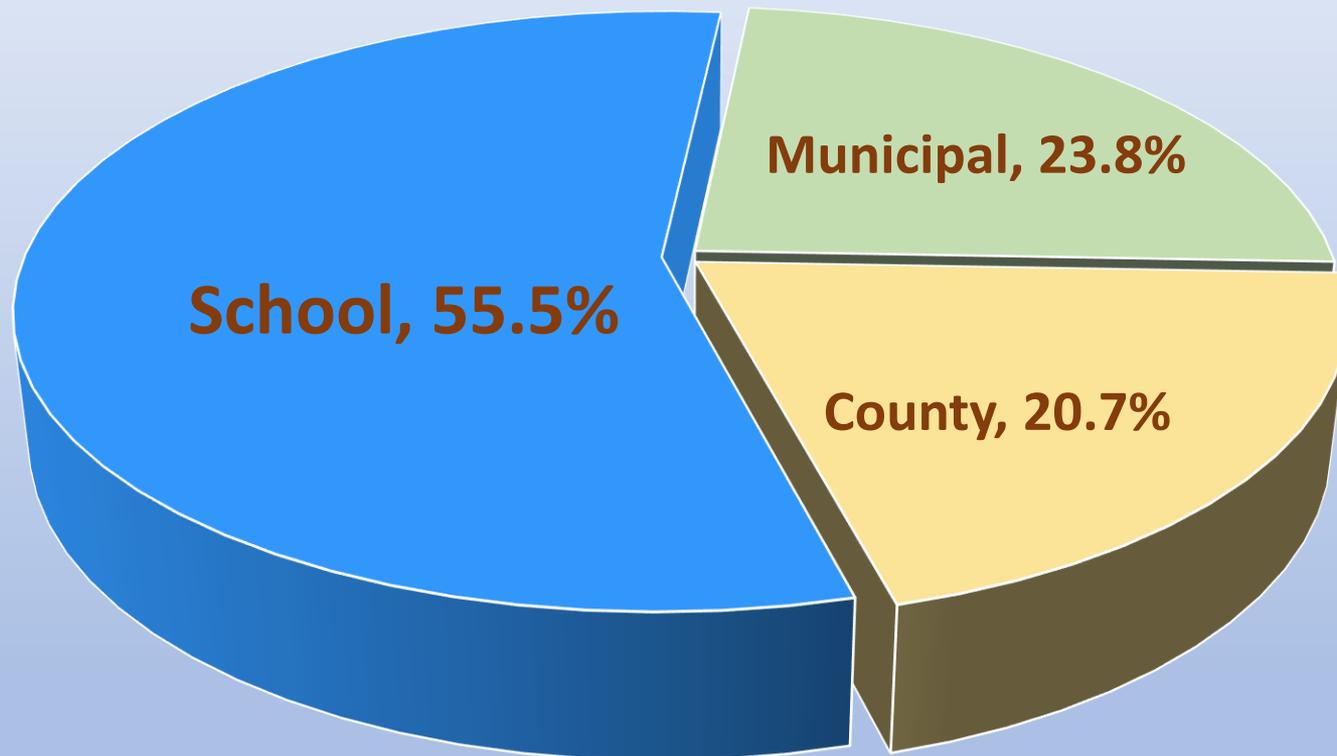
2025 Municipal Tax Rate up 4.5% from
2024 (74.4 vs 71.2 cents per \$100)

Increase for average homeowner is \$122
(Assessed value of \$381,800)

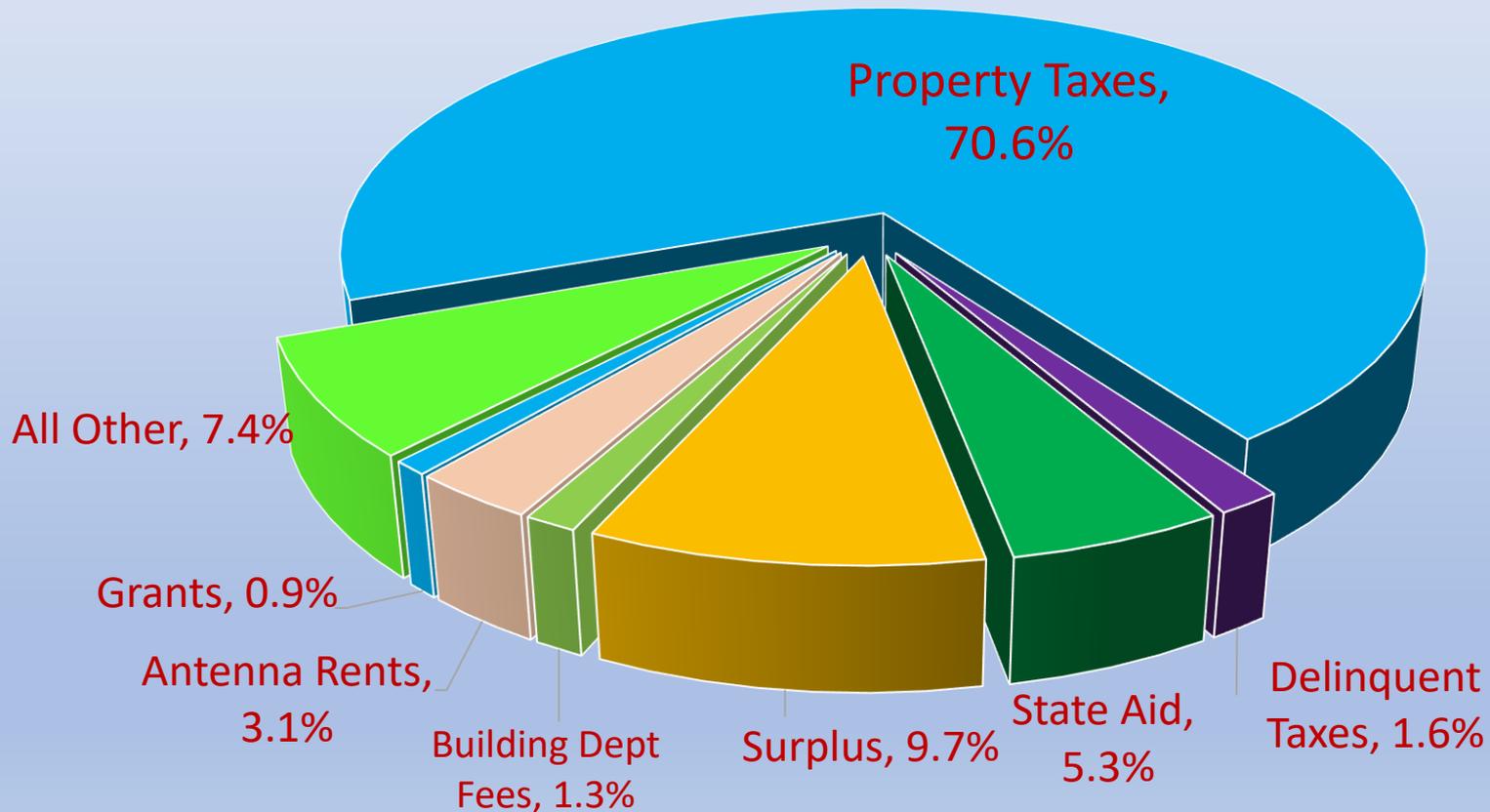
Average Municipal Tax bill - \$2,840

(covers police, garbage & recycling, sewers, roads, library, recreation and
more)

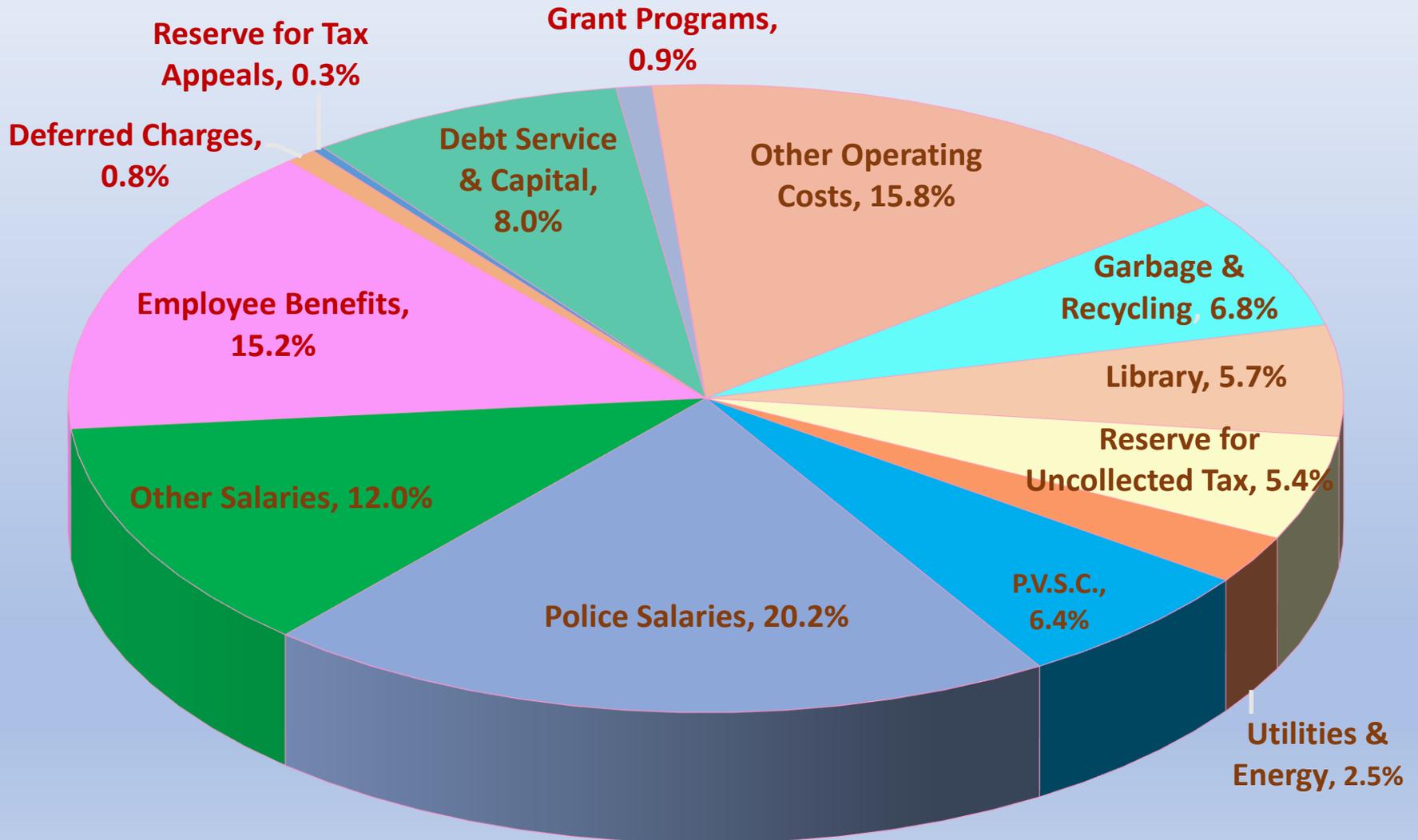
Allocation of Hawthorne Property Taxes



Where the Money Comes From



Where the Money Goes



Budget & Tax Levy Caps

Prudent fiscal practices, not regulatory Caps,
control our taxing and spending

Budget is \$91,327 BELOW the Appropriations
Cap

\$1.6 million in Tax Levy Cap is being allowed
to expire this year rather than imposing
additional taxes

Financial Condition

Assessed value of tax base up .85% over 2024

Tax collection rate remains stable above 99%

Fund balance in Current Fund remains
healthy and stable

General Capital Budget

Borrowing is proposed for the following projects, to be supplemented by significant grant funds:

- Road paving and curbs \$1,898,000 (including \$468,000 in grants) – Bond ordinances already adopted
- Sidewalks & driveway aprons \$300,000 (owners to be assessed) – Bond ordinances already adopted
- Municipal Building renovations \$1,500,000
 - Space vacated by BOE; meeting HPD needs
- Acquisition of new apparatus for Rescue 5 - \$1,700,000
Bond ordinance already adopted
- New bleachers at Wag Field 1 \$225,000 (\$150,000 anticipated in grants)
- Central Avenue drainage improvements \$600,000
(anticipating \$400,000 in grants)

Water Utility

Total budget is \$6,323,528

Water fees & surplus cover all expenditures

\$1,000,000 from Water Surplus to pay off construction loans on PFAS project prior to permanent NJIB low-interest financing

\$430,000 for replacement of PFAS treatment media

Rate increases in recent years plus 9% for 2025 were required to cover operating costs and the debt service for the mandated PFAS treatment and service line replacement projects

Water Capital Budget

No new projects are proposed for bonding in 2025

Bond ordinances passed in 2024 fund service line replacements now underway and planned for later in 2025, plus rehabilitation of the Peach Tree Tank.

Bottom Line

Total 2025 Current Fund Budget: \$28,164,456

- \$1,332,045 more than 2024, due primarily to our payment to PVSC, health benefits, garbage disposal and pension

Tax Levy up \$1,525,062 or 5.4%

Average Tax Bill for Homeowner up \$122, or 4.5%

- For average home assessed at \$381,800

Conclusion

This budget is the result of collaboration of the Administration and the Council's Finance Committee.

After a vote on introduction tonight and advertisement of the budget, the next step would be a public hearing and then adoption at the May 7th Council Meeting.