

Town of Morristown 2026 Budget Address

Delivered by Mayor Timothy Dougherty • Town of Morristown • May 12, 2026

Good evening. I want to thank the Town Council, our dedicated workforce, our partners, and the residents who've joined us. Your engagement is the foundation of effective local government, and it's what allows Morristown to keep moving forward with purpose and clarity.

As Barack Obama once put it, "A budget is more than just a series of numbers on a page; it is an embodiment of our values." And that is exactly how we approached this proposal—protecting what matters most and planning responsibly for what comes next.

Tonight, I'm pleased to present our proposed 2026 operating budget of **\$52.8 million**. That represents a **2.1%** increase over the 2025 adopted budget. And I want to be straightforward about why. Personnel costs are up—especially in public safety. Utilities are higher. Technology costs keep climbing, and they're no longer optional. Meanwhile, many of our non-tax revenue sources continue to remain flat.

At the same time, we're now feeling the impact of post-revaluation tax appeals—particularly on commercial properties. Those appeals reduced Morristown's total tax base by **\$73 million**, or about **1.5%**. So even with a reasonable 2.1% expense increase, less taxable value means a higher rate. In this budget, that translates into a **municipal tax rate increase of 3.2 cents**. When you include the county, schools and library, the average property owner will see an estimated **5.5%** increase in their total tax bill year over year. That includes the new local open space tax of 1 penny, which is 0.5% of that increase.

Our Town Administrator will provide a detailed breakdown shortly, but I want to highlight a fundamental fiscal reality for Morristown. As a county seat, we host nonprofits and institutions that provide tremendous regional value. But the reality is unavoidable: a significant share of those properties is exempt from taxation. Each year, that exemption means an estimated **\$538 million in non-taxable value** which is **\$9.0 million** in lost revenue—revenue that would otherwise help distribute the cost of local government more fairly. This is not a temporary pressure or a budgeting inconvenience. It is a long-term structural imbalance that places a disproportionate burden on our homeowners and requires sustained, strategic management.

We know what rising costs mean for families—and especially for seniors on fixed incomes. This year's proposed increase was not a decision made lightly. We worked hard to minimize its impact. We scrutinized every vacancy, relied on attrition where appropriate, and

reduced or delayed expenses without sacrificing core services. We're also reviewing non-tax revenues to make sure our fees reflect the true cost of providing services today. And looking ahead, we will keep making careful, disciplined choices—with Morristown's long-term stability and sustainability in mind.

So that's the fiscal landscape we're navigating. Now I want to shift from the numbers to the impact—because Morristown is strong, and the work that those dollars support is already delivering results.

State of the Town: Progress, Pressures, and Priorities

Growth and Development

When it comes to growth and development, our focus is simple: turn long-vacant and underused sites into productive community assets. **25 Market Street** has remained vacant since the 2018 demolition, and we're continuing the work to achieve a redevelopment outcome that serves the public interest. The **M Lofts** project—part of the Spring Street Redevelopment—was approved last year, and construction is anticipated to begin by the end of this year. And Spring Street isn't just about new buildings. It includes real community benefits: preserving the historic Black schoolhouse and partnering with Habitat for Humanity to rehabilitate 12 Spring Street to create additional affordable homeownership opportunities.

At **North Park Place**, we have designated a redeveloper and we're moving that project forward. Construction is already underway at the **Train Station Redevelopment**, and by **April 2027** we expect **89** new residential units to come online. On affordable housing, we adopted a fair and reasonable strategy that provides the Town immunity from builders' remedy lawsuits for **10 years**. We also expect construction to begin soon at the **Staples** site, adding extended-stay units that support the corporate tenants we continue to attract. Later this year, **KPMG** will be taking residence at **Headquarters Plaza**—good news for jobs, for downtown foot traffic, and for local business. And looking ahead, this summer we will launch an Open Space and Recreation Planning process to guide future investments.

Please join me in thanking our Planning Board, our planning and zoning staff, and the many community partners who help guide responsible growth in Morristown.

Redevelopment and PILOTs: Setting the Record Straight

I know there are residents—and even some employees—who have asked why Morristown has continued to use PILOTs in redevelopment if they “don't help our finances.”

Tonight, I want to be very clear: **redevelopment has strengthened Morristown**, and PILOT agreements have delivered real value to taxpayers.

PILOT revenue now provides more than **\$3.8 million** each year to support municipal operations. Since 2017, the average homeowner has saved **more than \$2,500** in property taxes that would have been due if these projects had not been built. And by 2035, redevelopment is projected to have saved the average homeowner **nearly \$10,000**. That's not theory. That's real money back in residents' pockets. In short: redevelopment works—and it has been a benefit to our community.

Please join me in thanking our finance team and Town Administrator for their disciplined work to protect taxpayers while keeping Morristown moving forward.

As these projects move from plans to cranes, we also have to make sure Town services keep pace—faster, simpler, and more accessible.

Construction and Modernizing Services

Construction activity remains healthy. Last year, our Construction Office supported more than **\$92 million** in projects built across Morristown. And we expect another busy year ahead as redevelopment projects advance and the County courthouse continues rising. We're also making it easier to do business with Town Hall. In the coming weeks, we will roll out **online inspection scheduling**. Later this year, we will also begin accepting **online payments**.

Engineering and Capital Improvements

Our Engineering Division is also busy—and that's a good thing—because it means we're investing in the essentials. Last year, we paved **more than 4 miles** of roadway and continued targeted drainage improvements. We also improved the field house at Burnham Park, benefiting residents across town and especially our award-winning Little League teams and their families.

In 2026, we will keep that momentum going. We'll continue our annual pavement improvement program. We'll replace the playground at Victor Woodhull Park, a project that just began last week. We'll hydrorake the lower pond at Burnham Park this fall. And we'll install new pickleball courts this fall in a location designed to minimize neighborhood disruption—while transitioning the courts at Lidgerwood back to tennis. We'll also pursue grant funding to expand our investment in parks and open space. And because our neighbors approved a local open space tax, we will have new resources to build on; this year, those funds will help replace playgrounds in **two** additional parks over the coming year.

Please join me in thanking our Engineering staff and DPW crews for the work you see—and the work you don't see—that keeps Morristown running every day.

Public Safety: Police

Public safety is—and will remain—a top priority. And it starts with trust. Last year, our officers hosted *Coffee with a Cop* four times to listen to residents and strengthen relationships. The department also expanded targeted outreach along Speedwell Avenue and, in partnership with St. Margaret's Church, established an outreach post in the church parking lot to better connect people with services.

We're also focused on safety on our roads. The department made **more than 128** DWI-related arrests last year—an important reminder that enforcement saves lives. We continued building the Community Engagement Unit to deepen proactive outreach, with a major focus on homeless outreach that connects individuals to resources and assistance. Through partnership with the State Office of Homelessness Prevention and CSPNJ, Morristown helped assist 43 people with rapid rehousing vouchers and 21 of them have received permanent housing placements so far. This program has been a success by providing direct services and support to our most vulnerable population, an initiative that will continue moving forward. Through the Blue Angel Program, we installed exterior lockboxes for seniors so emergency personnel can access homes quickly, with **16** boxes installed to date. And we continued collaboration with the State-sponsored ARRIVE program to support appropriate response to mental health crises. Looking ahead, our goals are clear: train and develop a young department, stay focused on quality-of-life issues throughout town, and invest strategically in the technology our officers need to do their jobs safely and effectively.

Please join me in thanking the Police Chief, Public Safety Director for their leadership, and the men and women of the Morristown Police Department for their service and commitment to this community.

Public Safety: Fire and Emergency Services

Our Fire and Emergency Services team is focused on readiness—every day, in every season. We are protecting the facilities and staffing levels needed to deliver service, and our capital program includes safety improvements at our firehouses. In 2025, we hired **two** firefighters to backfill retirements and maintain service levels.

Training matters, too. The Fire Bureau continues strengthening mutual aid alliances through joint planning and joint training, so we can draw on regional equipment and personnel for all types of fire and rescue operations. Training with Madison, Cedar Knolls, and New

Vernon Fire Departments has also resumed for specialized responses. And our work with federally funded Urban Search & Rescue partners further enhances our capabilities in firefighting, EMS, and rescue operations.

Please join me in thanking our firefighters and emergency services personnel for their readiness, professionalism, and courage.

Parks and Recreation

In Parks and Recreation, participation keeps climbing. We're sustaining a strong lineup of quality programs, and we're regularly adding new offerings so young people with different interests can find a place to belong. At Burnham Pool, membership remains healthy—evidence of a well-run operation and facilities that deliver real value. To protect these assets for the long term, this year's capital budget includes major maintenance work at the pools. And in the year ahead, Recreation will work with DPW and Planning to identify additional ways to enhance parks and facilities across town as part of our open space planning.

Please join me in thanking our Recreation staff, coaches, and volunteers who make our programs and facilities such a point of pride.

Senior Services

Our Senior Services team has seen renewed energy with new leadership that joined the Town in 2024, helping rejuvenate senior programming. We are now offering more programs than ever—from dance and fitness to crafts, financial management, computer literacy, book clubs, games, bingo, and more—and participation is growing, with attendance in fitness programs up **50%**. This year, we will explore additional creative ways to expand programming and reach even more of our seasoned residents.

Please join me in thanking our Senior Services team and volunteers for creating opportunities for connection, wellness, and lifelong learning.

Public Works

Our Public Works team has had an exceptionally demanding year, beginning with the most active winter we've seen in a long time. Since then, they've coordinated closely with our new sanitation contractor, supported the Police Department during demonstrations, and continue the day-to-day work that keeps Morristown clean and functioning smoothly. This year's storms brought significant overtime and higher salt usage, and global instability continues to drive up the cost of paving materials, fuel, and even the electricity that powers

our streetlights. Even so, our crews show up every day to do the essential, often unseen work that keeps this town running, and I want to thank them for their dedication.

Closing

In closing, Morristown is thriving. But we are not immune to the economic pressures affecting communities across New Jersey—and across the country. Development continues to strengthen our financial foundation. Still, costs are rising faster than we can bring new ratables online. And as a county seat with many nonprofits, we have fewer taxable properties to share the cost of government.

There's an old proverb that captures what good local government is supposed to do: "*A society grows great when old men plant trees whose shade they know they shall never sit in.*" That's the spirit we're bringing to this work—making practical decisions today that strengthen Morristown for the next generation.

Please join me in thanking our Town Council, boards and commissions, and every resident who volunteers time and energy to strengthen Morristown.

I'm confident we are making the right moves for Morristown's long-term health. We are protecting public safety. We are investing in infrastructure. We are modernizing services. And we are planning responsibly for the future. I ask our homeowners for patience as we navigate these realities, and I commit to continued transparency and disciplined management of your tax dollars. Thank you for your partnership. Thank you to our municipal workforce for the work you do every day. And thank you—most of all—for caring about this community we're proud to call home.

Thank you, and God bless Morristown.