

**BOROUGH OF MENDHAM**  
MORRIS COUNTY, NEW JERSEY

**ORDINANCE # 05-2026**

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

**WHEREAS**, the Local Government Cap Law, N.J.S. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget up to 2% 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 governing body of the Borough of Mendham in the County of Morris 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 governing body hereby determines that a 1.5% increase in the budget for said year, amounting to \$123,090.69 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and

**WHEREAS** the governing body 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.

**THEREFORE BE IT ORDAINED**, by the governing body of the Borough of Mendham in the County of Morris, 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 Borough of Mendham shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 3.5%, amounting to \$287,211.60 and that the CY 2026 municipal budget for the Borough of Mendham 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 recognizes that the cap bank established from the levy cap may also be utilized in any of the next three 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.

# # # # #

Introduced: March 18, 2026

Public Hearing: April 15, 2026

**CERTIFICATION**

**I HEREBY CERTIFY** the foregoing to be a true copy of an Ordinance introduced by the Council of the Borough of Mendham at a duly noticed regular meeting held on March 12, 2025

---

Lauren McBride  
Borough Clerk

Dated: March 18, 2026

Attest: BOROUGH OF MENDHAM

---

Lauren McBride, Borough Clerk

---

James R. Kelly, Mayor