2020 MUNICIPAL BUDGET

CITY OF HACKENSACK
2020 MUNICIPAL BUDGET PRESENTATION

- Mission
- Long Term Strategies
- 2020 Budget Overview
- Tax Levy Change & Projection
- COVID-19 Financial Response Plan
MISSION STATEMENT

TO IMPROVE THE “QUALITY OF LIFE” FOR HACKENSACK RESIDENTS

DEFINITION: QUALITY OF LIFE

Improving or Increasing Services **Without** Increasing Taxes
LONG TERM STRATEGIES:

2014 – 2018  TAX STABILIZATION

5 Year Plan to Address Tax Appeal Refunds to Stabilize Tax Increases
LONG TERM STRATEGIES:

2019 – 2023  TAX RELIEF

5 Year Plan to Grow New Revenue & Curtail Spending to Eliminate Tax Increases
2020 Budget Overview
2020 BUDGET GOAL

“TO CRAFT A BUDGET THAT IS ACCURATE AND CONTINUES THE POLICIES THAT HAVE ACHIEVED LONG-TERM TAX STABILITY.

THE BUDGET MUST PROVIDE THE FUNDING AND PLAN FOR:

COMMUNITY IMPROVEMENTS, REDEVELOPMENT AND TAX RELIEF.”
2020 BUDGET GOAL

Quality of Life –

Increasing service to the community without increasing taxes.
2020 Municipal Budget

0% TAX LEVY INCREASE

Municipal Tax Decrease (- $298,045)

Hackensack Open Space Tax (estimated) $282,386

The actual levy is decreased to off-set the Hackensack Open Space tax, as promised.
2020 MUNICIPAL BUDGET

Ho Hum. Another Zero Tax Increase . . .
NOW! WHAT HAVE YOU DONE FOR ME LATELY!!
### 2020 MUNICIPAL BUDGET

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Tax Levy</td>
<td>$85,391,072</td>
<td>$85,689,118</td>
<td>$85,875,294</td>
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</table>
2020 MUNICIPAL BUDGET

2020 TOTAL BUDGET  $108,514,237

2019 Budget  $107,002,574

Increase of $1,511,663

1.4%
2020 MUNICIPAL BUDGET

TOTAL INCREASE $1,511,665

Salaries +$ 455,711 1.1%

Health Benefits +$1,209,000 5.9%

Everything Else (-$153,046)
In 2020 Salaries & Wages have increased 1.06% over 2019.

Total $43,377,711
HEALTH BENEFITS & INSURANCE

Total $21,482,000

In 2020 Health Benefits & Insurance have risen by 5.9%.

Negotiated reductions to benefits begin in 2020.
In 2020, for the first time Pension costs have actually decreased as the benefits of the 2010 Pension Reform Act finally kick in.
What do all these numbers mean??
Hackensack Total Property Valuations

City Wide Re-Assessment
Hackensack Municipal Tax Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax Rate</th>
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<tbody>
<tr>
<td>2015</td>
<td>1.693</td>
</tr>
<tr>
<td>2016</td>
<td>1.639</td>
</tr>
<tr>
<td>2017</td>
<td>1.635</td>
</tr>
<tr>
<td>2018</td>
<td>1.629</td>
</tr>
<tr>
<td>2019</td>
<td>1.545</td>
</tr>
<tr>
<td>2020</td>
<td>1.512 (projected)</td>
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### 2019 ACTUAL TAX BILL

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>School</td>
<td>$3,891.19</td>
</tr>
<tr>
<td>County</td>
<td>$613.99</td>
</tr>
<tr>
<td>County Open Space</td>
<td>$28.14</td>
</tr>
<tr>
<td>Library</td>
<td>$89.54</td>
</tr>
<tr>
<td>City Open Space</td>
<td>$12.79</td>
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<tr>
<td>Municipal Tax</td>
<td>$3,952.59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,588.24</strong></td>
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### 2020 PROJECTED TAX BILL

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>School</td>
<td>$3,863.05</td>
</tr>
<tr>
<td>County</td>
<td>$613.99</td>
</tr>
<tr>
<td>County Open Space</td>
<td>$25.58</td>
</tr>
<tr>
<td>Library</td>
<td>$89.54</td>
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<tr>
<td>City Open Space</td>
<td>$12.79</td>
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<tr>
<td>Municipal Tax</td>
<td>$3,868.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,473.11</strong></td>
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</tbody>
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**TAX BILL COMPARISON 2019 - 2020**

**average home - $255,831**
2020 MUNICIPAL BUDGET

Zero Increase to the Municipal Tax Levy

- no increase in Surplus as revenue to achieve zero
- still not using the full allotment of 2018 HUMC settlement to achieve zero
- 2020 Budget doesn’t utilize any of the additional $2 million annual payment from HUMC recently negotiated
- still not utilizing PILOT revenue, except for 100 State St.
  - $477,000 = 0.004% of total revenue
2020 MUNICIPAL BUDGET

PUBLIC HEARING:

Tuesday May 5, 2020 at 8:00 p.m.
via ZOOM on-line meeting platform
Details on access on City website www.Hackensack.org
E-mail questions / comments to asaabye@Hackensack.org

Copies of the budget are available on the City website
COVID 19 EMERGENCY
FINANCIAL RESPONSE PLAN
Without a FINANCIAL RESPONSE PLAN, we face a potential projected deficit of:

$2.5 MILLION

A deficit occurs when we spend more than we take in.

The amount of the deficit is added to next year’s budget . . .

increasing taxes before the year has even started.
COVID 19 FINANCIAL RESPONSE PLAN

To mitigate the potential $2.5 million DEFICIT, the City Manager and CFO, working with the City Council Finance Committee devised a Response Plan.

The City Manager has ordered that $2.5 million in identified budget expenditures be frozen for the duration of this crisis.

Dept. Heads cannot expend these funds without the specific approval of the City Manager.
COVID 19 FINANCIAL RESPONSE PLAN

The budget expenditures to be frozen were taken partially from programs that had to be cancelled because of the crisis . . . or

from budget expenditures with active reserves or Trust Funds, which can be utilized.

This is why we have Reserves!
Later in the year, the City Manager and CFO will review the City’s finances and order the cancellation of any affected budget appropriation.

Every amount cancelled, reduces the deficit by that same amount. This will minimize the impact to the 2021 Municipal Budget.
What if the deficit is larger than all of the cancelled budget appropriations?

Won’t that increase taxes next year?
CONTINGENCY PLAN

In the 2021 budget, we will off-set the one-time budget appropriation for the deficit with a one-time infusion of revenue from Surplus to wipe out any tax increase.

This is why we have Surplus!
COVID 19 FINANCIAL RESPONSE PLAN

Hackensack is financially stronger than many other Bergen County municipalities.

We will emerge from this financial crisis even stronger!
COVID 19 FINANCIAL RESPONSE PLAN

We have been preparing for financial emergencies like this since 2014.

This is why we plan!
QUESTIONS?