

City of Hackensack Proposed 2014 Municipal Budget



2014 BUDGET GOAL

“To craft a budget that is accurate and sets the framework for long-term tax stability, while providing the funding and planning necessary for re-development, community improvements as well as known future events.”

2014 BUDGET OBJECTIVES

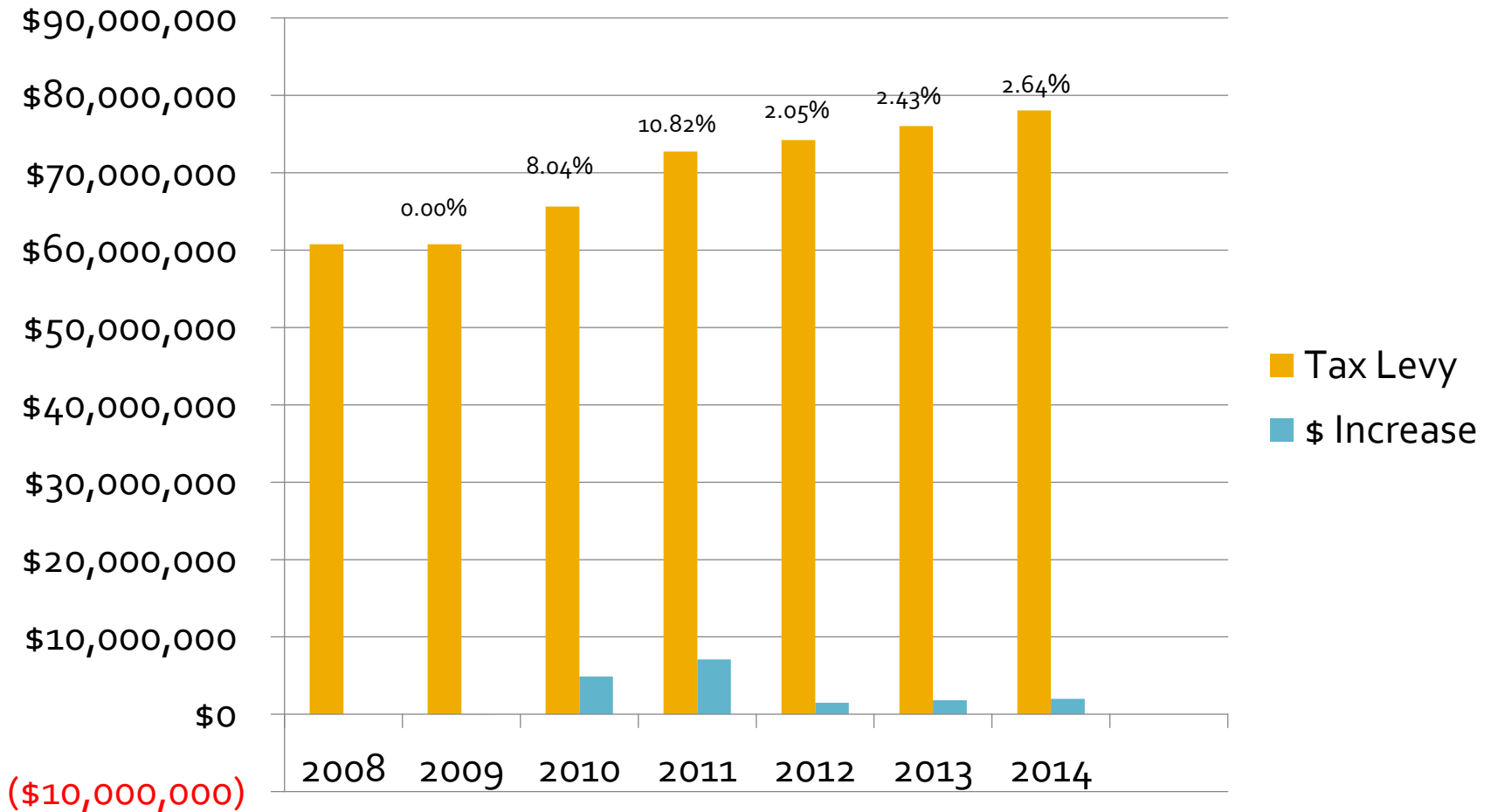
To provide the funding needed to make future growth in the City happen.

To address past budget “STRUCTURAL IMBALANCES” that hinder future growth

Municipal Tax Levy

Year	2008	2009	2010	2011	2012	2013	2014
Levy	\$60,761,043	\$60,758,874	\$65,641,005	\$72,742,688	\$74,235,524	\$76,042,582	\$78,049,967
\$ Increase	N.A.	-\$2,169	\$4,882,132	\$7,101,682	\$1,492,836	\$1,807,057	\$2,007,386
% Increase	N.A.	0.00%	8.04%	10.82%	2.05%	2.43%	2.64%
Includes Library							

Municipal Tax Levy



“Revenue at Risk”

Year	2008	2009	2010	2011	2012	2013	2014
Surplus Anticipated	\$7,000,000	\$4,000,000	\$5,960,000	\$2,725,000	\$2,725,000	\$3,350,000	\$3,000,000
Parking Utility Surplus	\$500,000	\$500,000	\$576,500	\$576,500	\$576,500	\$576,500	\$576,500
Reserve to Pay Debt Service		\$1,397,817	\$312,291		\$236,150	\$655,000	
Parking Utility Operating Fund		\$1,089,031					
Interfund Payable (Payroll)		\$108,749		\$143,559	\$86,950		
General Capital Surplus			\$1,562,750	\$521,019	\$336,667		
Reserve for Pension			\$6,674		\$494,000		
Insurance Reimbursement						\$109,715	
Total Revenue at Risk	\$500,000	\$3,095,597	\$2,458,215	\$1,241,078	\$1,730,267	\$1,341,215	\$576,500
Tax Levy Increase (Includes Library)	N.A.	0.00%	8.04%	10.82%	2.05%	2.43%	2.64%

Budget Transfers & Reimbursements

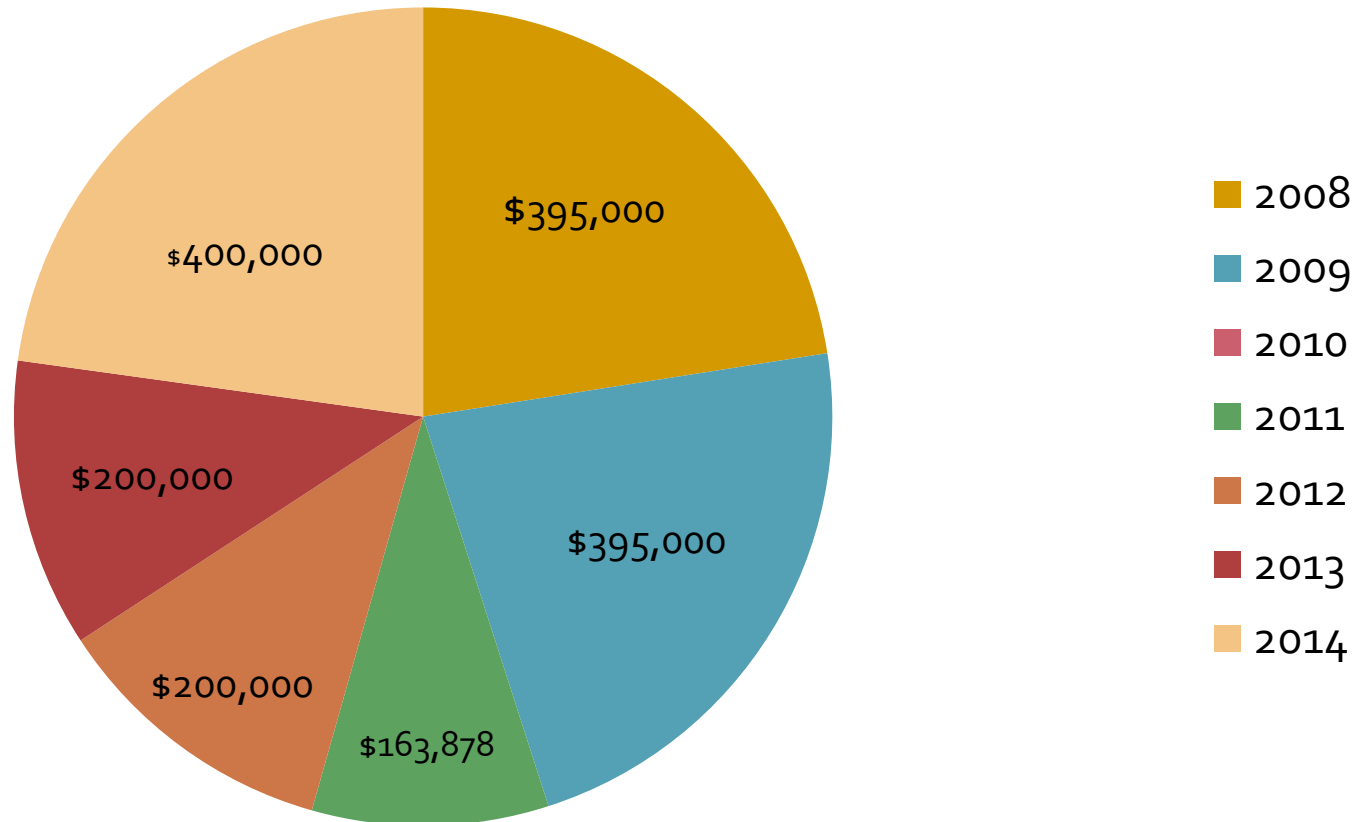
Year	2007	2008	2009	2010	2011	2012	2013
Transfers	\$2,242,623	\$3,612,167	\$4,568,740	\$4,796,004	\$3,571,180	\$2,401,261	\$2,852,560
Reimbursements	\$2,088,475	\$2,268,591	\$3,108,687	\$2,460,681	\$2,505,981	\$3,288,324	\$2,640,759
Total	\$4,331,098	\$5,880,758	\$7,677,427	\$7,256,685	\$6,077,161	\$5,689,585	\$5,493,319

Capital Improvement Fund

Year	2008	2009	2010	2011	2012	2013	2014 Proposed
Capital Improvement Fund	\$395,000	\$395,000	\$0	\$163,878	\$200,000	\$200,000	\$400,000

Capital Improvement Fund

Capital Improvement Fund



2014 Budget Analysis

Year	2008	2009	2010	2011	2012	2013	2014 Proposed
Total Appropriations	\$79,584,552	\$79,719,244	\$85,586,755	\$88,632,127	\$89,965,886	\$91,948,414	\$93,850,553
\$ Increase	N.A.	\$134,692	\$5,867,511	\$3,045,372	\$1,333,759	\$1,982,528	\$1,902,139
% Increase	N.A.	0.17%	7.36%	3.56%	1.50%	2.20%	2.07%

Debt Service

Year	2014	2013	2012	\$ Change
Bond Principal	\$1,815,000	\$1,506,000	\$2,165,000	\$309,000
Bond Interest	\$800,000	\$800,000	\$695,000	0
Payment on Bond Anticipation Notes	\$1,635,000	\$1,535,000	\$1,285,000	\$100,000
Interest On Notes	\$73,835	\$133,200	\$165,000	(\$59,365)
NJEIT Principal	\$273,000	\$270,500	\$275,000	\$2,500
NJEIT Interest	\$77,500	\$85,000	\$110,000	(\$7,500)
Green Acres Loan Repayment	\$28,276	\$22,947	0	\$5,329
BCIA Capital Lease Principal	\$132,500	\$123,000	\$135,000	\$9,500
BCIA Capital Lease Interest	\$13,500	\$29,000	\$42,000	(\$15,500)
	<u>\$4,848,611</u>	<u>\$4,504,647</u>	<u>\$4,872,000</u>	<u>\$343,964</u>

Other Expenses Highlights

Year	2014	2013	2012	% Change	\$ Change
Public Employees Pension	\$1,308,828	\$1,208,970	\$1,251,536	8.26%	\$99,858
Police/Fire Pension	\$6,072,806	\$5,915,147	\$5,763,067	2.67%	\$157,659
DCRP	\$5,000	\$1,500	\$312	233.33%	\$3,500
Social Security	\$1,275,000	\$1,450,000	\$1,400,000	-12.07%	(\$175,000)
Annual Audit	\$100,000	\$62,000	\$62,000	61.29%	\$38,000
Debt Service	\$4,848,611	\$4,504,647	\$4,872,000	7.64%	\$343,964
Group Insurance	\$13,083,000	\$12,024,000	\$12,195,000	8.81%	\$1,059,000
BCUA	\$6,225,000	\$6,071,000	\$5,692,000	2.54%	\$154,000
Police	\$679,850	\$612,350	\$476,850	11.02%	\$67,500
DPW	\$1,246,710	\$1,217,550	\$1,113,475	2.39%	\$29,160
Fire	\$368,250	\$328,250	\$369,455	12.19%	\$40,000

2014 Proposed Municipal Budget

APPROPRIATION	2014 PROPOSED	2013 ADOPTED	2012 ADOPTED	\$ CHANGE	% OF TOTAL
Salaries and Wages	\$39,364,160.00	\$39,350,000.00	\$37,927,150.00	\$14,160.00	42.80%
Other Expenses	\$35,824,517.00	\$34,343,047.50	\$33,348,768.00	\$1,481,468.50	37.35%
Grants*	\$21,009.00	\$30,998.00	\$618,675.00	(\$9,989.00)	0.03%
Debt Service	\$4,848,611.00	\$4,504,647.00	\$4,872,000.00	\$343,964.00	4.90%
Deferred & Statutory	\$9,019,534.00	\$9,101,867.00	\$8,730,568.00	(\$82,333.00)	9.90%
Interlocal Agreements	\$637,722.00	\$682,855.00	\$533,725.00	(\$45,133.00)	0.74%
Subtotal Budget Expenditures	\$89,715,553.00	\$88,013,414.50	\$86,030,886.00	\$1,702,138.50	95.72%
Capital Improvement Fund	\$400,000.00	\$200,000.00	\$200,000.00	\$200,000.00	0.22%
Reserve for Uncollected Taxes ***	\$3,735,000.00	\$3,735,000.00	\$3,735,000.00	\$0.00	4.06%
Total Expenditures	\$93,850,553.00	\$91,948,414.50	\$89,965,886.00	\$1,902,138.50	100.00%

* - Figure subject to change as 2014 grants are confirmed

*** - Estimated

Budget Action Plan

- Planning for Future Growth
 - Provide funding for Re-Development
 - Budget and plan for future Capital expenditures
 - Create and fund a plan to deal with the issue of tax appeals
 - Create and fund a plan to deal with the issue of the \$15 million retiree pay-out liability
 - Create and fund a long-term plan to address recurring Capital issues such as street re-paving or vehicle replacements

- Budget Structural Imbalances
 - Begin the process of reducing the over-reliance on Surplus funds as revenue
 - Plan for the future to reduce the reliance on Deferred Charges
 - Example – Special Emergency Appropriation for Police retiree Pay-outs
 - Bond ordinance for tax appeals
 - Eliminate all “Revenue at Risk”
 - Begin the process of reducing the reliance of revenue from the Parking Utility by creating a more realistic Parking Utility budget
 - Track various City revenues (such as lease agreements, etc.) by including them in the budget
 - Address the issue of increased spending for professional services (legal fees, engineering bills, etc.) by over-hauling the encumbrance system and bill review process