

2018 Hackensack Municipal Budget

A RISING TIDE . . .

2018 Municipal Budget Presentation

- **Mission**
- **State of the City's Finances**
- **Status of Progress Towards Goals**
- **Obstacles to Overcome**
- **2018 Budget Overview**

Mission Statement

TO IMPROVE THE
“QUALITY OF LIFE”
FOR HACKENSACK RESIDENTS

DEFINITION:

QUALITY OF LIFE

***IMPROVING OR INCREASING
SERVICES WHILE SIMULTANEOUSLY
STABILIZING TAXES***

4 Step Process

1) Make the City attractive to **Investors**

Definition: **Investors** - *anyone who has made the decision to invest here in Hackensack*

Developers

Business Owners

Home Owners

2) Increase our ratable base

3) Lower our tax rate

4) Allow an increase to the tax levy (**more services**)

without increasing the tax rate (**stabilizing taxes**)

HACKENSACK

STATE OF THE CITY'S FINANCES – 2018

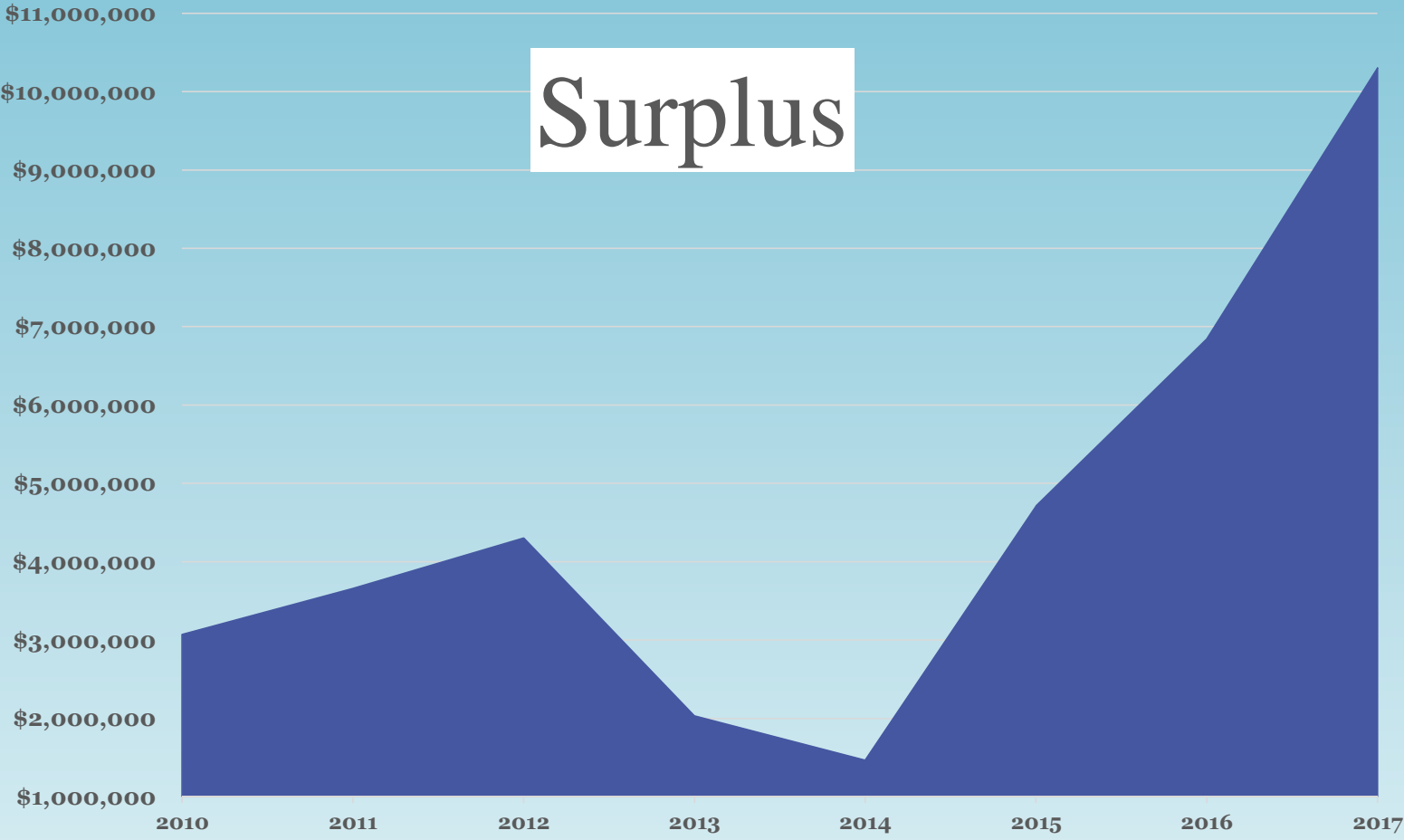
State of the City's Finances

Dec 31, 2017
\$21,324,869



State of the City's Finances

Dec 31, 2017
\$10,303,909



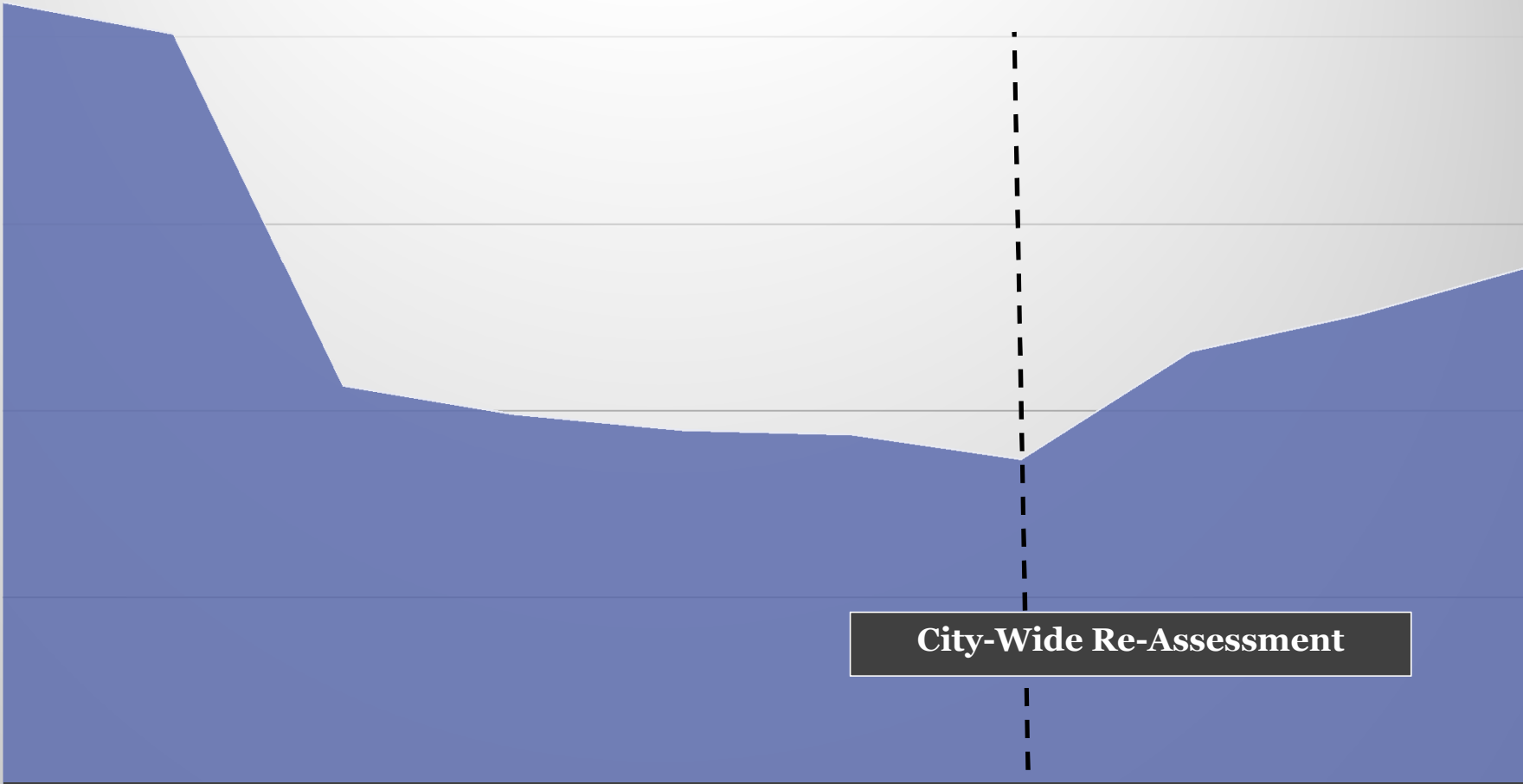
Progress towards our Goal
of increasing
our ratable base

Hackensack Total Property Valuations

\$6,000,000,000
\$5,500,000,000
\$5,000,000,000
\$4,500,000,000
\$4,000,000,000

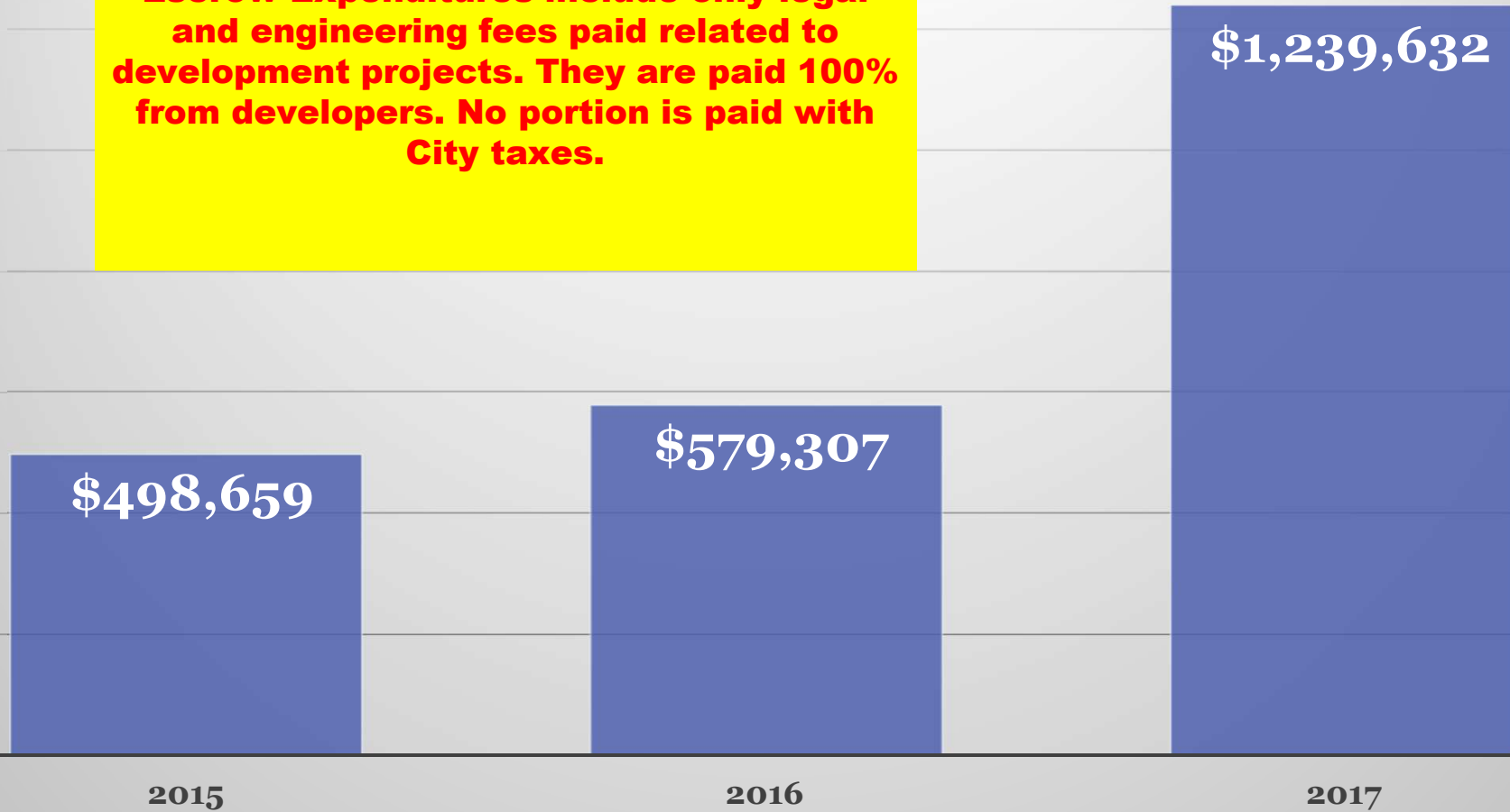
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

City-Wide Re-Assessment



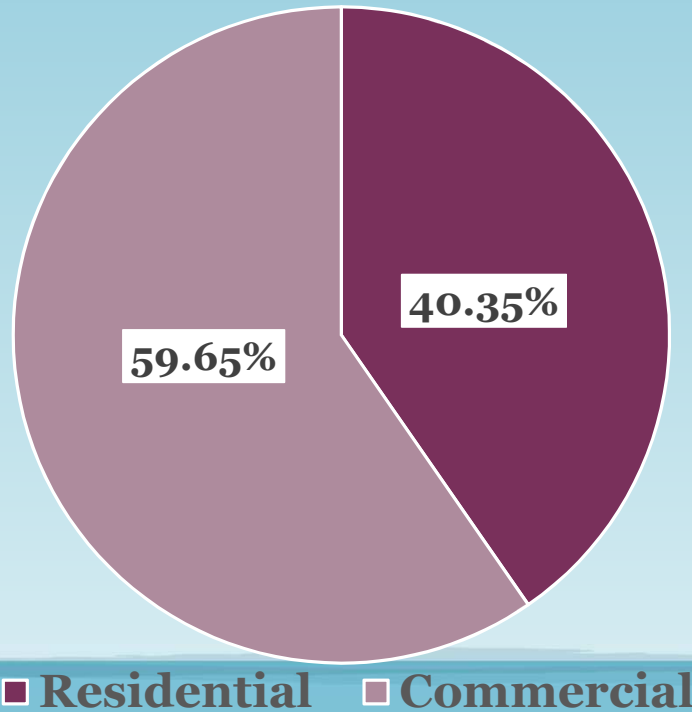
Hackensack Escrow Expenditures

Escrow Expenditures include only legal and engineering fees paid related to development projects. They are paid 100% from developers. No portion is paid with City taxes.

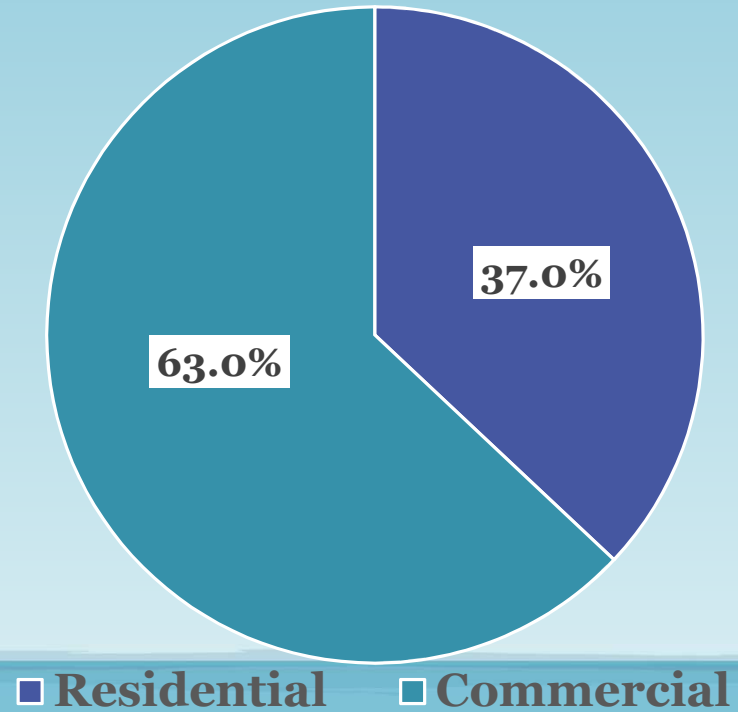


Hackensack Taxes Paid

2014



2018



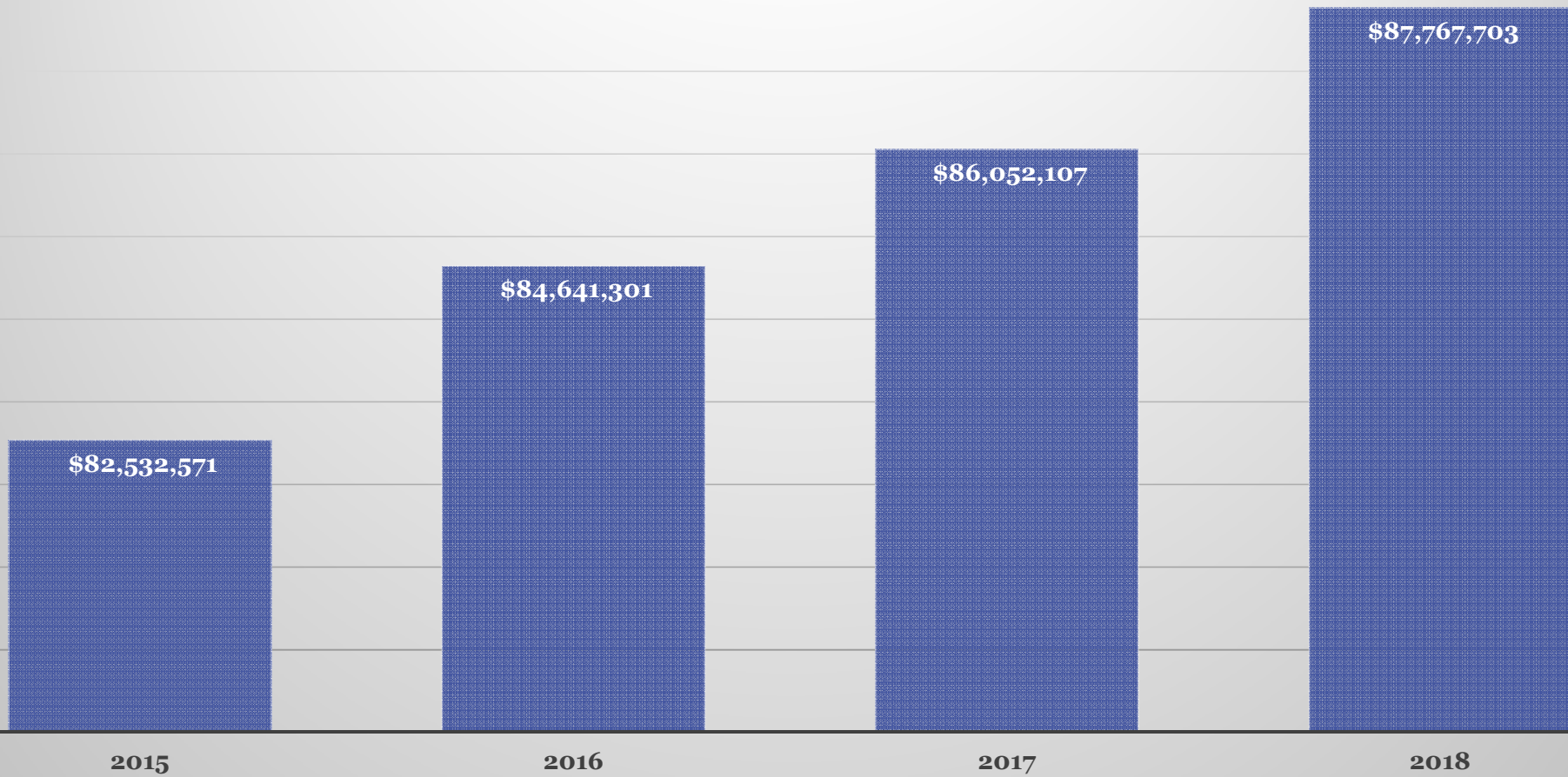
The tax burden is shifting from Residential to Commercial

Progress towards our Goal
of lowering
our tax rate

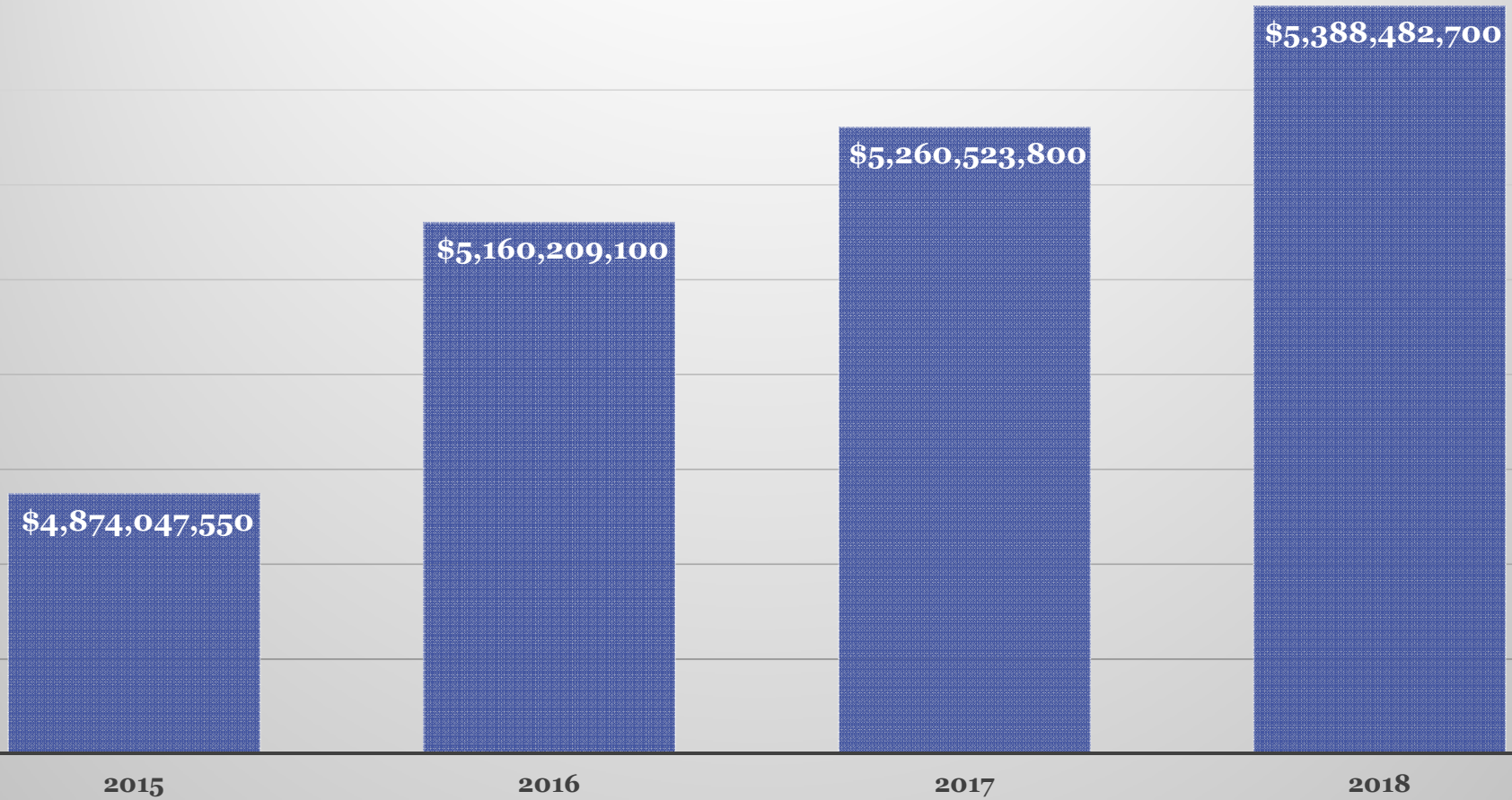
$$\text{Tax Rate} = \frac{\text{LEVY}}{\text{TOTAL VALUATIONS}}$$

To determine the tax rate, divide the tax levy by the total valuations

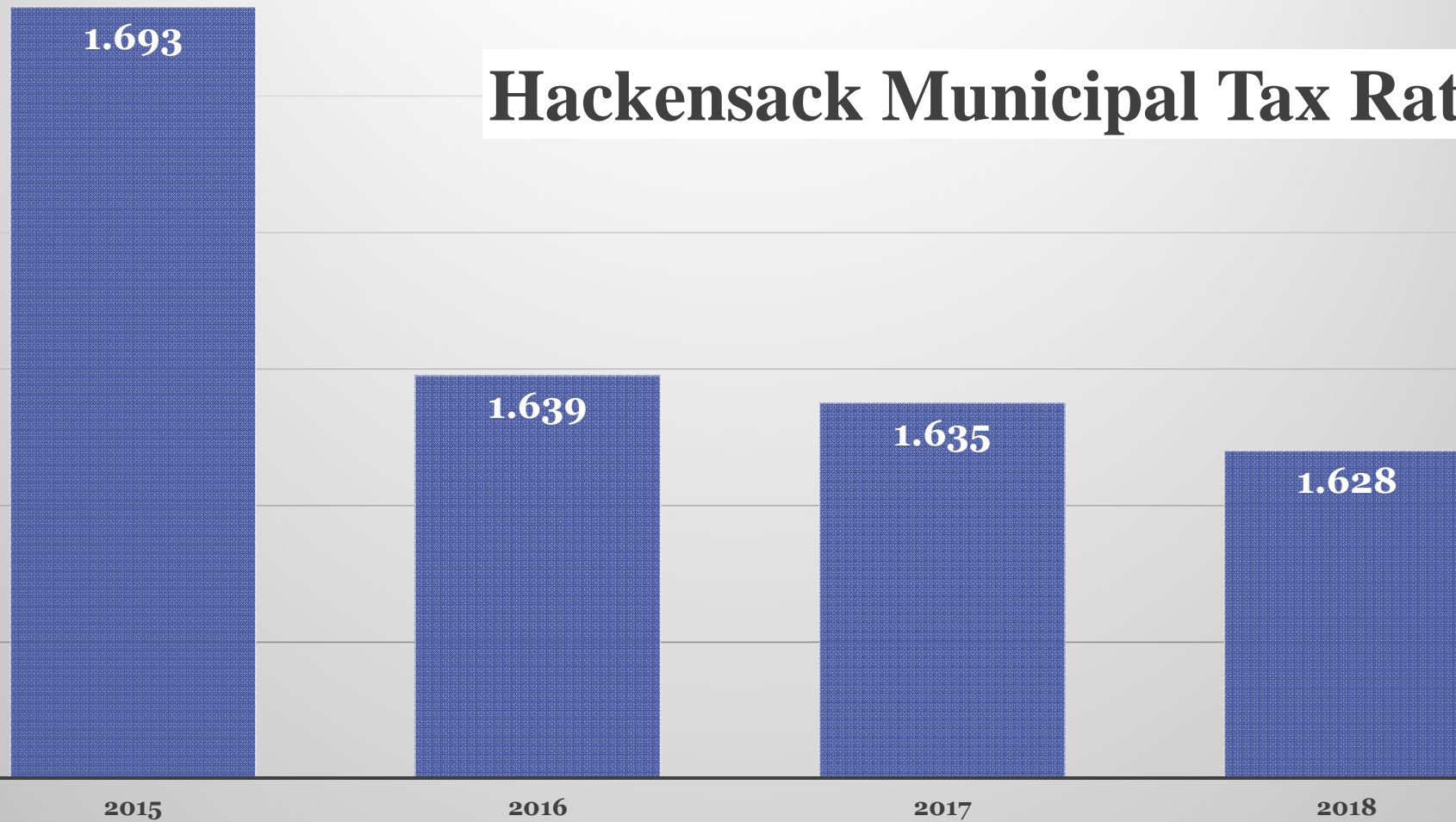
Hackensack Municipal Tax Levy



Hackensack Total Valuations



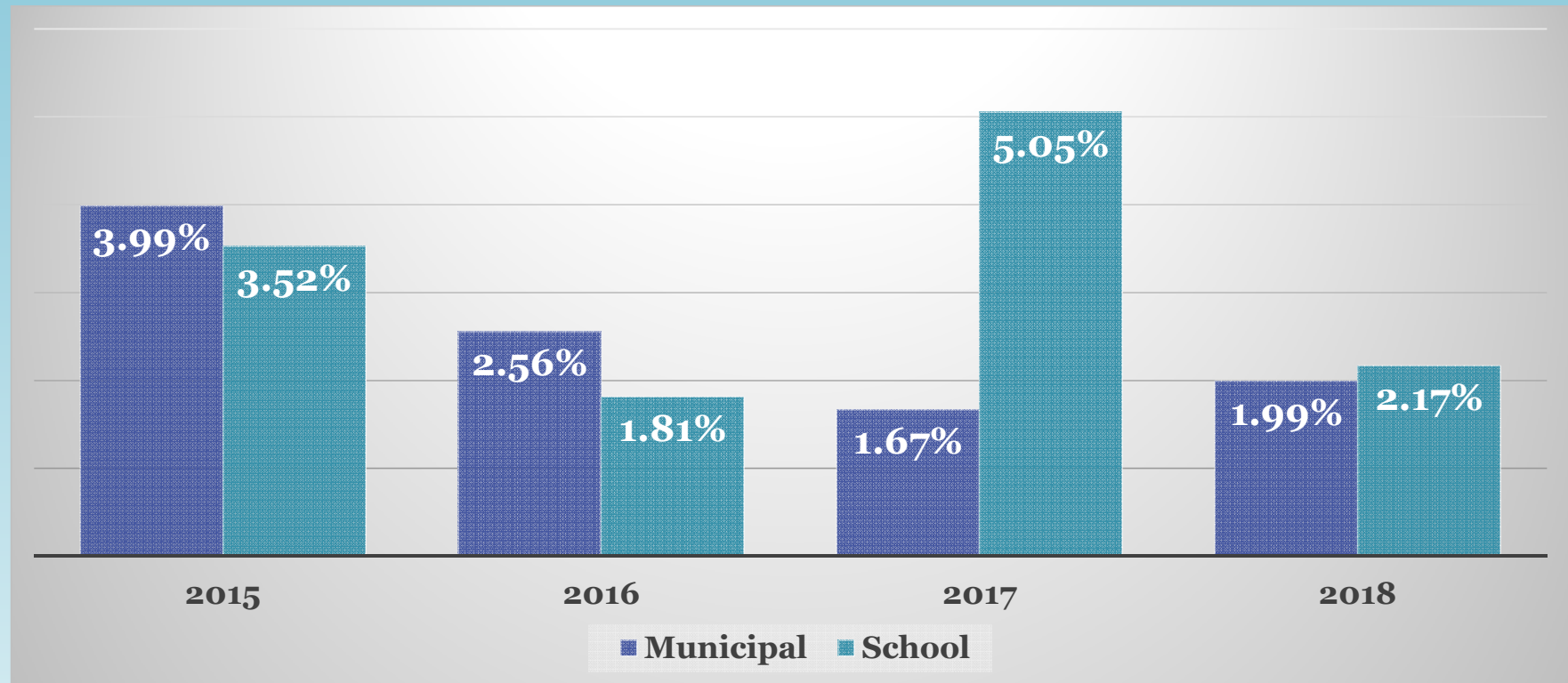
Hackensack Municipal Tax Rate



Obstacles to Overcome:

- Unexpected Health Benefit Increases
- Final Clean-Up of Unresolved Financial Receivables
- Increases in Local School Taxes

Hackensack % Increase to the Tax Levy



HACKENSACK

2018 BUDGET OVERVIEW

2014-2017 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 REDEVELOPMENT AND COMMUNITY IMPROVEMENTS.”*

2018 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.**”*

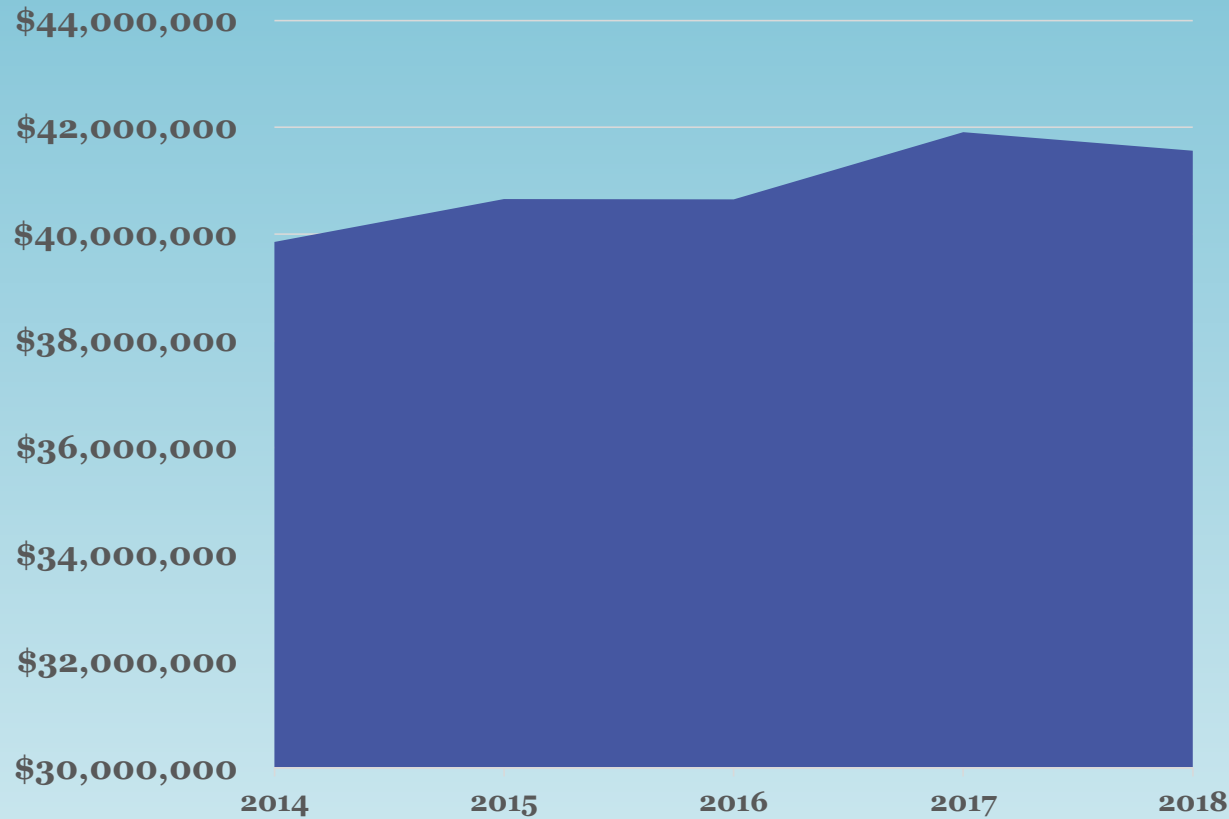
2018 Municipal Budget

**1.99 % Tax Levy
Increase**

\$49.69

increase to the average
homeowner

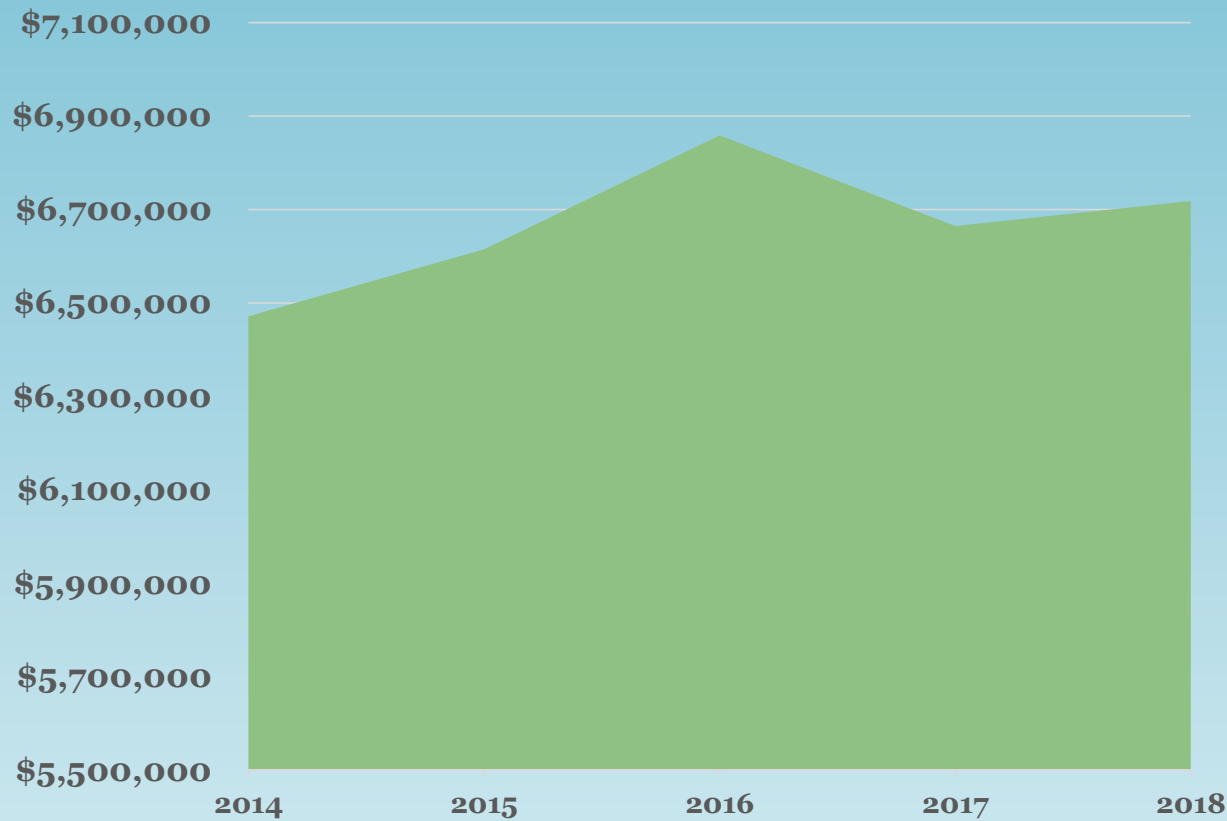
Salaries & Wages



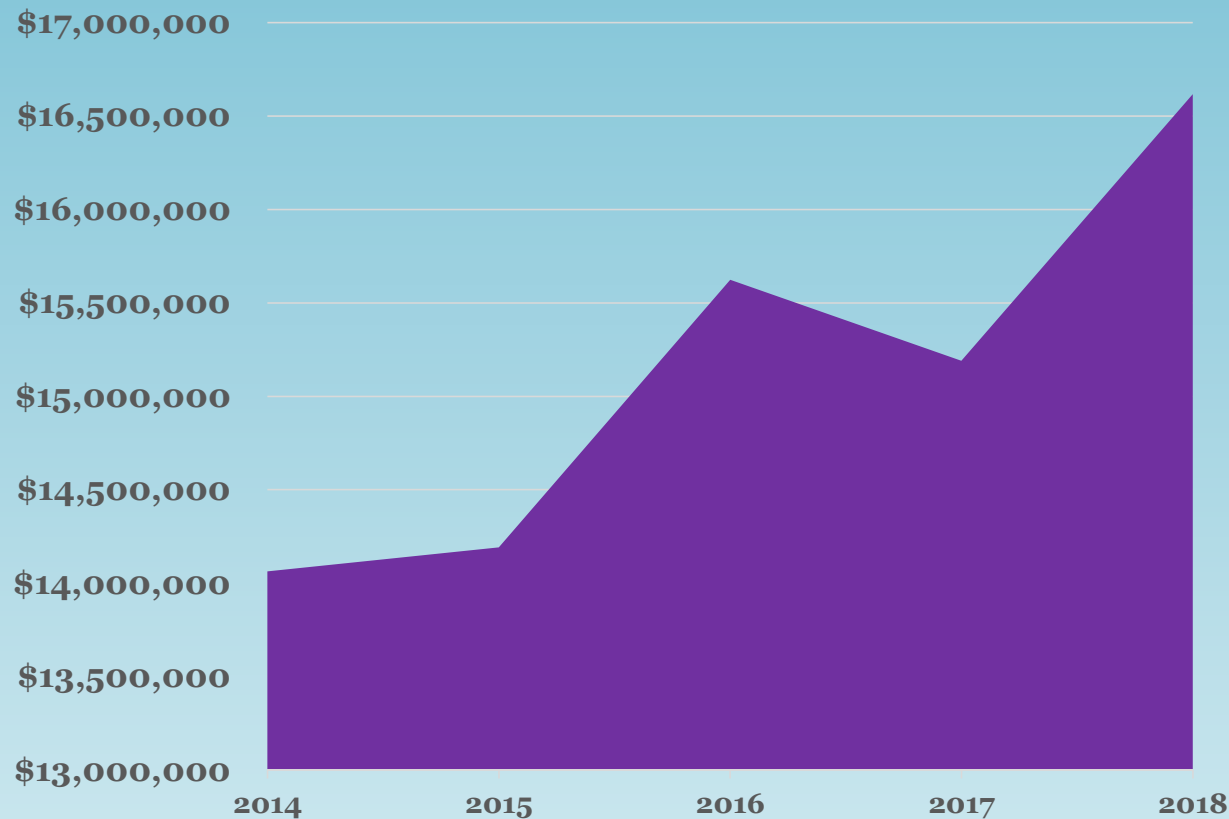
**Salaries & Wages
are down by
\$345,575 from the
previous year**

Other Expenses

**Department
Operating Expenses
are up 0.8% or
\$53,420 from 2017**



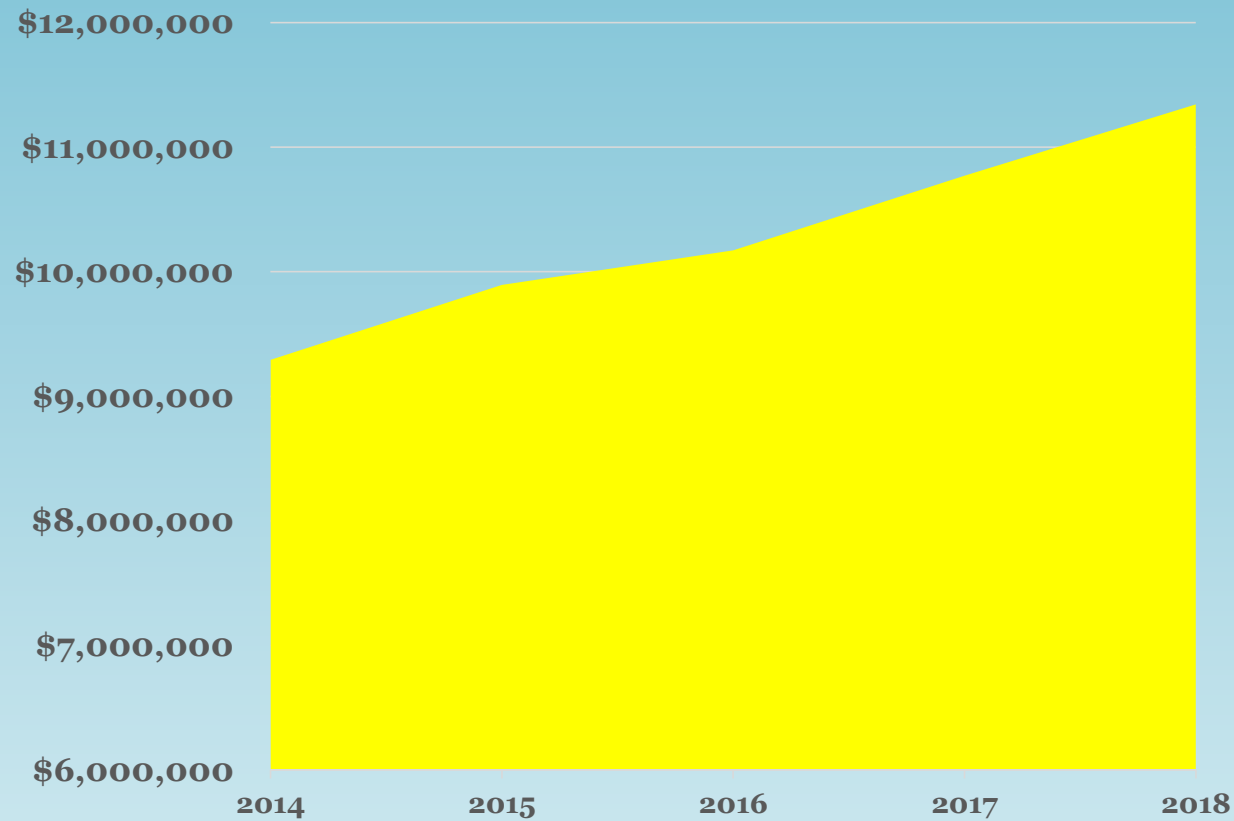
Health Benefits



An increase in Health Benefit expenses of \$1.35 million is the single biggest driver to this tax increase

We need an Action Plan to address these wide fluctuations in order to achieve stability.

Pensions



Pension expenses will continue to rise until the savings in the 2010 Pension Reform Act begin to materialize

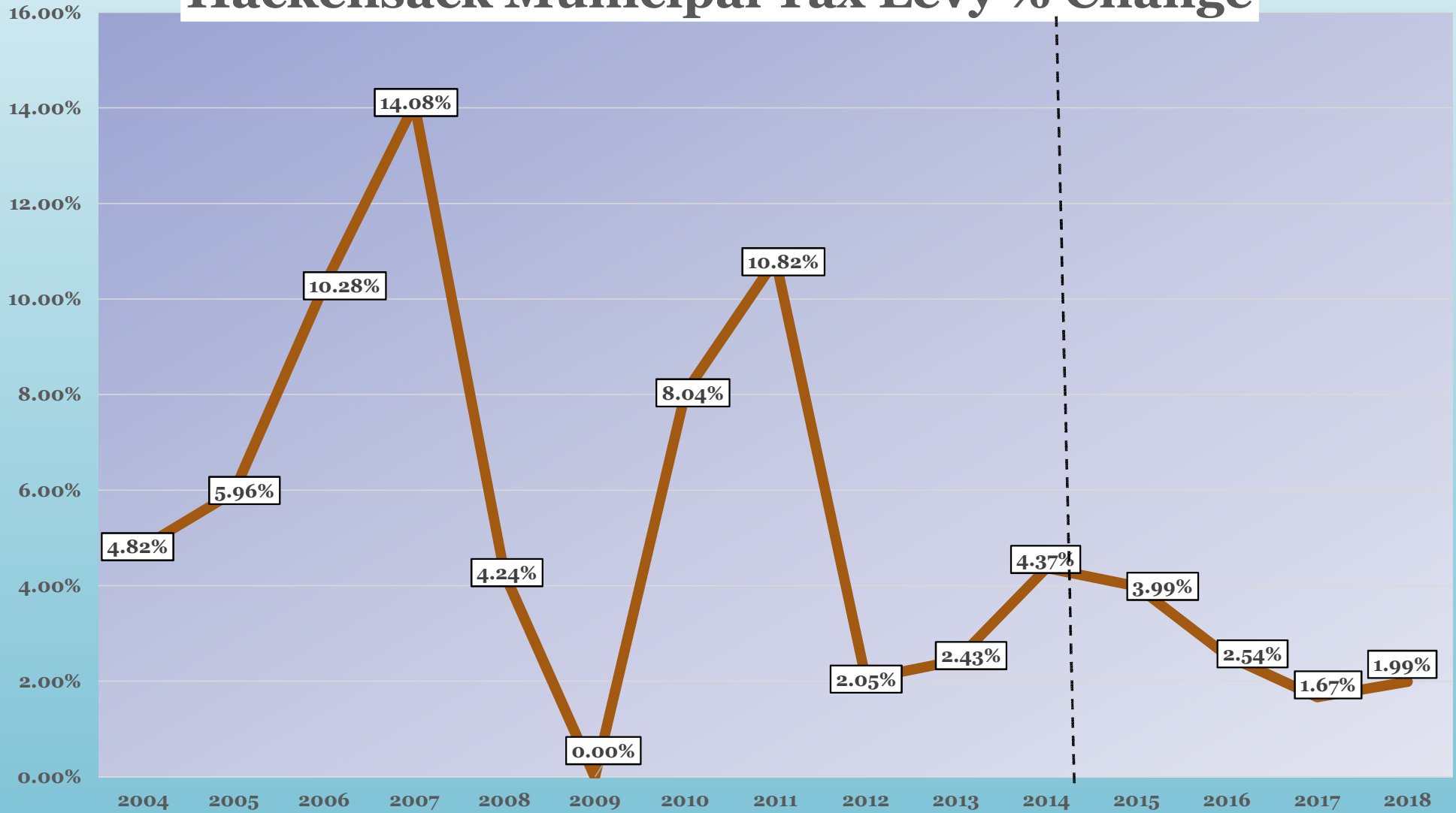
2018 Municipal Budget Highlights:

- ❑ **SALARIES & WAGES ARE DOWN BY 0.8%**
- ❑ **DEPT OPERATING EXPENSES ARE UP BY 0.8%**
- ❑ **UTILITY EXPENSES (ELECTRICITY, NATURAL GAS, TELEPHONE, GASOLINE & WATER) ARE TRENDING DOWN**
- ❑ **DEBT SERVICE / DEFERRED CHARGES ARE FLAT FROM LAST YEAR**
- ❑ **PENSION EXPENSES ARE \$539,162 HIGHER THAN LAST YEAR**
- ❑ **HEALTH BENEFITS ARE UP BY 10.7% TO \$16.6 MILLION**
- ❑ **PILOT REVENUE IN 2018 IS ¼ OF 1% OF TOTAL REVENUE**

What's New in 2018:

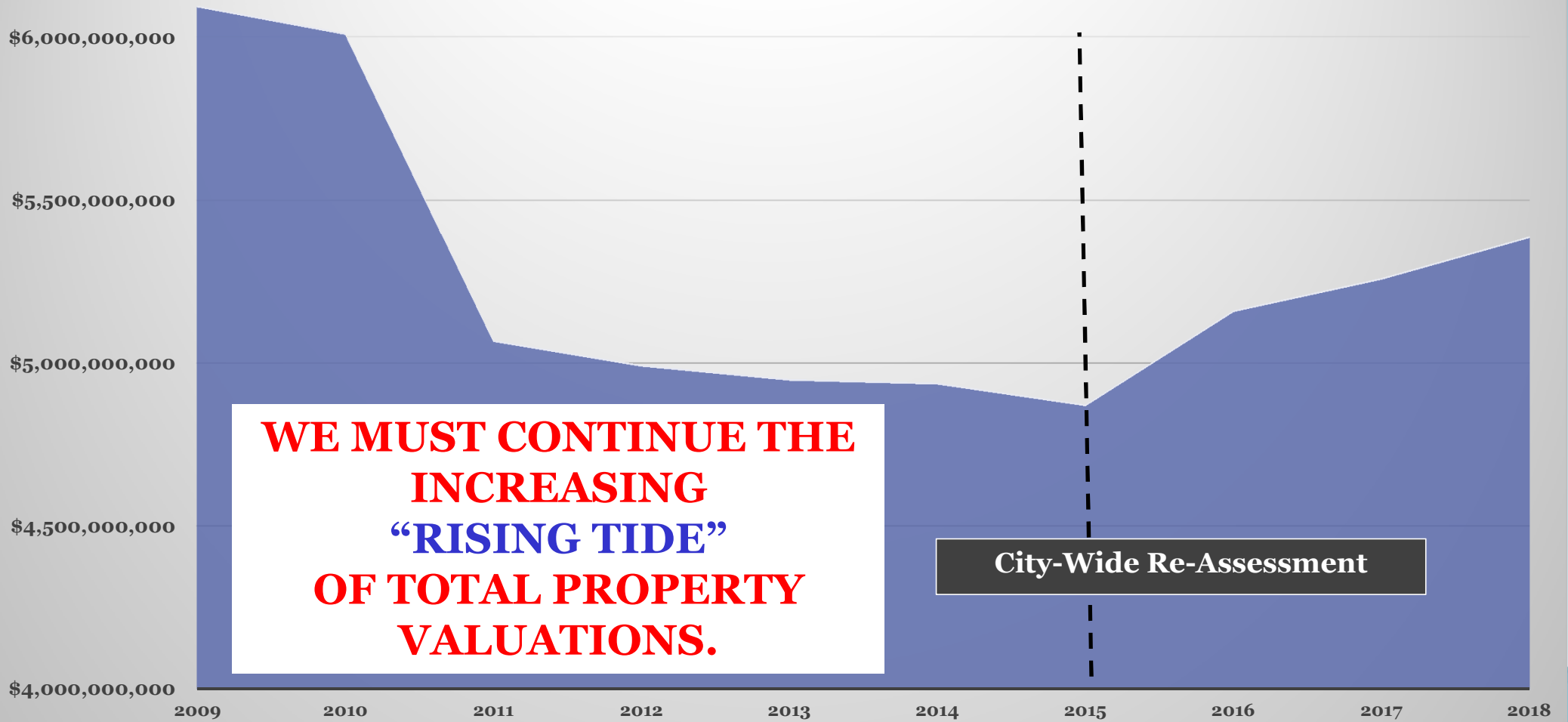
- ❑ **2018 BUDGET INCLUDES FUNDING FOR THE SPECIAL LAW ENFORCEMENT OFFICERS FOR THE SCHOOLS**
- ❑ **THE RETURN OF THE HACKENSACK RENT STABILIZATION BOARD**
- ❑ **THE RESERVE FOR TAX APPEALS IN INCREASED TO \$1 MILLION TO PREVENT FUTURE FINANCING OF TAX APPEAL REFUNDS**
- ❑ **2018 BUDGET INCLUDES AN INCREASE OF OVER \$1 MILLION IN LOCAL REVENUES:**
 - ❑ **Construction Fees**
 - ❑ **Municipal Court Fines**
 - ❑ **Interest & Costs of Taxes**
 - ❑ **Fees & Permits**

Hackensack Municipal Tax Levy % Change



In order to allow for these increases in the tax levy from additional services we must continue our efforts to lower the tax rate.

Hackensack Total Property Valuations



2018 Hackensack Municipal Budget

A RISING TIDE . . .

LIFTS ALL BOATS

2018 Municipal Budget Public Hearing

**TUES APRIL 24
8:00 PM
COUNCIL CHAMBERS**