

# 2019 Municipal Budget

City of Hackensack

# 2019 Municipal Budget Presentation

- Mission
- Long Term Strategies
- New 5-Year Plan
- 2019 Budget Overview
- Tax Levy Change & Projection

# Mission Statement

*TO IMPROVE THE “QUALITY OF LIFE”  
FOR HACKENSACK RESIDENTS*

DEFINITION:

**QUALITY OF LIFE**

2018  
VERSION

Improving or Increasing Services  
While Simultaneously Stabilizing  
Taxes

# Mission Statement

*TO IMPROVE THE “QUALITY OF LIFE”  
FOR HACKENSACK RESIDENTS*

DEFINITION:

**QUALITY OF LIFE**

2019  
VERSION

Improving or Increasing Services  
**Without** Increasing Taxes

# Long Term Strategies

2014 – 2018

5 Year Plan to Address Tax Appeals

## *Paradigm Shift*



# TAX APPEALS

## Paradigm Shift

To achieve the goal of long term tax stabilization, we need to plan for and consider the implications of the TAX Appeal issue.

Capital Purchases

Salary & Wage Budgets

Operating Expense Budgets

“CAPS” – Tax Levy Cap & Budget Appropriation Cap

Debt Service

Contract Negotiations

Health Benefit Budget

Library Donation



*from the 2014 Budget  
Presentation*

# Long Term Strategies

2019 – 2023

**New 5 Year Plan**

New direction from the Finance  
Committee to move from  
Tax Stabilization to Tax Relief

# Long Term Strategies

2019 – 2023

**New 5 Year Plan**

Tax Stabilization - **Reduce** the Increase to Municipal Taxes

Tax Relief - **Eliminate** the Increase to Municipal Taxes



# Long Term Strategies

2019 – 2023

**New 5 Year Plan**

Take the steps necessary to eliminate municipal tax increases in the next 5 budget years, without lay-offs, reducing services or eliminating programs.

# Long Term Strategies

2019 – 2023

**New 5 Year Plan**

Several significant financial events took place in 2018 that we added to our “FINANCIAL TOOLBOX” to make this plan now possible.

## Toolbox #1

## Trust Funds

To be utilized when needed as an alternative to taxes

as of Dec. 31, 2018:

Accumulated Absence Trust	\$1,279,079
Snow Removal / Storm Trust	\$833,551
Health Benefit Trust	\$494,307
started in 2018	

Toolbox #2

Reserve for Tax Appeals

started in 2017

as of Dec. 31, 2018:

\$1,234,513

Alternative to financing which increases Debt Service, which increases taxes

## Toolbox #3

# Surplus Policy

- Crafted in 2018
- Modified in 2019 to designate future tax relief as an appropriate use of excess Surplus
- The Surplus Policy acts as a Safety Valve to ensure these funds will be there when needed in the future

## Toolbox #4

## \$39 million Bond Sale

April 2018

- not just substantial savings by locking in a low interest rate,
- not just the ability to better plan through the stability of long-term financing,
- not just reducing overall debt by applying the short term savings to paying off additional debt . . .

Toolbox #4

\$39 million Bond Sale

- but also, crafting a long-term debt schedule that allows us to continue to increase our infrastructure improvements with **NO NEW TAXES !**

## Toolbox #5

# Hackensack Open Space Tax

November 2018

- To be used exclusively for Hackensack projects,
- in Hackensack parks for the enjoyment of Hackensack residents.
- Part of a larger strategy to secure more grants as an alternative to new taxes

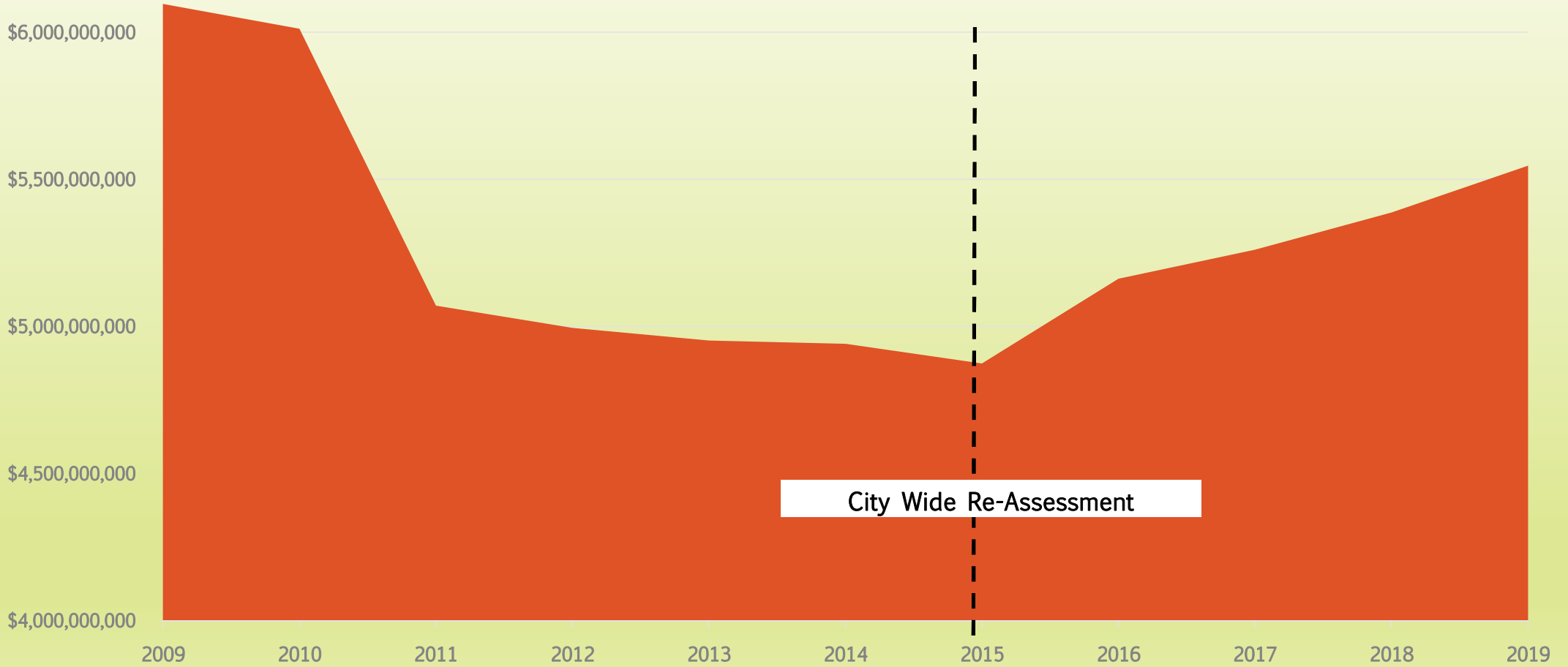


## Toolbox #6

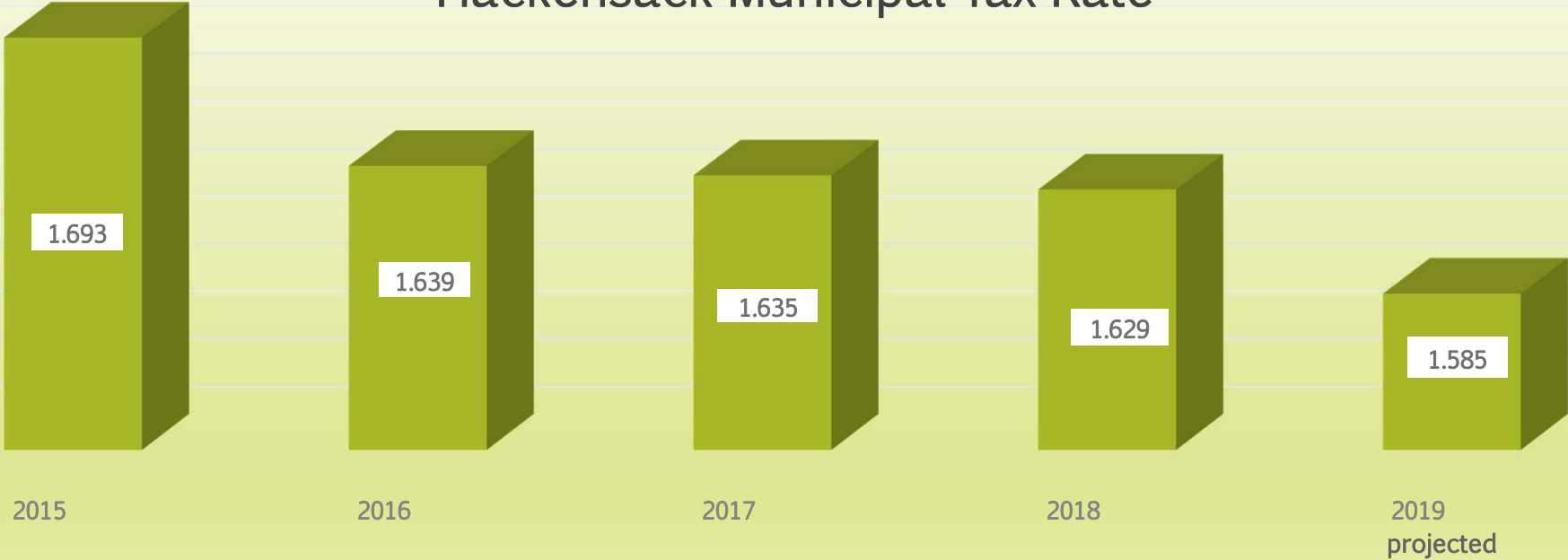
# Hackensack University Medical Center Annual Host Community Fee

- Promised to the people of Hackensack to be used for **Tax Relief**
- Continued partnership with HUMC to improve the **Quality of Life** for Hackensack residents

# *Hackensack Total Property Valuations*



# Hackensack Municipal Tax Rate



# HACKENSACK

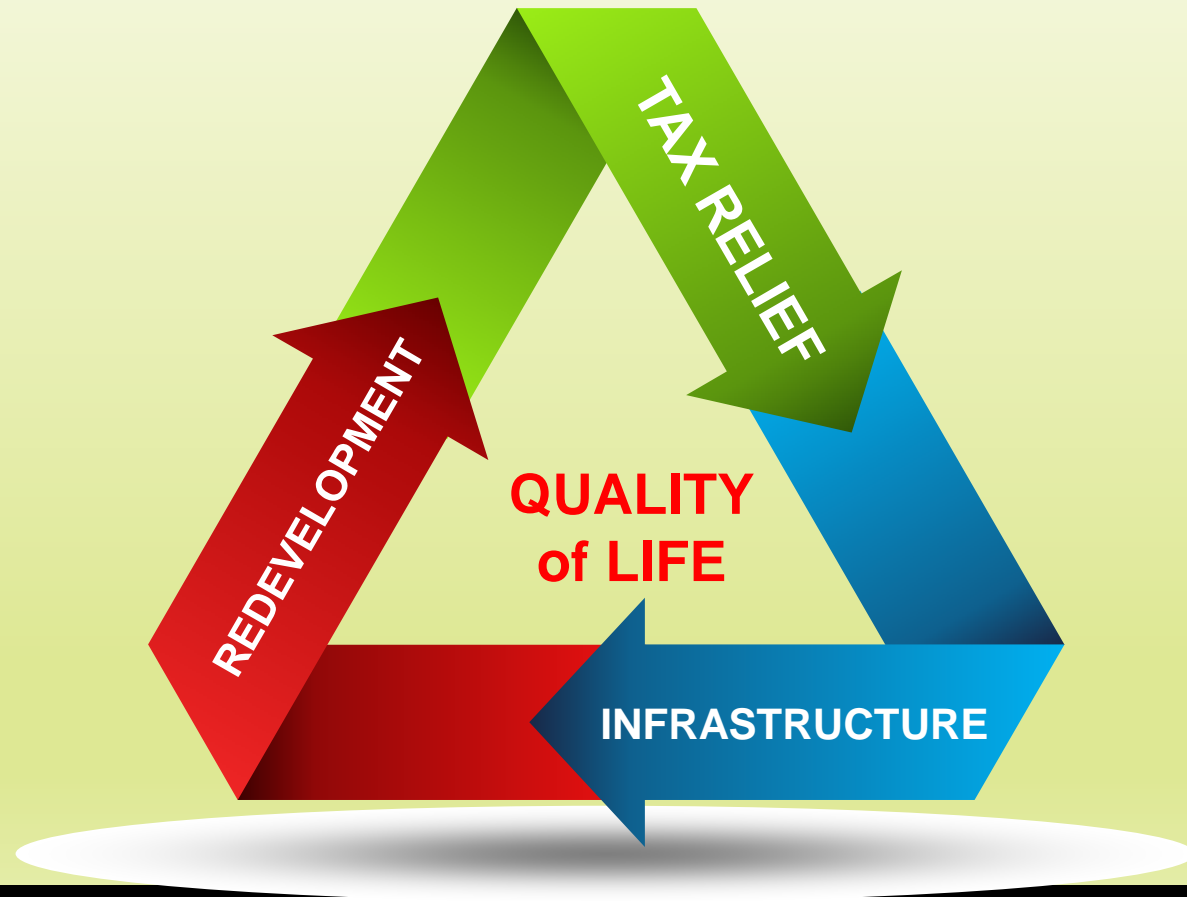
2019 BUDGET OVERVIEW

# 2019 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**.”

# 2019 Budget Goal



## 2019 Municipal Budget

# 0% Tax Levy Increase

Library Tax Increase	\$60,122
New Hackensack Open Space Tax	\$126,000
Municipal Tax Decrease	(-\$186,193)

The actual levy is decreased to off-set the new Open Space tax

# 2019 Budget Overview

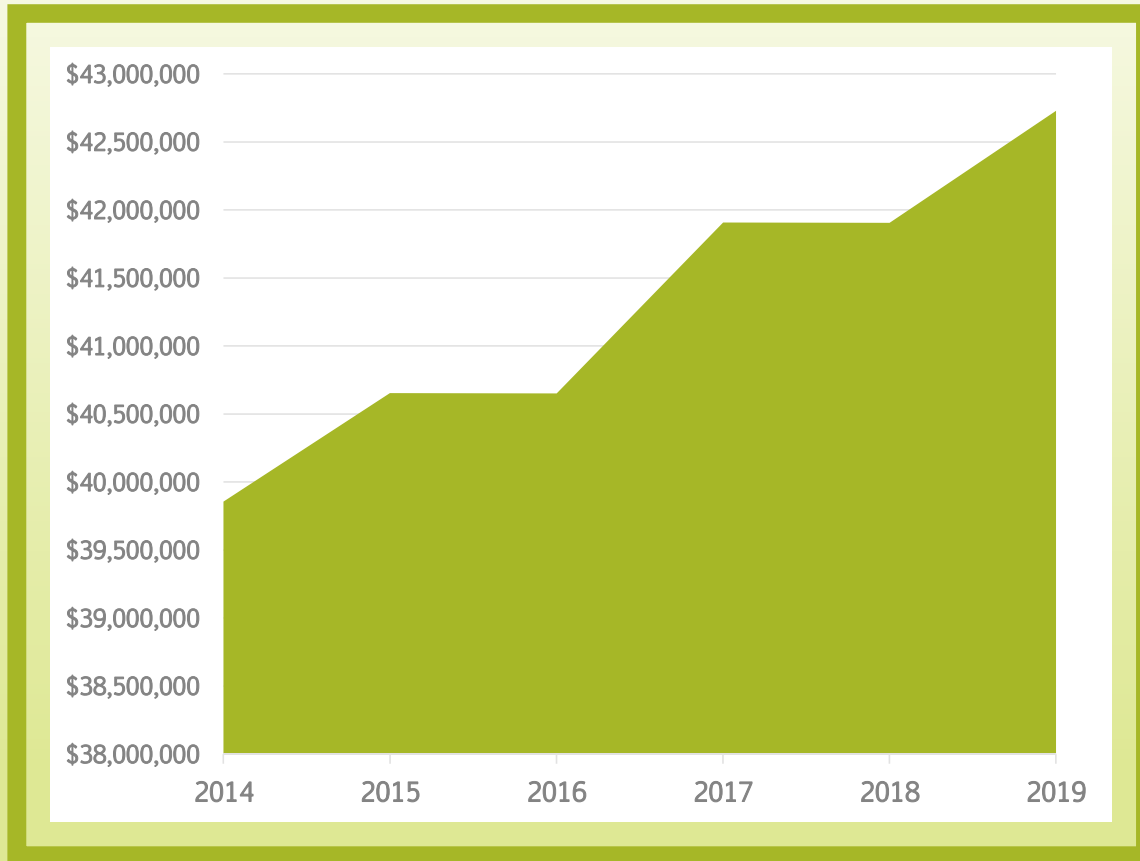
## Tax Relief Is . . .

▪ 2019	0%
▪ 2020	0%
▪ 2021	0%
▪ 2022	0%
▪ 2023	0%
5 Year Total	0%

## Tax Relief Is Not . . .

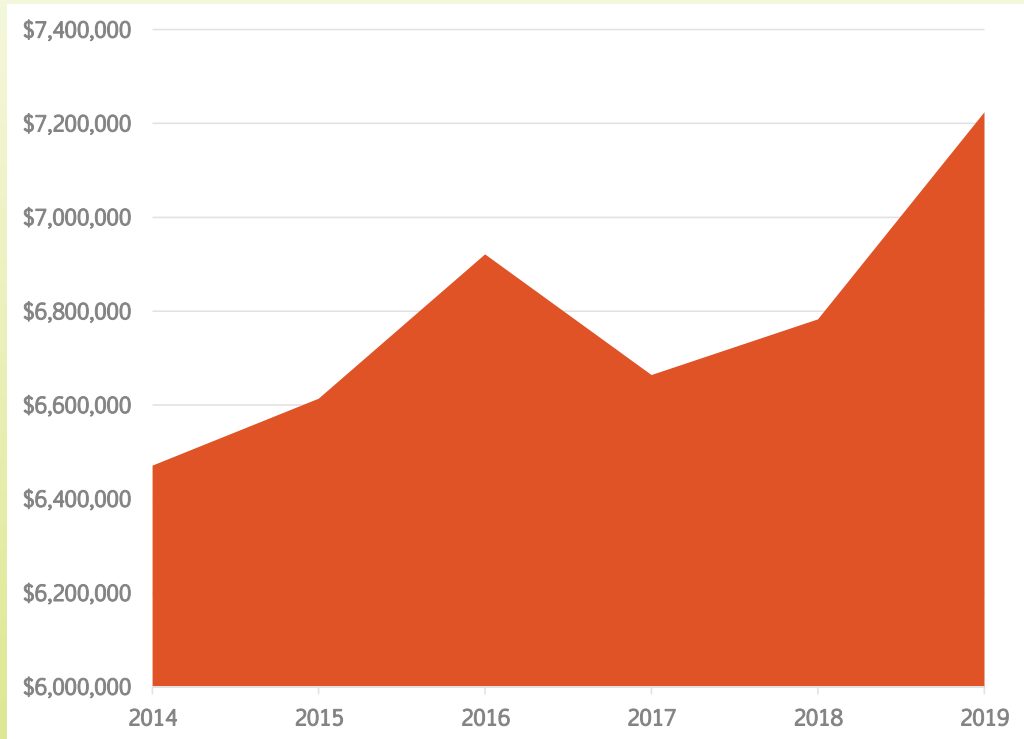
▪ 2009	0%
▪ 2010	8.04%
▪ 2011	10.82%
▪ 2012	2.05%
▪ 2013	2.43%
5 Year Total	23.3%





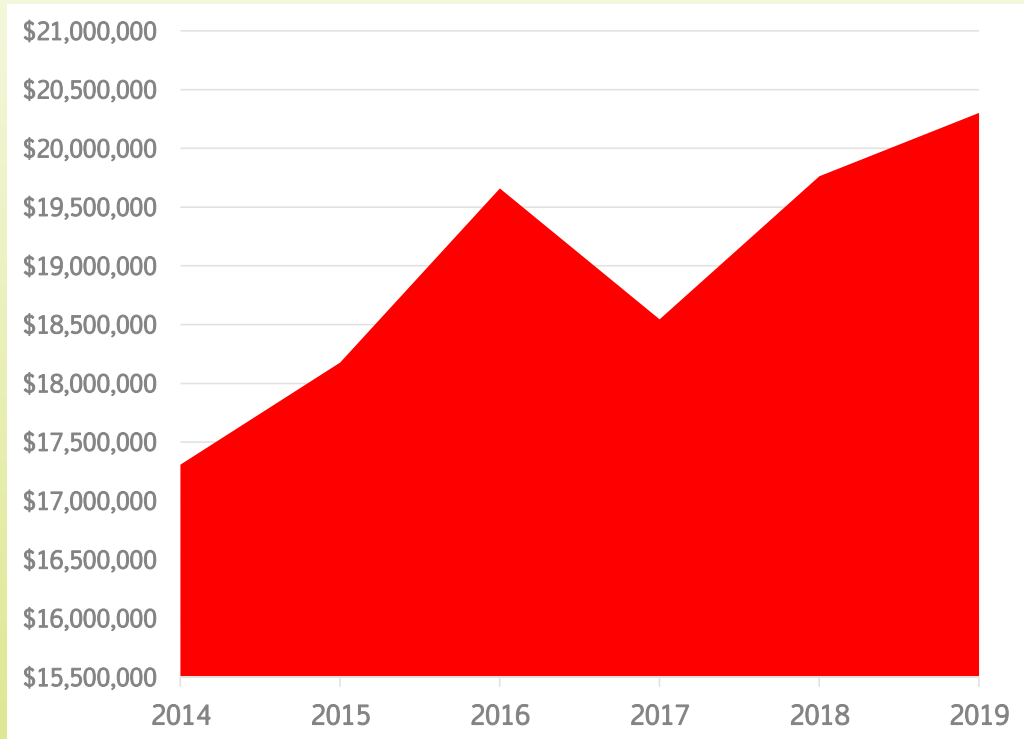
## Salaries & Wages

In 2019 Salaries & Wages are up by 1.97%



## Dept. Other Expenses

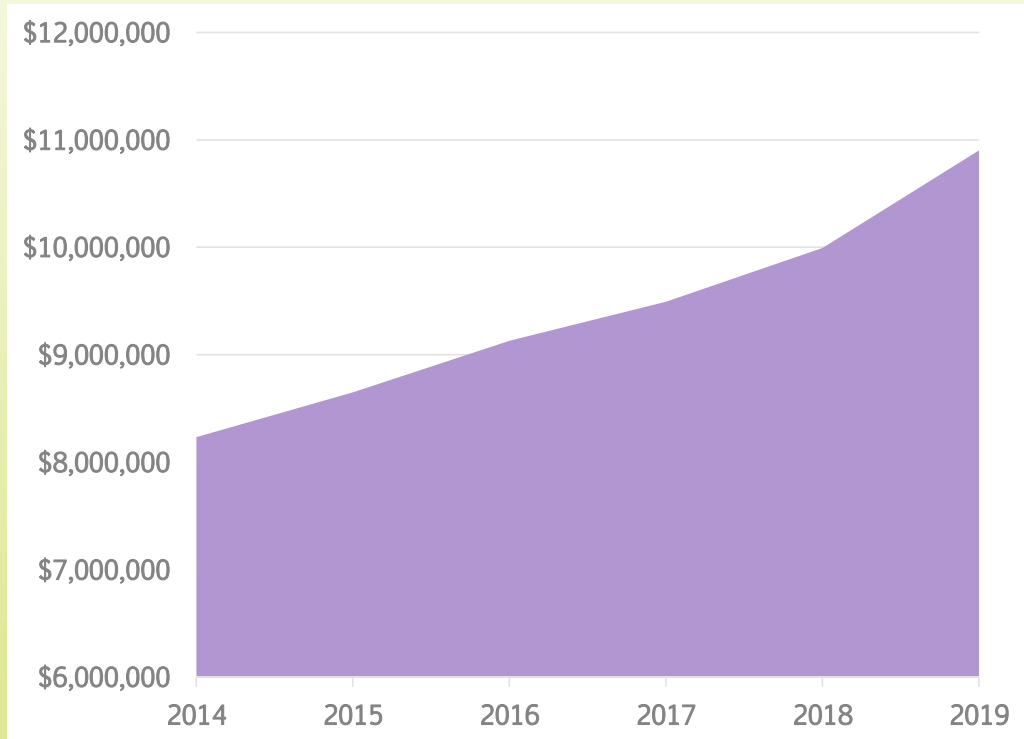
Department Other Expenses are up \$441,110 or 6.5% over 2018



## Health Benefits & Insurance

Health Benefits & Insurance increased by 2.7% over 2018

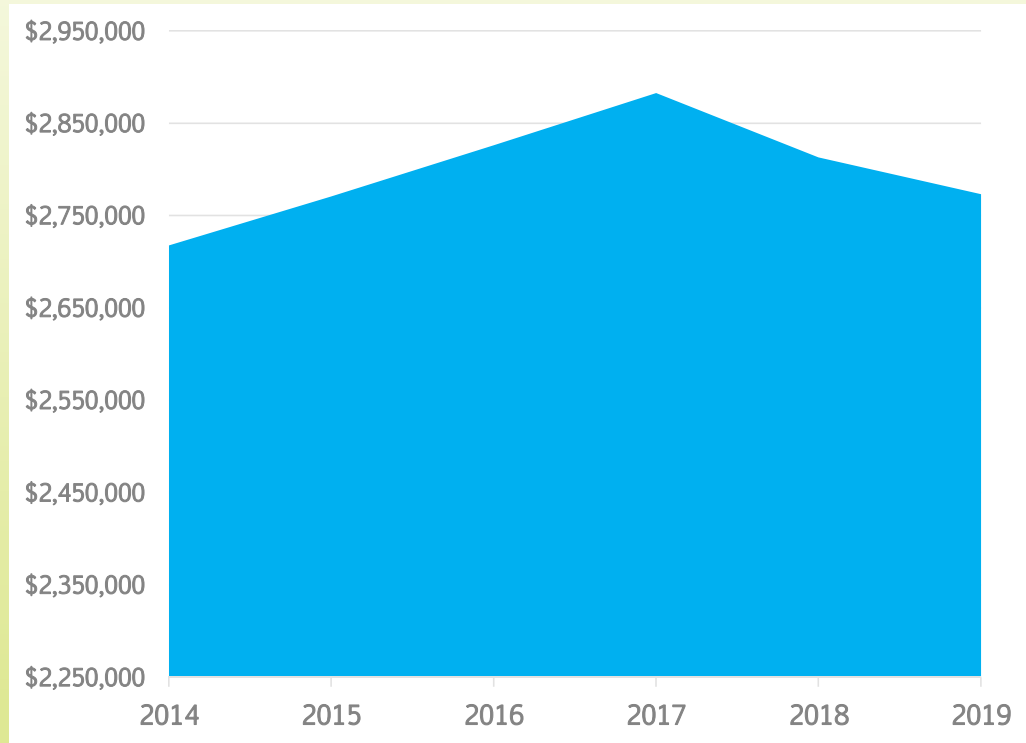
Negotiated increases to Rx co-pays begin in 2020



## Pensions & Statutory

Pensions are by over \$900,000 in 2019

This is the single largest increase in the budget



## Johnson Public Library

The 2019 Library tax is up by 3.2% or \$60,122. The City tax will be reduced enough to cover this increase.

The Library budget was cut by \$39,878 to help cover this expense.

# What's New in 2019?

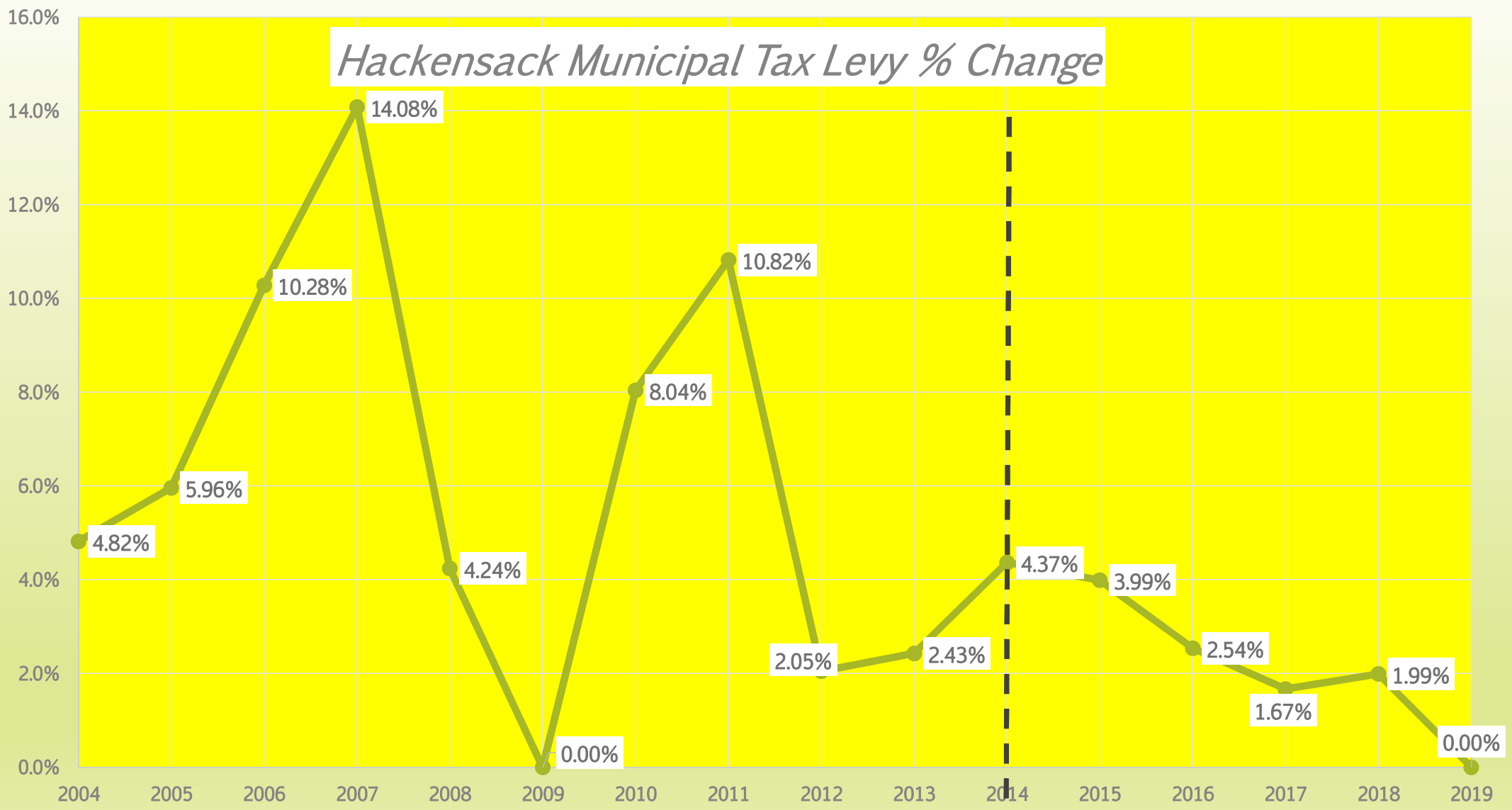


What else in  
new in  
2019?

# What's New in 2019?

- Project Management Budget
- Department of Economic Development Budget
- City Website now named Dept. of Information Technology
- Funding for the long-awaited Tax Map Updates
- Funding for a revision of the City's Master Plan
- Budget Flexibility for the Re-Opening of the M&M Building
- Continued support for the HAC-PAC

# Hackensack Municipal Tax Levy % Change





# Tax Bill Comparison 2018 – 2019

average home - \$245,431

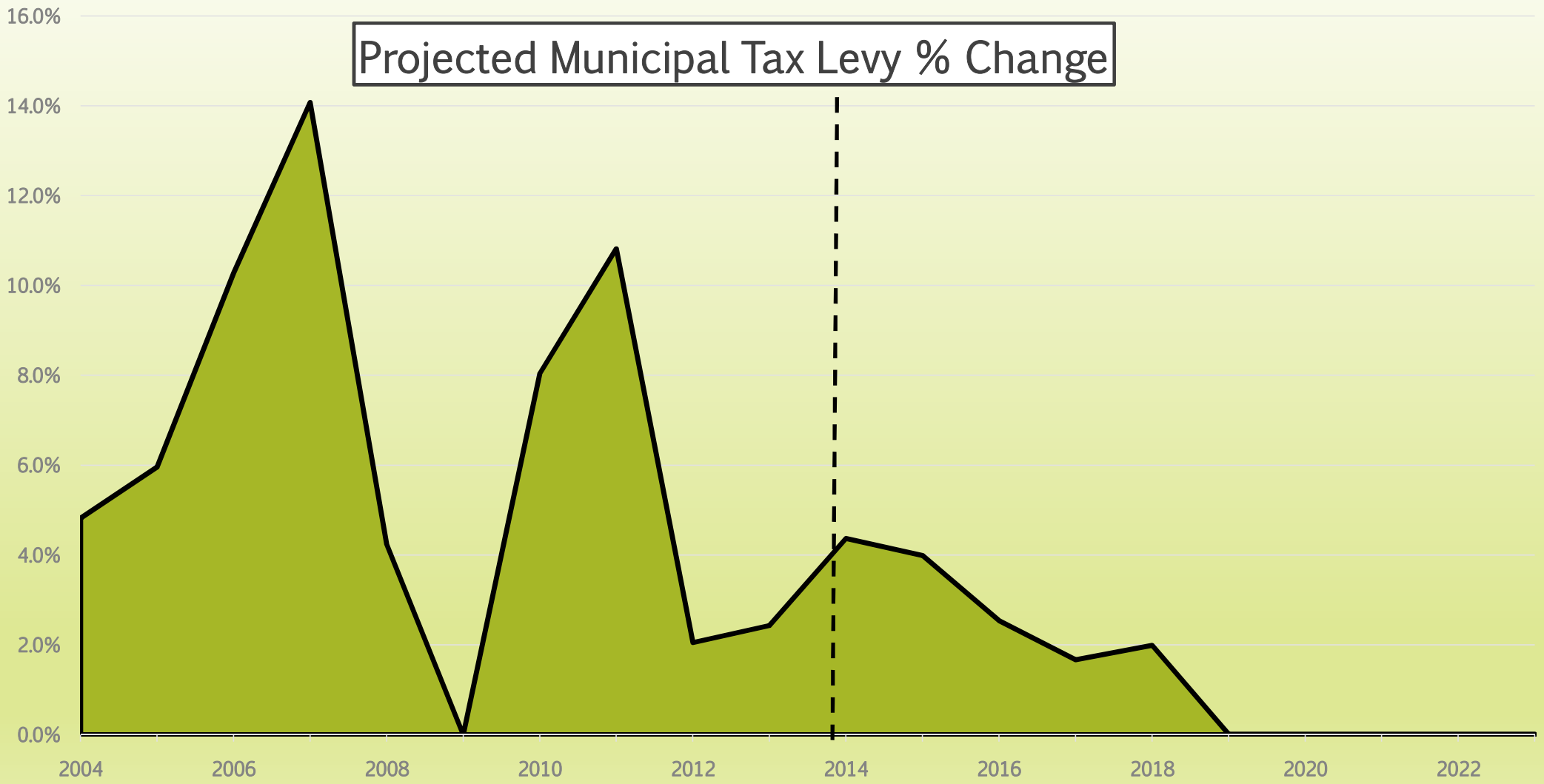
**2018** actual

**2019** projected

\$ Change

2018 actual	2019 projected	\$ Change
▪ School \$3,767.78	▪ School \$3,731.40	▪ (-\$36.38)
▪ County \$583.36	▪ County \$578.01	▪ (-\$5.35)
▪ County Open Space \$25.31	▪ County Open Space \$25.08	▪ (-\$0.23)
▪ Library \$86.21	▪ Library \$86.40	▪ + \$0.19
▪ City Open Space \$0.00	▪ City Open Space \$11.15	▪ + \$11.15
▪ <u>Municipal \$3,911.91</u>	▪ <u>Municipal \$3,791.82</u>	▪ (-\$120.08)
▪ Total <b>\$8,374.56</b>	▪ Total <b>\$8,223.87</b>	▪ (-\$150.69)

# Projected Municipal Tax Levy % Change



**No Smoke . . .**

**No Mirrors . . .**

**No**

**TAX INCREASE !**



# 2019 Municipal Budget Public Hearing

Tues April 23

8:00 PM

Council Chambers