

# **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*

**CITY OF HACKENSACK**

*2020 Budget  
Overview*

# 2020 BUDGET GOAL

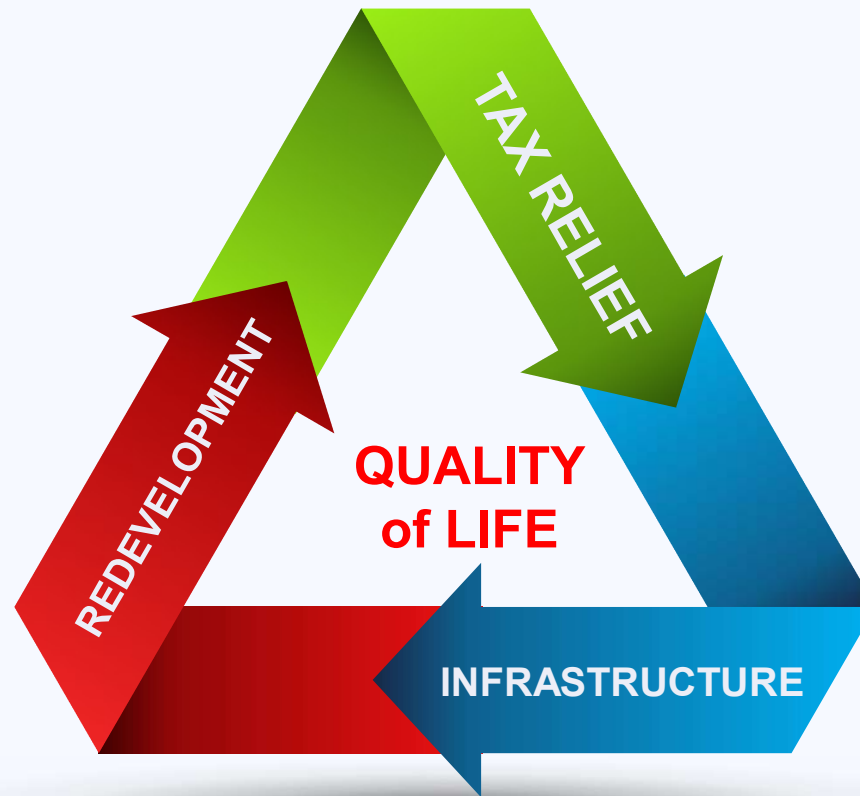
“TO CRAFT A BUDGET THAT IS ACCURATE AND CONTINUES THE POLICIES THAT HAVE ACHIEVED

**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.



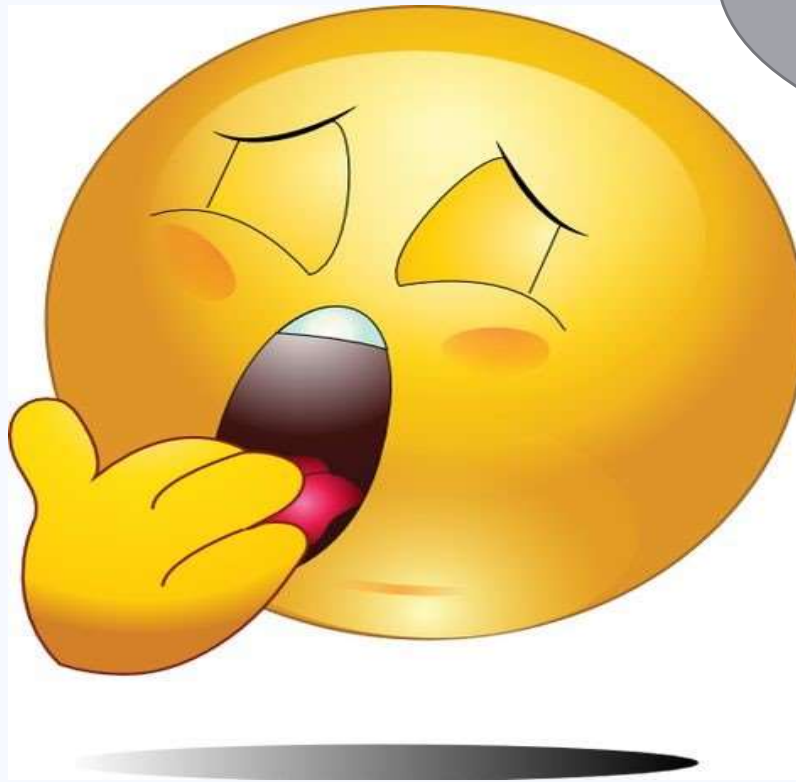
2020 Municipal Budget

# 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 . . .**

2020 MUNICIPAL BUDGET



**NOW! WHAT HAVE  
YOU DONE FOR  
ME LATELY!!**

## 2020 MUNICIPAL BUDGET

**\$85,391,072**

**\$85,689,118**

**\$85,875,294**

**2020**

**2019**

**2018**

Municipal Tax Levy

Municipal Tax Levy

Municipal Tax Levy

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%
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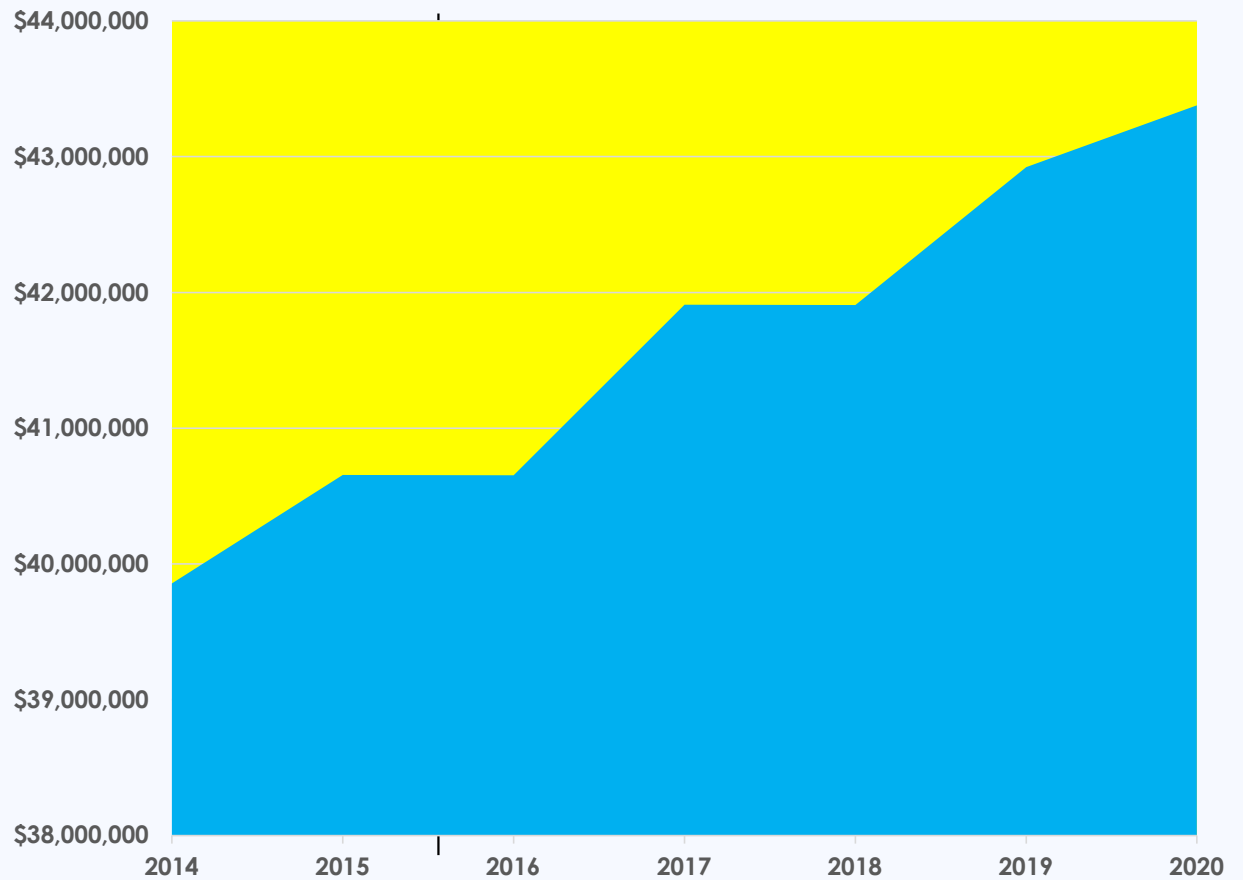
Health Benefits	+\$1,209,000	5.9%
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Everything Else	(-\$153,046)	
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# SALARIES & WAGES

**Total \$43,377,711**

In 2020 Salaries & Wages have increased 1.06% over 2019.

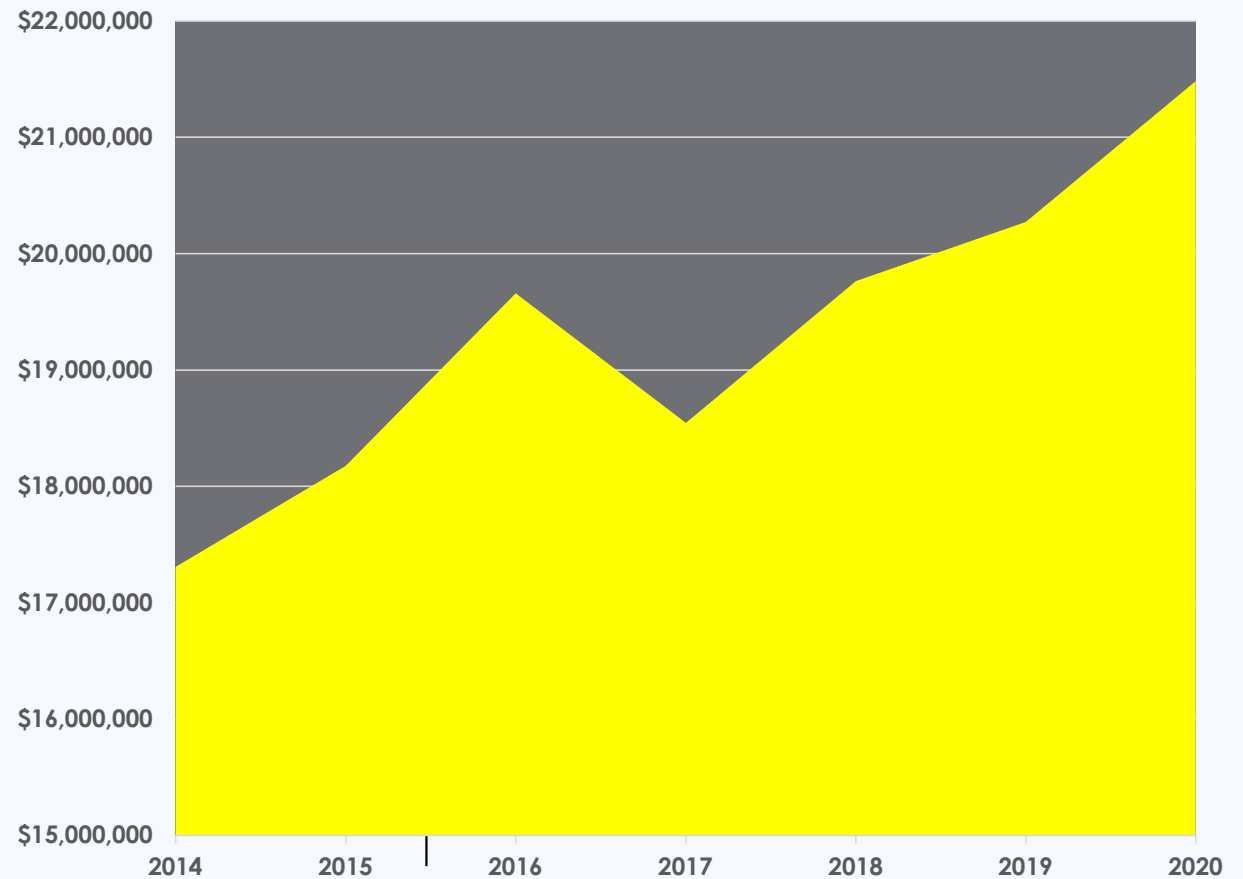


# HEALTH BENEFITS & INSURANCE

**Total \$21,482,000**

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

Negotiated reductions to benefits begin in 2020.

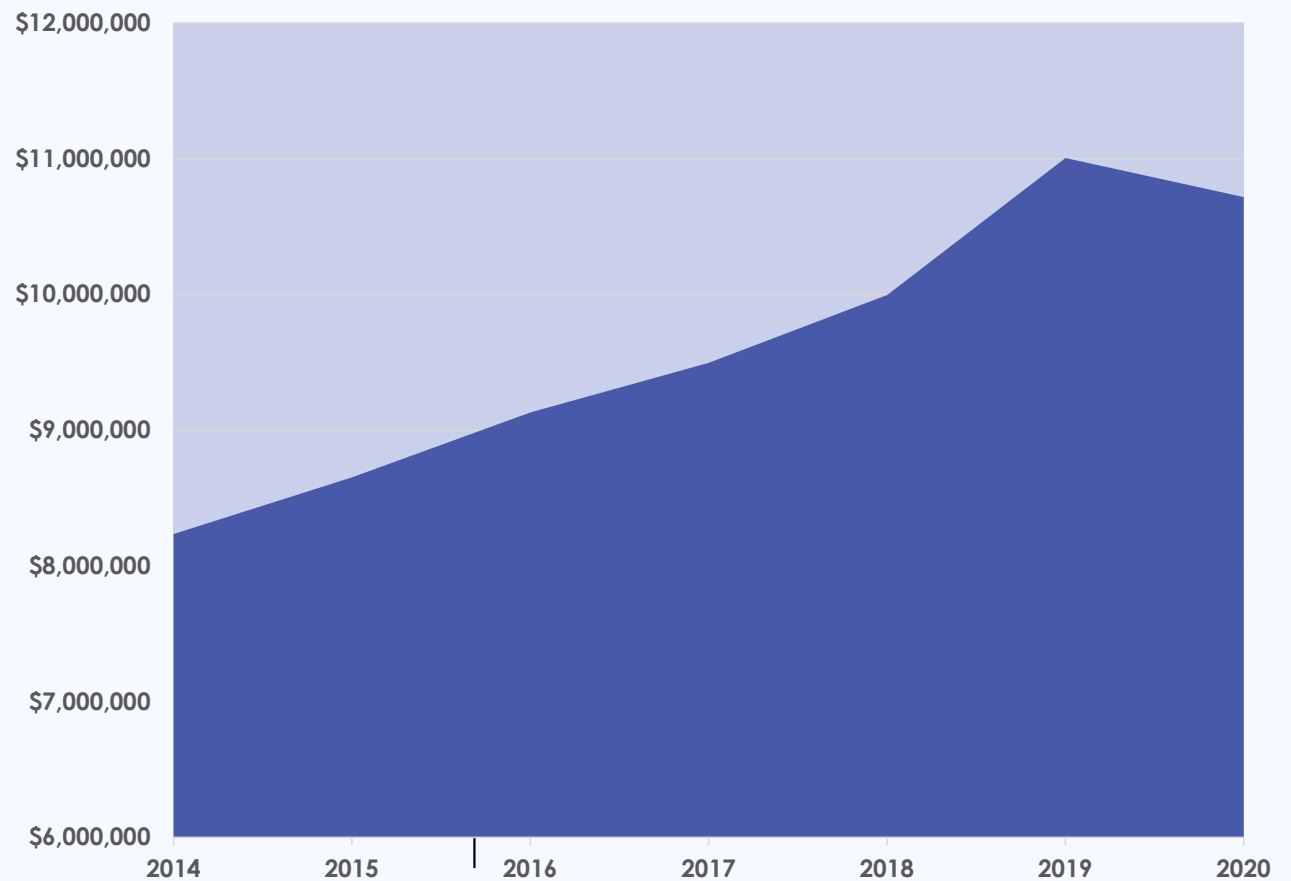




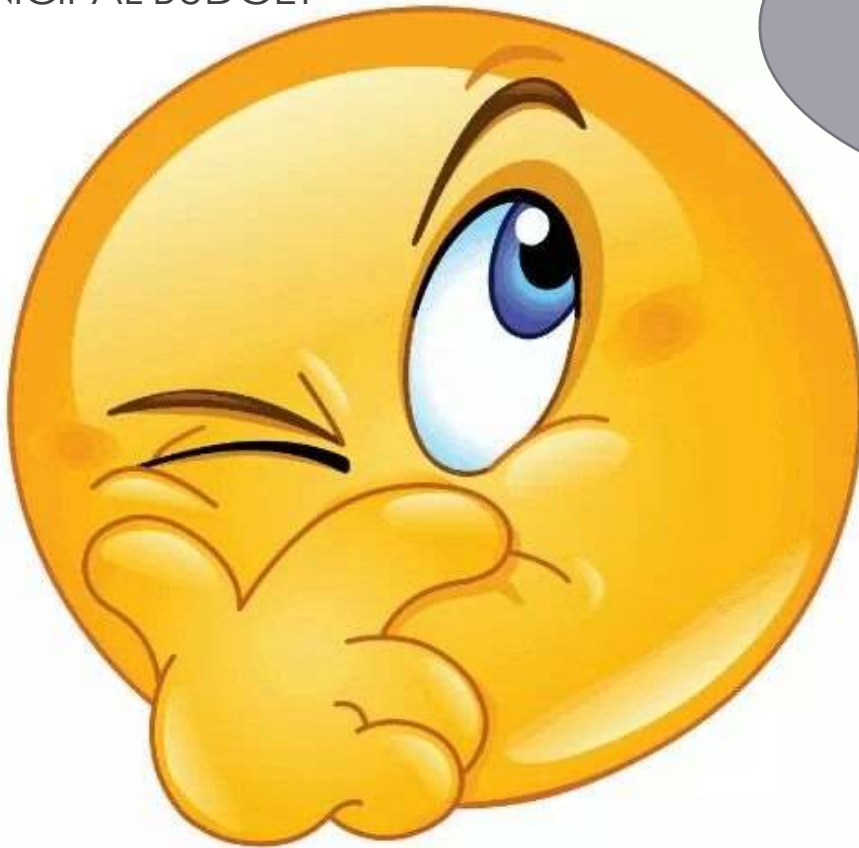
# PENSIONS & STATUTORY

**Total \$10,718,056**

In 2020, for the first time Pension costs have actually decreased as the benefits of the 2010 Pension Reform Act finally kick in.

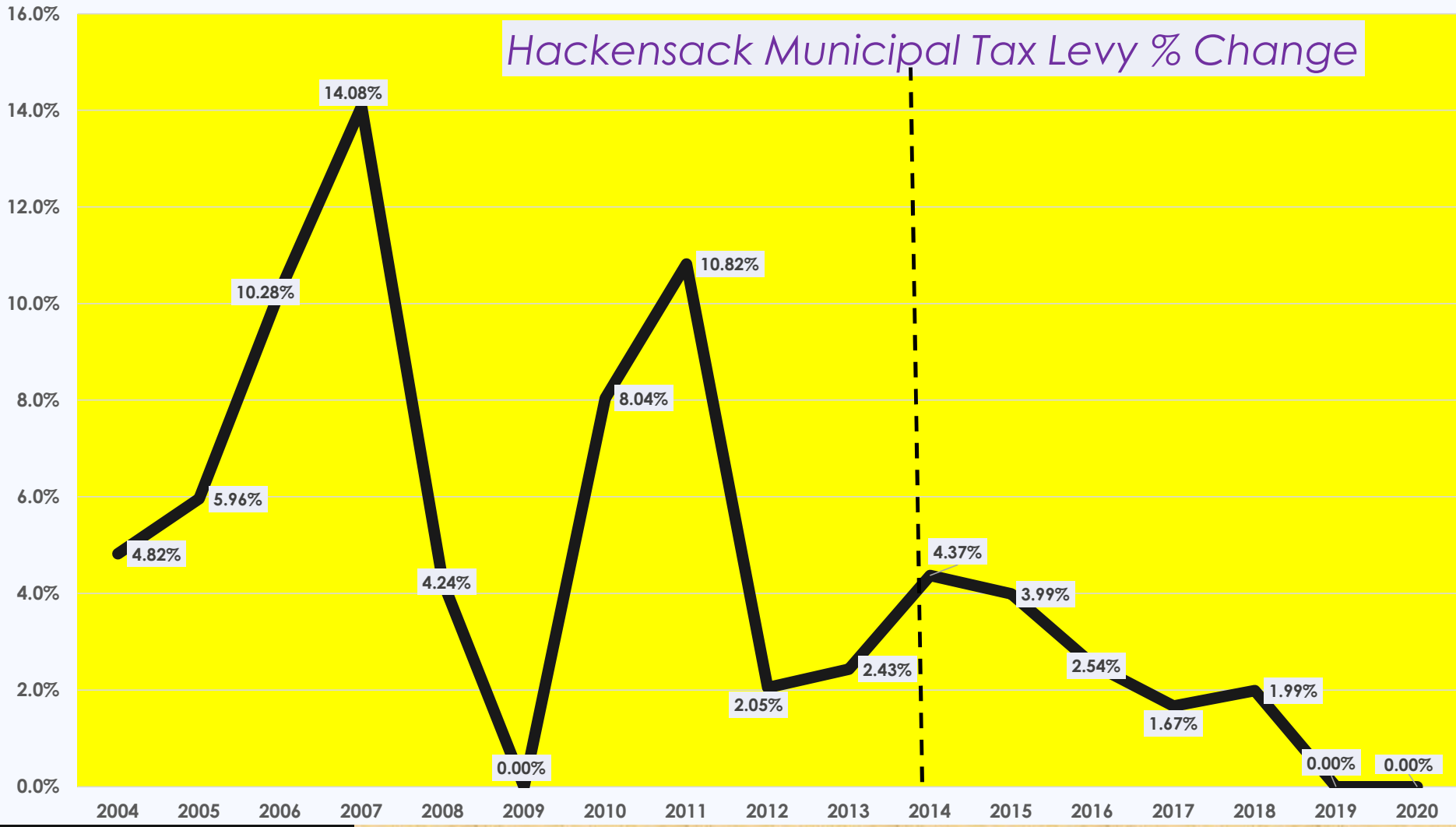


2020 MUNICIPAL BUDGET

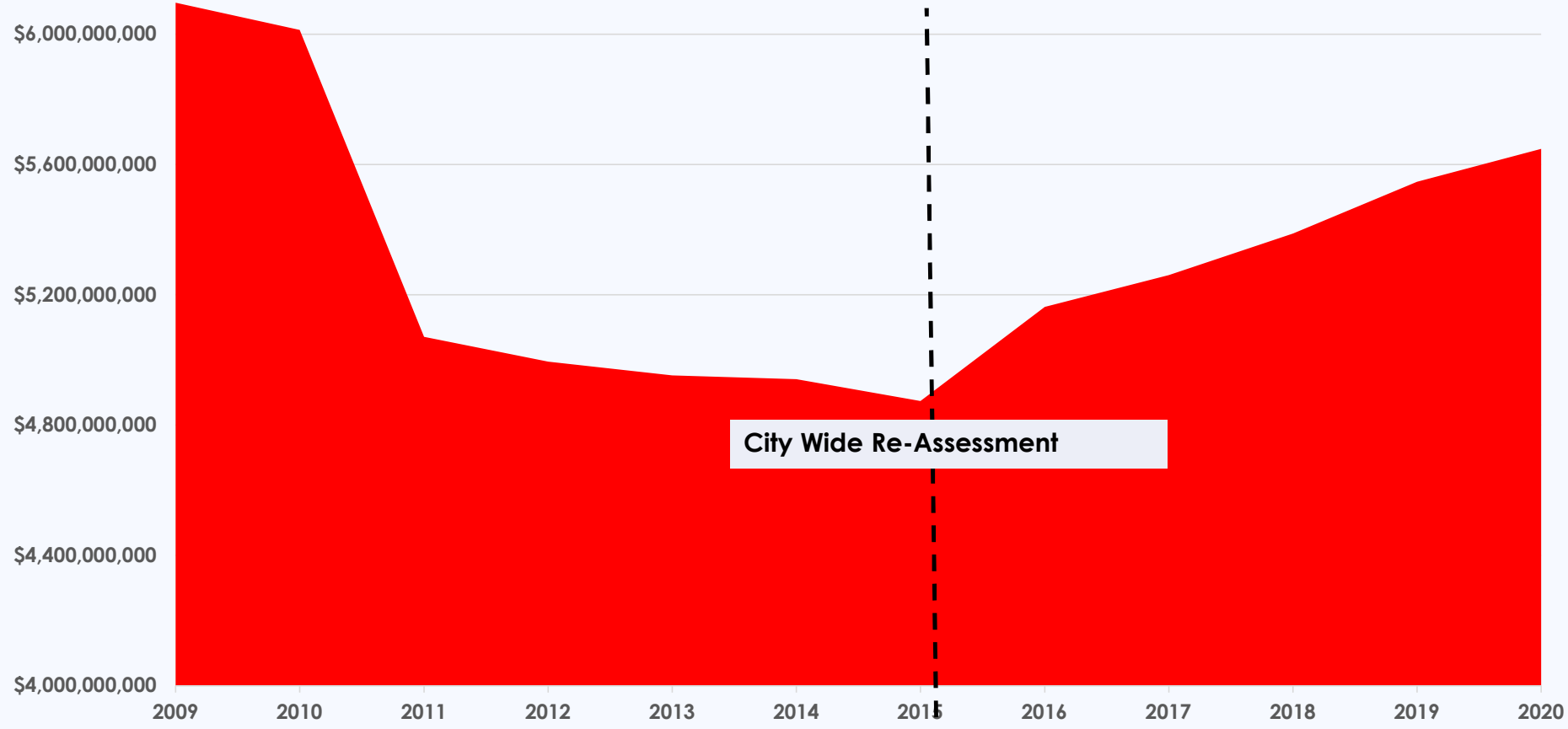


What do all  
these numbers  
mean??

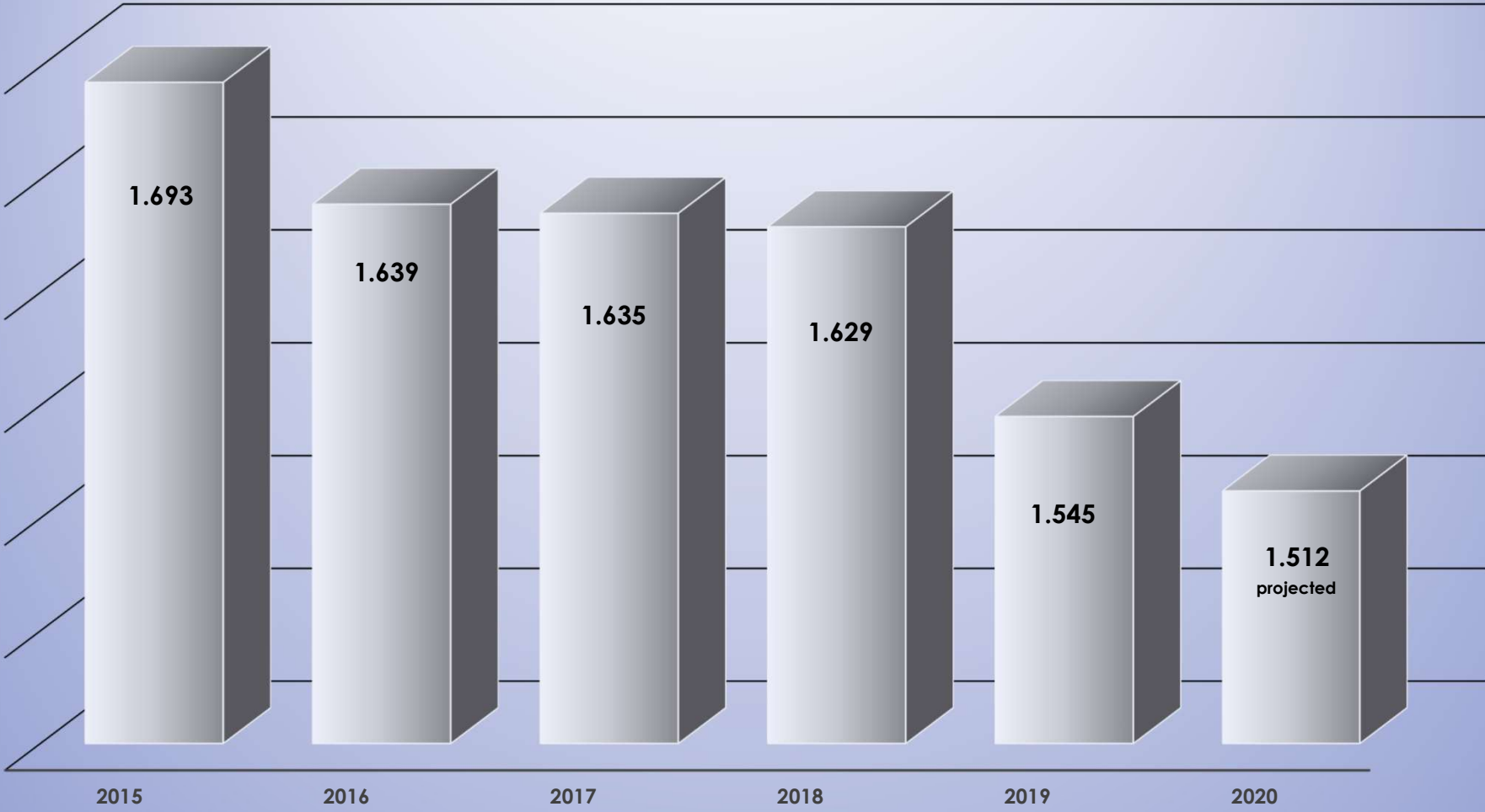
# Hackensack Municipal Tax Levy % Change



# Hackensack Total Property Valuations



# Hackensack Municipal Tax Rate



# TAX BILL COMPARISON 2019 - 2020

average home - \$255,831

## 2019 ACTUAL TAX BILL

1. School	\$3,891.19
2. County	\$613.99
3. County Open Space	\$28.14
4. Library	\$89.54
5. City Open Space	\$12.79
6. Municipal Tax	<u>\$3,952.59</u>
7. Total	<b>\$8,588.24</b>

## 2020 PROJECTED TAX BILL

1. School	\$3,863.05
2. County	\$613.99
3. County Open Space	\$25.58
4. Library	\$89.54
5. City Open Space	\$12.79
6. Municipal Tax	<u>\$3,868.16</u>
7. Total	<b>\$8,473.11</b>

## 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](http://www.Hackensack.org)

E-mail questions / comments to [asaabye@Hackensack.org](mailto:asaabye@Hackensack.org)

Copies of the budget are available on the City website



# COVID 19 EMERGENCY

FINANCIAL RESPONSE PLAN

## COVID 19 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!**

## COVID 19 FINANCIAL RESPONSE PLAN

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.

## COVID 19 FINANCIAL RESPONSE PLAN


What if the deficit is larger than all of the cancelled budget appropriations?

Won't that increase taxes next year?

## COVID 19 FINANCIAL RESPONSE PLAN

### **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?