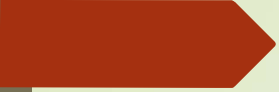




2024 MUNICIPAL BUDGET

CITY OF HACKENSACK



2024 MUNICIPAL BUDGET PRESENTATION

- Mission Statement
 - Budget Overview
 - Health Benefit Discussion
-



MISSION STATEMENT

To improve the “*Quality of Life*” for Hackensack residents by improving or increasing services to residents without increasing taxes.



2024 BUDGET OVERVIEW

2024 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 & plan for:

Community Improvements / Infrastructure

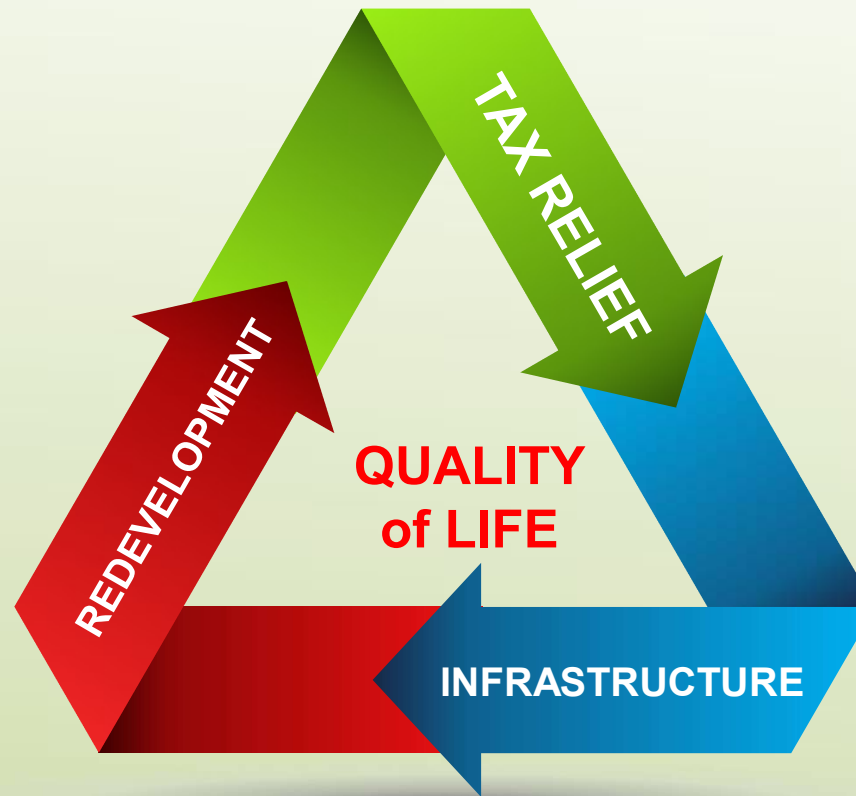
Re-development

Tax Relief

2024 Budget Goal

Quality of Life –

Increasing service to the community without increasing taxes.





2024 Municipal Budget

\$128,590,580

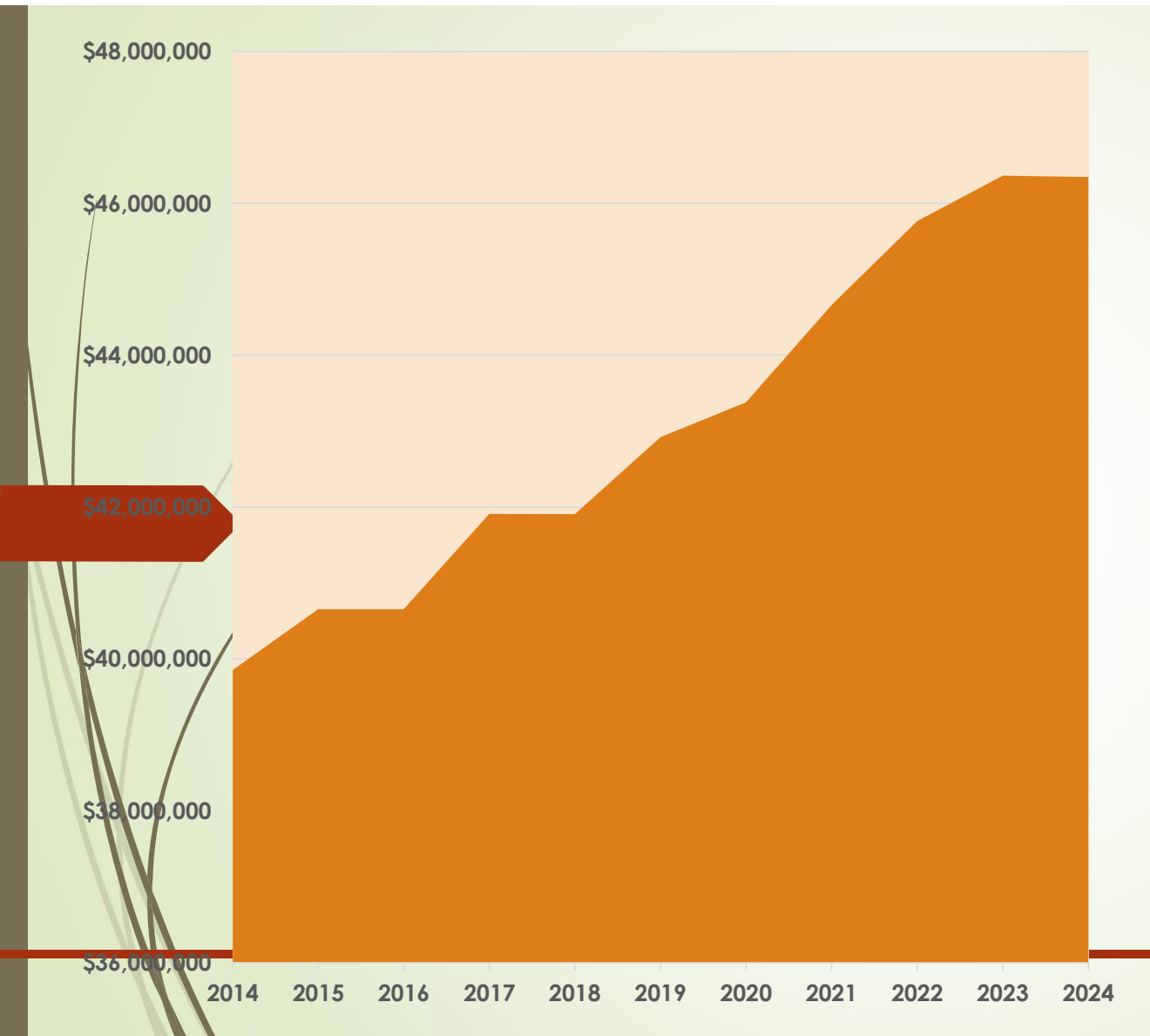
Spending Increase of \$6,484,286 from 2023

+5.3%

2024 Municipal Budget

Spending Increase of	\$6,484,286
Health Benefits / Insurance	+ \$7,304,000
Entire Rest of the Budget	- \$819,714

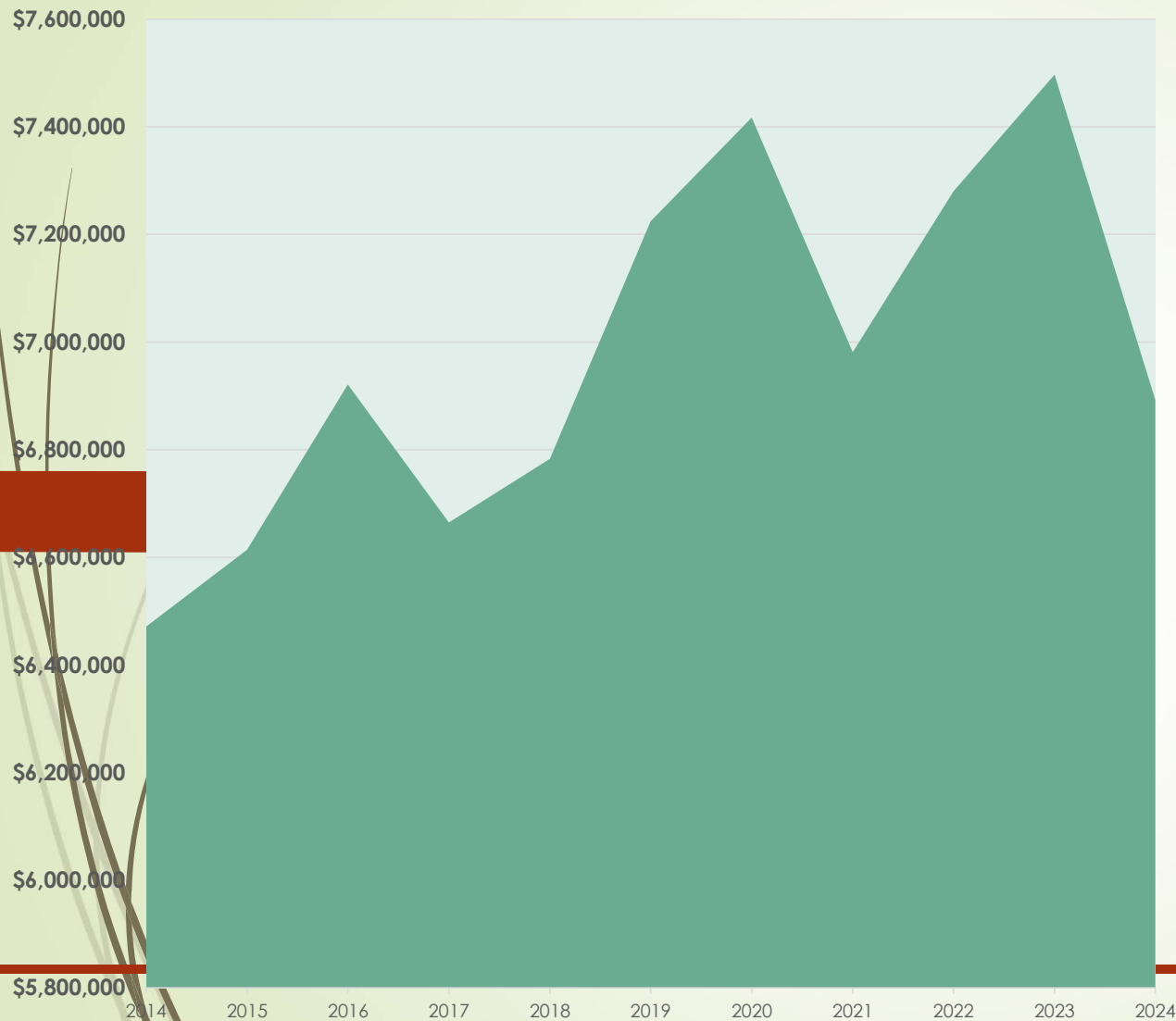
In order to hold the line on the tax increase from Health Benefits, it was necessary to make deep, deep budget cuts in the rest of the budget.



Salaries & Wages

\$46,344,101 +0.02%

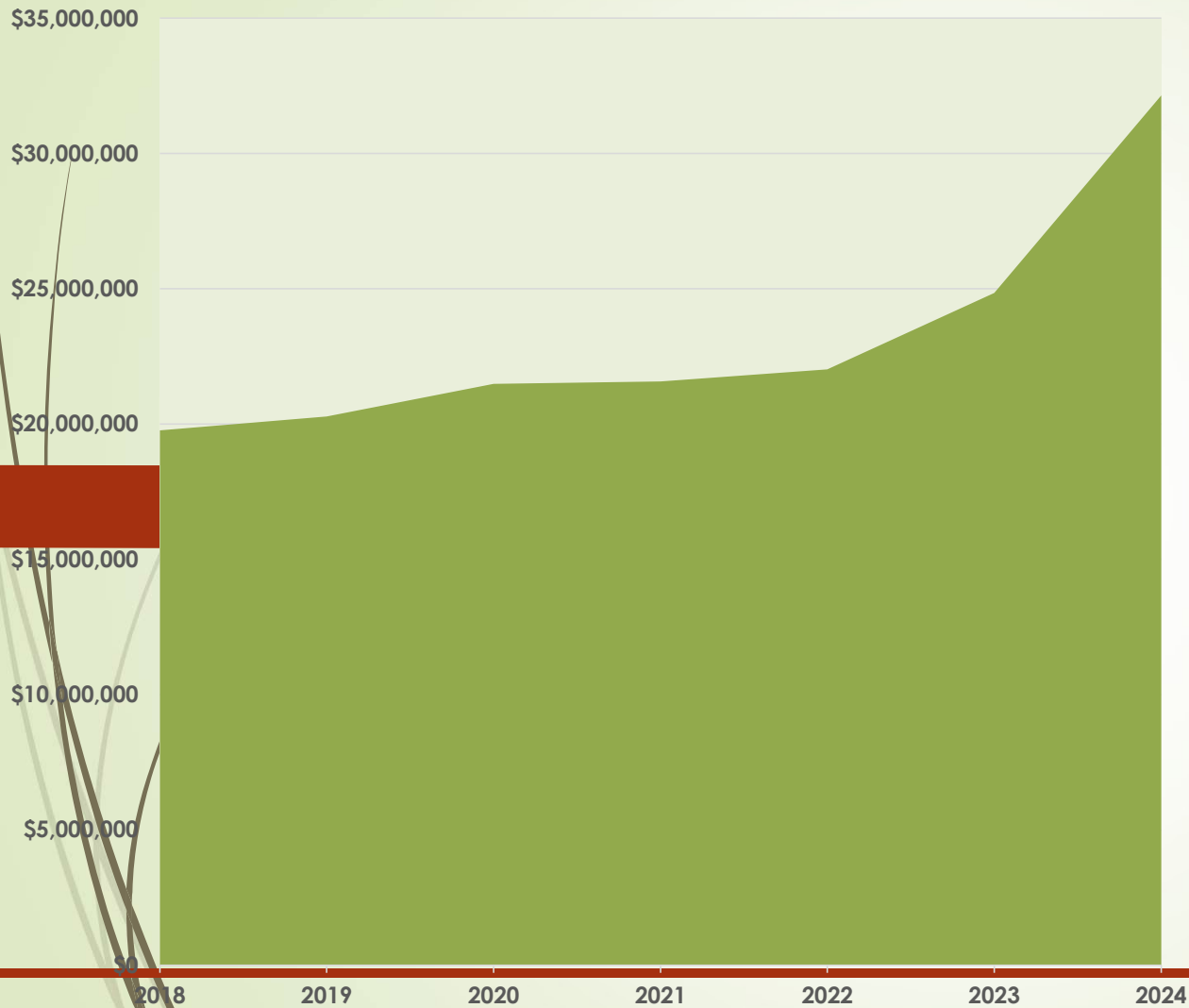
- 2023 spending on S&W was \$46,336,600
- Open positions from retirements, etc. are unfilled
- Aggressive monitoring of overtime
- No staff reductions in Public Safety



Dept. Other Expenses

\$6,892,670 -8.1%

- **A reduction of over \$600,000 from last year.**
- **This is the area where the deepest cuts are able to be made.**
- **No programs have been cut, but some are being financed differently**



Insurance

\$32,142,000 +30%

increase of \$7,304,000

Health Benefits:

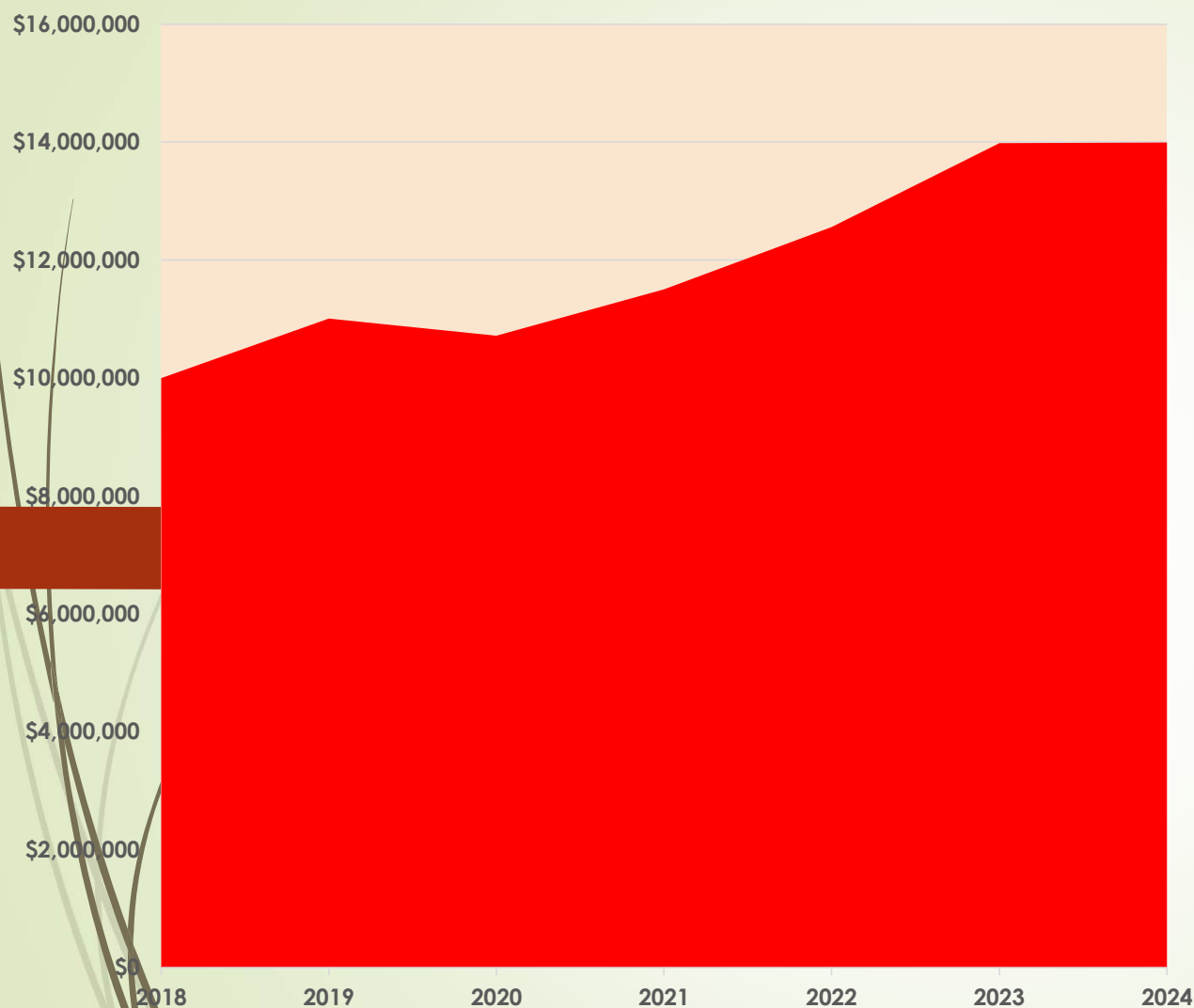
+\$7,315,000 +35%

Workers' Comp:

+\$221,000 +15%

General Liability:

-\$232,000 -13%



Pension & Statutory

\$13,991,552 +0.06%

After several years of double-digit increases to our Pension bill, this year's bill is almost unchanged from last year.



2024 TAX LEVY INCREASE

\$2,784,632

+3.1%



2024 Municipal Budget

Tax Levy Increase of \$2,784,632

PILOT Revenue + \$2,035,948

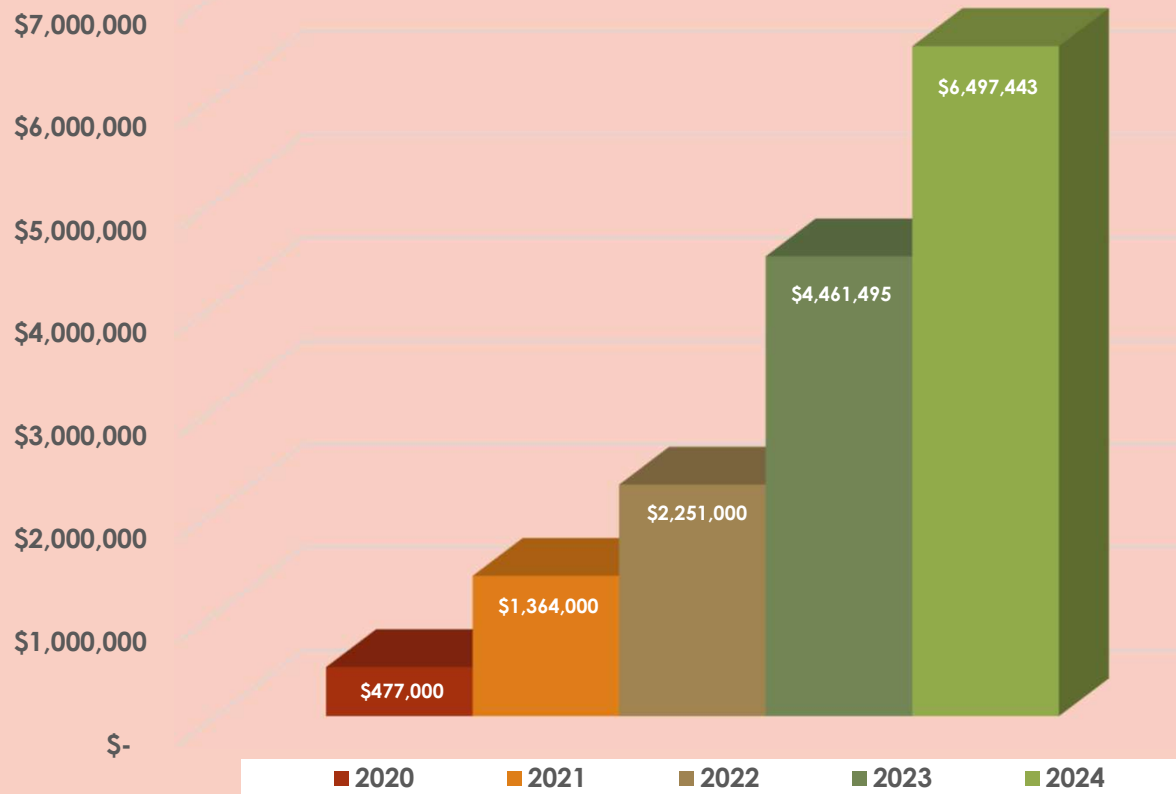
Local Revenue + \$1,661,000

State Aid + \$ 245,567

Revenue from note sale premiums
& Capital grants realized +\$1,058,500

- Always used to pay down debt service

PILOT REVENUE

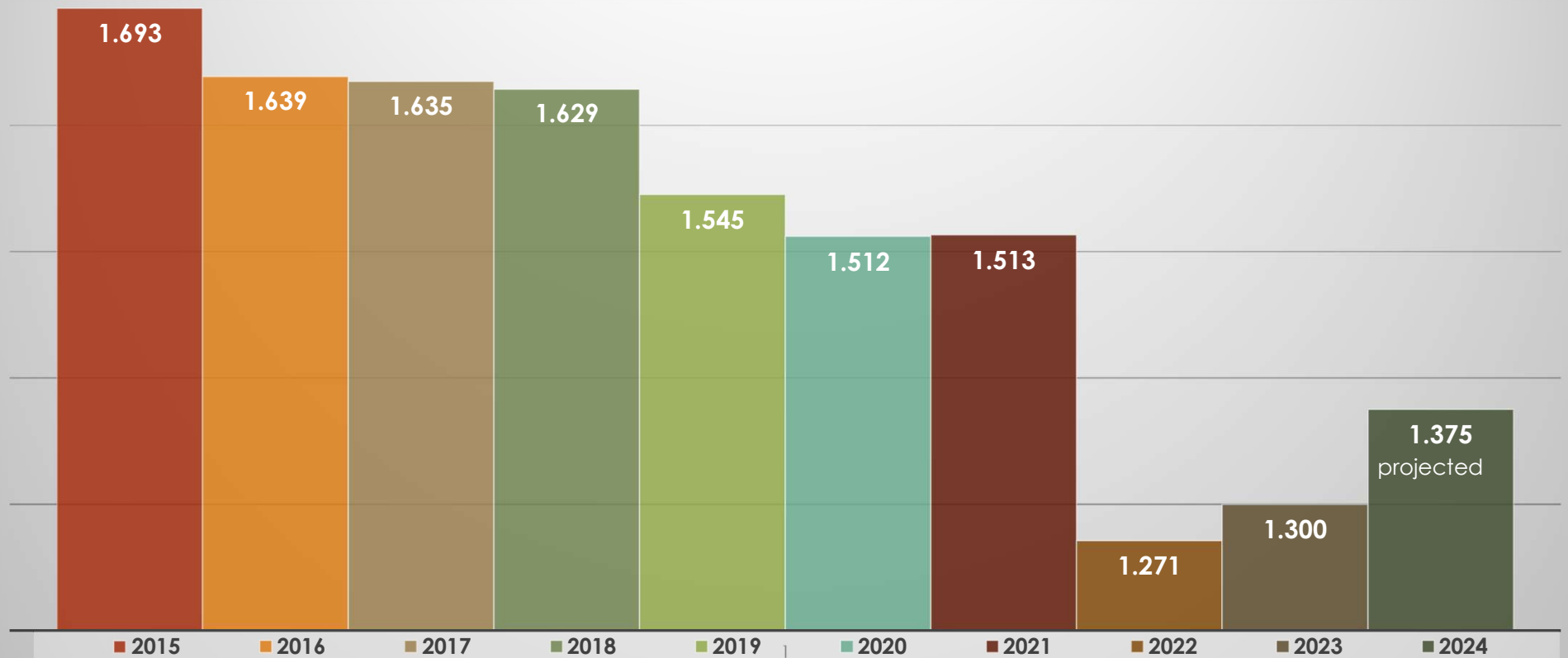


Increases in budget spending for services are always off-set by increases in non-tax revenue, such as PILOTs.

Actual PILOT revenues realized are always more than anticipated in the budget.

In 2023, the budget anticipated \$4,461,495 in PILOT revenue, but we took in \$5,382,764.

Hackensack Municipal Tax Rate





HEALTH BENEFITS

Self - Insurance

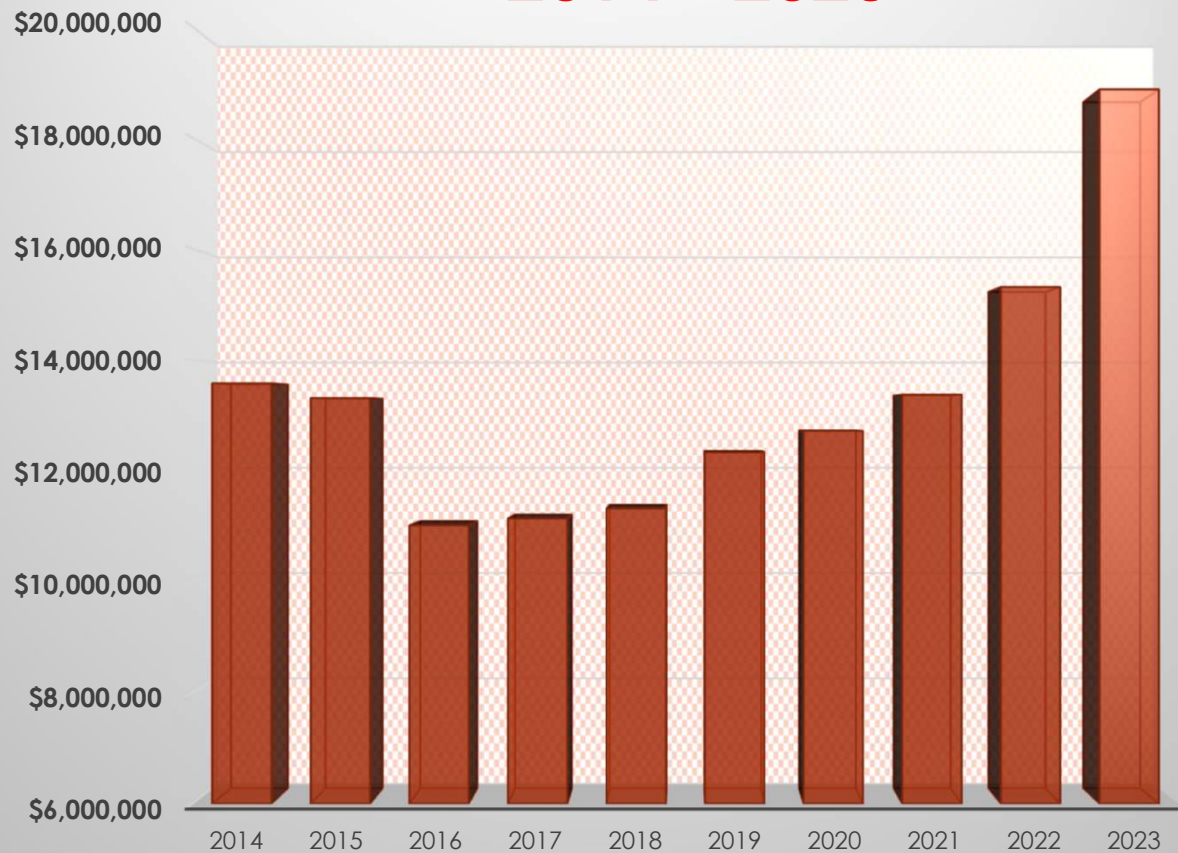
**Blessing
or a Curse ?**

HEALTH BENEFITS

PAST STEPS TAKEN TO CONTROL COSTS

- Design a new 70/30 plan in 2016
- Actively market 70/30 to all employees for cost savings
- Negotiate with unions to include 70/30 for all
- Creation of the Health Benefits Trust Fund in 2018 for “bad years”
- Segregate Library employees from City for more accurate billing
- Switch Rx providers from Express Scripts to CVS Caremark in 2018
- Contract with Remedy Analytics to screen Rx claims & pursue rebates from pharmaceutical companies

Medical Claims Paid 2014 - 2023



➤ In the period from 2014 to 2022, medical claims rose an average of 1.4% per year.

➤ In 2021 the amount spent on medical claims was \$205,625 less than the amount spent in 2014.

HEALTH BENEFITS

Plan of Action for 2024

- Investigating new providers as allowed under existing labor contracts
- Consideration of a Medicare Advantage Plan for all Medicare retirees
- Creation of a new plan specifically designed for our pre-Medicare retirees
- Contract with a private company to screen all out-of-network claims for compliance with our plans



The skyrocketing increase in health benefit claims in 2023 presented a great challenge to the 2024 budget & our ability to hold the line on taxes.

The 2024 Medical Claims Plan of Action will reap rewards in years to come, just as the Rx Claims Plan did for us in 2018.



It is encouraging that with hard work, creativity & sacrifice, we are able to keep this tax increase to a minimum, without having to curtail any services or programs.



PUBLIC HEARING

Tuesday May 7

8:00 p.m.