

BUDGET PRESENTATION

2026

Prepared By
James Mangin, CFO



STATE OF ECONOMY

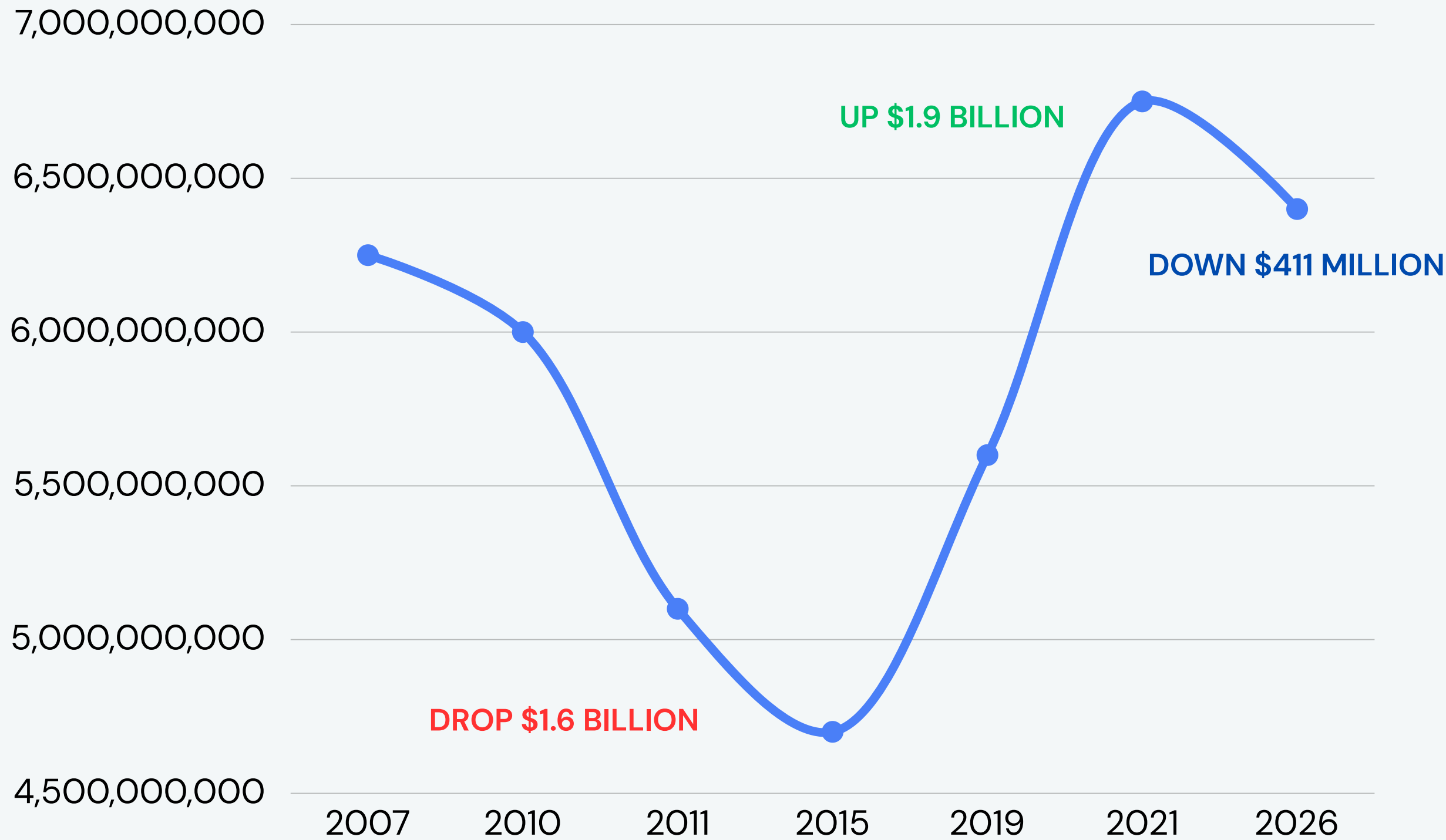


01 Where We Are

02 How Did We Get Here

03 What Do We Need To Do To Improve

Hackensack Net Valuations



**We Are Currently In A Period
Of Economic Decline
That Must Be Reversed**

RECESSION

2007 – 2015

- Drop in total net valuations of \$1.4 billion
- Drop in Hackensack valuations led to tax appeals, which lowered valuations even more
- As valuations dropped, the tax rate rose
- As the tax rate rose, businesses fled or demolished their buildings, lowering valuations even more.

RECOVERY

2015 – 2021

- Era of re-development
- PILOTs were the main fiscal policy incentive to attract new businesses and grow the economy with increased valuations.
- As valuations increase, the tax rate falls.
- Valuations rose by \$1.9 billion and the tax rate gradually fell
- During this period 18 PILOTs were granted.

POST-RECOVERY

2021 – 2026

- Total net valuations dropped for 4 consecutive years over \$411 million
- Tax rate is increasing
- Drop is occurring due to commercial valuations because of:
 - Tax appeals by business owners
 - The removal of taxed commercial property for PILOTs
 - During this period 10 PILOTs were granted
 - 3 rescinded



PILOTs As A Fiscal Policy Does Not Work To Attract Businesses To Increase Growth

More Than Just A New Policy Is Needed

A New Financial Vision

One That Sees Every Sector of The Hackensack Economy

BUDGET DEFINITION

The Financial Plan For The Governing Body
To Achieve Their Vision For The City



BUDGET 2026

Seeks To Put **ALL** Of The City's Resources
To Work, **ALL** Of The Time,
And For The Benefit Of **ALL** The Residents



BUDGET PLAN

- Must include funding for priorities identified by the governing body
- Must address budget issues that affect the future financial health of the city
- Must keep the tax increase as low as possible



10.25%

TAX LEVY INCREASE

\$46.48/month

Average home in Hackensack

- Increase in spending of \$7.1 Million over 2025 due
 - Health Benefits expenses rising \$6.3 Million and BCUA Bill rising \$900,000
- No net increase in Special Non-Tax Revenue to offset increased spending
- A drop of \$1.6 Million in Local Revenue, which must now be made up with taxes
- Poor budget decisions regarding Local Revenue from the 2025 budget postponed a 2025 increase to 2026



\$7.1 MILLION SPENDING INCREASE

Health Benefits Up 18%
\$6.3 Million



MEDICAL / RX CLAIMS
UP \$3.7 MILLION - 13%



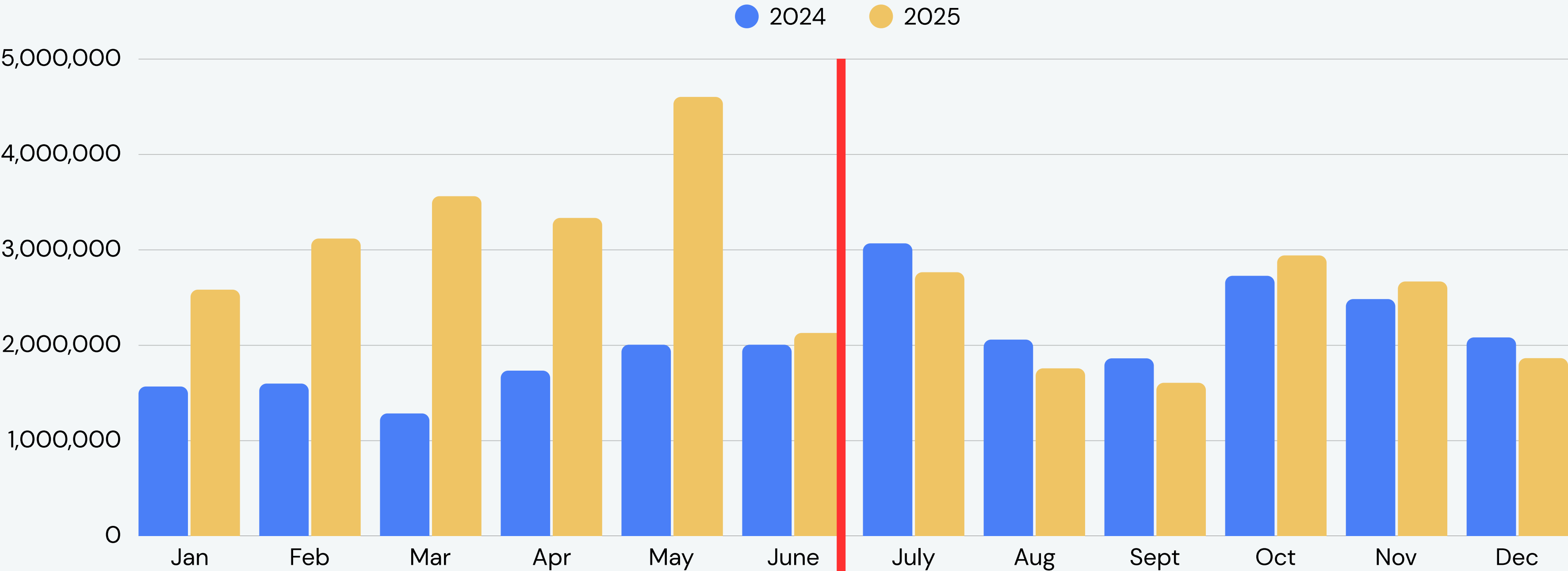
EXCESS LOSS INSURANCE
UP \$2.6 MILLION - 48%

The “Runaway” Medical Claims In 2025
Form The Basis Of The 2026 Claims Budget
And Are Responsible For The **48% Increase**
Of Our Excess Insurance Premium



What Are We Doing About This?

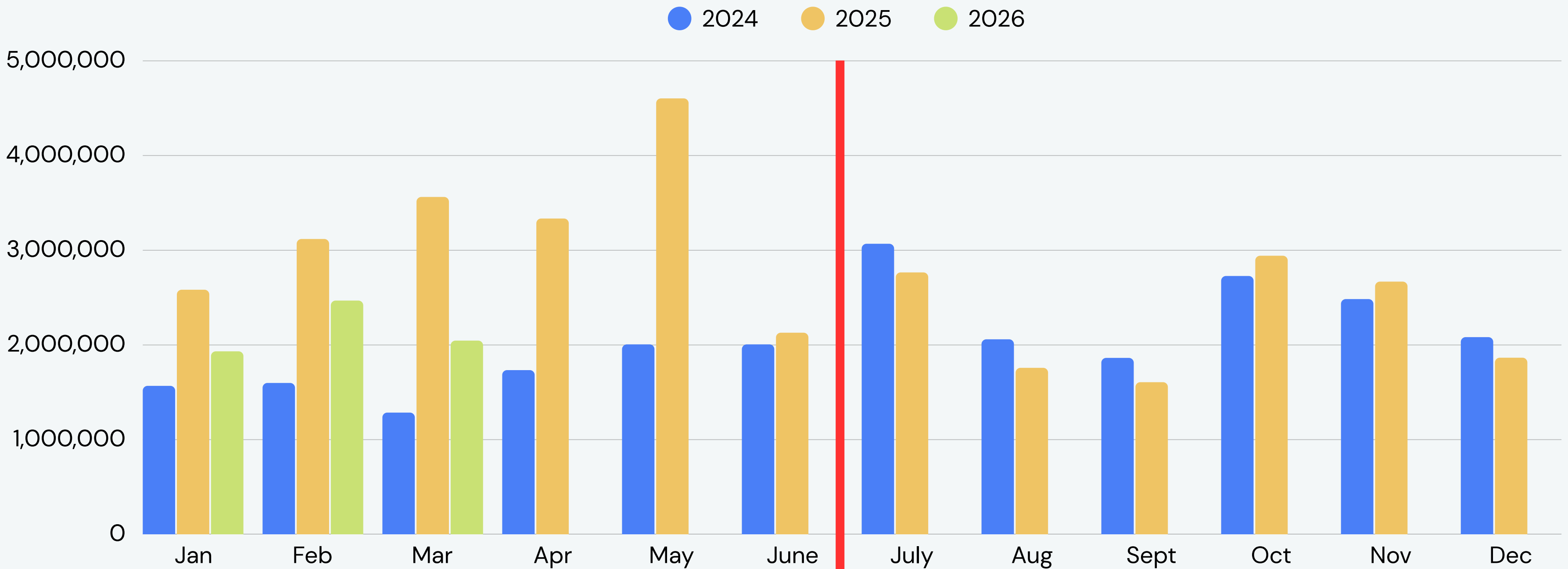
Monthly Medical Claims



From January – June 2025 Claims Up 94%

From July – December 2025 Claims Up Only 5%

Monthly Medical Claims



From January – June 2025 Claims Up 94%

From July – December 2025 Claims Up Only 5%

\$7.1 MILLION

SPEND INCREASE EXPLAINED

Health Benefits – Up \$6,300,000

BCUA Sewerage Bill – Up \$900,000



Spending Within City Control – **Down** \$100,000





Some Budget Areas Couldn't Be Cut Due To Years Of Budget Neglect

- Snow removal
- Pump station maintenance/monitoring
- DPW heavy duty vehicles
- Garbage trucks
- Library donation
- Police operation structural deficit

POLICE OPERATIONS

- Budget for technology equipment maintenance contracts is needed
 - Included in 2026 budget
- Plan for improvements to the police building facility is long overdue
 - 2026 Capital Plan to include Police with Fire
- Budget and a plan to deal with the numerous police vehicle fleet issues is needed
 - 2026 budget includes a lease-to-own program that will regularly cycle out older vehicles for newer ones.



OPERATIONAL SAVINGS

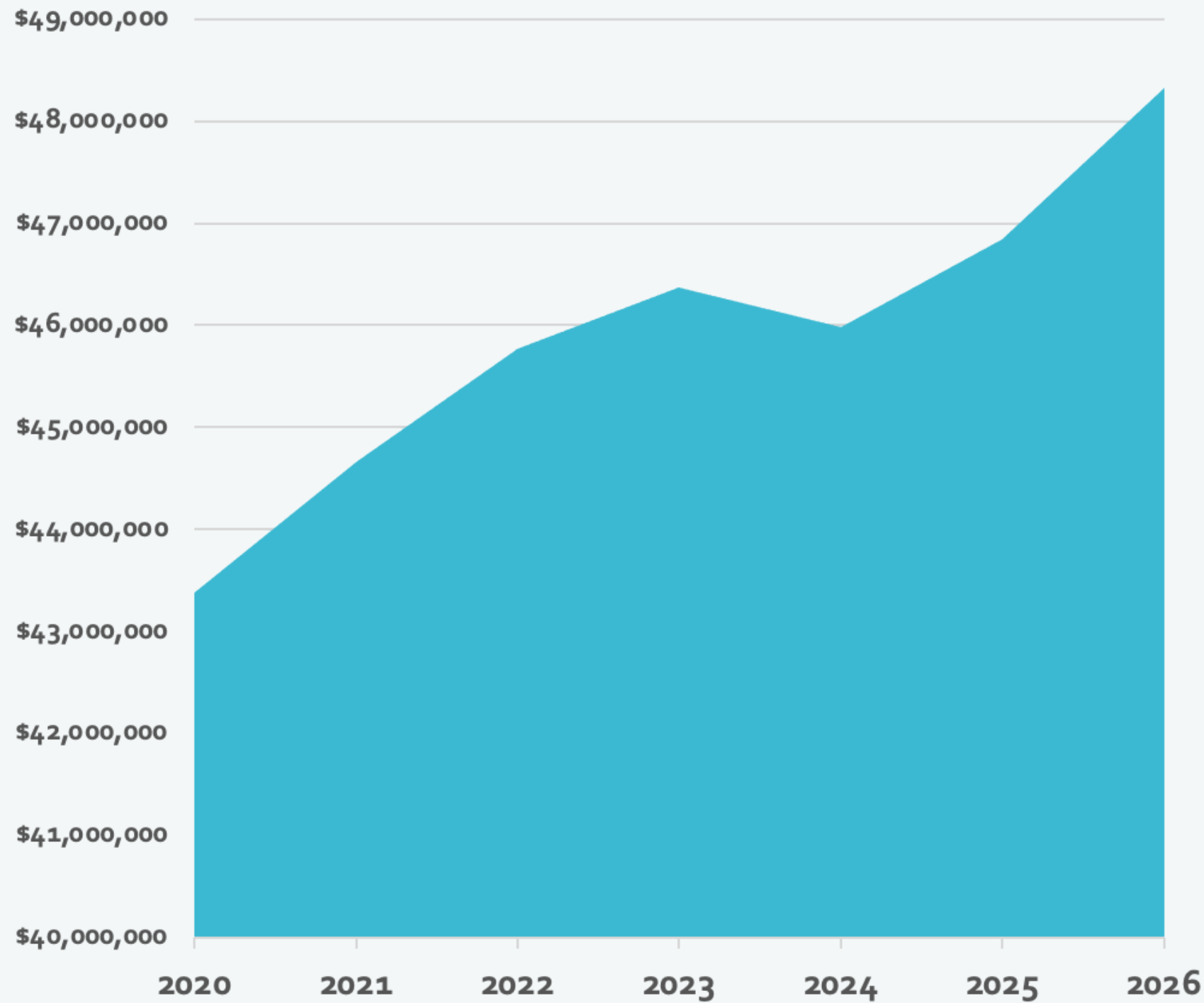
Changes in City Operations have achieved budget savings in multiple departments

- Elimination of the Police Director Position
- Restructuring the DPW superintendent position from full-time to two part-time roles (saving on health benefits)
- Eliminating field maintenance overlap between Recreation and DPW
- Closer monitoring of all legal bills



SALARIES & WAGES

\$48,331,100



Salaries & Wages Rose by 3.1% over 2025

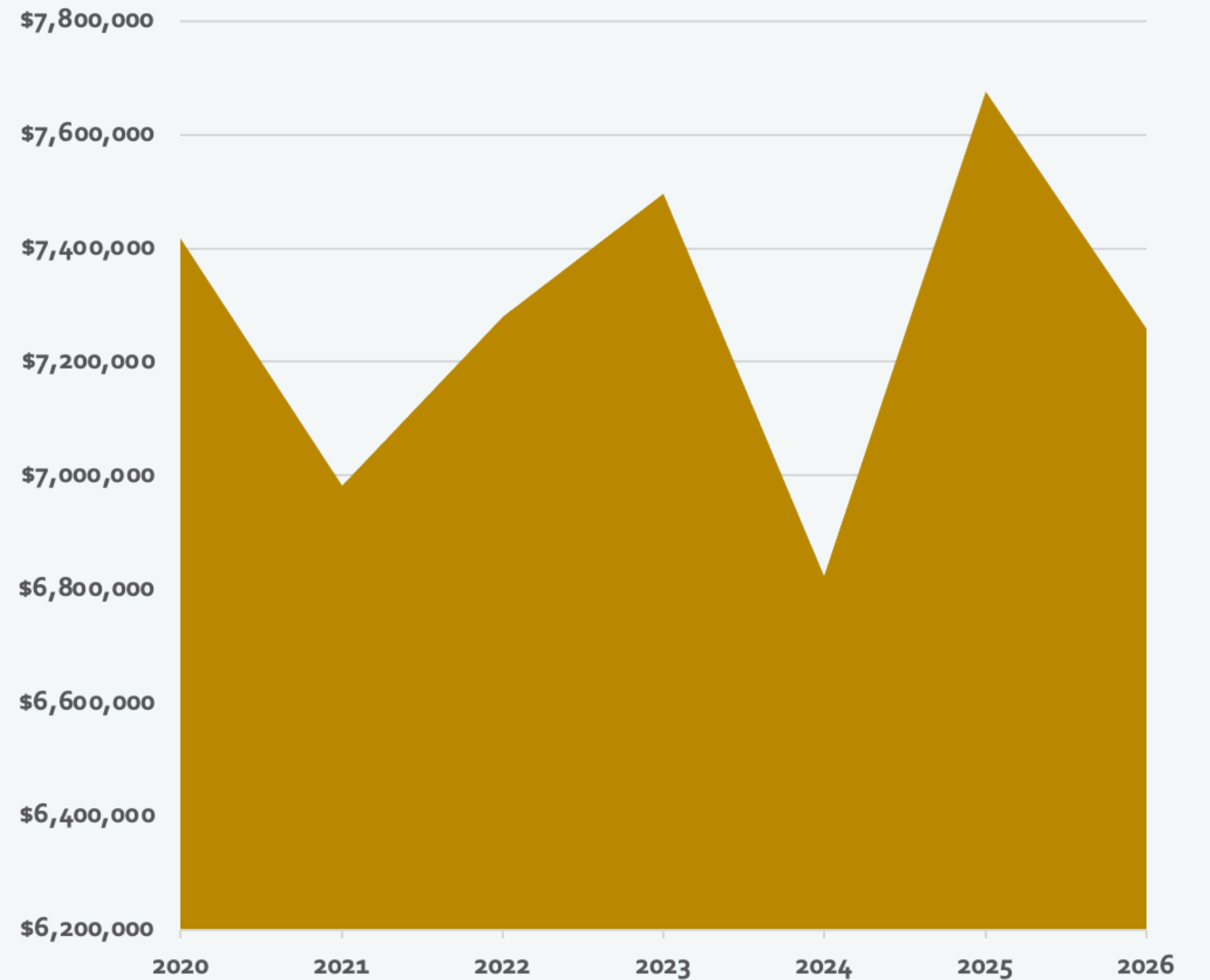
(5 fire fighters no longer grant funded)

DEPARTMENT OTHER EXPENSES

\$7,258,180

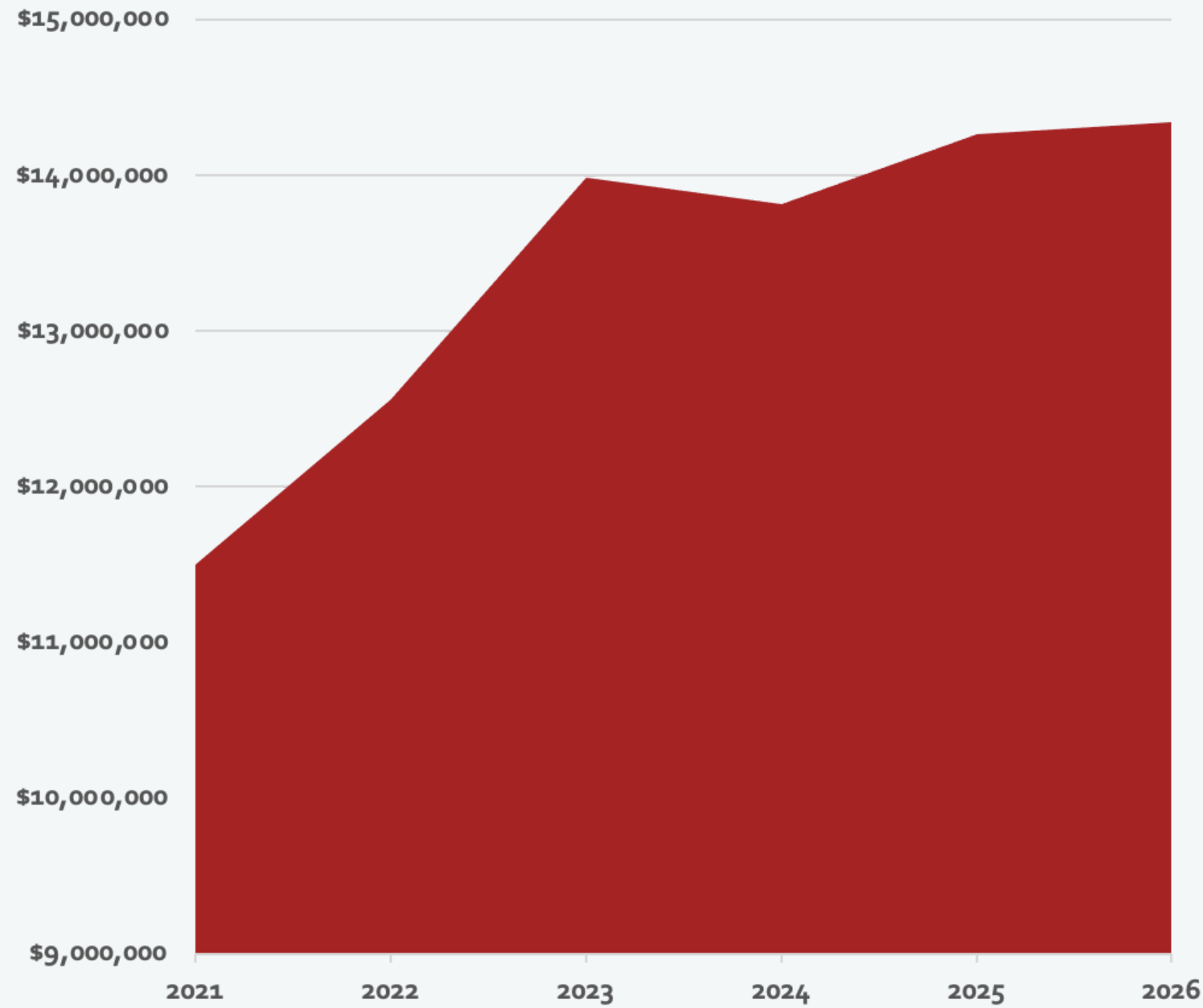
Department Other Expenses Were Reduced By 5% Over 2025 To Mitigate The Tax Increase Caused By Health Benefits & The BCUA Rate Increase

Departments Typically Hold The Line On Spending Every Year



STATUTORY EXPENSES

\$14,338,654

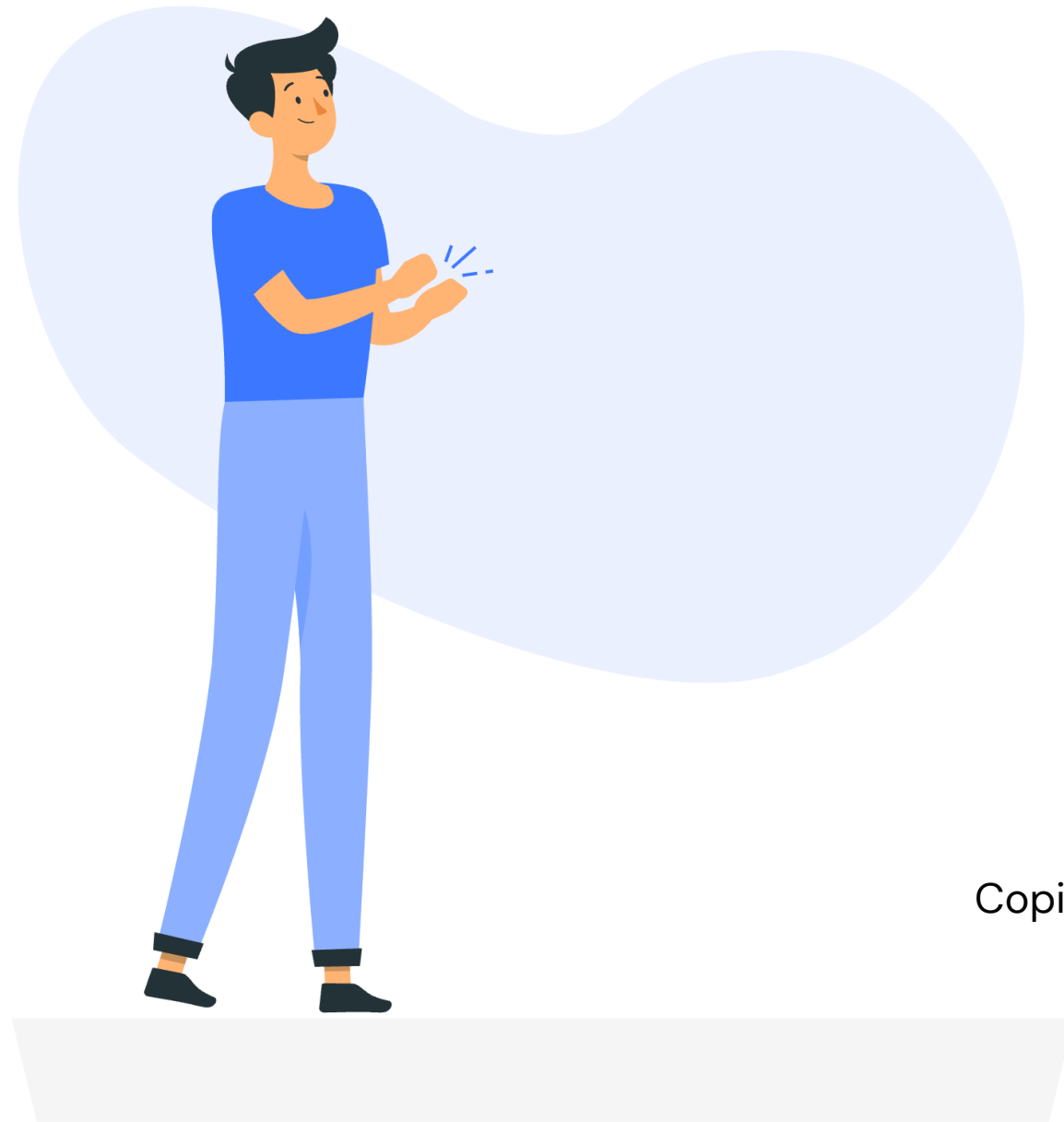


Pension, Social Security, & Unemployment

After Several Large Budget Increases, The Last 3 Annual Pension Increases Have Been Flat

\$48.13/MONTH
CITY OF HACKENSACK PORTION

- **Total Spending Up \$7.1 Million**
- **Health Benefits Up \$6.3 Million**
- **BCUA Bill Up \$900,000**
- **Rest Of The Budget Is Down \$100,000**
- **Poor budget decisions in the 2025 budget led to a missed revenue projection of \$1.6 million, which now must be made up in the 2026 budget.**
- **Proper, fiscally conservative budgeting practices are back in place in the 2026 budget to prevent such a high tax levy increase in the 2027 budget and beyond.**



THANK YOU FOR YOUR TIME

PUBLIC HEARING

Tuesday, May 5, 2026

5:30PM Council Chambers

Public Session Approximately 6:30pm

Copies of the budget are available on the City website, and in the City Clerk's office