

***Township Manager's  
Proposed 2026  
Municipal Budget***

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Township Manager*

# Proposed 2026 Municipal Budget

## Budget Preparation Process

1. Department Head Requests (September 2025)
2. Manager/CFO Review (October 2025)
3. Manager/CFO/Department Head Public Hearings Conducted (Week of November 3, 2025)
4. Public Input at Council Meetings (2/10, 2/24)
5. Manager/CFO/Auditor budget review (March '26)
6. Annual Debt Statement Due 1/31



# Proposed 2026 Municipal Budget

## Budget Preparation Process

7. Annual Financial Statement Due 3/10
8. Manager's Budget to Council on revised statutory date of 2/27 or next regularly scheduled meeting
9. Subcommittee meets prior to March 27<sup>th</sup> to review
10. Council review and public hearings (3/26)
11. Council introduction of budget by revised statutory date of 3/31 or next meeting (4/14)
12. Hearing and adoption of budget by revised statutory date of 4/30 or next meeting (5/19)



# Assumptions

## 2026 Budget is dependent upon:

- Council determination of 2026 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2026
- 2025 Municipal Revenues' Analysis and 2026 Revenue Anticipations
- State Aid allocations for 2026
- Special Emergency Financing for Terminal Leave



# Appropriation vs. Revenues vs. Rate

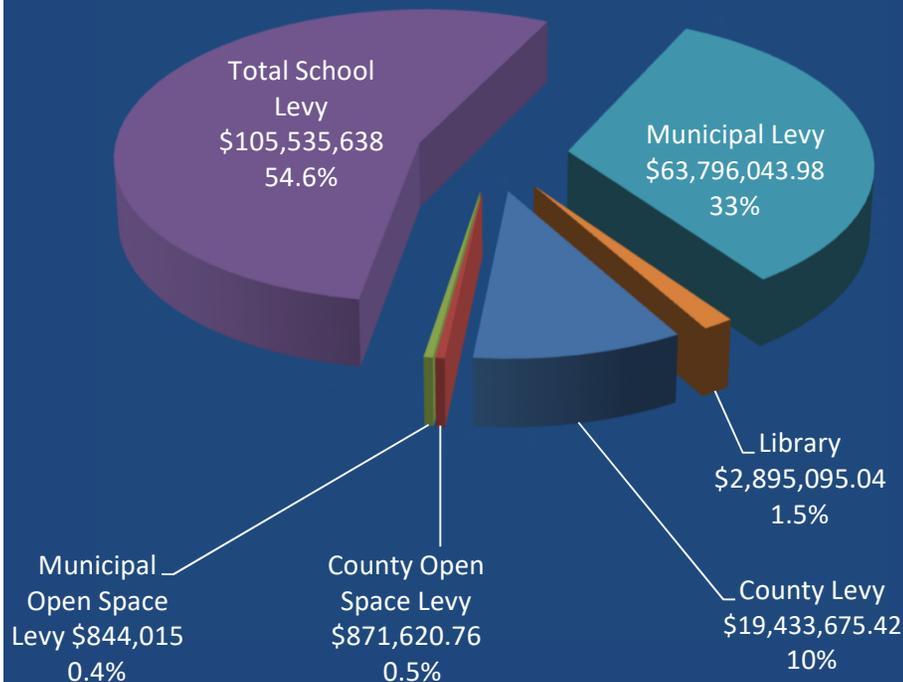
- Appropriations – what the municipality intends to spend on operational costs
- Revenues – what the municipality earns through various fees and the collection of taxes
- Rate – the amount of taxes to be raised / the net property valuation
- Simply stated, the tax rate is a percentage of your property value that you are taxed on



# 2025 Tax Breakdown

## Tax Breakdown

**Total Property Taxes:  
\$193,376,088.20**



- Proposed budget refers to municipal portion of taxes only
- Board of Education & County Taxes Separate from Municipal Portion
- All taxes are paid to and collected by the municipality's Tax Collection Office
- Taxes are forwarded to all taxing entities biweekly/quarterly
- Tax Breakdown comparison: Municipal – 38% (1943) vs. 33% (2026) 83 Years!



# Known Impacts on 2026 Budget

- Reduction of general revenues
- Increase in Contractual Obligations to Employees
- Increased operating/other expenditure budgets
- Increases in Utility Cost (Gas, Telephone, Electric)
- Increase in Library Minimum Tax – Computed via State Formula
- Increase in Health Insurance



# Known Impacts on 2026 Budget

- Increase of \$4,251,847 in expenses beyond the Township's Control

Category	Increase (\$)	Increase (%)
Salary & Wages*	\$1,536,832.50	3.9%
Insurance (Worker's Comp)	\$285,024.00	10.0%
Capital Improv. Fund	\$136,100.00	24%
Debt Service	\$511,800.00	9.3%
Statutory Expenses (Pension)	\$290,267.50	2.77%
Library State Min. Funding	\$236,823.00	8.2%
Health Insurance	\$1,255,000.00	18.76%



# Known Impacts on 2027 Budget

One-Time Revenues of \$2,300,000 not available

Category	Decrease (\$)
Surplus Funds from Cancellation (2025)	\$1,000,000.00
Reserve for Payment of Debt	\$1,300,000.00



# Proposed 2026 Municipal Budget

Proposed tax rate increase is 9.78%

Estimated annual tax increase:

Average home assessed at \$628,279.49

Increase in Taxes

Per year: \$485.95

Per month: \$40.50

Tax Levy = Budget Appropriations Minus Revenues  
Appropriations Cap Issue in 2026 If Cap Bank Ordinance Is  
Not Adopted

Possible Tax Levy Cap Issue  
Budget to be reviewed by Auditor



# Appropriations Cap vs. Levy Cap

## Appropriations Cap

- Enacted 1977
- Originally capped budget appropriations increases at cost of living (COLA)
- Maximum COLA Adjustment is 3.5% and Requires Adoption of Cap Bank Ordinance
- Ordinance allows Township to “bank” a cushion if needed for future unanticipated expenditures above appropriations cap

## Levy Cap

- Enacted 2007
- Amended in 2010 to 2% and modified exclusions



# Importance of Appropriations Cap Banking

- The “Cap Bank” Ordinance has two purposes:
  - Allows the Township to budget up to the permitted amount, if needed
  - Allows the Township to carry over unused amounts from the last two prior years
- Adopting the Cap Bank Ordinance does NOT add funds to the budget and the budget can always be reduced by council prior to budget adoption regardless of the Cap Bank Ordinance
- If not adopted, the Township may be required to reduce services in the current year or a future year based upon the Cap Calculation
- Passing the Cap Bank Ordinance provides the Township with budgeting options in the current year and in future years
- The Cap Bank Ordinance needs to be introduced at Budget Introduction



## How We Arrived at a 9.78% Tax Rate Increase

- Original increase was 15%, originally projected to be 18.69%
- Increased costs beyond our control = \$4,251,847
- Reduced Capital Budget from \$20 million to \$14 million (net \$10.787 million)
- Utilized \$1.3 million in Reserve for Payment of Debt (cancelled old capital accounts)



# How We Arrived at a 9.78% Tax Rate Increase

- Will cancel 2025 Appropriation Reserves to increase surplus by \$1,000,000 (via Resolution on March 26<sup>th</sup>)
- Surplus is built two ways:
  - Not spending complete appropriations
  - Realizing higher revenues than anticipated
- Will utilize Special Emergency Financing for Terminal Leave in 2026 but have budgeted a modest amount this year for Terminal Leave to build the Trust Fund for future years



# Future Impact on 2027 Budget

- Terminal Leave may need to be budgeted for 2027 (+\$750,000)
- Added Special Emergencies
  - Terminal Leave 2026 Estimated (+\$250,000)
- State of Economy/Cost of Goods & Services
- Increased Capital Budget to fund projects
- Increased hires assuming retirements in Police and Fire Departments



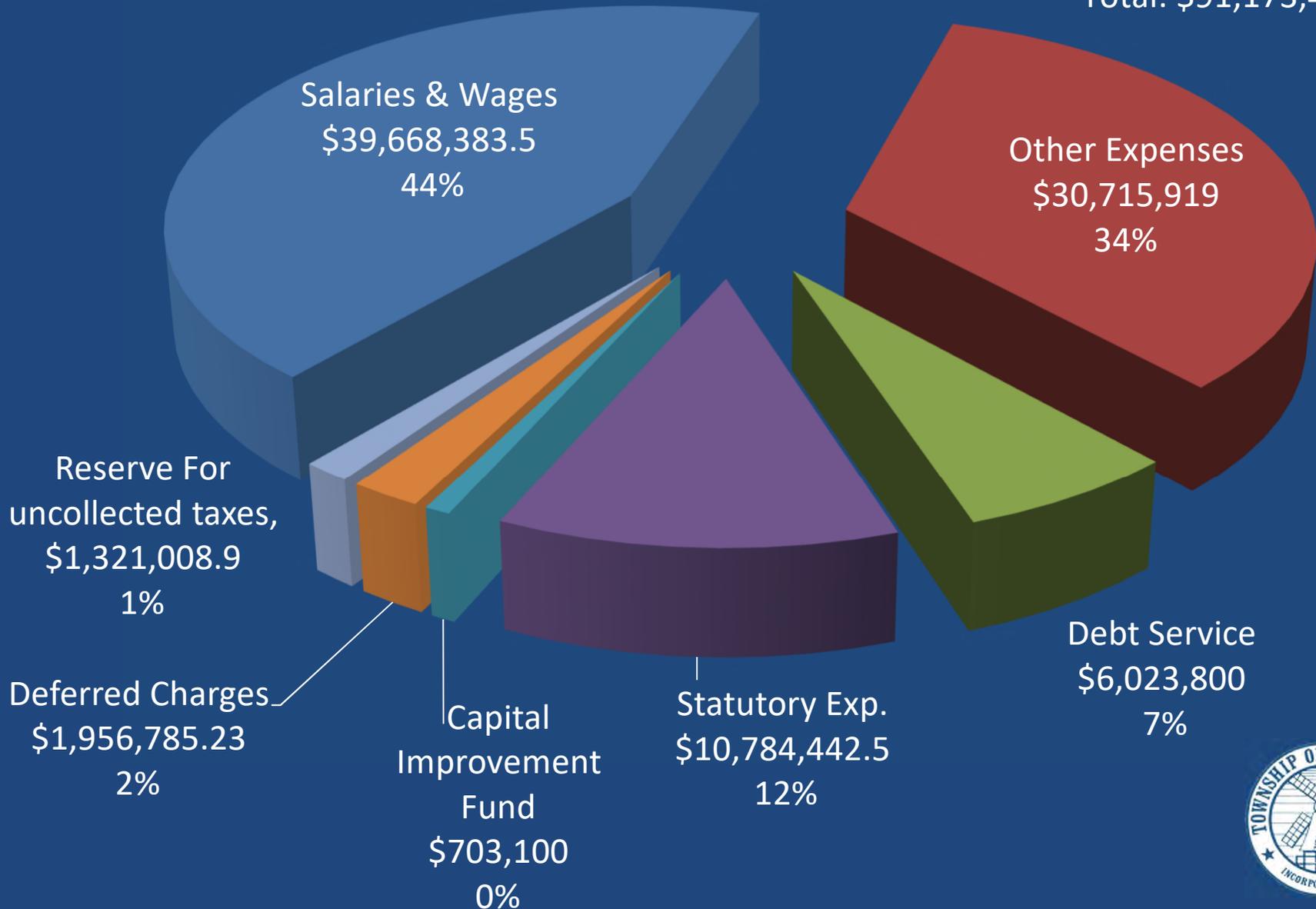
# Future Impact on 2027 Budget

- 2027 Health Benefit Premiums
- 2027 Pension Contributions
- Potential Increase in BCUA Annual Sewer Bill
- Contractual Increases
- Reduction of \$2,300,000 in one-time Revenues
- DPW Facility Lease Costs



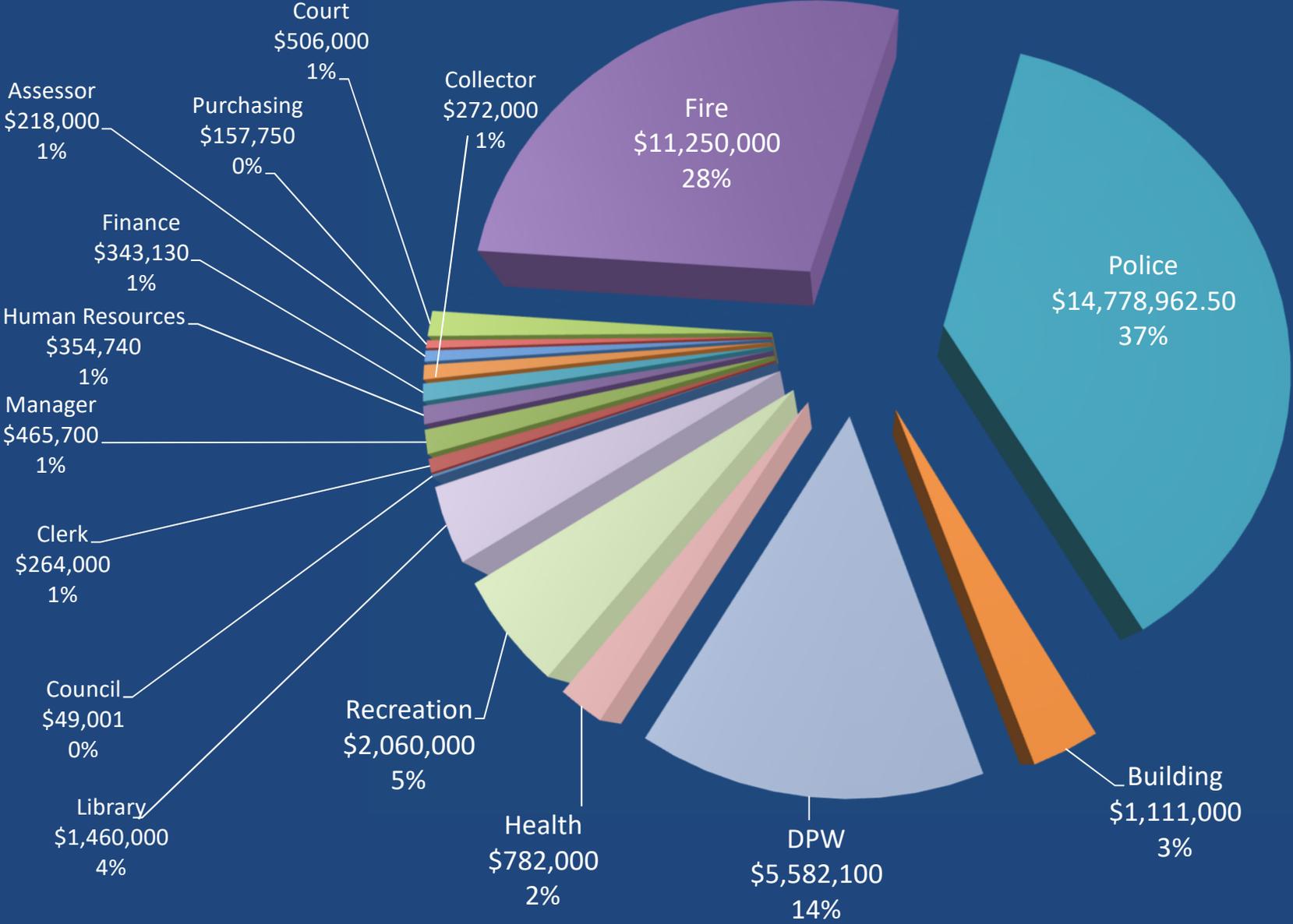
# 2026 Proposed Budget Appropriation Categories

Total: \$91,173,439.13

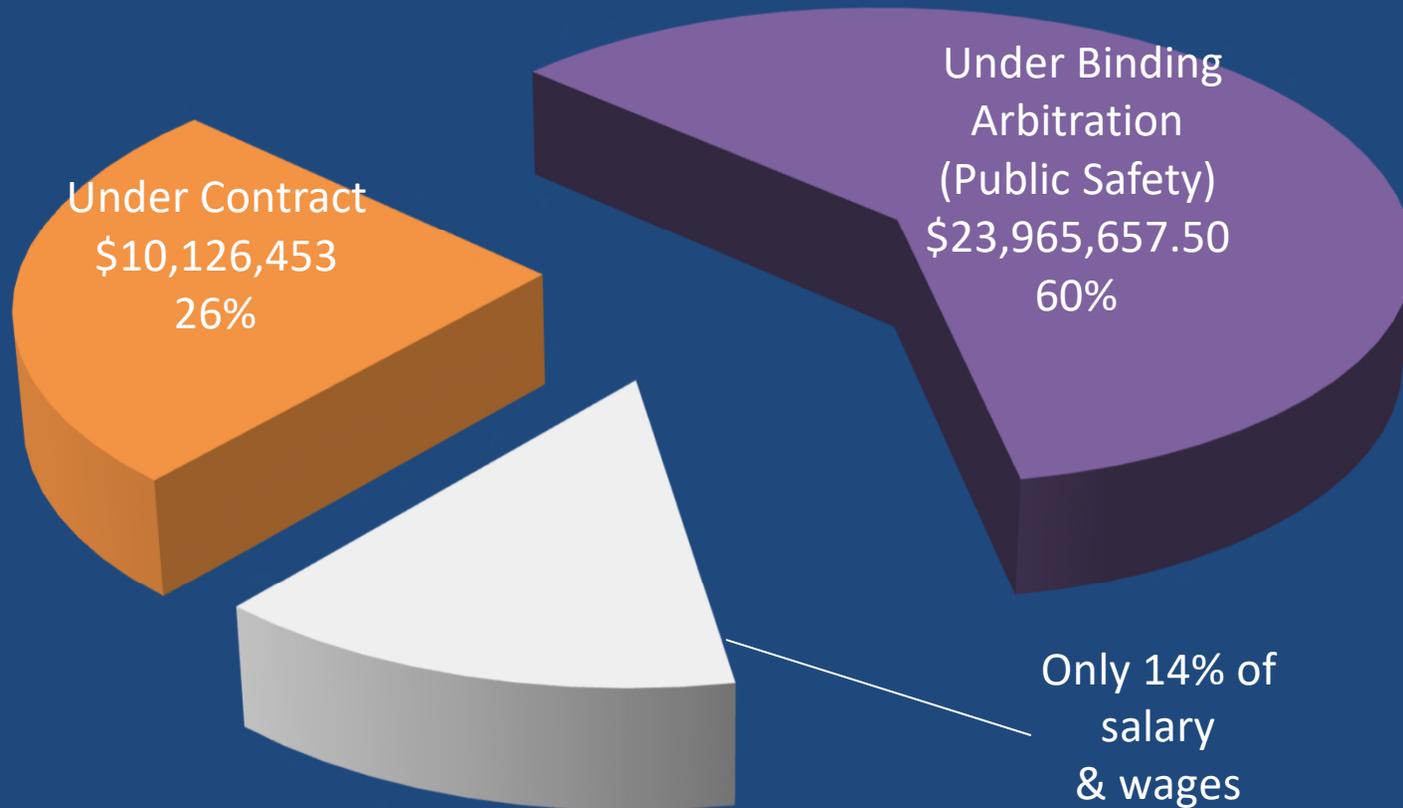


Total: \$39,668,383.50

# Proposed Salaries & Wages



# Salary & Wage Increases Required by Union Contract



Only 14% of  
salary  
& wages  
or  
\$5,576,273

Excluded Employees and  
Department Heads

Total: \$39,668,383.50



# Collective Bargaining Agreements

- DPW Supervisors Exp. December 31, 2028
- Library Exp. December 31, 2030
- Police SOA Exp. December 31, 2030
- PBA 215 Exp. December 31, 2030
- AFSCME Exp. December 31, 2026
- DPW Non-Supervisors Exp. December 31, 2026
- PFOA Local 242 Exp. December 31, 2030
- FMBA Local 42 Exp. December 31, 2030

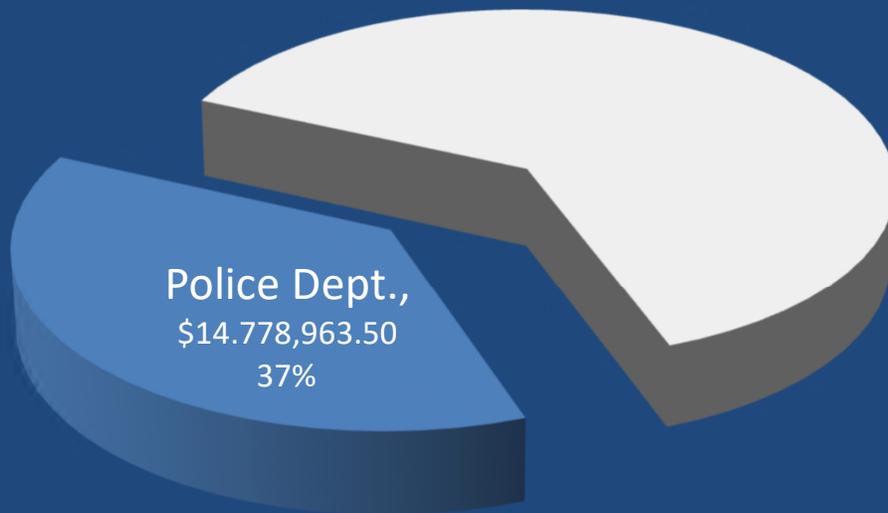


# Salaries and Wages Summary and Recommendations

## Police

## 2026 Recommendations

- Current table of organization provides 97 sworn officers
- Currently Staffed at 97 Officers
- No additional hires planned with exception of backfilling for resignations/retirements

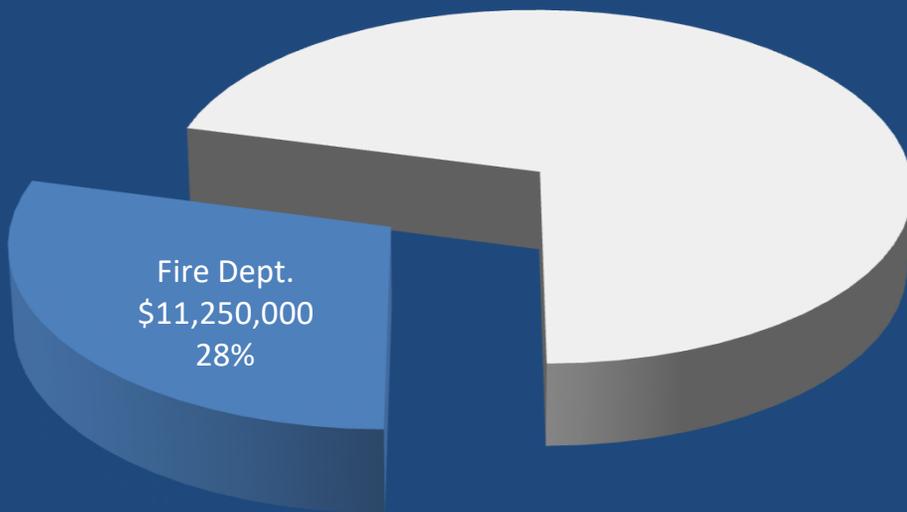


# Salaries and Wages Summary and Recommendations

## Fire

## 2026 Recommendations

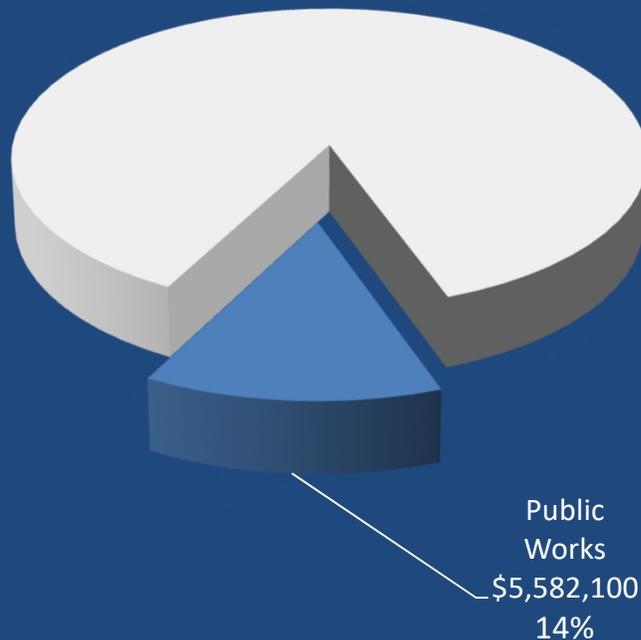
- Current table of organization provides 91 fire fighters
- Current staffing of 87 Fire Fighters as of 5/1/26
- 2 Retirements as of February 1st



# Salaries and Wages Summary and Recommendations

## Department of Public Works (DPW)

## 2026 Recommendations



- Currently staffed for 59 positions
- Teaneck Community Pool will retain two hires from 2025
- Hire 1 Laborer as of 4/1



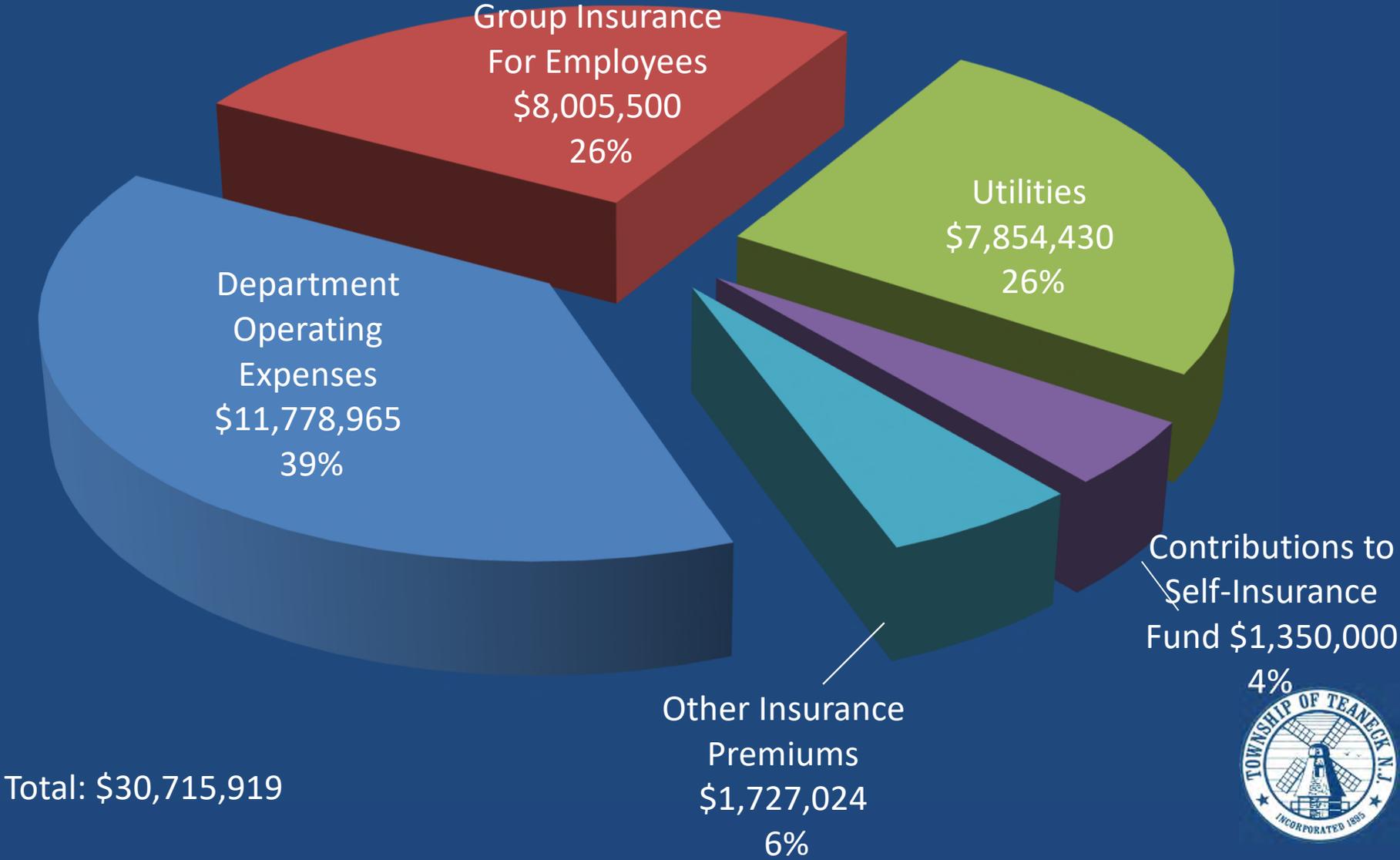
# Salaries and Wages Summary and Recommendations

## Overtime

Dept.	2026	2025	Change %	Spent
Fire	\$600,000	\$600,000	0%	\$756,069.72
DPW	\$350,000	\$350,000	0%	\$576,984.94
Police	\$600,000	\$600,000	0%	\$611,663.74

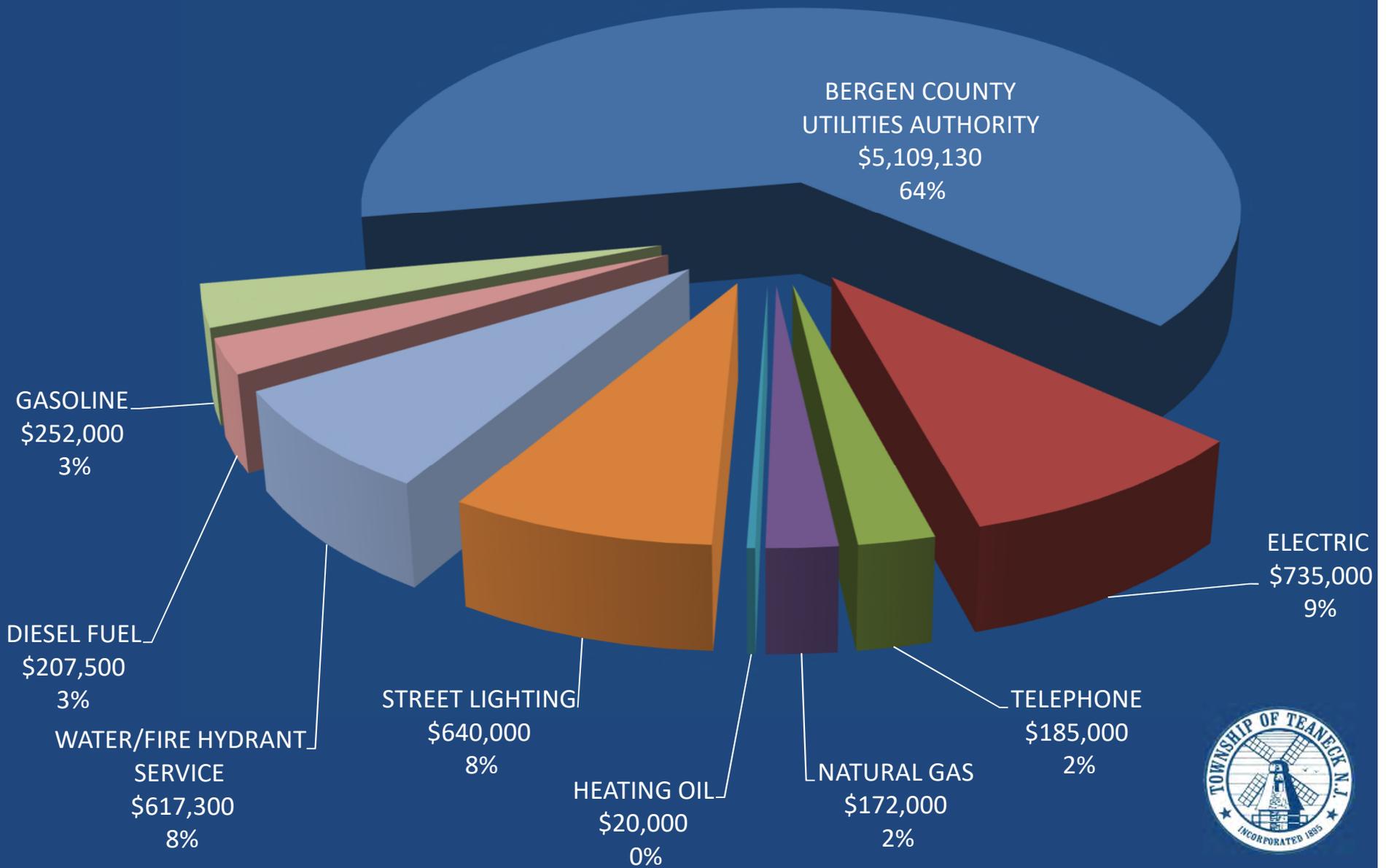


# Appropriations Other Expenses



# Utilities

Total: \$7,937,930.00



# Deferred Charges

Includes:

-Terminal Leave Special  
Emergencies  
(2021-2025)

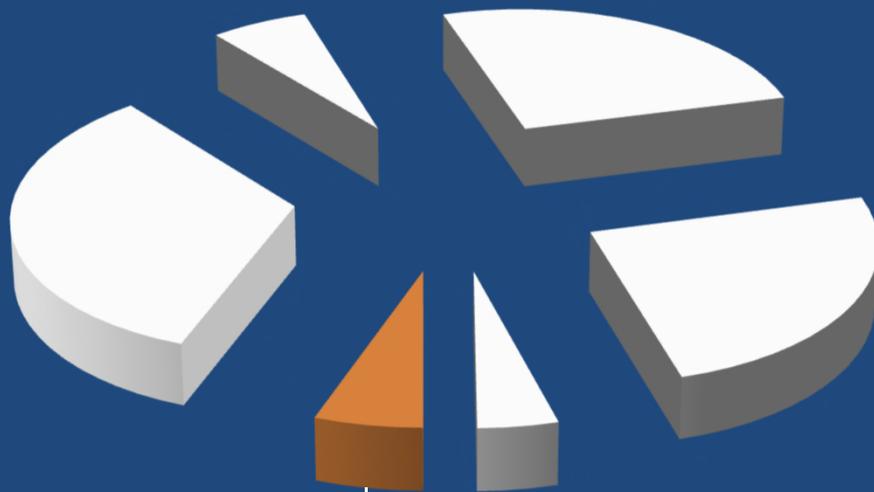
-COVID-19 Pandemic Special  
Emergency

-2024 Revaluation Costs

-\$100,000 for Reserve for Tax  
Appeal

-\$100,000 for Terminal Leave

Utilize Special Emergency for 2026  
Terminal Leave

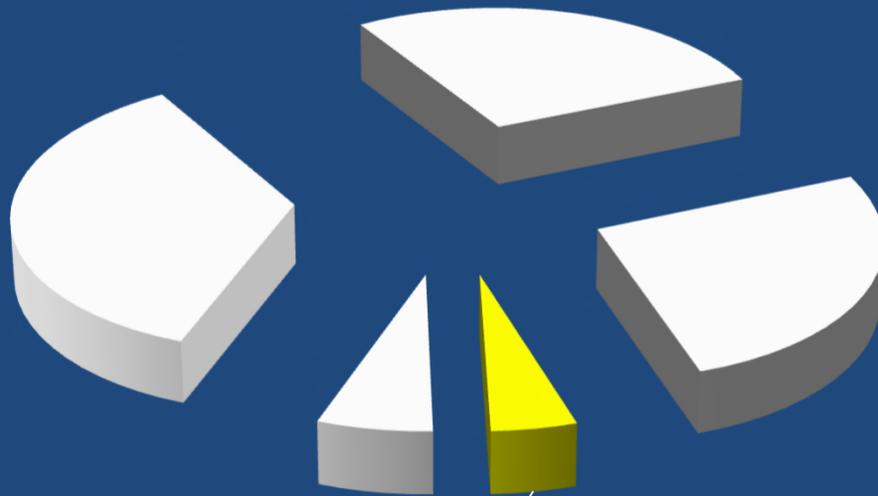


Deferred  
Charges  
\$1,956,785.23  
6%



# Contributions to Self-Insurance Fund

- Increase from 2025  
Appropriation based on  
claims experience  
(\$100,000)
- Workman's Compensation  
and Title 59 Tort Claims  
Coverage (i.e. Slip & Falls)
- Proposed Settlements to be  
funded from this line item

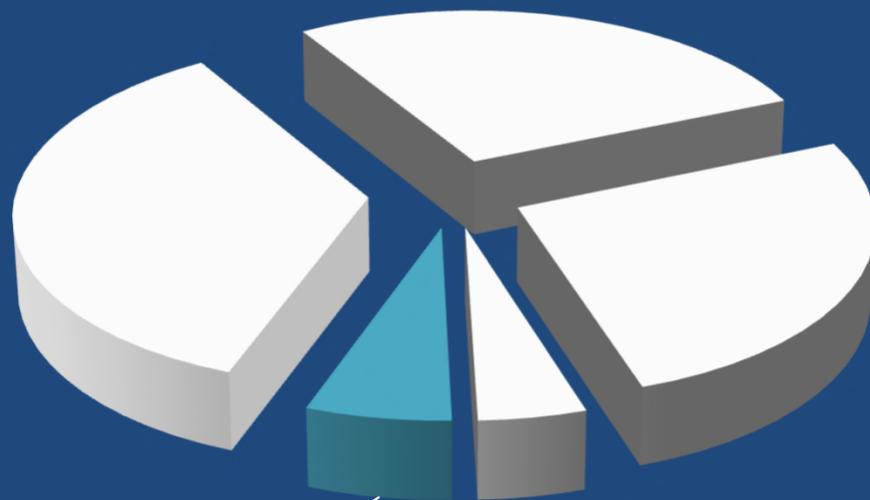


# Other Insurance Premiums

- PEJIF Premium Increase (\$262,500)

Coverage includes:

- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities (Pool incl.)
- Cybersecurity
- General Litigation/Claims

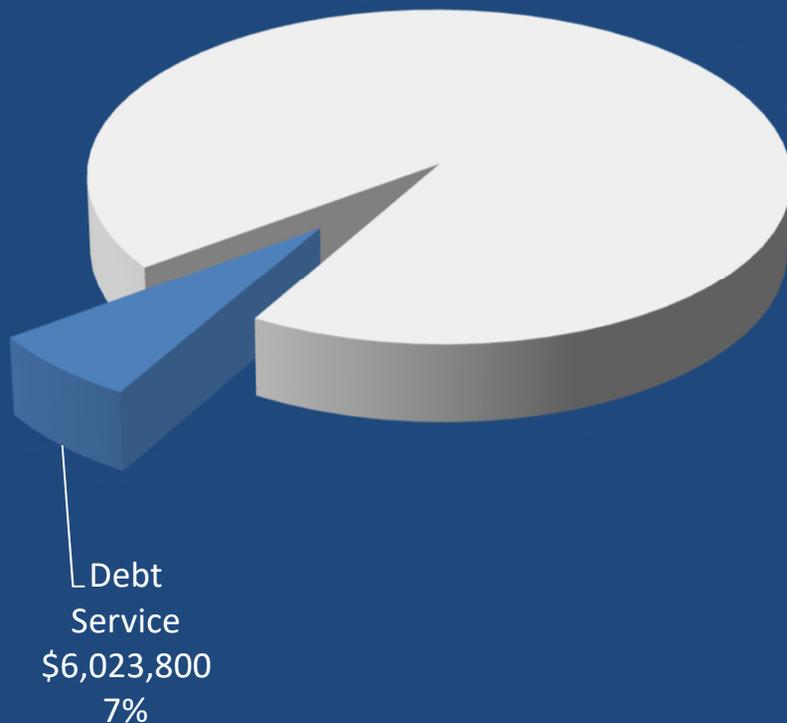


Other  
Insurance  
Premiums  
\$1,727,024  
6%



# Debt Service

## Debt Service



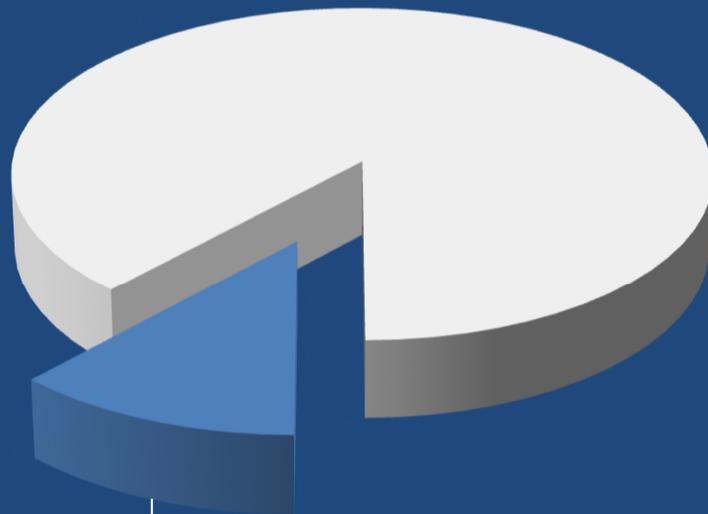
## Highlights

- Increased Note Principal (\$122,600)
- Increase in Note Interest (\$439,200)
- Increase in Bond Principal (\$70,000)
- Decrease in Bond Interest (\$-120,000)
- Total line item increased \$511,800 or 9.29% in 2026 budget



# Statutory Expenditures

## Statutory Expenditures



Statutory Exp.  
\$10,893,455  
12%

## Major Adjustments

- PFRS increased \$441,364 (6.17%)
- PERS decreased \$42,084 (-2.25%)
- Total line item increased \$399,280 or 3.8%



# Capital Improvement Fund

## Total Cost of Improvements

\$14,062,000

(\$10,787,400 Net Grants)

## Capital Improvement Fund

\$703,100

(5% Down payment)



# Estimated Revenue

Delinquent Taxes,  
\$750,000  
1%

Local Revenue,  
\$8,130,500  
9%

State Revenue,  
\$3,419,592  
4%

Surplus,  
\$5,500,000  
6%

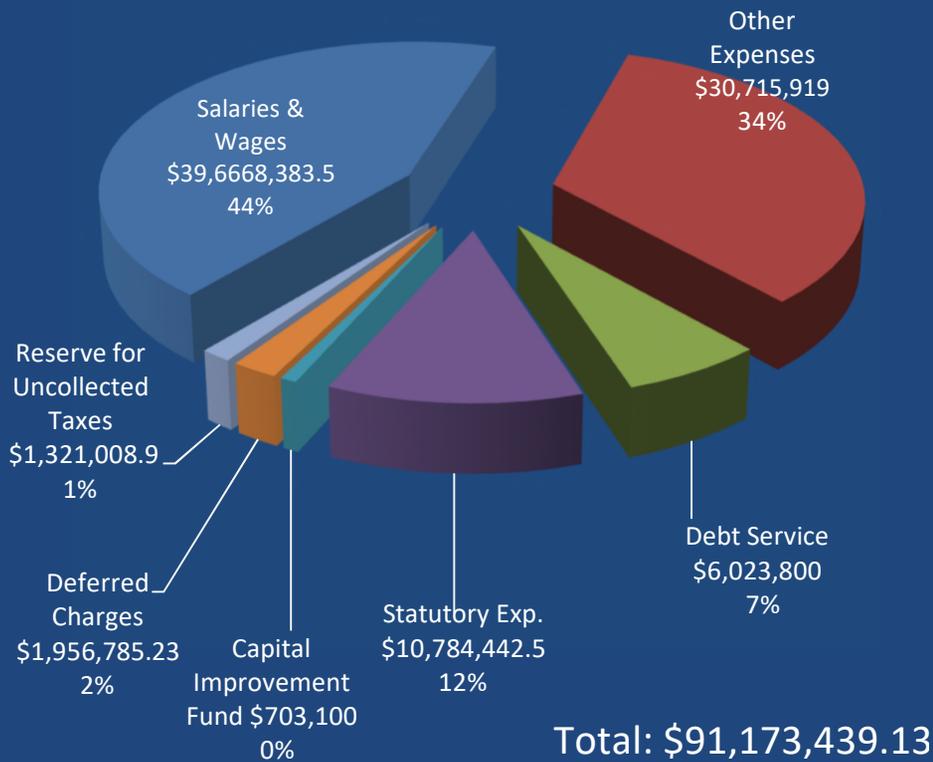
Municipal and  
Library Levy  
\$73,373,347.13  
80%

Total: \$91,173,439.13

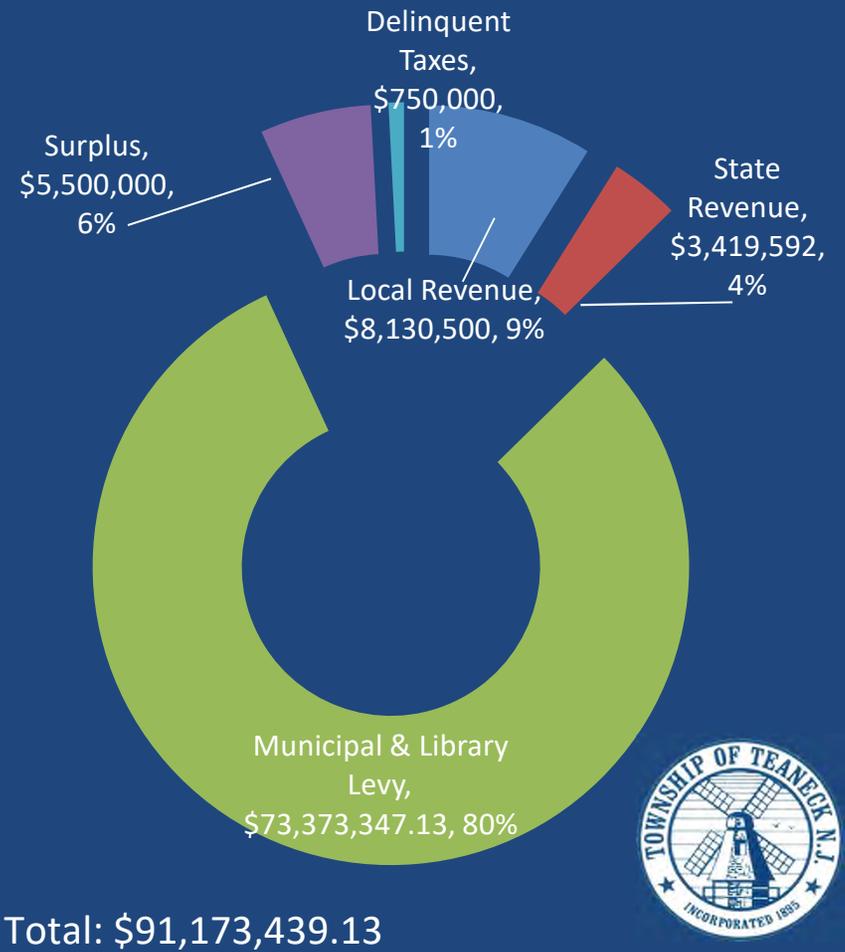


# Budget Wrap - Up

## Appropriations



## Revenue



# 2025 Accomplishments

- Additional revenues from
  - Teaneck Community Pool
  - Interest on Deposits (\$300,000)
- Park Improvements
  - Brooks Park Exercise Station
  - Herrick Park Upgrades (ballfield, lighted basketball court, pre-fab restroom, spray park, playground)
  - Votee Park Upgrades (Pre-fab restroom near Splashpad, Tennis Court upgrade)
  - Andreas Park Pickleball Courts
  - Argonne Park Tennis Courts
  - Phelps Park Tennis Court Repair



# 2025 Accomplishments

## General Accomplishments

- DPW Re-location
- Upgraded Police Radio Communications
- Library Renovations Completed
- Fire Station 4 Remodeled and Re-Opened
- Composting Initiative via Neighborhood Compost
- EV Charging Exploration
- Settlement of Library Union Contract
- Police Department Landscaping Upgrade & Roll Call Room
- Police Department Recruitment Promotional Video
- Purchase of new Recreation Van for Senior Citizen Transportation
- Teaneck Road Property Maintenance 6-month Trial



# Strategies

## Short & Long Term

- Sale/development of selected municipally owned property
- Health Department Accreditation
- Enhance ratables through business attraction and development
- Improve Infrastructure to attract economic development
- Continued Redevelopment Township Wide
- Parking lot Improvements
- Installation of additional EV Charging Stations



# Strategies

## Short & Long Term

- Infrastructure Improvements to Fire Headquarters & FD Station 2
- Pedestrian Safety Campaign Efforts
- Road Resurfacing
- Municipal Building Basement Renovation, Park Renovations and Park Bathroom renovations (various)
- Consideration for Skate Park
- Continued Efforts for a new Greenhouse
- Upgrades to DPW Fleet



# Strategies

## Short & Long Term

- Fee Schedule Re-evaluation (Court, Escrow, Recreation)
- Building Dept. ~ CO Permit Fees
- Additional Field Renovations
- Sewer/Drainage Upgrades
- Community Policing Programs
- Code Enforcement Township Wide
- Exploration of Add'l Shared Service
- Parking Meters (Trial)



# With Appreciation

Thank you for your cooperation in the 2026  
Budget Process

- Council
- Auditor
- CFO & Deputy CFO
- Department Heads and Assistant Department Heads



Thank you!

