

**Township Manager's
Proposed 2025
Municipal Budget
Jaclyn M. Hashmat
Township Manager**

Proposed 2025 Municipal Budget

Budget Preparation Process

1. Department Head Requests (September 2024)
2. Manager/CFO Review (October 2024)
3. Manager/CFO/Department Head Public Hearings Conducted (November 4-6, 2024)
4. Public Input at Council Meeting (2/11, 2/25)
5. Manager/CFO/Auditor budget review (March '25)
6. Annual Debt Statement Due 1/31

Proposed 2025 Municipal Budget

Budget Preparation Process

7. Annual Financial Statement Due 3/7
8. Manager's Budget to Council revised statutory date 2/27 or next regularly scheduled meeting
9. Council review and public hearings (3/27, 4/3, 4/10)
10. Council introduction of budget by revised statutory date of 3/31 or next meeting (4/8)
11. Hearing and adoption of budget by revised statutory date of 4/30 or next meeting (5/6)

Assumptions

2025 Budget is dependent upon:

- Council determination of 2025 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2025
- 2024 Municipal Revenues' Analysis and 2025 Revenue Anticipations
- State Aid allocations for 2025
- Special Emergency Financing for Terminal Leave

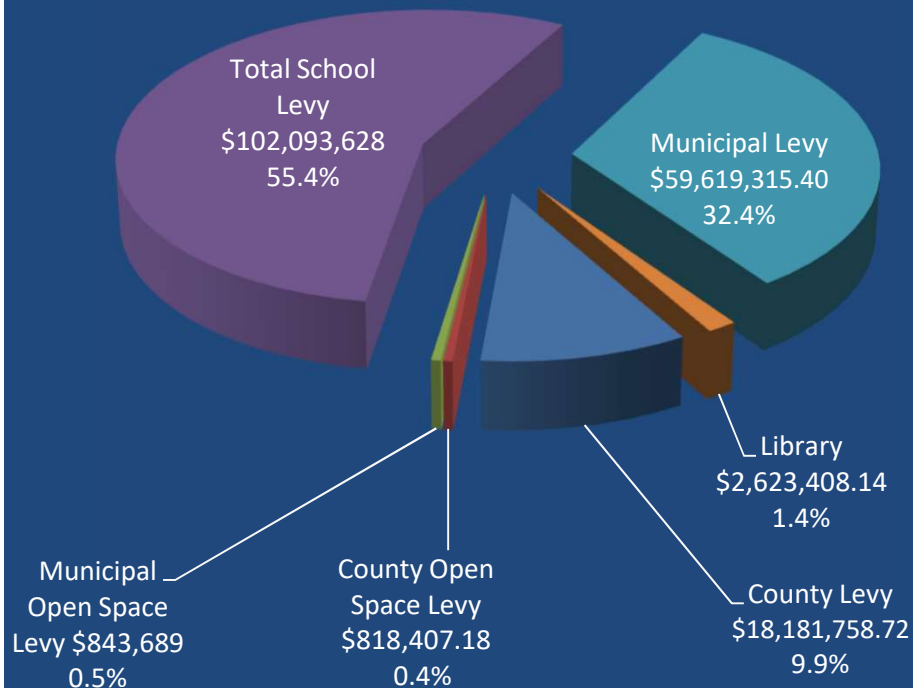
Appropriation vs. Revenues vs. Rate

- 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

2024 Tax Breakdown

Tax Breakdown

**Total Property Taxes:
\$184,180,206.44**



- 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% (2025) 82 Years!

Known Impacts on 2025 Budget

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

Known Impacts on 2025 Budget

- Net increase of \$2,658,337.30 in expenses beyond the Township's Control

Category	Increase (\$)	Increase (%)
Salary & Wages*	657,000.00	1.8%
Other Expenditures	\$1,418,462	5.3%
Capital Improv. Fund	\$229,000.00	67.8%
Debt Service	\$458,806	9.1%
Reserve for Uncollected Taxes	\$248,832.19	17.2%
BCUA	\$536,000	10.76%

*Salary and Wages line is subsidized by \$600,000 in grant funds used to reduce the total increase in 2025 budget

Known Impacts on 2026 Budget

One-Time Revenues of \$3,885,000.00 not available

Category	Decrease (\$)
Grant Funds to offset Salaries	\$600,000.00
Cell Tower Sale Proceeds	\$1,500,000.00
Surplus Funds from Cancellation (2024)	\$1,500,000.00
Capital Surplus	\$100,000.00
Reserve for Payment of Debt	\$185,000.00

Proposed 2025 Municipal Budget

Proposed tax rate increase is 9.97%

Estimated annual tax increase:

Average home assessed at \$627,549.59

Increase in Taxes

Per year: \$462.21

Per month: \$38.52

Tax Levy = Budget Appropriations Minus Revenues

Appropriations Cap Issue in 2025 If Cap Bank Ordinance Is
Not Adopted

No Foreseen 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

2025 Local Finance Board Action

- Local Finance Board issued Local Finance Notice 2024-21R on March 13, 2025 that allowed for the following appropriation increases in excess of 3.5% for 2025 budget:
 - Garbage and Trash Removal and Disposal
 - Recycling
 - PERS and PFRS employer contributions
 - Gasoline and Diesel Fuel
 - Worker's Compensation and Liability Insurance
 - Not allowed to use same exception used for 2023 or 2024 (No Exception Used in 2023 or 2024)

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 9.97% Tax Rate Increase

- Original increase was 15.25%, inline with 2024 Forecast of 15% increase
- Increased costs beyond our control \$2,295,269
- Reduction in one-time Revenues from 2024 (\$1,712,000)
 - Cell Tower \$500,000
 - ARP Funds \$950,000
 - Liquidation of Reserves \$262,000
- Use of non-recurring Revenues for 2025 (\$3,885,000)

How We Arrived at 9.97% Tax Rate Increase

- Will cancel 2024 Appropriation Reserves to increase surplus by \$1,500,000 (via Resolution on April 8th)
- Surplus is built two ways:
 - Not spending complete appropriations
 - Realizing higher revenues than anticipated
- Will utilize Special Emergency Financing for Terminal Leave in 2025

How We Arrived at 9.97% Tax Rate Increase

- Reduced Capital Budget from \$16.5M to \$12,740,000 (includes ~\$1.4 Million in Grant Funds for Projects)
- Utilized \$600,000 in Grant Funds to Offset Salary and Wages Budget (NJACCHO + Recycling Tonnage/Clean Communities)
- Statewide Reduction in Additional State Aid from 2024 (\$352,479.27 for Teaneck)

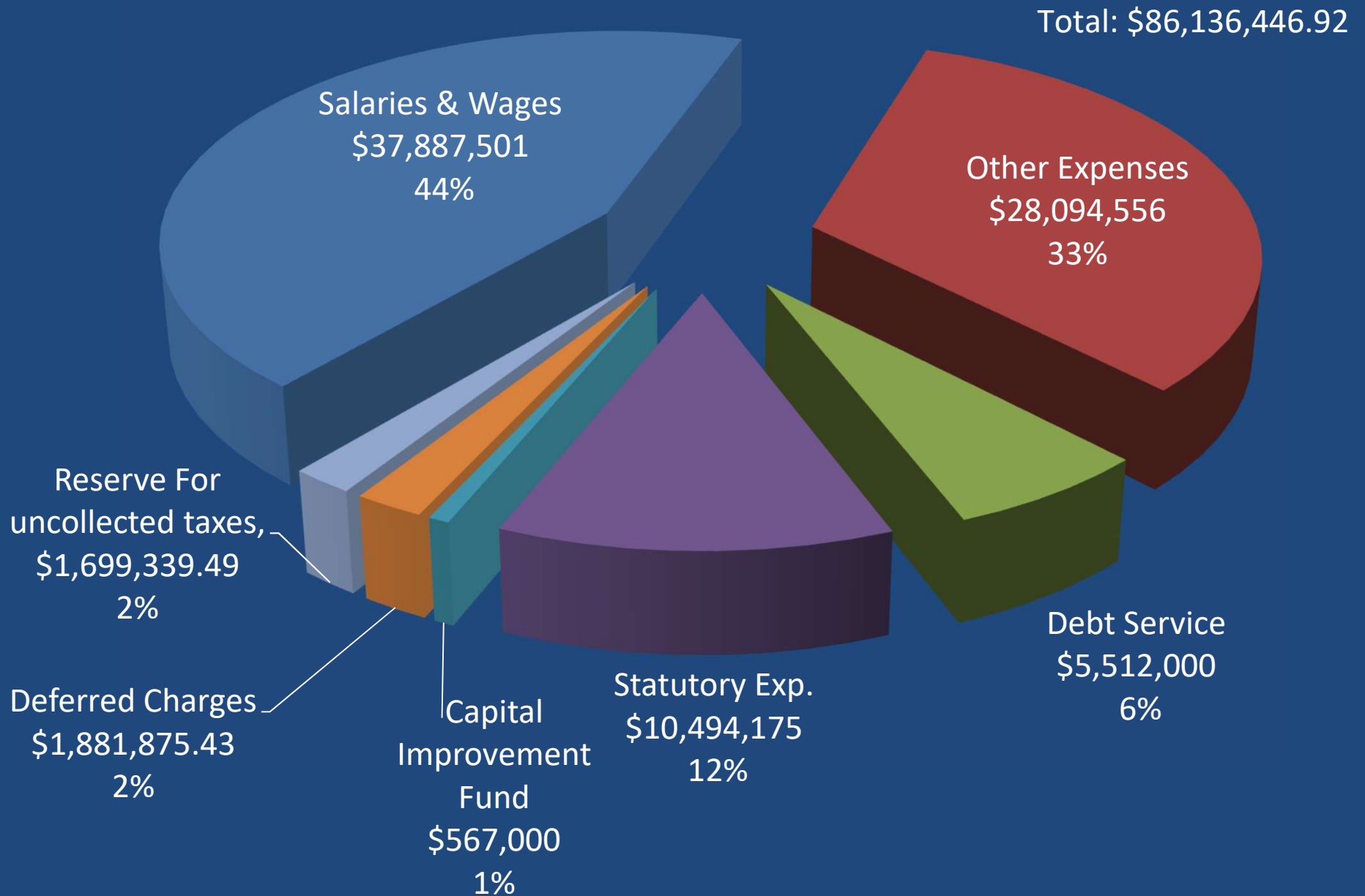
Future Impact on 2026 Budget

- Terminal Leave may need to be budgeted for in 2026 (+\$750,000)
- Added Special Emergencies
 - Terminal Leave 2025 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 2026 Budget

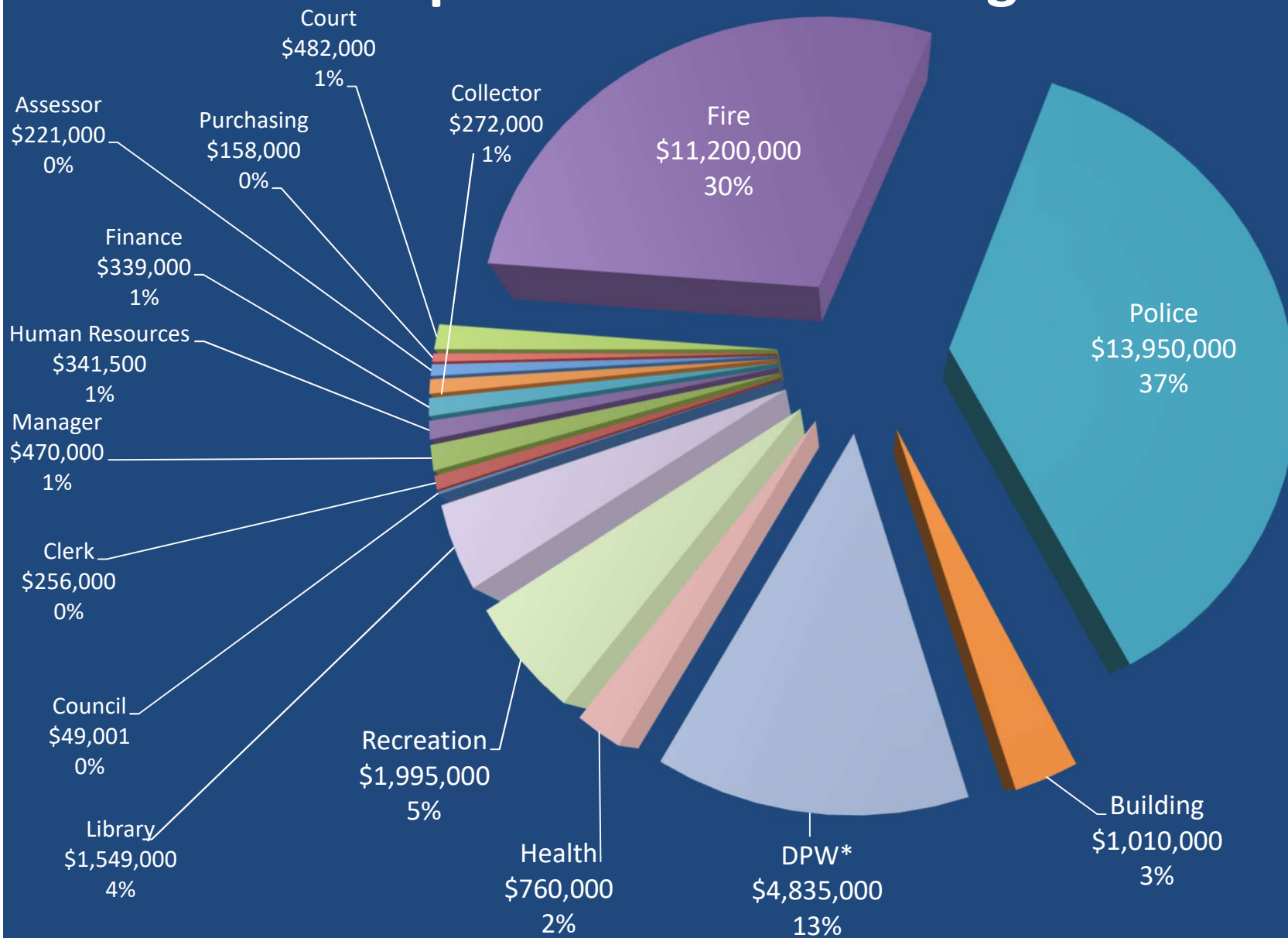
- Teaneck Community Pool Expenditures
- 2026 Health Benefit Premiums
- 2026 Pension Contributions
- Potential Increase in BCUA Annual Sewer Bill
- Contractual Increases
- Reduction of \$3,885,000 in one-time Revenues

2025 Proposed Budget Appropriation Categories



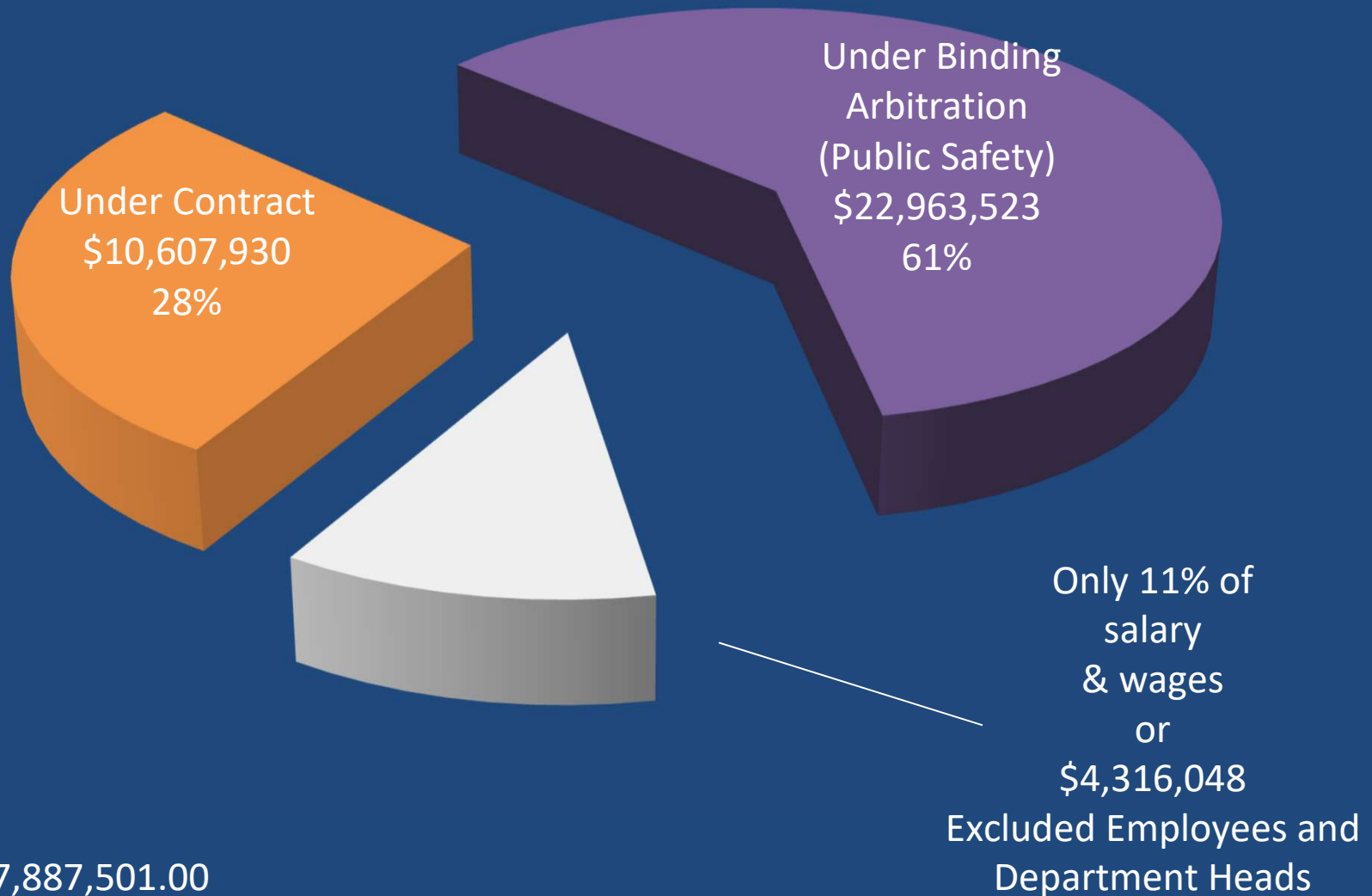
Proposed Salaries & Wages

Total: \$37,887,501*



*DPW salaries are offset by \$600K via Grant Funds

Salary & Wage Increases Required by Union Contract



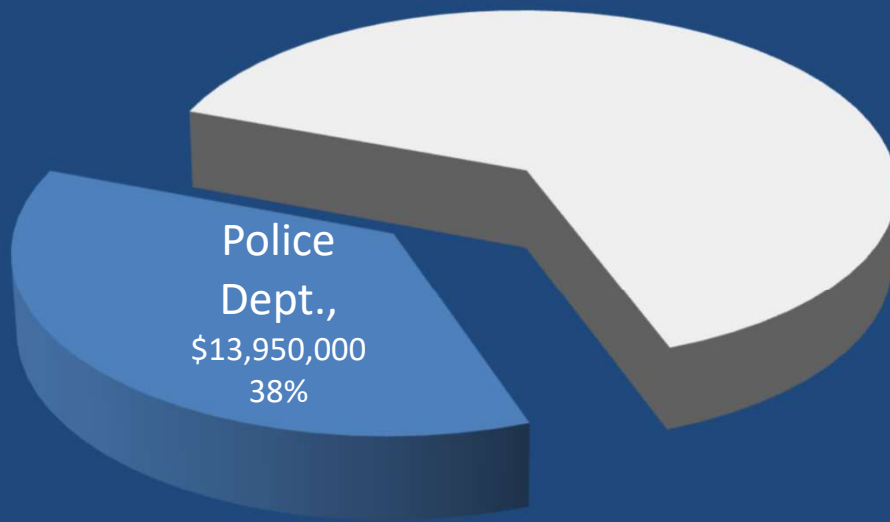
Collective Bargaining Agreements

- DPW Supervisors Exp. December 31, 2028
- Library Exp. December 31, 2025
- 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

2025 Recommendations



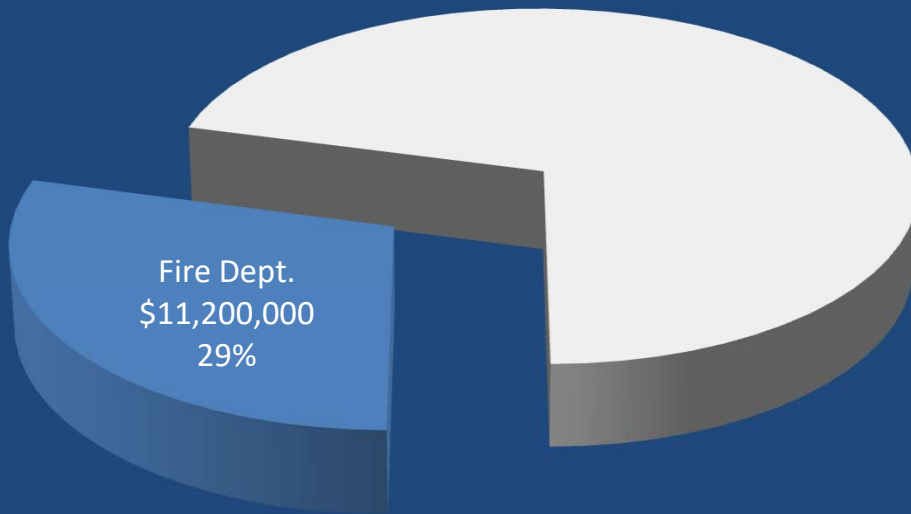
- Current table of organization provides 97 sworn officers with 94 current officers
- Re-Hire Parking Enforcement Officer for Spring 2025
- Two (2) New Hires for July 1st

Salaries and Wages Summary and Recommendations

Fire

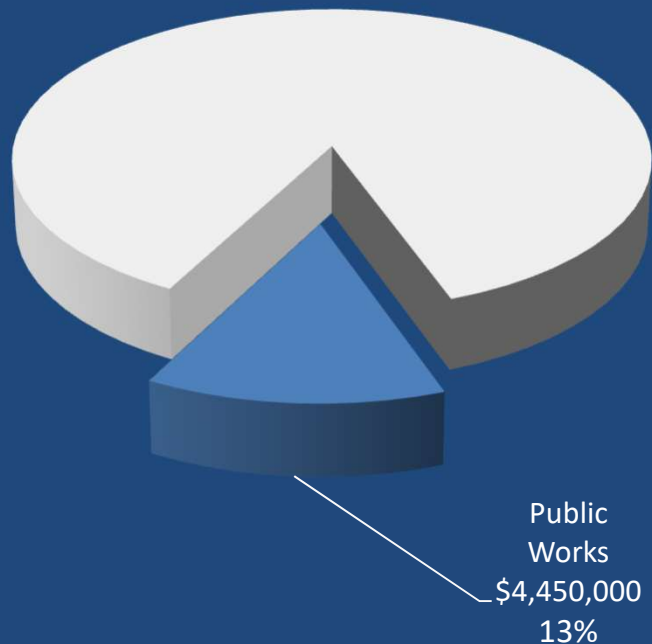
2025 Recommendations

- Current table of organization provides 91 fire fighters
- Current Staffing of 87 Fire Fighters
- 4 Retirements as of April 1st
- Four (4) Recruits Currently in Academy



Salaries and Wages Summary and Recommendations

Department of Public Works (DPW)

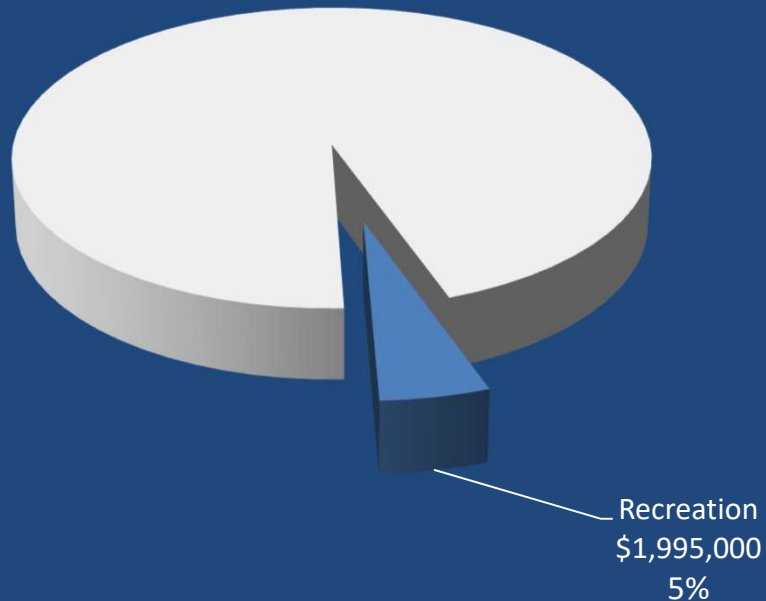


2025 Recommendations

- Currently staffed for 55 positions
- Acquisition of Teaneck Community Pool will require at least two (2) additional hires
- \$600,000 in salary & wages is being offset by grant funding

Salaries and Wages Summary and Recommendations

Recreation



2025 Recommendations

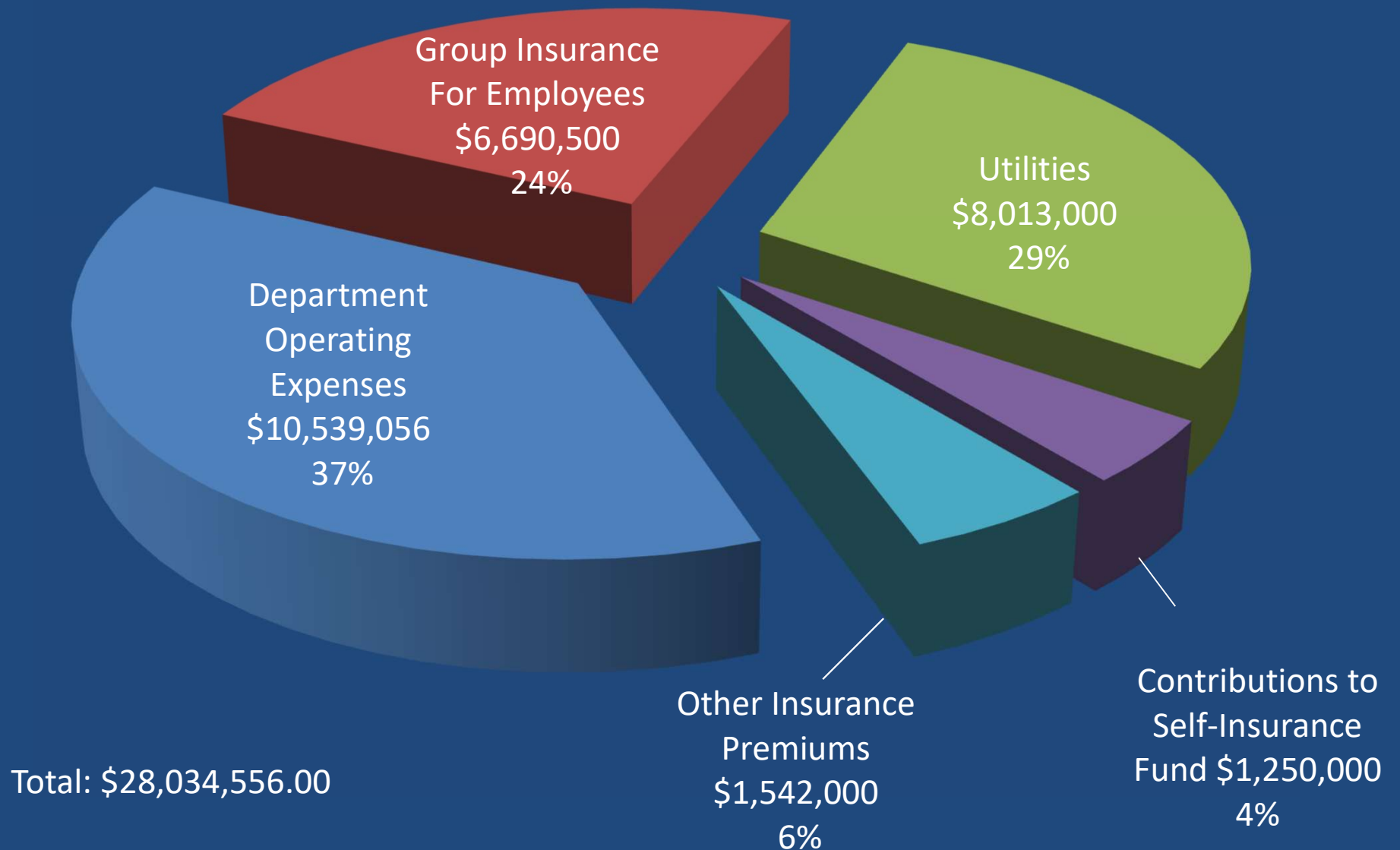
- One (1) full-time seasonal Pool Operator Budgeted
- Not filling vacant second Superintendent of Recreation position
- Budgeted for Superintendent of Recreation Hire for April 1st

Salaries and Wages Summary and Recommendations

Overtime

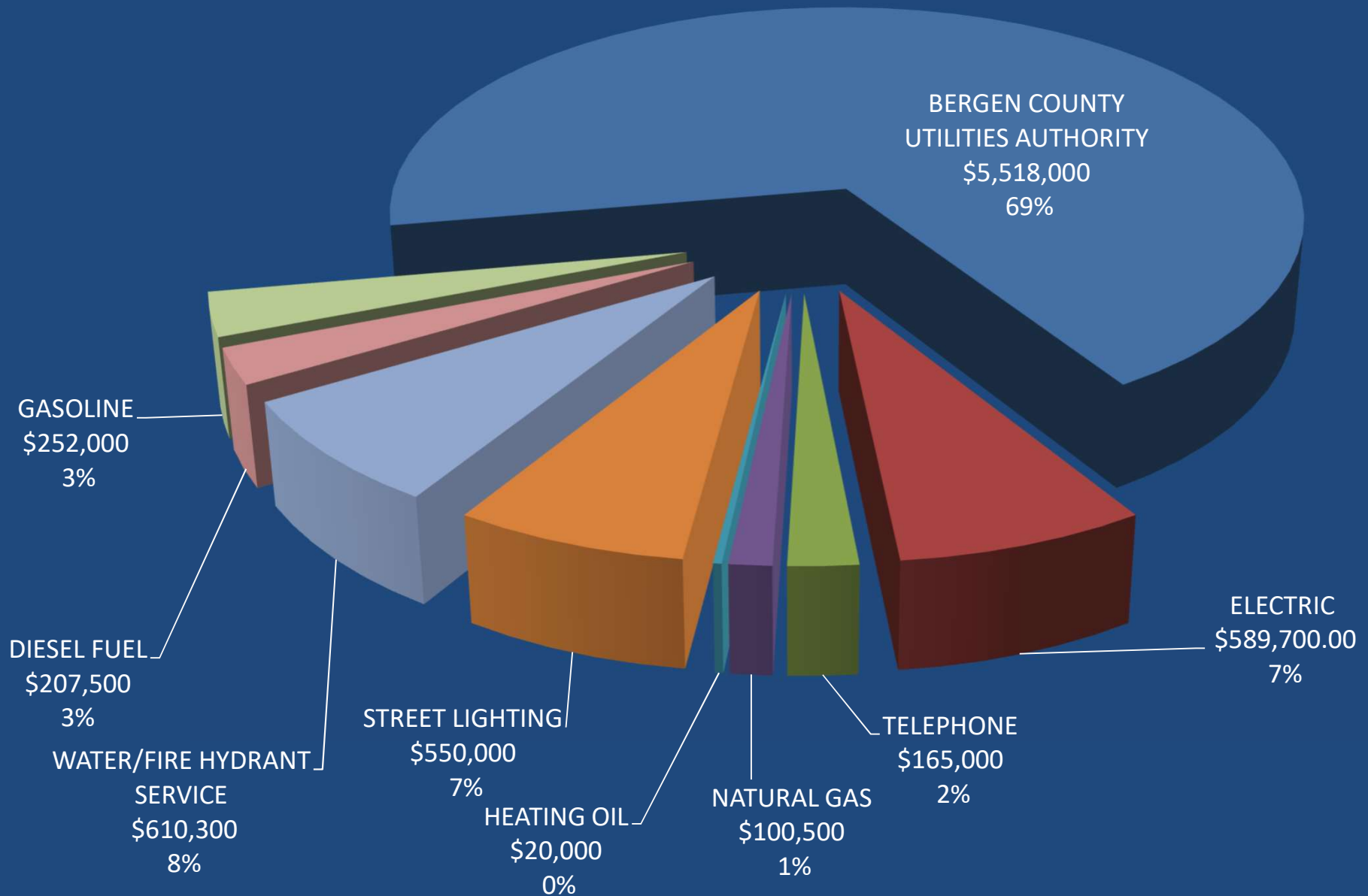
Dept.	2025	2024	Change %	Spent
Fire	\$600,000	\$500,000	20%	\$913,310.92
DPW	\$350,000	\$326,400	7.2%	\$494,245.92
Police	\$600,000	\$600,000	0%	\$652,310.92

Appropriations Other Expenses



Utilities

Total: \$8,013,000.00

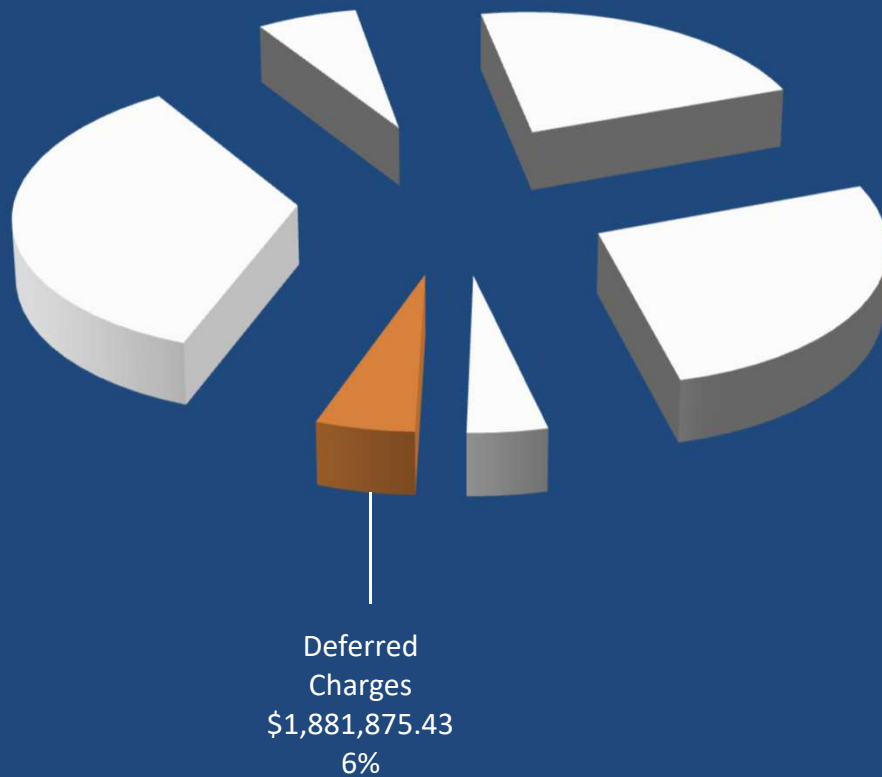


What are Special Emergency Appropriations?

Per N.J.S.A. 40A:4-53:

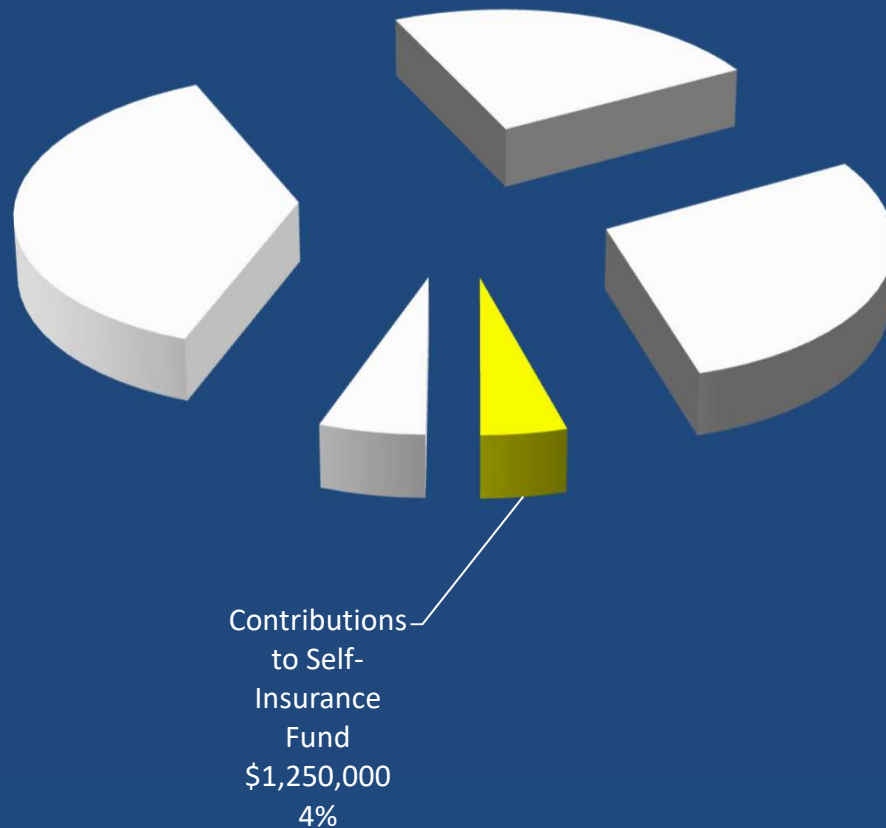
- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities (Terminal Leave)
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds (Appraisal Systems to handle for 2025 Appeals per Contract)

Deferred Charges



- Utilize Special Emergency for 2025 Terminal Leave
- Includes:
 - Terminal Leave Special Emergencies (2020-2024)
 - COVID-19 Pandemic Special Emergency
 - 2024 Revaluation Costs

Contributions to Self-Insurance Fund



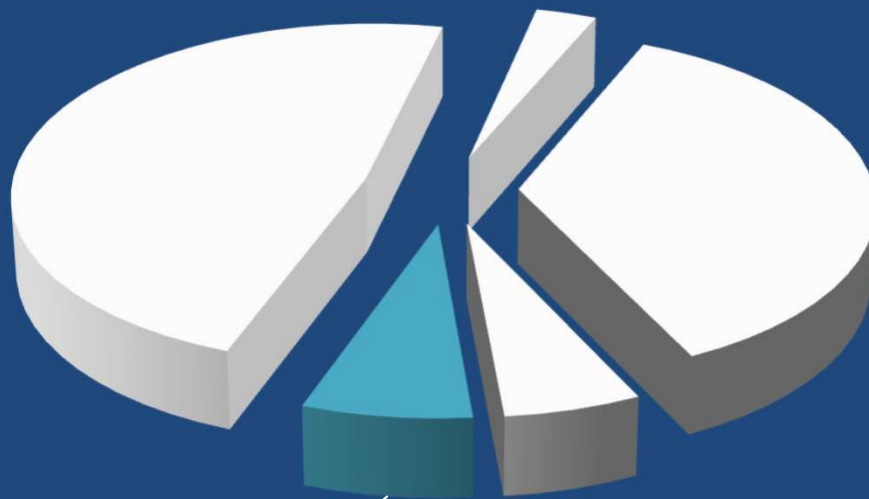
- Increase from 2024 Appropriation based on claims experience and Risk Mgr. recommendation (\$150,000)
- Workman's Compensation and Title 59 Tort Claims Coverage (i.e. Slip & Falls)
- Proposed Settlements to be funded from this line item

Other Insurance Premiums

- PEJIF Premium Increase (\$26,000)

Coverage includes:

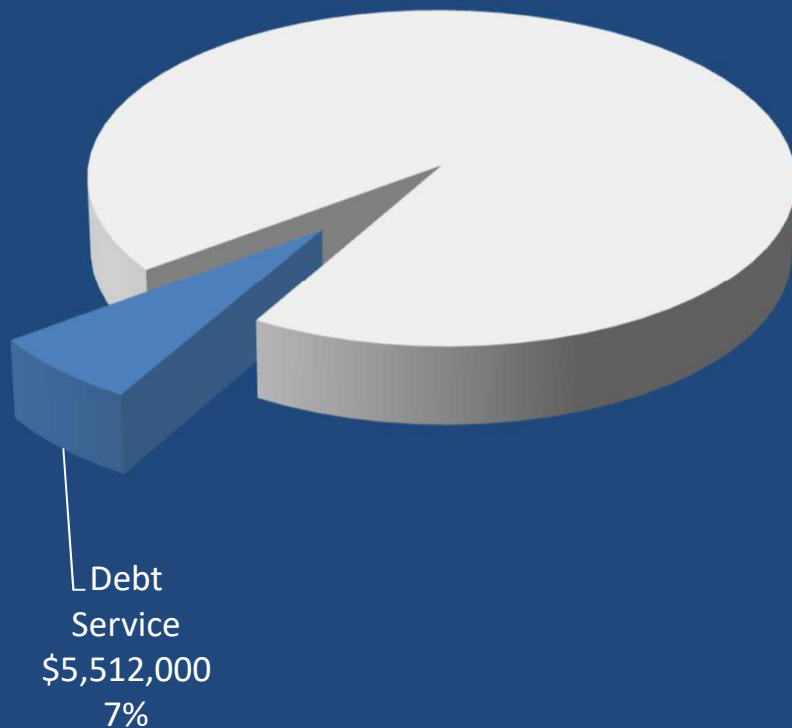
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities (Pool incl.)
- Cybersecurity
- General Litigation/Claims



Other
Insurance
Premiums
\$1,542,000
7%

Debt Service

Debt Service

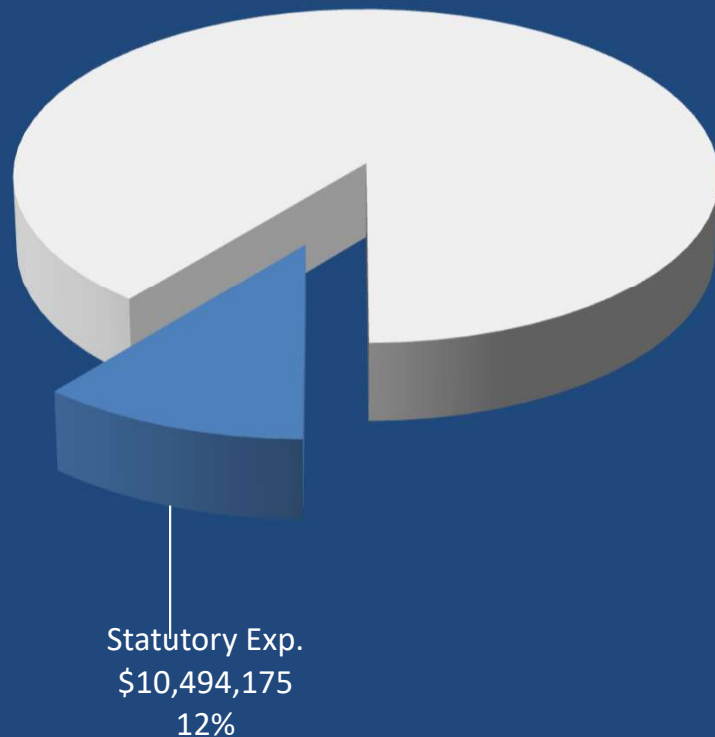


Highlights

- Increased Note Principal (\$29,000)
- Increase in Note Interest (\$260,000)
- Increase in Bond Principal (\$215,000)
- Decrease in Bond Interest (\$-45,194)
- Total line item increased \$458,806 or 9.08% in 2025 budget

Statutory Expenditures

Statutory Expenditures



Major Adjustments

- PFRS decreased \$19,882 (-0.28%)
- PERS increased \$63,352 (3.51%)
- Social Security increased \$54,500 (3.98%)
- Total line item increased \$97,970 or 0.94%

Capital Improvement Fund

Total Cost of Improvements

\$12,740,000

Capital Improvement Fund

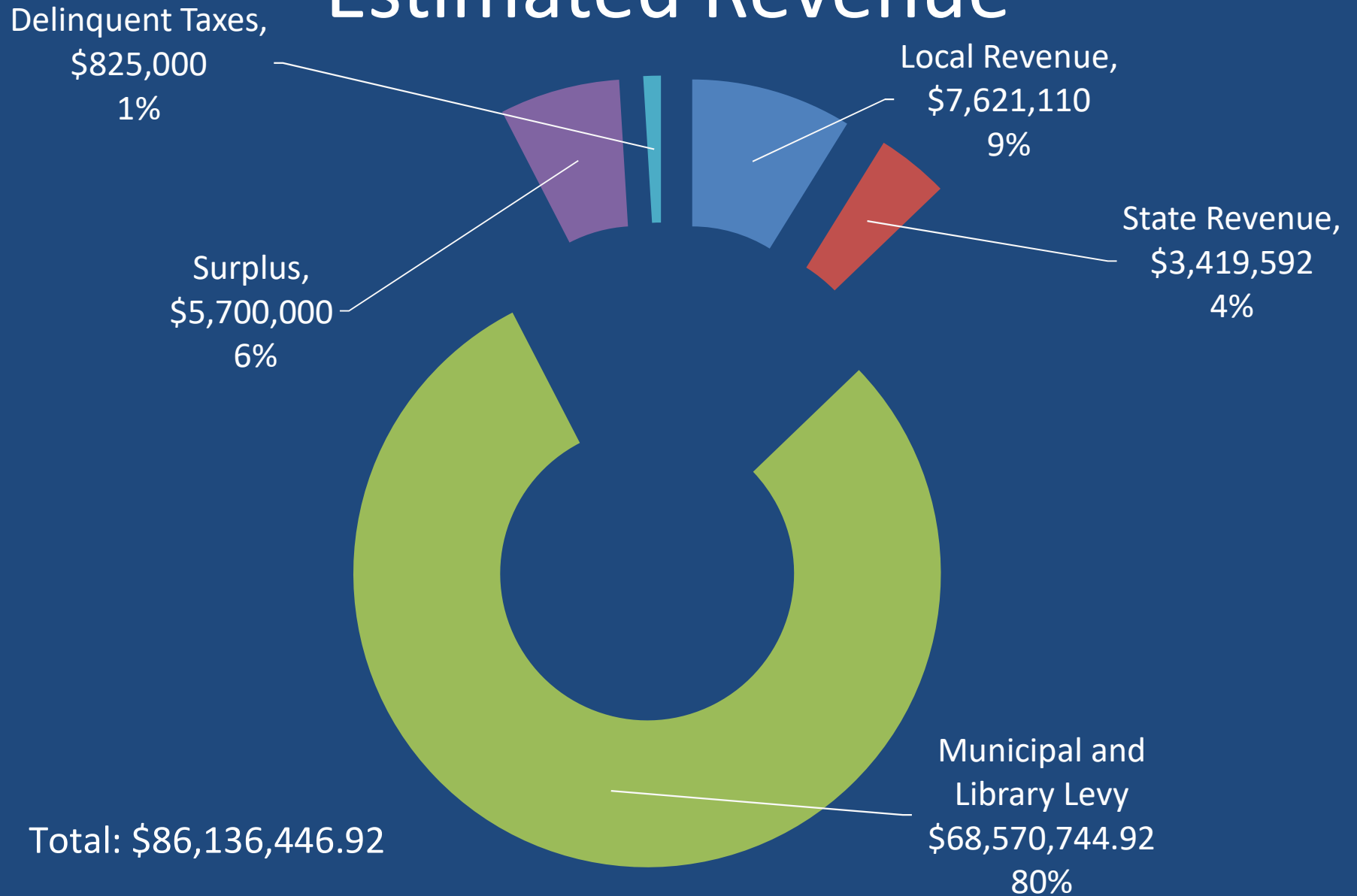
\$567,000.00

(5% Down payment less Grant
Funds)

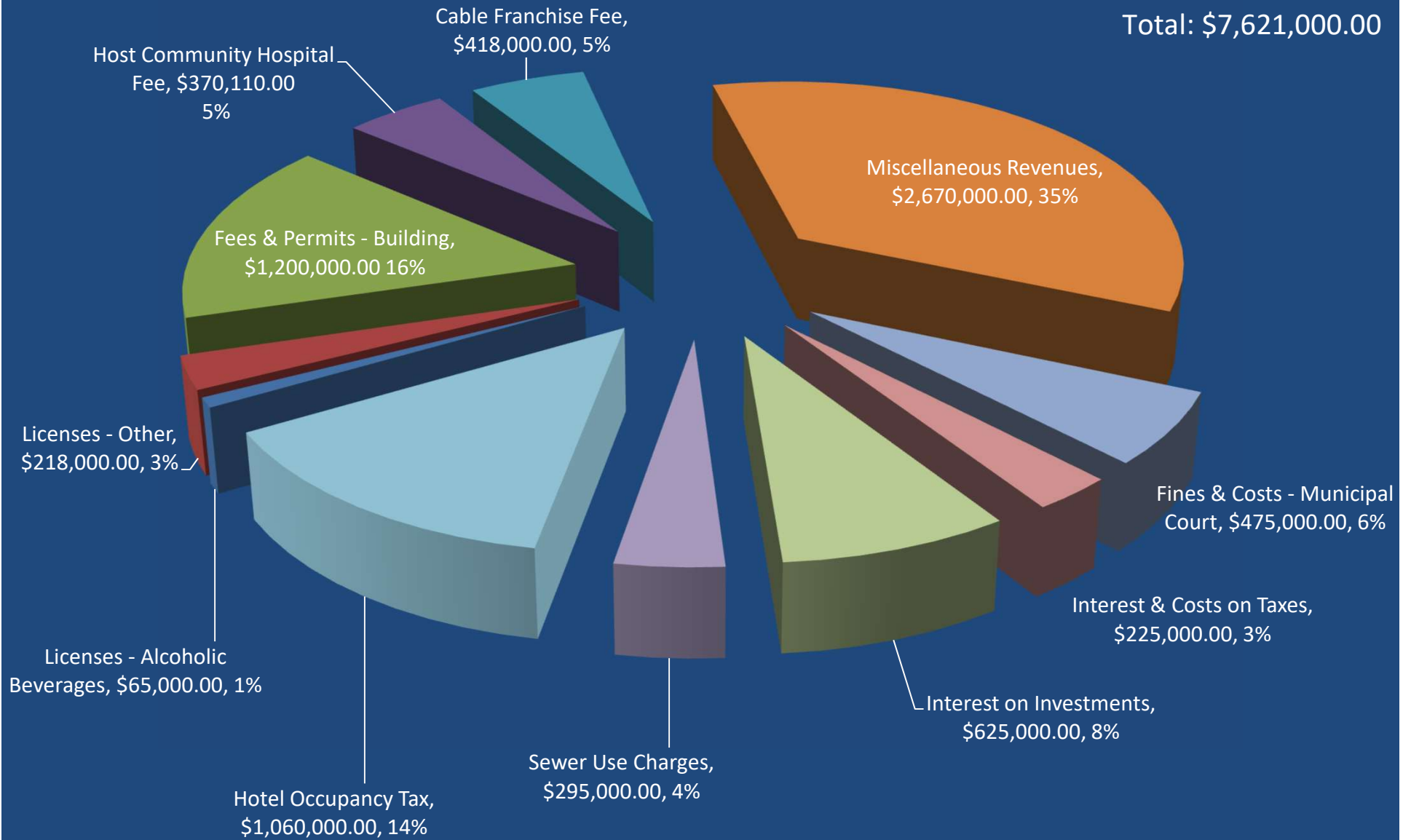
Capital Improvement Fund Review

April 3, 2025

Estimated Revenue

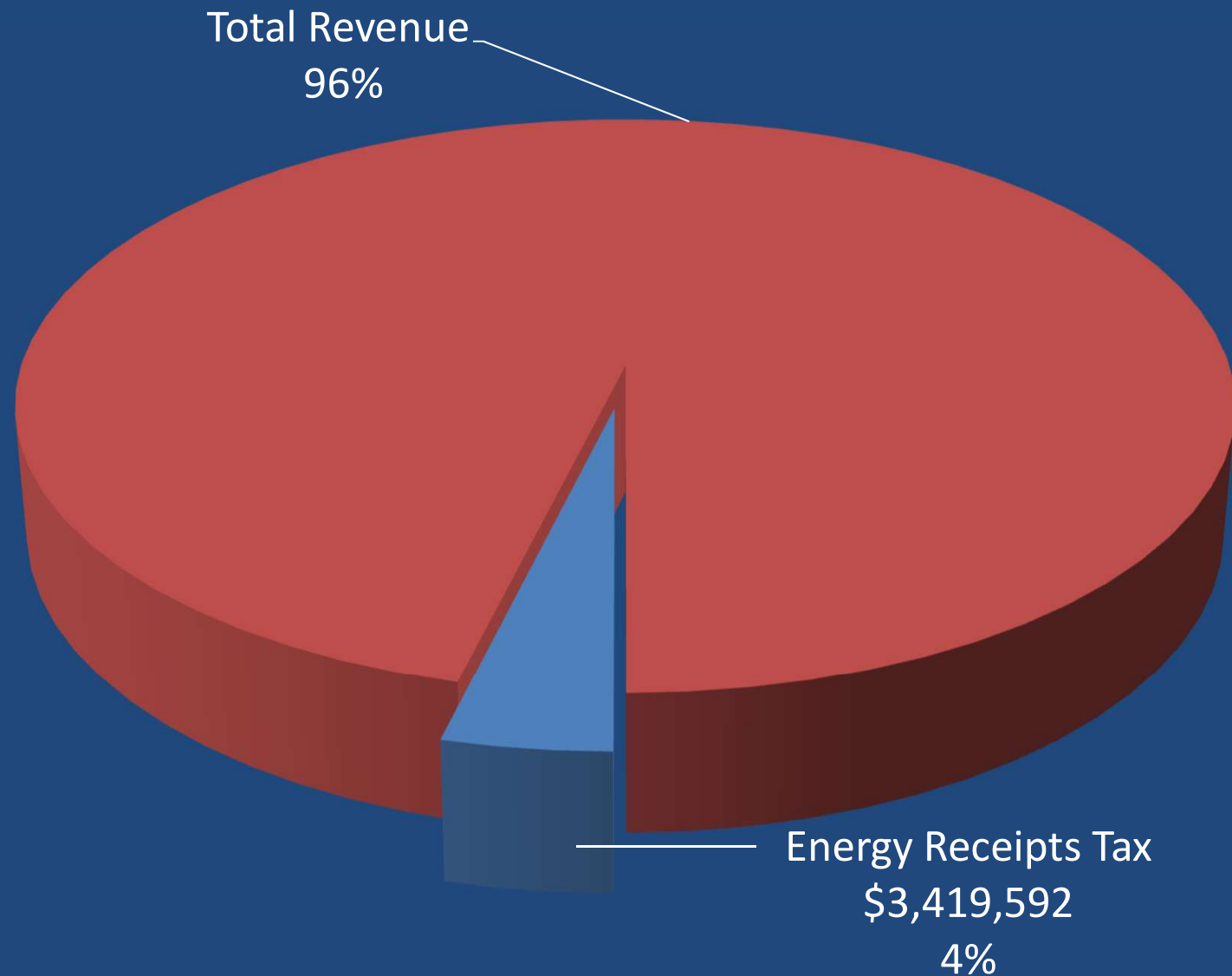


Estimated Local Revenue



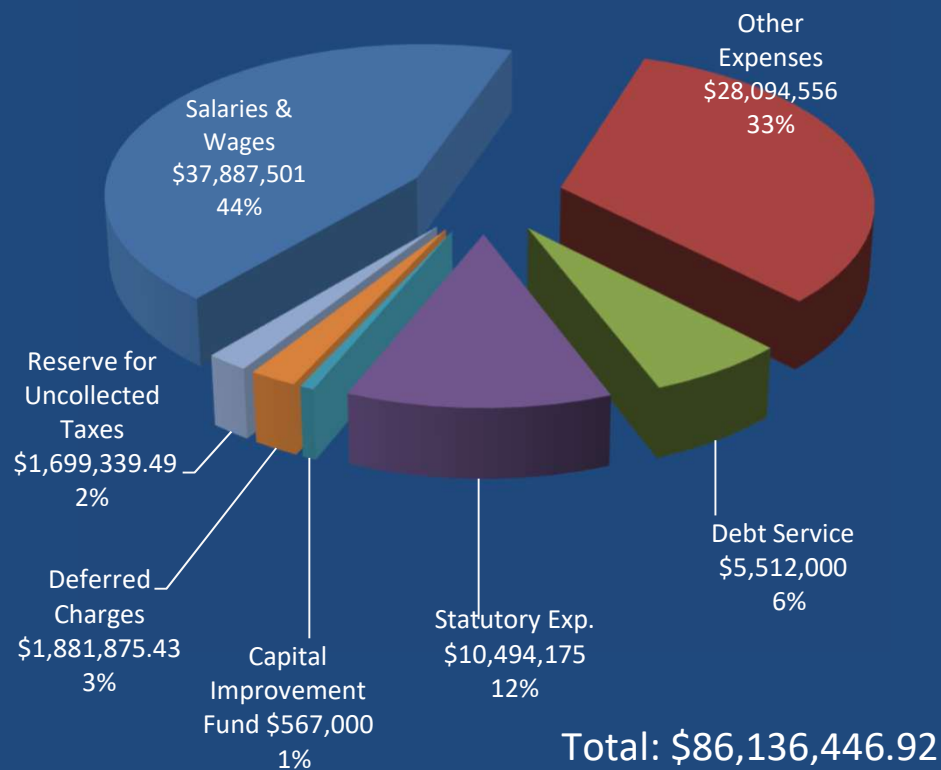
Estimated State Revenue

Total: \$3,419,592

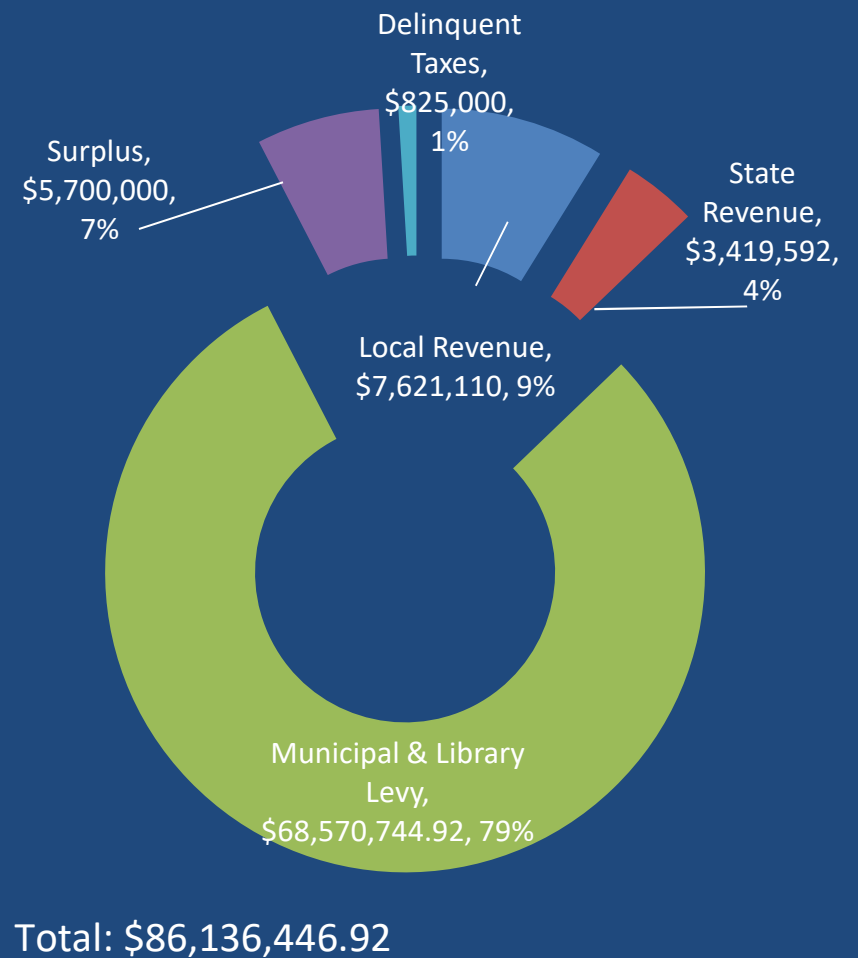


Budget Wrap - Up

Appropriations



Revenue



Strategies

Short & Long Term

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

Strategies

Short & Long Term

- Infrastructure Improvements to Fire Headquarters, FD Station 2
- Pedestrian Safety Campaign
- Road Resurfacing
- Municipal Building Basement Renovation and Library Upgrades
- Park Renovations and Park Bathroom renovations (various)
- Consideration for Skate Park
- Consideration for new Garden Club
- Potential Development – American Legion Drive

Strategies

Short & Long Term

- Fee Schedule Re-evaluation (Court, Escrow, Building, Recreation)
- Continued work on new DPW Facility
- Additional Field Renovations
- Sewer/Drainage Upgrades
- Community Policing Programs
- Teaneck Community Pool
- Code Enforcement 6-Month Trial (Teaneck Road)
- E-Ticketing Implementation for Health Department, Zoning, Code Enforcement

Upcoming Budget Meeting Tentative Agenda

Thursday, March 27, 2025

- Review - Police Department Budget
- Review – Fire Department Budget
- Review – Library Budget
- Review – Legal Department Budget

Upcoming Budget Meeting Tentative Agenda

Thursday, April 3, 2025

- Review – Recreation Department Budget
- Review – Public Works/Engineering
- Review – Capital Budget
- Review – Manager/Council/Clerk

Upcoming Budget Meeting Tentative Agenda

Thursday, April 10, 2025

- To Be Determined

With Appreciation

Thank you for all your cooperation in the 2025
Budget Process

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

Thank you!

