

***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 27th 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

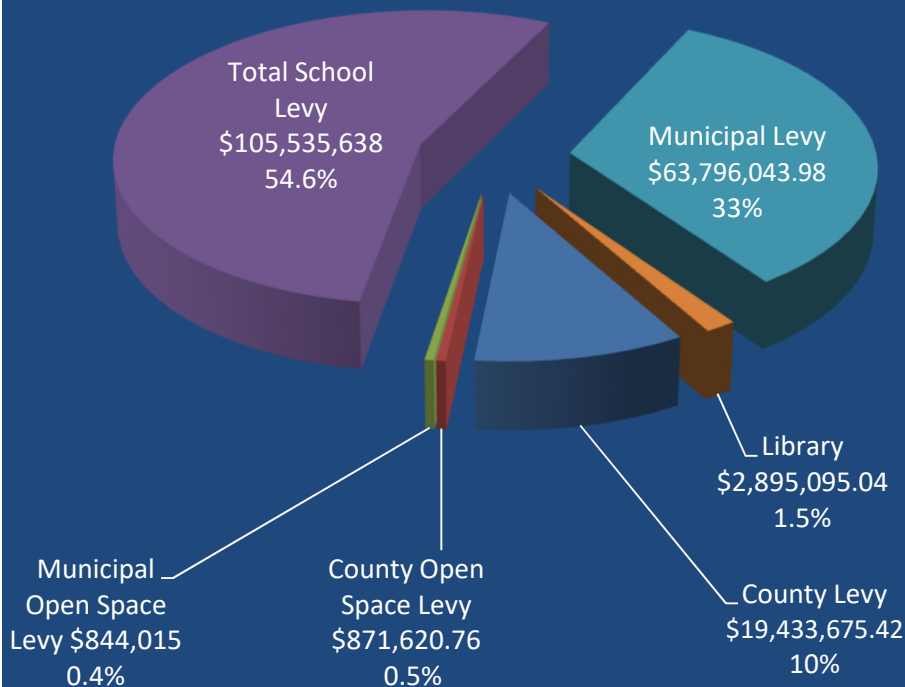
- Appropriations – what the municipality intends to spend on operational costs
- Revenues – what the municipality earns through various fees and the collection of taxes
- Rate – the amount of taxes to be raised / the net property valuation
- Simply stated, the tax rate is a percentage of your property 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 26th)
- 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



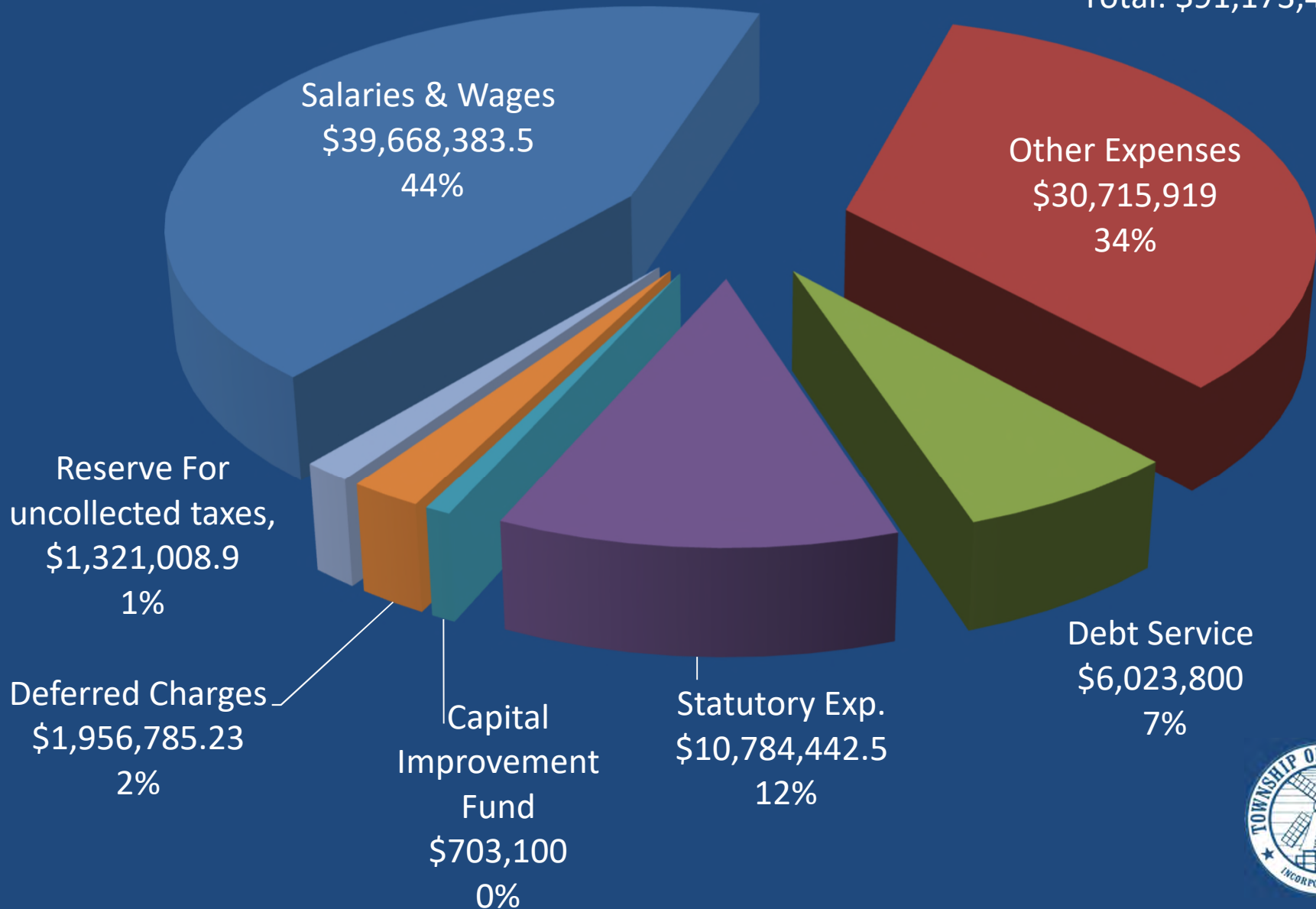
Future Impact on 2027 Budget

- 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



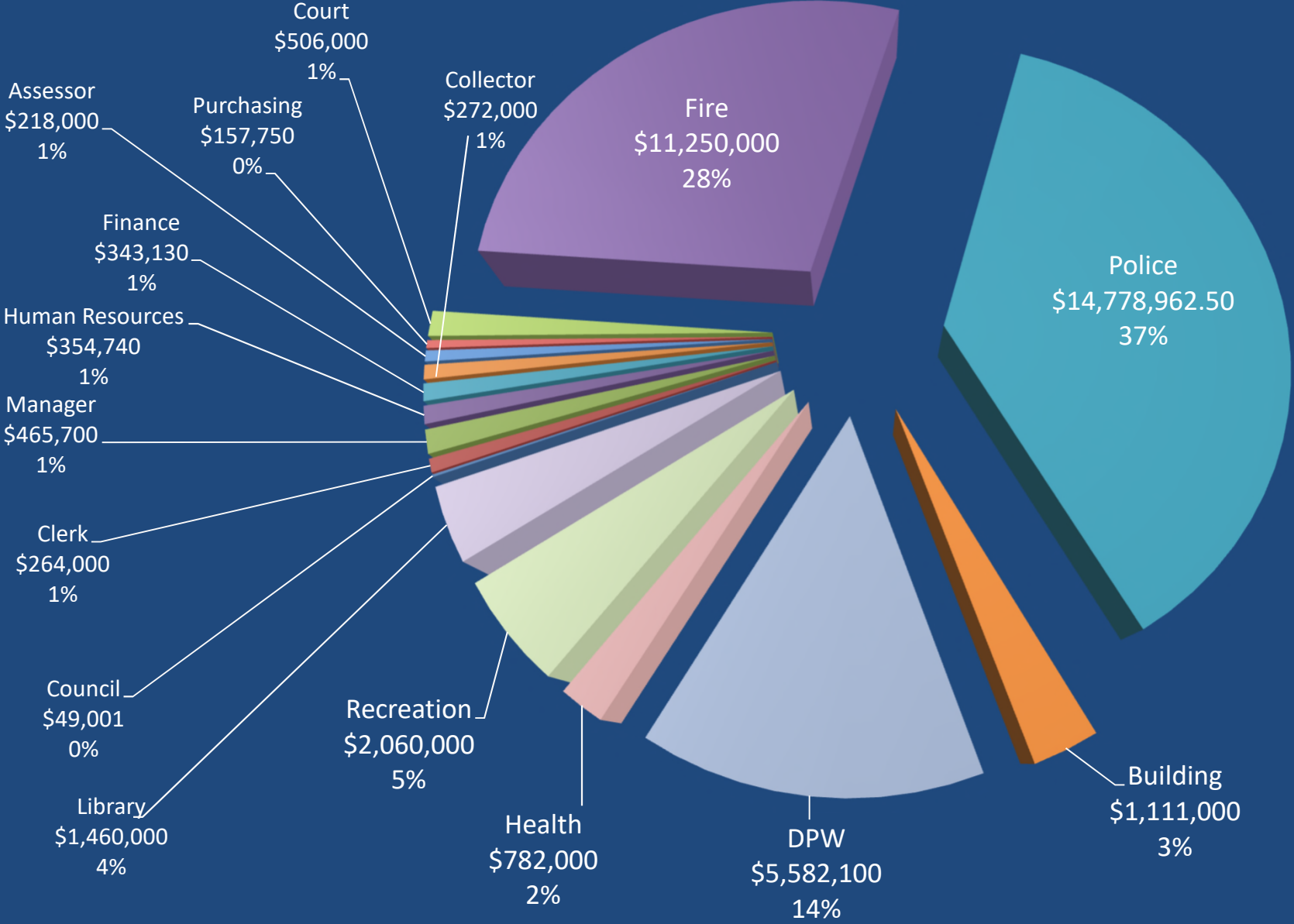
2026 Proposed Budget Appropriation Categories

Total: \$91,173,439.13

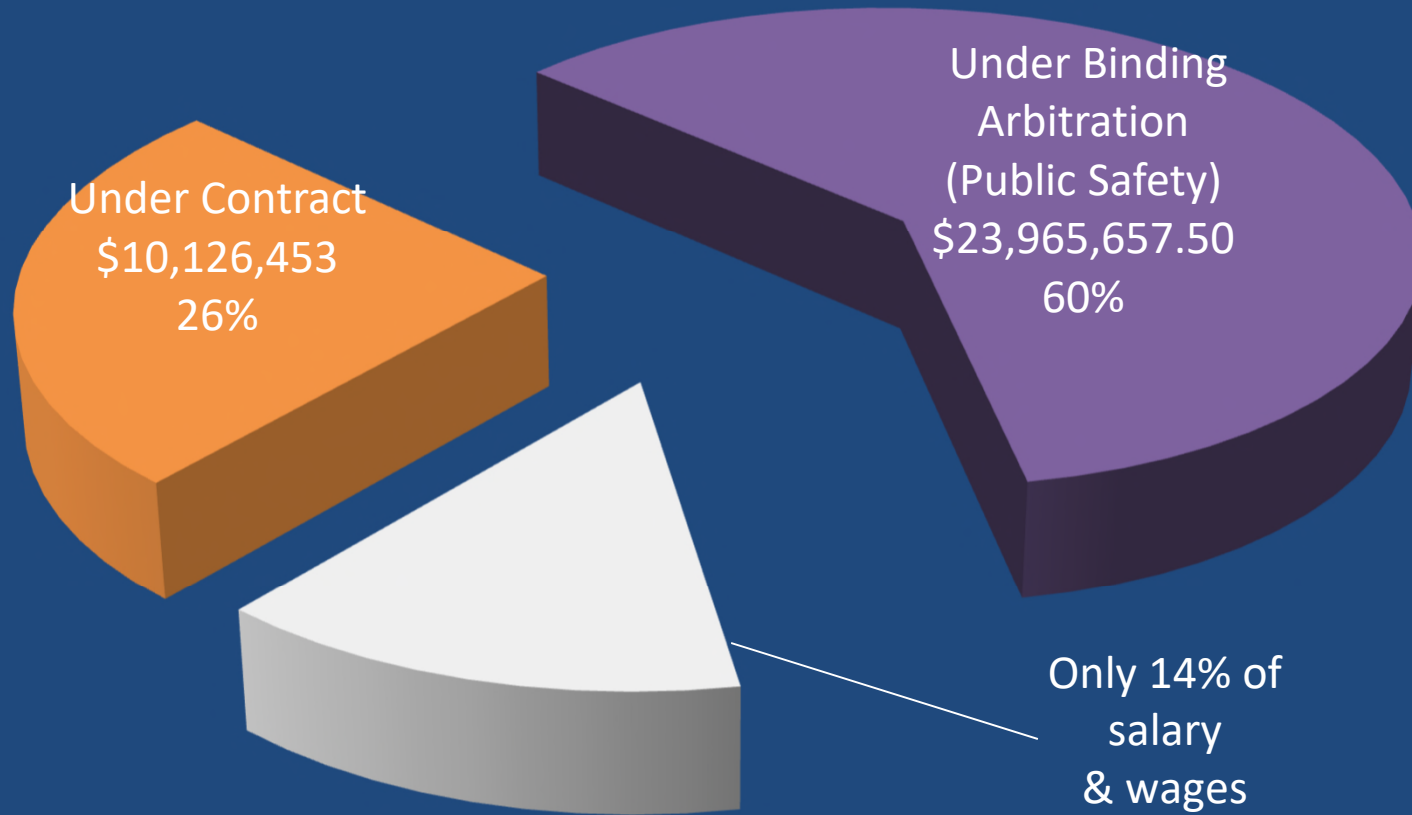


Total: \$39,668,383.50

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

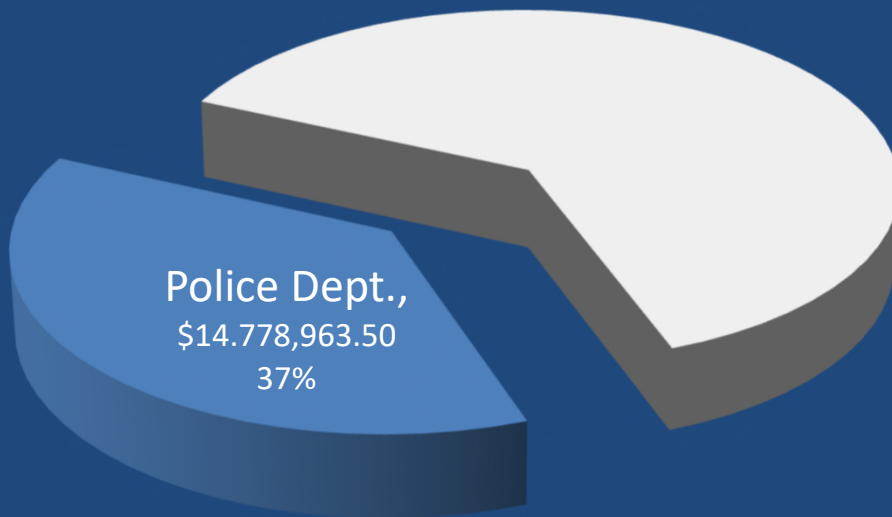


Salaries and Wages Summary and Recommendations

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

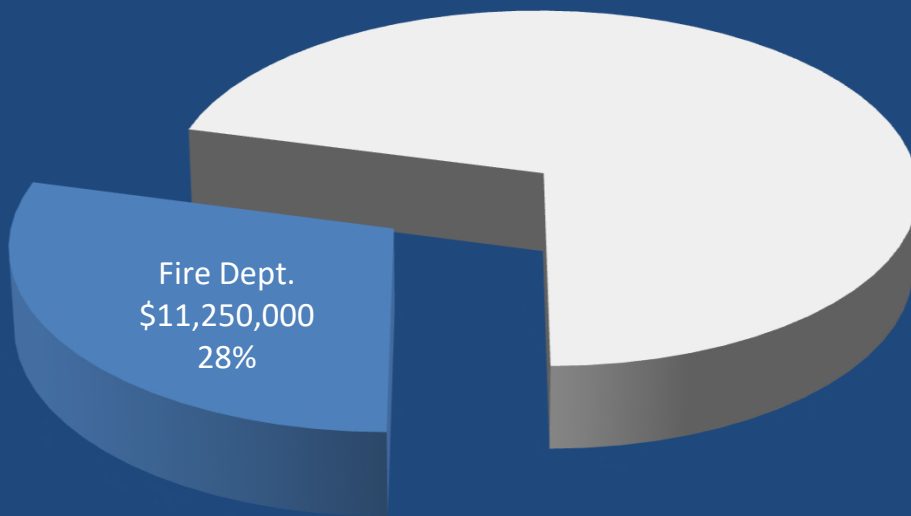


Salaries and Wages Summary and Recommendations

Fire

2026 Recommendations

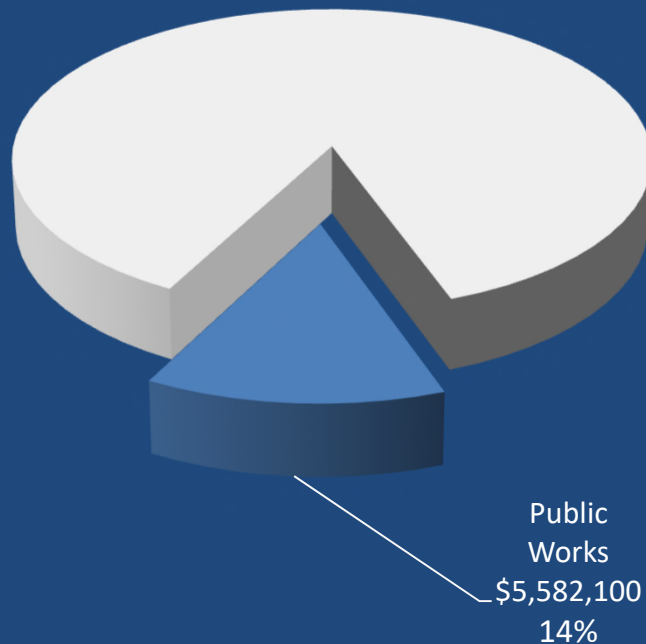
- Current table of organization provides 91 fire fighters
- Current staffing of 85 Fire Fighters as of 5/1/26
- 2 Retirements as of February 1st



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



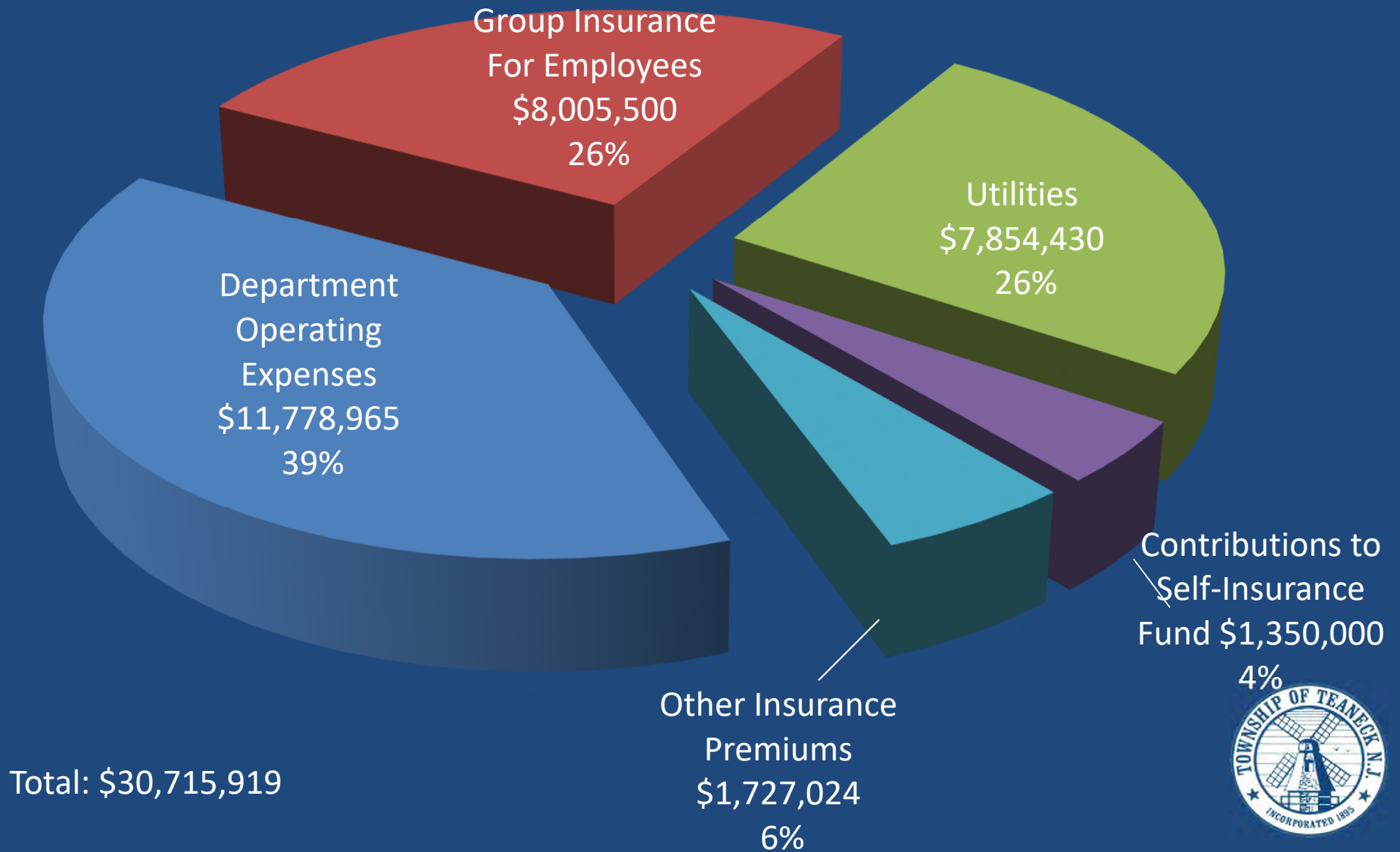
Salaries and Wages Summary and Recommendations

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

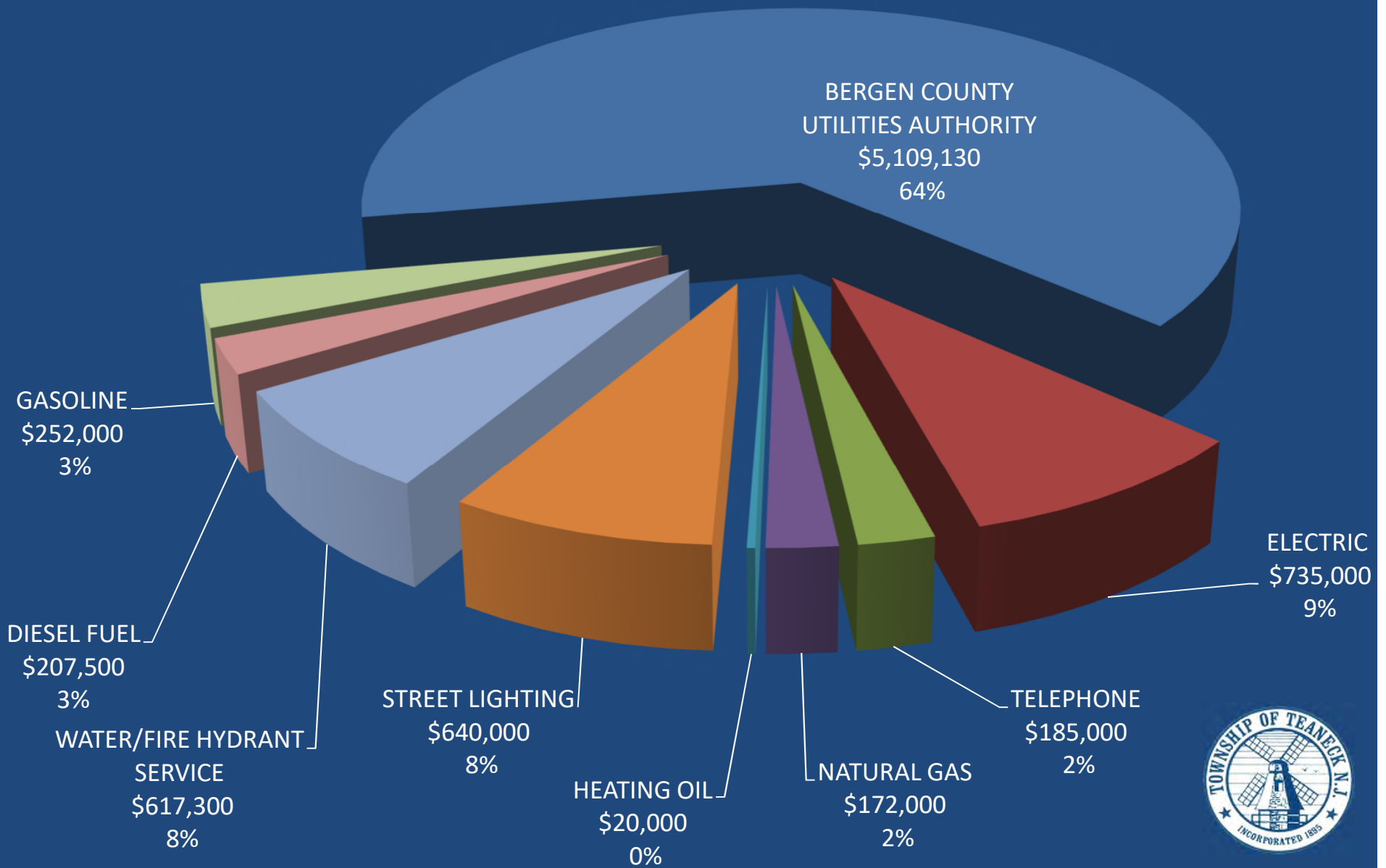


Appropriations Other Expenses

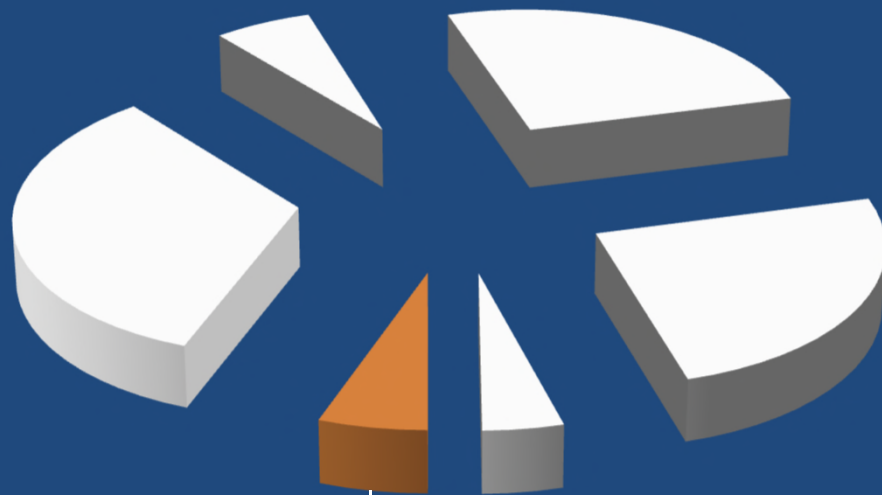


Utilities

Total: \$7,937,930.00



Deferred Charges



Deferred
Charges
\$1,956,785.23
6%

Includes:

-Terminal Leave Special
Emergencies
(2021-2025)

-COVID-19 Pandemic Special
Emergency

-2024 Revaluation Costs

-\$100,000 for Reserve for Tax
Appeal

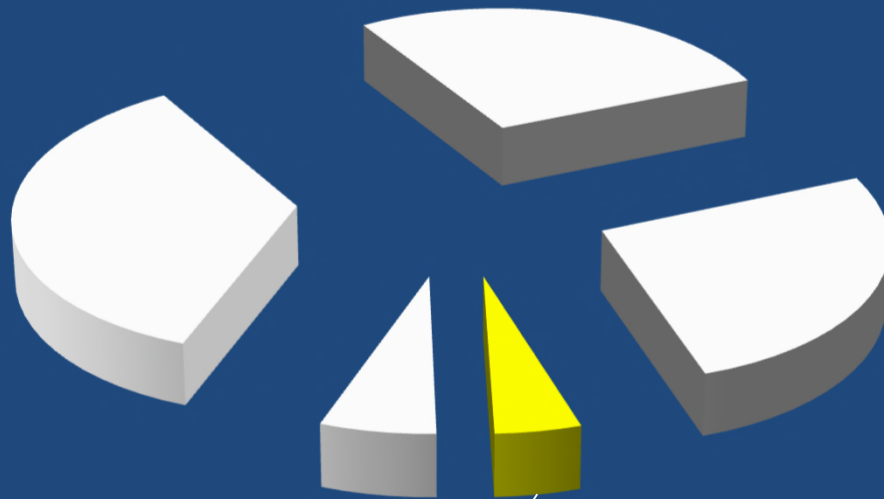
-\$100,000 for Terminal Leave

Utilize Special Emergency for 2026
Terminal Leave



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



Contributions
to Self-
Insurance
Fund
\$1,350,000
4%

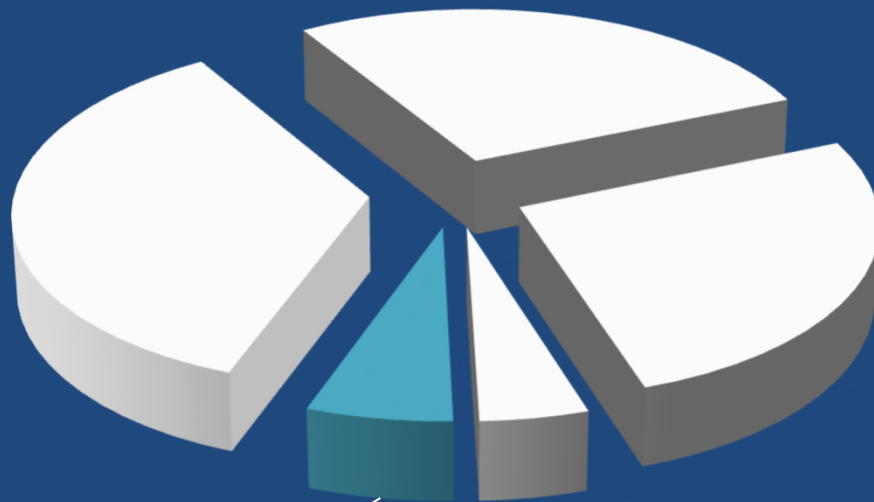


Other Insurance Premiums

- PEJIF Premium Increase (\$262,500)

Coverage includes:

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

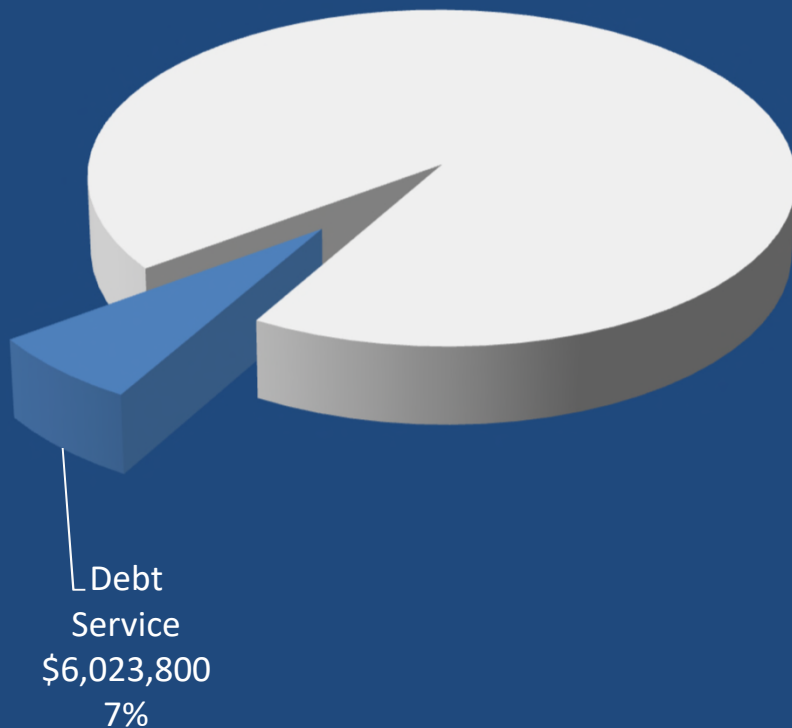


Other Insurance Premiums
\$1,727,024
6%



Debt Service

Debt Service



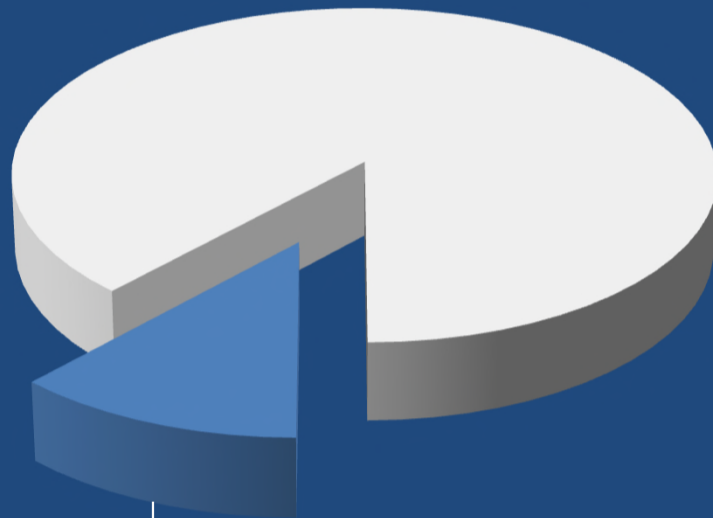
Highlights

- 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%

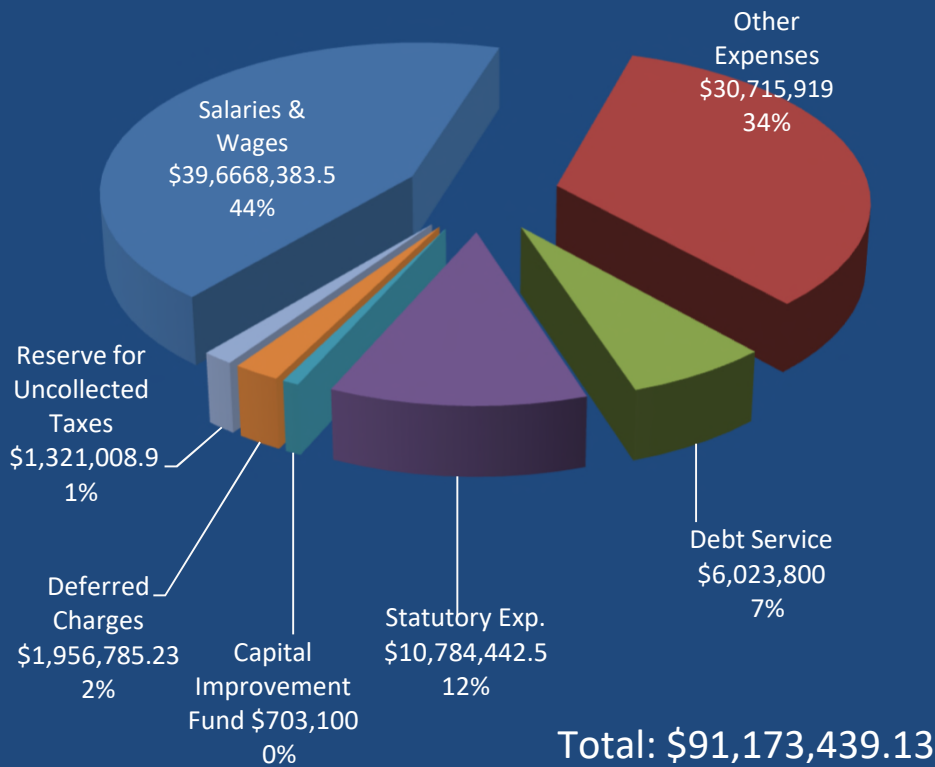
Municipal and
Library Levy
\$73,373,347.13
80%

Total: \$91,173,439.13

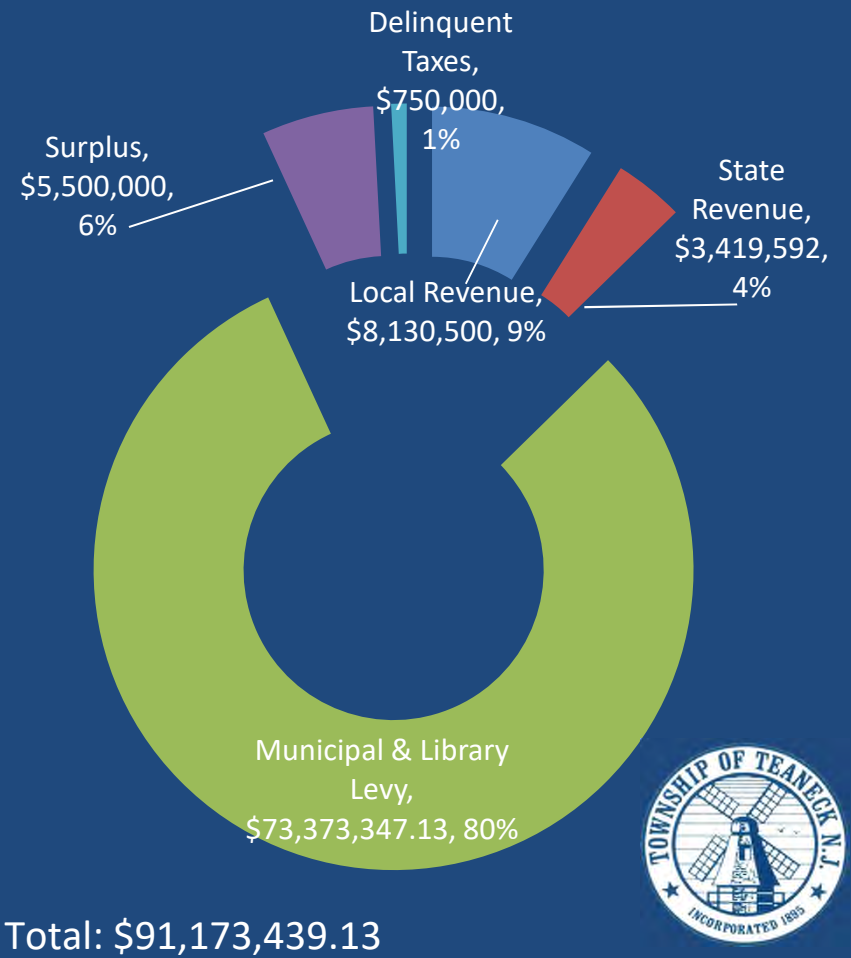


Budget Wrap - Up

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!

