

CITY HALL
HOBOKEN, NEW JERSEY

April 9, 2025

Dear Council Members,

I am writing to provide you with an update on the CY25 Municipal Budget introduction. I intended to introduce the budget at the City Council meeting on April 16th. However, considering recent developments at the federal level and growing signs of a serious economic downturn, I have determined it to be our collective responsibility to return to the table and sharpen our pencils even further.

As you know, the national economic climate has shifted rapidly. The financial strain caused by the Trump tariffs is likely to cause severe hardship on working families in Hoboken, a reality we must consider, as well as acknowledge that right now, we simply don't know how severe this pain will be for our residents. Clearly, the ground is shifting beneath us in real time. Until the dust settles, and we have a more complete understanding of the fiscal realities ahead of us, it would be irresponsible to move forward with introducing a budget that may not accurately reflect the landscape we are facing. Our residents deserve a budget that is rooted in current economic realities. However, given the arbitrary and aggressive nature of federal economic policy, we cannot forecast these realities to a reasonable degree of certainty.

At the same time, in City government here in Hoboken, we are already beginning to feel the effects of arbitrary and abrupt funding cuts from the Trump Administration. Just this week, the City was notified that our New Jersey Association of City and County Health Officials (NJACCHO) grant has been cancelled. This grant was used to partially fund our health department. On top of that, we received notice from FEMA that the federal government is attempting to claw back \$300,000 in COVID-19 relief funds previously allocated to our Fire Department, demanding the immediate payment of funding already provided and expended by the City years ago. And just yesterday, we received notice that the FEMA BRIC (Building Resilient Infrastructure and Communities) program, which funds the Southwest Resiliency Park Expansion, partially funds the NJDEP Rebuild by Design – Hudson River project, has been cancelled by the federal government.

At this time, there is very little guidance aside from a general recommendation that all open projects should proceed with caution and while we may not be the intended grantee for some of those funds, our community and our residents will ultimately be impacted by these critical climate adaptation projects to say the very least.

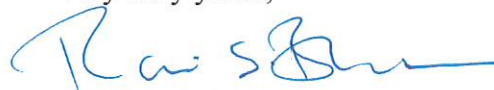
In response to these developments, I have already implemented a temporary, city-wide hiring freeze (including public safety positions) and I am analyzing the potential use of additional reserves to close anticipated funding gaps. I have also voluntarily taken a 10% reduction in my own salary, and I encourage each of you to consider doing the same to demonstrate shared sacrifice and leadership.

As you know, introducing and adopting a balanced municipal budget requires time, compromise, and difficult decisions. While I am fully aware of the resolution passed at your last meeting urging the Administration to introduce the budget, and I share your urgency, I want to ensure that what we present is in the best interests of Hoboken taxpayers.

I met today with the Chair of the Administration and Finance Subcommittee to discuss next steps. My intention is to introduce the budget at an upcoming special meeting of the City Council that is currently being scheduled, along with another timely matter related to Community Development. This would allow us collectively to introduce a budget more aligned with what is occurring around us and not deviate from delivering the City Council a budget in April.

I appreciate your understanding and partnership as we navigate these uncertain times together. Please know that my Administration remains fully committed to working collaboratively to deliver a responsible and forward-thinking budget for our city.

Very truly yours,



Ravi S. Bhalla, Mayor