



City of Orange Township

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News Release

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Mayor Hawkins Announces Recommended Budget Reductions that will Reduce Tax Increase to 6.8%. Recommends Reassessment to Repair Imbalance Between Residential and Commercial Property Values. Asks for Shared Sacrifices and Relinquishes Fire Director's Salary

Mayor Hawkins will not speak from a prepared text. You may use these quotes:

“As you may have heard, I have submitted to the City Council proposed reductions to the budget that was introduced in September. The proposed reductions are based on detailed analyses of the needs of each operating department.

Budget cuts total \$1.6 million dollars. I have combined this with \$1.9 million dollars in deferred pension payments as proposed by Governor Corzine. The result is \$3.5 million in reductions to the money that needs to be raised by taxes.

The impact of these reductions if accepted will be to reduce the anticipated tax increase from 18% to 6.8%.

The budget remains a work in progress. If the state acts favorably on our application for extraordinary aid, it will lower the tax increase even further. In addition, I have not yet received the reductions to be recommended by the City Council's budget consultant and the Citizens' Budget Advisory Committee. These in combination with the cuts I am recommending may reduce the tax increase even more.

The budget as originally introduced reflected what I inherited when I took office. If I hadn't introduced a budget in September, we would have missed the deadline to apply for emergency aid. The budget that will finally be passed by the City Council will reflect the best thinking of my administration, the council, and the budget advisory committee.

This budget when it is finally passed will mean sacrifices all around. The pain will be shared by all of us.

Every member of the Fire Department has agreed to defer 5 days of pay this year, and they won't be paid back the money until they retire.

I serve as Fire Director as well as Mayor. I am giving up my entire salary as Fire Director leaving me only with the mayor's part time salary. This means that I will have to find another job outside of Orange to support myself, but I know that many of you are also working two jobs in order to survive.

I still very strongly believe that Orange needs a full time mayor. I want to be a full time mayor, but I will leave that issue for the City Council or the public to decide.

The big issue is that no matter how low we can whittle down this year's tax increase, we have only begun to address the long-term fiscal crisis we face.

Taking advantage of Governor Corzine's offer to defer part of our pension payment only buys us time to get our house in order and rethink how we operate. We're going to have to pay the money back in the future. And that could cause higher taxes in the coming years.

Even if we get the emergency aid we've applied for this year, being dependent on an emergency bailout from the state every year is no way to run a city. Emergency aid distorts and delays the budget process. It makes long term planning difficult.

Our existing tax base simply cannot support the necessary level of services.

In the long term, we must achieve redevelopment and attract new tax-paying businesses to increase our tax base. This is one of the most important goals of my administration. But, before redevelopment is able to lift the tax base to the point where we are truly self-supporting, I plan to seek other ways to decrease the cost of government.

I am seeking ways to share services with neighboring municipalities. I am asking the mayors of surrounding towns, the county executive, and the State to join with me in a task force on sharing and merging services. I am seeking to share purchasing with other government entities to achieve economies of scale. In that regard, I have already entered into a dialogue with the Orange Board of Education regarding joint purchasing.

A large part of the pain of unbearable property taxes that we face as homeowners is the result of a property revaluation that took place when residential property values were at their highest in history. I am looking at the possibility of a reassessment to repair the imbalance between residential and commercial property values. Revaluation forced homeowners to pay more than their fair share of property taxes, and I will work to achieve fairness for all taxpayers."