



City of Orange Township

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News Release

For Release:

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Hawkins warns that vote against pension deferral could cause additional 6.2% tax increase. Asks City Council to reconsider their vote and work with him to propose additional budget reductions.

Statement by Mayor Eldridge Hawkins, Jr. on City Council rejection of Pension Deferral

“A majority of the Orange City Council voted Tuesday night against submitting an application for pension deferral to the State of New Jersey. The consequences of that vote could be significant suffering by the people of Orange either in the form of much higher property taxes or as cuts in public safety, health, and other vital services.

The city councils of virtually every other city in New Jersey facing a major property tax increase voted for pension deferral including East Orange, Irvington, Jersey City, Camden, Bayonne, Hillside, Kearney, Passaic, Paterson, Perth Amboy, Plainfield, Rahway, Trenton, West New York to name just a few. Of the three municipalities in Essex county that operate on a fiscal Year basis, only Orange turned down the deferral.

As a result of Tuesday’s vote, the average homeowner in Orange will pay approximately three hundred dollars more in property taxes this year than had the Council approved the deferral.

If the Council now adopts the \$1.7 million in reductions I recommended in January but without the pension deferral, property taxes will still rise this year by 13% or \$900 for the average homeowner. A increase that large is simply unacceptable when people are facing reduced incomes, lost savings, and foreclosures in the worst financial crisis since the depression.

Accordingly, I am placing the pension deferral resolution again on the council agenda for its April 7th meeting to give members the opportunity to reconsider this matter and receive answers to any additional questions they may have about the impact of the deferral.

The budget is in the hands of the City Council. I will do everything in my power to help them reduce the tax increase. I am asking the Council to designate representatives to sit down with myself, Finance Administrator Jack Kelly and Business Administrator Jewel Thompson-Chin to begin meeting immediately to recommend additional reductions in spending. All options must be on the table including use of the state’s temporary emergency furlough legislation.

There are limits to what we can achieve in this year’s budget with most of the current fiscal year already past. The work of preparing next year’s budget begins now.