

Transitional year begins without budget

Hawkins: issues, such as state aid, must be settled before six-month plan is introduced

**By Chris Sykes
Staff Writer**

The City Council met Tuesday night, but Mayor Eldridge Hawkins Jr. did not submit a budget to members because he said it was not ready as the city transitions to a calendar-year schedule.

Council members voted to switch from a fiscal-year to a calendar-year budget during their April 19 meeting. Since then, everyone involved with Orange's finances has known they had to create a six-month transition measure to cover July 1 to Dec. 31. Hawkins said there are variables which require a delay in the budget's submission.

"There are several components that the administration and the council's financial

adviser are working on in accordance with the requirements for the move from the fiscal-year schedule to the calendar-year schedule," said Hawkins. "Traditionally, the city brings in its aid earlier in the fiscal year."

The only thing about the move that was in dispute during the council's deliberations was to how it would affect state funding for Orange. There was a belief that the switch would lead to a one-time windfall in state aid that would be the equivalent of an increase in funding. "I wouldn't characterize it as a bump or more money sooner because there is no special increase in funding," Hawkins said. "Most of our money comes in earlier in the year anyway. The six-month budget can give the impression there is more money

available but that money will have to be spent in the same time span. It will all even out in the end."

Right now, Hawkins said that Orange is caught in a "Catch-22" situation. But he said there should be a positive end.

"The state came up with a rule that would restrict towns that are switching from fiscal years to calendar year from applying for that state aid, like Transitional Aid, that we might normally get," Hawkins said. "We won't be eligible based on that ruling."

"Our biggest concerns are the fact Gov. Chris Christie cut \$47 million in Urban Enterprise Zone funds we were hoping to get restored, and he cut several million to police funding we potentially could have gotten to

bolster our police force," Hawkins added.

The UEZ funds were proposed for all local programs.

Hawkins said he has scheduled meetings with the city's business administrator, chief financial officer and others in his administration to discuss how the state's budget will affect Orange.

"Christie's taking it out of the Legislature's budget will not cause us to have further layoffs here in Orange because the money he cut out of the 2012 budget was already gone," Hawkins said. "The Legislature was attempting to restore it. It certainly has an impact as it relates to what we could have done. The things he did certainly will have an impact in what we're doing here."