

# MAYOR HAWKINS INTRODUCES TRANSITION YEAR 2011 BUDGET WITH NO TAX LEVY.

**ORANGE** : At the September 20th City Council meeting, Mayor Eldridge Hawkins introduced a budget with no tax levy increase, Orange's first 0% tax increase in more than ten years.

In addition to providing no municipal tax levy increase in the Transition Year, Mayor Hawkins' budget provides:

- No proposed layoffs
- Eleven union employees (OMEBA) are returned from layoff paid for with \$600,000 in givebacks from the union members
- The federal COPS Hiring Grant funds have been reprogrammed from the new hire classification to the re-hire classification allowing the return of five police officers from layoff
- Eight additional police officer vacancies created by attrition will be filled and are funded by salary and overtime savings
- In the Fire Department, 12 firefighters have returned from layoff paid for by union contract givebacks agreed to by FMBA.
- The hire of an additional 12 firefighters is occurring through the receipt of a \$1.2 million SAFER Grant from the federal government
- Vacant Deputy Fire Chiefs (4) and Captain positions (6) have been filled through savings created by \$363,000 in union contract givebacks
- Program and service levels are being

maintained

"One reason why we were able to propose a budget with no tax levy increase is the City's move from a State Fiscal Year budget cycle to a Calendar Year budget cycle," Mayor Eldridge Hawkins, Jr. said. "Beyond that we looked for new ways to cut costs and for grant programs that would help relieve the burden on local taxpayers. We also benefited from recently enacted health benefit reform measures.

"In preparing the last budget, for Fiscal Year 2011, we reduced appropriations by three million dollars over the prior budget. This budget continues those savings and adds more. With these savings, we expect to be able to hold taxes stable beyond the period of this six month budget."

The Transition Year 2011 Budget is a six month budget that facilitates the conversion from a State Fiscal Year municipality to a Calendar Year municipality. A major benefit of this changeover is the availability of two years worth of state aid over the course of eighteen months. Appropriations for the Employer's Pension contributions and much of the debt service principal payments also do not have to be made because their due dates do not occur from July 1, 2011 to December 31, 2011.

Beginning with the Fiscal Year 2011 Budget, the City has sought to fine tune the appropriations that it has asked

residents support financially. In fact, the FY 2011 budget had 3.0 million dollars less of appropriations than the prior year's budget. In developing the Transition Year 2011 Budget, salaries & wages were carefully evaluated and projected out over the course of six months. Each department's operating budgets were closely scrutinized, both for financial impact and community effectiveness.

Grant monies have long been an important component of the City's revenue stream. Grant's allow Orange to provide increased service without impacting the tax payers. For the Transition Year, the administration and department directors have worked diligently to cultivate new grant programs, and repurpose existing grant programs to provide maximum benefit to the residents. Some of the larger grants strengthen police and fire manpower.

The recently enacted state health benefit reform is posing a challenge to many of New Jersey's municipalities. Municipalities must perform a detailed analysis of their health benefit programs and the employee contributions that bolster the costs for those health benefit programs. The City evaluated each and every employee covered under the health benefit program. The analysis process has allowed the City to budget an extremely precise amount for what is historically a major appropriation in the City's budget.

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