

Mayor presents his proposed budget

Spending plan shaves \$3.2 million, property owners would face 14-percent increase

By Chris Sykes
Staff Writer

Six-and-a-half months into the 2011 fiscal year, Mayor Eldridge Hawkins Jr. presented his \$54.1 million proposed budget to the City Council on Tuesday night.

Even with reductions in spending compared to the 2010 budget, Hawkins' proposed budget contains a 14-percent municipal tax increase. Hawkins said this increase translates into an average of \$701 more from property owners than they paid in 2010. The amount the city is expected to raise from property taxes is \$37.4 million, compared to \$32.8 million during the 2010 fiscal year, but Hawkins said his budget would spend \$3.2 million less to operate the city this year.

While the 14-percent tax increase is in line with the double-digit tax increases that have taken place in surrounding municipalities in Essex County, it was not much comfort for some residents who attended Tuesday night's meeting. Hawkins was questioned why it took so long into the fiscal year, which began July, 1, 2010, to produce a budget pro-

posal in the belief that he and his and his administration have known what it would contain for some time.

Hawkins did not admit that was the case. He did, however, give an explanation for the budget.

"This budget is the plan of my administration to cut spending to cope with the crisis caused by a budget gap of more than \$6 million," he said. "It incorporates our strategy to protect the public safety, health and quality of life of Orange residents while spending less money and using fewer city employees. It is a budget that reduces spending on operations by approximately \$3.2 million compared to last year, but still requires a tax increase to make up for reduced revenues and higher mandated costs."

At Large Councilwoman Donna K. Williams said everything the mayor said about his budget sounded good, but added she wished Hawkins had handled the budget process differently. During the portion of the meeting set aside for comments from council members, Williams referred to the frustration

some in the audience had about the budget, the mayor, the city and the future.

"This layoff came to the City of Orange and the council did not have any say in it," said Williams, referring to the termination of 52 positions and demotions of 24 more. "This budget process should have gone like this: the council should have passed a temporary budget appropriation at the July 1 reorganization meeting, then the mayor should have introduced a proposed budget and given it to us to review so that we could have looked at every option for cutting costs and reducing spending before we had to resort to layoffs."

Williams continued: "If the mayor was waiting to get approval from the state for the layoffs and demotions before he presented his budget, then he could have introduced a budget when he got it, but he held off on doing that. The only conclusion that we can come to is that he did that on purpose."

Hawkins said a reduction of \$3 million in state-related revenues contributed to a \$6.4 million gap in the budget. Without layoffs or

employee contract concessions, he said, Orange's property owners would have faced a 21-percent tax increase.

"Salaries, benefits, personnel-related items and other mandated costs are 95 percent of our total municipal spending," Hawkins said. "The only way to avoid a huge tax increase is to reduce the cost of personnel. And since police, fire and public works are 83 percent of Orange's personnel costs, those departments must suffer the largest reductions."

Hawkins said "reductions," not necessarily "layoffs," were the key. He said reducing personnel costs does not have to mean layoffs.

"Givebacks can include salary and benefit reductions as well as changes in overtime pay and other work rules," said Hawkins. "Employees were asked to make up the \$3 million loss of state funding by accepting a 20-percent reduction in salaries and benefits. That would have resulted in a 10-percent tax increase instead of the 21 percent that was projected."