



Township of Montclair 205 Claremont Avenue Montclair, New Jersey 07042 tel: 973.509.4928 fax: 973.783.8826 www.montclairnjusa.org

Jerry Fried
Mayor

jfried@montclairnjusa.org

Dear Fellow Montclair Taxpayers,

PLEASE NOTE: YOUR TAX PAYMENT IS DUE ON NOVEMBER 1, 2010; however, the grace period for payment has been extended to NOVEMBER 23, 2010, due to the late adoption of the budget. If payment is not received by November 23rd, the tax bill will be considered delinquent and interest will be charged from the due date of November 1, 2010.

These are difficult times for us as we struggle through the Great Recession with a stagnant economy, lower incomes, rising unemployment, decreasing State and Federal aid and skyrocketing costs for health and pension benefits. Because of all of this, taxes will be going up even as we make major cuts to our school and municipal budgets.

This property tax bill is the second one that reflects a budget as adopted by the Township Council elected in 2008. As in prior years, the bill is comprised of about 57% school tax, 16% Essex County tax and 27% Municipal tax.

Before we took office, the prior Council's Municipal budgets had increased by an average of \$3.6 million per year for the prior three years. Our first budget in 2009 and this year's budget each increased about \$1.2 million. This year we shed 25 positions, instituted the first furloughs in Montclair, cut funding to outside groups 12%, eliminated Social Services, eliminated funding for events and negotiated successfully with 6 out of our 7 unions (the Police contract is in the hands of an arbitrator).

We were finally able to get some of the structural changes that we were unable to negotiate with our prior Township Manager. Our new Manager, Marc Dashield, has helped put us on a better and more sustainable course.

The enclosed property tax bill reflects a tax rate of \$2.519 per \$100 of assessed value of properties in Montclair. This compares to last year's rate of \$2.387, for an overall increase of 5.5%.

Why then is your tax bill increasing 5.5%? The answer is a huge 18% decrease in non-tax revenues. The great recession has left us with a big hole in our budget, one that can only be repaired with a combination of cuts in services and increases in taxes and fees. Fortunately, many residents stepped up to the plate, volunteering and raising much needed donations so that we could preserve some great Montclair institutions, like our Independence Day celebration.

Am I happy with the budget? Of course not. It is, however, a responsible budget, the result of compromises and concessions. And it puts us on far better footing as we continue in a time of reduced aid and a struggling economy.

Fortunately, the "structural" changes that have been made will have a greater effect next year, since many job changes were only possible with much of the year gone. 2011 will be a VERY challenging year in Montclair and most other New Jersey municipalities. The Governor's 2% tax levy cap will necessitate many cuts that will be hard for all of us to live with.

As I said last year, New Jersey residents are stuck with terrible choices. In Montclair, we have few commercial tax generators like malls or big businesses to offset the property tax burden. Unlike a town like Morristown, where businesses pay about 40% of the taxes, Montclair's businesses contribute approximately 10%. However, even in

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this terrible national economy, there are signs that new development in our central business district will help with our residential property tax burden.

We can and will survive as one of the best places to live in America. It will take creative thinking, hard work, and much compromise. I commit to honesty and fortitude as we make the best of a terrible national economy.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Fried".

Jerry Fried
Mayor

P.S. --- Please remember that to figure your taxes for the year; you would add all four quarterly bills for 2010, not multiply any individual bill by four.