

Seeing many new faces at the last council meeting, I would like to make a general statement about why I serve everyone as your Mayor.

I got involved with local politics several years ago after seeing my property tax bill creep higher and higher every year. Some who worked for the Borough at the time said Rich just raise taxes 300.00 dollars every year. We all know that is unsustainable in today's economy and only benefits those who work for our Borough.

We have a property tax crisis in NJ and raising taxes further only makes the crisis worse. We have the highest property taxes in the nation. In NJ we have a school funding formula that simply is not fair resulting in an underfunded school district that ends up costing us all to pay more in taxes. Some like to point out that our taxes are still lower than some surrounding towns. I really don't care. I only care about what we all can afford here in Manville.

I ran for Mayor with a simple message to work to stabilize taxes and then have them ultimately lowered. Without setting that goal and objective, given the situation we face without any flood mitigation to lower flood water levels and save homes, Manville would no longer be affordable in the years ahead if business as usual continued.

I recently retired to devote more time to solving some of Manville's problems. I worked in the private sector for 33 years in corporate finance. In a world driven by profit and loss statements, when your revenues decline corrective actions must be taken to remain profitable and to stay in business. Everyone is aware Manville has lost revenues with the recent buyout of Blue Acres homes. But many may not be aware we have already begun to take necessary corrective actions.

We outsourced our municipal court to Hillsborough via a shared services agreement and saved over \$100,000 in the 2016 budget. With a recent retirement of a DPW worker, we are simply not back filling the position resulting in another \$100,000 savings. All other vacant positions will be re-evaluated for their absolute need. Our old business administrator retired late last year and we saved money utilizing Jersey Professional Management on a part time basis for the first 6 months of this year for some additional savings. And more importantly we successfully filled out a State aid application which depicted Manville's finances becoming a big concern while accounting for the loss of rateables, prior flood expenses and revenue loss with the run of property tax appeals the last 4 years. In my opinion, ongoing, mandated State oversight as a result of the aid application will be a big benefit to Manville tax payers.

Unfortunately we were the worst town in Somerset County with the most tax appeal filed the last 4 years. The Borough of Manville was hemorrhaging revenues each and every year as residents and businesses appealed.

The Somerset county tax board back in 2013 mandated the reevaluation of Manville for the simple fact that more revenues were refunded yearly than the cost of a reassessment of the entire town which only helps ensure property tax fairness. The new value of our town should have been set back in August of 2013 so everyone paid fairly for the services we all enjoy based on the market value of their homes. However it was delayed simply for political purposes by our previous administration. The delay was not in the best interest for Manville's finances. The Somerset County Tax Board detailed the seriousness of the situation in a letter dated January 3, 2013. Others who did not appeal were forced to pay more in taxes because of the revenue loss in tax appeal refunds given out.

As residents took advantage of a depressed real estate market in Manville, they became comfortable with the notion that the appeal would last forever and that is simply not the case. The intent of any reevaluation is to bring everyone's home up to 100% of fair market value. If you feel the new market value of your home is still set too high, you have every right to appeal your property taxes based on the new 2016 assessment by the April 1st, 2017 deadline.

We are also looking into becoming the 16th town out of 21 towns in Somerset County to enter into a yearly assessment program where 20% of the town will be reassessed each year for a rolling 5 years which will enable market value adjustments to be made to the entire town. In the past that type of town wide adjustment was not legally allowed. I personally never want to see us in a situation ever again where our old assessments were so out of touch with reality after a national real estate bubble burst and Manville encountered 3 significant flood events that lowered selling prices of all homes throughout town and not only for those found in our flood zones. Tax appeals filed could not be denied.

For those residents who never filed a tax appeal, I believe the 2016 tax increase is significantly less than the increase felt by those who previously appealed. I'm told that in a typical reassessment program one third get a tax increase; one third stay about the same and one third get a tax reduction. This governing body will be making additional budget cuts before adopting a final budget in July accounting for any state aid we will receive.

I remain optimistic that taxes can be stabilized. Last year the municipal budget tax rate increased less than a penny, that equated to a 24 dollar increase on your average home for the year. Once a final municipal tax rate is struck this year, we will work toward maintaining or lowering the rate in 2017. I would like to remind everyone that our tax bill is comprised of a school budget and county budget that makes up 2/3rd's of the overall bill. Those tax rates get set outside of the control of this governing body.

In closing, I think we all should support Governor Christie's recent efforts to re-engineer the school funding formula to a new "fairness formula" which will bring property tax relief to Manville as one of the severely underfunded districts in the state.

It's time to get our financial house in order. I can assure you the transformation of Manville has already begun. It's long overdue and I am happy to lead the way as your Mayor. Let's all work together to keep Manville affordable in the years ahead.

For those of you here tonight to voice your concerns or complaints over your home's third quarter tax bills, I will gladly meet with you this week one on one to investigate and help explain your bill at your convenience.

Mayor Richard M. Onderko