



TOWN OF KEARNY

HUDSON COUNTY, NEW JERSEY

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Kearny, New Jersey 07032

Alberto G. Santos
Mayor

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Dear Kearny Taxpayer:

Your tax bills for the 3rd and 4th quarters of calendar year 2014 *and* the 1st and 2nd quarters of calendar year 2015 are enclosed. The due date for the 3rd quarter tax bill is August 28, 2014. By State law, quarterly payments received after the close of business on August 28, 2014 will incur interest from August 1, 2014. If you would like to pay your taxes in person, the Tax Collector's Office at Town Hall will be open late until 7 p.m. on August 27, 2014.

As you may know, the Mayor and Council control only 38.5% of this bill. Most of your property tax payment goes to the Kearny School District, 44.5%, and the County of Hudson, 17%. Your property tax bill for 2014 increases 2.5% or \$245 on a residential property with an average assessment.

The Council and I recognize that the tax burden is high. For that reason, we have continued to restrain municipal spending. Total general appropriations in the Town's 2014 budget decreased slightly from last year. We achieved this through continued reductions in the municipal workforce, keeping wage increases to less than 2% and cutting overall operating expenses.

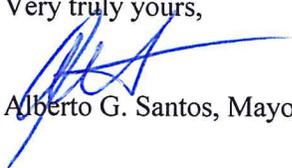
The revenue side of the 2014 municipal budget proved more challenging. There were a high number of tax appeals last year brought by commercial property owners challenging assessments as too high due to the recession or damage caused by Super Storm Sandy. As a result, our overall tax base decreased, lowering tax revenues and causing the town to use a significant portion of the surpluses that we had accumulated over several years to pay for expenses, including unforeseen overtime costs for police and fire personnel.

We are very fortunate to close this year's revenue shortfall with the award of an additional \$2.5 million in State aid to the Town. However, it still leaves the Town's accumulated surplus at a very low level. This is of concern because accumulated surplus serves as the Town's "rainy day" reserve against future unforeseen costs or revenue shortfalls. The replenishment of that critical reserve is the primary reason for this year's municipal tax increase.

I would also like to share with you that the Town's revenue position should improve next year. Applications for construction permits for the first half of this year are almost twice the number for the same period last year. Construction has also begun in two of the Town's key redevelopment areas. Once these new projects and improvements are added to the tax rolls, property tax revenues will also increase. In addition, we expect to generate more revenue from the Town's Meadowlands District.

In closing, let me assure you that the Town Council and I are committed to meeting the difficult challenge in our State of tax affordability. We will continue to work to find ways to ease the property tax burden while maintaining necessary services.

Very truly yours,


Alberto G. Santos, Mayor