

**BOROUGH OF BERLIN  
BUDGET WORKSHOP MINUTES  
WEDNESDAY, FEBRUARY 16, 2011  
5:00 PM**

**MEETING CALLED TO ORDER BY MAYOR ARMANO.**

**FLAG SALUTE LED BY THE MAYOR.**

**ROLL CALL:** Mayor John J. Armano, Council President Scott Scelso, Council members Maccaroni, Chance, Bilella, Kupchik and Pearce were all present.

**PRESENT ALSO:** CFO Steve Miller

Discussion was held on the 2011 General, Water and Sewer Budget.

Mayor Armano started off the meeting by informing the members that this preliminary budget being presented to them has a .02 cent local purpose tax increase and \$760,000 of surplus was used to come to this amount. He feels that the remaining surplus should be kept as a cushion that can be used if necessary over the next two years. He notes that no deferred school taxes are being used for this budget. There still may need to make adjustments after the Governor's report on February 22 as to State Aid cuts. He states that some of the talk is that aid may be cut around \$10,000. The open space line will represent \$144,000 in that line noting that last year open space for categories that come under open space was used to balance the budget and this would not be case in this year's budget. He feels that this is a good budget being presented as it enables a plan over the next several years.

Finance Chairman Maccaroni. He reminds the council that last year's increase for local purpose taxes was .09 cents using deferred school taxes. This year without using the amount of money we have in deferred we are able to make interest on the money for at least six months that will add to next years revenues. He states that this was a good time for the reassessment. Also, open space money should be used for open space purchases and hopes that money can continue accruing in this line. He states that this budget is below the Governor's 2% cap and there is still another \$150,000 available to use that would still be under the guide lines. He cautions the council that additional surplus may not be as much next year and the additional surplus from this year should be put away. He notes that we must continue staying on top of spending.

Both Councilmen Kupchik and Pearce feel that they would like to have a no increase on this years budget. They do not feel this is the year to increase taxes due to the amount of residents that will already be paying additional taxes due to the reevaluation. Councilwoman Kupchik would like to cut \$140,000. from this budget. Mayor Armano feels that a zero tax increase will hurt the borough tax payers next year and down the road if there is no cushion.

CFO Steve Miller explained that from the 2010 budget, only \$70,000 of money was left and that money will roll over into the next years budget. It would be better if the amount of money left

over in a budget was much higher than \$70,000. This explains why it is not always the best route to cut budgets to the bare bones.

Councilwoman Kupchik feels that as a whole we should start looking outside the box and even negotiate with professionals on their fees. Mayor Armano stated that he already has done that.

There was discussion and questions on several of the lines in the budget whereas as the CFO and Administrator were able to answer. The council was asked to review the budget further and if there were additional questions to contact either the CFO, Administrator or Finance Chairmen.

Mayor Armano asked for a consensus so he could direct the CFO how to proceed with finalization before the introduction on March 7, 2011 that must be done before March 11.

Councilmen Scelso, Maccaroni, and Chance all feel that the .02 increase will help in the long run and is no where near what has been happening over the past several years. Councilman Bilella said that the overall number seemed okay however he has concerns with individual line items. Councilman Scelso states that back 10 years ago when the borough did not have tax increases over a period we paid double. He also notes that this is one of the lowest increases over the past several years.

Councilwoman Kupchik and Councilman Pearce would like to get more information on the budget before they vote on any approval or denial stating they cannot support the budget at this time.

Mayor Armano thanks everyone who worked on the budget and all for coming to this meeting. There will be a caucus meeting on March 1, 2011 before the introduction of the 2011 general, water and sewer budget.

A motion was made to adjourn by Maccaroni. All were in favor.

Charleen Santora, RMC