

2011 Budget Speech

Ladies and Gentlemen, fellow council members, Mr. Mayor, recently our finance committee met to work on and produce a final preliminary budget for your consideration this evening.

The committee met on what has become a symbolic night, election night. Unfortunately, the committee also realized that evening that our borough's financial woes are as we suspected and unavoidable.

As we looked around our beloved borough that night, it wasn't hard to see there were almost as many FOR SALE signs as there were election signs. That was a sure sign indeed that our neighbors and friends are hurting.

To be sure, these financial woes affect us all. Household budgets are stretched to the breaking point and our nation continues to feel the constraints of a recession and current federal policy that stifles economic and personal freedoms.

But rather than assign blame, look merely to hope and change or just point out the obvious, our finance committee set out to make some difficult decisions.

Before you this evening is the budget we believe gives us the best opportunity to move forward and stop the agonizing trend of foreclosure and for sale signs in Cornwall Borough.

The 2010 Budget, handed to us was a patchwork model that relied heavily on a 67% Property tax increase and increased borrowing and if we continue down the same path, the 2011 budget at current spending levels would leave us with a -\$108,482 deficit.

According to our projected revenues, of which we can be certain (and I want to emphasize the importance of certainty while responsibly planning fiscal issues), the borough would receive \$1,467,464 in 2011. Our cash on hand at the end of 2010 would give us an additional \$56,633 to carry over. The projected expenses for 2011 at current spending levels would be \$1,632,580.

As a council we must remember, that the borough currently needs to carryover approximately \$180,000 going into the next fiscal year, as tax revenues do not start coming in until April or May.

This leaves the borough with 3 very difficult and painful choices.

1. We could raise taxes 50%, which would give us enough revenue to balance the budget and insure the carryover necessary going into 2012. However, this

option would also make us not only one of the most expensive boroughs to do business in, but also one of the most expensive to live in.

2. We could make massive cuts to our expenditures, with huge layoffs and stretch our services farther than they could possibly handle. This would give us a decent cushion between our revenues and expenses and also guarantee the carryover we need going into 2012.
3. Or we can adopt the proposal unanimously endorsed by the finance committee that calls for responsible cuts across the board, balances our budget, ensures that our services aren't stretched beyond what is manageable, makes sure we're safe and holds the line on property taxes.

Earlier I mentioned that holding our finance meeting on election night was symbolic. I say this, not just because it was necessary, but rather because of the results the election produced and the message it clearly delivered to all elected officials...stop spending.

All over America, people stated they are Taxed Enough Already, they proclaimed that it's time government lived as they do, within its means and if that means cutting spending then so be it. Businesses do it, you and I do it, and government should do it too.

Constantly we are preached to and we preach to others about "fiscal responsibility" and "fiscal restraint." All that

is asked of us as elected officials in return is that those same words are reflected in our actions.

And so tonight, we have the opportunity to do everything we SAY we STAND for. Tonight, we will balance the budget, hold the line on property taxes, continue to provide a high quality of services, ensuring the integrity and safety we all enjoy stays intact and stand tall on the principals we hold dear.

Tonight's decision is not easy as it means some families will endure the pain of layoffs. While I realize words will not pay their bills, I need them to know that this is NOT a reflection on the excellent service they have provided this borough and that we will do everything we can to bring their jobs back.

Forging ahead we will be even more diligent in our efforts to scrutinize every dollar that comes in and work even harder to find creative ways to generate additional revenues and savings.

While it is true a few of our families will be impacted in the short term, more than 4,000 of our families will be spared a further financial burden at a time when our citizens just cannot take any more. At a time when our school districts and county government are considering increasing your taxes, it is important this borough stand united to say, "the Buck stops here!"

No one said that these decisions were going to be easy or without pain, but as Martin Luther King Jr. once said, “The ultimate measure of a leader is not where he stands in moments of comfort, but where he stands at times of challenge and controversy.”

I believe our actions tonight make us all leaders, standing together and moving forward, confident in a brighter tomorrow.

This budget has my endorsement; I ask now that you adopt it and give the public the time it needs to review its merits.

Paul Vranesic
President