

2026 Proposed Budget

As Prepared by Charles Stull,
Borough Manager



2026 Fund Executive Summary

General Fund

Income	Expense	+/-	Fund Equity	Final Balance
\$ 1,633,400.56	\$ 1,676,117.32	\$ (42,716.75)	\$ 75,000.00	\$ 32,283.25

Street Light Fund

Income	Expense	+/-	Fund Equity	Final Balance
\$ 40,812.25	\$ 50,500.00	\$ (9,687.75)	\$ 40,000.00	\$ 30,312.25

Fire Protection

Income	Expense	+/-	Fund Equity	Final Balance
\$ 67,853.42	\$ 70,188.78	\$ (2,335.35)	\$ 45,000.00	\$ 42,664.65

Library Fund

Income	Expense	+/-	Fund Equity	Final Balance
\$ 45,068.95	\$ 45,068.95	\$ (0.00)	\$ -	\$ (0.00)

Public Utility Fund

Income	Expense	+/-	Fund Equity	Final Balance
\$ 1,126,165.80	\$ 1,132,964.38	\$ (6,798.58)	\$ 600,000.00	\$ 593,201.42

State Fund

Income	Expense	+/-	Fund Equity	Final Balance
\$ 95,482.14	\$ 226,500.00	\$ (131,017.86)	\$ 190,000.00	\$ 58,982.14

2026 Proposed Tax Rates and Property Tax Income

Tax Type	2025 Millage	2026 Millage	Revenue (Face)	Revenue (Actual)*
General	14.3	14.3	\$439,258.61	\$386,547.57
Streetlight	1.35	1.35	\$41,468.47	\$36,492.25
Fire	2.25	2.25	\$69,114.12	\$60,820.42
Library	1.5	1.5	\$46,076.08	\$40,546.95
Total Revenues	19.4	19.4	\$595,917.27	\$524,407.20
Total Assessment as of 11/19/2025				
\$30,717,385				
1 Mil = Assessment/1000				
\$30,717.39				
*Based on past collection rate (88%)				

Fund Overview

- Our 2026 budget consists of multiple funds including:
 - General Fund
 - The General Fund is the Borough's main operating fund. It supports most day-to-day functions of government, including administration, police services, public works, code enforcement, and general maintenance. Most tax revenues and general-purpose state aid are deposited here.
 - Streetlight Fund
 - The Streetlight Fund is used exclusively for the operation and maintenance of streetlights throughout the Borough. Revenues come from a dedicated streetlight tax assessed on property owners to cover electricity and repair costs.
 - Fire Protection Fund
 - The Fire Protection Fund provides financial support for fire protection services within the Borough. Revenues come from a dedicated fire tax, and funds are used to support the local fire department's operations, equipment, and facility maintenance.

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Fund Overview

- **Library Fund**
 - The Library Fund is designated for the support of the public library serving Borough residents. It helps cover operating expenses, building maintenance, and program support. Funding comes from a library tax.
- **Public Utility Fund**
 - The Public Utility Fund is an enterprise fund used for the Borough's water operations. It accounts for all revenues and expenses related to providing water service, including billing, system maintenance, and infrastructure improvements.
- **State Fund**
 - The State Fund, also known as the Liquid Fuels Fund, is restricted to road and bridge maintenance and improvements. It is funded through state allocations based on road mileage and population, and expenditures must comply with Pennsylvania Department of Transportation (PennDOT) regulations.

(2/2)

Fiscal Context & Key Changes for 2026

- Health insurance increased only 1% thanks to the diligence of our provider, Municipal Benefit Services.
 - Dental increased 6%.
 - Vision increased 7.5%.
- Union wages increased 4.5%
- Non-Union wages increased 5%
- We have also seen increases in utilities, especially electric, as rates continue to increase.
 - Across all funds, we are predicting electric expenses of over \$150,000, with approx. \$70,000 spent on Public Utility and approx. \$50,000 spent on streetlights.
- Estimating a 15-20% increase in other insurances.

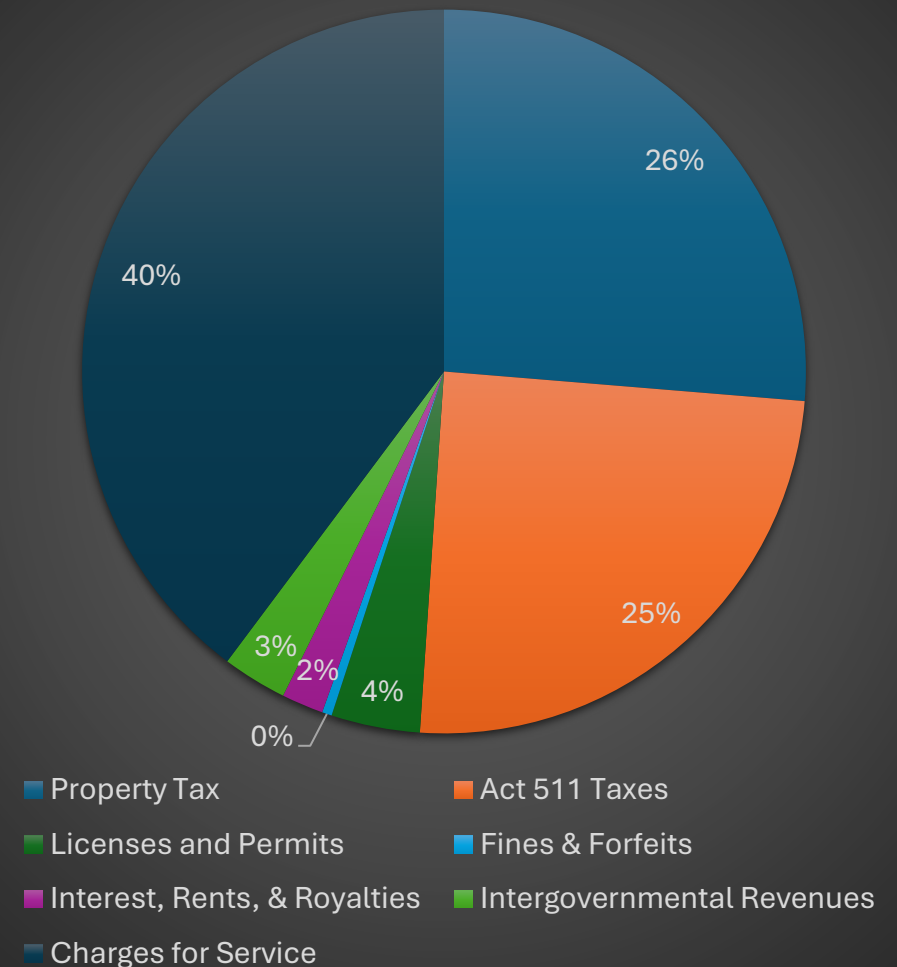
Admin/Office	\$	3,906.71
Public Utility	\$	68,786.49
Recreation	\$	7,498.84
Library	\$	7,766.23
Streetlight	\$	48,841.29
Street	\$	1,070.53
Fire	\$	3,673.64

The above graphic is the past years average of electric expenses.

General Fund – Revenues Overview

- Revenue Categories & Totals:
 - Real Property Taxes - \$429,657.57
 - Subject to change based on assessment changes.
 - Act 511 Taxes - \$404,418.99
 - Licenses and Permits - \$64,750.00
 - Fines and Forfeits - \$7,150.00
 - Interest, Rents, and Royalties - \$30,500.00
 - Intergovernmental Revenues - \$47,200.00
 - Charges for Service - \$649,724.00

GF Revenues By Category



General Fund Highlights - Revenues

Real Property Taxes - \$429,657.57

- Real property taxes are taxes paid on property in the Borough, both current and delinquent.
- We assume an 88% collection rate on current year taxes based on previous years collection rates.

General Fund Highlights - Revenues

Act 511 Taxes - \$404,418.99

These taxes are enabled by Act 511 – The Local Tax Enabling Act.

These taxes include:

- Realty transfer tax of 0.5% of a property's sale price.
- Earned income tax of 0.5% of the income earned by residents of the Borough.
- Local Service Tax of \$52 per employee of any business within the Borough.
- Mechanical Device tax of \$200 per machine within Borough limits as enabled by Ordinance 564.

General Fund Highlights Revenues

Licenses and Permits - \$64,750.00

- These include:
 - Permit Parking
 - Cable Franchise Fees with Comcast
 - Signage Fees
 - Landlord License Fees

Fines and Forfeits - \$7,150.00

- This category includes:
 - Magistrate Fines
 - Mayor Fines
 - State Police Fines

General Fund Highlights - Revenues

Interest, Rents, and Royalties - \$30,500.00

- This category includes:
 - Interest earned on General Funds
 - Lease with AT&T for use of the Water Tower

Intergovernmental Revenues - \$47,200.00

- These are various revenues from other government entities such as:
 - Liquor License income
 - State Aid for the Pension Plan
 - Foreign fire insurance
 - Act 13 Impact fees

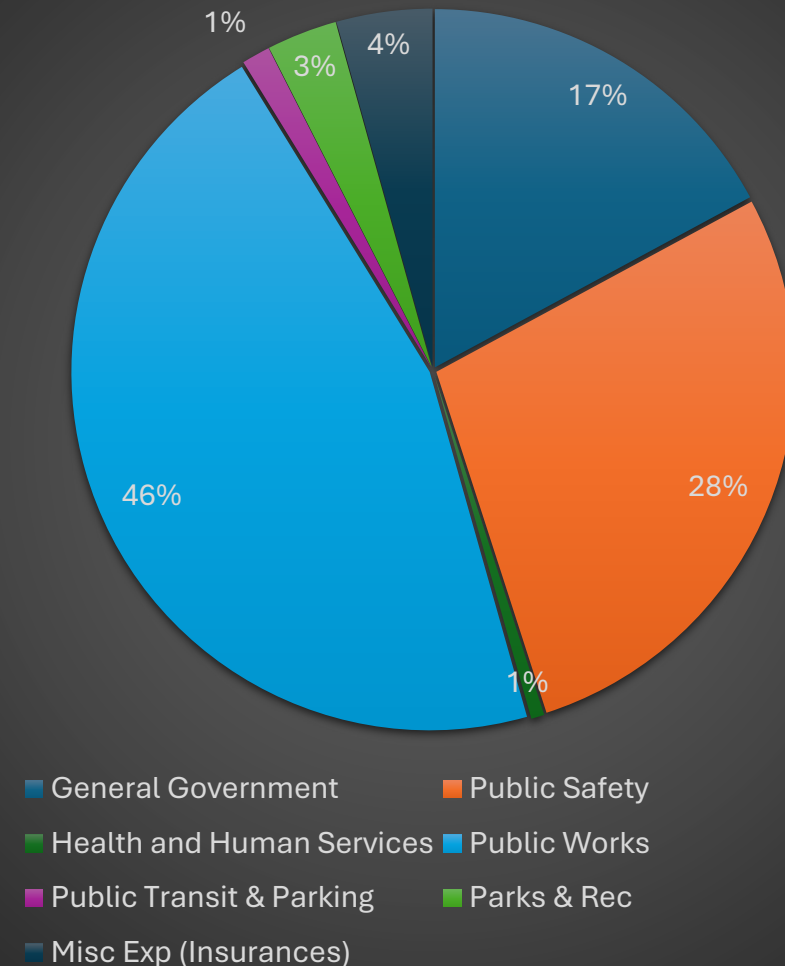
General Fund Highlights - Revenues

- **Charges for Service - \$649,724.00**
 - The biggest portion of this category is Garbage Fees, but it also includes other items such as:
 - Zoning, Building, and Occupancy Permit Fees
 - Landfill fees
 - Lien Letter Service
 - Parking Revenue
 - First Friday Revenue

General Fund – Expenditures Overview

- Expenditure Categories & Totals:
 - General Government - \$286,964.98
 - Public Safety - \$467,698.18
 - Health and Human Services - \$10,000.00
 - Public Works
 - Sanitation: \$589,362.00
 - Roads: \$174,858.31
 - Public Transit & Parking - \$21,520.70
 - Parks & Rec - \$53,269.86
 - Misc. (Insurances & Emp. Benefits) - \$72,443.30
- Many of these categories are subject to change based on insurance increases, etc.

GF Expenditures By Category



General Fund Highlights - Expenditures

- General Government - \$286,964.98
 - This category can be broken down into various sub-categories, including:
 - Legislative
 - Mayor
 - Administrative
 - Tax Collector
 - Solicitor
 - Secretary/Clerk
 - Engineer
 - Office/Buildings/WTP

General Fund Highlights - Expenditures

- Public Safety - \$467,698.18
 - Public safety can also be broken down into subcategories including:
 - Police
 - Fire
 - Code Enforcement
 - Planning/Zoning
 - EMC
 - Southern Armstrong Regional PD
 - \$380,000.00 of the total public safety budget goes to the Borough's participation in SARPD. This constitutes an increase of 7% from 2025 to cover SARPD taking over pension MMO's as well as general wage and health insurance increases.
 - A portion is also attributed to retirement benefits for past police officers totaling \$26,349.48.
 - Code Enforcement, Planning/Zoning, and Emergency Management make up the remainder covering wages, training, and siren repairs/maintenance.

General Fund Highlights - Expenditures

- Health and Human Services- \$10,000.00
 - Blight Demolition
 - This would cover the cost of demolishing blighted homes as identified by the Code Enforcement Officer. A portion was used in 2025 to demolish a partially collapsed garage which posed a threat to public safety.
- Public Works
 - Trash Pickup, Trash Days, and Landfill Testing - \$589,362.00
 - Contracted to Shank for residential and dumpster pickup.
 - General Services
 - Wages, utilities, vehicle maintenance, and supplies
 - Winter Maintenance
 - Minor Equipment Purchases
 - Highway
 - Minor Machinery Purchases

General Fund Highlights - Expenditures

- Public Transit & Parking - \$21,520.70
 - Mid-County Transit Authority (MCTA)/Town and Country Transit (TACT) - \$16,520.70 based on standard annual increase.
 - Purchase of Parking Meters - \$5,000.00
- Parks & Recreation - \$53,269.86
 - Parks & Rec General
 - Wages, Utilities, Maintenance. This includes power for the Christmas lights in town, the clock tower, and other event connections.
 - Parks Maintenance
 - Shade Tree Commission
 - Annual Contribution

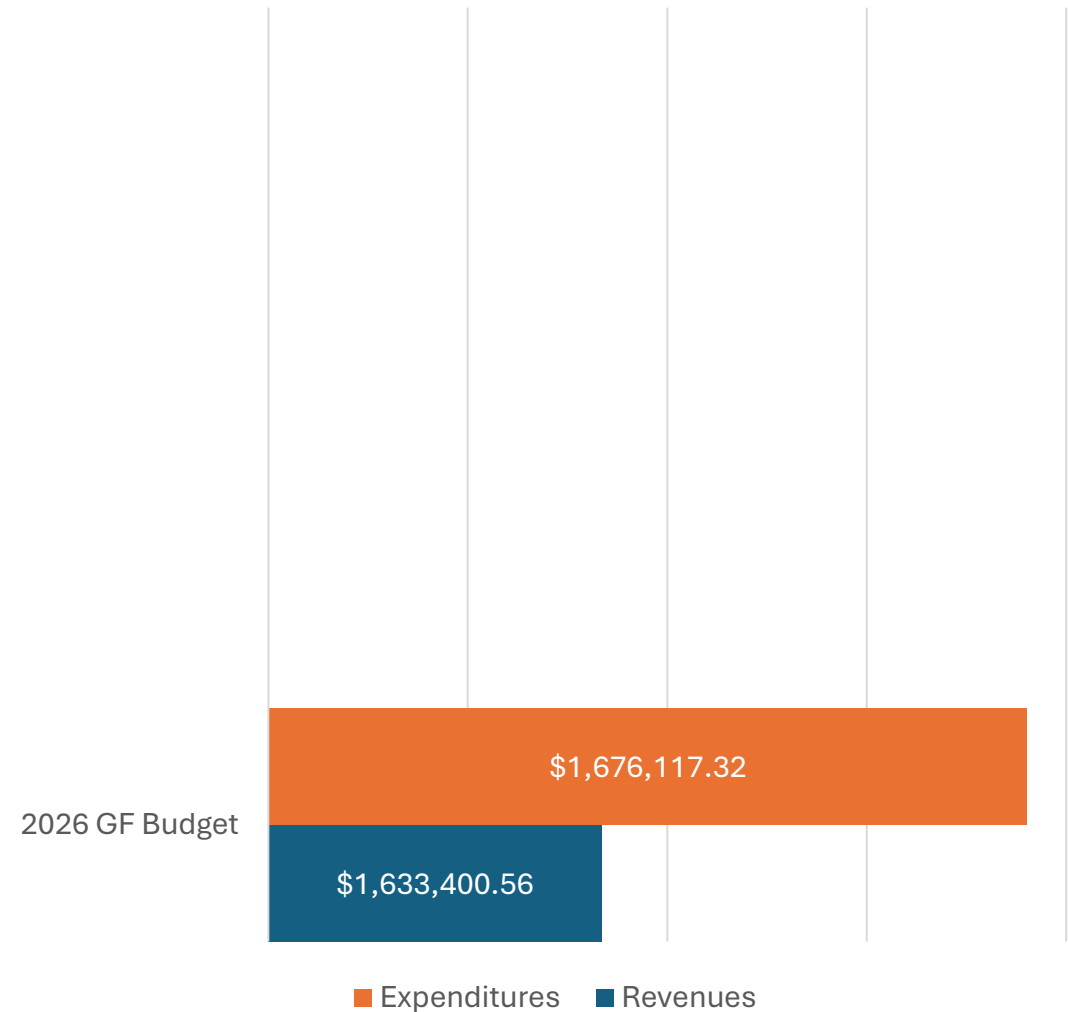
General Fund Highlights - Expenditures

- **Miscellaneous Expenditures - \$72,443.30**
 - **Insurances**
 - Workers Comp Insurance – estimating a 15-20% increase, waiting on renewal pricing.
 - Property/Liability Insurance, Unemployment Insurance - 15-20%
 - **Pension Contributions**
 - This includes quarterly contributions by the Borough as well as our yearly Minimum Municipal Obligation (MMO)

General Fund Position

- Currently predicting a \$42,716.75 budget deficit in the General Fund.
- Add in an estimated beginning fund equity of \$75,000.
- Putting our final general fund in a surplus of **\$32,283.25**

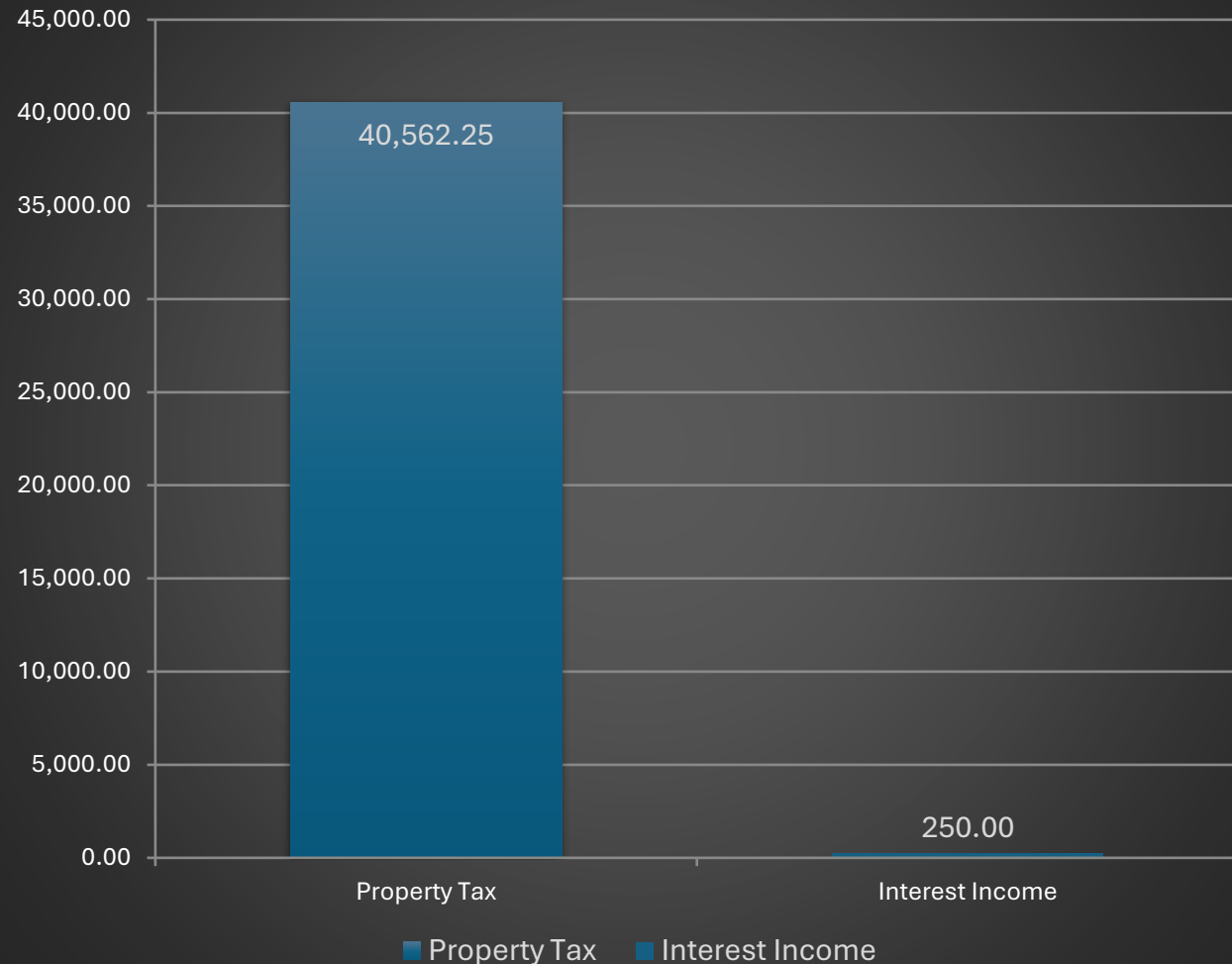
Revenues over Expenditures



Streetlight Fund Summary - Revenues

- Revenue Categories & Totals:
 - Real Property Taxes - \$40,562.25
 - Subject to change based on assessment changes.
 - Interest Income - \$250.00

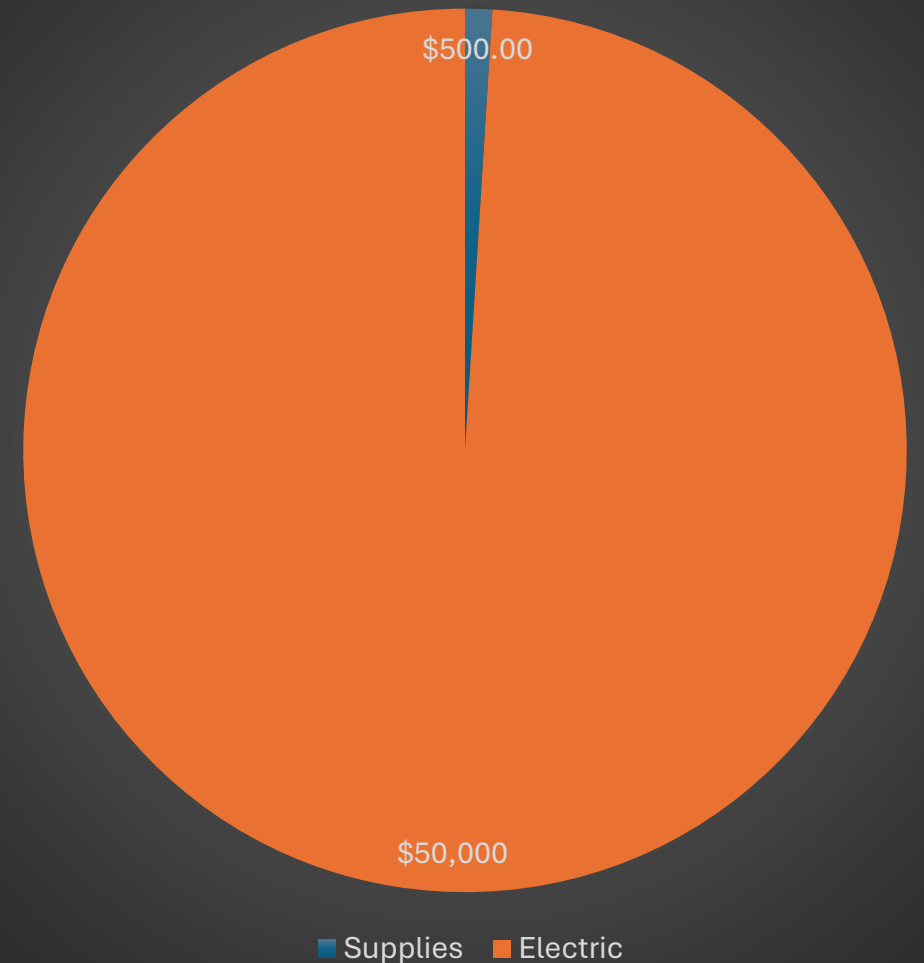
Streetlight Revenues By Category



Streetlight Fund Summary - Expenditures

- Expenditure Categories & Totals:
 - Supplies - \$500
 - Electric - \$50,000

Streetlight Expenditures



Streetlight Fund Position

- Currently predicting a \$9,687.75 budget deficit in the Streetlight Fund.
- Add an estimated beginning fund equity of \$40,000.00
- Putting our final Streetlight Fund surplus at **\$30,312.25.**

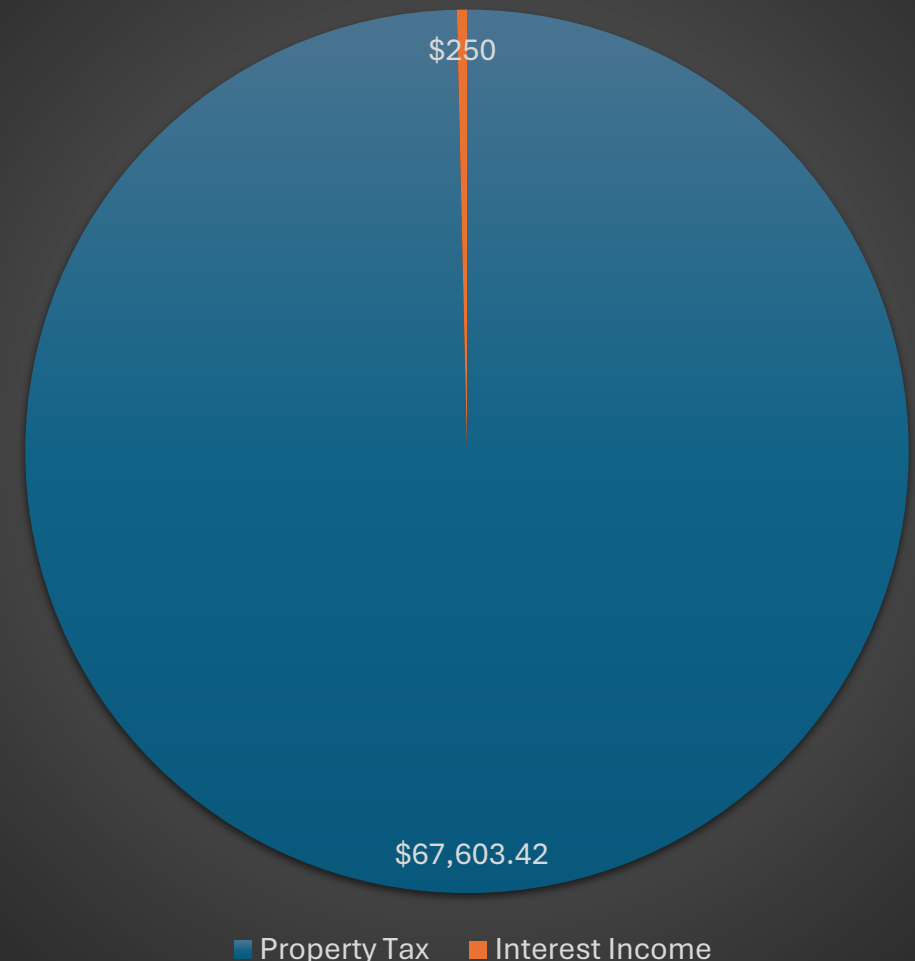
Revenues over Expenditures



Fire Fund Summary - Revenues

- Revenue Categories & Totals:
 - Real Property Taxes - \$67,603.42
 - Subject to change based on assessment changes.
 - Interest Income - \$250.00

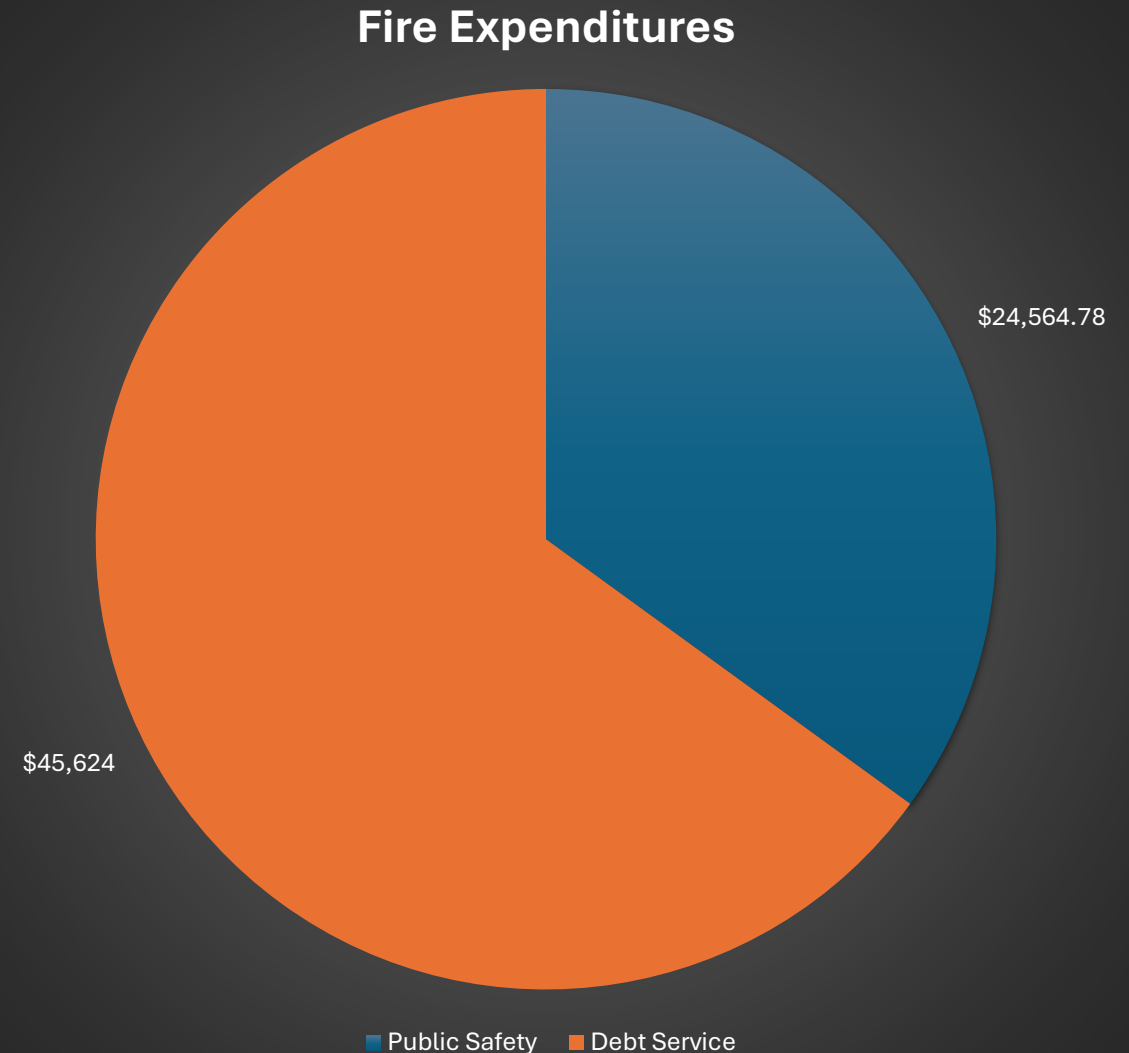
Fire Revenues By Category



Fire Fund Summary - Expenditures

- Expenditure Categories & Totals:

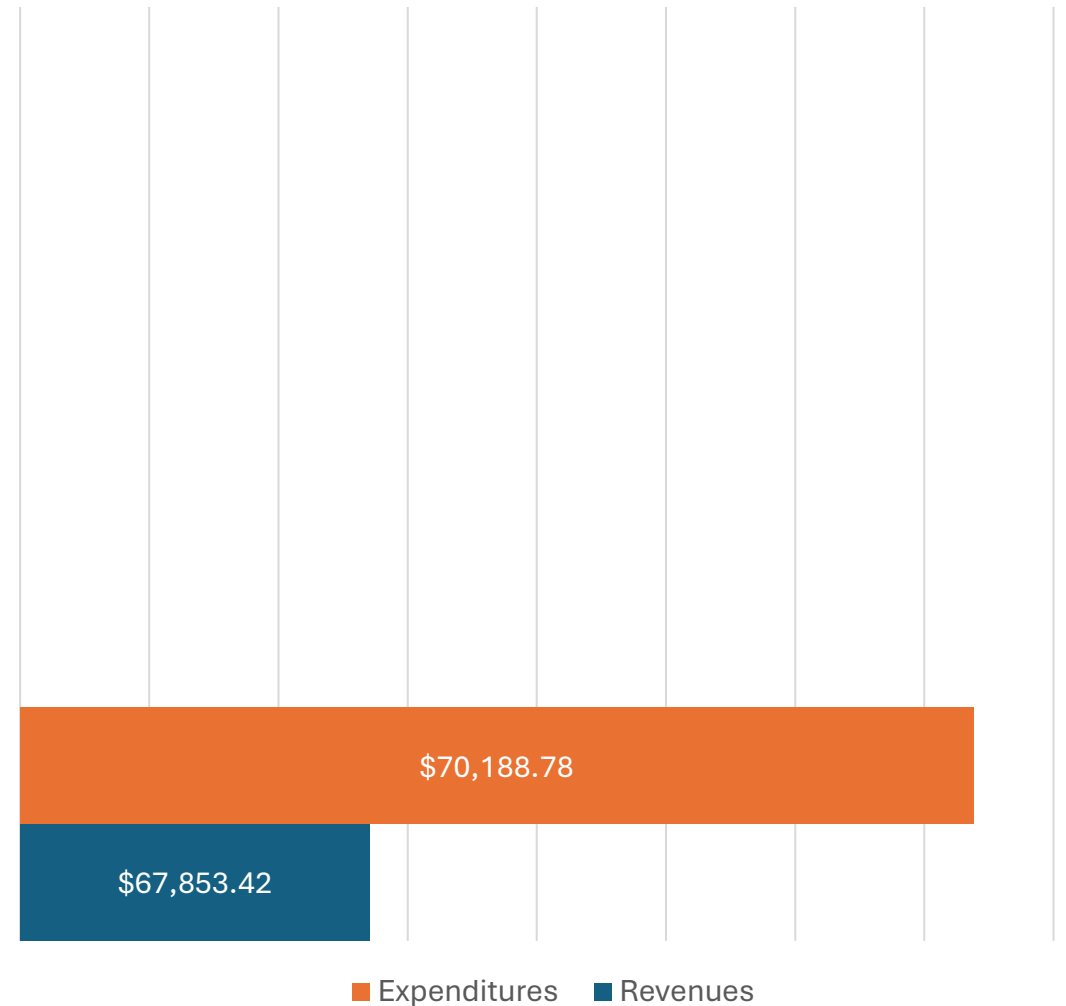
- Public Safety - \$24,564.78
 - Insurances, utilities, repairs/maintenance
- Debt Service - \$45,624.00
 - FINAL Engine payment



Fire Fund Position

- Currently predicting a \$2335.35 budget deficit in the Fire Fund.
- Add in an estimated beginning fund equity of \$45,000.
- Leaving a final surplus of **\$42,664.65.**

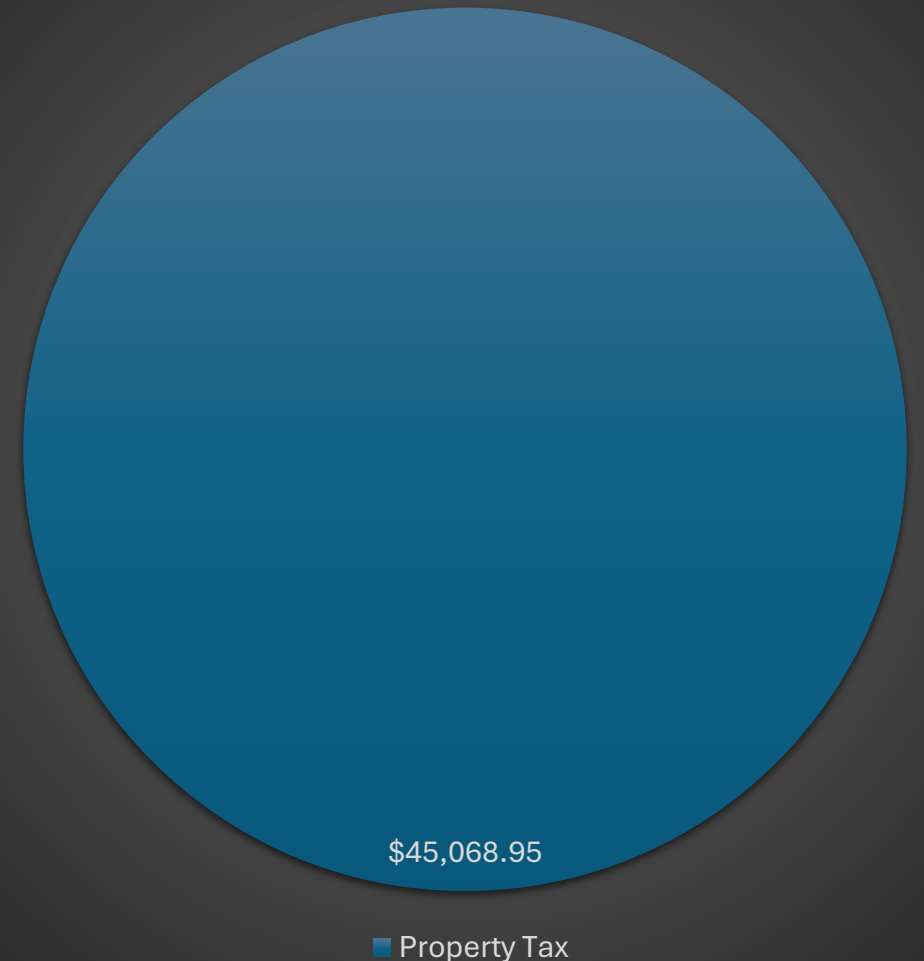
Revenues over Expenditures



Library Fund Summary - Revenues

- Revenue Categories & Totals:
 - Real Property Taxes - \$45,068.95
 - Subject to change based on assessment changes.

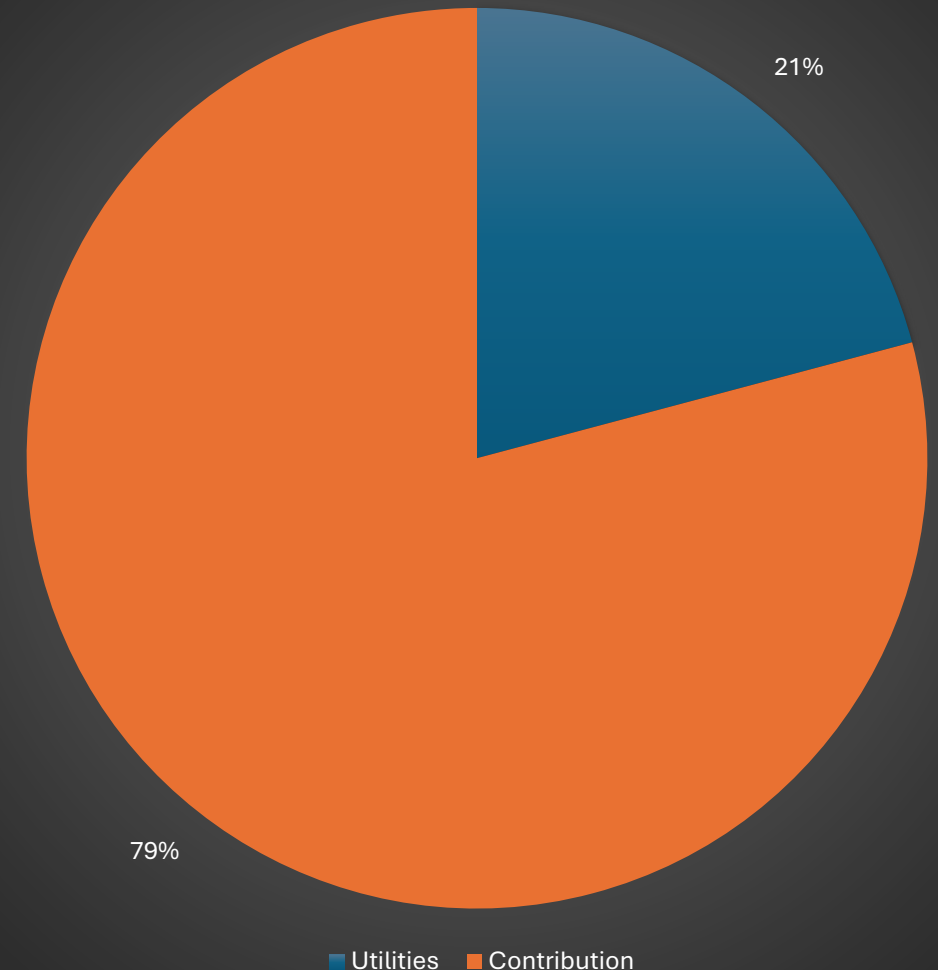
Library Fund Revenues By Category



Library Fund Summary - Expenditures

- Expenditure Categories & Totals:
 - Library Expenses - \$45,068.95
 - Utilities, Contribution to Library

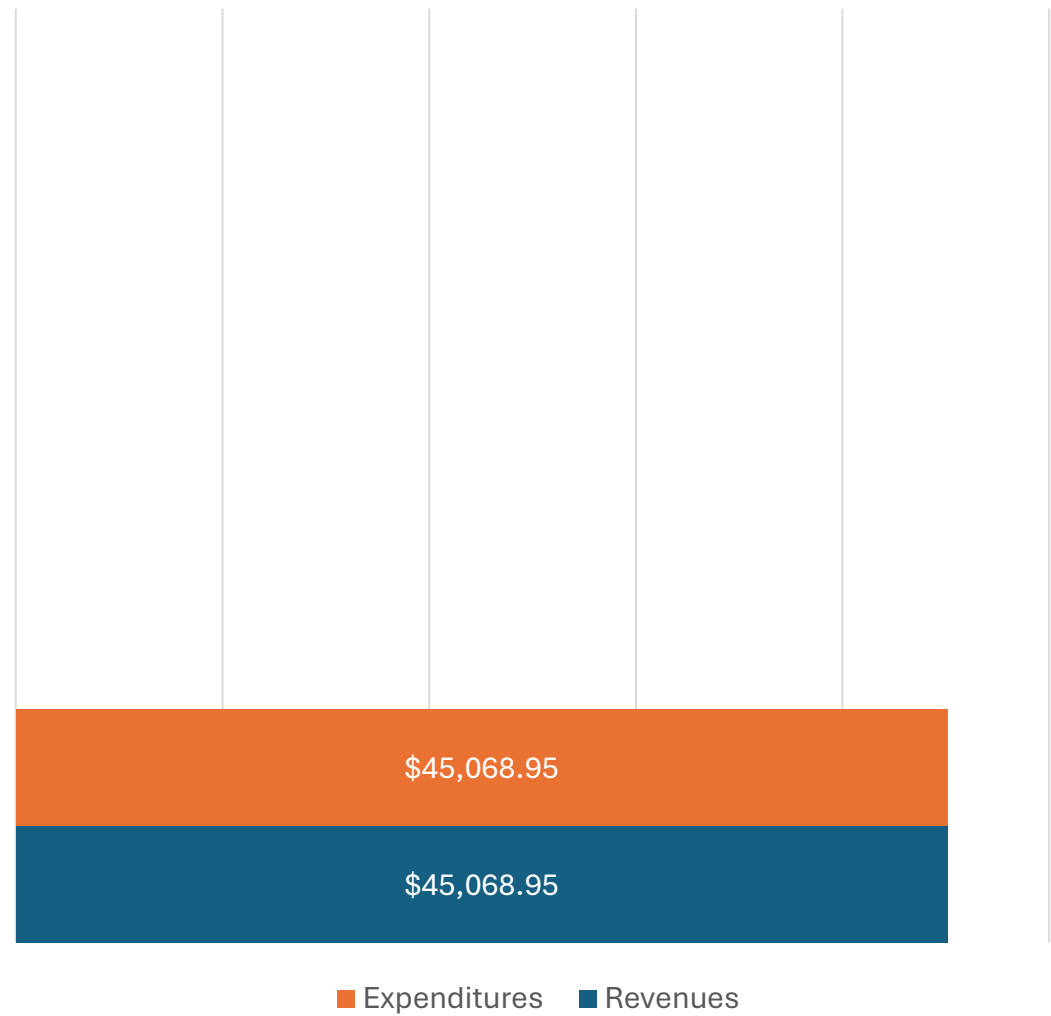
Library Fund Expenditures



Library Fund Position

Currently predicting no budget surplus or deficit in the Library Fund.

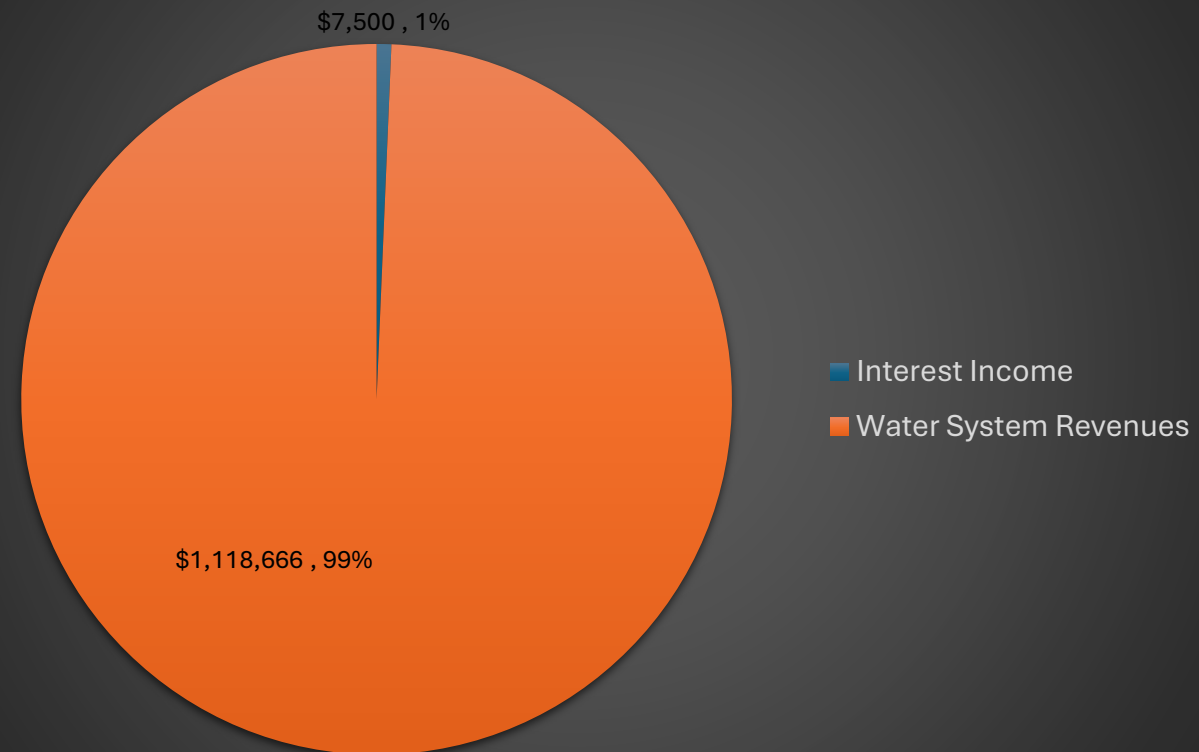
Revenues over Expenditures



Public Utility Fund Summary - Revenues

- Revenues Categories & Totals:
 - Interest Income - \$7,500.00
 - Water System Revenues - \$1,118,665.80
 - Proposing a \$5 water rate increase as part of our required rate increases for our PENNVEST project as previously discussed and approved.

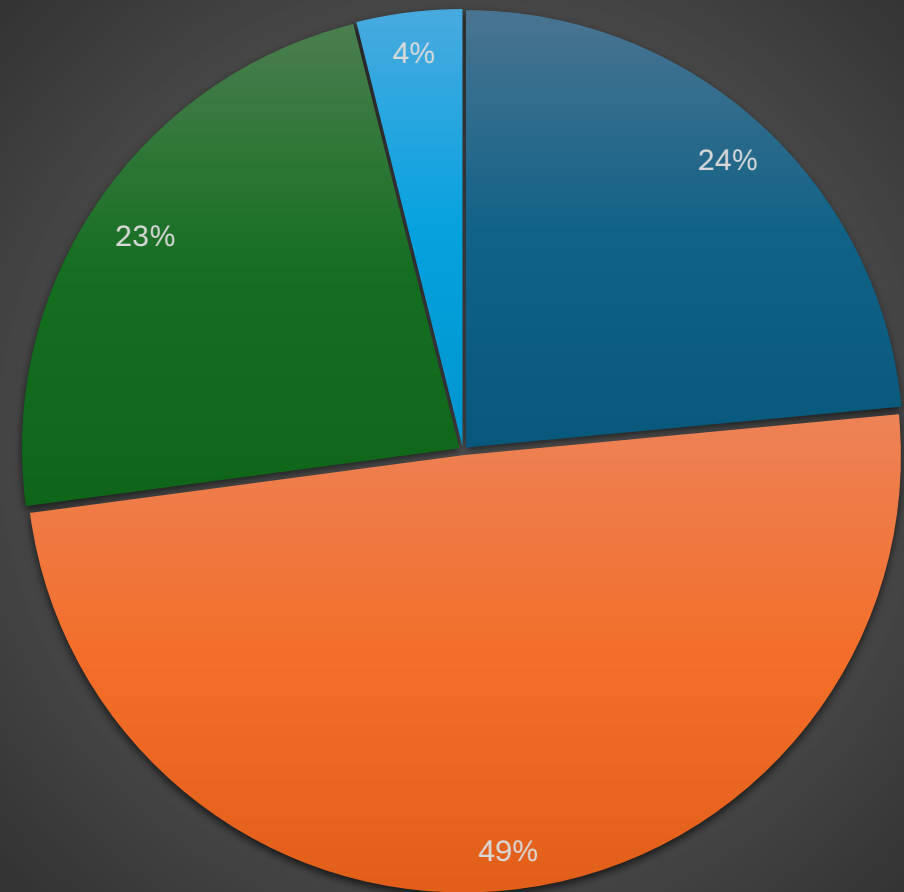
GF By Category



Public Utility Fund Summary– Expenditures

- Expenditure Categories & Totals:
 - General Government - \$267,585.35
 - Water System - \$556,803.07
 - Debt Service - \$264,159.94
 - Misc. (Insurances) - \$44,416.02
- Many of these categories are subject to change based on insurance increases, etc.

Expenditures By Category



■ General Government ■ Water System ■ Debt Service ■ Misc Exp (Insurances)

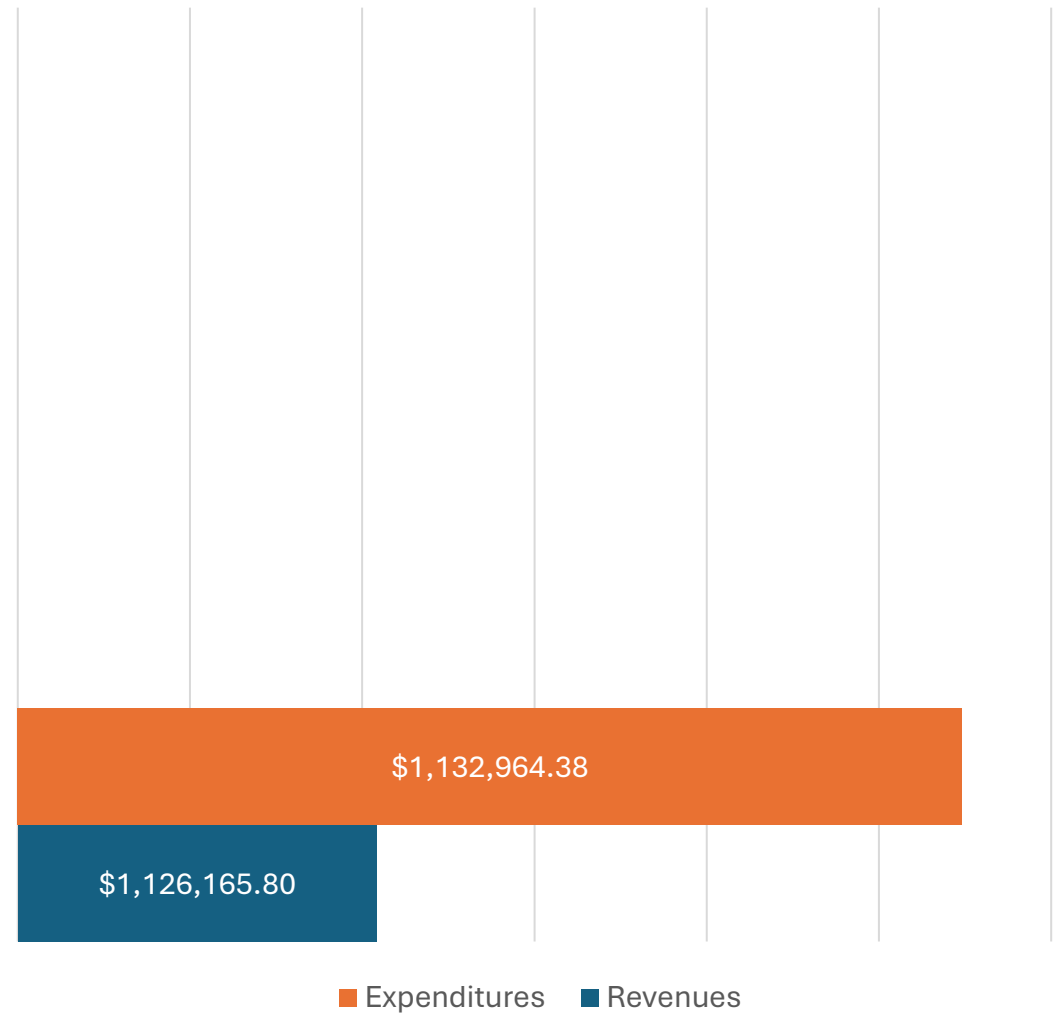
Public Utility Fund Summary– Expenditures

- General Government - \$267,585.35
 - This category is primarily expenses as they relate to the office such as partial office worker wages, benefits, legal services, postage, printing, and billing.
- Water System - \$556,803.07
 - This category includes partial wages of street workers, Water Treatment Plant wages, Chemicals, supplies, parts, and utilities of the plant, pumps, and office.
- Debt Service - \$264,159.94
 - This covers payments on the Water Treatment Plant and the Raw Water Pump Repairs
- Misc. Expenditures - \$44,416.02
 - This is insurances including Workers Comp, Unemployment, and Liability.

Public Utility Fund Position

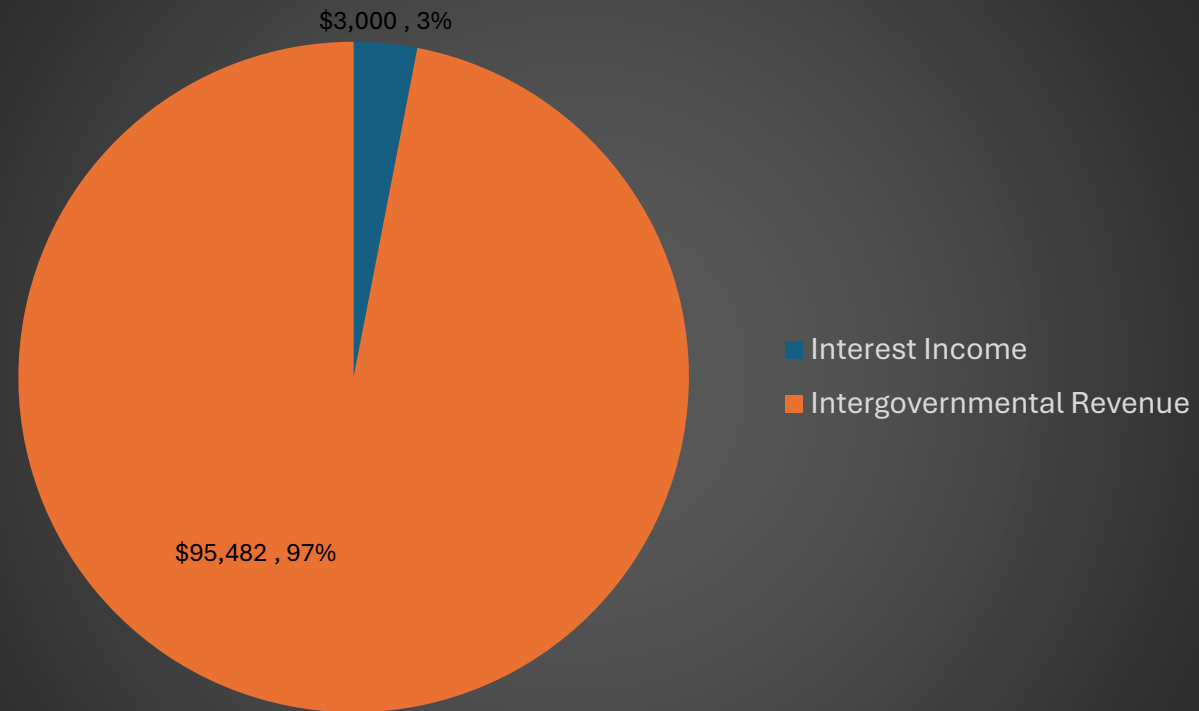
- Currently predicting a \$6,798.58 budget deficit.
- Add in an estimated \$600,000.00 beginning fund equity
- Leaving a total budget surplus of **\$593,201.42**

Revenues over Expenditures



State Fund Summary - Revenues

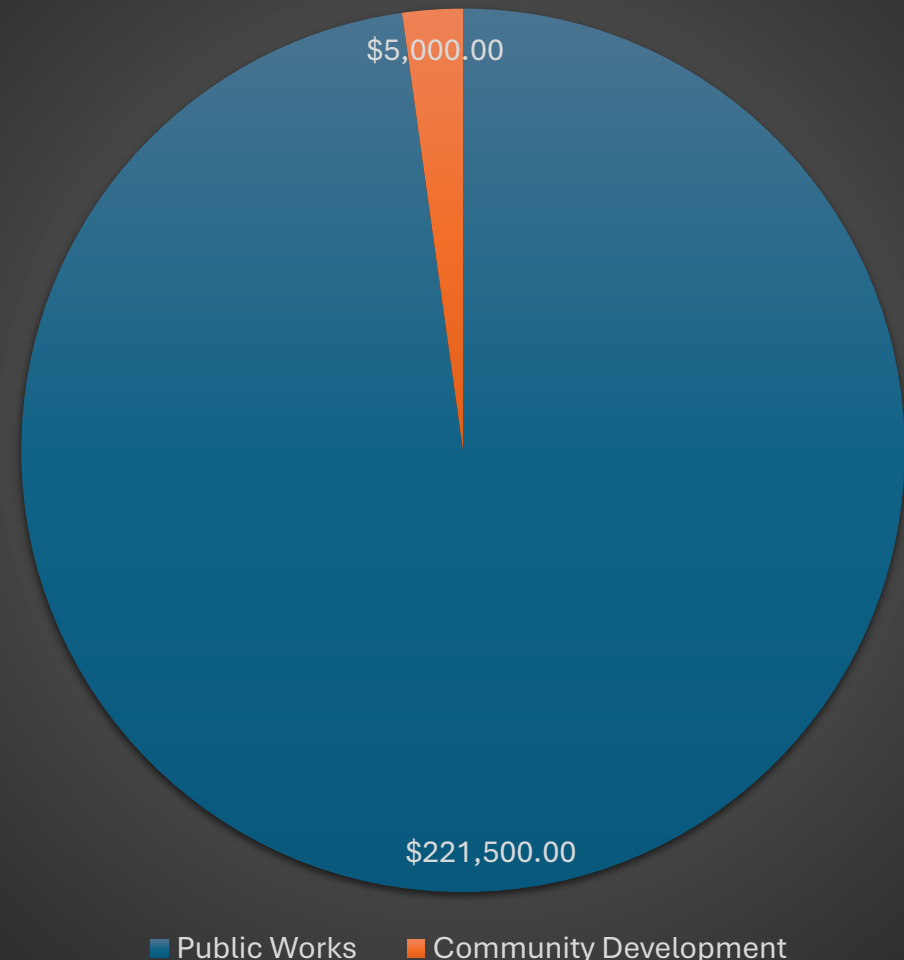
- Revenues Categories & Totals:
 - Interest Income - \$3,000.00.
 - Intergovernmental Revenue - \$95,482.14.
 - This consists of our Liquid Fuels & Turnback Fee payment from the Commonwealth of PA.



State Fund Summary– Expenditures

- Expenditure Categories & Totals:
 - Public Works - \$221,500.00
 - This includes road supplies, minor equipment purchases, and \$20,000 towards the purchase of salt.
 - This includes a proposal to budget \$200,000 towards resurfacing of Borough streets & curbs
 - Community Development- \$5,000.00
 - This is for signs and other road supplies.

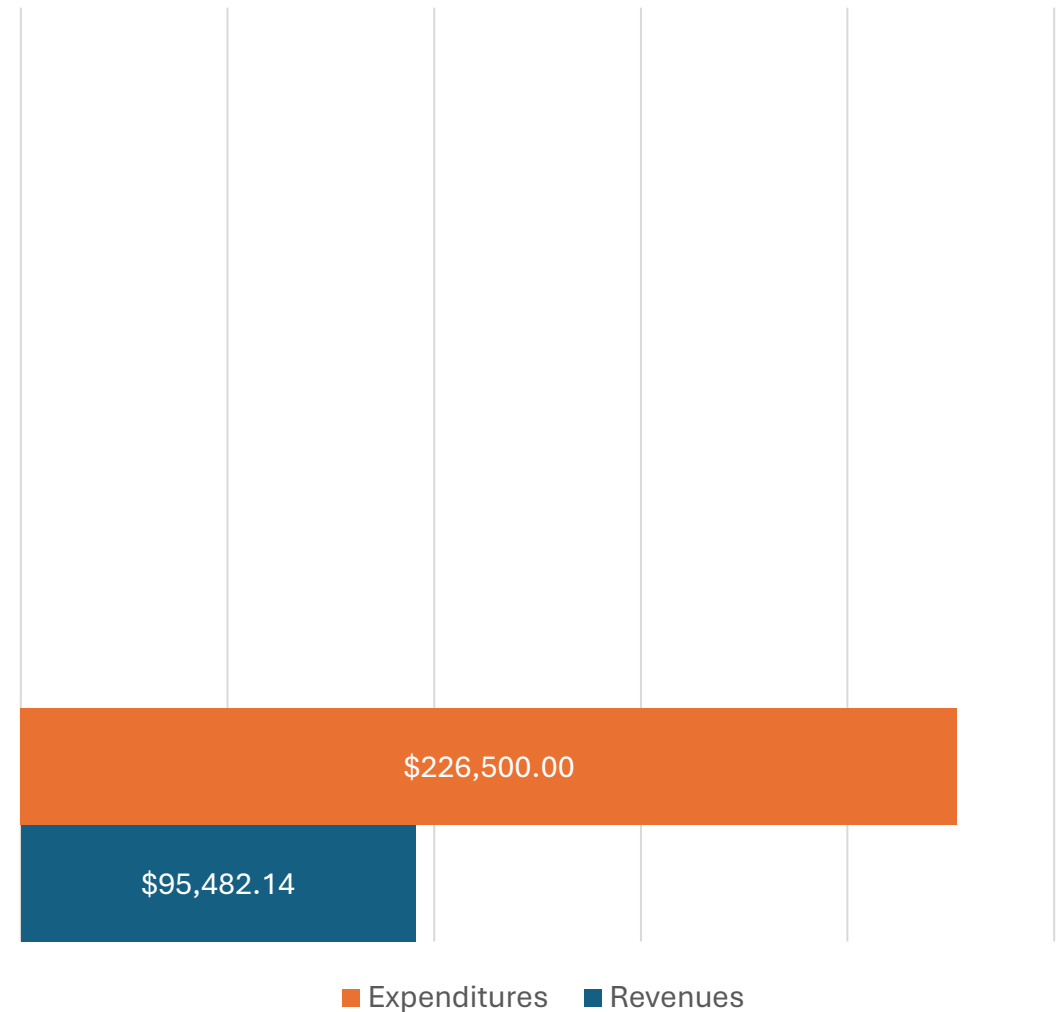
Expenditures By Category



State Fund Position

- Currently predicting a \$131,017.86 deficit in State Fund.
- Add an estimated beginning fund equity of \$190,000.00
- Leaving a total surplus of **\$58,982.14.**

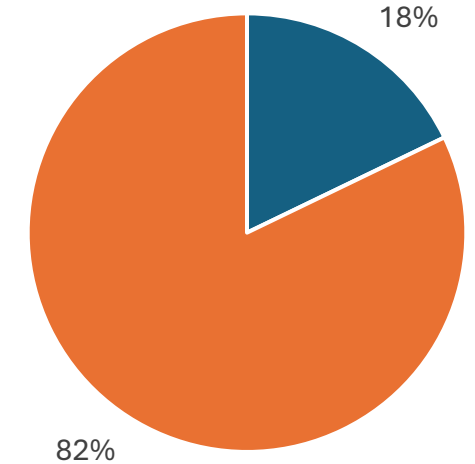
Revenues over Expenditures



Personnel Summary

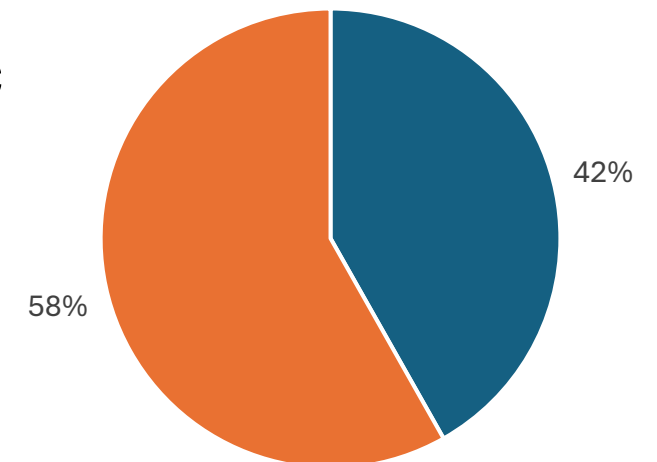
- In the General Fund, personnel expenses make up \$299,095.65 of our budget. This is approximately 18% of total expenditures.
- In the Public Utility Fund, personnel expenses make up \$465,873.29. This is approximately 42% of total expenditures.
- These positions include: 1 Borough Manager, 1 Public Works Director, 4 Laborers, 1 Water Treatment Plant Operator, our Secretary/Billing Clerk, and our Asst. Secretary/Office Administrator.
 - Many of these roles are split between General Fund and Public Utility Fund, except for Water Operator which is paid entirely by Public Utility.

General Fund



■ Personnel Costs ■ Other Expenses

Public Utility Fund



■ Personnel Costs ■ Other Expenses

Debt Overview

- The Borough has very few debt obligations including:
 - Ford City Hose Co. #1 Engine - \$49,234.25
 - Final payment to be made in 2026 from Fire Protection Fund.
 - Water Treatment Plant – \$2,367,674.92 (As of 10/31/25)
 - Raw Water Pump Repairs - \$349,299.15 (As of 11/21/25)
- Current debts are paid from the Fire Protection Fund and Public Utility Fund, respectively.
- The Debt obligation will increase drastically in 2027 when repayment begins on the Water Line Replacement Project loan portion, paid from the Public Utility Fund.

Fee Changes for 2026

- Landlord licenses are proposed to increase by \$25 to \$100 for the first unit and \$50 for each additional unit.
- Street sweeping tickets are proposed to increase to \$20 per violation.
- Water usage rates for 2026 will increase \$5 per month for the first 3,000 gallons used as per our agreement with PENNVEST for the waterline replacement project.
- Dumpster fees will increase as follows:
 - 2 Yard - \$30/month increase
 - 3 Yard - \$25/month increase
 - 4 Yard - \$35/month increase
 - These increases are based on the contractual increase with Shank Waste Services.

The 2026 fee schedule is proposing to impose minimal Special Event Fees to partially cover the Borough's expenses, such as electric and employee time, for special events held in the Borough and permit processing.



Food Truck Fee	
Daily Food Truck Permit Fee - Individual Trucks	\$75.00
Special Event Fees	
<i>Special Event Application Fee</i>	
Small Event (50-149 attendees)	\$25.00
Medium Event (150-499 attendees)	\$50.00
Large Events (500+ attendees)	\$75.00
<i>Use of Borough Services</i>	
Use of Electric, Road Barriers, Trash Collection	\$25.00
Use of Borough Water (Metered Hydrant)	\$5.00/1000 gallons
Borough Employee at Event	\$35.00/hour per Employee

Fee Changes for 2026

- Zoning permits, which currently are \$75 for residential and \$150 for commercial, are proposed to be updated as follows.

Building/Zoning Fees	
UCC Building Permit Admin Fee	10% Bureau Veritas Fees
UCC Board of Appeal Application/Hearing Fee	\$500.00
Zoning Hearing Board Fee	\$1,000.00
Conditional Use Hearing	\$800.00
Residential New Construction Application	\$75.00
Residential Addition Application	\$50.00
Accessory Building Application	\$20.00
Residential & Accessory Demolition Application	\$30 per Building
Commercial Construction Application	\$125.00
Commercial Addition Application	\$100.00
Commercial Demolition Application	\$50.00
Change of Use Application	\$25.00 per parcel
Swimming Pool Application	\$45.00
Signs, Excluding Billboards	\$50.00 per Application
Billboards	\$75.00 per billboard, \$10 per Additional Face
Curb Cut	\$20.00

Looking Ahead

- Capital Improvement Projects need planned which may require financing. These project include, but are not limited to:
 - Borough Building Upgrades
 - New roof needed
 - New windows needed
 - Plumbing replacement throughout
 - Boiler system upgrades needed
 - General upgrades, including layout changes to increase office space.
 - Library Upgrades
 - New roof needed
 - New HVAC needed
 - Borough Garage Upgrades
 - New roof needed
 - HVAC and other various upgrades necessary
 - Water Treatment Plant Upgrades
 - Dehumidification system needed

Looking Ahead

- These repairs are necessary and the Borough's responsibility but financing them *will* require a tax increase in future years.
- The Borough is operating on a skeleton budget. All nonessential spending has already been eliminated. Short of cutting services, there is nothing left to reduce.
- Most Borough funds are in a structural deficit. We are currently staying afloat by using remaining fund equity, which is not sustainable as that balance continues to shrink.
- Both the General Fund and Street Light Fund face year-over-year expenditures that exceed revenues unless new or increased revenue sources are identified.
- By November, the Borough had to transfer money from the Capital Reserve Fund to the General Fund just to cover operating expenses. Over \$60,000 in unplanned storm damage accelerated this, but the core issue is the structural deficit.
- Without corrective action, the Borough's financial position will worsen, threatening essential services, long-term infrastructure improvements, and the Borough's ability to respond to future emergencies.