



# 2024 Proposed Budget Overview

**CITY COUNCIL COMMITTEE PRESENTATION**

DECEMBER 4, 2023

# 2024 Budget Highlights

## General Fund

- No Real Estate Tax increase proposed
- ARPA Revenue Replacement (2021-2024)
- Earned Income revenues continue to grow
- Increased Expense in Debt Service, Pension, and Medical Costs, salary increases
- Reduced costs in 2023

## Stormwater

- No stormwater fee increase proposed
- New Deputy Director of Sustainability
- Urban Tree Canopy grants

## Water

- No rate increases proposed
- DSIC charge will take effect in early 2024

## Solid Waste and Recycling

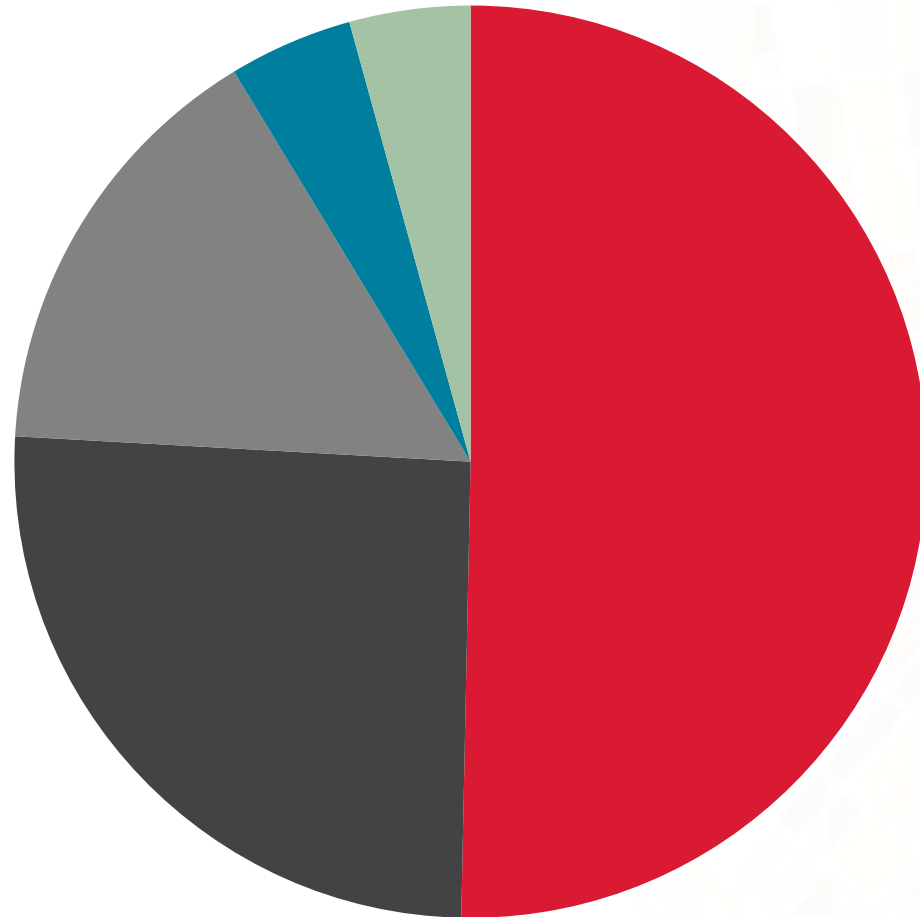
- No rate increase proposed
- Hauling and tipping fees

## Sewer

- Rate increase proposed, averaging \$4.50/month for residents.
- Anticipated capital expenses due to consent decree.

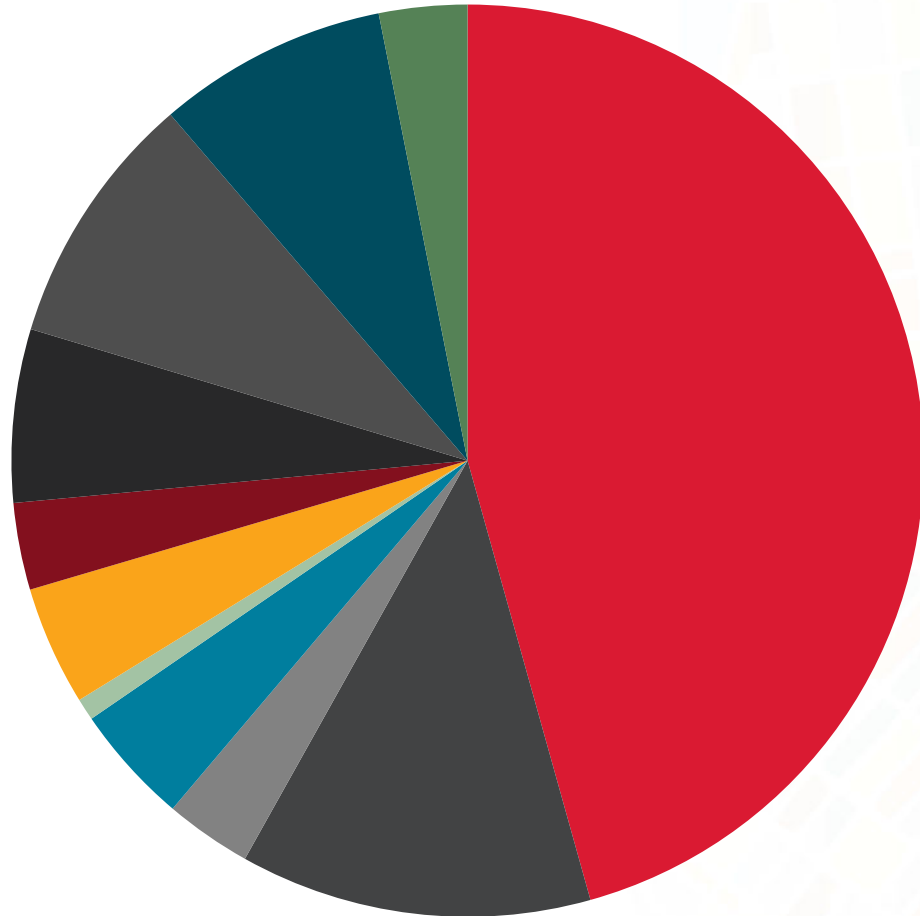
# 2024 Combined Operating Budgets

\$145,996,425



- General Fund (\$73,473,058, 50%)
- Water Fund (\$37,318,880, 26%)
- Sewer Fund (\$22,536,006, 16%)
- Solid Waste & Recycling Fund (\$6,415,932, 4%)
- Stormwater Management Fund (\$6,252,549, 4%)

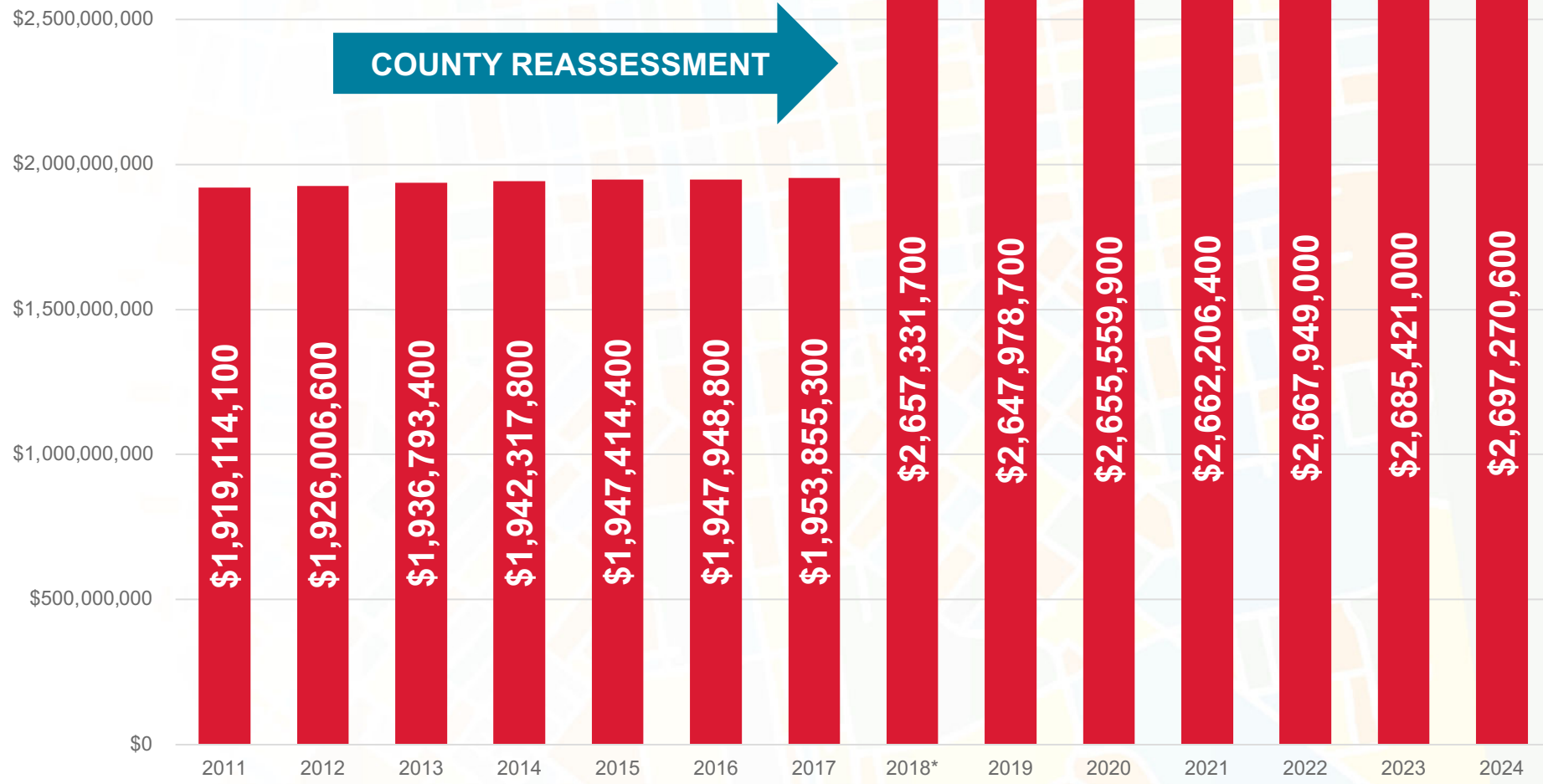
# 2024 General Fund Revenues



- Property Taxes (\$33,546,454, 46%)
- Earned Income Taxes (\$9,152,000, 13%)
- PILOTs (\$2,260,000, 3%)
- Other Taxes (\$3,114,500, 4%)
- Regulatory Revenues (\$573,000, 1%)
- Public Safety Revenues (\$3,106,500, 4%)
- Health, Housing & Codes Revenues (\$2,265,000, 3%)
- Public Works Revenues (\$4,508,502, 6%)
- Other Revenues (\$6,651,037, 9%)
- ARPA Revenue Replacement (\$6,000,000, 8%)
- Use of Fund Balance Reserves (\$2,296,015, 3%)

# City Taxable Property Values

Despite significant economic development, the City's overall tax base has grown only 1.5% since the countywide reassessment in 2018.



# Real Estate Transfer Taxes

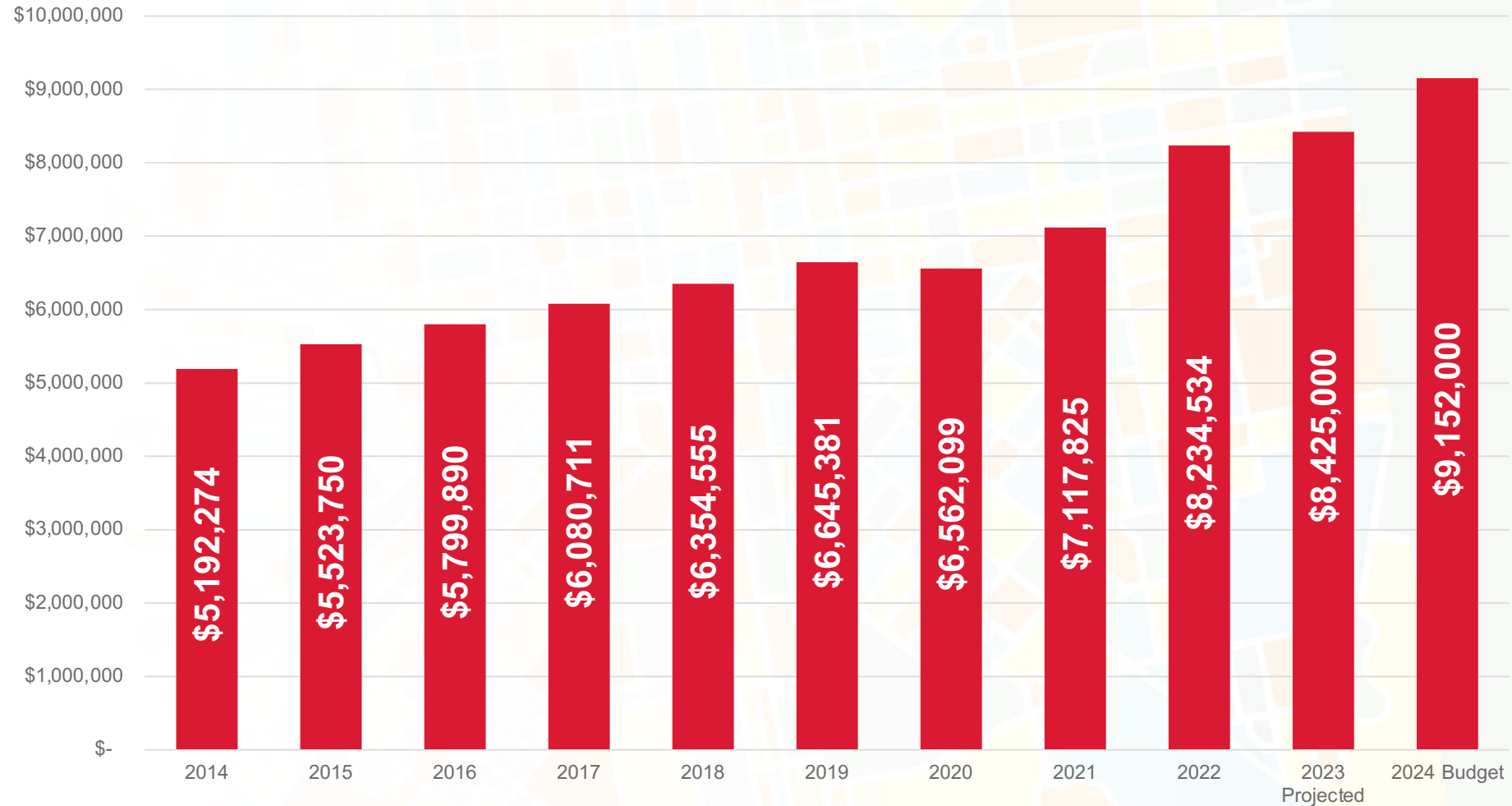


# Earned Income Taxes

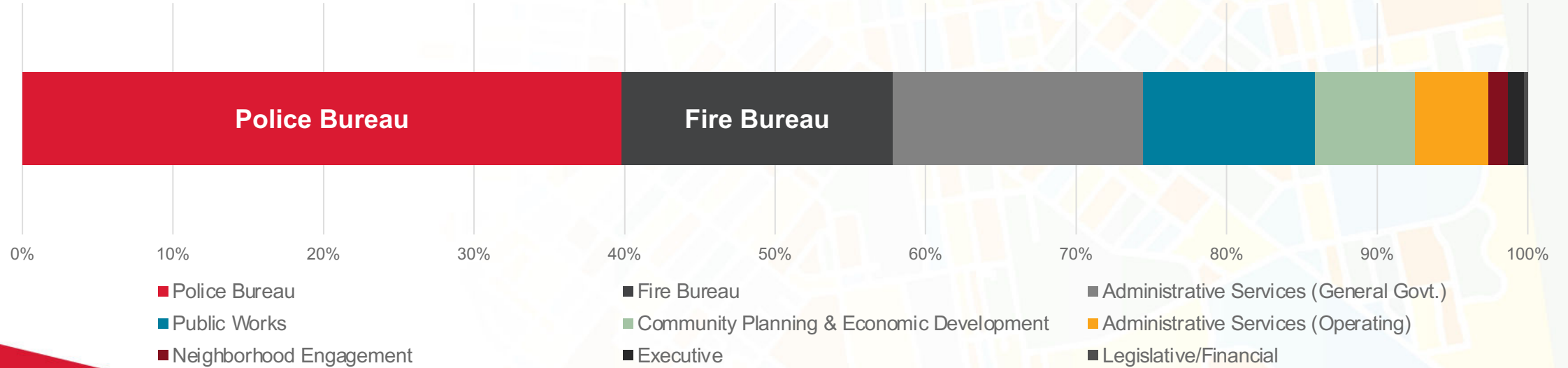
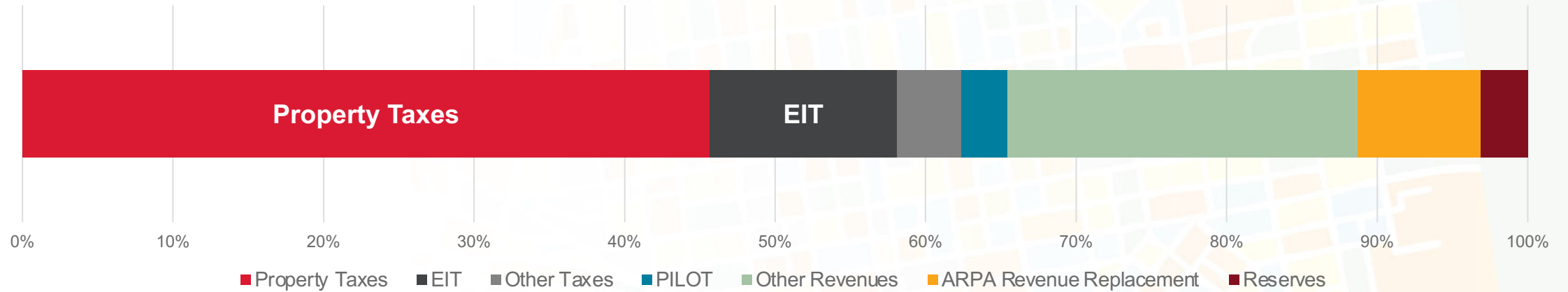
Earned Income Tax revenues have grown an average of 5% each year since 2015.

**AND**

The EIT rate is capped by state law at .6%. If Home Rule Charter is adopted Council may have authority to adjust.

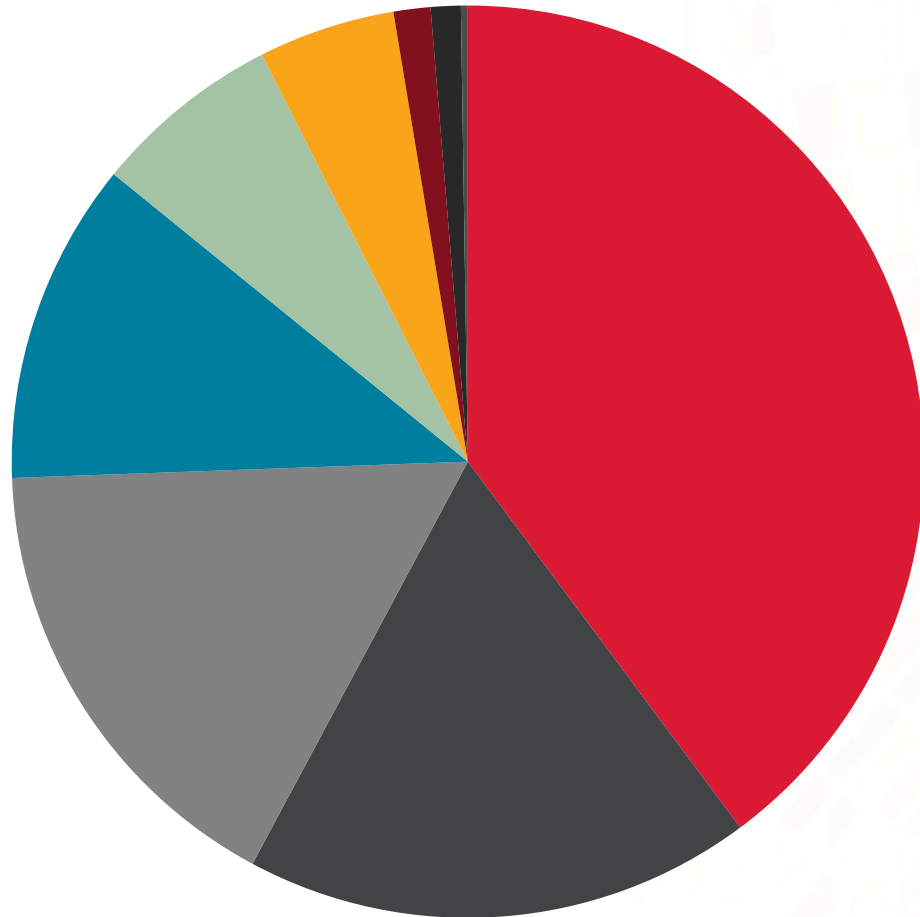


# 2024 Budget Revenue vs Expenses





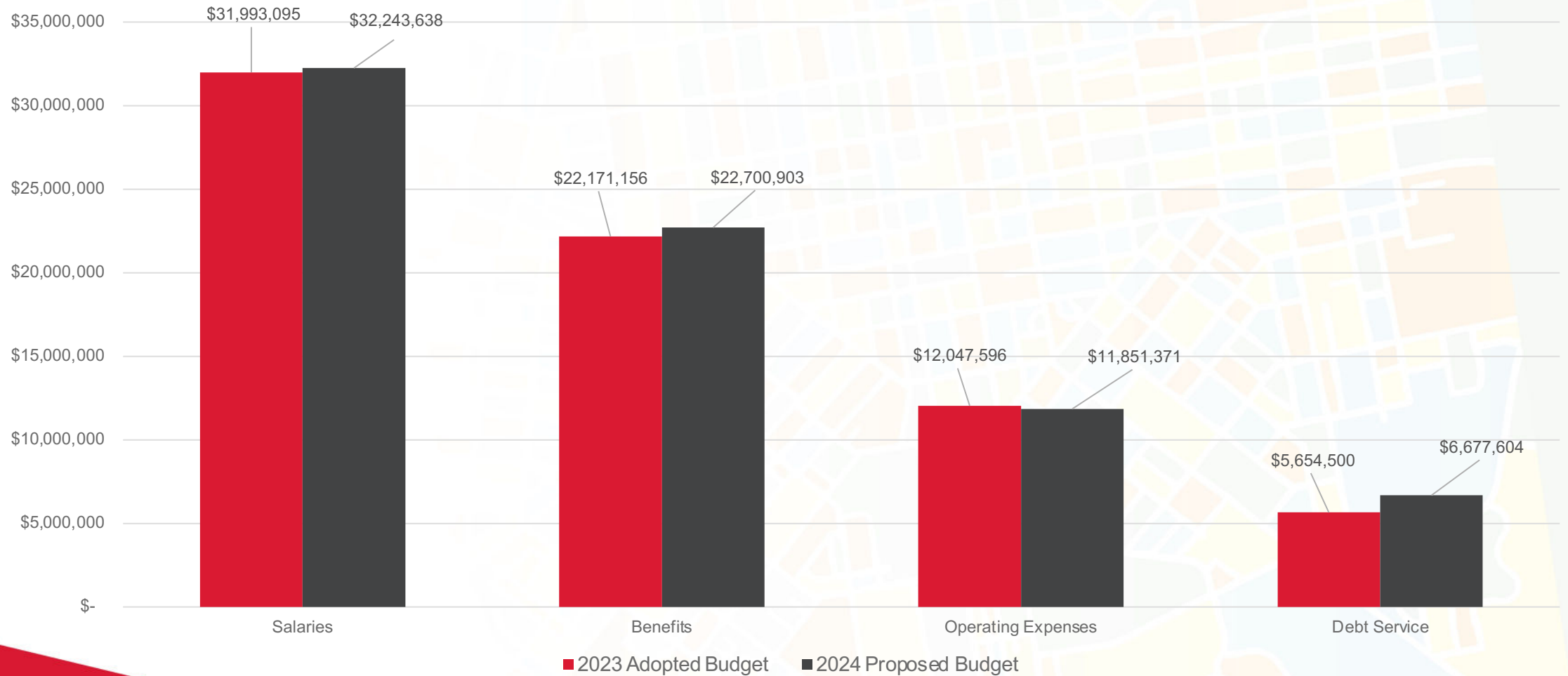
# 2024 General Fund Expenses



- Police Bureau (\$29,252,235, 40%)
- Fire Bureau (\$13,233,426, 18%)
- Administrative Services (General Govt.) (\$12,200,758, 17%)
- Public Works (\$8,393,101, 11%)
- Community Planning & Economic Development (\$4,912,302, 7%)
- Administrative Services (Operating) (\$3,561,068, 5%)
- Neighborhood Engagement (\$960,242, 1%)
- Executive (\$780,284, 1%)
- Legislative/Financial (\$179,643, 0%)

# General Fund Expense Budget Comparison

## 2023 Adopted Budget vs 2024 Proposed Budget

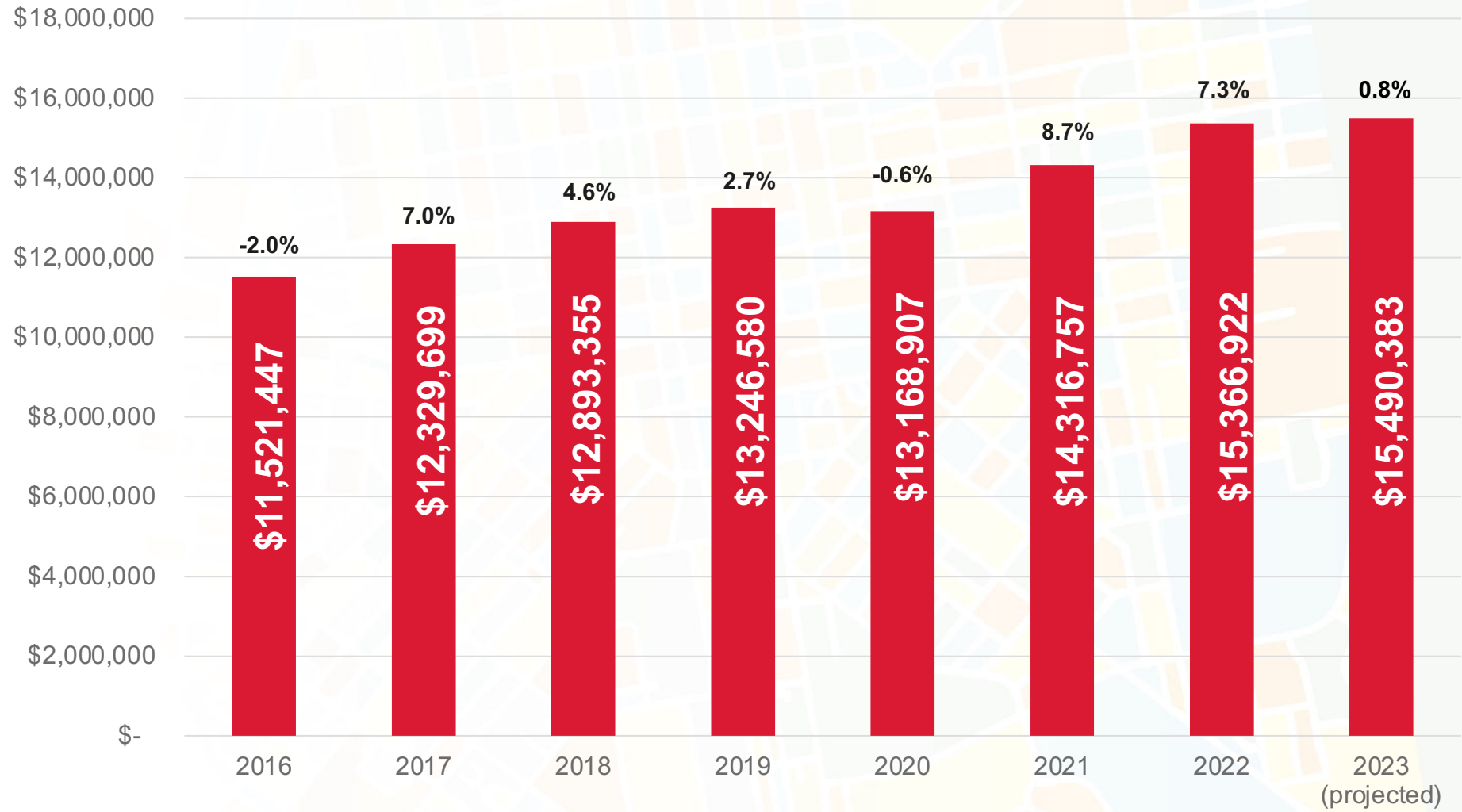


# City Medical Claims Costs – ALL Funds

From 2016 to 2023 (projected), City medical expenses have increased by an average of 4.25% per year.

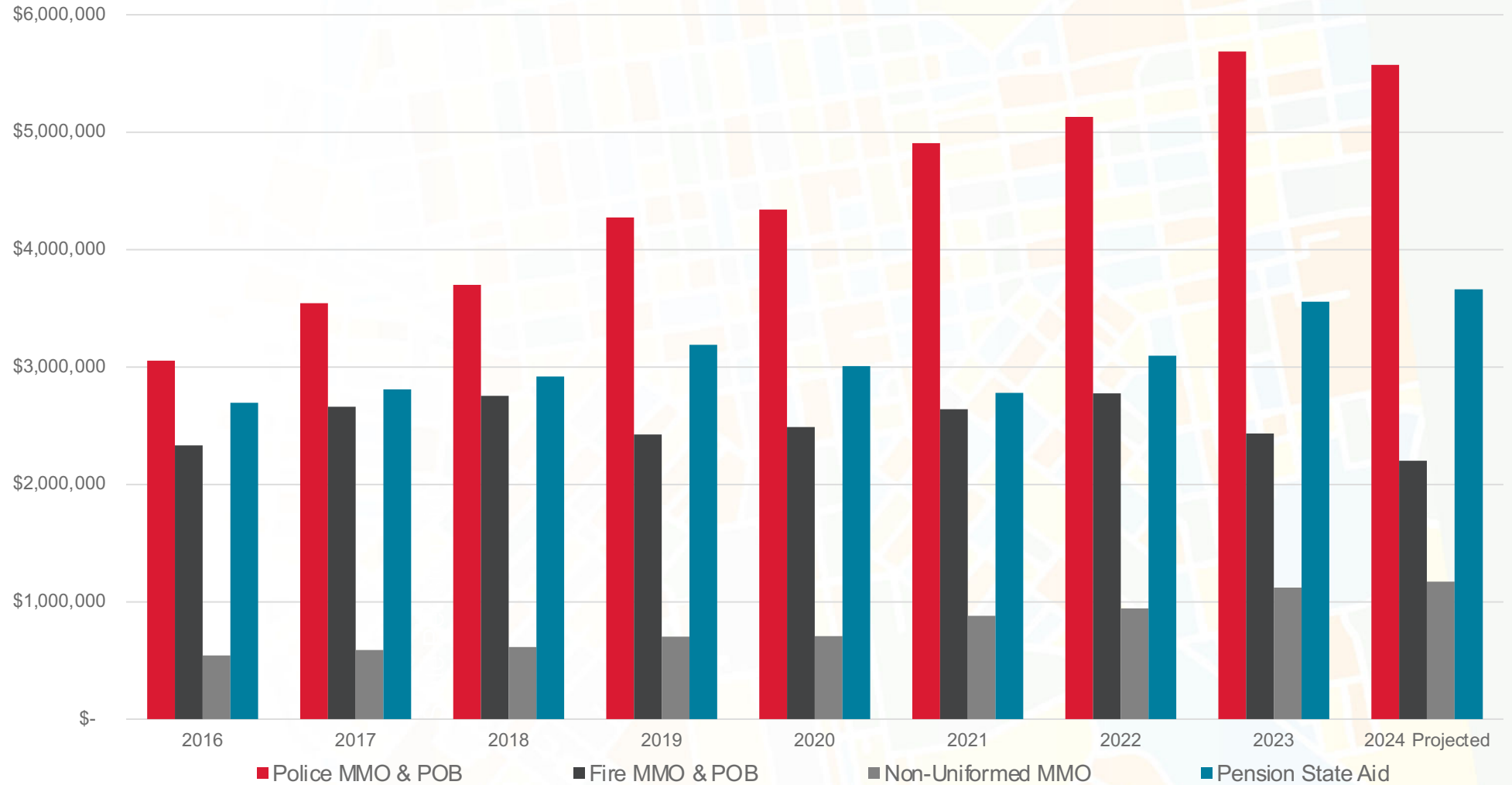
**AND**

City medical expenses have increased by nearly \$4 million from 2016 to 2023 (projected).

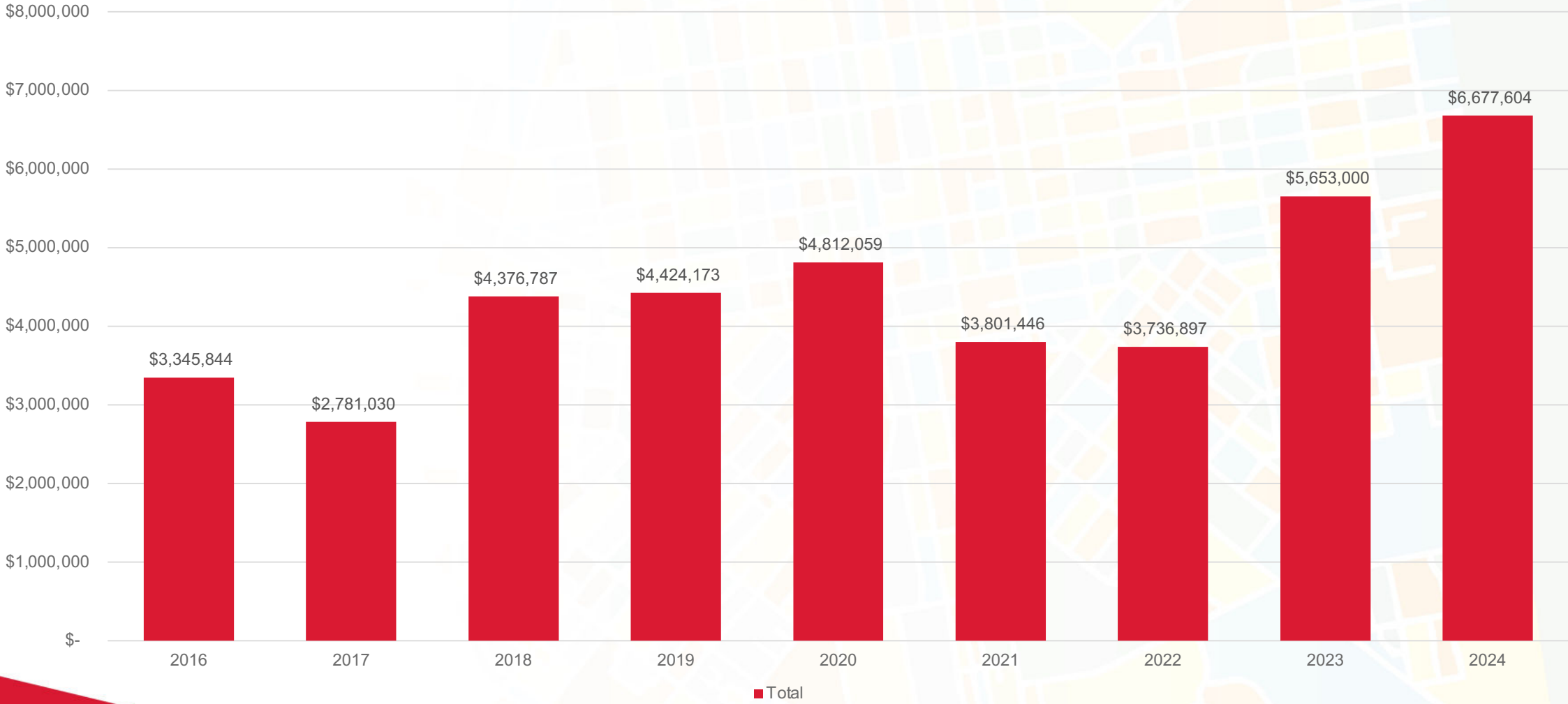


# General Fund Pension Obligations vs. PA State Aid

General Fund pension obligations have increased by \$2.5 million since 2016, while State Pension Aid has only increased by \$966,000.



# General Fund Debt Service



# Five-Year Projection (2024-2028)

			2023	2024	2025	2026	2027	2028
			Projected	Proposed	Projected	Projected	Projected	Projected
		Taxes Paid on Avg Residential	\$1,279.36	\$1,279.36	\$1,279.36	\$1,279.36	\$1,279.36	\$1,279.36
		Annual Increase	\$95.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Weekly increase	\$1.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Tax Increase %	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Revenues</b>								
		Real Estate Millage	12.64	12.64	12.64	12.64	12.64	12.64
		Real Estate Revenue	0.1%	\$32,550,000	\$32,550,000	\$32,582,550	\$32,615,133	\$32,647,748
		Earned Income Tax	4.0%	\$8,425,000	\$9,152,000	\$9,518,080	\$9,898,803	\$10,294,755
		Local Services Tax	2.5%	\$1,575,000	\$1,575,000	\$1,614,375	\$1,654,734	\$1,696,103
		Sale of City Tax Claims		\$876,545	\$876,454	\$876,454	\$876,454	\$876,454
		ARPA Revenue Replacement		\$6,000,000	\$6,000,000			
		Police Services	1.0%	\$1,381,299	\$1,395,112	\$1,409,063	\$1,423,154	\$1,437,385
		Other Revenues	1.5%	\$15,603,537	\$15,937,913	\$18,176,982	\$18,449,636	\$18,726,381
		PA Pension Aid (GF only)	2.0%	\$3,583,072	\$3,690,564	\$3,764,375	\$3,839,663	\$3,916,456
		<b>Total Revenues (not including reserves)</b>		<b>\$69,994,453</b>	<b>\$71,177,043</b>	<b>\$67,941,879</b>	<b>\$68,757,577</b>	<b>\$69,595,282</b>
		Revenue increase vs. Prior Year		5.1%	1.7%	-4.5%	1.2%	1.2%
<b>Expenditures</b>								
		Total Salaries	2.5%	\$30,343,664	\$32,243,638	\$33,049,729	\$33,875,972	\$34,722,871
		Total Benefits	3.0%	\$22,211,161	\$22,700,903	\$23,381,930	\$24,083,388	\$24,805,890
		<b>Total Labor Costs</b>		<b>\$52,554,825</b>	<b>\$54,944,541</b>	<b>\$56,431,659</b>	<b>\$57,959,360</b>	<b>\$59,528,761</b>
		Total Operating Costs	2.0%	\$11,452,905	\$11,851,371	\$12,088,398	\$12,330,166	\$12,576,770
		Total Debt Service	Actual	\$ 5,652,971	\$6,677,604	\$6,676,413	\$6,678,748	\$6,677,658
		<b>Total Non-Labor Costs</b>		<b>\$17,105,876</b>	<b>\$18,528,975</b>	<b>\$18,764,811</b>	<b>\$19,008,914</b>	<b>\$19,254,428</b>
		<b>Total Expenditures</b>		<b>\$ 69,660,702</b>	<b>\$ 73,473,516</b>	<b>\$ 75,196,470</b>	<b>\$ 76,968,275</b>	<b>\$ 78,783,189</b>
		Expense Increase vs. Prior Year		5.7%	5.5%	2.3%	2.4%	2.4%
		Surplus/(Deficit)		\$333,751	(\$2,296,473)	(\$7,254,591)	(\$8,210,697)	(\$9,187,907)
		<b>TOTAL GF FUND BALANCE</b>		<b>\$ 11,654,130</b>	<b>\$ 9,357,657</b>	<b>\$ 2,103,066</b>	<b>\$ (6,107,632)</b>	<b>\$ (15,295,539)</b>
		Total Fund Balance as a percentage of Expenditures		16.7%	12.7%	2.8%	-7.9%	-19.4%
								-31.6%



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