



2025 Proposed Budget Overview

CITY COUNCIL COMMITTEE PRESENTATION

OCTOBER 1, 2024

2025 Budget Highlights

General Fund – Regular Budget

- ARPA Revenue Replacement less in 2025
- 8% Real Estate Tax increase proposed
- Earned Income Tax revenues continue to grow
- Increased expenses in pension, medical costs, salary increases for bargaining units
- Reduced costs in 2024 and 2025 – mainly in staff decreases

General Fund – Home Rule Budget

- 0.3% Earned Income Tax increase proposed
- No Real Estate Tax increase proposed

Water Fund

- No City rate increases proposed
- PUC Rate Case will be submitted in Q1 2025

Solid Waste and Recycling Fund

- 10% increase proposed, approximately \$8/quarter
- Hauling and Tipping Fees continue to increase

Sewer Fund

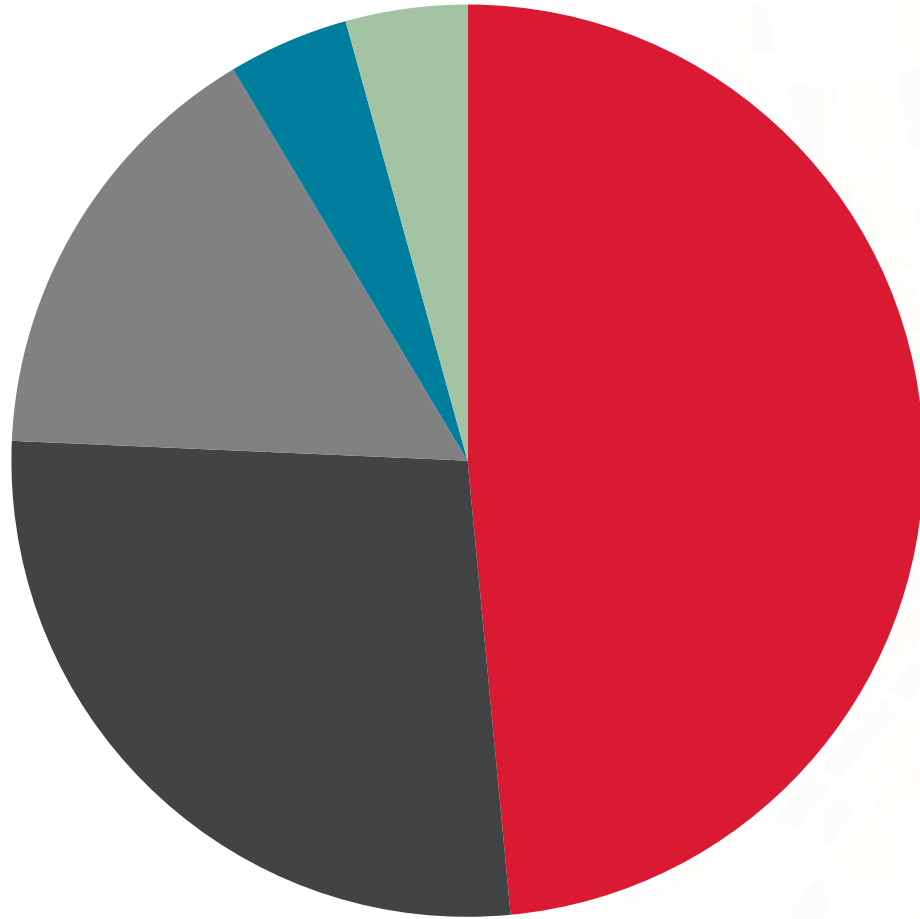
- Rate increase proposed, averaging \$5.25/month for residents.

Stormwater Fund

- No stormwater fee increase proposed

2025 Combined Operating Budgets – Regular Budget

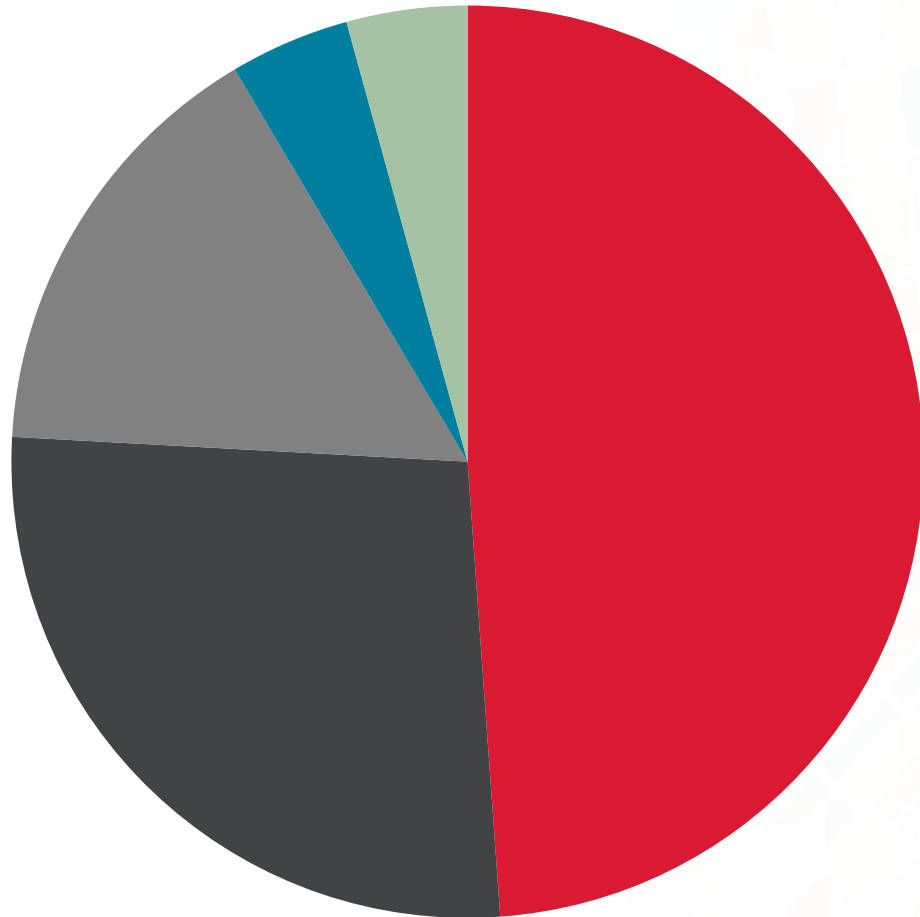
\$157,443,182



- General Fund (\$76,350,779, 49%)
- Water Fund (\$42,822,437, 27%)
- Sewer Fund (\$24,745,425, 16%)
- Solid Waste & Recycling Fund (\$6,739,895, 4%)
- Stormwater Management Fund (\$6,784,646, 4%)

2025 Combined Operating Budgets – Home Rule Budget

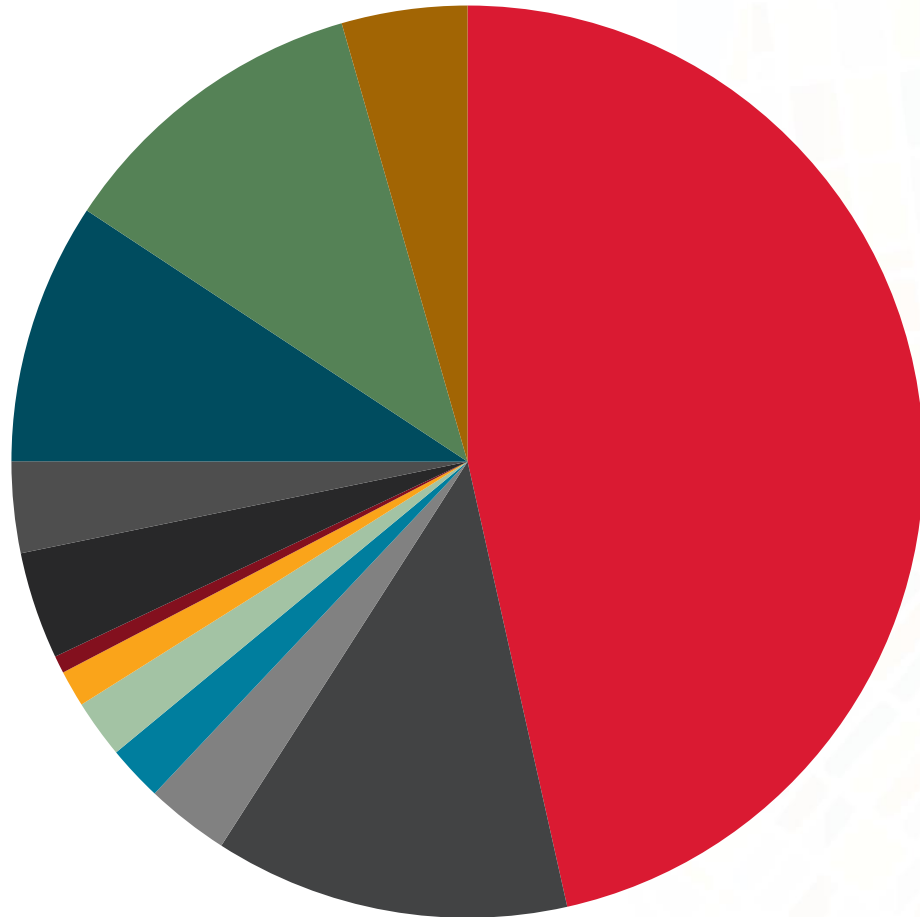
\$158,608,128



- General Fund (\$77,492,521, 49%)
- Water Fund (\$42,839,283, 27%)
- Sewer Fund (\$24,748,800, 16%)
- Solid Waste & Recycling Fund (\$6,739,895, 4%)
- Stormwater Management Fund (\$6,787,629, 4%)

2025 General Fund Revenues – Regular Budget

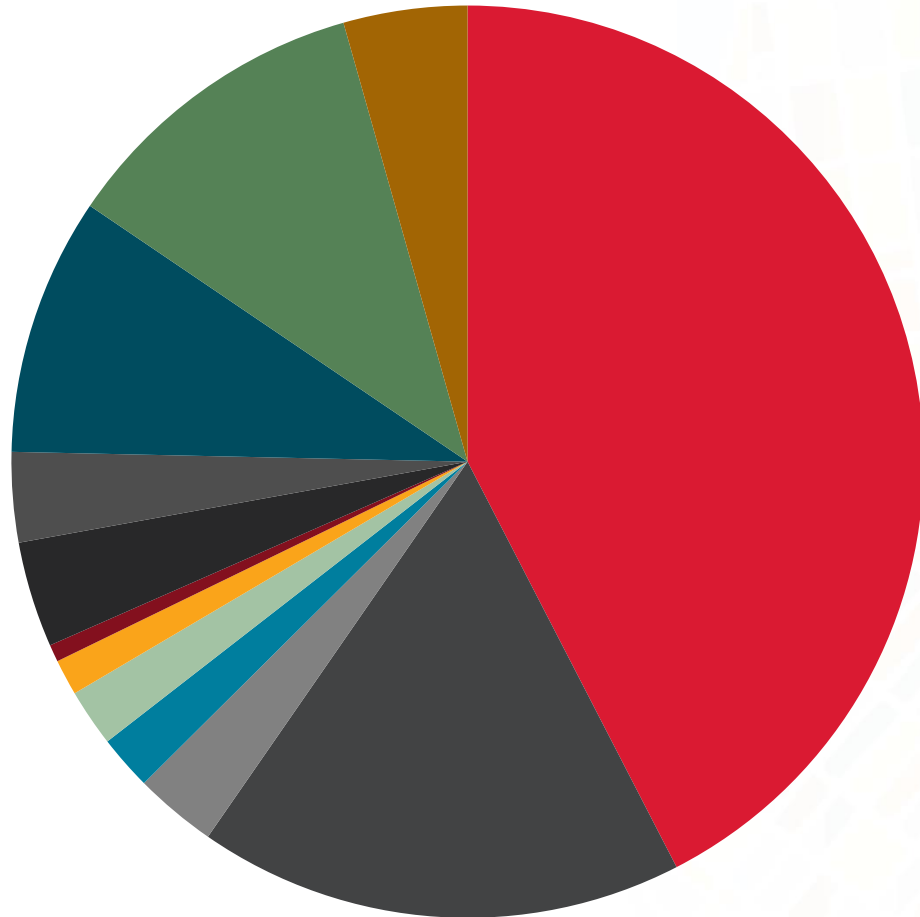
\$76,367,179



- Property Taxes (\$35,505,540, 46%)
- Earned Income Taxes (\$9,609,600, 13%)
- PILOTs (\$2,260,000 (3%)
- Real Estate Transfer Tax (\$1,500,000, 2%)
- Local Services Tax (\$1,575,000, 2%)
- Other Taxes (\$986,049 (1%)
- Regulatory Revenues (\$473,280, 1%)
- Public Safety Revenues (\$2,906,500, 4%)
- Health, Housing & Codes Revenues (\$2,470,000, 3%)
- Public Works Revenues (\$7,077,787, 9%)
- Other Revenues (\$8,603,423, 11%)
- ARPA Revenue Replacement (\$3,400,000, 4%)
- Use of Fund Balance Reserves (\$0, 0%)

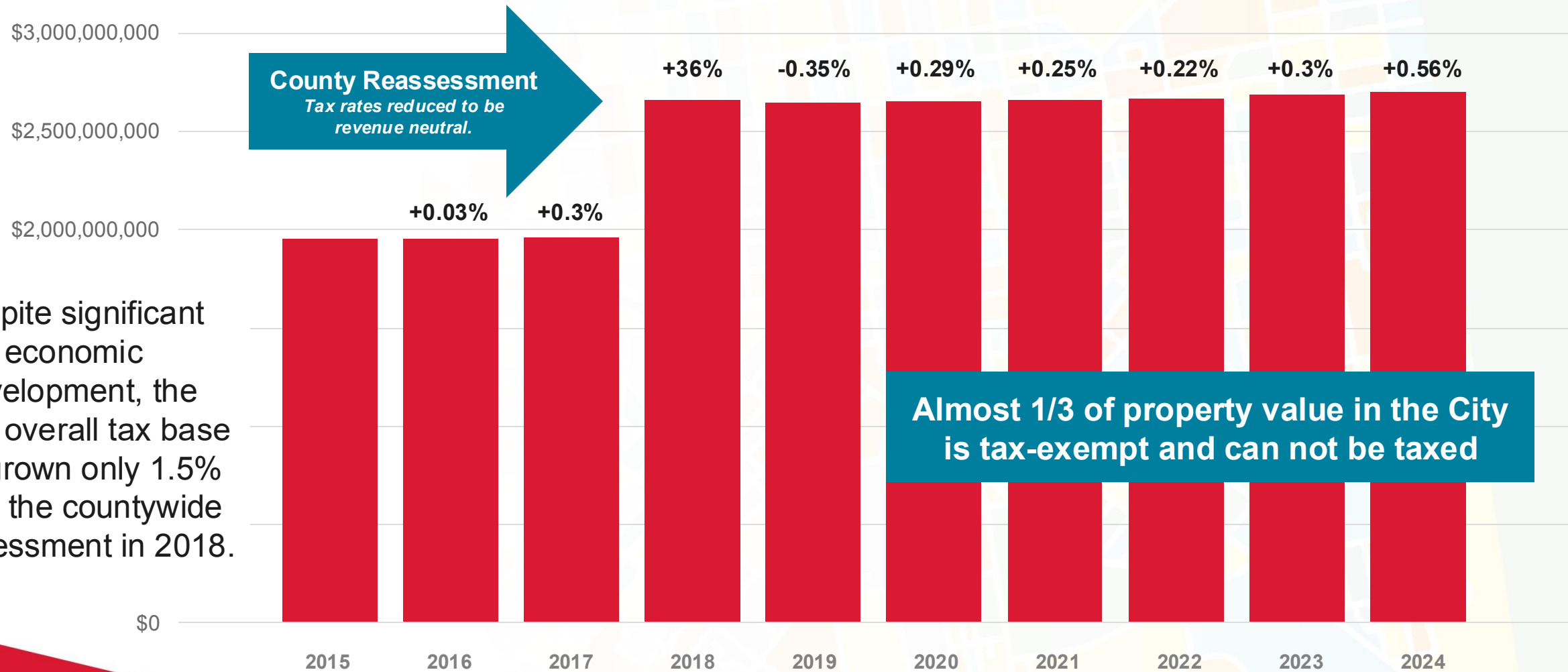
2025 General Fund Revenues – Home Rule Budget

\$77,492,521



- Property Taxes (\$32,875,500, 42%)
- Earned Income Taxes (\$13,339,040, 17%)
- PILOTs (\$2,260,000, 3%)
- Real Estate Transfer Tax (\$1,500,000, 2%)
- Local Services Tax (\$1,575,000, 2%)
- Other Taxes (\$986,049, 1%)
- Regulatory Revenues (\$473,280, 1%)
- Public Safety Revenues (\$2,906,500, 4%)
- Health, Housing & Codes Revenues (\$2,470,000, 3%)
- Public Works Revenues (\$7,077,787, 9%)
- Other Revenues (\$8,629,365, 11%)
- ARPA Revenue Replacement (\$3,400,000, 4%)
- Use of Fund Balance Reserves (\$0, 0%)

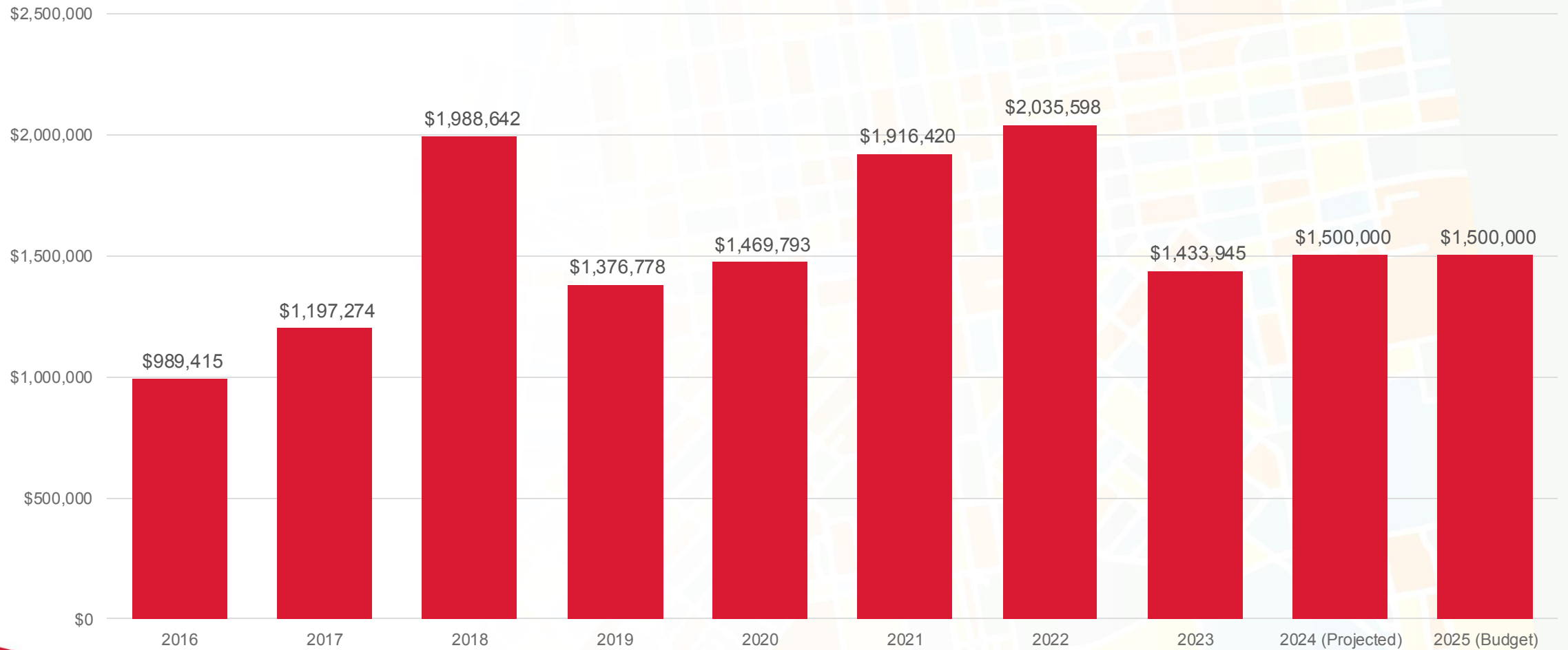
Total Assessed Value of Real Estate



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

Almost 1/3 of property value in the City is tax-exempt and can not be taxed

Real Estate Transfer Tax Revenue

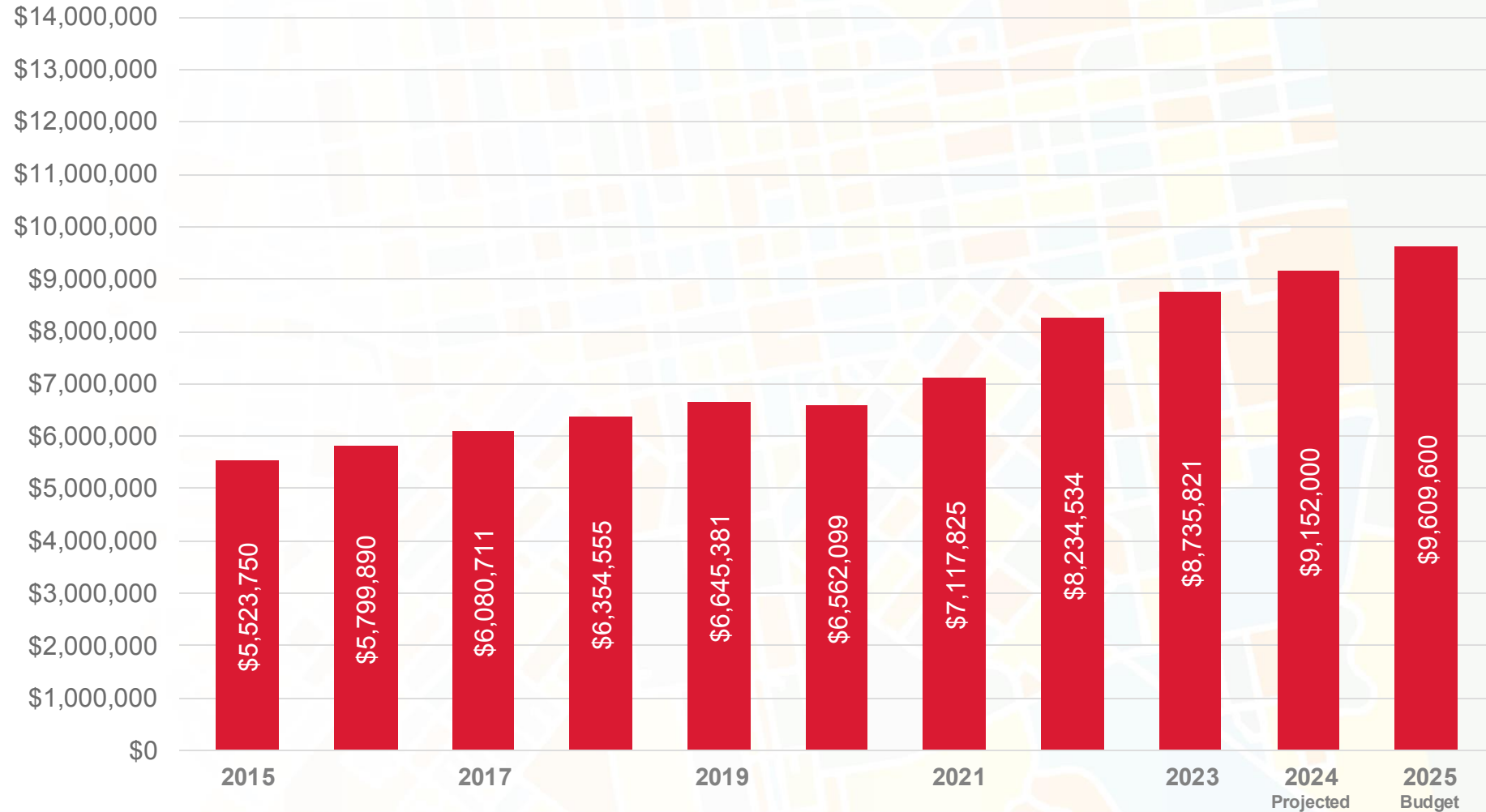


Earned Income Tax – Regular Budget

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

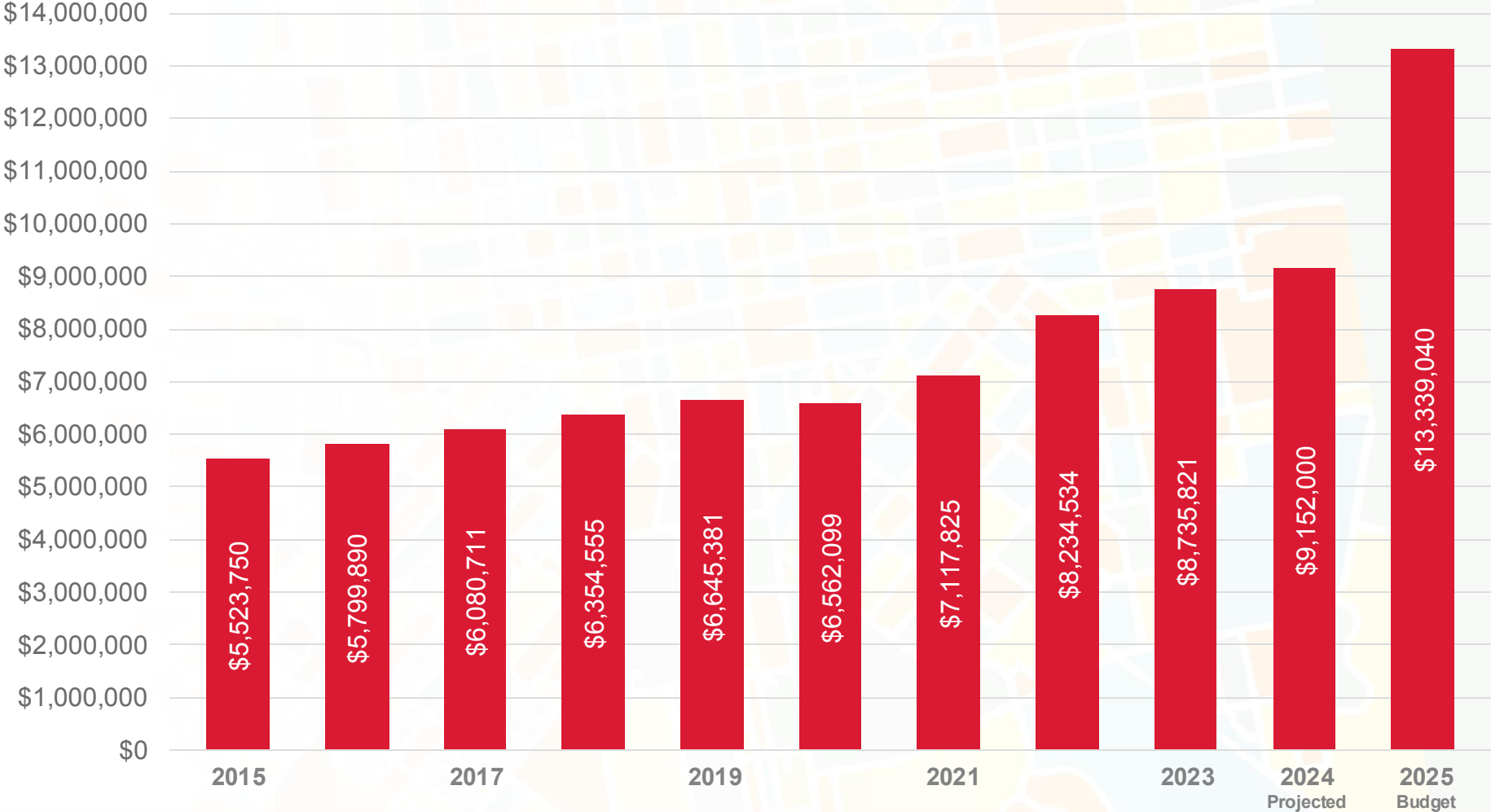
AND

The EIT rate is capped by state law at 0.6%. If Home Rule Charter is adopted Council may have authority to adjust.

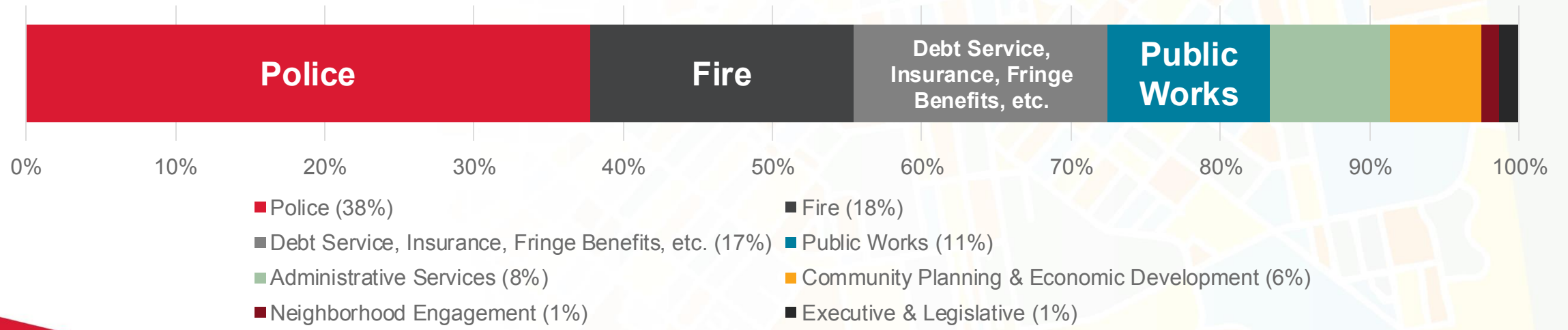
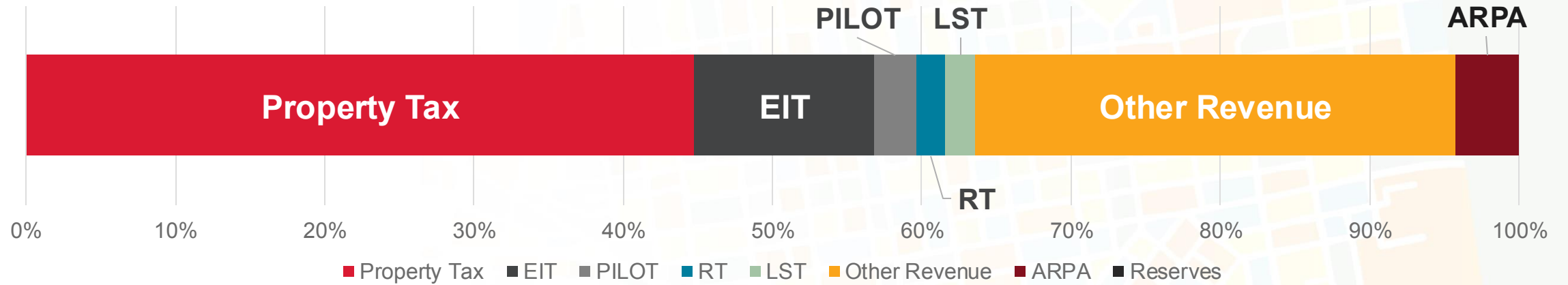


Earned Income Tax – Home Rule Budget

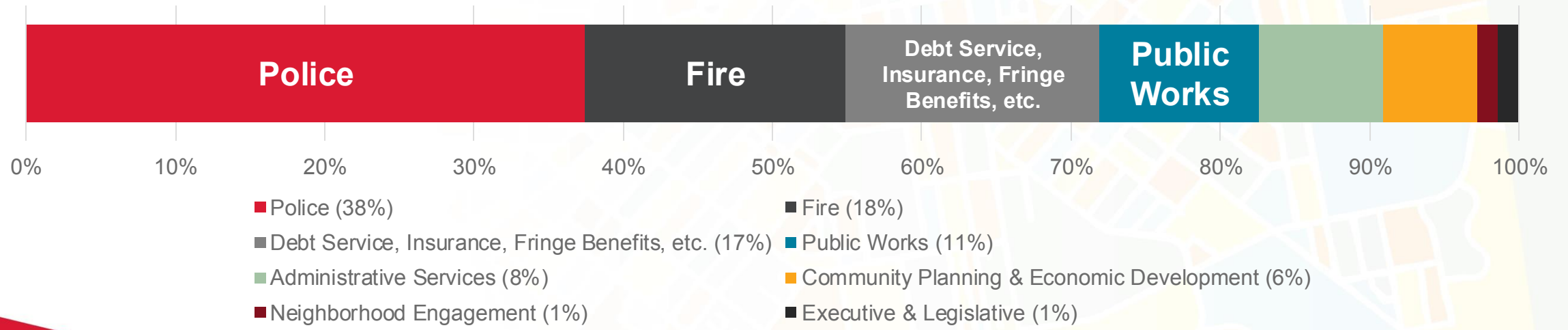
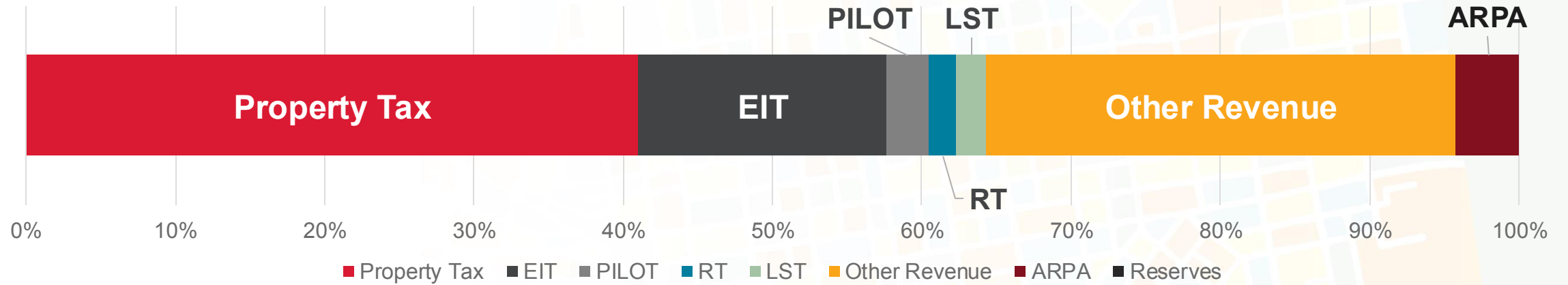
The proposed Home Rule budget includes a 0.3% EIT rate increase.



2025 Budget Revenue vs Expenses – Regular Budget

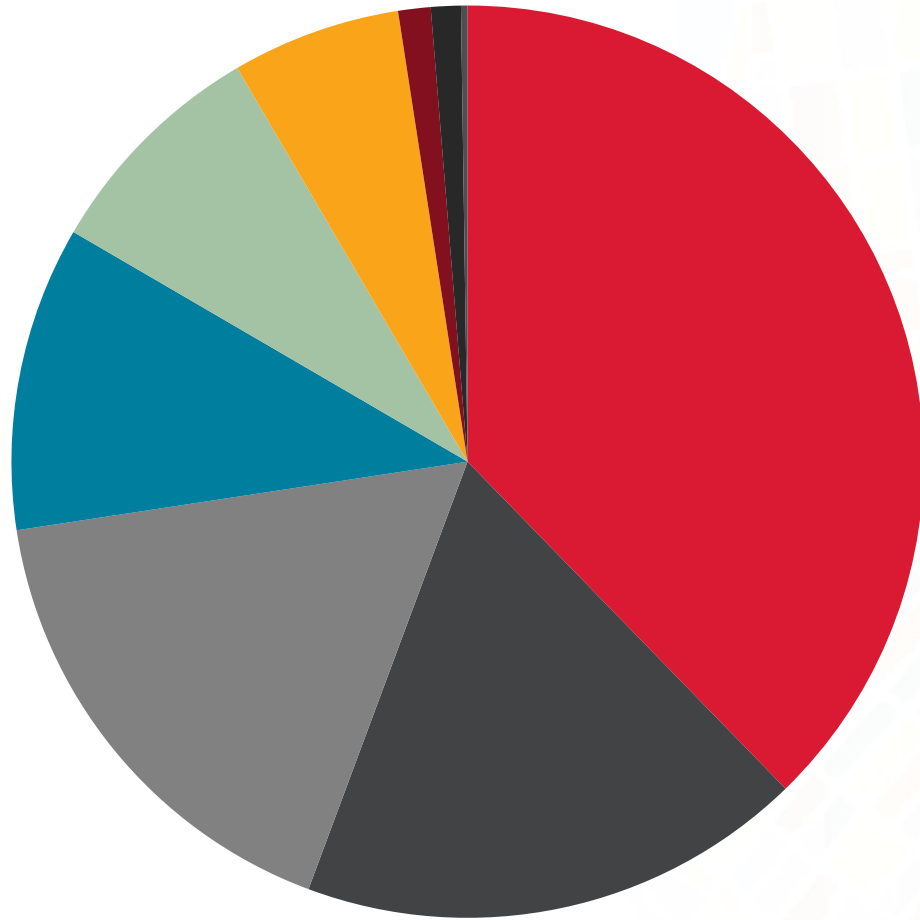


2025 Budget Revenue vs Expenses – Home Rule Budget



2025 General Fund Expenses – Regular Budget

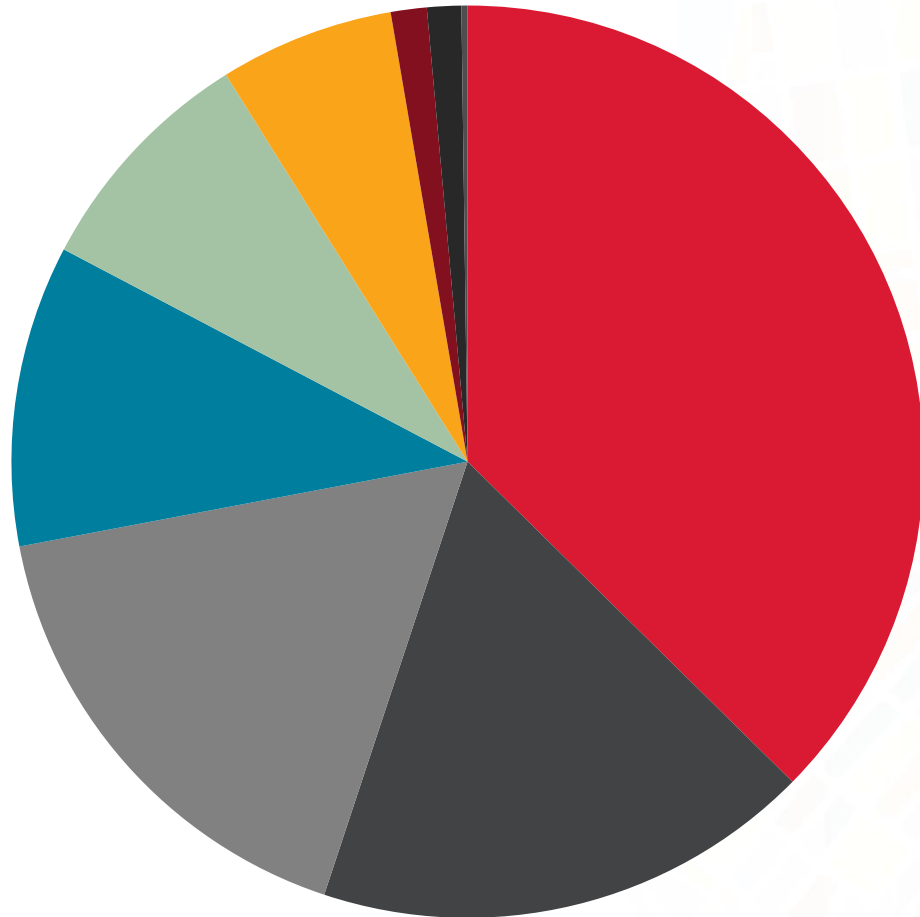
\$76,350,779



- Police Bureau (\$28,800,962, 38%)
- Fire Bureau (\$13,703,198, 18%)
- Debt Service, Insurance, Fringe Benefits, etc. (\$12,923,268, 17%)
- Public Works (\$8,247,494, 11%)
- Administrative Services (\$6,243,865, 8%)
- Community Planning & Economic Development (\$4,570,168, 6%)
- Neighborhood Engagement (\$877,177, 1%)
- Executive (\$808,536, 1%)
- Legislative/Financial (\$176,120, <1%)

2025 General Fund Expenses – Home Rule Budget

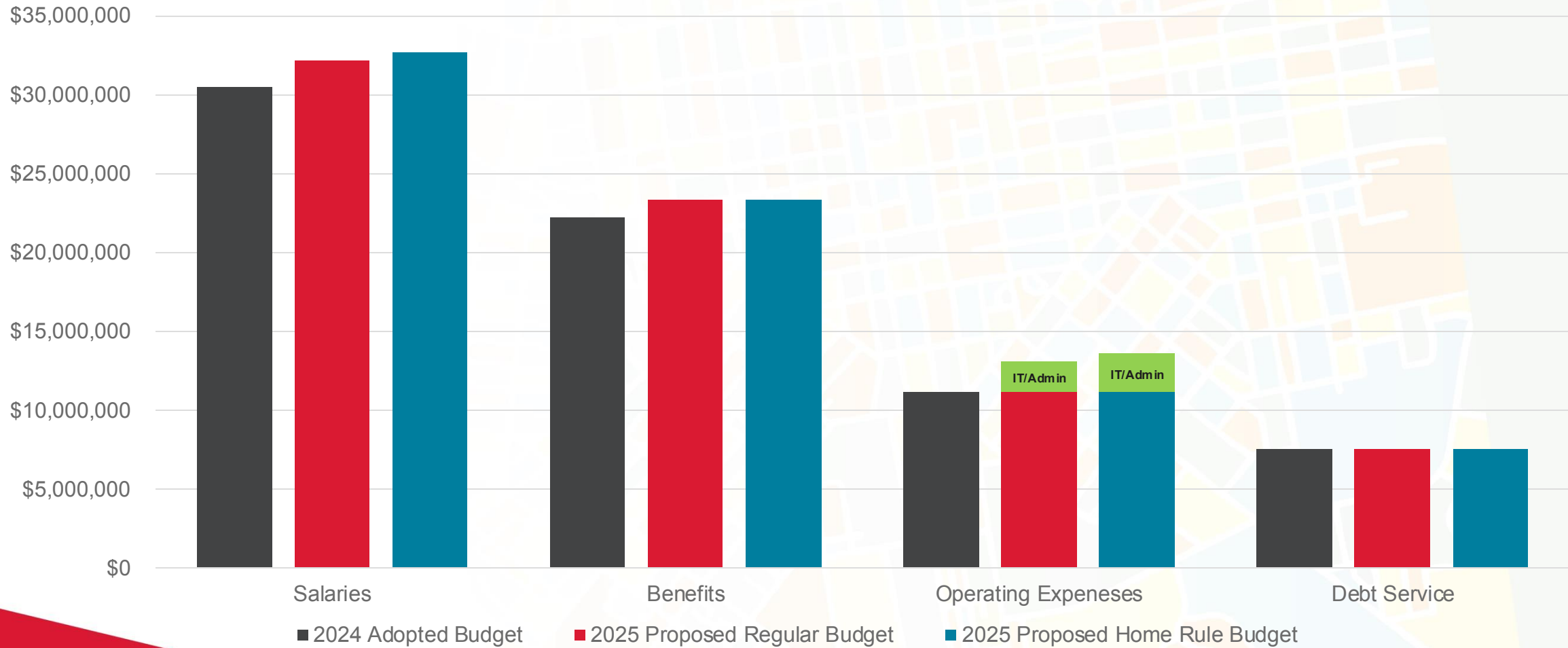
\$77,383,577



- Police Bureau (\$28,926,284, 37%)
- Fire Bureau (\$13,703,198, 18%)
- Debt Service, Insurance, Fringe Benefits, etc. (\$13,103,268, 17%)
- Public Works (\$8,265,528, 11%)
- Administrative Services (\$6,510,490, 8%)
- Community Planning & Economic Development (\$4,785,470, 6%)
- Neighborhood Engagement (\$985,670, 1%)
- Executive (\$936,036, 1%)
- Legislative/Financial (\$167,620, <1%)

General Fund Expense Budget Comparison

2024 Adopted Budget vs. 2025 Proposed Budgets

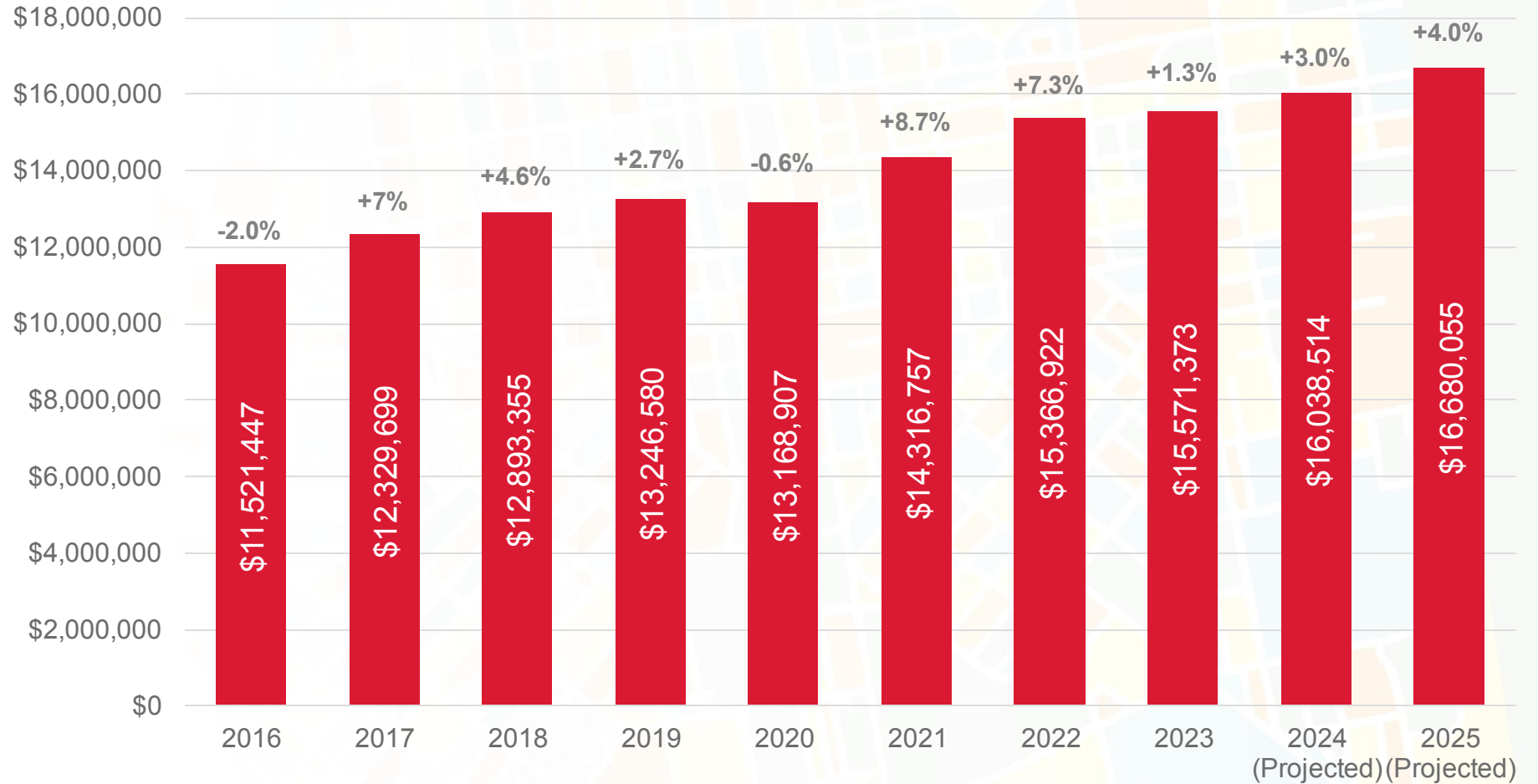


City Medical Claims Costs – All Funds

From 2016 to 2024 (projected), City medical expenses have increased by an average of 6.4% per year.

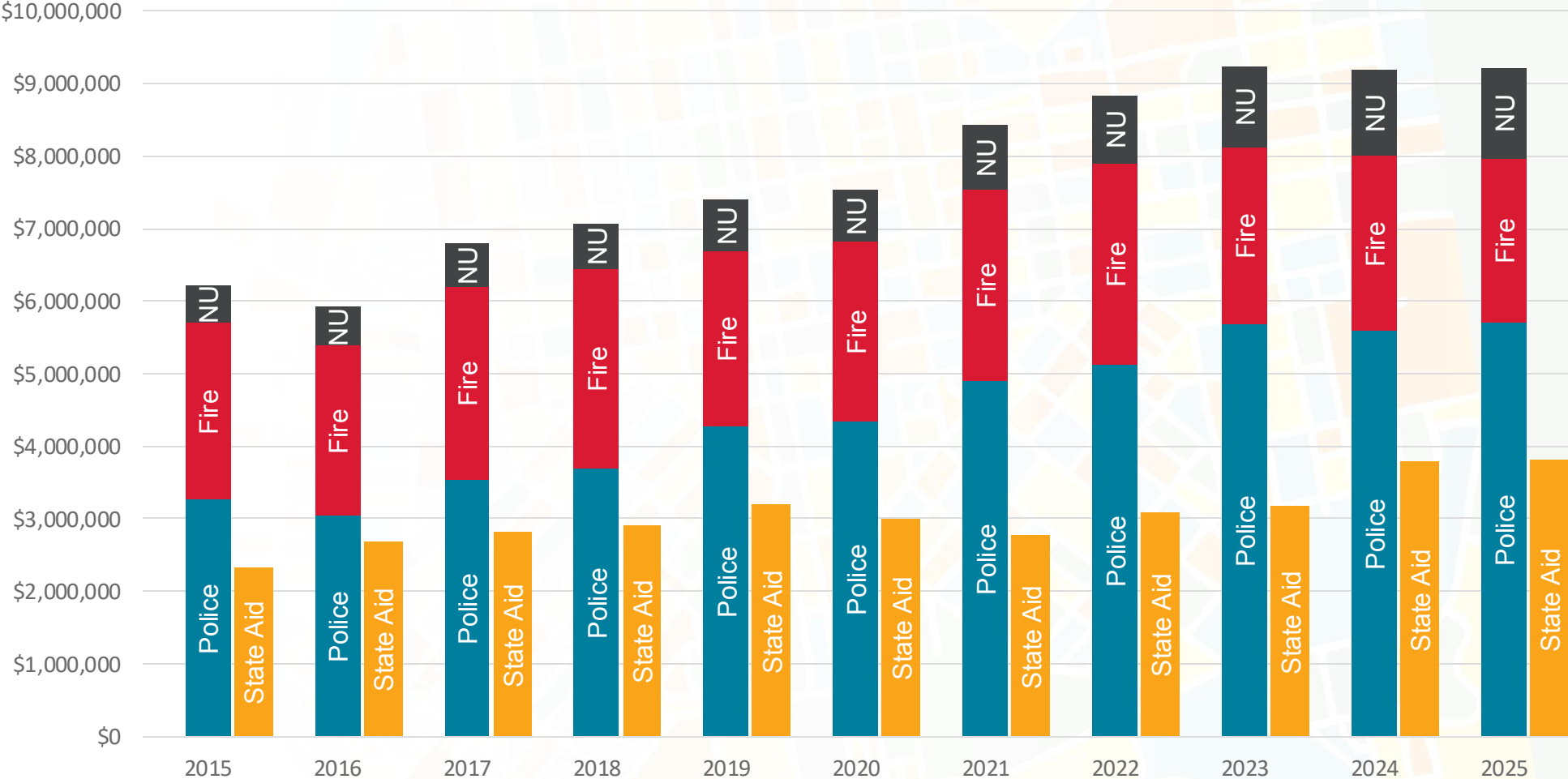
AND

City medical expenses have increased by nearly \$5 million from 2016 to 2024 (projected).



General Fund Pension Obligations vs. PA State Aid

General Fund pension obligations have increased by \$3 million since 2015, while State Pension Aid has only increased by \$1.4 million.



Regular Budget (Property Taxes Only)

City Budget Impact

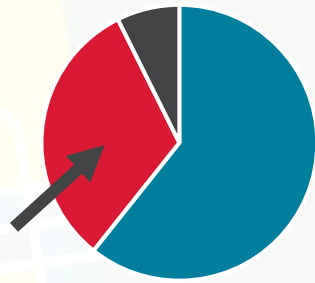


	2024	8% Tax Increase 2025	10% Tax Increase 2026		5% Tax Increase 2028			8% Tax Increase 2031			8% Tax Increase 2035	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$71.4M	\$76.3M	\$77.4M	\$78.3M	\$81.3M	\$82.3M	\$83.4M	\$87.8M	\$88.9M	\$90.1M	\$94.9M	\$92M
Expenses	\$71.4M	\$76M	\$77.9M	\$79.9M	\$82M	\$84.1M	\$85M	\$87.2M	\$89.5M	\$91.8M	\$94.3M	\$92.4M
Surplus (Deficit)	(\$11K)	\$262K	(\$586K)	(\$1.6M)	(\$691K)	(\$1.7M)	(\$1.6M)	\$546K	(\$594K)	(\$1.7M)	\$623K	(\$309K)
Fund Balance	\$11.1M	\$11.4M	\$10.8M	\$9.2M	\$8.5M	\$6.8M	\$5.1M	\$5.7M	\$5.1M	\$3.3M	\$3.9M	\$3M
Fund Balance % of Operating	15.6%	15.0%	13.9%	11.6%	10.4%	8.1%	6.1%	6.5%	5.7%	3.6%	4.2%	3.3%

Regular Budget (Property Taxes Only)

Taxpayer Impact

City
32%



Assessed Value	2024 City 12.64 mills	2025 City 13.65 mills	2026 City 15.02 mills	2028 City 15.7 mills	2031 City 17.01 mills	2034 City 18.39 mills
\$101,000	\$1,277	\$1,379	\$1,517	\$1,586	\$1,718	\$1,857
\$150,000	\$1,896	\$2,048	\$2,253	\$2,355	\$2,552	\$2,759
\$250,000	\$3,160	\$3,413	\$3,755	\$3,925	\$4,253	\$4,598
<i>Assessed Value ≠ Market Value</i>		+8% over 2024	+18% over 2024	+24% over 2024	+34% over 2024	+45% over 2024

Home Rule #1: 0.3% EIT & 0% Property Tax Increase

City Budget Impact



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$71.4M	\$77.9M	\$76.4M	\$77.6M	\$78.8M	\$80.1M	\$81.5M	\$82.9M	\$84.4M	\$85.9M	\$87.5M	\$88.6M
Expenses	\$71.4M	\$77M	\$79M	\$81M	\$83.1M	\$85.2M	\$86.2M	\$88.4M	\$90.7M	\$93.1M	\$95.5M	\$93.6M
Surplus (Deficit)	(\$11K)	\$826K	(\$2.6M)	(\$3.4M)	(\$4.2M)	(\$5M)	(\$4.6M)	(\$5.5M)	(\$6.3M)	(\$7.2M)	(\$8M)	(\$5M)
Fund Balance	\$11.1M	\$12M	\$9.3M	\$5.9M	\$1.6M	(\$3.3M)	(\$8M)	(\$13.5M)	(\$19.8M)	(\$27.1M)	(\$35.2M)	(\$32M)
Fund Balance % of Operating	15.6%	15.6%	11.9%	7.3%	2.0%	-3.9%	-9.3%	-15.3%	-21.9%	-29.1%	-36.8%	-34.4%

Home Rule #1: 0.3% EIT & 0% Property Tax Increase

Taxpayer Impact

Taxable Income	Current EIT Rate	0.3% EIT Rate Increase	
	City – 0.6%	City – 0.9%	Difference over 2024
\$30,000	\$180	\$270	\$90
\$60,000	\$360	\$540	\$180
\$120,000	\$720	\$1,080	\$360

Home Rule #2: 0.5% EIT & 0% Property Tax Increase

City Budget Impact



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$71.4M	\$79.8M	\$79.7M	\$81.1M	\$82.5M	\$84M	\$85.6M	\$87.2M	\$88.9M	\$90.6M	\$92.4M	\$93.8M
Expenses	\$71.4M	\$77M	\$79M	\$81M	\$83.1M	\$85.2M	\$86.2M	\$88.4M	\$90.7M	\$93.1M	\$95.5M	\$93.6M
Surplus (Deficit)	(\$11K)	\$2.7M	\$721K	\$97K	(\$531K)	(\$1.1M)	(\$583K)	(\$1.2M)	(\$1.8M)	(\$2.4M)	(\$3.1M)	\$149K
Fund Balance	\$11.1M	\$13.9M	\$14.6M	\$14.7M	\$14.2M	\$13M	\$12.4M	\$11.2M	\$9.3M	\$6.8M	\$3.7M	\$7M
Fund Balance % of Operating	15.6%	18.0%	18.5%	18.2%	17.1%	15.3%	14.4%	12.7%	10.3%	7.4%	3.9%	7.5%

Home Rule #2: 0.5% EIT & 0% Property Tax Increase

Taxpayer Impact

Taxable Income	Current EIT Rate	0.5% EIT Rate Increase	
	City – 0.6%	City – 1.1%	Difference over 2024
\$30,000	\$180	\$330	\$150
\$60,000	\$360	\$660	\$300
\$120,000	\$720	\$1,320	\$600



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