

Budget Highlights

Organizational Highlights

MAJOR ISSUES AND CONCERNS

- If the prediction that the State's constitutional budget reserve will be depleted by June 2004 holds, and given that a State fiscal plan is not yet in sight, the Borough could be faced with some drastic State fiscal funding shortfalls in the near future. The consequence of this would likely be a decrease in the Borough's ability to deliver its programs and services at current levels.
- There is a \$0.02 per gallon fuel tax initiative in the preliminary stages of the initiative process. Should it turn into a ballot item, and be approved by the voters, it would require implementation and there could be property tax consequences.
- Implementation of GASB 34, New Financial Reporting Model, will be challenging and perhaps demand further appropriations to meet the dual-focus reporting model and the new infrastructure and capital asset reporting requirements.
- Continued reductions in school enrollments will likely reduce future State education funding and cause funding pressures on other Borough services and programs.
- The lack of stability for the pipeline valuation has an impact on budget preparation and the cost to other property owners in the Borough.
- Impacts of the Borough's aging workforce are two-fold: 1) health care cost containment becomes more challenging, and 2) as individuals in key management positions approach retirement eligibility there is concern over a loss of institutional knowledge and a void could be created in upper-level management capacities.
- The Borough has met the attainment requirement of the National Ambient Air Quality Standard (NAAQS) and will submit a maintenance plan to EPA for redesignation from a non-attainment area to an attainment area.
- Identification of local revenue alternatives to replace continued loss of state shared revenues, safe communities program, decline in pipeline valuations, and increases in senior citizen and disabled veterans property tax exemptions is needed, along with looking at the feasibility of adjusting revenue sources toward alternative revenues and away from as much reliance on property tax revenue.
- Need to put into place or find an adequate annual funding source for the facilities maintenance reserve fund.

BUDGETING CHANGES

- This year's budget has a new Grants tab near the back of the budget with details of commonly recurring operating grants received by the Borough. This change allows these grants (excluding the Child Care Division grants) to be shown together in one location and appropriated, and increases efficiency by eliminating the need for supplemental appropriations for these grants.
- The budget appropriation ordinance now has its own tab, instead of immediately following the Mayor's Message under the Mayor's Message tab.

Expenditure Highlights

NEW/CHANGED FUNDS/DEPARTMENTS

- A Grants section has been added to the budget under its own tab. The Appendix that contained some of this information previously, has been removed.

LOCAL EFFORT TOWARD EDUCATION

- Education continues to be the number one priority in the Borough, representing 42.8% of the general fund budget; combined with school debt servicing of \$12,777,480, 59.3% of general fund revenues are dedicated to education.
- Local funding for education was set at \$33,545,700.