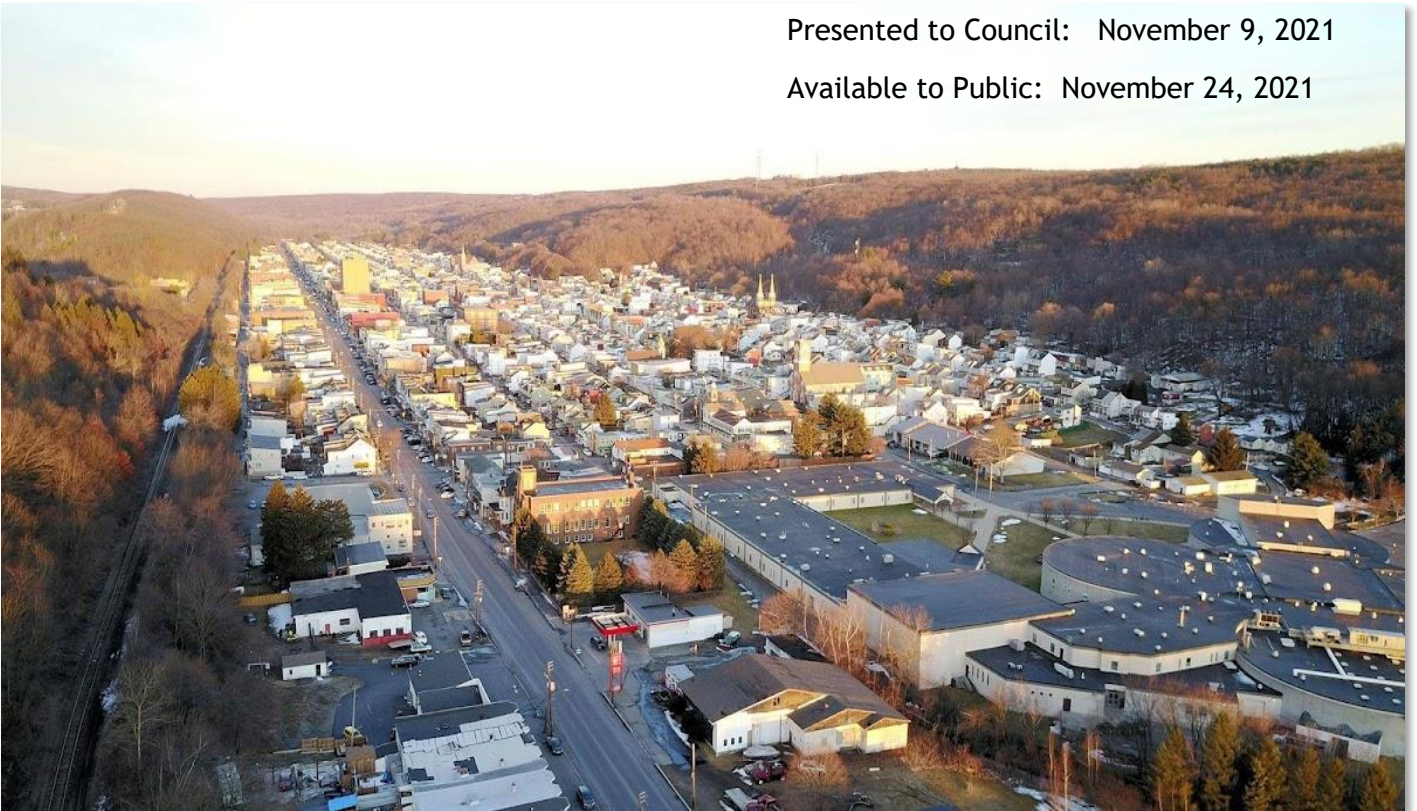


2022

PROPOSED ANNUAL BUDGET

Presented to Council: November 9, 2021

Available to Public: November 24, 2021



BOROUGH OF MAHANoy CITY, SCHUYLKILL COUNTY

239 EAST PINE STREET

MAHANoy CITY, PA 17948



Borough Manager's Message:

I am pleased to present to Borough Council and the residents of the Borough of Mahanoy City, the proposed 2022 Budget for all funds.

For preparation of this document, I have reviewed the financial activity of the most recent three (3) years along with the Capital Plan and Budget adopted on October 12, 2021. Input has been provided by the department heads and finance committee of Council.

In my first year as Borough Manager, I have recognized a tremendous community spirit and enthusiasm for Mahanoy City Borough. This attitude is shared by residents, staff, and public servants. The Borough has been in Act 47 status since 2016 and was granted an 18-month extension this year which extends until March 22, 2023. Pennsylvania's Economy League (PEL), the Borough's Act 47 Coordinator has reviewed the budget for compliance with the Act 47 Financial Recovery Plan. Mahanoy City Borough also entered Home Rule Status in 2021 and is governed under the Home Rule Charter, adopted June 2, 2020.

No tax increase is in the proposed 2022 budget. The Borough's current millage is 35.524 mils. The allocation of that millage has been changed to accommodate the needs of the General Fund and account for the fact that some of the Borough's debt will be paid off in 2021 and in 2022. The following millage is recommended for 2022:

General Fund	25.4 mils
Sinking Fund	0 mils
Street Lighting Fund	3.524 mils
Debt Reduction Fund	5.0 mils
Library Fund	0.45 mils
Fire Tax Fund	1.15 mils
total	35.524 mils

Millage was reduced in the Sinking Fund and in the Debt Reduction Fund since the MEM Loan, the 2015 loan and the car lease will be paid off in 2021 and 2022. The Sinking Fund has a loan to the Sanitation Fund with a balance of \$41,676.32. Annually, delinquent sanitation bill receipts will be transferred to the Sinking Fund. The Debt Reduction Fund has sufficient millage to satisfy all current debts. The budget commits 1.5 mils to be transferred to the Blight/Demolition Fund to continue to encourage clean-up of blighted properties in the Borough.

I would like to personally thank everyone who contributed to the production of this budget including, but not limited to, staff, department heads, Council Members, and representatives of PEL.

Respectfully Submitted,

Sandra Fisk

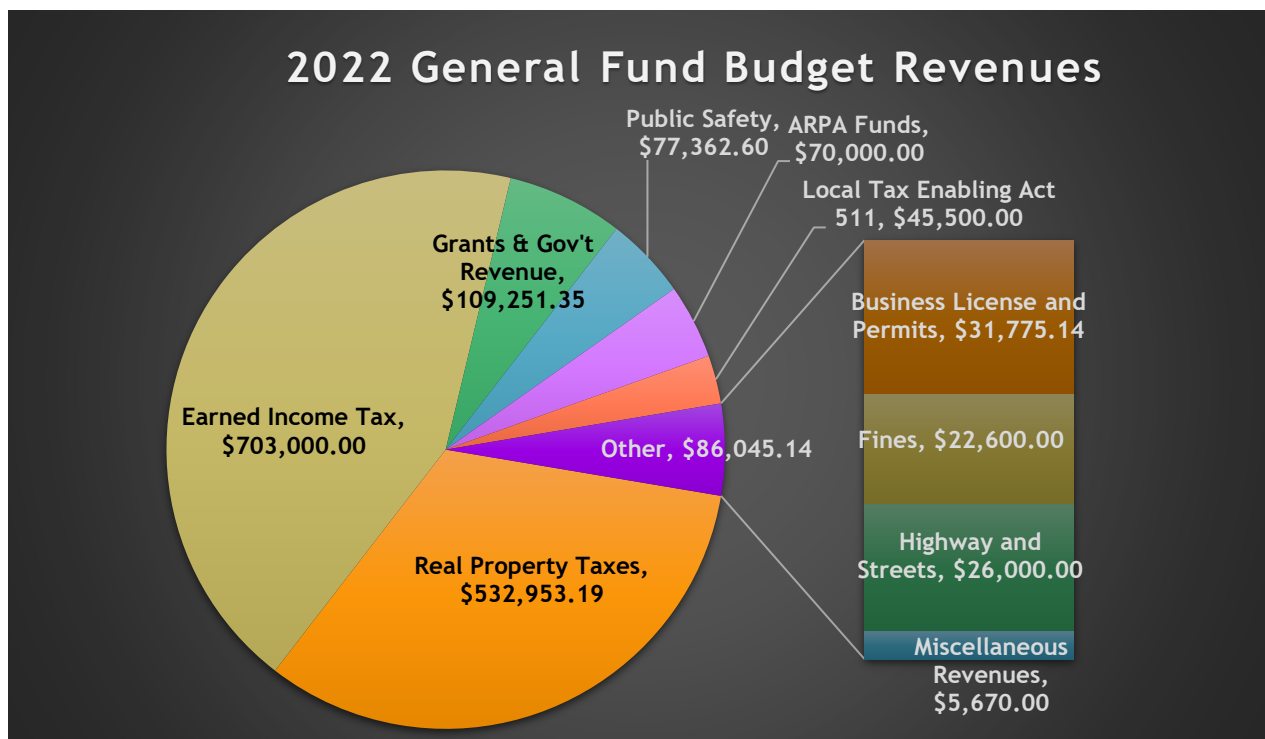
Sandra Fisk
Borough Manager

Income Narrative:

According to the most recent assessment from Schuylkill County, the Borough's total taxable assessed value decreased by \$1,479,163 from 2021 to 2022. At a collectible rate of 72% that accounts for a reduction of approximately \$37,833 in Real Estate Tax Revenue. According to the worksheet provided by the Department of Community and Economic Development, the Borough will be able to use the American Recovery Plan (ARPA) funds received in 2021 to account for lost revenue in the amount of \$141,069. This budget accounts for 50% of that income in 2022 or \$70,000.

In addition to Real Estate Tax millage as discussed in the introduction, the Borough receives income from Schuylkill County Tax Claim delinquent taxes. This revenue has increased over the three years of data collected. This can be attributed to the number of properties being purchased through the Tax Claim for taxes off the Commissioner's list. We have seen an increase in properties purchased through Repository sales as well. Even though delinquent taxes are removed from those parcels, the Borough is still experiencing an increase in Real Estate Transfer Taxes. While the collection rate of delinquent taxes has increased, the collection rate of current taxes has declined. The 2021 budget was calculated based on a 75% collection rate. In the 2022 budget, I used 72% which is more accurate. It should also be noted that the Borough Home Rule Charter has made it possible for the increase in Earned Income Taxes which has extended the additional 1% that was being collected under Act 47.

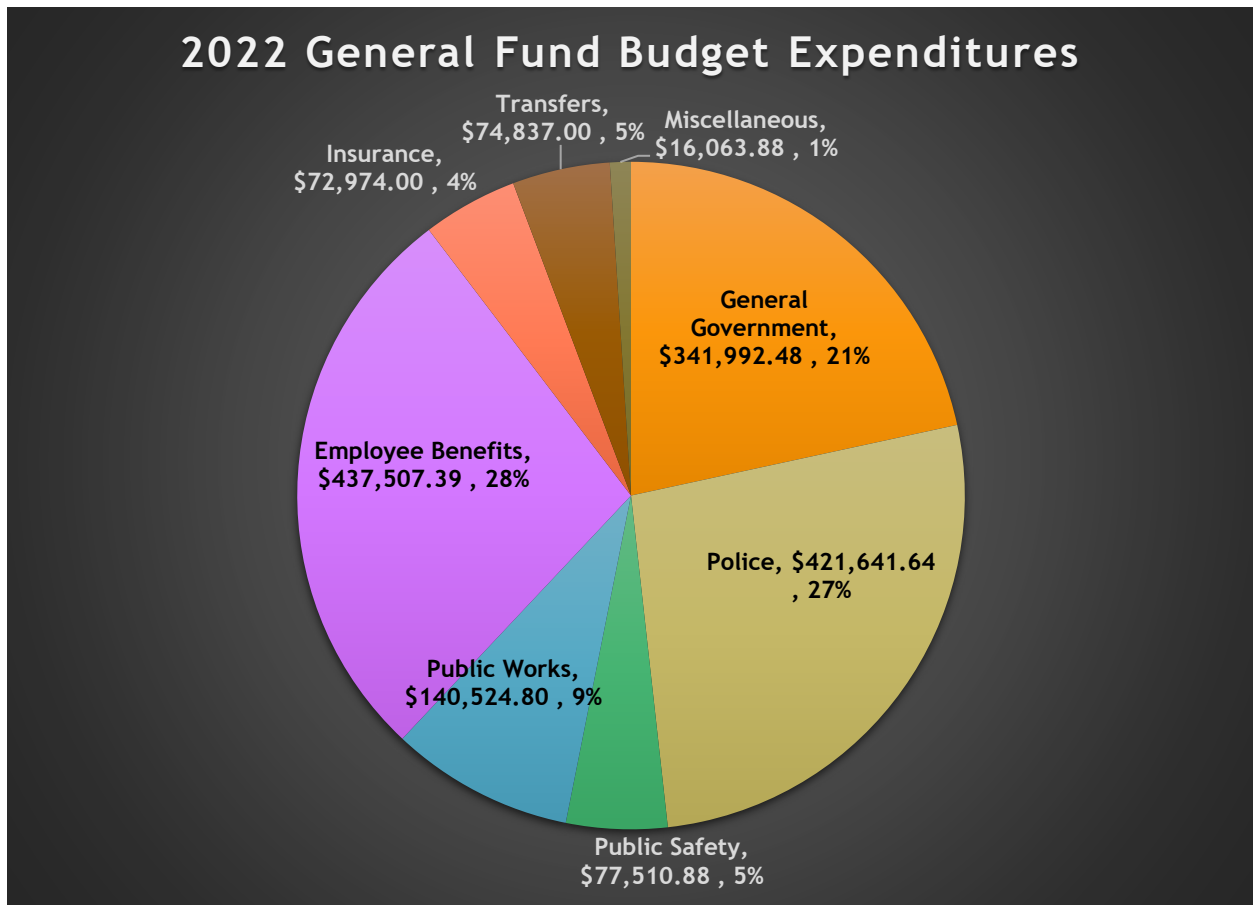
This budget also shows an increase in receipts for permits and fees. With the increased number of properties being purchased, we are seeing a surge in permits being issued to improve residences and businesses. Income from fines has remained stable throughout the past four (4) years as reflected in this budget. Reductions have been experienced in Cable Franchise fees. This may change with the new contract that is currently being negotiated. The 2022 General Fund Operating Budget projects \$80,163.28 more revenue than the 2021 document.



Expenditure Narrative:

The 2022 Budget was prepared to accommodate salaries for a five (5) member Council and one (1) Borough Manager. There is no mayor going forward based on the Home Rule Charter. Staffing includes three (3) public works employees (one of whom is a working foreman), 2 full time office workers (one secretary and one clerk), one part time treasurer, one full time code officer, five (5) full time officers (one of whom is chief) and part time officers to cover enough hours for a 24/7 schedule. All salary increases were calculated at 2% and insurances were based on actual premium notifications for commercial package, worker's compensation, and health insurance.

Borough Council has committed to 1.5 mils for Demolition of Blighted Properties. The 2022 Budget provides for funds to maintain the Blight Mapper Project instituted with PEL to identify and classify blighted properties. This budget also allows for the Borough commitment to support of the Library at \$8,000.00 per year and each of the five fire companies at \$4,384.40 per year. The sinking fund (capital fund) maintains funds to support the Capital Budget and Plan as adopted October 12, 2021. Other capital plan expenses are captured in the General Fund and Highway Aid Fund. 2022 Expenses projected in the General Fund are \$39,295.07 higher than the budgeted expenditures for 2021.



General Fund Budget Summary:

300 · REVENUES	
301 · Real Property Taxes	\$ 532,953.19
310 · Local Tax Enabling Act 511	\$ 748,500.00
321 · Business License and Permits	\$ 31,775.14
331 · Fines	\$ 22,600.00
341 · Interest Earnings	\$ 70.00
342 · Rents and Royalties	\$ 0.00
350 · Intergovernmental Revenue	\$ 0.00
354 · State Capital & Operating Grant	\$ 45,473.96
355 · State Shared Revenue & Entitlements	\$ 61,767.39
357 · Local Government Grants	\$ 0.00
361 · General Government	\$ 2,010.00
362 · Public Safety	\$ 77,362.60
363 · Highway and Streets	\$ 1,000.00
367 · Culture and Recreation	\$ 0.00
380 · Miscellaneous Revenues	\$ 600.00
391 · Proceeds of Asset Disposition	\$ 5,000.00
392 · Interfund Operating Transfers	\$ 95,000.00
Total 300 · REVENUES	\$1,624,112.28

400 · EXPENDITURES	
401 · Legislative and Executive Salaries	\$ 68,700.00
402 · Auditing Services	\$ 41,900.00
403 · Tax Collection	\$ 31,686.15
404 · Solicitor and Legal Fees	\$ 24,000.00
405 · Secretary/Clerical Expenses	\$ 68,355.00
406 · General Government Office Administration	\$ 24,501.33
407 · Networking and Data Processing	\$ 2,200.00
408 · Engineering Services	\$ 47,000.00
409 · Buildings and Plant	\$ 33,580.00
410 · Police	\$ 421,641.64
411 · Fire Company	\$ 30,074.00
413 · Code Enforcement	\$ 46,936.88
415 · Emergency Management	\$ 500.00
420-425 · Health & Human Services	\$ 2,601.00
426 · Public Works-Sanitation	\$ 100.00
430 · Public Works	\$ 140,524.80
445 · Parking	\$ 500.00
454 · Parks	\$ 5,000.00
480.00 · Miscellaneous Expenses	\$ 8,382.88
481-484 · Employer Paid Benefits	\$ 240,077.04
486 · Insurance, Casualty & Surety	\$ 72,974.00
487 · Health Insurance Benefit	\$ 197,430.35
492.00 · Interfund Operating Transfers	\$ 74,387.00
Total 400 · EXPENDITURES	\$1,583,052.07

NET INCOME	\$ 41,060.21
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Blight/Demo Fund Budget Summary:

INCOME	
Funds Transferred from GF	
392.01 · 1.5 mils from General Fund	\$ 25,984.50
392.02 · Transfer of EIT	\$ 50,000.00
392.03 · CDBG	\$ 45,146.00
Total Income	\$ 121,130.50
EXPENDITURES	
407.31 · Blight Mapper Project Expenses	\$ 2,000.00
470.00 · Demolition Activities	\$ 105,000.00
Total Expenditures	\$ 107,000.00
NET INCOME	\$ 14,130.50

Debt Reduction Fund Budget Summary:

INCOME	
301.10 · Real Estate Taxes - Current	\$ 86,614.98
301.30 · Real Estate Taxes - Delinquent	\$ 42,318.00
341.00 · Interest	\$ 20.00
Total Income	\$ 128,952.98
EXPENDITURES	
411.461 · Fire Hydrants	\$ 8,508.00
480.02 · M&T Loan 2015	\$ 5,544.00
480.03 · USDA Facilities Loan	\$ 3,948.00
480.04 · Act 47 Loan	\$ 80,000.00
480.07 · USDA Equipment Loan 2021	\$ 10,056.00
Total Expenditures	\$ 108,056.00
NET INCOME	\$ 20,896.98

Fire Tax Fund Budget Summary:

INCOME	
301.10 · Real Estate Taxes - Current	\$ 19,921.45
301.40 · Real Estate Taxes - Delinquent	\$ 6,667.00
Total Income	\$ 26,588.45
EXPENDITURES	
450.00 · Contributions to Fire Companies	\$ 21,922.00
Total Expenditures	\$ 21,922.00
NET INCOME	\$ 4,666.45

Library Fund Budget Summary:

INCOME	
301.10 · Real Estate Taxes - Current	\$ 7,795.35
301.30 · Real Estate Taxes - Delinquent	\$ 2,608.70
Total Income	\$ 10,404.50
EXPENDITURES	
450.00 · Contributions to Fire Companies	\$ 8,000.00
Total Expenditures	\$ 8,000.00
NET INCOME	\$ 2,404.05

Highway Aid Budget Summary:

300 · REVENUES	
341 · Interest	\$ 30.00
355 · Liquid Fuels	\$ 108,754.92
Total 300 · REVENUES	\$ 108,784.92

400 · EXPENDITURES	
430 · Highways	\$ 3,200.00
431 · Street Cleaning	\$ 7,141.00
432 · Ice & Snow Removal	\$ 36,453.75
433 · Traffic Control Devices	\$ 8,700.00
436 · Storm Sewers and Drains	\$ 12,600.00
437 · Repairs Tools & Machinery	\$ 11,400.00
438 · Street Maintenance	\$ 21,000.00
Total 400 · EXPENDITURES	\$ 100,494.75

NET INCOME	\$ 8,290.17
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Sinking Fund Budget Summary:

INCOME	
301.10 · Real Estate Taxes - Current	\$ 0.00
301.40 · Real Estate Taxes - Delinquent	\$ 8,695.65
341.00 · Interest	
Total Income	\$ 8,695.65
EXPENDITURES	
445.01 · Police Vehicle Lease	\$ 4,377.00
Total Expenditures	\$ 4,377.00
NET INCOME	\$ 4,338.65

Street Lighting Fund Budget Summary:

INCOME	
301.10 · Real Estate Taxes - Current	\$ 61,046.24
301.40 · Real Estate Taxes - Delinquent	\$ 25,646.38
Total Income	\$ 86,692.62
EXPENDITURES	
434.30 · Electricity Charges	\$ 79,000.00
Total Expenditures	\$ 79,000.00
NET INCOME	\$ 7,692.62