

IT'S BUDGET TIME !!

Our Manager, Council and Department Heads have worked diligently the last two months analyzing the Needs vs. the Budget of our Borough. Often the “wants lists” turns into the “must-do” and “can’t cut” lists, as costs continually increase and revenues decrease or are unable to keep up. We are all aware of the impact of those cost increases in our own personal finances and it is the same for our Borough.

What is not always clear in local government budgeting, is the decrease in revenue as a result of a slower economy, the devaluation of the properties and the loss of population in the community. Unfortunately, in the last several years we have experienced each. As we struggle with the rising costs of keeping East McKeesport safe, clean and viable, we also struggle with the loss of revenue due to several factors. Continual reductions in the values of our residential and commercial properties are a significant factor. In addition to East McKeesport being in a relatively stagnant real estate market, Rental property owners and Home owners are continually appealing through the Allegheny County Assessment Office, to reduce the values of their properties and therefore reduce their tax obligation. We have also had a serious loss in the last ten years of businesses in our storefronts and commercial area. And not to be underestimated, and although it is reported that the economy is booming in some regions, our local middle-class economy has not felt the benefits. We are continually searching for additional funds through State and Federal grants, but those are less available in this economy. As a result, the Budget has been stretched as far as it can go.

Most everyone understands the need for taxes. In short, the **benefit of paying taxes** is to ensure that everyone in the community enjoys the services provided by government. At the local level, taxes support spending for:

- Maintaining our Infrastructure, Streets and Alleys
- Delivering essential Fire and Police Services
- Providing Parks, Athletic and Community Facilities
- Purchasing Equipment and Materials
- And, of course, the Wages of your Municipal Employees

Local Governments lack the major sources of revenue available to other sectors of the economy and must therefore rely on **taxes and borrowing** to finance the majority of their expenditures. For all of us who need to live within our means and a budget, we know the pitfalls and the additional expense of borrowing. So, without other sources of income, we have little choice but to finance our spending needs by assessing businesses as well as individuals. Taxation, therefore, is the fairest and most efficient way to raise the revenue needed for the Community.

We are now at the point of needing to raise our property taxes for the Borough. It is necessary that we raise our taxes to 9.4 mils, an increase of 2 mils, for the 2020 tax year. The last time we needed to raise taxes was in 2006.

“Only without governments would there be no taxes; therefore, without taxes there would be no governments.”