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MEMORANDUM

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**TO:** CITY COUNCIL  
**FROM:** MAYOR MICHAEL E. CHEREPKO  
**SUBJECT:** BUDGET MESSAGE  
**DATE:** 11/15/2024  
**CC:** ANNETTE JAMES, CLERK  
RYAN STURGESS, CONTROLLER



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*Please find the attached preliminary draft budget for FY-2025. The Home Rule Charter requires the Mayor to present a balanced budget to City Council on, or before November 15, and a final spending plan must be adopted prior to December 31, 2024.*

As Mayor of the City of McKeesport, I present this official Budget Message to accompany a balanced, preliminary budget in the amount of \$25,723,679 for the fiscal year of 2025. Each year, when addressing our City Council and community members, it is appropriate to discuss McKeesport's financial outlook by acknowledging the challenges we face when balancing our spending plan. And as we consider any obstacles, I believe it is important to make note of this administration's accomplishments and positive strides. Each and every one of us works diligently throughout the course of a budget year to achieve goals that will sustain our City and support our community.

As we look ahead to 2025, I would be remiss if I did not state that this administration has utilized our best available estimate of revenues and expenditures to build the attached budget. Knowing that, this message will serve as a contemplative address that communicates my administration's short-term and long-term fiscal goals. Our City's finances impact municipal operations as well as our community's quality of life. I never hesitate to highlight our motto of "Working Together for a Better McKeesport," because I truly believe every goal can be accomplished through collaboration. Continued community partnerships are necessary in City government, and we will continue to connect on issues that impact the McKeesport community.

Through this Budget Message, I highlight services provided annually through our Police, Fire, Public Works, Community Development, Finance, and Recreation departments. City workers are responsible for our public safety, household bill processing, business development, community resource connections, and recreational activities. Each year, as we discuss those services, it's important to compare our decreasing revenues with increasing expenditures. McKeesport is not the only municipality experiencing these conditions – it's a phenomenon that has been happening for several decades here in the Mon Valley, throughout the Commonwealth, and really, across the United States.

We are working hard to do more with less as we continue to provide McKeesport residents with the level of service we all deserve. Public safety improvements will continue to focus on technological upgrades

and officer retention. We will utilize our community development budget to improve infrastructure and remove blight. We will keep our calendar full of activities for the community to enjoy. And most importantly, we will be persistent with revenue collection in order to ensure we have funds available to meet our goals.

## REVENUE COLLECTION

McKeesport's 2025 budget holds the line on property taxes and overall spending, and I mean it when I say we are continuing our course of doing more with less.

City Administrator Thomas Maglicco and Finance Director Tasha Phelps are streamlining revenue collection and tightening our budget in terms of expenditures. We are working diligently to increase revenues that are due to the City and decreasing our workforce across various departments by eliminating positions through attrition.

We are focused on increasing our revenue collections both current and working hand in hand with delinquent tax collectors on real estate tax, MSF, business privilege taxes, mechanical device fees, and others. We already have increased our collection rate for fees and earned income taxes by keeping a more accurate record of who is moving in and out of McKeesport and what businesses are setting up shop here. By collecting more of what is due, it has allowed us to keep our fees and tax rates lower despite the ever-increasing costs of health insurance, our Minimum Municipal Obligations required to be paid into our pension funds, as well as fuel and utilities.

In our two-tier tax system, we will maintain our current rate of 20.5 mills on land and 11.26 mills on buildings. Having a low property tax rate is vital, not only in helping our many residents on fixed incomes during these trying economic times, but also in attracting new residents and businesses to affordable properties in McKeesport. Because of that, the people of McKeesport will continue to pay less in taxes than property owners across much of Allegheny County.

Our quarterly Municipal Service Fees are increasing to \$100 per quarter for each household, with an available senior rate of \$80 per quarter for eligible homeowners who apply. These payments translate to an increase of \$1.92 per week.

This 33-percent increase in user fees is directly related to a more than 100-percent increase in the City's cost of garbage collection. Our budget has eaten that cost over the last few years, and yet, we are only going after 33 percent. In all honesty, I didn't feel comfortable pursuing this increase until our service was satisfactory. That being said, I'd like to thank Big's Sanitation and their parent company EarthWise for a concerted effort to improve trash collection services. Again, this is about maintaining a level of service we all deserve. We are fortunate to have trash haulers working five days a week in McKeesport on regular routes and correcting any missed pickups. We don't set a limit on bags or cans per week like other municipalities tend to do.

We know the cost of everything has gone up. But like we discussed last year, rate payers cannot cover everything, and they certainly shouldn't cover for those who aren't paying. This is why we have been diligent in collecting delinquencies and establishing payment plans to increase collections on all that is due.

## PUBLIC SAFETY

As we discussed last year, one of the most significant factors of the City's operation – and its budget – is public safety. It is our job, as Mayor and Council, to guarantee that our local public safety departments – our police, fire, and EMS services – are meeting our community's needs and that they are given the resources to do so with confidence and pride.

In 2025, we will continue to utilize and build upon our investments in the McKeesport Police Department's (1) technology, (2) community-based gun violence reduction strategies, (3) recruitment and retention efforts to ensure longevity among personnel, (4) departmental reporting and compliance, and (5) transparency and communication.

This includes our comprehensive network of license-plate recognition (LPR) cameras, which are linked to systems across Allegheny County; a ShotSpotter system that rapidly identifies and evaluates incidents of gunfire in real time; body cameras to capture police interactions in the field for both evidence collection and transparency; and data systems for digital reporting and record maintenance. In 2025, Chief Mark Steele and Assistant Chief Josh Alfer will utilize their strengths to guide the McKeesport Police Department through further implementation of these advances. These chiefs complement one another quite well in terms of management style and the areas of expertise they bring to their office.

Our department partners with regional agencies, such as the Allegheny County District Attorney's Office, county police and sheriffs, and the state Attorney General's Office. And as always, our police department has been reviewing departmental policies and procedures, utilizing continuing education and training programs, and maximizing technology to benefit the City of McKeesport and neighboring Dravosburg.

In the fire department, Chief Jeffrey Tomovcsik will continue to collaborate with other departments, including police and code enforcement, to streamline various services. As in previous years, firefighters have increased their training in rescue and general firefighting practices. Since 2019, the fire department has maintained its Gold Level of voluntary certification with the Commonwealth of Pennsylvania.

Chief Tomovcsik recently earned the professional designation of Chief Fire Officer through the Commission on Professional Credentialing – making our fire chief among one of only 1,986 CFOs worldwide and one of 54 in Pennsylvania to receive this designation. This voluntary program is designed to recognize individuals who demonstrate excellence in experience, education, professional development, professional contributions, association membership, community involvement, and technical competence. In addition, all applicants are required to identify a future professional development plan.

This designation signifies Chief Tomovcsik's career commitment to the fire service and emergency response. It is valid for three years and is maintained by showing continued growth in professional development, professional contributions, active association membership, and community involvement.

While the McKeesport Ambulance Rescue Service operates on a separate budget from the City of McKeesport, it is important to note the vital role these emergency medical professionals hold in our community. Under the direction of Chief Bill Miller, MARS continues to provide emergency medical care

within the City of McKeesport and the neighboring communities of Dravosburg, Duquesne, Port Vue, and Glassport. MARS recently added new state-of-the-art ambulances to their fleet – helping to serve our community with some of the best available technology.

You may recall that McKeesport received automated external defibrillators through a grant opportunity in recent years. They are currently located in City Hall, the Public Safety Building, and other city-maintained facilities/workspaces, along with several public safety vehicles. Through a new partnership with the Aliver Foundation, McKeesport will receive yet another life-saving donation in the form of an AED response kit, attachments, and an all-weather enclosure for permanent placement in Renzie Park.

## COMMUNITY & ECONOMIC DEVELOPMENT

Improving the quality of life for all McKeesporters has been a strong focus of my administration since I took office in 2012, and this effort was boosted in 2018 when the McKeesport Rising initiative came into effect. We have applied a steady stream of local dollars and grant funding to make notable improvements to the City's infrastructure and to make our operations more sustainable. From 2018 through 2024, McKeesport Rising was about this administration's commitment to safe neighborhoods, economic viability, blight remediation, and community development.

When we talk about McKeesport Rising, we easily reflect on improvements we can see – demolition and paving projects throughout the City's 12 wards. We have demolished close to 800 blighted structures in both residential and commercial areas – bringing hope to our existing homeowners and business owners while inviting new development. Our neighborhoods and business districts also benefit from equipment purchases and advanced technology that can improve operations for years to come.

In his first year as Public Works Director, Jeff DiPerna has lead crews through the day-to-day maintenance of our parks, playgrounds, and neighborhoods – tending to things many of us take for granted. Right now, they are working hard on seasonal projects and getting ready for any snow removal that lies ahead.

As we look to continue with public improvements in 2025 and beyond, I will call upon Community Development Director A.J. Tedesco to shape McKeesport's Community Development Block Grant Budget and future grant applications around the goals we've accomplished through McKeesport Rising. As I stated before, the most visible improvements associated with this initiative are the infrastructure projects and demolition. We should be proud of what we've accomplished, and we can't allow ourselves to have short-term memories. It's very easy to say this isn't the McKeesport of the 1960s, but it doesn't have to be. Think about what McKeesport looked like 15 years ago, and then count the improvements we have made in this short time.

In terms of demolition, two stretches of Fifth Avenue have been cleared through highly competitive state awards – one through the Department of Community and Economic Development's Neighborhood Partnership Program (with direct support from Duquesne Light, First Commonwealth Bank, and UPMC Health Plan) and another through the Commonwealth Financing Authority's distribution of blight remediation funds. Utilizing CDBG funding, we have cleared a significant amount of blight along the Walnut Street corridor and on the hillside between that area and Jenny Lind Street – opening up shovel-ready property for anything from residential, commercial, or light industrial development.

In terms of recreation, we have utilized CDBG, American Rescue Plan, PA Community and Economic Development, Allegheny Regional Asset District and more funding sources in facility improvements in

Renziehausen Park and neighborhood playgrounds.

Renzie Park really is the centerpiece of our community, and every year, I acknowledge the tremendous support offered by the Allegheny Regional Asset District as we tend to our state-of-the-art park and the recreation facilities it holds. This park is unique because, not only is it utilized daily by McKeesport residents, but it gets regular visitors from across Allegheny County and beyond. Last month, we entered into another five-year agreement that solidifies Renzie Park's status as a contractual asset to receive RAD support. At this time, I am working with Mr. Maglicco and my executive assistant Jennifer Vertullo to develop a five-year plan that aligns our goals for Renzie Park with RAD's values and our region's needs. This year, we are beyond thankful to receive another record amount of support from RAD with \$864,491 in operating costs and \$480,000 for capital improvements. This year, we intend to make improvements that impact the flow of water, electricity, and of course, people in our park.

I hope you've had the opportunity to visit our newly renovated Jacob Woll (Main) Pavilion, which was the primary focus of our 2024 RAD capital funding. We have modernized the facility and improved its efficiency in terms of temperature control and utility usage. Even with these improvements, we were able to maintain the park setting we loved. With stone accents and hardwood features, the pavilion feels like a rustic lodge, and I can't wait to see how the Festival of Trees fits into the redesigned space.

With the Festival of Trees being our last big event of 2024, our 2025 calendar is already full. We will continue to host our signature seasonal events, including the Easter Egg Hunt, Good Neighbor Day, the Youth Fishing Derby, Movies in the Park, the Lions Summer Concert Series, seasonal fireworks, International Village, Renzie Rib Fest, Halloween Parade, and the Salute to Santa Parade. We tried something new in 2024 – bringing back the bonfires that longtime McKeesporters remember from homecoming week. Our recreation board joined forces with a few of our high school's booster organizations and planned a fall festival with food, carnival games, music, and more. We received a lot of positive feedback from the community, and we hope this event will be bigger and better next year.

Our ballfields were booked by local leagues and tournament players throughout the spring, summer, and fall with key involvement from McKeesport Pony, Colt, and Super Colt Baseball, the McKeesport Baseball Association, and the McKeesport and Mon Valley Girls Softball Association, among others. Local businessowners have made a point to tell Mr. Maglicco and myself about the impact Renzie tournaments have had on our economy.

We support local businesses and encourage our residents to shop local, and an increase in visitors translates to local shoppers. While spending time in McKeesport, folks are also spending dollars in the chain stores they recognize and finding new favorites in our mom-and-pop shops. McKeesport has seen new development in recent years with popular chains such as Dunkin', ALDI, Speedway, Get-Go, Ollie's Bargain Outlet, Family Dollar, Dollar General, O'Reilly's Auto Parts, Valvoline, and others. A new Five Below is set to open in February.

Penn State Greater Allegheny operates the Mon Valley LaunchBox business incubator in the city-owned First Commonwealth Building along Fifth Avenue. Here, small businesses have room to grow with the university's support. The LaunchBox is in the heart of a growing downtown business district. It's close to Tube City Center, which currently houses Allegheny County District Attorney Stephen A. Zappala Jr.'s Mon Valley Service Center, Rep. Gergely's regional office, Tube City Community Media, Flashover Fire Apparatus, and Mission Specific Clothing. Retail and office spaces are available at the People's Building, Executive Building, and various storefronts in between.

I hope all of you had a chance to take part in the temporary placemaking event that the Better Block Foundation brought to this section of our downtown for the Salute to Santa Parade. While the weather wasn't ideal, we had a lot of people come out to watch the parade, play games, listen to music, and shop at a one-day pop-up market. I think the Better Block program offered proof that we can host activities at various times throughout the year – not just on Good Neighbor Day or parade day.

Also, as we highlight strides made in our local economy, we cannot forget McKeesport's industrial roots. Today, our industrial and manufacturing zones feature a variety of businesses. We have Trulieve, Dura-Bond Industries, Consolidated Power and Supply, American Textile Co., and Trillium Flow Technologies; and technological and industrial companies including Vegley Welding, River Materials, and CYBX. We will continue to push for a diverse business landscape in the City – from retail to industrial with everything in between. We always talk about this multi-tiered economy as a means to guarantee stability in our region's tax base, which translates to a better future for us all.

As Mayor of the City of McKeesport, I am committed to investing in our community, and that means working with each and every one of you to make it happen. It seems cliché at this point to talk about "Working Together for a Better McKeesport," because it's something that comes naturally to everyone receiving this message. We have been working hard for many years, and we should be proud of how far we've come. That being said, there's plenty of work yet to be done, and I look forward to the progress we can make together.