
MEMORANDUM

TO: CITY COUNCIL
FROM: MAYOR MICHAEL E. CHEREPKO
SUBJECT: BUDGET MESSAGE
DATE: 11/15/2025
CC: ANNETTE JAMES, CLERK
RYAN STURGESS, CONTROLLER



Please find the attached preliminary draft budget for FY-2026. 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, 2025.

As Mayor of the City of McKeesport, I present this official Budget Message to accompany a balanced, preliminary budget in the amount of \$25,949,411 for the fiscal year of 2026. As we reflect on 2025 and look ahead to a new year, our primary focus will remain the same with revenue collection being of utmost importance.

Each and every year, we talk about doing more with less – providing our residents with the services they need and deserve, compensating our staff with fair wages and benefits, and maintaining an efficient workplace that upholds its commitment to our community. As costs of living increase, along with the price tags on materials and resources, the work we do is taking place with fewer dollars in our coffers. We have a solid reserve remaining from the 2017 sale of the Municipal Authority of the City of McKeesport's sewage system, but I make a point to acknowledge every year that this cushion won't last forever. For this reason, we must be at the top of our game with revenue collection; and as obvious as that strategy seems, it's more complex than you'd think.

The 2026 budget holds the line on property taxes and municipal service fees. 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 will remain \$100 per quarter for each household, with an available senior rate of \$80 per quarter for eligible owner-occupied households that apply.

Our 2026 spending plan puts our best available estimates of expenditures up against an aggressive revenue collection plan. We are fully aware that our operational costs have increased, and it's up to us to be certain we are collecting every penny that is due to the City of McKeesport. While our tax-paying property owners are expected to pay their fair share, they cannot cover everything – most certainly not

the balance to make up for those who aren't paying. For this reason, we have been diligent in collecting delinquencies and establishing payment plans to increase collections on all that is due. This includes liens on properties, where they owners have not entered agreements to pay off outstanding balances on property taxes and municipal service fees.

In addition to this focused attention on current and taxes, we have all hands on deck to organize our business privilege taxes, mechanical device fees, and others. As I stated last year, 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.

This is something that City Administrator Thomas Maglicco and Finance Director Tasha Phelps have been working hard to address in recent years. They have streamlined revenue collection and tightened our budget, which is critical to our future financial success. It is important to acknowledge this administration's positive strides – noting that 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. Our City's finances have a strong impact on municipal operations as well as our community members' quality of life. As always, I will approach this message in the spirit of my administration's 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.

The Budget Message addresses the services provided through our Police, Fire, Public Works, Community Development, and Recreation departments – not just the Finance matters explained in my introduction.

As we have discussed in previous years, 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 2026, we will continue to enhance the McKeesport Police Department's technology, work on community-based gun violence reduction strategies, recruit dedicated personnel, and build relationships among our officers and the McKeesport community. Chief Josh Alfer and Assistant Chief Sidney Summers combine their specialized experience in patrol, community policing, narcotics enforcement, and violent crime reduction to lead this department with a well-rounded approach to community engagement and public safety. They will utilize their strengths to guide the McKeesport Police Department through the coming year. McKeesport police will continue to partner with regional agencies, such as the Allegheny County District Attorney's Office, county police and sheriffs, and the state Attorney General's Office. With the assistance of Captain of Detectives Nick Matthews and Captain of Patrol Fran Angert, the department will continue to review and improve its 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, we are saying goodbye to Chief Jeffrey Tomovcsik, whose career was highlighted with collaboration with other departments, including police and code enforcement, to streamline various city services. Chief Tomovcsik encouraged firefighters to increase their training in rescue and general firefighting practices – pushing the fire department to maintain its Gold Level of voluntary certification with the Commonwealth of Pennsylvania.

Chief Tomovcsik is designated as a 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. While the Chief is leaving McKeesport, he is continuing his commitment to the fire service and emergency response in a new role in Midland, Michigan.

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. Chief Miller also serves as the City's Emergency Management Coordinator – taking the lead in natural disasters and other crisis or critical response scenarios so that our community is kept safe.

In each Budget Message, I have addressed this administration's focus on improving the quality of life for all McKeesporters from our start in 2012, through the height of the McKeesport Rising initiative in 2018 and 2019, to the responsible implementation of American Rescue Plan funding to steady our assets for years to come. We strategically applied local dollars and grant funding to make notable improvements to the City's infrastructure and to make our operations more sustainable. From 2018 through 2025, McKeesport Rising was about this administration's commitment to safe neighborhoods, economic viability, blight remediation, and community development.

McKeesport Rising is more than just the improvements we can see, such as demolition and paving projects throughout the City's 12 wards. We have demolished approximately 800 blighted structures in both residential and commercial areas – bringing hope to our existing homeowners and business owners while inviting new development. These efforts will continue on a smaller scale in coming years, based on what our budget can afford. We will utilize Community Development Block Grant funding, and we are aggressively seeking state and county dollars to further our efforts.

Public Works Director Jeff DiPerna and Foreman Dylan Ernst are leading crews through the day-to-day maintenance of our parks, playgrounds, and neighborhoods. These men are working hard to ensure our parks and other facilities are ready for the public to take part in seasonal events throughout the calendar year. They do this while dealing with the general maintenance that may go unnoticed by the public. Right now, they are readying themselves and their equipment for a snowy season ahead.

We are looking to continue public improvements in 2026. Mr. Maglicco, working closely with Community Development Director A.J. Tedesco and my assistant Jennifer Vertullo, is in constant communication with

state Senator Nick Pisciotto and state Representative Dan Goughnour in an effort to match McKeesport's priorities with available state funding. With that, Mr. Tedesco is able to shape McKeesport's Community Development Block Grant Budget around the goals I've set through McKeesport Rising.

Council is well aware of the transportation and safety issues surrounding the closure of the Versailles Avenue Viaduct. While we are working with \$2.3 million in state dollars to get through the pre-engineering and engineering processes of constructing a new bridge, this project is far from complete. We are confident that Congresswoman Summer Lee and our state officials will be able to find transportation and infrastructure dollars to remove the existing bridge and implement the design in coming years. Mr. Maglicco and Rep Goughnour recently toured the viaduct with House Transportation Chair Ed Neilson of Philadelphia – explaining the burden that the closure places on community members with transportation barriers as well as travel routes for public safety response.

In addition to the Viaduct project, our team is processing applications for additional infrastructure, neighborhood preservation, and recreation projects throughout the City. This includes GEDTF, LSA, and smaller regional grants, as well as McKeesport's annual application to the Allegheny Regional Asset District for Renziehausen Park.

I always refer to Renzie Park as the centerpiece of our community. This state-of-the-art park is the Mon Valley's regional hub for recreation. 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. Mr. Maglicco and Ms. Vertullo are developing 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 \$890,426 in operating costs and \$500,000 for capital improvements. This year, we will utilize the capital funds to remove the existing tennis court and create a new tennis and pickleball facility on improved grounds that address current stormwater and ground stability issues.

Renzie Park is busy year round with special events, including the Easter Egg Hunt, Youth Fishing Derby, Movies in the Park, Lions Summer Concert Series, seasonal fireworks, International Village, Renzie Market and Fall Festival, Renzie Rib Fest, Halloween Parade, and Festival of Trees. 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 Girls Softball Association, among others. As I stated last year, 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', Domino's, ALDI, Speedway, Get-Go, Ollie's Bargain Outlet, Five Below, Family Dollar, Dollar General, O'Reilly's Auto Parts, Valvoline, and others. A new Dollar Tree has just opened in the former Rite Aid location along Lysle Boulevard, and Papa John's is on its way to the small plaza on the Lysle side of Midtown.

We are working hard to attract businesses downtown. 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 close to Tube City Center, which currently houses Rep. Goughnour'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 where developer Jonathan Stark is working to preserve these buildings and attract small businesses.

As we discuss our local economy, we cannot forget McKeesport's industrial roots. Today, 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. I end every Budget Message with a reminder that this multi-tiered economic structure provides a means to stabilize our region's tax base, which translates to a better future for us all.

I believe that progress is important. All of you are deeply invested in the McKeesport community, and that is key in every stride we make. You don't simply *serve* on Council. Your service means something – you volunteer at community events; you share the concerns of your neighbors and speak on their behalf; you sit on boards and committees; you engage with the next generation of McKeesporters; you patronize local shops and restaurants. You truly live your lives by "Working Together for a Better McKeesport," and I couldn't be prouder of how far we've come.