



PORTAGE BOROUGH SPECIAL MEETING AGENDA
BUDGET HEARING

Portage Borough Council Chambers
721 Main Street, Portage, PA
6:00 PM

Wednesday, October 15, 2026

Please make sure to silence your cell phones during the meeting
***This meeting will be live streamed through Microsoft Teams.**
*** This meeting will be recorded.**

1. CALL TO ORDER

- a) Roll call
- b) Pledge of Allegiance
- c) Moment of Silence

2. CITIZENS' INPUT ON AGENDA ITEMS

A period of not more than five (5) minutes will be allowed per visitor.

Overview of the 2027 Budget Development Process

- Review the annual budget preparation and adoption process.
- Discuss the responsibilities of Borough Council, the Budget Advisory Committee, and Borough Administration.
- Discuss some of the changes people may see in the new 2027 budget
- Establish the proposed budget development timeline through December 2026.
- Discuss public participation and budget transparency.

3. Review of Current Financial Conditions

- Overview of the 2026 operating budget.
- Review year-to-date revenues and expenditures.
- Discuss projected year-end financial conditions and available fund balances.

4. Anticipated Changes for the 2027 Budget

- Personnel costs, wages, benefits, and staffing considerations.
- Refuse collection contract and anticipated service costs.
- Public Works operations, equipment, and infrastructure needs.
- Insurance & Employee Benefits
- Potential revenue changes, taxes, and service fees.
- Capital improvement priorities and grant opportunities.
- Opportunities for cost savings and operational efficiencies.

5. Establish 2027 Budget Priorities

- Identify essential services and departmental needs.
- Discuss potential capital purchases and infrastructure improvements.
- Review areas requiring additional analysis or adjustments.



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- Establish preliminary budget priorities for 2027.

6. Schedule November Public Budget Hearings Tentative & For Discussion (Motion)

First Public Budget Hearing

- **Monday, November 2, 2026, at 6:00 p.m.**
- Presentation of the proposed 2027 budget DRAFT 1.
- Review of anticipated revenue and expenditure changes.
- Opportunity for initial public input.

Moved _____ Seconded _____ Aff ____ Nay ____ Abs _____

Second Public Budget Hearing (Motion)

- **Monday, November 16, 2026, at 6:00 p.m.**
- Review of proposed budget DRAFT 2 adjustments.
- Additional public input and discussion.
- Development of final recommendations for Borough Council consideration.

Both hearings are proposed to be held at the Portage Borough Municipal Building, subject to confirmation and applicable public notice requirements.

Moved _____ Seconded _____ Aff ____ Nay ____ Abs _____

7. Next Steps and Assignments

- Identify additional financial information needed.
- Establish Budget Hearings for December and for Budget Adoption Day
- Assign responsibilities for budget analysis and preparation.
- Discuss the anticipated December 2026 budget adoption schedule.

Meeting Materials and Handouts

Please Note: All supporting budget documents, financial reports, and meeting handouts will be uploaded to the website on **Wednesday, October 15, 2026, prior to the meeting**, for review by the Public and Borough Council.

Hard copies will be available at the meeting.

Meeting Objective: Establish a collaborative and transparent process for preparing the 2027 Borough Budget, identify anticipated financial and operational changes, establish budget priorities, and confirm the November public hearing schedule.



8. ADJOURNMENT

Moved _____ Seconded _____ Aff ___ Nay___ Abs_____

Adjourned at _____ PM

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "MK Zonfrilli-Lang".

Dr. Makayla (MK) Zonfrilli-Lang
Borough Manager
Portage Borough

Microsoft Teams Meeting

Join:

<https://teams.microsoft.com/meet/2901870033819188?p=exAwoiDaJImPwPRGnO>

Meeting ID: 290 187 003 381 918 8

Passcode: oC73uc2C

[Need help?](#) | [System reference](#)

For organizers: [Meeting options](#)

PORTAGE BOROUGH

DRAFT 1

PAGE 1 OF 4

A letter to residents & Borough Council

From the Borough Manager | Introducing Proposed 2027 Budget, Draft 1

October 12, 2026

Dear Members of Borough Council and Residents of Portage Borough:

I am sharing Draft 1 of Portage Borough's proposed 2027 General Fund and Capital Improvements budgets. This working draft begins a public conversation about Borough priorities, revenues, operating costs, capital needs, and the decisions ahead.

I AM DOING THIS TO BE TRANSPARENT AND TO SHOW HOW THE BUDGET EVOLVES OVER TIME TO FINAL ADOPTION. THIS IS DRAFT 1; FIGURES, ASSUMPTIONS, AND PRIORITIES WILL CHANGE BEFORE DECEMBER 2026.

For context, this packet compares the 2025 budget, the adopted 2026 budget, and my preliminary 2027 proposal. At present, 2027 anticipates \$1,039,811.50 in General Fund revenue and \$1,096,314.07 in expenditures, producing a \$56,502.57 gap before any final balancing decision. That is not yet an approved use of reserves. Available and unallocated fund balances still require verification.

A major goal of this first draft has been to substantially reduce the funding gap compared with prior budgets. Portage budgeted \$227,536 in fund balance to close the 2025 budget and \$168,849 in the 2026 adopted budget. I have reduced that projected gap to just \$56,503 in the proposed 2027 Draft 1—a reduction of \$171,033 (approximately 75%) from 2025 and \$112,346 (approximately 67%) from 2026.

A few changes explain much of the difference from prior years. The Recreation Director grant and related expenditures have not been carried into this proposal; Solid Waste revenue and contracted operating expenses are included; the Borough Manager salary is proposed at \$48,000; and employee health insurance is distributed among Administration, Police, and Public Works to more accurately show departmental costs. The working capital transfer is reduced, with six project placeholders retained for Council consideration.

These figures are estimates, not final decisions. We still need to validate Solid Waste contract costs, the EIT-to-capital funding calculation, employee benefits, revenue trends, outstanding commitments, and the opening and unallocated fund balances. Some accounts may increase; others may decrease or be reassigned as information improves. Prior budgeted fund-balance use should not be mistaken for actual reserve withdrawals.

I welcome questions and recommendations from Borough Council and residents. As we receive updated financial data and discuss service priorities, we will revise the draft and explain material changes so everyone can see the budget process from its first working version through Council's adoption decision in December 2026.

Respectfully,

Dr. MK Zonfrilli-Lang

Borough Manager | Borough of Portage

PUBLIC REVIEW NOTICE

DRAFT 1 – FOR DISCUSSION ONLY. This is not the adopted 2027 budget. The gap is not an approved reserve withdrawal; further revisions are anticipated before Council acts in December 2026.

PORTAGE BOROUGH

Revenue chart of accounts

2025 Budget | 2026 Adopted Budget | 2027 Proposed Budget

DRAFT 1

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Account-code summary • Budget appropriations only; not actual collections.

GENERAL FUND REVENUES Total categories reconcile to the source comparison workbook.

ACCOUNT / SERIES	REVENUE ACCOUNT GROUP	2025 BUDGET	2026 ADOPTED	2027 DRAFT
301.1–301.4; 310.1; 389.54	Property / real estate / transfer & fire taxes	\$253,590	\$254,862	\$254,862
305.15; 310.01–310.22	Local taxes (current/prior EIT, LST, per capita)	\$434,900	\$434,700	\$440,000
321.6–321.8; 362.41	Licenses, permits, cable franchise	\$50,030	\$51,050	\$51,050
331.11	Fines and forfeitures	\$15,500	\$10,000	\$10,000
341	Interest / rents / royalties	\$18,000	\$16,000	\$16,000
Grant schedule	Recreation Director grant (excluded in 2027)	\$77,968	\$77,968	\$0
350; 355–359; 380	Intergovernmental and state allocations	\$74,567	\$73,790	\$73,790
361; 363.21–363.52	Charges for services / parking	\$3,600	\$1,620	\$1,620
364.3–364.31	Solid Waste collections	\$211,858	\$192,490	\$192,490
383; 387; 395	Miscellaneous / contributions / refunds	\$0	\$0	\$0
TOTAL OPERATING REVENUE		\$1,140,013	\$1,112,480	\$1,039,812

CURRENT-YEAR TAX ACCOUNT DETAIL Amounts below are included in the local-tax category above; do not add again.

ACCOUNT	SELECTED TAX RECEIPTS	2025*	2026 ADOPTED	2027 DRAFT
310.21	Earned Income Tax – current	\$400,000	\$400,000	\$405,300
310.22	Earned Income Tax – prior years	\$12,000	\$12,000	\$12,000
305.15	Local Services Tax	\$18,500	\$18,500	\$18,500
310.01	Per capita tax – current	\$3,400	\$3,300	\$3,300
310.02	Per capita tax – delinquent	—	\$900	\$900

*The 2025 tax-detail subaccounts in the inherited worksheet do not fully reconcile to the 2025 category summary; the grouped totals above control. 2025 delinquent per-capita budget was not reliably resolved, so no value is asserted.

2027 revenue change key: the Recreation Director grant is removed (–\$77,968); total local taxes increase \$5,300 versus 2026; Solid Waste collections remain included at the 2026 adopted-budget estimate.

PORTAGE BOROUGH

Expenditure comparison & fund balance

General Fund appropriations, projected gap and available-fund fields

DRAFT 1

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GENERAL FUND EXPENDITURES By account class / department (full line-item detail remains in the Excel budget).

ACCOUNTS	EXPENDITURE CATEGORY	2025 BUDGET	2026 ADOPTED	2027 DRAFT
400–408	Administration / general government	\$168,450	\$174,448	\$235,708
403	Tax collection / commissions	\$22,466	\$23,290	\$23,290
484–487	General taxes & insurance	\$65,127	\$60,661	\$63,694
409	Municipal building	\$16,600	\$17,300	\$17,300
482 / 490 / 686	Pension & miscellaneous	\$44,196	\$44,550	\$44,550
410–415	Police, fire, EMS and code	\$292,092	\$246,932	\$206,429
427	Solid Waste contracts	\$184,303	\$165,298	\$165,298
430–438	Public Works and highways	\$241,169	\$243,971	\$238,324
450–454	Recreation & culture	\$13,525	\$13,525	\$3,041
Separate grant schedule	Recreation Director program	\$77,968	\$77,968	\$0
462–465	Community dev. / capital savings	\$205,500	\$175,500	\$60,795
471–472	Debt principal and interest	\$36,153	\$37,886	\$37,886
TOTAL EXPENDITURES		\$1,367,549	\$1,281,329	\$1,096,314

FUND BALANCE AND UNALLOCATED FUNDS Three-year comparison

FUND / BALANCING MEASURE	2025 BUDGET	2026 ADOPTED	2027 DRAFT
Operating revenue	\$1,140,013	\$1,112,480	\$1,039,812
Expenditures	\$1,367,549	\$1,281,329	\$1,096,314
Fund balance budgeted / gap to be funded	\$227,536	\$168,849	\$56,503
Provisional opening General Fund balance	—	—	\$193,286
Estimated balance if gap funded from reserves	—	—	\$136,784
UNALLOCATED FUNDS / OTHER BALANCING RESOURCES	To verify	To verify	_____

Fund balance note: 2025 and 2026 show AMOUNTS BUDGETED to balance, not documented year-end reserve withdrawals. The 2027 \$56,502.57 remains a projected shortfall—not an adopted withdrawal. The beginning \$193,286.07 estimate and unallocated funds must be reconciled to year-end accounts and the 2026 capital-fund resolution.

2027 change key: Administration +\$61,261; Public Safety –\$40,504; Public Works –\$5,648; Recreation grant –\$77,968; Community Development/capital –\$114,705, versus 2026 adopted. Insurance was reclassified among departments (1 Admin / 2 Police / 2 Public Works) without changing the \$39,677.42 combined appropriation.

PORTAGE BOROUGH

2027 capital improvement placeholders**DRAFT 1**

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Projects retained for discussion; no final capital project appropriation established

The six highlighted projects below are preserved in the 2027 Capital Improvements Plan (CIP). A placeholder is not authorization to spend and does not represent a new 2027 project allocation.

CIP ACCOUNT	PROPOSED PROJECT	2027 STATUS	2027 FUNDING
465.08	Main Street Improvements	Placeholder	TBD
465.37	Sign Inventory and Data Files	Placeholder	TBD
465.57	PennDOT MTF Phase 5 Sidewalk	Placeholder	TBD
466.07	Salt Storage Roof – Public Works	Placeholder	TBD
TBD	Storm Sewers and Drains	Placeholder	TBD
466.08	Alley Projects	Placeholder	TBD

CAPITAL FUNDING FRAMEWORK Subject to Council review and accounting confirmation

CAPITAL FUNDING LINE	AMOUNT
Historical annual EIT transfer (2025)	\$200,000
Adopted annual EIT transfer (2026)	\$170,000
Provisional 2027 proposed EIT transfer	\$60,795
Provisional 2027 interest estimate	\$10,000
TOTAL ESTIMATED 2027 CURRENT RESOURCES	\$70,795
2027 capital projects appropriated to date	\$0
UNALLOCATED CAPITAL FUNDS – AVAILABLE FOR DISCUSSION	_____
Prior-year capital fund carryforward, verified	_____

Important accounting qualifications

The \$60,795 transfer assumes the proposed 0.15 percentage-point EIT allocation and a 1.0% General Fund EIT rate basis; the Borough must verify the resolution and tax allocation. The 2026 CIP amount of \$312,873 is historical, NOT automatic 2027 revenue. Carryforwards, restricted funds, grant commitments and project amounts remain to be verified; no placeholder authorizes spending.

General Fund | Budget at a Glance

Comparative budget figures - not audited actual results | 2025 Budget • 2026 Adopted Budget • 2027 Proposed - Draft 1

2027 OPERATING REVENUE	2027 OPERATING EXPENSES	2027 GAP TO BALANCE
\$1,039,812	\$1,096,314	\$56,503

I AM SHARING DRAFT 1 TO BE TRANSPARENT AND SHOW HOW THE BUDGET EVOLVES THROUGH FINAL ADOPTION. Figures and priorities will change before December 2026.

WHERE THE MONEY COMES FROM AND WHERE IT GOES

REVENUES

GENERAL LINE ITEMS	2025	2026	2027*
Property taxes	\$253,590	\$254,862	\$254,862
Local income taxes (EIT / LST)	\$434,900	\$434,700	\$440,000
Licenses & permits	\$50,030	\$51,050	\$51,050
Fines & forfeitures	\$15,500	\$10,000	\$10,000
Interest / rents / royalties	\$18,000	\$16,000	\$16,000
Intergovernmental revenue	\$74,567	\$73,790	\$73,790
Charges for services	\$3,600	\$1,620	\$1,620
Solid waste collections	\$211,858	\$192,490	\$192,490
Recreation Director grant	\$77,968	\$77,968	\$0
Other / miscellaneous	\$0	\$0	\$0
TOTAL	\$1,140,013	\$1,112,480	\$1,039,812

EXPENDITURES

GENERAL LINE ITEMS	2025	2026	2027*
Administration	\$168,450	\$174,448	\$235,708
Tax collection	\$22,466	\$23,290	\$23,290
Taxes & insurance	\$65,127	\$60,661	\$63,694
Municipal building	\$16,600	\$17,300	\$17,300
Pension / miscellaneous	\$44,196	\$44,550	\$44,550
Public safety	\$292,092	\$246,932	\$206,429
Solid waste operations	\$184,303	\$165,298	\$165,298
Public works	\$241,169	\$243,971	\$238,324
Recreation & culture	\$13,525	\$13,525	\$3,041
Recreation Director grant	\$77,968	\$77,968	\$0
Community dev. / capital savings	\$205,500	\$175,500	\$60,795
Debt service	\$36,153	\$37,886	\$37,886
TOTAL	\$1,367,549	\$1,281,329	\$1,096,314

FUND BALANCE BUDGETED / REMAINING 2027 GAP TO BE FUNDED

2025 BUDGETED USE	2026 BUDGETED USE	2027 PROJECTED GAP
\$227,536	\$168,849	\$56,503
Planned balancing amount	Planned balancing amount	Not yet approved from reserves

2027 GAP REDUCTION: \$171,033 LOWER (75%) THAN 2025 | \$112,346 LOWER (67%) THAN 2026 ADOPTED

2027 key changes vs. 2026: Revenues -\$72,668; expenditures -\$185,015. Recreation grant removed; Solid Waste included; health insurance reallocated by department; capital savings transfer \$60,795.

Important: The 2025 and 2026 amounts are budgeted balancing amounts - not verified year-end withdrawals. The 2027 shortfall is not an approved reserve appropriation.

Reserve context: At a provisional opening balance of \$193,286, funding the \$56,503 gap would leave about \$136,784. Actual available/unallocated reserves still require reconciliation. Code Enforcement and Recreation Director programs remain excluded.

Sources: Portage 2026 Adopted Budget workbook; 2027 Proposed Draft 1, October 2026. Values rounded; totals use unrounded amounts. Solid Waste costs await 2027 contract verification.