

ALDAN BOROUGH FINANCE COMMITTEE 2026 BUDGET REPORT

The Aldan Borough Council Finance Committee is pleased to present the 2026 Budget to the Aldan Borough Council and to our residents. The budget includes:

- **\$3,370,381** in General Fund revenue and expenditures
- **\$1,543,455** in sewer and trash fees and expenditures

For 2026, Aldan Borough continues to make strategic investments that strengthen public safety, enhance government operations, and support high-quality services for our community.

Public Safety Investments

We significantly advanced our data security by migrating police reporting to a modern cloud-based system, allowing us to retire an outdated and less secure server. This transition not only improves cybersecurity but also eliminates ongoing maintenance costs. We are continuing our vehicle replacement program by leasing a second police vehicle, an approach that spreads costs over five years and includes a one-dollar purchase option at the lease's end. Planned upgrades to police body cameras and vehicle radios will further support officer readiness and resident safety.

Government Operations and Technology

A new three-year contract with our IT managed-services provider removes fees for computer setup while maintaining robust firewall protection and 24-hour data security. This reduces exposure to cybersecurity risks and helps contain insurance costs. In 2026, we also plan to implement a municipal management system that will begin the transition of paper-based files into a secure, cloud-based database. This investment will provide greater efficiency, streamlined workflows, and improved responsiveness to residents. Additionally, low-cost initiatives for a traffic-calming pilot program and a borough-wide clean-up day are included.

Municipal Building Expansion

Construction on the borough building expansion is nearing completion, with only minor punch-list items remaining. The project brings the 40-year-old facility up to current standards, expands workspace for police and municipal employees, and incorporates improved security systems. Importantly, the construction phase is currently under budget.

Fiscal Stewardship and Revenue Management

Throughout 2025, Borough Council closely monitored expenditures across personnel, maintenance, and the building expansion. Although anticipated state grant funding was not received in 2025, we offset the shortfall through disciplined spending, stronger-than-budgeted revenue from the newly implemented Earned Income Tax, and the responsible use of bond proceeds.

In 2026, two of our major expense categories will rise. The most significant increase is in trash removal, where costs have surged 70 percent despite a competitive bidding process. Even so, the cost for removal and dumping remains low at \$3.81 per household pickup, and the five-year contract limits future increases. Additionally, sewer maintenance and treatment costs rose 4 percent, with both fees driven by vendor pricing that is outside

the Borough's control. General Fund expenditures will rise 11 percent, primarily due to partial repayment of bond principal to reduce long-term interest costs.

To mitigate these pressures, the Finance Committee reduced other expenses, trimming the Preliminary Budget by 2 percent, and transferred sewer reserve funds to support the general sewer account. This disciplined approach enables a **10.9% reduction in the property tax rate**, from 5.5 mills to 4.9 mills. However, even with these offsets, increases in the sewer and trash fees will result in an overall **7.8 percent** rise in total household costs. As a result, the average house assessed at \$145,610 would see an annual increase of \$103.65.

- 2026 average total payment: **\$1,435.57** (+7.8%)
- 2025 average total payment: **\$1,331.92**

Without the property tax reduction and reserve fund transfer, the increase to the average household would have been approximately 20 percent.

Conclusion

In conclusion, through careful fiscal management and targeted investment in core assets, the 2026 Budget ensures that Aldan Borough remains efficient, secure, and responsive. Our police department is well-supported, our technology infrastructure is strengthened, and essential borough services continue to be delivered reliably for all residents.