



PENNSYLVANIA STATE ASSOCIATION OF BOROUGHES

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Pennsylvania Rural Population Revitalization Commission

Public Hearing on Local Capacity Issues

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February 28, 2025

Railroaders Memorial Museum, Altoona

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Good morning, members of the Pennsylvania Rural Population Revitalization Commission, my name is Tami Halstead, Borough Council Member in Newport Borough, Perry County. I also am involved in local government outside of my role as a councilmember including Assistant Secretary for the borough, writing and administering our grants, Emergency Management Coordinator, Planning Commission Chair, Secretary/ Treasurer of the Perry County Boroughs Association, and Perry County Council of Governments. Today I am here to testify on behalf of the Pennsylvania State Association of Boroughs, of which I am currently the 2nd Vice President of the Association.

The Pennsylvania State Association of Boroughs (PSAB) is a statewide, non-partisan, non-profit organization dedicated to serving 955 borough governments. Since 1911, PSAB has represented the interests of boroughs and helped to shape the laws that laid their foundation. Today, the Association continues to improve and assist local governments through legislative advocacy, research, education, and other services.

With more than 2.4 million Pennsylvanians residing in borough communities, our members strive to deliver quality leadership and service to citizens across the Commonwealth. Today, boroughs represent 37.5 percent of all municipal governments in the Commonwealth. An average of 15 boroughs exist per county and nearly 20 percent of the state's population resides in our boroughs.

I am thankful for the opportunity to provide this testimony in front of you today to discuss some of the advantages and disadvantages of being a rural municipality in Pennsylvania and to highlight some of the capacity issues that currently exist in rural borough communities across Pennsylvania.

Advantages

While most people associate rural Pennsylvania with rolling farmland and a great distance between neighbors, boroughs offer the downtown environments that allow for connectivity and a one stop shop for all the essential goods and services individuals need. Boroughs offer walkable main streets that host many small businesses, restaurants, and community events that offer the urban feel in a rural county. These main streets can provide an epicenter for economic development as well as entertainment and recreational opportunities for both the individuals that grew up in rural communities and younger families searching for a new place to call home.

My borough specifically has a park, schools, library, fire company, ambulance services, post office, senior housing, water and sewer treatment facilities, grocery stores and small businesses. There are sidewalks throughout the borough making it a premier destination for business, entertainment, and community events. In today's society, where there is a lack of community involvement and socialization, our borough sponsors events such as a Movie Night in the Park, Christmas Tree Lighting Ceremony, a Block Party, and a Community Yard Sale, which contribute to the long-term connectivity and wellbeing of our residents.

As younger individuals desire to live in urban areas and move to more suburban or rural areas as they age, investing in the main streets in rural Pennsylvania could lead to not only retaining the current population in these areas, but increasing the number of young families moving to rural Pennsylvania.

Disadvantages

There are many disadvantages for boroughs in rural Pennsylvania. One of the most frustrating hurdles for rural municipalities to overcome are the fiscal restraints of being a small and rural borough. The tax base, especially in small and rural boroughs, is simply not large enough to provide funding for the ever-increasing costs of maintaining infrastructure, providing essential emergency services, and unfunded mandates from the state and federal governments. The operating revenue of Newport Borough is approximately \$500,000, which only meets our operating budget and does not allow for projects.

There is no greater example of the financial capacity issues that rural boroughs face than PennDOT requiring boroughs to maintain the stormwater facilities on the state highways that run through our boroughs. Even though these are PennDOT's roads, we are mandated by PennDOT to pay for maintaining their infrastructure. Smaller rural boroughs simply do not have the staff or resources to pay for these repairs on state highways.

Another example of the financial capacity issues faced by rural boroughs is the ever-growing costs of operating a municipal police department. Most boroughs in the Commonwealth operate police departments or contract with a neighboring municipality for police services. Our borough was unable to keep up with the ever-increasing costs of wages, insufficient staffing for coverage, operating expenses, purchasing new equipment, providing post-retirement benefits, and the burdens of the Civil Service requirements in the Borough Code. The Civil Service requirements in the Borough Code make the hiring process for police officers more expensive and inefficient pushing officers to apply to the State Police or the 2nd Class Townships that do not have the burdensome Civil Service mandate in their Code. The Newport Borough Police Department was disbanded in 2012 due to financial reasons.

The most glaring issue with having capacity issues in a small borough is the ability to hire qualified staff to assist in the administration of borough business. Most rural municipalities have a secretary or if they are lucky, a manager to run the day-to-day operations of the borough. These secretaries or managers wear many different hats from being the Right-to-Know Law Officer, managing the borough staff, pension administrator, worker's compensation administrator, flood plain administrator, preparing for meetings, answering questions from residents of the borough, and managing all the projects that are being conducted in the borough. More populated and urban municipalities have multiple staff members to handle these responsibilities, where in our borough, we have one secretary and an assistant secretary who must handle all of these responsibilities.

Municipal secretaries with experience are extremely hard to find, even in wealthier and more sophisticated boroughs. There are a limited number of individuals with the qualifications and training required to efficiently manage a municipal government and the individuals who meet those qualifications require competitive wages and benefits to compensate them for this critical work. In fact, many boroughs in our county do not have a full-time secretary because they cannot offer competitive compensation compared to more affluent municipalities. So even when a rural borough is able to hire a great secretary or manager and pays for the additional training to keep up with the ever-changing laws and regulations on municipal governments, we are not able to retain the secretaries or managers because they leave for better salaries and benefits in more affluent

municipalities. This revolving door of secretaries is no better exemplified than in my borough. We have hired 6 municipal secretaries over the last 6 years. The Commission should look to provide incentives to secretaries to stay in rural municipalities or provide more resources to rural municipalities to allow them to retain these vital employees.

To overcome these financial capacity issues, municipal governments rely on assistance from the state and federal governments in the form of grants. While grants can be extremely helpful to municipal governments, there are various hurdles that smaller and more rural communities must overcome in attaining and managing grants. The grant process is extremely complex and with the capacity issues stated above, rural municipalities can feel overwhelmed when applying, administering, and providing the matching funds necessary to qualify for the grants.

There are various components to the grant process and issues that could be addressed to assist rural boroughs in attaining grants. First, the application process is not uniform and is daunting for many small municipalities. Some smaller municipalities simply do not apply for grants for reasons such as: not feeling they will get funded and would rather not use the secretary's valuable time when applying, not knowing all of the different grants that are available, not having grant writing expertise (and cannot afford to hire a grant writer), and not having the funds to create the design work necessary for the grant application or to provide the required match funding if they were to receive it. The cost of the engineering to develop a site plan is a factor in why grants are not applied for in many cases.

Rural boroughs also struggle with the degree of difficulty in administering grants. Certain projects such as PennDOT or stormwater related grants require technical assistance that boroughs with financial capacity issues simply cannot afford. Usually, a consultant is necessary to navigate complex systems such as the Engineering & Construction Management System (ECMS) at PennDOT.

Other grant requirements such as project meetings, daily observations of the project and communicating with the contractors on the project all take up significant portions of the secretary's time, which is already stretched extremely thin. These requirements, which are much less of a burden for more sophisticated municipalities, make rural communities question whether the grant funds are worth the headaches that they create for grant administrators.

The reimbursement process for grants is handled differently depending on which agency is administering the grant. For some grants, a municipality can pay the invoice to the vendor and then request reimbursement from the grantor. On larger projects, this is a major obstacle because smaller municipalities do not have the surplus funds available to cover the upfront costs until the reimbursement is received. For other grants, reimbursements can be paid directly to the vendor by the agency. In this case, there is a strain put on the administrator of the grant to maintain the receipts for expenditures as well as resolving any missing or unpaid invoices by the agency.

One last capacity issue I'd like to mention is the major challenges rural boroughs face in access to healthcare. First, the nearest hospital to our borough is approximately a 35-minute car ride away. Not only is this a challenge for the elderly population that live in my community, but it also puts additional strain on the emergency medical services that our borough is statutorily required to provide. Our

volunteer ambulance drivers must drive an hour round trip each time to take a member of our community to the hospital. If there are multiple calls at one time, citizens in our community must wait or rely on an ambulance company in another municipality to transport them to the hospital as no drivers are on location. Additionally, we have tried to hire a second paid EMT, as we currently have only one, in response to this issue, but the wages and benefits we can provide are only half of what candidates are asking for. The distance between our borough and the nearest hospital puts significant strain on our EMS services and is a significant deterrent to individuals moving to our borough.

Recommendations for the Commission

1. Encourage PennDOT to maintain stormwater drainage facilities on state highways in rural municipalities.
2. Establish a uniform state grant application to ease the administrative strain on rural municipalities.
3. Allow rural municipalities to use grant funds to cover the engineering costs necessary to apply for all grants.
4. Create a grant program that prioritizes rural municipalities with capacity issues.
5. Require state agencies to give priority to grant applications from smaller municipalities with less fiscal capacity.
6. Reduce or eliminate the requirement to match grant funding for rural municipalities.
7. Establish funding to help train and retain municipal secretaries and managers in rural municipalities.

In closing, I want to thank you for giving me and the Pennsylvania State Association of Boroughs a seat at the table in discussing local capacity issues in rural communities. I am extremely thankful to the Rural Population Revitalization Commission for providing a forum to discuss these issues and to offer just a few solutions to these capacity issues. I am happy to take any questions regarding the issues I have outlined or any other issues that the Commission may have.