



Borough Manager's Proposed
2025 Fiscal Year Budget
For the Borough of Chambersburg

Submitted by Jeffrey Stonehill

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Chapter 1 - Budget Message

Submitted herewith for your consideration is the Borough Manager’s recommended 2025 budget. As is required by local law, I have prepared this document in a form that can be adopted by Town Council. The proposed 2025 operating budget is balanced; revenues and cash balances cover all necessary expenses.

This is my fifteenth budget as your Borough Manager, and while the national economic downturn has created significant challenges, the Borough of Chambersburg is doing quite well. We remain strong, resilient, and our fiscal status is very stable, with a bright future outlook. It remains an honor to prepare this document as a wide-ranging strategy for our community rather than just a financial plan. Our fiscal year and our budget year are the same as the calendar year. Therefore, each fall, the Borough needs to make important decisions to set in motion for the following year. A budget is a strategic plan - it is not an accounting of money, but rather a forecast of how much revenue the Borough anticipates it will collect, and how many expenses it plans on incurring. One might call it a spending plan. The accounting or record of past transactions is called the audit. In Chambersburg, our annual audit or Annual Comprehensive Financial Report (ACFR) is published each spring. For many years, the Borough’s audit has been award-winning. Town Council must adopt the budget in December. Therefore, each fall the Borough makes important decisions for the upcoming year based on forecasts, trends, analysis of revenues, and the expenses that are anticipated for the upcoming year.

Chambersburg has the largest operating budget of any Borough in the Commonwealth of Pennsylvania. In 2022, the latest year with records, several municipalities failed to report their fiscal status to the State, and the impacts of the spending from the American Rescue Plan Act (ARPA) skewed the results. However in 2022, Chambersburg had the 8th largest budget of any municipality, and has the largest Borough budget statewide.

<u>2022 Rank</u>	<u>Municipality</u>	<u>Municipality Type</u>	<u>County Name</u>	<u>Population</u>	<u>Total Revenues</u>	<u>Total Expenditures (Includes ARPA)</u>	<u>Revenues Over Expenditures</u>
1	Philadelphia City	City	Philadelphia	1,603,797	\$11,833,764,300	\$10,783,444,000	\$1,050,320,300
2	Pittsburgh City	City	Allegheny	302,971	\$989,973,000	\$898,623,400	\$91,349,600
3	Lancaster City	City	Lancaster	58,039	\$273,551,721	\$260,108,361	\$13,443,360
4	Allentown City	City	Lehigh	125,845	\$234,266,546	\$236,047,155	(\$1,780,609)
5	Erie City	City	Erie	94,831	\$203,383,073	\$209,710,686	(\$6,327,613)
6	Reading City	City	Berks	95,112	\$219,296,350	\$202,407,538	\$16,888,812
7	Bethlehem City	City	Northampton	56,009	\$205,464,180	\$198,330,426	\$7,133,754
8	Chambersburg Borough	Borough	Franklin	21,903	\$114,595,112	\$117,047,890	(\$2,452,778)
9	Lower Merion Township	First Class Township	Montgomery	63,633	\$133,950,870	\$113,147,749	\$20,803,121
10	Upper Darby Township	First Class Township	Delaware	85,681	\$107,644,196	\$101,985,587	\$5,658,609
11	Lower Makefield Township	Second Class Township	Bucks	33,180	\$132,480,361	\$100,544,354	\$31,936,007
12	Scranton City	City	Lackawanna	76,328	\$113,585,140	\$90,563,881	\$23,021,259

Obviously, Chambersburg’s budget size is because of its utilities and additional employees. Chambersburg is considerably larger and more complex than Carlisle, Waynesboro, Shippensburg or Gettysburg.

<u>2022 Rank</u>	<u>Municipality</u>	<u>Municipality Type</u>	<u>County Name</u>	<u>Population</u>	<u>Total Revenues</u>	<u>Total Expenditures (Includes ARPA)</u>	<u>Revenues Over Expenditures</u>
54	Carlisle Borough	Borough	Cumberland	20,118	\$38,172,086	\$33,380,468	\$4,791,618
223	Waynesboro Borough	Borough	Franklin	10,951	\$13,623,894	\$12,051,569	\$1,572,325
305	Gettysburg Borough	Borough	Adams	7,106	\$10,924,525	\$8,933,901	\$1,990,624
376	Shippensburg Borough	Borough	Cumberland	4,315	\$8,400,662	\$6,819,500	\$1,581,162
552	Greencastle Borough	Borough	Franklin	4,251	\$4,776,169	\$4,130,290	\$645,879

For example, Chambersburg’s budget is 13x times larger than Gettysburg Borough, which ranks #305.

Chambersburg Borough has the most complex budget in Pennsylvania. We are unlike every other town, including big cities. Separated from the other operations of the Borough, our utility financial transactions

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

are in over a dozen separate funds (accounts). Our unique size is due to our expansive utility operations (unmatched in Pennsylvania) and because of our complex utility support operations (internal service funds). To account properly for expenses, we use cost-based accounting. Like a law firm or medical practice, many employees bill their time and equipment to the various functions upon which they are working. This includes money spent between the separate funds; many transactions are to cover expenses, back and forth between accounts, and thousands of internal transactions. This concept makes Chambersburg a unique government organization, especially in the Commonwealth.

Chambersburg is one of 35 Boroughs in Pennsylvania to operate a non-profit public power electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and the only one to operate multiple generation stations. Chambersburg is one of two municipalities in Pennsylvania to operate a non-profit public natural gas utility. The other is Philadelphia, which does not operate an electric utility. Chambersburg is one of around 2,000 communities to have its own electric system and one of 1,000 communities to run a natural gas system, but one of only about 100 in the U.S. to operate both systems, out of 89,000 local government units. In addition, Chambersburg operates a regional water system and a regional sanitary sewer system; not through an independent authority or an intermunicipal board, but under Town Council supervision directly. Further, Chambersburg operates a sanitation utility, a traffic utility, an aquatic center, and a storm sewer utility. The Storm Sewer Utility was one of the first such storm sewer utilities to form under the federal mandate to regulate stormwater through the Municipal Separate Storm Sewer System (MS4) program.

Almost all employees of the Borough, and most of the equipment of the Borough, is owned and operated by our utility departments (Electric, Natural Gas, Water, Wastewater, Storm Sewer, and Sanitation utilities) and our utility support departments (engineering, motor equipment, and administrative services). Borough tax revenue does not support any utility operations, personnel, or equipment. Further, as the budget document reveals, the Borough's utility rates are very reasonable.

Residents inside the Borough who have both Chambersburg electric and gas service can save as much as \$2,000 per year when compared to similar residential customers outside the Borough.

2025 Will See Very Necessary Revenue Enhancements

In summary, 2025 is going to be another very consequential year for the Borough of Chambersburg. We have a number of extremely important projects in-the-works. The cost of operations will continue to rise, and outpace natural growth in revenue. Due to inflation, the cost of materials is at a record-high. We have record-low-unemployment, which impacts labor costs. Finally, the increasing demand on fuel, energy, and limited equipment was significant. This was likely the most challenging budget of my career.

The Police Tax will rise this year as a result of adding three (3) new police officers to our growing force. Just about every category of utility fee will rise this year. However, Chambersburg utilities remain the lowest cost utilities in Franklin County or in comparison to the State of Pennsylvania. Our increases are small in comparison to the increased cost of energy, water, sewer, or sanitation in every other community, including neighboring townships. Finally, there will be a new tax dedicated to the construction of the much-needed Public Works Campus. The total cost of all the new utility rates and the tax increases is approximately \$20 per month for every single-family household inside the Borough.

The Southgate Redevelopment Project has started to show progress with the construction of the Keystone Rural Health community medical facility at Southgate and a sizeable Federal grant to begin to restore neighborhood infrastructure. Finally, this budget marks the inflection point for a new Public Works Campus off Wayne Avenue. Chambersburg utilities remain the most important asset in the community. Ensuring exceptionally low rates with outstanding reliability, despite rate increases, remain our number one priority.

While we acknowledge any tax or rate increase is undesirable, Chambersburg is growing and investing. Our community continues to adapt and change. We have economic development growth and public infrastructure projects in abundance. We invest in outstanding public safety including fire, EMS, and police, which does not impact the townships. This is all accomplished by significant public investment.

Chambersburg Borough government and utilities are the catalyst for macro-economic expansion throughout Franklin County. More than the County Seat, Chambersburg drives costs for healthcare, banking, County-government, and the regional school district. By providing outstanding services and utilities to other institutions, Chambersburg is helping their bottom-line. We help other local entities afford their employees, their growth, controlling their expenses, and helping the greater Chambersburg area's regional economy, by positively influencing so much economic activity.

Chambersburg real estate taxes remain earmarked only for police and fire operations. Real estate taxes are not the source of funding for any other department or employee. In fact, the three bond taxes now levied effective with this budget:

- Recreation Bond Tax, specifically for paying off the 2016 Recreation Bond (bonds refinanced in 2021), a bond to pay for the construction (but not operation) of the Aquatic Center, renovations to all Borough playgrounds in 2018, and all Borough tennis courts in 2018;
- Police Station Bond Tax, specifically for paying off the 2022 Police Station Bond(s), for the renovation and expansion of the Borough Police Station on S. Second Street, but no police operations; and
- A new Public Works Campus Bond Tax, a new tax specifically for paying off the 2025-2026 construction of about 24% of the cost of the new Public Works Campus.

These three bond taxes are similar to mortgages. Therefore, one can reliably say, “**No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire.**” It is important to acknowledge that real estate taxes are not used in support of most departments, operations, or employees; not parks or street maintenance or the Borough administration, are paid for using real estate taxes. The only use of these taxes are police and fire, and to pay off the 2016 Recreation Bond, the 2022 Police Station Bond, and the new 2025-2026 Public Works Campus Bond. This has always been our financial plan for the Borough's use of taxes.

Further, Chambersburg receives no sales taxes, no liquor taxes, no business taxes, nor hotel taxes. These types of taxes are not an option under State Law. In other states, these other types of taxes are the foundation to the fiscal health of local government. In Pennsylvania, the Commonwealth denies them as an option to communities like Chambersburg. Town Council has a toolbox with one tool inside (real estate taxes) and it is a dull and poorly honed tool, but that is the only tool given to them by the laws of the Commonwealth of Pennsylvania.

In addition to the need to update the county tax system, overall, the State's outdated tax system is full of poor rules and State mandates, which puts every municipality at risk of financial distress.

On October 7, 2022, the Pennsylvania Municipal League and Pennsylvania Economy League released a new study that demonstrated how the current local taxation structure, developed in 1965, does not meet today's municipal revenue needs. Called, “It's Not 1965 Any More – State Tax Laws Fail to Meet Municipal Revenue Needs”, the publication is in response to the League's Strategic Plan that called for an updated report on Pennsylvania's local taxation structure. Pennsylvania's municipal tax authorizations have failed to keep pace with modern realities, and municipalities need more flexible revenue options just to keep the lights on.

According to these experts, “Much has changed in the landscape of local government since 1965 – population shifts, aging housing stock in older core communities, increased cost of municipal services, and increases in tax-exempt properties receiving services. Currently, new tools are only available to communities that have become fiscally distressed. Municipalities need access to these proven tools before

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

fiscal distress sets in. Tools should be optional to allow each community to decide the best mix based on the make-up of the community such as: increased Local Services Tax, flexibility to increase the Earned Income Tax, Payroll Tax, county or regional Sales Tax, Drink Tax, or a regular reassessment...” process.

Chambersburg is a member of the Pennsylvania Municipal League.

<https://pelcentral.org/wp-content/uploads/PEL-2022-PML-Report-1.pdf>

This budget reflects the limitations of the 1965 funding system, as well as the extremely poor planning by Franklin County, the last county of the 67 counties in Pennsylvania to update their taxation system. The continued dereliction of this requirement defined by State Law has a direct impact on poor tax collection, and an over-burden on older property owners as a result of waiting so long and ignoring the current tax system. Only our County leadership can address this shortcoming.

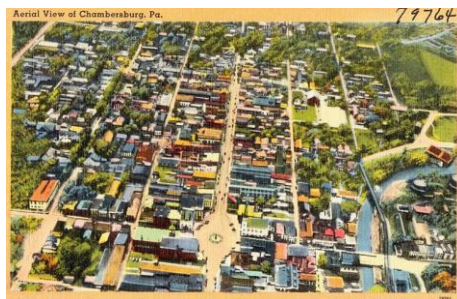
Chambersburg does receive income beyond the property tax. Ancillary miscellaneous tax revenue available to the Borough of Chambersburg amounts to: a wage tax set to a State mandated maximum rate; a local services tax (worker tax), which is set to a State mandated maximum rate; and a deed transfer tax (for real estate transactions), which is also set to a State mandated maximum rate. These so-called Act 511 taxes are important, but cannot be adjusted year-to-year based on need or economic realities. Therefore, they are minor, appreciated, and set by the State since 1965.

Each year, the payment and receipt of tax revenues grows slightly as the value of Chambersburg real estate grows slightly. We have a mixed record for our wage tax and our worker tax. It seems that both employment in the Borough, as well as Borough residents' income, is on the rise. Finally, there was no shift in the yields from transfer of property, which are sometimes better or worse in any given year.

There seems to be a quiet strength to the local economy, which allows us to be more confident in our future and saves our municipal budget in bad times. All indications are that the Borough is going to continue to thrive, better than many other towns.

In addition, 2025 is a year with a municipal election. It is important to point out that the professional staff of the Borough avoids political issues as much as possible. We serve the Council that the electorate selects. Council sets the policy priorities and we help make those priorities a reality. Any accusation that our service is somehow political is false. We are proud civil servants and this budget does not make policy choices, but rather financial choices for the community. Further, Council is welcome to articulate now, or mid-year, if their priorities evolve.

That being said, there are well-developed projects within this budget that reflect years of discussion and planning. Furthermore, Council is well aware of these projects and these spending priorities. Projects and priorities must continue in good-years and bad-years. We must continue our work on building a better community for the future.



Aerial Postcard of Downtown Chambersburg - 1941

Real Estate Tax Changes

From time-to-time the Borough of Chambersburg has adjusted real estate taxes. This budget contemplates such an adjustment for 2025:

- 1- The Chambersburg Police Tax will rise for the first time in two years from 25-mil to 27-mil to offset the cost of adding three (3) new police officers.
- 2- The Chambersburg Fire Tax cannot be increased as it is at a State-mandated maximum rate.
- 3- The Recreation Bond Tax will not change.
- 4- The Police Station Bond Tax will not change.
- 5- A new Public Works Campus Bond Tax will be added to the list of real estate taxes.

Borough Real Estate Tax Increases (Historical)	Increases	
2007	18 years ago	No
2008	17 years ago	No
2009	16 years ago	No
2010	15 years ago	No
2011	14 years ago	No
2012	13 years ago	No
2013	12 years ago	No
2014	11 years ago	Yes
2015	10 years ago	No
2016	9 years ago	Yes
2017	8 years ago	No
2018	7 years ago	Yes
2019	6 years ago	No
2020	5 years ago	No (slight decrease)
2021	4 years ago	No
2022	3 years ago	Yes
2023	2 years ago	Yes
2024	Last year's budget	No
2025	This year's budget	Yes

The Borough of Chambersburg did not raise real estate taxes between 2007 and 2013; then, the Council was very conservative with minor increases in 2014, 2016, 2018, 2022, 2023, and now, 2025.

In most recent years, Chambersburg has not raised the real estate tax rate. Other entities often raise taxes that impact our taxpayers. Entities such as Franklin County or the Chambersburg Area School District can raise taxes and that sometimes leads to confusion. When the Borough raises the real estate tax rate, it is generally to fund police and fire services. In 2018, a tax was begun to begin paying off the 2016 Recreation Bond. In 2022, a tax levy was instituted to begin paying off the 2022 Police Station Bond. In 2025, a new tax levy will begin to help pay off the Public Works Campus project.

While a tax increase is never a welcome change, this year's increase is directly related to two important factors, the hiring of three (3) additional police officers, and the beginning of the construction of the Public Works Campus. Further, for the average single-family home in Chambersburg, the cost of the tax increases should be about \$4.58 per month or \$55 per year.

Recall, Chambersburg is unique in our commitment to professional public safety and emergency services.

This budget recommends an increase in the Police Tax (2-mil) to pay for more police officers and the creation of a special Public Works Campus Bond Tax (1-mil). In total, these two increases will cost the average single-family home inside the Borough approximately \$55/year or \$4.58/mo. in additional taxes, before discount.

Ambulance Fee – A Surcharge on Water Invoices

In 2020, Town Council repealed the Ambulance Tax. This was in conjunction with the establishment of a new ready-to-serve mandatory Ambulance Fee on all water utility invoices (because water fees are attributed to the property owner or owner’s designee). A Police or Fire subscription fee is specifically prohibited. However, emergency medical services are different. **This year there will be no change to the monthly Ambulance Fee which appears on utility bills.** The surcharge, unlike a real estate tax, is broad-based. Utility customers of the Borough will continue to pay this flat fee.

The Ambulance Fee will stay at a flat \$11.00 per month per water service connection per residential or commercial unit. This fee supports the EMS service, but it is clearly not a tax because tax-exempt property owners pay it on their monthly water bills.

With no other options available to Town Council beyond property tax increases, and with 24% of the town’s assessed property value being exempt from paying the Police and Fire real estate tax, owners of taxable properties must bear the full burden of paying for public safety services. Proportionately, this burden falls most heavily on those least able to afford paying for the services: the elderly and those on fixed incomes who own real estate. Whereas, 100% of water customers pay a fee placed on utility invoices. If there was a more broad-based tax available (i.e., a sales tax), that might be a more appropriate tax to fund an emergency service such as our struggling ambulance service. However, that is not a possibility under State Law.

Use of Dedicated Bond Taxes for Debt Financed Projects

The 2016 Recreation Bond paid for capital investment in a number of Recreation Department facilities including new playgrounds, tennis courts, a new roof and windows on the Rec Center, and a new state-of-the-art Aquatic Center. To fund the bond, which is a form of debt like a mortgage, Council at the time imposed a special Recreation Bond Tax on all property owners who are not exempt from real estate taxes. The resulting assets built from the bond were added as community-owned assets to the Borough’s balance sheet.

This use of debt to build asset value for the community is a corporate way of funding improvements. Further, dedicating a tax to pay it off is not dissimilar to when a homeowner takes out a mortgage. In 2022, the Borough refinanced this debt to a lower interest rate. As a result, the annual debt payments dropped and a small tax decrease was possible for the Recreation Bond Tax.

In 2022, Town Council approved a new bond (actually two companion bonds) associated with the renovation of the Borough’s 1971/1972 Police Station on S. Second Street. This new debt was used exclusively for that project, for the replacement of the roof on the old part of City Hall (the 1930s addition) and the roof/historic clock tower on the original part of City Hall (the Market House). Further, a new dedicated tax was established by the 2022 budget to pay off that bond. Construction of the renovated and expanded Police Station (as well as the clock tower renovation) is complete and the Police Department returned home in 2023. The ribbon cutting event was on September 20, 2023.

This budget contemplates a third dedicated bond tax. With adoption of this budget, Council will approve the plan to issue bonds for the construction of the Public Works Campus.

In a transformational project for the neighborhood, the Chambersburg Public Works Department purchased the old abandoned cold storage building on S. Fourth Street. This derelict and blighted structure was demolished in 2023, and the land will be incorporated into the new site of the Borough’s future public works facility. The ARPA grant provided sufficient funding to secure the building, plan for and help pay for its demolition and the clearing of the site.

The Cold Storage site at 1335 S. Fourth Street was purchased by the Borough on August 23, 2021 as part of the future redevelopment of the Wagner property, the planned site of a future public works campus. The planned purpose is for a Water/Wastewater maintenance equipment building and materials storage. The demolition project was awarded July 11, 2022 to HubScrap Metals from Hagerstown, MD for \$677,999.50, paid for by the 2020 Bond issuance, which covered a variety of Water and Sanitation utilities' capital improvements Projects. This is different than the acquisition cost, which was covered by a federal grant (ARPA). The Borough also bought and renovated a small office building at 1332-1334 S. Fourth Street into field offices for the Water and Wastewater utilities, across the street from the Cold Storage site.

The Borough engaged SGS Architects/Engineers of Carlisle, Pennsylvania, to complete a facility review and according to their principal, Dennis Sowers, the existing warehouse would be less expensive to replace rather than renovate. A number of scenarios were evaluated in order to accommodate the eventual uses as proposed by the Borough. The consultant was engaged in 2020, a building committee was established, and conceptual design was completed for Council in 2023. On Monday, October 30, 2023, Council received a conceptual plan for the construction of a new public works campus off Wayne Avenue.

The decommissioning of the Loudon Street facility and construction of the new Conococheague Creek Park would then occur in 2027 or 2028. Neither the new Borough recycling transfer station or any trash storage will not be at this Wagner site. Those type of functions, with trash and recycling, would not be appropriate at this location. We want the neighbors to know that we do not foresee this location housing, even on a temporary basis, trash or recycling. This facility will be used for offices, trucks, truck maintenance, equipment, equipment repair, and the storage of dumpsters, and other Sanitation utility items.

In 2024, Town Council approve debt to finish the design of the new Public Works Campus and to bid it out for potential construction in 2025 and 2026. The goal is occupancy by 2027.



This project, just like the previous Recreation Capital Improvements Project and the Police Station Renovation and Expansion Project, will be funded in-part by a dedicated real estate tax. Unlike those other projects, the dedicated real estate tax will not pay all of the cost of the debt issuances. In fact, the tax levied is calculated to only cover approximately 24% of the annual cost of the debt. This is because 76% of the cost of the Public Works Campus project is being funded by the various Borough utility operations. Only that portion of the cost attributable to General Fund or governmental operations (i.e., police, fire,

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

EMS, highway, recreation, community development, etc.) is being paid for by the dedicated real estate tax. The balance is being paid for by interfund transfers from the various utilities.

In total, the Borough will be asking for 5½-mil of real estate taxes for these three bonds.

<u>Police Station Bond Tax</u>		<u>Recreation Bond Tax</u>		<u>Public Works Campus Bond Tax</u>	
2022	1.0 mil	2022	3.0 mil	2022	-
2023	2.0 mil	2023	2.5 mil	2023	-
2024	2.0 mil	2024	2.5 mil	2024	-
2025	2.0 mil	2025	2.5 mil	2025	1.0 mil

Labor Unions

For 2025, Town Council has previously executed labor agreements with all three labor unions.

Town Council entered into a Memorandum of Understanding to adopt a new Collective Bargaining Agreement with the International Association of Fire Fighters (IAFF) Local #1813 in 2022. This new labor pact, retroactive to the beginning of 2022, saw unionized employees get wage increases for 2022, 2023, 2024, and 2025. In 2024, the actual labor contract was finally executed. In 2025, contract negotiations for 2026 and beyond will begin.

At the beginning of 2023, Town Council reached a wide-ranging new labor agreement covering those employees represented by the American Federation of State, County and Municipal Employees Local #246 (AFSCME). To mitigate the impact of inflation on these employees, they agreed to a significant wage hike in 2023, followed by much smaller increases in 2024, 2025, 2026, and 2027.

Recently, Council approved additional wage increases for the lineworkers in the Electric Utility at the request of Local #246. The concern of the Borough with this one-off one-time wage adjustment, is that the line crew is not the only group of employees where wages need reexamined. In fact, a classification and compensation study, now underway, indicates that some Borough employees have fallen behind similar workers in other communities. Preliminary indications are that some Borough workers are paid in excess of their counterparts in other communities while others are not. This issue, classification and compensation, will be a major priority of 2025.

A simple contract extension with the Chambersburg Police Officers' Association or CPOA was reached at the end of 2022. The Police union requested rather simple modifications to their existing labor agreement, which Council supported. As a result, the Police and AFSCME agreements last through 2027.

The Borough Manager's proposed budget includes:

- A contractually required 3% cost of living increase for employees represented by the International Association of Fire Fighters (IAFF) Local #1813;
- A contractually required 3% cost of living increase for employees represented by the police union (the Chambersburg Police Officers' Association or CPOA);
- A contractually required 2.5% cost of living increase for employees represented by the American Federation of State, County and Municipal Employees Local #246 (AFSCME);
- Lineworkers will also receive an additional \$1.00/hr.;
- A presumed cost of living increase for non-bargaining clerical, technical, and supervisory employees of 2.5%.

With respect to the wide-ranging classification and compensation study being performed by the consultants at GovHR (recently acquired by MGT). At the Town Council Legal Update in April of 2024, staff reviewed the Borough's current bargaining (AFSCME) and Non-Bargaining (Administrative, Clerical, and Technical positions) pay and benefit plans, including challenges within those said plans. Additionally,

staff provided an update on the job description project, which was in-part required per a Memorandum of Understanding with the AFSCME Local #246 from 2020. Also part of the presentation to Council was the importance of a compensation and classification study results in order to determine the Borough's position in the employment market, with respect to grading of Borough positions, wages, and benefits compared to the Borough's competitors. The Borough's position in the market has a direct impact on the organization's ability to retain and recruit current and future talent. Such a study is recommended every three to five years; the last time a study was done for the Borough was over 20 years ago. Council approved the study in June 2023.

It is our hope that by 2025, the Borough may have empirical data on AFSCME and non-bargaining positions, classifications, and compensation to aid in future negotiations and pay plan decisions.

Utility Finances

There have been significant challenges for the Borough utility finances going into 2025.

Chambersburg has the lowest composite utility rates in the Commonwealth of Pennsylvania, and that is not going to change in 2025. Throughout 2024, due to operating expense increases such as diesel fuel, natural gas, chemicals, equipment, supplies, wholesale power costs, and increased cost of paving and ditch repair, the Chambersburg utility departments saw all our local, regional, and state-wide neighboring utilities have significant percentage increases. Meanwhile, Chambersburg did our best to hold on to our incredibly low-cost utility rates.

In 2025, there will be across-the-board increases in utility rates. That being said, at the end of the day, the municipal and commercial utility companies outside the Borough of Chambersburg have already, or will be in 2024-2025, raising rates far in excess of anything contemplated by the Borough of Chambersburg. Therefore, despite the rate increases contained in this proposed budget, the Borough's utility invoices will actually be lower in proportion to township utility bills than they were in 2021.

Our goal is not to never increase utility rates. Our goal is to be the lowest utility rates in Franklin County and often the lowest or one of the lowest in Pennsylvania. We meet that goal every fiscal year. We hold the utility rates to that standard and succeed. We have lower rates, often by hundreds of dollars, for electric, gas, water, wastewater, sanitation, etc., compared to every other utility in our region or state.

The reality is that nowhere has inflation and supply chain issues more impacted the Borough of Chambersburg than in the provision of utilities. Our amazing managers have developed rates that remain some of the lowest in Pennsylvania, but must rise in 2025 merely to keep pace with the rising cost of operations. Some of our utility rates haven't risen in a decade or more. The increases in 2025 are necessary and realistic.

Electric Rates

The Chambersburg Electric Utility has invested in local generation over the last two years in a considerable way. This includes the recent completion of the Chambersburg Solar Center in Hamilton Township, an extension of the Landfill Gas to Energy facility contract at the Blue Ridge Landfill, and extensive maintenance and upgrade projects at the Falling Spring Generation Station and the Orchard Park Generation Station. These assets and facilities allow Chambersburg to control the cost of electricity by strategically shifting our needs back and forth between our own facilities and the outside regional electric grid operated by PJM. PJM is a regional transmission organization (RTO) that coordinates the

movement of wholesale electricity in all or parts of 13 states and the District of Columbia. PJM is generally described as the Grid.

In 2023, the Borough-owned Falling Spring Generation Station, on Grant Street in downtown Chambersburg, shifted from being a PJM Network Resource, a facility dispatched to support the needs of the grid, to being a “behind-the-meter local resource.” That is a generation facility that the Borough can strategically turn on to lower the cost of electricity during peak pricing for the purchase of wholesale power. This is a much more challenging operation, but should help mitigate the rising cost of electricity.

Despite all of these advanced strategies and controls, the cost of electricity keeps rising. In 2022, our neighboring investor-owned utility, West Penn Power, received State Public Utility Commission (PUC) permission to raise their retail rates 16%. Secondly, West Penn Power received permission for a second 16% rate increase in 2023 (for a total increase of 32%). They are now requesting permission for a 40% increase in 2025.

In response, Town Council directed staff to undertake a rate analysis study to plan for the first retail electric rate increases in over ten years. That study concluded in 2023 and recommended an immediate overall 11.3% rate increase for all electric customers. That was the overall increase, however certain customers paid more (and others less) because the consultants distributed that rate increase fairly and equitably across the different electric rate classes.

That rate study called for an additional rate increase of 3.9% in 2024 and Council approved that in September 2024. **Even after the additional increase of 3.9%, Chambersburg electric rates remain 40% less than the surrounding rates from for-profit electric companies.**

Furthermore, those same companies have requested a 40% increase in 2025. It is hard to imagine how much less Borough electric costs compared to those serving in the townships.

This 2025 budget contemplates another rate change for September 2025 (for about 1/4 of the year). As of now, this budget is suggesting a 2.3% scheduled across-the-board rate increase; based upon the GDS rate study results. However, in addition, the Borough may be forced, through no fault of our own, to also adjust upward the Borough’s power supply factor (known as the Power Supply Adjustment or PSA) in June 2025.

As you may not be aware, we are facing a substantial increase in wholesale electricity fees as a result of the PJM’s July capacity auction. Every utility in the PJM footprint is likewise grappling with how best to educate and inform customers, and others, as we consider what steps to take for our own electric system.

The impact will be different for each utility depending on factors such as behind the meter generation, type of power purchase agreement, etc., but there will be an impact for all utilities as we move closer to the 2025/2026 delivery year. We cannot control PJM fees and our legislators are well-aware that the PJM fee structure is going to skyrocket power costs for every utility in Pennsylvania next year. In fact, as always, your Chambersburg Electric Utility is more prepared than most to weather another storm of unfair Grid fees being thrust upon everyone. So, all we can say now is, the PSA surcharge might change in June 2025.

The average monthly billing for a single-family home went from \$116.50 to \$120.60 per month in September 2024. We anticipate that the average monthly billing for a single-family home will rise from \$120.60 to \$123.37 per month in September 2025 (an increase of \$2.77 per month).

Natural Gas Utility

Chambersburg Gas provides the lowest residential natural gas rates in Pennsylvania and that will not change in 2025. However, while Borough customers are better protected than most others in the US, we will still see increased gas prices this winter due to changes in the wholesale market. Gas rates are made up of a Distribution rate and a Gas Supply rate. The Distribution rate, which covers the cost of operation of the Borough gas system, will rise for the first time in 13 years. The Gas Supply rate is a direct pass

through of actual wholesale supply costs. It varies every month based on the actual cost of gas. The Borough Gas Utility utilizes a portfolio approach to gas purchases to decrease cost volatility, which has helped with residents' costs. Nevertheless, we are still not immune to the wholesale gas market.

This first Distribution rate increase is necessary and not significant. In fact, the for-profit gas companies in the township now charge 100% more (double) what the Borough of Chambersburg charges for distribution of natural gas. Even with the recommended 8% increase, the cost of natural gas inside the Borough is significantly less than any natural gas utility in the townships. Finally, the cost of propane and oil is 200% or 300% more than our natural gas supplies.

In addition, the Natural Gas Utility has seen another year of significant customer growth as they drive new gas lines into previously underserved neighborhoods. It seems everyone is learning that natural gas is a safe, efficient, and low-cost energy source for homes and businesses.

The Natural Gas Utility will change rates for January 2025 (full year). The Distribution rate will increase \$0.08 per unit (ccf). There will also be a \$1.30 meter charge. As a result, the average monthly billing for an average single-family home will increase approximately 8%, from \$480 per year to \$517 per year (an average increase of \$3.08 per month). A borough Natural Gas and Electric customer saves approximately \$2,000 per year when compared to similar customers in nearby townships even after these two increases.

Water Utility

Chambersburg has the lowest water rates in our area, and that is not going to change in 2025. Throughout 2024, due to operating expense increases such as diesel fuel, chemicals, equipment, supplies, power costs, and increased cost of paving and ditch repair, the Chambersburg Water Utility saw all our local, regional, and state-wide neighboring utilities have significant percentage increases. Meanwhile, Chambersburg did our best to hold on to our incredibly low-cost utility rates.

In 2025, the Water Utility needs a rate increase to keep pace with expenses. This will be the seventh increase in eight years, and the series of small increases will likely continue for several years as water infrastructure improvements are made.

The Water Utility envisions two types of small increase: a water rate increase in 2025 of 2¢ per unit proposed; and a ready-to-serve charge increase in 2025 of 20% proposed. These increases will cover infrastructure improvement costs, operational cost increases, and water meter costs.

The average single-family home customer uses 170 gallons of water per day. This usage equates to 70 “units” per month (1 “unit” = 74.8 gallons). The 2024 rate is \$0.25/unit; \$5.95 r-t-s. As a result, in 2024, average single-family home saw monthly billing of \$23.45. We anticipate that the average monthly billing for a single-family home will rise from \$23.45 to \$26.04 per month in January 2025 (an increase of approximately \$2.59 per month).

The Chambersburg Water Utility still has some of the lowest rates in the region. This proposed increase will vary based on several factors including weather and home attributes. Some of our neighboring water systems pay 300% more than Chambersburg residents and businesses do for their water supply. It is hard to overstate how much more utilities cost living in the townships around Chambersburg Borough.

Storm Sewer Utility

The Chambersburg Storm Sewer Utility has completed a five-year process to change their rate structure, as originally contemplated by the 2014 study that necessitated their establishment. In 2022, the utility switched what has been a flat rate, per sanitary sewer connection, to a rate based upon impervious area. This new methodology resulted in a change for commercial, industrial, and institutional customers (shopping centers, schools, churches, the hospital, etc.), which saw changes in their Storm Water Pollution Control Fee.

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In 2024, single-family residential customers had no noticeable change in their fees. Under the old system, only single-family residential customers were paying a fair fee. Now, every type of property pays their fair share based upon their relationship to the impervious area of a single-family residential home. Continuing in 2025, the rate will be expressed in single-family home “equivalent residential units” or ERU.

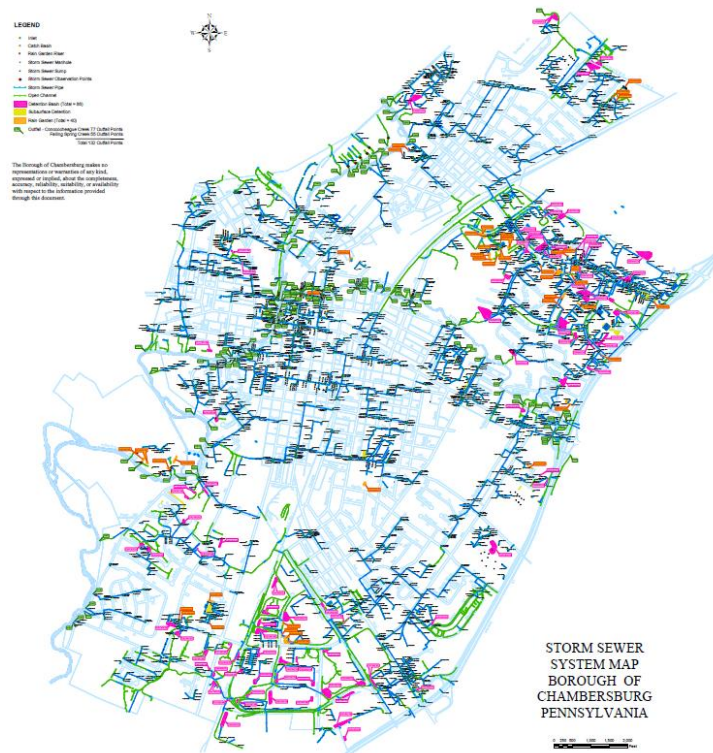
However, for the first time since establishment of the ERU system, the fee rate per ERU will rise in 2025.

The planned rate increase for the Storm Sewer Utility will see the ERU value rise from \$5 per ERU per month to \$6 per ERU per month. In addition, the discounts given to commercial, industrial, and institutional customers who qualify for discounts under the new ERU based system will continue. While there are no longer any automatic discounts, many customers can earn a discount through better stormwater management practices.

In January 2025, the Storm Sewer Utility will set the ERU value at \$6 per single-family home equivalent. Therefore, the average single-family home will see their Storm Water Pollution Control Fee as the flat fee of \$6 per month. The results for commercial, industrial, and institutional customers are based on the size of their lot and their structures. For example, if your commercial building is the equivalent of five single-family homes, your rate increase will be from \$25 per month to \$30 per month (\$5 x 5 equivalent single-family homes’ worth of impervious surfaces to \$6 x 5 per ERU).

We anticipate that the average monthly billing for a single-family home will rise from \$5 to \$6 per month in January 2025 (an increase of \$1.00 per month).

The Borough of Chambersburg continues to use these fees to maintain and improve our separate storm sewer system; a complex series of pipes, inlets, channels, and ponds that manages stormwater throughout the Borough of Chambersburg. The Borough storm sewer system is comprised of 3,229 inlets (3,076 inlets and 153 catch basins), 139 outfalls to Conococheague Creek and Falling Spring Creek, 211 subsurface detention areas, 107 detention basins, 83.49 miles of pipe, 57 rain gardens, and 32.05 miles of open channels.



Sanitation Utility

Chambersburg has the lowest sanitation rates in our area, and that is not going to change in 2025. Throughout 2024, due to operating expense increases such as diesel fuel, recycling, equipment, supplies, vehicle costs, and increased cost of tipping trash at the landfill, the Chambersburg Sanitation Utility saw all our local, regional, and state-wide neighboring utilities have significant percentage increases. Meanwhile, Chambersburg did our best to hold on to our incredibly low-cost utility rates.

In 2025, the Sanitation Utility needs a rate increase to keep pace with expenses. This will be the third increase in four years, and increases every other year or so should continue as inflation drives the cost of disposal higher. The goal is to remain the lowest cost of solid waste and recycling services in the greater Chambersburg area.

The Sanitation Utility envisions a residential increase of \$4.00 per month (\$28 to \$32 per month) and this budget is proposing a commercial rate increase of \$2.00 per cubic yard (\$15 to \$17 per cubic yard). The Chambersburg Sanitation Utility still has some of the lowest rates in the region; this proposed increase will keep pace with the commercial trash haulers who serve the townships.

Furthermore, the special services that are provided by the Sanitation Utility, including the twice-annual bulky drop-off days, the annual e-waste recycling day, daily street-sweeping, and the expansive single-source commingled recycling, including glass, will not be eliminated. Recycling services cost the Borough extra money; they do not earn money. In fact, this type of recycling is neither required by law nor cost-efficient. However, Council has always supported this expensive premium service. We have a contractor who we pay to find a place to recycle our single-source commingled recycling. The contractor pays (not sells) for our recycling to go to a recycling center somewhere in the region. This service keeps the recycled material out of the landfill, which could take it from us at a much lower per ton rate.



Borough Personnel use toters for Commingled Single Stream Recycling

Chambersburg Borough's Sanitation Utility provides more services than any similar private company with extremely competitive rates. We hold the utility rates to that standard and watch the cost of these services in the townships to ensure that the Borough remains a less-expensive place to live or site your business.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Vendor Name	Curbside Pickup		Refuse Pickup		Residential Cost Comparison				Notes or Comments
	Frequency	Monthly	Quarterly	Recycling Program	Yard Waste Program	Bulky Items Program	E-Waste Program		
Apple Valley	Weekly	\$ 59.98	\$ 179.94	Included	N/A	N/A	N/A	Recycle pick-up biweekly	
Parks	Weekly	\$ 59.98	\$ 179.94	Included	N/A	N/A	N/A	Recycle pick-up biweekly	
Waste Management	Weekly	\$ 55.00	\$ 165.00	Included	N/A	N/A	N/A	Recycle pick-up biweekly	
Worthys Disposal	Weekly	\$ 49.00	\$ 147.00	Included	N/A	N/A	N/A		
IESI	Weekly	\$ 40.83	\$ 122.50	Included	N/A	N/A	N/A	Recycle pick-up biweekly	
Borough of Chambersburg	Weekly	\$ 32.00	\$ 96.00	Included	\$18.00**	Included	Included*	*limited number of items ** for 12 visits, primarily funded by monthly sanitation fee	

Wastewater Utility

Chambersburg has one of the lowest sewer rates in our area, and that is not going to change in 2025. Throughout 2024, due to operating expense increases such as diesel fuel, chemicals, equipment, supplies, power costs, and increased cost of paving and ditch repair, the Chambersburg Wastewater Utility saw all our local, regional, and state-wide neighboring utilities have significant percentage increases. Meanwhile, Chambersburg did our best to hold on to our incredibly low-cost utility rates.

In 2025, the Wastewater Utility needs a rate increase to keep pace with expenses. This will be the first increase since 2013, and while it ends that impressive streak of holding the cost of sewer rental rates low, it is still a rather small increase. The prior rate increase was 16% in 2013.

The Wastewater Utility invoices based upon water use at the same location as the sewer (there are no sewer meters installed in most circumstance). The average residential customer uses 170 gallons of water per day. This usage equates to 70 “units” per month (1 “unit” = 74.8 gallons). The 2024 rate is \$0.348/unit. As a result, in 2024, average single-family home saw monthly billing of \$24.36. We anticipate that the average monthly billing for a single-family home will rise from \$24.36 to \$27.16 per month in January 2025 (\$2.80 per month) or \$0.388/unit.

Chambersburg Wastewater Utility continues to have some of lowest costs of any sewer utility in the area even after proposed rate increase. Some local sewer systems charge as much as 40% more than Chambersburg charges for sewer usage.

Furthermore, the Chambersburg Wastewater Utility processes sewage on behalf of neighboring utilities (Greene, Guilford, Hamilton, and part of Letterkenny), so while we keep our sewer rates low, having significantly lower “treatment” rates helps the townships charge their customers less for sewer. Another way, Chambersburg helps the township residents control their expenses.



J. Hase Mowrey Regional Wastewater Treatment Facility

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Residential Utility Rates 2025

<u>Utility</u>	<u>2023</u>	<u>2024</u>	<u>Proposed 2025</u>	<u>Increase 2025</u>	<u>Proposed Date</u>
Electric	\$116.50 per month for avg. home	\$120.60 per month for avg. home	\$123.37 per month for avg. home	Approx. \$2.77 per month for ¼ of the year. Please note there may be a separate PSA adjustment as a result of PJM Fees.	September 2025 June 2025
Water*	\$21.35 per month for avg. home	\$23.45 per month for avg. home	\$26.04 per month for avg. home	Approx. \$2.59 per month	January 2025
Wastewater	\$29.50 per month for avg. home	\$24.36 per month for avg. home	\$27.16 per month for avg. home	Approx. \$2.80 per month	January 2025
Natural Gas	\$631 per year for avg. home	\$480 per year for avg. home	\$517 per year for avg. home	Approx. \$3.08 per month	January 2025
Sanitation	\$25.00 per month for home	\$28.00 per month for home	\$32.00 per month for home	Approx. \$4.00 per month	January 2025
Storm Sewer	\$5 PER ERU 1 ERU per home.	\$5 PER ERU** 1 ERU per home	\$6 PER ERU 1 ERU per home	Approx. \$1.00 per month	January 2025
TOTAL				\$16.24 more per month on average for additional utilities fees	

**All water service customers pay a \$11.00 per month ready-to-serve Ambulance Fee, with no increase for 2025.*

***Discontinuation of automatic discounts for commercial, industrial, and institutional customers. Non-single-family customer discounts can be earned based on stormwater management, beginning in 2024. Call for more information.*

The average single-family home in Chambersburg Borough with electric, gas, water, wastewater, etc., will see a monthly increase of approximately \$16.24/mo. for all utilities by September 2025. This increase is significantly less than what ratepayers in every other part of the State will see over the same time period.

With adoption of this budget, Council consents to the utility fee changes proposed herein. Resolutions and ordinances will be presented for Council concurrence.

Act 511 Tax Details

Types of Taxes Allowed for Boroughs under State Law:

Real Estate taxes	Various limits on type, size and use – may be changed once per year
Deed Transfer Tax	Set at maximum since 1987
Earned Income Tax	Set at maximum since 1965
Local Services Tax	Set at maximum since 2007
Mercantile/Privilege Tax	Prohibited if not adopted by 1988
Amusement Tax	Vending machine tax seen as nuisance in today’s environment

There are no other types of taxes allowed under State Law.

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What of the Police Tax in 2025?

In our area, Chambersburg is the only municipality with a full service, round the clock, local police department. It is a professional and successful law enforcement organization. In 2016, Town Council appointed a new Police Chief, Ron Camacho; a highly qualified law enforcement professional. He has installed a series of upgrades in the organization and their standard operating procedures since joining Chambersburg. In 2021, Council supplemented the Police Department leadership by adding a Police Inspector to the squad, in addition to the Chief and the Lieutenant. In 2023, it remains very expensive to operate a high performing police department, but unlike our neighbors who have chosen to rely on the Pennsylvania State Police, the Chambersburg Police Department plays a much more proactive role in public safety within the corporate boundaries of the Borough.

Chambersburg remains an incredibly safe community with very low crime rates, despite perceptions otherwise. In fact, with their intense crime-prevention and crime-solving tools, a record decrease in crime is the single biggest accomplishment of the Police Department.

Many township residents have no idea that they have no local police in their community. I have nothing but respect for the Pennsylvania State Police, but they are not a local police force and they cannot provide the exact same response or services as the Chambersburg Police Department does in the Borough.

Until 2014, 100% of the real estate taxes collected by the Borough were used exclusively to support the Chambersburg Police Department. In 2014, a small share was added to support the Chambersburg Fire Department. While the Police and Fire tax rate grew in 2018, this remains the sole operational use of real estate taxes. Perhaps this explains why Greene, Guilford, Letterkenny, and Antrim townships have no local real estate tax. The Borough collects almost enough Police Tax to pay for the cost of operating the Police Department. Every dollar of designated revenue from the Police Tax is used wisely by the Police Department.

In 2022, the separate Police Station Bond Tax was added. This special bond tax does not cover any of the cost of the operating the Police Department. All of the money collected by the bond tax goes to pay for the annual debt payments for the renovation and expansion of the Borough Police Station, which reopened on S. Second Street in 2023. So while this extra bond tax is another tax to be paid by the taxpayers, it is not associated with any public safety services.

Two problems confront the Police Department. First, the time has come to expand the police force which has not expanded in size in over a decade despite the fact that the community has become more increasingly complex. The 2025 Budget includes a recommendation to hire three (3) additional police officers. This will help the police address a variety of issues including our growing traffic issues.

Secondly, the Police Tax is an issue. Not to get into the weeds on tax law, but all boroughs are at the mercy of their county Real Estate Assessment office. Our County, Franklin County, has failed to update the County tax rolls, the fair and equitable distribution of real estate taxes, since 1962. This is by far the oldest and most out-of-date taxation system in Pennsylvania. The practical impact of this decision by the County is to reduce the income that 1-mil of real estate tax generates. Unfortunately, the caps imposed by the State on a borough's ability to raise taxes is not expressed in dollars, but is expressed in mil. Therefore, as a result of having an out-of-date taxation system, the Borough of Chambersburg can only raise the total number of mil of Police Tax to a maximum of 30-mil. And, in Franklin County, where 1-mil equals so few dollars, the Police Department funding is at serious risk of being impacted not by a shortage of dollars, but by this odd and antiquated taxation system. The County Commissioners have shown no desire to fix the system. Furthermore, a study, commissioned by six area boroughs, will likely show that the County system is not just out-of-date, it is arbitrary and manipulated. As a result, no one anywhere in Franklin County can have confidence that the amount they pay in property taxes is fair or equitable.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Regardless, with no fix on the horizon, the Borough of Chambersburg must hire more police officers. Further, to pay for those officers, the Borough must raise the Police Tax. The 2025 Budget recommends a change in the Police Tax from 25-mil to 27-mil; getting dangerously close to the statutory maximum of 30-mil. Overall, since December 2006, the Police Tax rate has risen from 17-mil to 27-mil. When averaged out over the eighteen years, that is a growth rate of a little over 2.6% per year. In 2025, it is the Borough Manager’s recommendation that the Borough adopt a Police Tax rate of 27-mil.

		Police Tax Rate																			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mil		17	20	20	20	20	20	20	20	21	21	23	23	24	24	24	24	24	25	25	27
%Δ		-	18%	0	0	0	0	0	0	5.0%	0	9.5%	0	4.3%	0	0	0	0	4.1%	0	8%

In 2024, it is estimated that the Chambersburg Police Department will cost just about exactly what is generated from the 2024 Police Tax (a small estimated surplus of \$3,814). However, with increasing expenses to operate the Police Department, it is estimated that in 2025, the Police Department will cost \$242,881 more to operate than all the revenues collected. This includes shifting police pension subsidies from utility departments to help the Police Department as well as the estimated yield of 27-mil of Police Tax.

Increasing costs for the Police Department include wages (both a cost-of-living increase and more employees), benefits, including health insurance, vehicle expenses (additional vehicle maintenance costs and additional vehicles), information technology expenses, and an increase in Workers’ Compensation insurance premiums. Together, department expenses grew \$883,704 or by 14%.

As a result of those changes, a tax increase is needed.

Police Department Budget	2024	2025
Estimated Cost of Operations	\$6,243,476	\$7,127,180
Reimbursement from CASD for School Crossing Guards (estimated)	-\$26,700	-\$34,000
Estimated Yield from Fines and Fees	-\$132,500	-\$185,000
State Grant for Police Pension Costs (grant shifted from utilities)	-\$714,084	-\$803,100
Subtotal	\$5,370,192	\$6,105,080
Tax Rate	25-mil	27-mil
Estimated yield of Police Tax (excluding tax liens & donations)	\$5,374,006	\$5,862,199
Police Department Deficit	\$3,814	-\$242,881

In general, if the Police Department runs a deficit as it is anticipated to do so in 2025, it is commingled with all the revenue and expenditures in the General Fund. The General Fund miscellaneous revenue must cover it as it does with all the General Fund departments including Fire, EMS, the Recreation Department, Land Use & Community Development, and general highway, which are all mixed together pursuant to the State recommended chart of accounts.

It is important to place the anticipated Police Tax deficit for the Police Department of \$242,881 into context. First, we will see how 2024 year ends financially because that helps inform 2025. Second, since 2020, given controls on spending and a slight increase in tax yield, the Police Tax will likely generate enough revenue to pay for approximately 100% of the Police Department (when including other police related revenues such as the shift in pension subsidy) in 2024. As is pointed out in this budget, it will be impossible to avoid a Police Tax rate increase. A deficit is not sustainable as it draws resources from other General Fund operations. Every dollar of undesignated revenue used to close the gap between these revenues and the Police Department budget is one less dollar that can be used for parks or recreation, highways or streets, or other functions such as economic development or new initiatives in community development.

Please keep in mind that we are operating the Police Department with very little margin for error. Unforeseen costs such as a major detective caseload, a major public safety event, additional unforeseen overtime, additional training, or adding more employees in advance of other future retirements, can easily throw the Police Department budget into a more unstable place.

What of the Fire Tax in 2025?

The Borough once had no Fire Tax. In 2014, a so-called neutral arbitrator imposed upon the Borough and the International Association of Fire Fighters (IAFF) Local #1813 a labor pact (the infamous “Kasher Decision”). Town Council was forced to add a Fire Tax. That tax was set at 3-mil and has remained unchanged. In exchange for this tax, and implementing the Kasher Decision, there was relative labor peace for the years following this decision. In fact, twice since then labor negotiations have avoided going back to interest arbitration for a resolution to impasses in negotiating new collective bargaining agreements.

Back in 2018, the Borough added a small (1/2-mil) Ambulance Tax to supplement the existing Fire Tax; the maximum permitted by State Law (1-mil updated in 2024). In 2020, Town Council replaced that Ambulance Tax with the Ambulance Fee, a surcharge on water invoices.

Unfortunately, in 2020 the Borough concluded that the Fire Tax was insufficient to pay for the cost of the Fire Department’s ambulance service. There is no legal way to raise it. The Fire Tax cannot exceed 3-mil and the now-repealed Ambulance Tax cannot exceed 1-mil under State Law (cap just raised to 1-mil in 2024). In 2020, Town Council repealed the 1/2-mil Ambulance Tax in its entirety and adopted the Ambulance Fee surcharge on water invoices in its place.

Our County, Franklin County, has failed to update the County tax rolls, the fair and equitable distribution of real estate taxes, since 1962. This is by far the oldest and most out-of-date taxation system in Pennsylvania. The practical impact of this decision by the County is to reduce the income that 1-mil of real estate tax generates. Unfortunately, the caps imposed by the State on a borough’s ability to raise taxes is not expressed in dollars, but is expressed in mil. Therefore, as a result of having an out-of-date taxation system, the Borough of Chambersburg can only raise the total number of mil of Fire Tax to a maximum of 3-mil as it has done in 2014. Henceforth, there is no possible way to raise the Fire Tax rate.

The Borough is once again at a financial crossroads with respect to funding the Fire Department and its associated basic-lifesaving ambulance service. The cost of these operations, coupled with the inability to collect all ambulance use-fees incurred and a state-imposed cap on the Fire Tax, has left the Borough in a precarious fiscal position. Meanwhile, the cost of Fire Department operations continues to rise.

There is no proposed change in the Fire Tax for 2025 because an increase is not possible. State law places a limit on the Borough at a very low tax rate for the purpose of paying for the Fire Department. Not that we like taxes, but the 1965 State Law makes no sense. The Borough is prohibited from levying more than 3-mil (the 2025 equivalent of about \$640,605) in Fire Tax, but most of it must be used for apparatus/truck expenses and not for firefighters’ wages and benefits. Further, the Borough is prohibited from using more than 1-mil (the 2025 equivalent of about \$215,843) for all the firefighter wages and benefits. Clearly, the State of Pennsylvania wants to inhibit the ability of any borough from having a paid professional firefighting force.

In Chambersburg, firefighter wages and benefits cost the Borough well over \$4 million per year. Obviously, this artificial limit in place since 1965 does not envision a mostly paid and experienced professional fire department, as we have here in Chambersburg.

There is no logical or practical alternative and staff is at a loss how to pay for the Fire Department in the future. One alternative is to begin to rent the department to our township neighbors, assuming that their supply of volunteer firefighters disappears. This seems to be a logical assumption.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

We believe the neighboring townships are ignoring the disappearing number of volunteer firefighters in Franklin County because they do not want to invest the millions of dollars necessary to have a professional force like the Borough of Chambersburg.

The long-term funding issue of the Fire Department is not identical to the issue of the Police Department. The main difference is that the Fire Department brings in significant revenue. Specifically, the Fire Department is a regional provider of Basic Life Support (BLS) ambulance service inside the Borough and in parts of the surrounding townships. While less than 50% of ambulance invoices are paid (and mostly by insurance), those payments are significant. In addition, the Fire Department acts as the Borough’s Fire Code safety inspection service. Done on a tri-annual basis for most commercial businesses (and annual basis for some types of businesses), this service results in fewer fires or loss of life, and provides some income for the Fire Department.

While the revenue from the ambulance service and the Fire Code safety inspections is not enough to pay for the cost of operating the Fire Department, this and the Fire Tax combined are counted as a very respectable effort to close the gap in costs. The balance of the Fire Department operating expenses is closed by undesignated General Fund revenue above and beyond the Fire Tax. Every dollar of undesignated revenue used to close the gap between these revenues and the Fire Department budget is one less dollar that can be used for parks or recreation, highways or streets, or other functions such as economic development or new initiatives in community development.

The cost of operating the Fire Department will rise significantly in 2025. This is in part due to higher costs associated with the replacement schedule for fire apparatus as we put aside money for future purchases. Vehicles for the Fire Department are rising exponentially in cost. This, plus the growing write-off for Medicaid/Medicare patients served by the Fire Department’s ambulance service, are causing strain on department finances.

In 2025, it is estimated that the Fire Department and EMS will cost \$1,632,762 more to operate than the revenues collected. This includes shifting fire pension subsidies from utility departments to help the Fire Department as well as the estimated yield of ½-mil of Fire Tax permitted to be used for operations. There is no way permitted to raise the Fire Tax (approx. 7.9-mil more) to cover this deficit.

Fire/EMS Budget	2024	2025
Estimated Cost of Operations	\$6,135,720	\$6,206,695
Local Services Tax Yield (set at State Maximum)	-\$758,000	-\$775,000
Fire Code Inspections	-\$83,000	-\$80,000
Ambulance Patient Fees	-\$1,418,500	-\$1,500,000
Ambulance Fee on Water Service Invoices	-\$1,436,830	-\$1,538,868
State Grant for Fire Pension Costs (grant shifted from utilities)	-\$594,373	-\$594,400
Subtotal	\$1,845,017	\$1,718,427
Tax Rate	3-mil	3-mil
Estimated yield of Fire Tax	\$720,214	\$621,920
Less required transfer to the Motor Equipment Fund (State Law)	-\$544,260	-\$536,255
Net Fire Tax Revenue for Operations	\$175,954	\$85,665
Fire/EMS Deficit	-\$1,669,063	-\$1,632,762

The Borough uses the Ambulance Fee to help cover the EMS portion of the deficit. The Ambulance Fee brings in \$1.54 million. If the Ambulance Fee was used to cover the whole deficit, it would be set to \$23.25 per month instead of the recommended \$11 per month as is proposed for 2025. The proposed Ambulance Fee is made necessary by the allowance for uncollectable ambulance receipts as a result of Medicaid/Medicare federal rules.

In addition to the Ambulance Fee, if the Fire Department runs a deficit, it is commingled with all the revenue and expenditures in the General Fund. The General Fund miscellaneous revenue must cover it as it does with all the General Fund departments including the Police Department, the Recreation

Department, Land Use & Community Development, and general highway, which are all mixed together pursuant to the State recommended chart of accounts.

The world of EMS is in such flux, we do not see any reason to not stay the course and give the process another year to unfold. Many believe the entire EMS system is on the verge of catastrophic failure.

More concerning than our fiscal status, or the delays in fielding a second ambulance, is the abject failure of volunteer ambulance companies (and some paid companies) to find employees/volunteers to staff ambulances and answer calls. There is reason to fear that the entire EMS system in Pennsylvania is on the verge of a breakdown. If such a prophecy comes to fruition, Chambersburg would remain in a strong and safe position. As a result of our commitment to professionalism, our use of firefighter personnel, and our willingness to use taxes and fees to supplement EMS operations, our community and our citizens are somewhat insulated from, what may turn out to be, a breakdown in emergency medical operations regionally or statewide. This is a very real fear throughout Pennsylvania.

Last year saw another dramatic change in Advanced Life Support (ALS) services in Franklin County as the system edged closer to a complete failure.

How this may impact us is both in an increased demand for our ambulance(s) to leave the Borough and provide regional mutual aid; and, second, by seeing a need to once again explore with whom the Borough contracts for Advance Life Support (ALS) paramedic services. As you may know, the Fire Department provides only Basic Life Support (BLS) services. Last year, for the fourth time in five (5) years, our ALS partner pulled out of Franklin County. Originally, we worked with West Shore EMS for these services, but their system failed and was acquired by Holy Spirit EMS, a division of the Geisinger Health System. In 2022, the Geisinger Health System merged with the Penn State Hershey Medical System. In 2023, the Life Lion and University EMS systems unceremoniously pulled out of Franklin County. As a result, Wellspan Health, in a dramatic move, stepped in to provide a partnership for ALS services.

If Wellspan Health decides to stop providing this service, there may be no one left in Franklin County and pressure upon our Fire Department to fix the failing system may reach a boiling point.

In 2025, we hope that these relationships, and our partnership, and the other BLS providers in our neighboring communities, all remain strong and stable. We hope, but we are prepared to act, just in case someone falters and we must act to protect the emergency medical systems in Chambersburg. Therefore, while no one wants to pay a fee to support ambulance services, please understand that such a fee is increasingly important. There are no alternatives. If there is a regional or statewide collapse of the EMS system, it will be Chambersburg and our commitment to funding, which will allow us to protect our residents and businesses. If the system collapses, we are prepared to pick up the slack and spend resources.

In 2025, it is suggested that Town Council support initiatives in Harrisburg to reform and change the EMS system in Pennsylvania. Support reforms that bring resources, clarify billing rules, increase billing options, and force regionalism of ambulance systems. In addition, urge Washington to fix EMS billing rules in Medicaid and Medicare. These rules, debated often by professionals and Congress, are hurting systems throughout our country.

We must lead the way at fixing the broken EMS system statewide.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

How much does 1-mil of real estate tax yield in 2025?

Total assessed value of taxable real estate, inside the Borough, for 2025 is estimated to be \$216,619,154; up slightly from last year’s assessed value. Therefore, the cash value of 1-mil would equal \$216,619. However, when factoring in our average collection rate for any given year, we should expect that same mil to yield \$201,456. This difference is a result of the average amount of taxes remitted on time, annually, versus the total that is levied.

Therefore, for budget purposes, 1-mil is equal to approximately \$216,619 in cash. As explained, if you assume the standard percentage of taxpayers will fail to pay their taxes, 1-mil would equal \$201,456 in cash. If you assume some old outstanding tax liens from previous years may pay their debts in 2025, 1-mil might equal \$215,843 in cash. The value of a mil is therefore not precise.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Police Tax Yield	\$5,060,555	\$5,229,081	\$5,374,006	\$5,862,199
Mil	24	25	25	27
Fire Tax Yield	\$632,189	\$628,380	\$720,214	\$640,605
Mil	3	3	3	3
Recreation Bond Tax	\$629,032	\$525,969	\$537,103	\$532,335
Mil	3	2.5	2.5	2.5
Police Station Bond Tax	\$200,032	\$409,130	\$426,402	\$425,820
Mil	1	2	2	2
Public Works Campus Tax	-	-	-	\$201,455
Mil	-	-	-	1
Value of 1 Mil*	\$210,381	\$209,002	\$217,161	\$215,843
Est. Single Family House Tax				
Police Tax	\$414.96	\$434.31	\$438	\$475
Fire Tax	\$51.87	\$52.12	\$53	\$53
Recreation Bond Tax	\$51.87	\$43.43	\$44	\$44
Police Station Bond Tax	\$17.29	\$34.74	\$35	\$35
Public Works Campus Bond Tax	-	-	-	\$18
TOTAL			\$570	\$625

** Not a precise measure as the value changes every year due to the assessed value of real estate – use for planning only*

Every year, the average single-family home value changes. So, regardless of the mil rate, with a changing average, the calculation of what the average annual payment might be also changes. This makes it even more challenging to compare the average annual payment in one year to the next. Notice the Fire Tax above. It hasn’t changed mil rates in years, but the cost of the tax to the average homeowner still changes.

In addition to that complexity, homeowners often do not pay their full tax invoice. If the Borough tax invoice is paid in March or April, the property owner gets a 2% discount off their taxes, which the Borough must absorb. Similarly, if the Borough tax invoice is paid after June, the property owner pays a flat 10% penalty, which will eventually be paid to the Borough, net of collection expenses which may be incurred.

This discount and penalty system is another factor in making the value of 1-mil not a precise dollar amount.

Finally, as previously mentioned, Franklin County has failed to update the County tax rolls, the fair and equitable distribution of real estate taxes, since 1962. This is by far the oldest and most out-of-date taxation system in Pennsylvania. The practical impact of this decision by the County is to reduce the income that 1-mil of real estate tax generates. In other more up-to-date counties, 1-mil might generate 10x more revenue than in Chambersburg.

Finally, we have heard a growing skepticism that these numbers presented do not represent the actual average real estate tax burden. To that end, let us clarify:

- Our statistics are based upon the average (median) single-family home.
- Our statistics are accurate for actual single-family homes inside the Borough of Chambersburg. We state that the average single-family home will pay Borough real estate taxes of \$625 per year, which means that half of all single-family homeowners will pay more and half of all single-family homeowners will pay less.
- Your home's assessed value, set by Franklin County, and not reconfirmed since 1961-1962, is public information. You can look it up online and check your Borough tax burden yourself.
- This is not the measure of what a home with a fair-market value of \$100,000 would pay. That statistic is illogical because the County does not use actual sales values to determine your taxes. The profile of a home with a real estate value of \$100,000 wouldn't represent the average, typical, or common home anyway. Further, fair-market values vary wildly based on physical location of the home from one town to the next or one block to the next. We use the real-life average home profile for the real average single-family home inside the Borough.

With this proposed budget, the average single-family home in the Borough will see their annual Borough real estate tax bill rise from \$570 per year (before discount) to \$625 per year (before discount) or approximately \$55 per year (before discount) or \$4.58 per month (before discount).

Go to <https://fcgis.franklincountypa.gov/taxparcelviewer/> to check your home, your assessed value, and your Borough tax bill.

Folks Say that They Pay More Than That in Borough Taxes, But Do They?

Here is the typical single-family home with the average assessed value of the average home in the Borough:



This house sold in 2021 for \$235,000.

However, it has an assessed value of \$21,940.

The house next door is the same age and size, but has an assessed value of \$23,110. There is no logical explanation.

Regardless, with an assessed value of \$21,940, this is close to the average home in the Borough.



The annual Borough tax bill for this home would be \$713.05 for 2025 (before discount). This is a real home and that is their actual tax bill. There is also a discount if that tax bill is paid in the first two-months after issuance.

Finally, in many cases, real estate taxes are an eligible deduction on one's personal income tax.

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Conclusion

Chambersburg Borough is an amazing municipal organization. We are lucky to have outstanding employees, a supportive and dynamic community, and a defined mission to provide the most services at the lowest cost to our citizens and businesses. We have weathered a variety of fiscal storms, each time coming out stronger and more resilient. We have seen political changes, socio-economic changes, and regional growth, all the while maintaining our hold, our local autonomy, and a small-town atmosphere.

At no point have I been prouder to lead this organization than now.

I am proud to represent our community on a regional, statewide, and national stage. I talk often of our uniqueness among municipalities.

As Council leadership knows, this year’s budget numbers, based upon funding everything, is not good. Only through necessary revenue enhancements, and reasonable prioritization, did we end up with the budget being presented herein.

In the proposed 2025 Budget, I have recommended a tax increase to fund two Council priorities: hiring additional police officers and undertaking the beginning of the multi-year Public Works Campus project. I am always reluctant to recommend tax increases. Yet these two priorities are undoubtably necessary. Further, the Public Works Campus project is more expensive than I would like. However, the Loudon Street garage, the existing public works facility, is way beyond its useful life, undersized, impossible to fix or expand, and subject to potential destruction by flooding. It was a tough but logical recommendation to move to another spot inside the Borough.

I wish that Franklin County would update the outdated taxation system, but that is not a Borough-decision. As a result of their intransigence, all the governments in the County suffer from a low value milage rate and an unnecessary State-mandated tax cap. It seems unreasonable when the public safety systems throughout our County, police, fire, and EMS, are in a state of crisis, that funding a paid professional system would be impeded by political expedience and dereliction of responsibility.

Chambersburg citizens and businesses want more and better services.

To meet our obligations, in 2025, almost every utility rate must increase. While that sounds dire, it is an understatement to point out that Chambersburg will continue to have lower rates by far, than all our neighboring municipal and commercial utility systems. This budget includes small increases in electric, natural gas, water, wastewater, storm sewer, and sanitation. All these increases are significantly less than if our residents and businesses lived in the townships. Finally, I am recommending no change in the Ambulance Fee; the cost of providing this important life-saving service as a surcharge on water service invoices.

Our citizens and businesses pay so much less for utilities than our neighbors in the townships.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
Police Tax Mil	21	23	23	24	24	24	24	24	25	25	27
Fire Tax Mil	2.5	2.5	2.5	3	3	3	3	3	3	3	3
Ambulance Tax Mil	-	-	-	0.5	0.5	0	0	0	0	0	0
Recreation Bond Tax Mil	-	-	-	3	3	3	3	3	2.5	2.5	2.5
Police Station Bond Tax Mil	-	-	-	-	-	-	-	1	2	2	2
Public Works Campus Bond Tax Mil	-	-	-	-	-	-	-	-	-	-	1
Total Real Estate Tax Mil	23.5	25.5	25.5	30.5	30.5	30	30	31	32.5	32.5	35.5

Real estate taxes are budgeted to increase in 2025 by 3-mil or 9.2%.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

In October 2024, Moody's Investor Services reaffirmed Chambersburg's General Obligation credit rating as Aa3, which is quite good. In the past they have stated that Chambersburg's rating “reflects its improved reserves and liquidity, moderately sized taxable base with below average income, and growing but still manageable debt burden. The rating also considers the Borough's financially sound enterprise funds.” The Borough's preliminary fiscal 2024 results indicate another strong year with improved reserves across all operations.

Goals established by Moody’s include material and sustained growth in reserves and liquidity, significant growth and diversification of the tax base, and the materially improved wealth and income of our residents. Unfortunately, there is not much the Borough can do to influence these goals. They also cautioned the Borough to avoid failure to adjust operations to accommodate new debt service, any structural operating imbalance, material growth of the debt burden beyond current expectations, and an inability of utility funds to cover related debt service. It is for these reasons, that tax and rate increases are unavoidable.

I support infrastructure investment to grow the Borough’s balance sheet’s assets. We should be strategic in the investment into new projects. Beginning in 2025, the Borough will be making a significant investment in both debt and asset growth by undertaking the multi-year Public Works Campus project. This project will cause strain on our finances and this 2025 Budget prepares well to address that need with both tax and utility rate revenue enhancements.

While no one likes a tax increase, the included tax changes continue the Borough’s investment in public safety. Franklin County must undertake reassessment, the updating of the tax rolls, and they must begin this multiyear process immediately. Our antiquated tax system is devaluing each mil of tax value to a point where the Borough’s Police Department and Fire Department have reason to worry about future viability.

Public safety is a core function of our municipality. The condition of public safety funding outside the Borough of Chambersburg is already of concern to those informed on such subjects. Volunteer fire companies, volunteer ambulance companies, and the Pennsylvania State Police, are not worthy substitutes for professional municipal operations.

In addition to Franklin County addressing the broken local tax system, Harrisburg must lift the Fire Tax caps in the Borough Code. For over a decade, I have pointed out these issues will lead communities to defund local police and fire departments. We cannot accept the status quo at the expense of public safety. I ask our leaders to please seek ways to urge both the County Commissioners and the General Assembly to address our antiquated system. It inhibits development and over-burdens senior citizens. We are the last County in Pennsylvania to address this problem. If the system is not fixed, within three to five years, the Borough of Chambersburg will have to make dramatic and unnecessary cuts to police and fire, merely to avoid this issue.

This 2025 Budget is balanced with both a tax increase and several utility rates changed.

Revenue Enhancements	Increase Per Month	Increase Per Year	Effective Date
Natural Gas Rate Increase	\$3.08 per month	\$36.96 per year	January 2025
Electric Rate Increase	\$2.77 per month	\$11.08 per year	September 2025*
Water Rate Increase	\$2.59 per month	\$31.08 per year	January 2025
Sanitation Rate Increase	\$4.00 per month	\$48.00 per year	January 2025
Wastewater Rate Increase	\$2.80 per month	\$33.60 per year	January 2025
Storm Sewer Rate Increase	\$1.00 per month	\$12.00 per year	January 2025
Police Tax (General Levy) + 2 mil	\$3.083 per month	\$37.00 per year	January 2025
Public Works Campus Bond Tax + 1 mil	\$1.50 per month	\$18.00 per year	January 2025
	\$20.823 per month	\$227.72 per year	

* - The Electric Utility increases are not scheduled to occur until June or September 2025; delaying the impact and changing the annual average.

On average all of these revenue enhancements will cost the average single-family household in the Borough, around an additional \$20 per month. Individual results may vary based on many factors.

We must recognize the changing demographics of our community. I do not agree that government is like business. We support our community much more than a business would. It is true that our citizens are our customers, and then we must meet our customers where they live and recognize their demographics. We have made a full commitment to be a bi-lingual and multi-lingual organization. This is not a political statement. Rather, it is a recognition that we must address the fact that so many of our daily interactions are with folks for whom English is a second language. We must continue to make our customer service accessible to those who we need to service. That is actually to the benefit of all. This is one reason our customer portal is such an important project.

In 2022, a planning committee, comprised of the IT Supervisor, IT programming staff, the Borough Manager, members of the Customer Service Department, the Director of Finance, and the Director of Administrative Services was formed. The committee spent the better part of this year working tirelessly with Fresche Solutions to design an customer portal to our utility billing system. The project is ongoing with the goal of having the design completed by the end of 2024. The customer portal project, including design and implementation, is in the 2025 budget as a capital improvement project request. I have faith it will go live in 2025.

Chambersburg’s organization needs to work harder at developing the future Borough workforce. Times have changed and young people do not grow up to have the careers we have here at the Borough. Whether it is a part-time lifeguard, a full-time plumber or electrician, a police officer, or a firefighter, these are no longer prime attractive careers despite the fact that everyone at the Borough loves our jobs. We must cultivate new workers. That means planting seeds in the fertile minds of young people. If we fail, we will have no one to hire in the near future.

Finally, we must change the parochial and territorial view of Pennsylvania municipal government. We need to be one greater Chambersburg or we will each run our small municipalities into deterioration. Strength lies in intergovernmental cooperation and economy of scale. We must work together on transportation, storm water management, infrastructure, and police and fire services. That is a tough order for some old-timers. Our concept is paid-services. Chambersburg Borough is expert at providing services. Let us sell our services to your taxpayers. So far, this concept has been untested.

According to Emily Prevati at PA Post in 2022, “About 1,300 Pennsylvania communities don’t have their own police departments and rely instead on state police. But they don’t pay anything for the service – and it costs state taxpayers nearly half a billion dollars every year. State lawmakers have been talking for years about changing that, but still can’t seem to agree on a way to do it. And the pressure has been building as the state has been tapering off diversions to the Pennsylvania State Police from the commonwealth’s Motor License Fund, which is intended to fund infrastructure repair and maintenance.” Gov. Tom Wolf had pitched a plan back in 2022 – which failed to get legislative approval – where municipalities that rely on state police would pay for services based on population. Under the failed proposal, towns with fewer than 2,000 residents would pay \$8 per person. Towns with more than 20,000 residents would pay \$166 per person. It would generate over one hundred million dollars.

Would it not make more sense for townships to pay Chambersburg rather than to pay Harrisburg? We can offer top-notch police and fire services for some or all of the adjoining townships. I believe we are all a part of the greater Chambersburg area and many township residents already mistakenly believe that the Chambersburg Police Department and Fire Department are protecting them.

Our Borough Police Department and Fire Department can easily be expanded to cover some or all of our neighboring townships at a very cost-effective rate. We believe townships’ residents would welcome paying Chambersburg for these important services. We do not envision a regional department, but rather a fee-for-services arrangement, where residents and businesses in adjoining townships contribute to the cost for safety, security, and protection, from our outstanding public servants. Perhaps starting with the Lincoln Way Corridor.

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Size of Budget 2025

In 2025, the Borough will have an ALL-FUNDS BUDGET of \$159,998,388. In 2024, the ALL-FUNDS BUDGET was \$134,254,757. This represents a 19.2% increase, with no major changes to accounting or operational practices. This net increase is largely a result of increases in operational expenses in the Police, Recreation, Property Maintenance Code, Electric, Water, Sewer, Sanitation, Parking Traffic & Street Lighting, Storm Sewer, and Aquatic Center operations; the spending down of fund balance reserves and/or bond funds in the General Capital Reserve, Liquid Fuels, Electric Capital Reserve, Water Capital Reserve, Sewer Capital Reserve, Storm Sewer Capital Reserve, and Motor Equipment Funds; as well as the addition of the Public Works Campus Fund.

In 2025, the Borough's OPERATING BUDGET will be \$137,760,740. In 2024, the Borough's OPERATING BUDGET was \$124,198,372. This represents an 10.92% increase, with no major changes to accounting or operational practices. This increase is largely attributable to revenue in the Electric, Electric Capital Reserve, Gas Capital Reserve, Water, Sewer, Sewer Capital Reserve, Sanitation, General, Motor Equipment, Public Works Campus, Storm Sewer, and Aquatic Center Funds, as a result of utility rate increases, projected increases in sales, as well as the anticipated revenue resulting from grants and debt issuance.

In 2025, the Borough's GENERAL FUND BUDGET will be \$20,558,837. In 2024, the Borough's GENERAL FUND BUDGET was \$19,790,495. This represents a 3.9% increase, and is a realistic gauge of actual growth in the Borough's spending plan, given the importance of the Police and Fire/EMS Departments, as well as the provision of all major governmental services.

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BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Use of Fund Balance 2025

	2025 Revenue	2025 Expenditures	Withdrawal/Deposit from Fund Balance	
GENERAL FUND	\$20,558,837			Balanced with a Police Tax increase
General		\$2,473,380		
Highway		\$1,613,227		
Fire		\$6,206,695		
Police		\$7,127,180		
Recreation		\$1,580,295		
Land Use		\$1,095,860		
Misc.		<u>\$462,200</u>		
GENERAL FUND		\$20,558,837	-	Balanced
Electric	\$37,633,610	\$37,633,610	-	Balanced with a rate increase
Natural Gas	\$10,881,095	\$10,881,095	-	Balanced with a rate increase
Water	\$5,738,804	\$5,738,804	-	Balanced with a rate increase
Wastewater	\$8,422,731	\$8,422,731	-	Balanced with a rate increase
Sanitation	\$5,542,975	\$5,542,975	-	Balanced with a rate increase
Parking Traffic	\$1,818,855	\$1,818,855	-	Balanced
Storm Sewer	\$1,665,542	\$1,665,542	-	Balanced with a rate increase
Aquatic Center	\$1,492,150	\$1,562,650	-\$70,500	Making a \$70,500 withdrawal for capital projects
Motor Equipment	\$5,266,420	\$7,101,051	-\$1,834,631	Making a \$1.8 million withdrawal for vehicles
Engineering	\$850,168	\$850,168	-	Balanced
Stores/Warehouse/Call Center	\$1,866,610	\$1,866,610	-	Balanced
Public Works Campus Fund	\$13,997,595	\$10,648,025	\$3,349,570	Making a \$3.35 million deposit of 2024 assets/debt
ADMIN SERVICES	\$10,271,795			
Utility Building Operations		\$586,985		
Personnel Payroll		\$968,700		
Info Technology		\$1,641,700		
Finance/Accounting/Cust Service		\$3,148,065		
Clerical Pool		\$1,420,400		
Admin Fund Administration		\$1,295,945		
Admin Fund Capital Projects		<u>\$1,210,000</u>		
ADMIN SERVICES		\$10,271,795	-	Balanced
Gen Fund Cap Reserve	\$2,837,310	\$3,413,101	-\$575,791	Making a \$575,791 withdrawal for capital projects
Storm Sewer Capital	\$3,567,480	\$8,422,854	-\$4,855,374	Making a \$4.9 million withdrawal for capital projects
Electric Capital	\$4,894,050	\$3,268,000	\$1,626,050	Making a \$1.6 million deposit for future projects
Gas Capital	\$3,178,200	\$2,725,000	\$453,200	Making a \$453,200 deposit for future projects
Water Capital	\$945,900	\$2,050,000	-\$1,104,100	Making a \$1.1 million withdrawal for capital projects
Wastewater Capital	\$841,100	\$2,750,000	-\$1,908,900	Making a \$1.9 million withdrawal for capital projects
Sanitation Capital	\$265,570	\$100,000	\$165,570	Making a \$165,570 deposit for future projects
Parking/Traffic Capital	\$875,230	\$847,000	\$28,230	Making a \$28,230 deposit for future projects
Self-Insurance Trust	\$1,278,415	\$1,691,205	-\$412,790	Making a \$412,790 withdrawal for insurance claims
Workers Comp Trust	\$667,670	\$610,607	\$57,063	Making a \$57,063 deposit for future claims
Special Revenue Trust	\$2,999,638	\$2,989,738	\$9,900	Grant deposits exceed grant withdrawals by \$9,900
Police Station Bond Tax Fund	\$433,840	\$433,840	-	Balanced
Recreation Bond Tax Fund	\$561,015	\$561,015	-	Balanced
Public Works Campus Bond Tax Fund	\$206,455	\$206,455	-	Balanced
Fire Tax Holding	\$661,095	\$661,095	-	Balanced
Liquid Fuels State Grant Holding	\$641,225	\$1,988,560	-\$1,347,335	Making a \$1.4 million withdrawal for capital projects
Sister City Account	\$1,110	\$1,110	-	Balanced
Project H.E.A.T. Account	\$30,000	\$84,250	-\$54,250	Making a \$54,250 withdrawal from prior deposits
Total Use of Fund Balance			-\$6,474,088	
Total New Debt Issue Planned for 2025			+\$10,000,000	

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Notes on Use of Fund Balance Table:

1. General Fund Capital Reserve Fund: \$575,791 from Fund Balance
2. Liquid Fuels Fund: \$1,347,335 from Fund Balance
3. Trust and Agency Funds: \$54,250 from Project H.E.A.T. Fund Balance
4. Swimming Pool Department Enterprise Fund: \$70,500 from Fund Balance
5. Water Department Capital Reserve Enterprise Fund: \$1,404,100 from Fund Balance
6. Sewer Department Capital Reserve Enterprise Fund: \$1,908,900 from Fund Balance
7. Storm Sewer Department Capital Reserve Enterprise Fund: \$4,855,374 from Fund Balance
8. Motor Equipment Internal Service Fund: \$1,834,631 from Fund Balance
9. Self-Insurance Trust Fund: \$412,790 from Fund Balance
10. Capital Investment: \$23,875,955
11. Difference between Rev. and Exp. before Bond Sinking funds applied: (\$6,728,588)
12. Difference between Rev. and Exp. after Bond Sinking funds applied: \$8,687,266
13. \$12,355,171 of \$159,998,388 budget or 7.72% of budget funded by cash reserves

The Borough intends on using 7.72% of cash reserves for the balancing of FY 2025.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Use of Real Estate Taxes to Fund 2025

In 2025, it is the Borough Manager’s recommendation that the Borough increase the Police Tax rate, currently at 25-mil, to 27-mil. An increase of 2-mil, which will cost the average single-family home approximately \$37.00 per year.

Police Tax Rate (in mil)																			
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
17	20	20	20	20	20	20	20	21	21	23	23	24	24	24	24	24	25	25	27

In doing so, this means that since 2006, the Police Tax will have increased 10-mil in 18 years. An understandable rate of growth for such an important tax and such an important service.

In 2025, it is the Borough Manager’s recommendation that the Borough not change the Fire Tax rate, currently at 3-mil. No increase is possible due to a combination of our antiquated assessment system in Franklin County and the State-imposed cap (expressed in mil).

Fire Tax Rate (in mil)																				
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
<u>FIRE</u>	0	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>EMS</u>	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.5	0	0	0	0	0	0
<u>TOTAL</u>	0	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0

Note – Of this levy of 3.0-mil, only ½-mil is permitted to be used for firefighter wages and benefits.

Recall, the Fire Tax does not come close to covering the cost of the department, but cannot be increased.

Even with the Ambulance Fee, the Fire Department is anticipated to run a deficit requiring the use of general revenues to cover additional expenses. We are lucky that our General Fund has enough undesignated miscellaneous revenue to close this gap. However, long term, we need to explore ways to increase funding for Fire and EMS. The system is truly broken.

In 2025, it is the Borough Manager’s recommendation that the Borough not change the Recreation Bond Tax rate, currently at 2½-mil.

Recreation Bond Tax Rate (in mil)																			
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
-	-	-	-	-	-	-	-	-	-	-	-	3	3	3	3	3	2.5	2.5	2.5

In 2025, the Police Station Bond Tax will continue for its fourth year. It is proposed to remain at 2-mil.

Police Station Bond Tax Rate (in mil)																			
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	2	2

In 2025, this budget recommends the start of a Public Works Campus Bond Tax. It is proposed to start at 1-mil. However, as construction continues, the rate will rise in 2026 and 2027.

Public Works Campus Bond Tax Rate (in mil)																			
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Every year, due to slight changes in the value of the real estate in the Borough, the mil rate equals different dollar payment amounts, even if the mil rate is unchanged.

The Average Single-Family Home in the Borough has a 2024 assessed value of \$17,578.39. It will see a total increase of about \$55 per year, or \$4.58 per month, in real estate taxes; obviously, that is the assessed value and not the single-family home market value. Half of all single-family homes in the Borough have an assessed value higher, and half have an assessed value lower. Commercial, industrial and multi-family homes have different values.

According to Redfin.com, the average fair market value of all single-family homes sold in the Borough in 2024 was \$201,000, down 14% from the previous year, which itself (2023) was up 20%, so more of a correction than an anomaly. There were only 19 homes sold year-to-date (10% of what was sold in 2023 which was also a very busy year for home sales). Clearly mortgage rates impact home sales.

	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Police Tax Yield	\$5,060,555	\$5,229,081	\$5,374,006	\$5,862,199
Mil	24	25	25	27
Fire Tax Yield	\$632,189	\$628,380	\$720,214	\$640,605
Mil	3	3	3	3
Recreation Bond Tax	\$629,032	\$525,969	\$537,103	\$532,335
Mil	3	2.5	2.5	2.5
Police Station Bond Tax	\$200,032	\$409,130	\$426,402	\$425,820
Mil	1	2	2	2
Public Works Campus Tax	-	-	-	\$201,455
Mil	-	-	-	1
Value of 1 Mil*	\$210,381	\$209,002	\$217,161	\$215,843
TOTAL MIL RATE				
Single Family House Ass. Value	\$17,406.05	\$17,457.17	\$17,525.66	\$17,578.39
Police Tax	\$414.96	\$434.31	\$438	\$475
Fire Tax	\$51.87	\$52.12	\$53	\$53
Recreation Bond Tax	\$51.87	\$43.43	\$44	\$44
Police Station Bond Tax	\$17.29	\$34.74	\$35	\$35
Public Works Campus Tax	-	-	-	\$18
TOTAL	\$535.99	\$564.70	\$570	\$625
	For 31 mil	For 32.5 mil	For 32.5 mil	For 35.5 mil

**- The value of 1-mil changes year-to-year based on several factors include total assessed value of real estate inside the County and inside the Borough.*

When asked, some citizens wildly inflate the dollar value of the real estate taxes that they pay per year. The single-family home with the largest Police Tax bill each year pays \$3,164.40 per year in Police Tax versus \$475 paid by the average single-family home. Further, that home has a Fair Market Value of \$851,000 (with a Franklin County assessed valuation of \$117,200) and is therefore a unique Borough property. Of all the single-family homes inside the Borough, half pay more than \$625 per year in Borough taxes, and half pay less.

No government buildings, schools, charities, churches, or township property owners pay any Police, Fire, Police Station Bond Tax, Recreation Bond Tax, or Public Works Campus Bond Tax on their property – average commercial or industrial property owners may pay more. In addition, for many folks, 100% of this cost is deductible on your Federal Income Taxes, returned to you in your tax refund every year. Please understand the importance of the SALT (State and Local Tax) deduction, and when a Congressman talks of its elimination from Federal tax policy, understand the impact.

The other state mandated taxes are set by law and are not changed year-to-year. They include the Local Services Tax, which is a \$1 per week tax on workers inside the Borough; the Earned Income and Wage Tax, which is a 1/2 of 1% tax on wages (not investments or retirement benefits) earned by those who live

inside the Borough; and the Deed Transfer Tax, which is a 1/2 of 1% tax when property inside the Borough is sold or transferred. Together, along with fees and fines, these categories make up the only revenues.

In addition, the Electric Utility and the Natural Gas Utility make a Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth; as such, they are tax exempt. So instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway, and recreation) activities.

The Borough's finances are sound and I respectfully request you adopt my proposed spending plan.

I would like to take this opportunity to thank all involved in preparing this proposed budget, especially Jason Cohen/Budget Administrator, Ben Hayhurst, Finance Director, Melinda Thompson/Administrative Services Director, Kris Baker/ Human Resources Supervisor, Phil Wolgemuth/Deputy Borough Manager, Jamia Wright/Borough Secretary, Tanya Sisk/Assistant Borough Secretary, and our amazing management staff.

I would also like to thank those members of Town Council who provided ideas and guidance through this process. I could not have successfully managed the community this year without the support of Council, especially Council President Allen Coffman, Vice-President Tom Newcomer, Finance Chair John Huber, and Finance Vice-Chair Bill Everly.

I recommend that Town Council authorize advertisement of this Proposed Budget when they meet on November 4, 2024. In addition, I suggest that Town Council receive public comments on the Proposed Budget on November 18, 2024.

Finally, I would suggest that Council adopt the proposed budget on December 9, 2024, which is scheduled to be their last meeting of the year. I promise staff's full cooperation as we try, together, to be fiscally prudent with the finances of our community, and as we plan for its future.

Sincerely,



Jeffrey Stonehill
Borough Manager/Director of Utilities

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Chapter 2 - Mission, Policies, and Organization

The Borough of Chambersburg is a full-service municipality organized under the Pennsylvania Borough Code to serve the citizens and businesses of Chambersburg. The Borough maintains a staff of over 274 full-time equivalent employees, and well over 100 seasonal employees to serve the community. Many Borough employees work at the offices located at 100 South Second Street, in Chambersburg's historic City Hall and the adjacent Utility Departments' Addition. There are over a dozen other facilities with Borough employees. The staff's overall mission is a dedication to serving your needs.

As a full-service municipality, Chambersburg supplies a wide variety of services; more services than any other municipality in the Commonwealth. In addition to typical municipal services such as highway, with over 60 miles of local streets, Chambersburg Borough has a Land Use and Community Development Department with planning, zoning, land use, economic development, property-maintenance code-enforcement, and systematic rental inspections. Chambersburg operates our own Police force, an all-hazard Fire Department, a Basic Life Support EMS service, a Recreation Department with over 100 acres of parkland, and a municipal parking and traffic operations. Chambersburg owns all their own streetlights and traffic signals, a community revitalization effort including a Main Street downtown revitalization program and a separate residential revitalization program, which recently included an ambitious plan to redevelop a shopping center. Chambersburg has more municipal utilities than any other town in Pennsylvania.

In addition to typical town functions, Chambersburg is Pennsylvania's only municipality supplying electric and gas. Chambersburg is one of 35 Boroughs to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate multiple generation stations. Chambersburg is one of two municipalities in the Commonwealth to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is one of 2,000 communities to have its own electric system and one of 1,000 communities to have a natural gas system, but one of only about 100 to operate both. Chambersburg manages a regional water system and a regional sanitary sewer system. These utilities are enterprise funds of the Borough, not governed by an independent authority or intermunicipal board. Rather, they operate under Town Council authority. Finally, Chambersburg has a successful regional Aquatic Center and a storm sewer utility, one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater.

Begun in 2015, Chambersburg's Storm Sewer utility is unique in Central Pennsylvania. While the Borough has operated a municipal separate storm sewer system (MS4) for almost a century, the General Fund operated the system with no dedicated revenue. It was not a utility and merely supported by available tax resources. Following renewal of our Pennsylvania Department of Environmental Protection MS4 permit in 2015, the Borough carved the system out of the General Fund to establish it as a fee-based utility department in a separate enterprise fund. This is similar to our other utilities including the Wastewater utility. From henceforth, the Borough will need to differentiate between two separate sewer utilities: a sanitary sewer system and a storm sewer system.

Some say a Borough cannot operate a storm sewer utility. However, the Borough Code states that boroughs can operate a sewer system and the State law does not differentiate between types of sewers.

Situated as the County Seat of Franklin County, Chambersburg is a large and diverse community. Sometimes dealing with city issues, Chambersburg Borough still maintains a small-town quality of life. According to the PA Department of Community and Economic Development, boroughs are the second most common form of municipal government in Pennsylvania, their number exceeded only by the number of second-class townships. The 962 boroughs represent 37.5% of all general-purpose municipal governments in Pennsylvania.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Chambersburg has the largest Borough budget because of our utilities. The Borough has a 2024 population (U.S. Census Bureau: State and County QuickFacts) of 22,364 residents, up from 17,020 in 1990; a 31% increase in twenty-five years. In addition, as you know, there are many other transient populations in Chambersburg not participating in the Census. For example, as the County Seat, Chambersburg has many workers who work in the Borough, but may live in other municipalities like the townships. Keystone Health has capacity for 4,900 migrant farmworkers, who may or may not live in Chambersburg. The American Immigration Council believes that 1% of Pennsylvania residents (another 200 to 300 Chambersburg residents) may be undocumented rather than registered non-citizens, who are permitted to live and work in Chambersburg. We know that residential development inside the Borough is increasing at a huge pace with hundreds of new units scheduled in 2025. Most of the new residential units under construction are fair market rentals. Subsidized housing is uncommon.

Chambersburg operates under the Council-Manager form of government. The Chief Administrative Officer of the organization is the Borough Manager, appointed and serving at the pleasure and by a majority of the Town Council. Wards elect the Council, with ten members, for four-year terms. The Council elects one of their own to serve as Council President, Council Vice-President, Finance Chair, Finance Vice-Chair, and a Personnel Liaison. The Council serves as the legislative and quasi-judicial branches of local government. Their mission is to preserve the fiscal security of the Borough and set long-term objectives and goals for staff. They also engage in all types of community planning, budget approval, and ordinance deliberation.

The next municipal election will occur this year in November 2025. Half the elected seats on Town Council will be chosen. In this cycle the following Councilmembers will be up for reelection: Allen Coffman, Tom Newcomer, Stacy Short, Jamie Boden, Dominique Brown, and Weston Waytow. Mayor Kenneth Hock will also be up for reelection. In January 2026, Town Council will hold its biennial reorganization meeting, and Council will select a President of Council, a Vice President, and other members of Boards, Commissions, and Committees.

Staff is proudly apolitical. We serve the majority of Council and welcome new faces, new participants, and new ideas. Department Directors and Assistants enjoy political neutrality. It is the cornerstone of the local government management profession and has been a core value in our community for generations.

Pursuant to the Pennsylvania Borough Code, the Mayor is the supervisor of the Borough Police Department, joins Council meetings as a non-voting member, and may approve local laws adopted by Council. The Mayor is not the Chief Executive in a Pennsylvania Borough which follows the Borough Code. The chief elected official is the Council President.

Why is Chambersburg a Borough and Not a City? According to the Pennsylvania Department of Community and Economic Development, “Boroughs are governed by an elected council. The membership of council varies depending on the method of election. Boroughs may elect their council members at large by a vote of the entire borough, or by wards. A borough can choose to divide into no more than 13 wards; each ward must contain a minimum of 300 registered voters. Where a borough has wards, a Borough can decide whether to elect one or two members from each ward. Those boroughs electing three per ward may continue to do so until the number is changed.”

“There are 53 third class cities in Pennsylvania. Under current law, a third-class city may be created from any borough, town, or township with a population of at least 10,000 at the last federal census. To attain city status, the voters must approve the issue in a referendum. Cities with a population that drop below 10,000 do not lose their classification; in the 2000 Census, 17 third class cities reported populations under 10,000.”

Chambersburg would qualify to incorporate as a third-class city. However, all the utility systems of Chambersburg are incorporated under the Pennsylvania Borough Code. It would be an impossible challenge to move to become a third-class city and still operate our vast utility systems. That would

probably require a change to State law or a specific State law just for Chambersburg. Third class cities are not permitted to operate electric and natural gas systems as we do here in Chambersburg.

Finally, Chambersburg could adopt a Home Rule charter. That is a customized form of our Borough government. The basic authority to act in municipal affairs might be transferred from the Pennsylvania Borough Code, as set forth by the General Assembly, to a local charter, adopted and amended by the voters at a referendum.

The PA Local Government Commission has explained this basic point as “Home rule means shifting of responsibility for local government from the State Legislature to the local community... a borough choosing home rule can tailor its governmental organization and powers to suit its special needs.” A citizen commission would need to form and draft the charter to be approved then by referendum. Like a local constitution for the municipality. “It is a body of law, a framework within which the local council can adopt, adapt and administer legislation and regulations for the conduct of business and the maintenance of order and progress.” There are positive and negative consequences to a reexamination of our foundational organization that might make home rules less attractive. For example, elected officials, staff, or even experts could not help in the drafting of a proposed charter. Therefore, one does not know what might be in the proposed charter. In the meantime, Chambersburg operates under the Pennsylvania Borough Code.

Each year, a local law authorizing the collection of real estate taxes should be approved. Finally, Council should authorize the proper establishment of fees and charges through a Master Fee Schedule Resolution.

According to local law, the Borough Manager and his staff start the budget process. Beginning as early as the mid-summer, staff appears before Council with information on the status of finances and plans for the following year. The fiscal year is the calendar year so from the summer through the fall, staff continues to make presentations, generally on a departmental basis, to keep Council well-informed. These presentations present an annual opportunity for staff to meet face-to-face with elected officials and discuss in detail some of their operations and plans.

Generally, by the time the Borough Manager’s proposed budget is released around the first week in November, Council already has a fairly well-informed idea of what the needs are and how the Borough’s finances might stack up compared to other years. Ultimately, only Council can approve the budget and the tax ordinance. Therefore, it is the goal of staff to provide as much information as possible about the budget.

This document represents a summary of much of what has been discussed already with Council.

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Budget Calendar

Budget Calendar

- First Action -** Begin preparing budget. Take note of how long budget preparations took in last year and give yourself that much or more time to complete the budget.
- Second Action -** Complete tentative budget.
- Third Action -** Adopt proposed budget.
- Fourth Action -** Advertise proposed budget notice stating where the public can examine for 10 days (calendar days not business days). If estimated budget receipts are less than \$50,000 then simply post a copy of the budget in secretary’s office, but no newspaper advertisement required.
- Fifth Action-** Advertise proposed tax ordinance if rates are to increase. If rates are not increasing, only a resolution is needed.
- Sixth Action -** Revision and completion of budget.
- Seventh Action -** Adopt budget and tax ordinance resolution/ordinance (can be done at same meeting) no later than Dec. 31.

Borough Fiscal Calendar

Fiscal Year:	Jan. 1 through Dec. 31
Prepare Proposed Budget: (Borough Code Section 1307 - Borough Code is cited as B.C. below)	Beginning at least 30 days prior to adoption of budget.
Publish Notice of Proposed Budget: (B.C. Section 1308)	Before a 10-day public inspection period.
Public Inspection of Proposed Budget: (B.C. Section 1308)	For 10 days after notice.
Adopt Budget and Tax Ordinance: (B.C. Section 1310 & 1310.1)	Budget must be adopted not later than Dec. 31; tax ordinance or resolution adopted after adoption of budget.
Amending budget in years following municipal election (November of the odd numbered year): (B.C. Section 1311)	During month of January.
Proposed amended budget available for public inspection: (B.C. Section 1311)	10 days after notice is published.
Adopt amended budget – <i>Even numbered years only</i> (B.C. Section 1311)	On or before Feb. 15.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Issue tax duplicate to tax collector: (B.C. Section 1305)	Within 30 days after budget adoption or receipt of assessment roll, whichever is later.
Tax billing by tax collector: (Local Tax Collection Law)	Within 30 days after receiving tax duplicate, or 15 days if received after June 16.
Completion of audit by auditors or controller: (B.C. Section 1059[a])	Within 90 days after close of fiscal year.
File copies of audit report with borough secretary, clerk of court of common pleas, Department of Community and Economic Development and Department of Transportation: (B.C. Section 1059.1 [b.1])	Not later than 90 days after close of fiscal year.
Auditors publish concise financial statement: (B.C. Section 1059.1 [a])	Within 10 days after completion of the audit.
Appeal to court of common pleas from report: (B.C. Section 1059.4)	Within 40 days after filing of the auditor's report in court of common pleas.

Source: Pennsylvania State Association of Boroughs

Available Types of Taxes

BOROUGH TAXES

Act 51 of 2019 Changes to Real Estate Tax Adoption Process

On July 2nd, 2019, Governor Wolf signed into law Act 51 of 2019, which amended the Borough Code establishing a new process of adopting an annual property tax rate. Act 51 became effective August 31, 2019.

Until Act 51, boroughs were required to adopt an ordinance every year to set a property tax rate. Enacting an ordinance that requires a legal advertisement, when the rates stay the same, was considered an unnecessary use of taxpayer resources.

Now under Act 51 boroughs will enact the tax rate pursuant to the following:

- If the property tax rate stays the same or is decreased from the prior year, you must adopt by resolution;
- If the property tax rate is increased from the prior year, you must use an ordinance;
- A tax resolution is still subject to the approval of the mayor (Sec. 3301.3);
- Same rules apply for veto and override of mayor's veto of the tax resolution;
- A tax resolution must be recorded in the ordinance book within 30 days (Sec. 3301.4);
- A tax resolution OR ordinance must now include a statement expressing the rate of taxation in dollar and cents on each \$100 of assessed valuation of taxable property [Sec. 1302(b)].

Borough Code Taxes

Under the Borough Code and Act 511 boroughs have authority to levy a number of taxes. The types of levies, statutory authority, description, and rate limits are provided in the tables below.

Tax	Type	Section	Rate Limit
General Purposes	Property	1302(a)	30 mills - up to an additional 5 mills with court approval
Interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act	Property	1302(a)(1)	Sufficient for purpose
Pensions and retirement	Property	1302(a)(2)	0.5 mill
Shade Trees	Property	1302(a)(3)	0.1 mill
Lighting	Property	1302(a)(4)	8 mills
Gas, water and electric	Property	1302(a)(5)	8 mills additional millage with referendum
Purchase of fire equipment, fire apparatus, fire training, fire training schools, fire suppression employee compensation	Property	1302(a)(6); 1302(a)(6)(i) and (ii)	3 mills additional millage with referendum
Building fire house, lock-up or municipal building	Property	1302(a)(7)	2 mills additional millage with referendum
Library	Property	1302(a)(8)	No limit specified
Support of ambulance and rescue squads	Property	1302(a)(9); 1302(e)	0.5 mills or 2 mills by referendum
Recreation	Property	1302(a)(10)	No limit specified
Special levy for debt by permission of court of common pleas	Property	1303	No limit
Street improvements	Property	1304	5 mills
Occupation Tax	Occupation	1302(b)	30 mills

Source: Pennsylvania State Association of Boroughs

Act 511 Taxes – Local Tax Enabling Act

Tax	Description	Rate Limit
Occupation Tax	Tax levied as a flat rate on classes of occupations or as a millage rate on assessment value of occupation	No limit if on assessment value; \$10 flat rate*
Per Capita Tax	A flat tax levied on each adult within the borough	\$10*
Occupational Privilege Tax ¹	This tax may be levied on residents and non-residents employed in the borough. Only one occupational privilege tax may be levied against an individual, even though he is employed in more than one community. (See Act 511 for priority of collection of this tax).	\$10*
Local Services Tax	Tax on any wage earned within the borough by both residents and non-residents. At least 25% of the revenues from this tax must be dedicated to public safety/EMS. Persons earning less than \$12,000 must be exempted from this tax.	52*
Earned Income Tax	A tax on wages and net profits and may be levied on both residents and non-residents. The taxpayer's residence takes precedence over his place of occupation if both have the tax. The tax may be split with the school district in any portion that is agreed upon. In case no agreement is reached, each may collect one-half of 1%. Should a school district levy an earned income tax pursuant to Act 50 of 1998, the borough may not claim the school district's share of the tax under Act 511	1%*
Mercantile or Gross Receipts Tax ²	Taxes on wholesale and retail transactions generally limited to wholesale dealers, retail dealers and restaurants	1 mill wholesale and 1.5 mills retail on gross receipts*
Business Privilege Tax ²	This tax may be levied on professions and services doing business in the borough. It may be imposed at a flat rate and is usually applied to professional persons, service occupations, merchants, vendors and similar businesses.	No limit
Real Property Transfer Tax	Tax on the transfer (sale) of real property	1%*
Amusement (Admissions Tax)	Tax on admissions to certain amusements within the Borough	For taxes first levied after Dec. 31, 1997 – 5%*; otherwise 10%*
Mechanical Devices Tax	This tax may be imposed as a percentage of receipts basis or at a flat rate as a privilege or license tax on juke boxes, pinball machines, vending machines, etc.	10%*

Source: Pennsylvania State Association of Boroughs

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Fees vs. Taxes

A fee is “a charge fixed by law for services of public officers or for use of a privilege under control of government.” Section 1201 (1) of the Specific Powers provision of the Borough Code allow boroughs, “to prescribe reasonable fees for the services of their officers and to enforce payment of the same.” According to various court cases, fees cannot be used as a revenue raiser like taxes. In *Commonwealth v. McFadden* (14 Beaver 242, 44 Mun. 202, 1953) the court ruled, “...where a fee for a license is assessed, it must be such only as will legitimately assist in the regulation, or it will be struck down.” Commonwealth Court also held “fees charged by municipality for services rendered are proper if they are reasonably proportional to cost of regulation or services performed,” and “municipality may not use its power to collect fees for service as means of raising revenues for other purposes,” (*National Properties, Inc. v. Borough of Macungie*, 595 A.2d 742, 1991).

Some types of common fees are water/sewer rents, solid waste collection, licenses or permits (building, zoning), or recreation program fees.

Chambersburg Council adopts, through separate action, a Master Fee Schedule.

Ambulance Fee

In 2020, the Borough of Chambersburg adopted a monthly, per water service utility invoice ready-to-serve fee, in order to support the Ambulance services and in 2021 the fee was raised. Nothing under the law prevents a fee in support of the Ambulance service, but a fee cannot be collected for general Fire Department operations. Further, this is a Borough operation utilizing Borough employees and Borough equipment. Utility customers will pay their fair share under this fee program.

In 2025, this budget recommends no change in this fee currently \$11.00 per month per water service customer.



Mission Statement

Borough of Chambersburg

The Borough of Chambersburg is a municipal government in south central Pennsylvania committed to the well-being of those people who live, work, play, and travel in the community. We will strive to:

- Furnish such quality service as our citizens may want at a cost they may approve.
- Manage our human, financial and physical resources in the most efficient and effective manner.
- Treat our employees, citizens and visitors with fairness, respect and equality.
- Protect persons, property and quality of life.
- Operate in accordance with the laws and constitutions of the Commonwealth of Pennsylvania and the United States of America.
- Make Chambersburg the model for Pennsylvania communities.

Financial Policy Statement

Borough of Chambersburg

The Borough of Chambersburg has an important responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the adequate funding of services as desired by the public through their elected representatives, the Town Council. The financial goals and policy statement of the Borough is adopted concurrently with the formal adoption of the annual budget.

With adoption of the Annual Budget, the Town Council of the Borough of Chambersburg does hereby adopt, ratify, and reapprove the financial policies contained herein.

Financial Goals

Borough of Chambersburg

Financial goals are broad and fairly timeless statements of the financial position of the municipality. The financial goals of the Borough of Chambersburg are as follows:

- To deliver quality services effectively and efficiently providing full value for each tax dollar, service fee, or other income collected;
- To maintain an adequate financial base to sustain the desired municipal services of the community; thereby preserving quality of life;
- To have the ability to withstand local and regional economic trends, to adjust our needs and requirements accordingly, and to respond to changes in a proactive and aggressive manner;
- To be conservative in our approach to financial management, to be open, transparent, and communicative whenever possible;
- To plan for impacts on future generations, to manage growth and change, and to never be impulsive with the people's trust.

Operating Position Policy

Borough of Chambersburg

Operating position refers to the Borough's ability to (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) maintain sufficient cash to pay its bills in a timely basis (liquidity).

- The Borough will pay all current operating expenditures with current operating revenues. Budgetary procedures that fund current expenditures at the expense of future needs will be avoided.
- The Borough will establish a contingency reserve in the annual operating budget to: a) provide for non-recurring unforeseen expenditures of an emergency nature; b) provide orderly budgetary adjustments when revenues are lost through the actions of other governmental bodies; c) provide the local match for public or private grants that may become available; and d) to meet unexpected small increases in service delivery costs. This reserve will be maintained at one percent (1%) of the general operating budget.
- The Borough will strive to maintain a total available fund balance (includes committed, assigned, and unassigned General Fund balance, as well as restricted funds in the Liquid Fuels and Capital Reserve Funds) at a level equal to at least twenty percent (20%) of the General Fund budget.
- If the Town Council, upon the recommendation of the Borough Manager and Finance Director, wishes to appropriate available fund balance such that the amount would fall below the Borough's target of 20% of the General Fund budget, such an appropriation would require a majority action of the Council.
- If the Town Council should appropriate available fund balance such that the amount would fall below the Borough's target of 20% of the General Fund budget, such an appropriation must be accompanied by a reserve replenishment plan that restores the fund balance to its minimum level within the subsequent two fiscal years.
- The Borough will use fund balances for one-time capital or emergency expenditures only if: a) they are surplus balances remaining after all reserve and fund allocations are made; or b) the Borough has made a rational analysis with justifying evidence that it has an adequate level of short- and long-term resources.
- The Borough will prepare a cash-flow analysis of all funds on a regular basis. Disbursements, collections, and investments will be managed to provide sufficient cash for daily financial needs.
- The Borough will prepare quarterly reports summarizing operating revenues and operating expenditures, as well as major balance sheet items to the extent practical.
- If the General Fund ends the fiscal year with an operating surplus, it is the Borough's intention to transfer at least a portion of that surplus to the Capital Reserve Fund to help support the Borough's capital needs. The size of the annual transfer will be recommended by the Borough Manager and Finance Director to help ensure the strong financial position of the General Fund is maintained. In addition, any funds that are transferred to the Capital Reserve Fund could be re-appropriated by Town Council to help support General Fund operations, if needed.

Revenue Policy

Borough of Chambersburg

Revenues determine the Borough's capacity to provide services.

- The Borough will strive to maintain a diversified and stable revenue base as protection from short-term fluctuations in any one revenue service.
- The Borough will project revenue for the General Fund and all operating funds each year for at least the next three years. Each existing and potential revenue source will be re-examined each year. Revenue estimates will be conservative and developed in an objective and reasonable manner.
- The Borough will strive to reduce reliance on the property tax by: a) expanding and diversifying the Borough tax base; b) seeking to develop additional revenue sources; c) seeking State legislation for alternate local taxes; and d) being aware of and considering all meaningful, appropriate grants for which it is eligible.
- The Borough will strive to maintain the annual rate of property tax collections at 99%.
- The Borough will carefully and routinely monitor receivables and manage collection of amounts due.
- The Borough will use one-time or special purpose revenues to finance capital projects or for expenditures required by the revenue; and, not to subsidize recurring personnel, operating or maintenance costs.
- Proceeds from the sale of Borough surplus properties, when not otherwise earmarked or legally designated to another fund, will be transferred to the capital reserves.
- The general governmental functions will strive to recover, on average, a minimum of 35% percent of total costs by generating revenues through fees and charges for special programs or the use of Borough facilities and equipment.
- Our Enterprise Funds will generate revenue sufficient to support the full direct and indirect costs of not only utility operation but also a Payment in Lieu of Taxes (PILOT) contribution to the General Fund.
- The Borough will periodically review its financial structure and related administrative measures to ensure that they act as appropriate deterrents to acts by the public which violate the Borough's local Code of Ordinances.

Expenditure Policy

Borough of Chambersburg

Expenditures are rough measures of the Borough's service output. The expenditure policy also attempts to measure how effective the services are and how efficiently they are delivered.

- The Borough will maintain a balanced annual operating budget in all governmental funds.
- The Borough will pay for all current operating and maintenance expenses from current revenues and other financing sources.
- The Borough will integrate performance and productivity measures into the budget, where possible.
- The Borough will determine the cost of all internal services, including overhead, and seek complete reimbursement of such services.
- The Borough will provide adequate funding for all employee benefits in the annual operating budget.
- The Borough will maintain a budgetary control system, which will enable it to adhere to the adopted budget.
- The Borough will maintain a payment review and approval process with special emphasis on large payments to ensure accuracy.
- The Borough will encourage the delivery of services, in whole or in part, by other public and private organizations whenever and wherever greater efficiency and effectiveness can be expected.
- The Borough will utilize technology and productivity advancements that will help reduce or avoid increasing personnel costs.
- The Borough will maintain an effective risk management program to minimize losses and reduce insurance costs.
- The Borough will seek arrangements to share services with other municipalities where costs are reduced.

Debt Policy

Borough of Chambersburg

Debt is an effective way to finance capital improvements, but its misuse can cause serious financial problems.

- The Borough will not use short-term borrowing to finance operating needs except in the case of extreme financial emergency. Short-term borrowings include budget, tax and revenue anticipation notes.
- The Borough will use long-term debt for only those capital improvements that cannot be readily financed from current revenues.
- The final maturity date for any long-term debt will not exceed the expected useful life of the capital improvement so financed.
- The net (non-self-supporting) general obligation debt of the Borough should not exceed 2.5% of the total full value of taxable property.
- The Borough's annual tax-supported debt service expenditures as a percentage of operating expenditures (General and Capital Reserve Funds) should not exceed 12%.
- The Borough will use special assessments, revenue bonds, and/or any other available self-liquidating debt instruments instead of general obligation bonds whenever possible and appropriate.
- The Borough will encourage and maintain good relations with Finance and Bond rating agencies, and will follow a policy of full and open disclosure on every financial report and bond prospectus.

Cash Policy

Borough of Chambersburg

The timely deposit and investment of Borough monies are an important fiscal responsibility.

The Borough's investment policy is guided by four fundamental principles: legality, safety, liquidity, and yield.

- The Borough will deposit its monies only in bank or trust companies located and authorized to do business in Pennsylvania; and authorized as an official Borough depository by the Town Council.
- The Borough will invest its monies only in those investment vehicles authorized by State statutes.
- The Borough will collateralize all deposits and investments at 105% of the market value of such deposits and investments.
- The Borough will prepare a cash flow analysis of all funds on a regular basis.
- Disbursements, collections, deposits and investments will be managed to ensure maximum cash availability.
- The Borough will pool cash from its various funds to obtain the maximum possible return on its investments. Interest will be credited to the source of the invested monies.
- Interfund cash loans will be recognized and repaid as if the loans were with outside agencies.

Liquid Investments Policy

Borough of Chambersburg

The Borough maintains liquid financial resources and those resources are invested while in holding. The following, other than State law, guides this practice:

- The Borough will not invest in the following:
 - Options or futures contracts;
 - Non-marketable securities;
 - Un-registered securities;
 - Derivatives;
 - Private placements;
 - Speculative Real Estate (excluding diversified REIT mutual funds);
 - Short selling or the purchase of securities on margin or swaps;
 - Commodities other than those necessary for operating;
 - Oil, gas, timber, or natural resource properties or other mineral rights;
 - Warrants;
 - Venture capital;
 - Securities lending.

- The on-going monitoring of investments must be a regular and disciplined process. It is the mechanism for revisiting the investment option, selection process, and confirming that the criteria originally satisfied remain so and that the investment continues to be a prudent investment. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process. The Finance Director shall periodically monitor and address the criteria used in the investment selection process. It is possible that for a short period of time, a recommended investment may fall outside of the range of the investment guidelines. This investment will be scrutinized closely to determine the reason for fluctuation, the amount of divergence, and the time period that is anticipated the investment will remain at levels outside of the guidelines. Any exception to the investment guidelines will be properly documented.

- The Finance Director shall submit a report that will highlight the investment guidelines set forth in this Investment Policy. Any exception to the investment guidelines and a recommended course of action will also be addressed in writing. The Town Council may review the investments in a timely manner. On a quarterly basis, the Town Council may evaluate each investment in terms of its performance compared to relevant market indices and peer groups over trailing three-, five-, and ten-year periods. Greater weight will be given to five- and ten-year performance, since longer-term market cycles are more meaningful. Investments consistently under-performing in terms of risk and return will be carefully scrutinized to determine if action is warranted. Both the Finance Director and Town Council will maintain a copy of this policy for their files.

Fund Balance Reporting and Governmental Fund Type Definitions Policy

In Accordance With

Governmental Accounting Standards Board (GASB) Statement No. 54

In accordance with the Governmental Accounting Standards Board statement number 54, the Borough of Chambersburg hereby adopts this fund balance policy. The Borough hereby establishes and will maintain reservations of fund balance in the manner further described herein. This policy is limited to the Borough's "governmental funds". The components of the fund balance will be identified and reported as non-spendable, restricted, committed, assigned and unassigned amounts. These components within the fund balance are used to identify the availability of resources and the corresponding limitations on spending decisions.

Another purpose of this policy is to establish guidelines for maintaining a sufficient fund balance to mitigate the financial risk that can occur from unforeseen revenue fluctuations and unanticipated expenditures. An adequate fund balance also provides cash liquidity necessary for the smooth operation of the general fund.

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities within a fund.

The amounts within the fund balance are classified by the relative strength of restraints placed upon those funds. This is a categorization of the purposes for which those specific amounts can be spent. Starting with the most "binding" constraints with which the fund balance amounts shall be reported, the following are the required classifications of fund balance:

- Non-spendable - amounts that cannot be spent because they are not in a spendable form or are limited by contract and are legally required to remain intact. Examples of non-spendable assets are: inventories, prepayments, and the principal of a permanent fund.
- Restricted - amounts limited by external parties or legislation. Examples of restricted assets are grants and donations with certain limitations.
- Committed - amounts limited by Town Council policy or their specific action. An example of a committed resource would be an allocation of funds for an anticipated purchase or project.
- Assigned - amounts earmarked for a particular purpose and specifically intended to be used some time in the future.
- Unassigned - amounts available for expenditure and not at all restricted or limited in any manner. This would include any residual funds remaining at year-end.

Order of Spending

Restricted and unrestricted funds

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Borough's policy is to spend those resources the following order:

1. Restricted
2. Unrestricted

Unrestricted - Unassigned, Assigned, Committed

Unless the Borough Code or the Town Council or the Borough Manager approves use of committed or assigned resources, the Borough policy is to spend unrestricted resources in the following order:

1. Unassigned

2. Assigned
3. Committed

Delegation of Responsibility

The responsibility for designating funds to specific classifications shall be as follows:

1. Restricted - may be determined by Town Council
2. Committed - may be assigned by Town Council
3. Assigned - may be assigned by Town Council

Minimum Fund Balance Requirements

A minimum of 5% of the total budgeted expenditures (including interfund transfers out) shall be budgeted as the residual unassigned fund balance at year end.

Whenever a situation occurs whereas the minimum required fund balance will not be attained, whether in the budget process or during operation of the current year, certain actions shall be ordered by Town Council. The three methods that can be employed in increasing the fund balance would be the following:

1. Increasing general fund revenues via tax or other revenue increases. These would basically be increases in tax rates and/or charges for services.
2. Decreasing general fund expenditures.

Increasing transfers (not requiring repayment) from other Borough funds.

Self-Insurance Cash Balance Policy

Borough of Chambersburg

The Self Insurance Fund for the Borough of Chambersburg represents the Borough's devotion of pooled financial resources in an amount deemed necessary to satisfy the Borough's obligations, as a result of occurrences resulting in financial liability on behalf of the Borough and its respective departments, to third parties that are deemed to be entitled to compensation for loss as a result of Borough operations. The Fund is also made use of for receiving and funding receipts and expenses associated with the health, vision, and dental insurance programs provided to Borough employees, as well as to fund the expenses of the Borough's Errors and Omission Insurance, Health Reimbursement Accounts, Employee Assistance Program, and Safety Officer. Additionally, the Fund is used to maintain funds to cover the Borough's losses in the event of Borough facilities sustaining flood damage, as opposed to purchasing conventional flood insurance.

- In order to ensure adequate funding levels deemed necessary to be prepared to satisfy any general liability obligations not already covered by the various insurance policies held by the Borough at any given time, the following formula is made use of, with respect to cash balance:
 - (A) During the course of creating the Borough's annual budget, the average annual expenses out of the fund, based upon the most recent three (3) calendar years for which complete figures are available, will be determined.
 - (B) The resulting average annual expenses will be multiplied by three and thirty-three one hundredth (3.33) in order to determine the amount necessary to fund, on average, ten (10) years' worth of expenses and claim payments out of the fund. The resulting product will be considered to be the required cash balance, not including the balance of funds that are dedicated to Flood Insurance losses (The balance of funds that are dedicated to Flood Insurance losses is determined by summing the total contributions into the Fund for such purposes, beginning in 2015, and subtracting any payouts for flood-related losses. A running total will be kept).
 - (C) The average annual revenues into the fund, and the average annual expenditures out of the fund will then be determined, based upon the most recent three (3) calendar years for which complete figures are available. These two (2) figures will be netted against one another in order to determine the average annual net revenue/expenditure amount.
 - (D) The average annual net revenue/expenditure amount will then be divided by the number of months completed year-to-date, with the quotient being multiplied by the remaining number of months in the current year, in order to determine the anticipated revenue/expenditures through the remainder of the year.
 - (E) The anticipated revenue/expenditures through the remainder of the year will be added to the Fund's fund balance at the end of the most recently closed month, in order to determine the anticipated year-end fund balance.
- If this anticipated year-end fund balance is less than the previously-determined required fund balance, contributions to the Fund will be budgeted for the following year, in order to bring the fund balance to an amount equal to, or greater than, the required fund balance. Regardless of the amount of excess fund balance present, or anticipated, in the Fund, the fund balance shall not be drawn down to satisfy expenses other than those that are reasonably determined to be consistent with the intended purposes of the Fund.

Post-Issuance Debt Compliance Policy

Borough of Chambersburg

This policy has been established by the Borough of Chambersburg to ensure post-issuance compliance for tax-exempt bonds or notes and taxable bonds or notes that have been or will be issued by the Borough of Chambersburg. The Borough of Chambersburg may amend this policy from time to time.

I. Purpose

The purpose of these post-issuance compliance policies (the "Policies") for tax-exempt bonds or notes and taxable bonds or notes (to the extent applicable) that have been, and will be, issued by the Borough of Chambersburg (the "Issuer") is to ensure compliance with, (a) federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records; (b) disclosure requirements as to all obligations issued by the Issuer to which such disclosure requirements apply; and (c) all miscellaneous state law and document requirements during the term of any Issuer financing.

II. The Post-Issuance Compliance Coordinator

The Post-Issuance Compliance Coordinator has the overall, final responsibility for monitoring whether the tax-exempt bonds or notes and any taxable bonds or notes (to the extent applicable) issued by the Issuer continue to comply with post-issuance requirements.

1. The Council of the Issuer ("the Council") at a regularly scheduled and duly held meeting will appoint the Post-Issuance Compliance Coordinator ("the Coordinator"). This person will be the individual who will be responsible for (whether by undertaking or by designating) the required monitoring activity, and the required reporting and disclosure activity.
2. The Coordinator will determine how often a review of tax-exempt bonds or notes and taxable bonds or notes should be conducted. While any tax-exempt bonds or notes and taxable bonds and notes are outstanding, reviews shall be conducted at least annually.
3. The Coordinator will form a Post-Issuance Compliance Team ("the Team") and appoint individuals to the Post-Issuance Compliance Team (each a "Team Member"), as the Coordinator believes are appropriate to implement the Policies. The Coordinator will communicate with the members of the Team when necessary. Initially, the Team shall consist of the Borough Manager and Borough Treasurer. The Team may consult with third parties as they deem necessary to effectuate post-issuance compliance.
 - a. Before any new issuance of debt, the Coordinator may hold a debt strategy meeting to coordinate the Issuer's long-term debt strategy. That meeting may include, as determined by the Coordinator, the Issuer solicitor, the underwriter of the debt (if applicable), the Issuer's bond or note counsel and such other persons as determined necessary by the Coordinator.
 - b. After any new issuance of debt, the Coordinator will identify the required monitoring activities and a schedule for such monitoring activities, and undertake or designate each required activity to a responsible Team Member.
 - c. The Coordinator will periodically attend relevant training sessions to remain informed of the laws and regulations affecting tax-exempt and taxable bond issues (if any), as those laws may change.
4. Responsibilities of the Team include:
 - a. Investment of Proceeds.
 - b. Project completion, and other expenditure of proceeds, if applicable.
 - c. Post-completion final tax allocation, if any.
 - d. Rebate compliance.
 - e. State law allocations and reporting.
 - f. Bond financed property and other bond issue inventory.
 - g. Private use monitoring.
 - h. Arbitrage/ sinking fund/ replacement proceeds monitoring.
 - i. Development of comprehensive annual monitoring, reporting and testing schedule.

- j. Rating agency and bond insurer surveillance.
- k. Project change of use or project disposition.
- l. Record retention policies.
- m. Tax returns.
- n. Continuing disclosure.
- o. Annual covenant compliance review, including tax covenants.

Of these responsibilities, certain ones are more fully described below.

- 5. The Coordinator will engage, as necessary, periodic Issuer solicitor or bond counsel reviews, including its review of any proposed change in the use of bond proceeds, or material amount of private business use.
- III. Identifying Required Monitoring Activity and Schedule Reviews
- 1. Identify all financing obligations, including tax-exempt bonds and notes and taxable bonds and notes (including TANs / RANs, and Small Borrowings). (For purposes of these Policies, and where applicable, the term "bonds" also refers to "notes.")
 - 2. The Issuer will establish routines for monitoring on-going compliance that are consistent with discovering any noncompliance in a timely manner so that it may be corrected. While specific review processes are described in detail below, timing for certain reviews will be as follows:
 - a. All contracts, leases, or other arrangements providing special legal entitlement to use of bond-financed facilities will be reviewed prior to execution to ensure that they will not cause private use limits to be exceeded with respect to any issue of bonds.
 - b. With respect to each bond issue, the Issuer will ensure that it understands at the time of bond closing which funds and accounts containing bond proceeds may become subject to yield-restriction investment rules and will keep on file when such rules will begin to apply.
 - c. While rebate calculations may be performed more often, the Issuer will ensure upon the fifth anniversary date of the issuance date of the bonds, every five years thereafter, and upon final retirement of the bonds, that either no rebate is owed or provision has been made for the payment of any rebate owed within 60 days. The Issuer will consult with and retain appropriate rebate calculation professionals necessary to assist in this undertaking.
 - d. Prior to executing any contract, lease, or other document which would materially change the use of the bond-financed project or selling of any bond-financed property, the Issuer will (i) confirm that such change will not require a remedial action to be taken with respect to any bond issue, (ii) take a remedial action, if necessary, or (iii) discuss with bond counsel whether a voluntary closing agreement with the Internal Revenue Service is appropriate.
- IV. Record Retention Program
- 1. It is the policy of the Issuer that written records (which may be in electronic form) will be maintained with respect to each issue of tax-exempt bonds or notes for as long as such bonds remain outstanding, plus six years. For this purpose, such bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.
 - 2. The Coordinator (or designate) shall create a file for each series.
 - 3. The following records shall be collected and maintained with each file, whether in unified form or by separate members of the Team:
 - a. The official Transcript of Proceedings for the original issuance of the bonds.
 - b. All documents regarding investment of bond proceeds and investment income, including purchases or sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code")) and receipts of earnings on those investments.
 - c. All documents (if any) regarding bidding for GICs, bidding for open market escrow securities, or bidding for any other investments.
 - d. All records regarding expenditure of bond proceeds, including invoices and/or requisitions for costs of issuance, credit enhancement, a debt service reserve fund,

- construction period interest, project expenditures, and any other expense until the final allocation of proceeds (including investment earnings on bond proceeds).
- e. All records pertaining to project draw schedules, construction contracts, contracts regarding acquisitions of property or equipment.
 - f. Depreciation schedules regarding bond financed property or equipment.
 - g. All documents relating to security for the bonds.
 - h. All documents relating to any swap or other hedge or derivative agreements, including the bidding thereof.
 - i. All documents regarding periodic interest rates on variable rate bond issues.
 - j. All trustee records and reports.
 - k. All documents relating to yield calculations.
 - l. All documents relating to arbitrage compliance and to any spend-down calculations, rebate calculations and/or payments, or yield reduction payments, including computations, legal opinions and IRS Forms 8038-T.
 - m. Records regarding payment of debt service on the bonds.
 - n. All records regarding third party use of the bond financed facilities beginning with policies and form contracts, including:
Service contracts, management contracts, sales or disposition of bond financed facilities, leases, subleases, leasehold improvement contracts, joint venture contracts relating to bond financed facilities, LLC contracts relating to bond financed facilities, partnership agreements relating to bond financed facilities, any other documents relating to private use of bond financed facilities.

The basic purpose of the foregoing record retention policy for the tax-exempt bonds issued by the Issuer is to enable the Issuer to readily demonstrate to the Internal Revenue Service, upon an audit of any tax-exempt bond issue, that the Issuer has fully complied with all federal tax requirements that must be satisfied after the issue date of such bonds so that, as applicable, interest on those bonds continues to be tax-exempt under section 103 of the Code.

Note: If records are kept electronically, refer to Rev. Proc. 97-22, Section 4.01.

The Coordinator may elect, to the extent the Coordinator deems necessary, to extend the Record Retention Program to those taxable bonds and notes issued for the benefit of the Issuer. This section refers to financial records.

V. Tax Requirements Associated with Sale and Issuance of Bonds or Notes

1. The “issue price,” as defined in the Code, of the bonds will be documented at the time of issuance. Certifications of an underwriter if applicable, placement agent or purchaser and a final numbers package will establish “issue price” and will be reviewed and included in the bond transcript or other records maintained for the bond issue.
2. The weighted average maturity (taking into account the various issue prices of the maturities of the bonds) will be documented at the time of issuance.
3. An estimated average economic life of the expected bond-financed projects will be documented at the time of issuance.
4. Form 8038-G (tax-exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038 will be confirmed with bond counsel.

VI. Expenditure of Proceeds

The Issuer shall maintain detailed records of expenditures of tax-exempt bond proceeds, and such expenditures will be reviewed by the Coordinator or the designated Team Member.

1. Bond proceeds will be disbursed pursuant to an approved form of requisition as prepared by bond or note counsel, stating the date, amount and purpose of the disbursement. Any initial disbursement of bond or note closings may be made pursuant to direction set forth in the Closing Receipt, Closing Statement and Settlement Reconciliation prepared by bond or note counsel and delivered at the closing for such bonds.
2. Requisitions must identify the financed property in conformity with the Tax Certificate or Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond or note financed property.

3. Investment earnings on sale proceeds of the bonds or note will be tracked and will be requisitioned only for appropriate expenditures.
 4. Only a small portion (5%) of the proceeds of bonds or notes for construction may be used for operating expenses or other “working capital” costs. Requisitions for costs of the bond-financed facilities will accordingly be monitored to confirm that they are for capital costs of such facilities.
 5. Requisitions for costs that were paid prior to the issuance of the bonds or notes are, in general, limited to capital costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the bonds or notes, if not already part of the closing transcript for the bonds or notes.
 6. Requisitions will be summarized in a “final allocation” of proceeds to use not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance and delivery of the bonds or notes).
 7. Expenditure of bond or note proceeds will be measured against the expectations as set forth in the Tax Certificate (or Non-Arbitrage Certificate) as to the spending of bond or note proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the bonds or notes.
 8. Expenditure of bond or note proceeds will be monitored for compliance with spending exceptions to the rebate requirement, as follows:
 - a. If the 6-month spending exception to rebate applies, expenditure of the bond or note proceeds (excluding bona fide debt service funds) will be at least 100% complete within six months of the date of issuance.
 - b. If the 18-month spending exception to rebate applies, expenditure of bond or note proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable.
 - c. 15% within 6 months
 - d. 60% within 12 months
 - e. 100% within 18 months
 9. If the 2-year spending exception to rebate applies, expenditure of “available construction proceeds” will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:
 - a. 10% within 6 months
 - b. 45% within 12 months
 - c. 75% within 18 months
 - d. 100% within 24 months
 10. Bond-funded reserve funds, if any, cannot exceed the least of (i) 10% of the par amount of the bonds or notes (or the issue price of the bonds or notes, if there is more than a de minimis amount of original issue discount or premium), (ii) maximum annual debt service, and (iii) 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.
- VII. Arbitrage Yield Restriction and Rebate Requirements
1. The Coordinator, or the designated Team Member, shall create and maintain records of:
 - a. Purchases or sales of investments made with bond or note proceeds (including amounts treated as “gross proceeds” of bonds or notes under Section 148 of the Code) and receipts of earnings on those investments.
 - b. The final allocation of the proceeds (including investment earnings on bond or note proceeds), of obligations issued by the Issuer.
 - c. Information, when applicable, showing that the Issuer was eligible for any exemptions to the rebate requirements that were or will be claimed under the Code.
 - d. Information, when applicable, sufficient to demonstrate to the Internal Revenue Service upon an audit of a bond or note issue that the bond or note issue has complied with one

or more available spending exceptions to the arbitrage rebate requirement with respect to that bond or note issue.

- e. Information and calculations, when applicable, that will be sufficient to demonstrate to the Internal Revenue Service upon an audit of a bond or note issue, for which an exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, was payable to the United States of America with respect to investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the Internal Revenue Service.
 - f. Information and records showing that (i) investments held in yield-restricted advance refunding or defeasance escrows for bonds or notes, and (ii) investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.
2. If, from examination of the above-referenced records, it becomes clear that a payment is owed, the Coordinator will refer the matter to bond or note counsel or a rebate professional, and will ensure that all necessary payments are made in a timely manner.
- VIII. Use and Ownership of Bond-Financed Property
The Coordinator or the designated Team Member, when completed and placed in service, will review use of bond-financed property.
- 1. Average use of bond-financed property for a private business use over the life of the issue cannot exceed 10% of the proceeds (including up to 2% for costs of issuance).
 - 2. Average use of bond-financed property for a private business that is unrelated or disproportionate to the Issuer’s use over the life of the issue cannot exceed 5% of the proceeds (including up to 2% for costs of issuance).
 - 3. The Coordinator, or the designated Team Member, shall determine the Issuer’s compliance with the 10% and 5% requirements, in accordance with Section 141 of the Code and the regulations thereto.
 - 4. Agreements with business users or non-profit organizations for lease or management or service contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the agreement is bond-financed.
 - 5. Agreements with business users or other non-profit organizations for lease or management or service contracts, or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the limits as set forth in the Tax Certificate or Non-Arbitrage Certificate.
 - 6. No item of tax-exempt bond-financed property will be sold or transferred to a nonexempt party without (i) an opinion of bond counsel that such sale or transfer will not cause interest on the bonds to cease to be tax-exempt; or (ii) advance arrangement of a “remedial action” under the applicable Treasury Regulations after consultation with bond counsel.
 - 7. To the extent that the Issuer discovers that any of the above limitations have been violated, the Issuer will seek advice of the Issuer solicitor or bond counsel and take appropriate measures to remediate the violation, if necessary.
- IX. Investments
Investment of bond proceeds in compliance with the arbitrage bond rules, and the Coordinator or the designated Team Member will supervise rebate of arbitrage.
- 1. Guaranteed Investment Contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Treasury regulations (see Treas. Reg. § 1.148-5(d)(6)(iii)), in compliance with fee limitations on GIC brokers (see Treas. Reg. § 1.148-5(e)(2)(iii)); provided, however, that to the extent that the safe harbor provisions cannot be met, the Issuer will consult with the Issuer solicitor or bond counsel.
 - 2. Other investments will be purchased only in market transactions.
 - 3. Calculations of rebate liability will be undertaken as set forth above in numbered paragraph VII.
- X. Refunding

When tax-exempt bonds or notes are used to refund other bonds or notes (the “Refunded Bonds”), the new bonds or notes (the “Refunding Bonds”) will be treated as having financed the property originally financed with the Refunded Bonds (or any bonds refunded by the Refunded Bonds), such that financed property must be tracked until the last bonds (whether Refunded Bonds or Refunding Bonds) attributable to that property are retired. The Coordinator, or the designated Team Member, will continue reviewing the use of the any bond-financed property until the last bonds attributable to that property are retired; except to the extent that tracking is no longer required due to the economic life of the property coming to an end.

Refunding Bonds proceeds of which are used to retire Refunded Bonds more than 90 days after the issue date of the Refunding Bonds are “Advance Refunding Bonds.” Advance Refunding Bonds have additional federal tax requirements in order to be tax-exempt bonds. In order to comply with these additional requirements, the Coordinator, or the designated Team Member will:

1. Confirm directly, or in conjunction with a financial advisor or underwriter, the Issuer solicitor and/or bond counsel, that the issuer does not issue Advance Refunding Bonds that would violate the limit on the number of advance refunding for any of its tax-exempt bonds.
2. Confirm directly, or in conjunction with a financial advisor or underwriter, the Issuer solicitor and/or bond counsel, that the Refunded Bonds are being redeemed on their earliest call date or other allowable date.
3. Confirm directly, or in conjunction with a financial advisor or underwriter, the Issuer solicitor and/or bond counsel, that all non-bond proceed amounts going into any Refunded Bond escrow comply with the rules relating to mixed escrows (meaning escrows which are funded with bond proceeds and non-proceeds) (see Treas. Reg. § 1.148-9(c)(2)).
4. To the extent that investments other than United States Treasury Securities – State and Local Government Series (“SLGs”) will be placed in an escrow, confirm directly, or in conjunction with a financial advisor or underwriter, the Issuer solicitor and/or bond counsel, that SLGs were not a more efficient investment on the date of the bidding of any other type of investment; or, to the extent that SLGs sales have been suspended on such date, confirm that the safe harbors for determining the fair market value of yield-restricted defeasance escrows have been met (see Treas. Reg. 1.148-5(d)(6)(iii)). To the extent that SLGs are unavailable and the Issuer cannot obtain at least three bids to provide other investments, the Issuer will consult with the Issuer solicitor or bond counsel and a financial advisor or underwriter on how to proceed.
5. To the extent that an escrow funded with Advance Refunding Bond proceeds requires future purchases of 0% SLGs in order to comply with the applicable yield restrictions, the Issuer will purchase the 0% SLGs directly or, by written agreement, cause an escrow agent to purchase such SLGs. If the SLGs are to be purchased by an escrow agent, the Issuer will confirm that such SLGs have actually been purchased, or, to the extent SLGs sales are suspended, comply with alternate procedures (which currently are provided in Rev. Proc. 95-47).
6. Determine whether it will measure private business use using a combined measurement period (meaning starting with the issue date of the Refunded Bonds and ending with the final retirement of the Refunding Bonds) or separate measurement periods for the Refunded Bonds and the Refunding Bonds; provided, that the Issuer may not use separate periods if the Refunded Bonds were not in compliance with the private business use limits measured from their date of issuance to the date of issuance of the Refunding Bonds.

XI. Correction of Violations

The Issuer expects that its compliance with the procedures outlined in Articles IV - X above will prevent any violations of federal tax rules pertaining to its outstanding tax-exempt bonds or notes (including any Refunded Bonds). However, if the Issuer discovers a potential violation through its ongoing monitoring or otherwise, it will determine in conjunction with

its bond or note counsel whether a violation actually exists. If it is found that a violation actually exists, the Issuer will determine whether (i) any remedial actions are available, or (ii) a voluntary closing agreement with the Internal Revenue Service is appropriate. The Issuer is specifically aware of the availability of the Tax-Exempt Voluntary Closing Agreement Program, as described in the Internal Revenue Manual, Part 7, Chapter 2, Section 3. Common examples of violations are as follows:

1. Failure to purchase 0% SLGs at the appropriate time.
 2. Non-exempt use of bond-financed property resulting in overall non-exempt use in excess of the 5% de minimis limit.
 3. Failure to pay rebate in a timely manner.
 4. Improper reimbursement of expenditures (too old or not capital).
- XII. Continuing Disclosure Activity
1. SEC Rule 15c 2-12 requires certain reporting commitments for each issue. The Post-Issuance Compliance Coordinator, or the designated Post-Issuance Compliance Team Member, shall:
 - a. Determine the applicability of the continuing disclosure undertaking.
 - b. Identify all “obligated persons” for purposes of Rule 15c2-12.
 - c. Identify required filings, which may include: quantitative financial information and operating data disclosed in the official statement, audited financial statements, changes in fiscal year, and other information as specified in any Continuing Disclosure Agreement or Certificate.
 - d. Periodically determine that required filings have been prepared, sent to, and received by a Nationally Recognized Municipal Securities Information Repository (“NRMSIR”).
 - e. Disclose events listed below within 10 days of occurrence, including:
 - i. Principal and interest payment delinquencies.
 - ii. Non-payment related defaults, if material.
 - iii. Unscheduled draws on debt service reserves reflecting financial difficulties.
 - iv. Unscheduled draws on credit enhancements reflecting financial difficulties.
 - v. Substitution of credit or liquidity providers, or their failure to perform.
 - vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue of the security (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other events affecting the tax status of the security.
 - vii. Modifications to rights of holders of the bonds, if material.
 - viii. Bond calls, if material.
 - ix. Defeasances.
 - x. Release, substitution or sale of property securing repayment of the bonds, if material.
 - xi. Rating changes.
 - xii. Tender offers.
 - xiii. Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person.
 - xiv. Consummation of a merger, consolidation, acquisition, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
 - xv. Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material.
 - f. Determine if it is in the best interest of the Issuer to retain a third-party dissemination agent to facilitate post-issuance continuing disclosure/filing and other requirements.
 2. Determine if any bond purchase agreement requires the Issuer to notify underwriters of any fact or event that might cause the official statement to contain any untrue statement or omit a material fact, and make such notification as necessary.

XIII. Other Required Reporting

1. For each issue of bonds, the Coordinator, or the designated Team Member, shall, as required by any finance documents or covenants associated with such issue, or as required by laws or regulations governing such issue, maintain all records necessary to satisfy reporting requirements.
2. Determine what information, if any, must be filed with other entities such as Trustees or Paying Agents, Banks, Rating Agencies, Dissemination Agents, Bond Insurers, Credit Enhancers, et cetera, and make such filings as necessary.
3. Determine what, if any, state and local requirements are applicable to any issue.
 - a. Provide proof of filing UCC statements, as applicable.
 - b. Monitor continuation statements, as necessary.
 - c. Provide proof of filing recorded mortgages, deeds of trust, et cetera, with appropriate authorities.
4. Provide proof of insurance coverage, as necessary.
5. Monitor compliance with rate covenants or other financial covenants.
6. Monitor compliance with restrictions on transfers of property, including liens and encumbrances.
7. Ensure compliance with restrictions on types of investments, in addition to any limitations imposed by applicable tax code restrictions.
8. Ensure compliance with restrictions on derivative and swap contracts.

Collections Policies & Procedures

Borough of Chambersburg

The Borough of Chambersburg has established this policy as it is the Borough’s responsibility to ensure the most efficient use of taxpayer and ratepayer dollars. It is vital, to that end, to pursue effectively payment for services rendered by the Borough, or in relation to damages caused by third parties. As various types of amounts due to the Borough require and/or allow differing types of collections actions, the Borough has set below the following procedures with respect to collections of the varying types of activities engaged in by, or upon, the Borough, ultimately resulting in the invoicing of a third party.

The Borough will form and maintain a Collections Committee consisting of the following: President of Council or designee, Chairman of the Finance/Personnel Committee, Borough Manager or designee, Director of Finance or designee, and Borough Solicitor or designee. The Collections Committee will typically meet quarterly or more frequently, if necessary, to review and determine a course of action on each outstanding claim that has reached the conclusion of the processes as outlined below, thereby having resulted in the imposition of a civil judgment.

Depending upon the nature of the invoice, all issued invoices will contain the following language:

For Unintentional Damage, Intentional Damage, EMS Bills, utility bills, and other personal property related merchandise and jobbing debts:

“If payment is not received by the due date, debt collection procedures that may affect your credit rating/score will be pursued which may include, but not be limited to, forwarding the claim to a collection agency, placing a lien on the real property, and filing a civil suit. Furthermore, a writ of scire facias may be issued under the Municipal Claims and Tax Liens Act, 53 P.S. §7101 to enforce the lien. All past due accounts are subject to all related collection costs, including but not limited to, reasonable interest, reasonable attorney’s fees at rates as adopted by the Borough from time to time, court costs, and reasonable collection agency fees.”; or

For real property related merchandise and jobbing debts other than certain curbs, and sidewalks:

“If payment is not received within thirty (30) days of invoice issuance, debt collection procedures that may affect your credit rating/score will be pursued which may include, but not be limited to, forwarding the claim to a collection agency, placing a lien on the real property, and filing a civil suit. Furthermore, a writ of scire facias may be issued under the Municipal Claims and Tax Liens Act, 53 P.S. §7101 to enforce the lien. All past due accounts are subject to all related collection costs, including but not limited to reasonable interest, reasonable attorney’s fees at rates as adopted by the Borough from time to time, court costs, and reasonable collection agency fees.”; or

For certain curbs and sidewalks merchandise and jobbing debts where the Borough does the work:

“Should the Borough complete this project on your behalf, payment arrangements are available to you via a five (5) year loan at a rate of four percent (4%) interest, or a ten (10) year loan at a rate of six percent (6%) interest. Additionally, a lien will be placed against your real property, the filing fee for which will be included in the amount invoiced to you. In the absence of entering into a loan agreement, or making payment in full, within thirty (30) days of invoicing, debt collection procedures which may affect your credit rating/score, will be pursued which may include, but not be limited to, forwarding the claim to a collection agency and/or filing a civil suit. Furthermore, a writ of scire facias may be issued under the Municipal Claims and Tax Liens Act, 53 P.S. §7101 et seq. to enforce the lien. All past due accounts are subject to all related collection costs, including but not limited to, reasonable interest, reasonable attorney’s fees at rates as adopted by the Borough from time to time, court costs, and reasonable collection agency fees.”

Unintentional Damage (Statute of Limitations: 2 yrs. from date of damage to file civil claim)

- Examples of unintentional damage claims include vehicle crash into the fountain or electric pole. This will cover actual Borough-owned property.
- Note: For non-Borough owned real or personal property damage where the Borough has remedied or repaired the damage, invoices to the actual property owner are categorized as a 4-year contract claim.
- Upon investigating the incident and determining if the third party possesses an insurance policy against which a claim may be filed, the Police Department will provide the Finance Department and Borough Secretary with a copy of the Incident Report immediately upon its completion.

If insurance is applicable

- The Borough Secretary will immediately contact the third party's insurance company and begin the claim process by opening a claim in the name of the Borough.
- In conjunction with the work necessary to repair the damage, a Job Order will be created.
- Upon completion of the work, the department(s) responsible for the work will notify the Finance Department that the project is complete.
- The Finance Department will verify that all large Purchase Orders (\$1,000.00), associated with the Job Order have been closed.
- Upon completion of the Job Order, as determined by the Finance Department, the Borough Secretary will be notified accordingly, and provide the third party's insurance company with the claim amount, equivalent to all costs incurred, including labor and materials as required to repair or replace the damage, plus ten percent (10%) (if labor/materials are provided by Borough) (\$10 per invoice is added if a vendor does the work, invoices the Borough, and the Borough passes along the invoice).
- At the conclusion of the insurance claim process (if the claim is not satisfied in full by the insurance company), but no longer than six (6) months from the date of damage, the Finance Department will issue an invoice for the outstanding amount to the responsible party.
- Responsible party has thirty (30) days from date of invoice issuance to make a payment in full or enter into a payment agreement with the Borough.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
- If payment in full is not received, or no payment agreement is entered into within sixty (60) days of invoice issuance, the outstanding amount will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third party's credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of damage, a certified notice will be sent to the responsible party, informing them of the Borough's intent to assess attorney's fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough's intent to assess attorney's fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor's office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than \$12,000 or the minimum monetary threshold for the Court of Common Pleas as adjusted. Related court costs, filing fees and Attorney's fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.
- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice's office.

- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third party.
- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough's Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.
- In the event of receiving payment in full, the third-party collection agency will be notified accordingly.

If insurance is not applicable

- In conjunction with the work necessary to repair the damage, a Job Order will be created.
- Upon completion of the work, the department(s) responsible for the work will notify the Finance Department that the project is complete.
- The Finance Department will verify that all large Purchase Orders \$1,000.00, associated with the Job Order have been closed.
- Upon completion of the Job Order, as determined by the Finance Department, the Finance Department will issue an invoice for the outstanding amount to the responsible party, equivalent to all costs incurred, including labor and materials as required repairing or replacing the damage, plus ten percent (10%) (if labor/materials are provided by Borough) (\$10 per invoice is added if a vendor does the work, invoices the Borough, and the Borough passes along the invoice).
- Responsible party has thirty (30) days from date of invoice issuance to make a payment in full or enter into a payment agreement with the Borough.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
- If payment in full is not received, or no payment agreement is entered into within sixty (60) days of invoice issuance, the outstanding amount will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third party's credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of damage, a certified notice will be sent to the responsible party, informing them of the Borough's intent to assess attorney's fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough's intent to assess attorney's fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor's office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than \$12,000.00, or the minimum monetary threshold for the Court of Common Pleas as adjusted. Related court costs, filing fees and Attorney's fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.
- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice's office.
- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third party.
- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the

matter will be forwarded to the Borough’s Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.

- In the event of receiving payment in full, the third-party collection agency will be notified accordingly.

Intentional Damage (Statute of Limitations: 1 yr. from date of damage to file civil claim)

(This process is to be followed regardless of criminal charges/restitution until we receive notice that restitution has been granted).

- Examples of intentional damage include graffiti, vandalism, arson, etc., and will cover actual Borough-owned property.
- Note: For non-Borough owned real or personal property damage where the Borough has remedied or repaired the damage, invoices to the actual property owners are categorized as a 4-year contract claim.
- Upon investigating the incident, the Police Department will provide the Finance Department and Borough Secretary with a copy of the Incident Report immediately upon its completion.
- In conjunction with the work necessary to repair the damage, a Job Order will be created.
- Upon completion of the work, the department(s) responsible for the work will notify the Finance Department that the project is complete.
- The Finance Department will verify that all large Purchase Orders over \$1,000.00, associated with the Job Order have been closed.
- Upon completion of the Job Order, as determined by the Finance Department, the Finance Department will issue an invoice for the outstanding amount to the responsible party, equivalent to all costs incurred, including labor and materials as required to repair or replace the damage, plus ten percent (10%) (if labor/materials are provided by Borough) (\$10 per invoice is added if a vendor does the work, invoices the Borough, and the Borough passes along the invoice).
- Responsible party has thirty (30) days from date of invoice issuance to make a payment in full or enter into a payment agreement with the Borough.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
- If payment in full is not received, or no payment agreement is entered into within sixty (60) days of invoice issuance, the outstanding amount will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third party’s credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than eight (8) months from the date of damage, a certified notice will be sent to the responsible party, informing them of the Borough’s intent to assess attorney’s fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough’s intent to assess attorney’s fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor’s office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than \$12,000.00, or the minimum monetary threshold for the Court of Common Pleas as adjusted. Related court costs, filing fees, and Attorney’s fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.
- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice’s office.
- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third party.

- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough's Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.
- In the event of receiving payment in full, the third-party collection agency will be notified accordingly.

Contract Violation: EMS Billing and personal property related merchandise and jobbing claims (Statute of Limitations: 4 yrs. from date of delinquency to file civil claim)

- Examples of personal property related merchandise and jobbing claims include but are not limited to: store purchases / requisitions, parade/event related work, and invoices relating to non-Borough owned personal property damage where the Borough has remedied or repaired the damage.
 - For EMS Billing claims:
 - The Ambulance Billing Specialist will first attempt to recover all associated costs via any applicable insurance procedures.
 - Upon exhausting all efforts to receive payment via insurance, the Finance Department will issue an invoice for the outstanding amount to the responsible party.
 - For personal property related merchandise and jobbing claims:
 - The Finance Department will issue an invoice for the outstanding amount to the responsible party.
 - For personal property related merchandise and jobbing invoices relating to non-Borough owned personal property damage where the Borough has remedied or repaired the damage:
 - In conjunction with the work necessary to complete the project, a Job Order will be created.
 - Upon completion of the work the department(s) responsible for the work will notify the Finance Department that the project is complete.
 - The Finance Department will verify that all large Purchase Orders (projects over \$1,000.00), associated with the Job Order have been closed.
 - Upon completion of the Job Order, as determined by the Finance Department, the Finance Department will issue an invoice for the outstanding amount to the responsible party, equivalent to all costs, including labor and materials, incurred plus ten percent (10%) (if labor/materials are provided by Borough) (\$10 per invoice is added if a vendor does the work, invoices the Borough, and the Borough passes along the invoice).
 - Then, for both EMS Billing and personal property related merchandise and jobbing claims, the responsible party has thirty (30) days from date of invoice issuance to make a payment in full or enter into a payment agreement with the Borough.
 - If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
 - If payment in full is not received, or no payment agreement is entered into within sixty (60) days of invoice issuance, the outstanding amount will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third party's credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
 - If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of damage, a certified notice will be sent to the responsible party, informing them of the Borough's intent to assess attorney's fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough's intent to assess attorney's fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor's office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas if the outstanding

amount is greater than \$12,000.00, or the minimum monetary threshold for the Court of Common Pleas as adjusted. Related court costs, filing fees, and Attorney's fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.

- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice's office.
- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third-party.
- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough's Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.
- In the event of receiving payment in full, the third-party collection agency will be notified accordingly.

Contract Violations related to Real Property: Certain Merchandise & Jobbing projects and Inspection Billing (Statute of Limitations: 4 yrs. from date of delinquency to file civil claim/6 mo., as measured from the date of completion of the work, or as otherwise dictated by 53 P.S. Section 7143, to file a lien).

- Examples include but not limited to: water and sewer line extensions, sidewalks, tap fees, opening or vacating streets, real property service order, code violations including rubbish, mowing, and invoices relating to non-Borough owned real property damage where the Borough has remedied or repaired the damage.
- In conjunction with the work necessary to complete the project, a Job Order will be created.
- Upon completion of the work, the department(s) responsible for the work will notify the Finance Department that the project is complete.
- The Finance Department will verify that all large Purchase Orders (over \$1,000.00), associated with the Job Order have been closed.
- Upon completion of the Job Order, as determined by the Finance Department, the Finance Department will issue an invoice for the outstanding amount to the responsible party, equivalent to all costs, including labor and materials, incurred plus ten percent (10%) (if labor/materials are provided by Borough) (\$10 per invoice is added if a vendor does the work, invoices the Borough, and the Borough passes along the invoice).
- The responsible party has thirty (30) days from date of invoice issuance to make a payment in full, enter into a payment agreement. In addition, the Borough may offer the debtor an option to enter into a loan agreement for curbs and sidewalk replacement/repair projects.
- If payment in full is not received, no payment agreement is entered into, or no Borough loan is issued, within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
- If payment in full is not received, no payment agreement is entered into, or no Borough loan is issued within sixty (60) days of invoice issuance, but no later than six (6) months from the time any work was completed or assessed, the Finance Department will file a lien against the property, and the outstanding amount (including the costs associated with the filing of the lien) will then be forwarded to a third party collection agency with which the Borough has contracted, to be assessed against the third-party's credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of invoice issuance, a certified notice will be sent to the responsible party, informing them of the Borough's intent to assess attorney's fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing

them of the Borough’s intent to assess attorney’s fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor’s office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than \$3,000. Related court costs, filing fees and Attorney’s fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.

- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice’s office.
- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing if required, in an attempt to acquire a judgment against the third party.
- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough’s Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.
- In the event of receiving payment in full, liens will be satisfied, and the third-party collection agency will be notified accordingly.

Contract Violation: Utility Billing (Statute of Limitations: 4 yrs. from date of delinquency to file civil claim/last day of the 3rd calendar year from date of delinquency to file lien for sewer, water, and electric utilities, 6 months from date of delinquency to file lien for all other utilities).

If utility service is under a tenant’s name

- The Final Invoice shall be issued to the responsible party as listed on the account.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a delinquent notice will be sent to the responsible party.
- If payment in full is not received, or no payment agreement is entered into within sixty (60) days of invoice issuance, the Final Invoice shall be issued to the property owner.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance to the property owner, a final notice will be sent to the property owner.
- If payment in full is not received, or no payment agreement is entered into, between sixty (60) days of invoice issuance to the property owner and no more than six (6) months from the date the service was supplied, a lien will be filed against the associated property parcel, and the outstanding amount (including the costs associated with the filing of the lien) will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third-party’s credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of invoice issuance, a certified notice will be sent to the responsible party, informing them of the Borough’s intent to assess attorney’s fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough’s intent to assess attorney’s fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor’s office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than \$3,000.00. Related court costs, filing

- fees, and Attorney’s fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.
- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice’s office.
 - A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third-party.
 - Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough’s Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment.
 - In the event of receiving payment in full, liens will be satisfied, and the third-party collection agency will be notified accordingly.

If utility service is under the property owner's name

- The Final Invoice shall be issued to the responsible party as listed on the account.
- If payment in full is not received, or no payment agreement is entered into within thirty (30) days of invoice issuance, a final notice will be sent to the responsible party.
- If payment in full is not received, or no payment agreement is entered into, between sixty (60) days of invoice issuance to the property owner and no more than six (6) months from the date the service was supplied, a lien will be filed against the associated property parcel, and the outstanding amount (including the costs associated with the filing of the lien) will then be forwarded to a third-party collection agency with which the Borough has contracted, to be assessed against the third-party's credit and pursued accordingly. The commission owed to the third-party collection agency will be added to the outstanding amount.
- If/when the third-party collection agency reports that they have exhausted all efforts, however in no case any longer than thirteen (13) months from the date of invoice issuance, a certified notice will be sent to the responsible party, informing them of the Borough's intent to assess attorney's fees within thirty (30) days. Should the certified mailing not be accepted within thirty (30) days, a notice will be sent to the responsible party, via USPS, informing them of the Borough's intent to assess attorney's fees within ten (10) days. After the certified notice is accepted, or ten (10) days after issuing the notice via USPS (whichever occurs first), the appropriate information will be forwarded to the Borough Solicitor's office for the purpose of filing a civil action with the Magisterial District Justice if the outstanding amount is greater than \$150.00, or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than \$3,000. Related court costs, filing fees, and Attorney's fees at a rate as adopted by the Borough from time to time will be added to the outstanding amount.
- Should the outstanding amount be less than \$150.00, the Borough is unable to file a lien, and the third-party collection agency reports that they have exhausted all efforts, the debt will be written off as bad debt and removed from the outstanding receivables listing, as the amount is less than the cost of the filing fee for filing suit with the Magisterial District Justice's office.
- A representative of the Borough, and/or the Borough Solicitor will then proceed with all necessary court actions, including attendance at a scheduled hearing, in an attempt to acquire a judgment against the third party.
- Should payment in full not be received within ninety (90) days of receiving favorable judgment by the applicable court; or immediately upon the terms of such judgment being violated; or immediately upon the terms of any agreed upon payment plan being violated, the matter will be forwarded to the Borough's Collections Committee in order to determine the appropriate course of action, including seeking Execution of Judgment. Matters resulting in the filing of a lien for invoices not amounting to \$150.00, which will have since been written off as bad debt, will also be forwarded to the Borough's Collections Committee.
- In the event of receiving payment in full, liens will be satisfied, and the third-party collection agency will be notified accordingly.

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Waterfall Payment Policy

Borough of Chambersburg

Allocation of partial payments.

Whenever any partial payment of a utility billing is received, the amount paid shall be credited to outstanding charges in the following order of priority:

- A. Arrears
- B. Sales Tax
- C. Storm Sewer Fees
- D. Ambulance Fee
- E. Loans
- F. Notice Fees
- G. Sanitation
- H. Water and Wastewater
- I. Natural Gas
- J. Electric.

Fees and charges shall be collected pursuant to the adopted Utility Service Manual (USM).

Fees may take precedent over utility charges in partial payment circumstances.

When in doubt, the Borough Manager shall be solely responsible for interpretation of the waterfall payment policy.

Conflict of Interest Policy

Borough of Chambersburg

I. PURPOSE

This Policy shall affirm standards of conduct established to ensure that a public official or public employee avoids potential and actual conflicts of interest, as well as the perception of a conflict of interest. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to governmental, nonprofit or charitable organizations.

II. DEFINITIONS

- A. **The Ethics Act** shall mean the Public Official and Employee Ethics Act, 65 Pa.C.S.A. § 1101 *et seq.*
- B. **The Borough** shall mean the Borough of Chambersburg.
- C. **Business partner** shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.
- D. **Confidential information** shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.
- E. **Conflict or Conflict of interest** shall mean use by a public official or public employee of the authority of his/her office or employment or any confidential information received through his/her holding public office or employment for the private pecuniary benefit of himself/herself, a member of his/her immediate family or a business with which he/she or a member of his/her immediate family is associated. The term does not include an action having a de minimis economic impact or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the public official or public employee, a member of his/her immediate family or a business with which he/she or a member of his/her immediate family is associated.
- F. **De minimis economic impact** shall mean an economic consequence, which has an insignificant effect of less than \$1,000.00.
- G. **Financial interest** shall mean any financial interest in a legal entity engaged in business for profit, which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.
- H. **Honorarium** shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.
- I. **Immediate family** shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.

III. DELEGATION OF RESPONSIBILITY

Each Borough employee, elected official, and Town Council member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The Borough prohibits members of the Town Council, elected officials, and Borough employees from engaging in conduct that constitutes a conflict of interest as outlined in this Policy.

IV. GUIDELINES

All Town Council members, elected officials, appointed officials, employees, and persons-of-interest shall be provided with a copy of this Policy and acknowledge in writing that they have been made aware of it. Additional training may be provided to designated individuals.

A. Disclosure of Financial Interests

No Town Council member shall be allowed to take the oath of office or enter or continue upon his/her duties, nor shall he/she receive compensation from public funds, unless he/she has filed a statement of financial interests as required by the Ethics Act.¹

The Borough solicitor and designated Borough employees shall file a statement of financial interests as required by the Ethics Act.²

B. Standards of Conduct

The Borough maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees, elected officials, and Town Council members engaged in the selection, award and administration of contracts.³

No Borough employee, elected official, or Town Council member may participate in the selection, award or administration of a contract supported by a federal award if he/she has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, elected official, Town Council member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.⁴

The Borough shall not enter into any contract with a Town Council member, elected official, or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500.00 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Town Council has determined it is in the best interests of the Borough to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the Town Council member, elected official, or Borough employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.

When advertised formal bidding is not required or used, the Borough shall comply with regulations in the Borough Code.⁵

Any Town Council member, elected official, or Borough employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record.

No Town Council member, elected official, or Borough employee shall accept an honorarium.

Town Council members, elected officials, and Borough employees may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Borough policy. Gifts of meals as provided by the Borough Solicitor are herein exempt.

C. Improper Influence

No person shall offer or give to a Town Council member, elected official, Borough employee or nominee or candidate for public office, or a member of his/her immediate family or a business with which he/she is associated, anything of monetary value, including a gift, loan, political contribution, reward or

¹ 65 Pa.C.S.A. § 1104(b)(2).

² 65 Pa.C.S.A. § 1104.

³ 2 CFR § 200.318(c)(1).

⁴ Id.

⁵ 8 Pa.C.S.A. § 1402(b).

promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Town Council member, elected official, Borough employee or nominee or candidate for the public office would be influenced thereby.

No Town Council member, elected official, Borough employee or nominee or candidate for the public office shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that Town Council member, elected official, Borough employee or nominee or candidate for public office that the vote, official action or judgment of the Town Council member, elected official, Borough employee or nominee or candidate for public office would be influenced thereby.

D. Reporting

Any perceived conflict of interest that is detected or suspected by any Borough employee or third party shall be reported to the Borough Manager. If the Borough Manager is the subject of the perceived conflict of interest, the Borough employee or third party shall report the incident to the Town Council President.

Any perceived conflict of interest of a Town Council member that is detected or suspected by any Borough employee or third party shall be reported to the Town Council President. If the Town Council President is the subject of the perceived conflict of interest, the Borough employee or third party shall report the incident to the Borough Manager, who shall report the incident to the solicitor.

No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

E. Investigation

Investigations based on reports of perceived violations of this Policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.

In the event an investigation determines that a violation of this Policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.

F. Disciplinary Actions

If an investigation results in a finding that the complaint is factual and constitutes a violation of this Policy, the Borough shall take prompt, corrective action to ensure that such conduct ceases and will not recur. Borough staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this Policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with Borough policies, procedures, and state and federal laws.

The Borough Manager, of his designee, shall have the sole right to impose, or not impose, disciplinary action, which is deemed to be a reasonable response to enforcement of this policy.

Procurement Guidelines For Formal Contracts Utilizing Federal Funding

Borough of Chambersburg

This Policy provides standards in establishing procedures for the procurement of supplies, equipment, construction, and other services with Federal funds by the Borough of Chambersburg (hereinafter the “Borough”). The following guidelines are in accordance with required procedures set forth in the federal rules and regulation at 2 CFR §§ 200.300 - 200.345.

I. GENERAL PROCUREMENT GUIDELINES AND STANDARDS

The Borough is mindful that its procurement of goods and services, particularly on public works contracts, may necessitate the inclusion of certain contract provisions required where a particular funding source is used. For example, where the cost of a project for the construction, alteration, or repair of a public building or public work exceeds \$2,000.00, and federal funds supply more than twenty-five percent (25%) of the total cost, the Borough must comply with wage rates and record keeping requirements of the Davis-Bacon Act. The requirements triggered by funding sources should be closely reviewed and incorporated into the project documents where warranted.

Accordingly, if the Borough purchases goods or services funded in whole or in part through federal grant monies, federal law requires that the Borough adhere to certain regulatory principles and include certain terms and conditions in the relevant contract. To that end, it shall be the policy of the Borough to comply with federally prescribed standards applicable to procurement involving the use of federal funds.

Accordingly, the Borough, to the extent practicable, should consider the following when procuring goods or services with federal funds:

1. The Borough will use their own procurement procedures, which reflect applicable State and Borough laws and regulations, provided that the procedures conform to applicable federal law and standards identified below. In the event of any conflict between Borough, state, and federal law, the Borough shall abide by the strictest requirement imposed. For example, if the Borough Code provides for a lower monetary threshold to trigger competitive bidding than federal regulations, the Borough will use the lower threshold.
2. The Borough will maintain contract administration systems, which ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.⁶
3. The Borough will maintain written standards of conduct governing the performance of Borough employees engaged in the award and administration of contracts. No employee, officer, or agent of the Borough shall participate in the selection, award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when a) the employee, officer or agent, b) any member of his or her immediate family, c) his or her partner, or d) an organization which employs, or is about to employ, any of the above, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees, officers, or agents of the Borough will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. To the extent permitted by the Borough Code and other state or local laws and regulations, these standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of these standards by the contractors or their agents. The Borough may, in regulations, provide additional prohibitions relative to real, apparent, or potential conflicts of interest.⁷

⁶ 2 C.F.R. § 200.318(b).

⁷ 2 C.F.R. § 200.318(c).

4. Proposed procurements must be reviewed to avoid duplicative or unnecessary purchases.⁸ This review should include an analysis of the following considerations:
 - i. whether breaking out or consolidating procurements would be more economical,⁹
 - ii. whether a purchase or lease would be more economical,¹⁰
 - iii. whether procurement of common goods or services with other State or local entities would be more economical, including but not limited to state and local government cooperative purchasing opportunities for the procurement or use of common goods or services provided by law,¹¹
 - iv. whether use of Federal excess or surplus property in lieu of purchasing new equipment is feasible and economical,¹²
 - v. the feasibility of “value engineering” for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.¹³
5. Contracts should only be awarded to responsible contractors possessing the ability to perform the proposed procurement. The Borough shall consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources in determining whether a contractor is suitable to perform.¹⁴
6. The Borough alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, a) source evaluation, b) protests, c) disputes, and d) claims. These standards do not relieve the Borough of any contractual responsibilities. Federal funding agencies will not substitute their judgment for that of the Borough unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.¹⁵
7. Protest procedures will be maintained by the Borough to handle and resolve disputes relating to their procurements, and shall, in all instances, disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the Borough before pursuing protest with the Federal Agency. Reviews of protests by the Federal Agency will be limited to violations of Federal law or regulations.
8. The Borough may only use “time and materials type” contracts only (1) after a determination that no other contract is suitable, and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk.¹⁶
9. The Borough shall maintain a financial and records management system that allows it to connect any federal funds received to goods or services purchased with those funds. For any such purchases, the Borough should maintain records that sufficiently detail the relevant history of the procurement including, but not limited to: (a) the rationale for the method of

⁸ 2 C.F.R. § 200.318(d).

⁹ Id.

¹⁰ Id.

¹¹ 2 C.F.R. § 200.318(e).

¹² 2 C.F.R. § 200.318(f).

¹³ 2 C.F.R. § 200.318(g).

¹⁴ 2 C.F.R. § 200.318(h).

¹⁵ 2 C.F.R. § 200.318(k).

¹⁶ 2 C.F.R. § 200.318(j).

procurement; (b) the selection of contract type; (c) the contractor selection or rejection; and (d) the basis for the contract price.¹⁷

II. COMPETITION

1. All procurement transactions utilizing federal funding must provide full and open competition the procurement of goods and services.¹⁸ Some of the situations considered to be restrictive of competition include but are not limited to:
 - i. Placing unreasonable requirements on firms in order for them to qualify to do business,
 - ii. Requiring unnecessary experience and excessive bonding,
 - iii. Noncompetitive pricing practices between firms or between affiliated companies,
 - iv. Noncompetitive awards to consultants that are on retainer contracts,
 - v. Organizational conflicts of interest,
 - vi. Specifying only a “brand name” product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
 - vii. Any arbitrary action in the procurement process.¹⁹
2. The Borough may not consider in-State or local geographical preferences in the evaluation of bids or proposals, except where expressly provided for in applicable Federal law. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided that the preference leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.²⁰
3. The Borough will have written selection procedures for procurement transactions that utilized federal funds. These procedures will ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features, which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand, which may be met by offers, shall be clearly stated. Selection procedures will also identify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals.²¹
4. The Borough will ensure that all pre-qualified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the Borough will not preclude potential bidders from qualifying during the solicitation period.²²

III. METHODS OF PROCUREMENT TO BE FOLLOWED

¹⁷ 2 C.F.R. § 200.318(i).

¹⁸ The federal standards do not include the exemptions allowed under the Borough Code at 8 Pa.C.S.A. § 1402(d).

¹⁹ 2 C.F.R. § 200.319(a)(1-7).

²⁰ 2 C.F.R. § 200.319(b).

²¹ 2 C.F.R. § 200.319(c).

²² 2 C.F.R. § 200.319(d).

The Borough is required to abide by Pennsylvania law and the Borough Code regardless of what type of funds are used in making a purchase.

1. Subject to limited exceptions, the Borough Code requires the Borough to engage in competitive bidding for contracts when the amount of the goods or services to be acquired exceeds a threshold amount, which will be updated by the Commonwealth on an annual basis. The Borough cannot make purchases on a piecemeal basis (either a series of purchases over time or a number of simultaneous purchases) to avoid the competitive bidding threshold when, in the exercise of reasonable discretion and prudence, those purchases could be made as a single purchase.
2. If the contract price falls second tier, as established on an annual basis by the Commonwealth, the Borough must obtain written or telephone price quotations from at least three qualified and responsible contractors. If telephone price quotes are obtained, the Borough must retain a record of the quotes, which must include the name of the contractor and the contractor's representative, the subject of the contract, and the price. Records of written or telephone price quotes must be retained for three years. If fewer than three qualified vendors exist in the market area, the Borough must keep a memorandum on file that explains that fewer than three qualified contractors exist in the market area within which it is practical to obtain quotes.
3. Informal price quotes are not required for purchases below the second tier, as established on an annual basis by the Commonwealth as long as their vendors are a sound business practice and are recommended for commerce by other municipalities.

Notwithstanding the foregoing requirements set out in the Borough Code, the Borough must comply with the strictest method of procurement that may be imposed by federal law or regulation, regardless of which method that may be. There are numerous federal requirements, each requiring different procurement methods, depending on the source of grant funds being used for purchases. As such, prior to making any purchases with federal funds, the Department Director shall contact the Borough Solicitor to determine the appropriate procurement method.

IV. CONTRACTING WITH SMALL & MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE, AND LABOR SURPLUS AREA FIRMS

When procuring goods or services with federal funds, it shall be the Borough's policy to take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.^{23 24} Affirmative steps shall include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Allocating total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

²³ 2 C.F.R. § 200.321(a).

²⁴ The Borough should use the services of Federal Agencies like the Small Business Administration during the solicitation process to demonstrate affirmative steps required by the federal regulations.

6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) above.²⁵

V. CONTRACT COST AND PRICE

The Borough must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold²⁶, including contract modifications, including independent estimates before receiving bids or proposals²⁷. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

1. Price and Cost Analysis is required for all proposals submitted by offerors for evaluation and negotiation. The Borough should make independent estimates before receiving bids or proposals²⁸. Contents of the cost proposal should be in consonance with the contractor’s accounting system, which must be operationally capable of segregating costs by contract. Offerors should certify that individual elements of cost are true, correct and verifiable from the contractor’s accounting system. The Borough shall compare graphically each contractor’s cost proposal using spreadsheets.
2. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (2 C.F.R. § 200.403, *et seq.*). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.²⁹
3. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.³⁰

VI. CONTRACT ADMINISTRATION

The Borough shall maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders, including:

1. Delegations of administrative responsibility to designated personnel who are selected for their technical and administrative capability to administer the contract effectively.
2. Inspection and acceptance of all contractor deliverables.
3. Demand for and review of progress reports to determine whether contract delivery milestones are being met or appropriate corrective action.
4. Invoice processing.
5. Subcontracting review and consent procedures.
6. Contract close-out procedures and administration.

²⁵ 2 C.F.R. § 200.321(b)(1-6).

²⁶ The Simplified Acquisition Threshold is set by the Federal Acquisition Regulation. The Federal Acquisition Regulation currently sets the Simplified Acquisition Threshold at \$250,000, though it is periodically adjusted for inflation in accordance with 41 U.S.C. § 1908. See 2 C.F.R. § 200.88.

²⁷ 2 C.F.R. § 200.323.

²⁸ 2 C.F.R. § 200.323(b).

²⁹ 2 C.F.R. § 200.323(c).

³⁰ 2 C.F.R. § 200.323(d).

The Borough must make available, upon request of the awarding agency or pass-through entity, technical specifications on proposed procurements and pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc.

VII. BONDING REQUIREMENTS

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold³¹, the awarding agency may accept the Borough’s bonding policy and requirements provided the awarding agency has made a determination that the awarding agency’s interest is adequately protected.³² If such a determination has not been made, the minimum requirements shall be as follows:

1. A Bid Security from each bidder in the amount of ten (10%) percent of the bidder’s maximum bid price. The “Bid Security” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
2. A Performance Bond on the part of the contractor for one hundred percent (100%) of the contract price. A Performance Bond is one executed in connection with a contract to assure performance as required by law of all persons supplying labor and materials in the execution of the work provided for the contract.
3. A Payment Bond on the part of the contractor for one hundred percent (100%) of the contract price. A Payment Bond is executed in connection with a contract to assure payment as required by law of work provided for the contract.
4. Ultimately, the Borough Manager is empowered to make the final decision on the form, quantity, term, and rules associated with all securitization.

VIII. CONTRACT PROVISIONS

Federal regulations require that contracts awarded by grantees contain statutorily mandated clauses many of which may otherwise be required under Pennsylvania state law. The Borough’s standard form agreements when procuring goods or services with federal funds shall incorporate such language, including the following:³³

1. Contracts for more than the simplified acquisition threshold currently set at \$250,000.00, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. § 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000.00, must address termination for cause and for convenience by the Borough including the manner by which it will be affected and the basis for settlement.
3. Equal Employment Opportunity—Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in

³¹ Pennsylvania’s Public Works Contractors’ Bond Law of 1967, 8 P.S. §§ 191-202 (the “Bond Law”) governs bonds on public works projects in the Commonwealth of Pennsylvania. The Bond Law provides that for all public contracts exceeding \$5,000, for the construction, reconstruction, alteration or repair of any public building, other public work or improvement including highway work, the prime contractor must furnish to the contracting body a performance bond and a payment bond. In the event of any conflict between State and federal law, the Borough shall abide by the strictest requirement imposed.

³² 2 C.F.R. § 200.325.

³³ 2 C.F.R. § 200.326.

accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

4. Davis-Bacon Act, as amended (40 U.S.C. §§ 3141-3148)—When required by Federal program legislation, all prime construction contracts in excess of \$2,000.00, awarded by the Borough must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The Borough must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The Borough must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The Borough must report all suspected or reported violations to the Federal awarding agency.

5. Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708)—Where applicable, all contracts awarded by the Borough in excess of \$100,000.00, that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible, provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

6. Rights to Inventions Made Under a Contract or Agreement—If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

7. Clean Air Act (42 U.S.C. §§ 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000.00, must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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8. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR § 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
9. Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352)—Contractors that apply or bid for an award exceeding \$100,000.00, must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier-to-tier up to the non-Federal award.
10. Procurement of recovered materials (2 CFR § 200.322)—The Borough and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.00, or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000.00; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Non-discrimination/non-harassment policy: Contractors that apply or bid for an award exceeding \$10,000 must file the required certification in a form acceptable to the Federal government.

Energy Risk Management Policy

Borough of Chambersburg

The Borough of Chambersburg’s theme is “a clean, green, safe, and healthy community.” It is the policy of the Borough of Chambersburg and Chambersburg Electric Utility (“BOC” or the “Borough”) to produce economic and other benefits to the Borough, its citizens, its employees, and its customers while operating in a professional and courteous manner within a structure of local accountability and local control.

The mission statement of Borough is “...to use character, competence, and collaboration to provide safe, reliable, competitively priced, and valuable energy products and services to our customers.” The Borough Power Supply Strategic Plan contains the following supporting goals:

1. Provide for power supply that is diverse in fuel sources, geographic location, and risk profile.
2. Develop a power supply approach that will avoid a significant sudden rate increase.
3. Partner in new generation facilities using proven technologies, when cost effective.
4. Avoid projects using unproven technology.
5. Consider formula rate contracts with partners that have generation fleets with diverse fuel sources.
6. Avoid all-requirements, lifetime (30 years or more) commitments that allow others to make all of the power supply decisions for BOC customers.
7. Implement a power supply portfolio according to the directives of the BOC Power Supply Strategic Plan.
8. Implement an energy hedging strategy according to the directives of the BOC Power Supply Strategic Plan and that complies with its Risk Management Controls.
9. Partner with renewable generation facility projects to provide clean, local (if available) power supply, when cost effective.

This BOC Energy Risk Management Policy (“Policy”) provides the governance guidelines for key control structures that provide for prudent risk management processes based on sound energy risk management principles while ensuring adherence to financial requirements set by the Borough of Chambersburg Town Council (“Town Council”) as well as all pertinent legal and regulatory requirements. The control structures are focused on the following issues:

- Bi-Annual Energy Procurement Plan;
- Permitted transactions;
- Prescribed Delegation of Authority;
- Risk parameters and limits;
- Separation of organizational duties;
- Risk reporting requirements;
- Auditing.

This Policy serves as the governing and policy-setting document for all of BOC’s “energy risk management processes.”

APPLICABILITY

The full policy was adopted by Town Council in July 2020, and may be updated from time to time. It is available for review.

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Glossary

The following glossary contains a number of terms which often arise in the administration of specialized municipal programs. The glossary, while not intended to be all inclusive, does contain terms often used by financial, planning, legal, and technical specialists in their dealings with a municipal official.

Accounting System - The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accounts Payable (A/P) - Amounts owed to private persons, firms or corporations for goods and services received.

Accounts Receivable (A/R) - Amounts owing from private persons, firms or corporations for goods and services furnished.

Accrual Basis - The basis of accounting whereby revenues are recognized when earned and measurable regardless of when collected, and expenses are recorded on a matching basis when incurred. All proprietary and fiduciary funds use the accrual basis of accounting.

Accrue - To record revenues and expenditures (expenses) when they meet the recognition criteria of the fund type involved regardless of when the cash activity occurs.

Accrued Expenditures (Expenses) - Expenses or expenditures that meet the appropriate recognition criteria of the fund type involved but have not been paid. Accrued expenditures are expected to be paid in a subsequent accounting period.

Accrued Revenues - Revenues that meet the appropriate recognition criteria of the fund type invoiced, but are not realized during the accounting period. Refer to accrual basis, accrual and modified accrual basis.

Actual - Actual refers to the expenditures and/or revenues realized in the past.

Administrative - Pertaining to management of functions and activities, as opposed to legislative and judicial decision-making. Administrative functions are often under the control of the Borough Manager or their designee; rather than Council.

Agency and Trust Funds - Such funds are established to account for cash and other assets held by a municipality as agent or trustee for another party, such as Electric Utility customer deposits. The two classes of funds are similar because the resources of the funds are not assets of the municipality but, through the operation of law or by agreement, the municipality is responsible for their accountability. An example of the agency fund is the Firemen's Relief Fund, whose assets are received with the purpose of being paid to the Firemen's Relief Association. The Police Pension Fund, administered by the municipality, is an example of a trust fund.

Agenda - A list of items to be brought up at a meeting.

Allocation - The practice of spreading costs among various cost centers on some predetermined reasonable basis (e.g., percentages based on allocation plan) as opposed to distribution of expenses on a unit charge or direct identification basis.

Americans with Disabilities Act (ADA) - Legislation passed in 1990 that prohibits discrimination against people with disabilities. Under this Act, discrimination against a disabled person is illegal in employment, transportation, public accommodations, communications and government activities. The law prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against the disabled. Employers are required to make reasonable accommodations in order for the disabled person to perform their job function.

American Rescue Plan Act - The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan, is a \$1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Joe Biden on March 11, 2021. It is meant to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic.

Annual Comprehensive Financial Report - Official annual financial report of a government. In addition to a combined, combining (assembling of data for all funds within a type), and individual balance sheet, the following are also presented as appropriate: (1) statement of revenues, expenditures, and changes in fund balance (all funds); (2) statement of revenues, expenditures, and changes in fund balance, budget and actual (for general and special revenue funds); (3) statement of revenues, expenses, and changes in retained earnings (for proprietary funds); and (4) statement of changes in financial position (for proprietary funds).

Appropriation - The sum of money authorized by Town Council to be spent for an expenditure by cost center. In Chambersburg, the budget, as adopted, is synonymous with authorized appropriations.

Approved Budget - The status of appropriations as of a specific date between January 1st, at the beginning of the fiscal period, and December 31st, at the end of the fiscal period. Includes the adopted budget, budget amendments, prior year encumbrances, approved projects carried forward from prior years, and transfers between accounts, divisions and departments.

Assets - The entries on a balance sheet showing all properties and claims against others that may be used directly or indirectly to cover liabilities.

Assessment - The value placed on an item of real or property for property tax purposes. The rate of tax times the value equals the amount of charge levied on the property. It may also be a special charge levied on each property within a special assessment district for an improvement benefiting the property or for a service provided only within the district.

The property assessment for the Borough of Chambersburg, as calculated by the Franklin County Board of Assessment, is \$215,971,240 as of 10/1/2024.

Audit - An examination of the financial activities of the Borough and the report based on such examination by our independent auditors, Smith, Elliot, Kearns & Company, LLC.

Balanced Budget – A budget adopted by the Town Council and authorized by ordinance where proposed expenditures are equal to or less than proposed revenues and appropriated fund balance.

Bank Financing – A device by which a federally licensed bank lends money to the Borough. For example, a line of credit or mortgage. Bank loans bear interest. They are common ways to finance capital improvement projects.

Bidder - An individual, partnership, firm, corporation, or joint venture, submitting a bid for a construction project.

Bid Items - Specific items of work, either materials, finished products, or bodies of work that a bidder bids a price on in their pursuit of a construction project; bid items are those items in a construction contract that will be paid for directly.

Bid Packet - The package of materials that is given out to prospective bidders for their use in bidding on a construction project; the package includes a copy of the Invitation to Bid; various notices, forms and contract provisions, Proposal, Special Provisions, wage rates, Plan Set, permits/approvals, addenda, and subsurface boring logs (if any).

Bond - A document issued by a person in exchange for money promising to pay money to the person who holds the document on a specific date for a specific purpose or unless a specific payment is not made. Bonds normally bear interest. They are both a common way of raising money for capital improvements and securing payment by developers and vendors for their obligations.

Borough Manager – In Chambersburg, the Borough Manager is the Chief Administrative Officer of the municipality. The Borough Manager directly supervises all departments other than Police. The Manager is appointed and serves at the pleasure of a majority of Town Council. The adopted Chambersburg Pay Plan sets their compensation, as with all non-bargaining unit employees.

Budget - A plan for spending and receiving money to sustain municipal operations during a fiscal year together with related explanation. A capital budget is such a plan for financing purchase or construction of items of high cost and long life, such as fire apparatus, streets and buildings.

Budget Amendment - An alteration, addition or deletion, that changes the meaning or scope of this original formal document. Often these are laws or regulations. However, plans or specifications can also be amended. The Borough Manager is herein authorized to complete Budget Amendments as necessary and directed by Town Council.

Building Permits (including Use and Occupancy Permits) - The Borough of Chambersburg requires any person constructing or improving a building to secure a Land Use Permit and Uniform Construction Code Permit. The Borough utilizes a third-party agency, Pennsylvania Municipal Code Alliance (PMCA), for many permit and inspection activities. A valid Certificate of Occupancy may also be required. Chambersburg is unique in our strict enforcement of building, health, and safety codes.

Capital Reserve – Funds where expenditures are made to acquire fixed assets or additions known as capital outlays. These expenditures are recorded in their corresponding funds where the assets are to be used. Ultimately, under good property accounting, such assets acquired will be reflected in the general fixed assets group of accounts. In Chambersburg, only the General Capital Reserve is an actual Sinking Fund. The utility capital reserve accounts are actually subordinate to the Enterprise Funds and are not actually independent funds, other than for planning purposes.

Capital Improvements Plan - A schedule of purchase or construction of items of high cost, over \$10,000.00, such as fire apparatus, streets and buildings, with a useful life over five years, together with a plan for spending and receiving the money to pay for the items. Each year Town Council reviews and adopts such a plan contemporaneous with the budget.

Certified Documents - A formal, written declaration by the Borough Secretary, or their designee, that certain documents are true or valid. Often used for minutes, resolutions, and ordinances.

Chart of Accounts - A chart of accounts (COA) is a list of all the accounts a business uses to record financial transactions. It's a key part of accounting, bookkeeping, and financial reporting.

Code of Ethics (COE) –Town Council herein recognizes the International City/County Management Association (ICMA) Code of Ethics, as may be updated from time to time, as the official code of ethics (COE) binding the work of the Borough Manager, Assistant Borough Manager, Deputy Borough Manager, Assistant to the Borough Manager, Police Chief, or any other official in administration.

Comprehensive Plan - Our comprehensive development plan consists of maps, charts and textual matter, and indicates the recommendations of the planning commission for the continuing development of the municipality. The comprehensive plan includes, but is not limited to, the following related basic elements: a statement of objectives, a plan for land use, a map or maps, and statements indicating the relationship of the municipality and its proposed developments have to the adjacent municipalities and areas. The Chambersburg Comprehensive Plan was adopted: November 17, 2008.

Community Development Block Grant – or for COVID (CDBG-CV) - a type of federal grant established under the American Recovery and Reinvestment Act for the purpose of stabilizing property values and preventing neighborhood blight.

Constituent - A person served by an elected official, normally a resident or voter. Residents and businesses of the surrounding townships of Hamilton, Greene, and Guilford are *not* constituents.

Contractor - The individual, partnership, firm, corporation, or joint venture, contracting with the Borough to do prescribed work as defined in the construction contract.

Contractual Services - Expenditures for services the Borough received from an outside company. Professional and technical services performed by non-Borough of Chambersburg (BOC) staff is considered contractual services.

Council (Either Town or Borough) - The governing body of our municipality. The legislative and policy board of the community. Ten members (five wards with two members per ward) elected for four-year terms in alternating two-year periods. The Mayor is an ex officio non-voting member of Council.

Debt Service - Payments to creditors, primarily the holders of municipal bonds. Debt service includes principal, interest and minor incidentals such as paying agents' fees.

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Department – A section of the total organization having a specialized function or activity and segregated cost data, but not necessarily a separate fund.

Developer - Any landowner, agent of such landowner, or tenant with the permission of such landowner, who makes or causes to be made a subdivision of land or a land development including but not limited to construction.

Easement - A right-of-way for public or quasi-public use. Normally, they are used for public utilities, trails, utility lines, floodways, and other purposes. The fee title to land in the easement areas remains tied to the adjacent land and the easement rights are relinquished when the public or quasi-public use ceases. Chambersburg utilities own, maintain, and require the establishment of many easements.

Electricians – In Chambersburg, electricians are required to obtain licenses to work upon the Borough's electric distribution system.

Emergency Services - The combination of the Fire Department, Fire Code Enforcement, and emergency medical services.

Eminent Domain - The concept of the power of certain governmental entities to acquire, for public use, privately owned real estate by means of legal processes and adjudicated compensation to the private owner. In such cases, the private proper is always paid compensation for the acquisition of their property.

Executive - The power to carry out laws and functions, veto legislation, appoint officers and perform other duties as prescribed by law. In Chambersburg, the Borough Manager maintains the administrative portion of the executive function. The Borough Council President retains the balance of the authorities.

Executive Session - A meeting closed to the public. They can legally be held only for certain limited purposes.

Feasibility Study - A preliminary survey to determine the design, aesthetics, construction and economic aspects of a proposed project.

Fire Code Inspections – Any property owner or authorized agent who intends to conduct an operation or business, or install or modify systems and equipment which is regulated by the International Fire Code must first make application to the Chambersburg Fire Department and obtain a business inspection permit per the International Fire Code Section 105.1.1 amended.

Flood Plain - The area along a natural watercourse subject to periodic overflow by water. The Borough and FEMA have disseminated flood plain maps for delineation of the flood plain.

Fund – An accounting device established to control receipt and disbursement of income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts.

General Fund – The main governmental-type account used to account for all revenues and the activities financed by governmental activities, not accounted for in some special fund. The main purposes are for public safety, recreation, and general highway.

General Obligation Debt – Any loan or financial instrument giving borrowing power to a municipality, based upon pledging of the full faith and credit or taxing power of the municipality to retire debt and pay interest.

General Obligation Debt Funds - Established to account for the proceeds from bond sales and other revenues properly allocated to these funds and the costs of projects financed by them. Costs for public improvements are recovered from general revenues. In Chambersburg, all debt is GO debt but none of it is permitted by local policy for operational expenses.

Governing Body - The Town Council.

Grants - The Borough anticipates receiving monies from the Department of Environmental Protection (DEP) for recycling, the Department of Community and Economic Development for housing rehab, CDBG, and other development grants, and additional monies from the Department of Conservation and

Natural Resources for development of our parks. The Borough regularly applies to a variety of state and federal agencies for grants.

Health Code – With respect to Pennsylvania Act 106 of 2010, established Chapter 57, Food Protection, in Title 3 of the Consolidated Statutes, which set statewide standards for retail and all other food safety inspections through two laws to be known as The Retail Food Safety Act as well as those related sections of Chapter 65, Food Employee Certification Act, which together are known as The Food Safety Act, and as referred to collectively in municipality local laws as the Health Code.

Highway Aid – Also known as Liquid Fuels as provided by law, the local share of the State Liquid Fuels Tax and its use for expenditures is subject to the regulations of the Department of Transportation.

Improvements - Those physical changes to the land necessary to produce usable and desirable lots from raw acreage including, but not limited to, grading, paving, curbs, gutters, storm sewers and drains, improvements to existing watercourses, sidewalks, crosswalks, street signs, monuments, water supply facilities, and sewage disposal facilities.

Infrastructure – Physical assets of the municipality including streets, water, sewer, public buildings, electric facilities, and parks.

Job Description - An outline of the duties assigned a class of personnel positions together with the training and experience normally required to qualify for the class.

Land Development - The improvement of one lot or two or more contiguous lots, tracts or parcels of land for any purpose involving a group of two or more buildings or the division or allocation of land or space between or among two or more existing or prospective occupants to include streets, common areas, leaseholds, condominiums, building groups or other features; a subdivision of land.

Land Use Plan - The provisions for the development of a tract of land, including a subdivision plat, all covenants relating to use, location and bulk of buildings and other structures, intensity of use or density of development, streets, ways and parking facilities, common open space and public facilities.

Legislative - Pertaining to the power to make laws as opposed to administrative, executive and judicial.

Manager - The Chief Administrator of a municipality appointed by the Town Council to run its operations, to make suggestions of policy or process, and to carry out laws and directions.

Mayor - In Chambersburg, an elected official of borough government who represents the Borough at certain official and ceremonial functions, and who supervises the police department under the Borough Code; and who sits with Town Council, executes legislation, and breaks tie votes.

Meeting - A gathering of elected officials set or called in accordance with prescribed laws and where business may be transacted.

Mil – Often misspelled as MILL, a property tax unit, equal to one dollar of tax per one thousand dollars of assessment. Literally, a mil is a measure of money less than cents. When one purchases gasoline, one might pay \$2.999, which equals two dollars, ninety-nine cents, and nine mil per gallon.

Minimum Municipal Obligations (MMO) - In Pennsylvania, the state mandated smallest amount a municipality must contribute to any pension plan established for its employees. The amount is calculated using actuarial science to ensure that municipal pension plans are sufficiently funded. The Borough, regardless of the amount contributed by it, is also required to keep the pension plan solvent. If the pension funds become insufficient to meet obligations, then the Borough must augment the pension funds using money from other sources. The general funds of the Borough are thus in effect guarantor and insurance policy against under-contributions by employees or poor performance of pension fund investments. However, the Borough is responsible for making up any shortfall between the MMO and the sum of contributions the Borough makes for each employee as a percentage of that employee's wages, plus realized earnings on the pension fund investments.

Modified Accrual Basis -The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded

when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenues earned.

Nonconforming Use - A use, whether of land or of structure, not complying with the applicable use provisions in a zoning ordinance or amendment as enacted, where such use was lawfully in existence prior to the enactment of the ordinance or amendment or prior to its application to the location.

Nonconforming Structure - A structure or part of a structure manifestly not designed to comply with the applicable use provisions in a zoning ordinance or amendment as enacted, where the structure lawfully existed prior to the enactment of the ordinance or amendment. Such nonconforming structures include, but are not limited to nonconforming signs.

Official - A person who occupies a municipal legislative, quasi-judicial, administrative, executive, or enforcement position.

Operating Budget – Plans or current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the Borough are controlled. The use of the annual operating budget is recommended by State law.

Ordinance - A law or statute enacted by the Borough. See resolution.

Pay Plan – In Chambersburg, Town Council has adopted a regimented plan for wages that includes steps and grades for all employees. The plan removes any bias from compensation decisions.

Personnel - A method of recruiting, selecting, and promoting people to perform the work of the Borough organization; and, the method of classifying and assigning a pay scale to their jobs, together with related personnel activities, and regulations concerning hours of work, training, grievance procedures and labor relations.

Planning - A process of deciding what is to be done and how it is to be accomplished; the process of deciding how land should be used, what strategic direction should the municipality undertake, and where public facilities should be located.

Planning and Zoning Commission - A planning agency, authorized by law to prepare and recommend plans for the development of physical, social, economic and cultural resources and facilities within a political subdivision.

Plat - The official map of a subdivision of land.

Plumber – In Chambersburg, plumbers are required to obtain licenses to operate on Borough water and sewer systems.

Public Hearing - A meeting or portion of a meeting set up to give members of the public a chance to speak on a particular subject such as the provisions of a proposed ordinance.

Referendum - A vote by the people of our municipality or an area on an issue. A referendum may be started by a governing body or initiated by petition. In Pennsylvania, most referenda are non-binding statements of policy.

Regulation - A rule, procedure, or other formal requirement passed to carry out the purpose of a law. It carries the same legal power as the law; however, the rule or formal requirement may only be used to carry out the purpose of the law under which it is passed.

Revenue Bonds – Also called Self Liquidating Debt, a borrowing tool with higher interest rates than general obligation debt that does not need voter or state approval. Repayment of these bonds is guaranteed by revenues generated by the project and not municipal taxing power. Chambersburg has no revenue bonds.

Resolution - A decision, opinion, or directive of the Town Council expressed in a formally drafted document but not having the force or effect of law.

Revisions - Written or added changes, corrections or improvements to a plan, specification, or drawing.

Revolving Loans – Similar to a credit card or line of credit, this is a type of debt for special purposes providing a constant source of funds for assessable public improvements. Often involves grants. Chambersburg provides such loans for economic development and property improvement, with established guidelines.

Right-of-Way - Any area reserved by law or by common consent to a public or municipal use. Streets and easements are typical examples.

Sewers - The pipes in the ground or the systems associated. Chambersburg maintains two distinct sewer systems, a sanitary sewer system for wastewater and a storm sewer system for rain, snowmelt, and runoff.

Specifications - The written instructions which accompany and supplement the drawings in a contract.

Stormwater - Stormwater is generated when precipitation from rain and snowmelt events flows over land or impervious surfaces and does not percolate into the ground. As the runoff flows over the land or impervious surfaces (paved streets, parking lots, and building rooftops), it accumulates debris, chemicals, sediment, or other pollutants that could adversely affect water quality if the runoff is discharged untreated. The primary method to control stormwater discharges is the use of best management practices (BMPs). In addition, most stormwater discharges are considered point sources and require coverage under a National Pollutant Discharge Elimination System (NPDES) permit.

Storm Sewer – An appurtenance associated with the Borough’s Municipal Separate Storm Sewer System (MS4). MS4 does not solely refer to municipally owned storm sewer systems, but rather is a term with a much broader application that includes, in addition to local jurisdictions. An MS4 is not always just a system of underground pipes; it can include roads with drainage systems, gutters, and ditches. The regulatory definition of an MS4 is:

According to 40 CFR 122.26(b)(8), “municipal separate storm sewer means a conveyance or system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains):

(1) Owned or operated by a State, city, town, borough, county, parish, district, association, or other public body (created by or pursuant to State law) ...including special districts under State law such as a sewer district, flood control district or drainage district, or similar entity, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under section 208 of the Clean Water Act that discharges into the waters of the United States.” (Note: “Waters of the United States” refers to surface water only.)

(2) “Designed or used for collecting or conveying storm water

(3) Which is not a combined sewer; and

(4) Which is not part of a Publicly Owned Treatment Works (POTW) as defined at 40 CFR 122.2.”.

Subdivision - The division of a single tract or other parcel of land into two or more lots. (Specific definitions will vary in specific ordinances or regulations).

Subdivision and Land Development Ordinance (SALDO) - The provisions for the subdivision of a lot(s) or development of a tract of land, as adopted in 1979 and amended, including all covenants relating to use, location and bulk of buildings and other structures, intensity of use or density of development, streets, ways and parking facilities, common open space, and public facilities.

Tax Holding Fund – A separate account in the Chart of Accounts used to hold specific and designated taxes from a particular source until, which account is swept to transfer the money to the targeted fund where the tax money will be utilized. Important accounting principle for designated targeted taxes.

Uniform Construction Code - The Uniform Construction Code, contained in 34 Pa. Code, Chapters 401 through 405, as well as those ancillary codes referenced in Department of Labor and Industry regulations Section 403.21, as amended from time to time, as adopted and incorporated by reference as the Municipal Building Code of the Borough of Chambersburg. When any building or construction activity is contemplated within the Borough, application must be made to the Borough on a form to be provided by the Borough for the issuance of a land use permit.

Utilities - These funds account for the financial transactions of utility services rendered to the public, financed by specific user charges (electric fund, water fund, sanitation fund, sewer fund, etc.). The utility operations are maintained separate from general government operations such as Police or Emergency Services.

Special Exception Use - A use that is permitted in a particular zoning district only when specific criteria prescribed for such cases within the zoning ordinance are present. Special exception uses are allowed or denied by the Zoning Hearing Board following a public hearing.

Special Revenue Funds - These funds are established to account for revenues specifically raised for a particular purpose. A special fund is usually created for each purpose (i.e. fire taxes account if there was a fire tax or grant funds).

Variance - The permission granted by the Zoning Hearing Board, following a public hearing, for an adjustment to some Zoning Ordinance regulation to alleviate an unnecessary hardship. The permission granted must not be contrary to the public interest and must maintain the spirit and original intent of the Ordinance.

Zoning Ordinance - The provisions for land uses and associated lot regulations, as adopted in 1956 and amended, into various districts as well as other requirements related to the character of each district and its peculiar suitability for particular uses and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the Borough.

2025 Description of Borough Funds

Governmental Funds

Governmental Funds are those through which most governmental functions of the Borough are financed.

General Fund – The General Fund is the general operating fund of the Borough. This fund is used to account for all financial transactions except those required to be accounted for in another fund. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

General Capital Reserve Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

Governmental (Special Revenue) Funds

These funds are used to account for proceeds of specific revenue sources used to finance specific activities as required by law or administrative regulation.

Grant Programs Fund is used to account for the proceeds of specific revenue sources from grants used to finance specific activities as required by law or administrative regulation obtained by the Borough for the governmental activities.

Liquid Fuels Fund is used to account for state liquid fuels tax revenue used primarily for building, improving, and maintaining local roads and bridges.

Fire Tax Fund is used to account for real estate tax revenue used primarily for fire department support.

Recreation Bond Tax Fund is used to account for real estate tax revenue used primarily for recreational purposes.

Citizen’s Reward Fund is used to hold contributions from private citizens for the purpose of rewarding police informants for their assistance in solving crime.

Police Station Bond Tax Fund is used to account for real estate tax revenue levied to pay for debt service associated with the police station project.

Public Works Campus Bond Tax Fund is used to account for real estate tax revenue levied to pay for debt service associated with the public works campus project.

Proprietary (Enterprise) Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the focus of proprietary funds is on the determination of net earnings and capital maintenance. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Electric & Electric Capital Reserve Fund – Provides electric power and related services to the Borough of Chambersburg and all customers, both residential and commercial, throughout the Borough.

Gas & Gas Capital Reserve Fund – Provides natural gas and related services to the Borough of Chambersburg in addition to its residential and commercial customers throughout the Borough and within its proximity.

Water & Water Capital Reserve Fund – Provides water and related services, including laboratory analyses, to the Borough of Chambersburg, its residents, business establishments and various customers within the proximity of the Borough.

Sewer & Sewer Capital Reserve Fund – Provides wastewater treatment services for the Borough of Chambersburg, its residents, commercial establishments and various customers located within the neighboring areas of Greene Township, Guilford Township, Hamilton Township and Letterkenny Township.

Swimming Pool Fund – Provides aquatic recreational services for the residents of Chambersburg and the surrounding areas.

Sanitation & Sanitation Capital Reserve Fund – Provides trash and garbage removal for the Borough of Chambersburg, its residents and commercial establishments throughout the Borough.

Parking, Traffic and Street Lights & Parking, Traffic and Street Lights Capital Reserve Fund – Regulates and controls vehicle parking, traffic and streetlights throughout the Borough of Chambersburg.

Storm Sewer & Storm Sewer Capital Reserve Fund – Provides stormwater removal for the Borough of Chambersburg, its residents and commercial establishments throughout the Borough.

Project Heat Fund – This fund collects annual donations from the Electric and Gas funds, as well as from the public, which are then distributed to customers who a third-party administrator determines to be in need of temporary utility payment assistance.

Proprietary (Internal Service) Funds

Stores Fund – The Stores Department is responsible for the purchase, storage, and disbursal of inventory which is used to support the construction and maintenance functions of the Borough utilities.

Motor Equipment Fund – This fund supports the activities of the Motor Equipment Department which manages a rolling stock of more than 120 vehicles.

Self-insurance Fund – This fund is used for the purpose of funding risk which the Borough does not transfer to commercial insurance carriers or insurance pools.

Engineering Fund – This fund supports the activities of the Engineering Department which is responsible for furnishing engineering, surveying, drafting, and utility location information to other departments. The department also designs and inspects public works projects.

Worker's Compensation Fund – This fund underwrites the risks to the Borough resulting from job-related injury or illness to its employees.

Administrative Services Fund – Administrative Services is responsible for the complete financial reporting and utility meter reading, as well as the operation and maintenance of Borough Hall. This fund also includes the Finance Department and Human Resources.

Public Works Campus Fund – This fund supports the activities of the Public Works campus, which includes vehicles and equipment storage and maintenance, office facilities for Motor Equipment, Sanitation, Engineering, and Highway personnel.

Fiduciary (Trust) Funds

Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own program. The fiduciary fund category is split into two classifications: pension trust funds (Firemen's, Police, and Bargaining and Administrative Employees), and private-purpose trust fund (Sister City).

Police Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified public safety (police) employees.

Bargaining and Administrative Employees Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the Borough other than police or fire department employees.

Firemen's Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified Fire Department employees.

Sister City Fund - Trust fund used to hold money that accumulates for the specific purpose of "sister city" activities. Our sister city is Gotemba, Japan.



The City of Gotemba, Japan, sits at the base of Mt. Fuji, and has a connection to Chambersburg dating back to the 1920s when Ms. Tsunako Negami from Gotemba studied at Wilson College.

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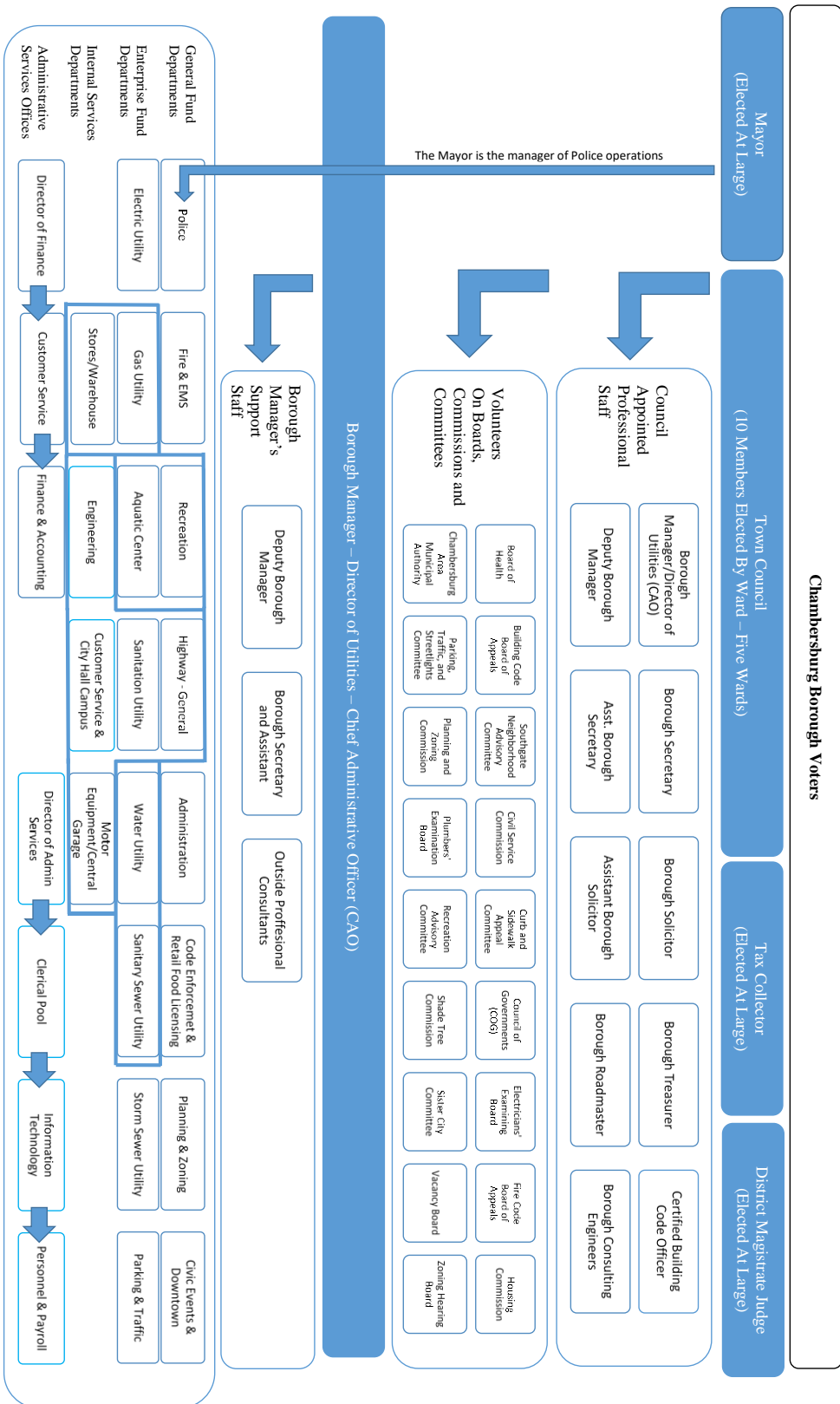
BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

2025 Functions and Departments (Sorted by Department)

Department	Fund	Type	Director
General Borough - Tax, Fee, Misc. Revenue	General Fund	Governmental Fund	Jeffrey Stonehill
General Borough - Highway	General Fund	Governmental Fund	Chuck Nipe
General Borough - Fire & EMS	General Fund	Governmental Fund	Chief Dustin Ulrich
General Borough - Police	General Fund	Governmental Fund	Chief Ron Camacho
General Borough - Recreation	General Fund	Governmental Fund	<Vacant>
General Borough - Land Use & Community Development	General Fund	Governmental Fund	Phil Wolgemuth
General Borough - Miscellaneous & Civic Events	General Fund	Governmental Fund	Jeffrey Stonehill
Electric Utility	Electric Fund	Enterprise Fund	Jeff Heverley
Natural Gas Utility	Gas Fund	Enterprise Fund	John Leary
Water Utility	Water Fund	Enterprise Fund	Lance Anderson
Wastewater Utility	Sewer Fund	Enterprise Fund	Lance Anderson
Sanitation Utility	Sanitation Fund	Enterprise Fund	Chuck Nipe
Parking, Traffic & Street Lights Utility	Parking Fund	Enterprise Fund	Jeffrey Stonehill
Storm Sewer Utility	Storm Sewer Fund	Enterprise Fund	Phil Wolgemuth
Aquatic Center	Swimming Pool Fund	Enterprise Fund	<Vacant>
Stores/Warehouse/Call Center	Stores Fund	Internal Services Fund	John Leary
Motor Equipment	Motor Equipment Fund	Internal Services Fund	Chuck Nipe
Public Works Campus Interdepartmental Construction & Operation	Public Works Campus Fund	Internal Services Fund	Chuck Nipe
Engineering	Engineering Fund	Internal Services Fund	Chuck Nipe
Administrative Services - Utility Building Operation & Maintenance	Administrative Services Fund	Internal Services Fund	Chuck Nipe
Administrative Services - Human Resources	Administrative Services Fund	Internal Services Fund	Melinda Thompson
Administrative Services - Information Technology	Administrative Services Fund	Internal Services Fund	Melinda Thompson
Administrative Services - Clerical Pool	Administrative Services Fund	Internal Services Fund	Melinda Thompson
Administrative Services - Finance & Accounting	Administrative Services Fund	Internal Services Fund	Benjamin Hayhurst
Administrative Services - Customer Service	Administrative Services Fund	Internal Services Fund	Benjamin Hayhurst
Administrative Services - Capital Projects	Administrative Services Fund	Internal Services Fund	Benjamin Hayhurst
Administrative Services - General & Administrative	Administrative Services Fund	Internal Services Fund	Benjamin Hayhurst
General Fund - Capital Projects Fund	General Capital Reserve Fund	Governmental Capital Fund	Jeffrey Stonehill
Storm Sewer Utility - Capital Projects Fund	Storm Sewer Capital Reserve Fund	Enterprise Capital Fund	Phil Wolgemuth
Electric Utility - Capital Projects Fund	Electric Capital Reserve Fund	Enterprise Capital Fund	Jeff Heverley
Natural Gas Utility - Capital Projects Fund	Gas Capital Reserve Fund	Enterprise Capital Fund	John Leary
Water Utility - Capital Projects Fund	Water Capital Reserve Fund	Enterprise Capital Fund	Lance Anderson
Sanitary Sewer Utility - Capital Projects Fund	Sewer Capital Reserve Fund	Enterprise Capital Fund	Lance Anderson
Sanitation Utility - Capital Projects Fund	Sanitation Capital Reserve Fund	Enterprise Capital Fund	Chuck Nipe
Parking, Traffic & Street Lights - Capital Projects Fund	Parking, Traffic & Street Lights Capital Reserve Fund	Enterprise Capital Fund	Jeffrey Stonehill
Workers Compensation Insurance Trust	Workers Compensation Fund	Internal Services Fund	Benjamin Hayhurst
Self-Insurance Trust	Self-Insurance Fund	Internal Services Fund	Benjamin Hayhurst
Special Revenue Grants Holding Fund	Grant Programs Fund	Special Revenue Fund	Benjamin Hayhurst
Public Works Campus Bond Tax Holding Fund	Public Works Campus Bond Tax Fund	Special Revenue Fund	Benjamin Hayhurst
Police Station Bond Tax Holding Fund	Police Station Bond Tax Fund	Special Revenue Fund	Benjamin Hayhurst
Recreation Bond Tax Holding Fund	Recreation Bond Tax Fund	Special Revenue Fund	Benjamin Hayhurst
Fire Tax Holding Fund	Fire Tax Fund	Special Revenue Fund	Benjamin Hayhurst
Liquid Fuels State Grant Holding Fund	Liquid Fuels Fund	Special Revenue Fund	Benjamin Hayhurst
Sister City Account	Sister City Fund	Trust Fund	Benjamin Hayhurst
Project H.E.A.T. Account	Project HEAT Fund	Enterprise Fund	Benjamin Hayhurst

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Organization Chart



* Per the Borough Code, the Chambersburg Police Department is supervised by the Mayor for day-to-day operations and the Borough Manager for administrative and financial management.

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Act 37 of 2014 Revised the Pennsylvania Borough Code

The Borough Code was in one form from 1966 to 2014 and contained many provisions that were archaic or in conflict with other statutes. Some might say it still does. When the Pennsylvania State Association of Boroughs (PSAB) established the Borough Code Revision Committee as an ad hoc committee in 2003, it set about to modernize the State Law. The committee formally requested the ongoing participation, technical advice, and expertise of the Local Government Commission staff in their comprehensive Code revision, based on the Commission's experience with the Second-Class Township Code Recodification in 1995 and efforts on the Third-Class City Code Recodification (introduced as Senate Bill 497 in the 2013-2014 Legislative Session, and enacted as Act 22 of 2014).

When the committee completed its review of all the articles, Commission staff produced an executive summary explaining the highlights of the proposed changes article-by-article, a commentary explaining the highlights section-by-section, and disposition and derivation tables to show where existing sections may have been relocated and from where new sections have originated. The Local Government Commission introduced the proposed recodification as House Bill 1702 during the 2011-2012 Legislative Session. On December 19, 2011, the House of Representatives voted on and passed House Bill 1702. Subsequently, the Senate Local Government Committee amended the bill and reported it out on January 18, 2012, as Printer's Number 2962. The bill was reported as amended from the Senate Appropriations Committee as Printer's Number 3331 on April 2, 2012. House Bill 1702 passed the Senate on May 1, 2012, and was returned to the House of Representatives for concurrence on Senate amendments. The House of Representatives concurred in Senate amendments on May 7, 2012, and Governor Corbett signed House Bill 1702 into law as Act 43 of 2012. The Act became effective on July 16, 2012.

Act 37 of 2014 incorporated the provisions of the Borough Code, the act of February 1, 1966 (1965 P.L. 1656, No. 581), as amended and reenacted by Act 43 of 2012, into Title 8 (Boroughs and Incorporated Towns) of the Pennsylvania Consolidated Statutes. Act 43 was a several years' effort of PA State Association of Boroughs and the Local Government Commission to modernize the Code.

Working with the Legislative Reference Bureau, Act 37 places the language of the Borough Code into Consolidated Statute format and incorporates a number of technical and substantive changes. House Bill 1719, Printer's Number 3275, became Act 37 of 2014 when the Governor signed it into law on April 18, 2014. The new consolidated statute became effective on June 18, 2014.

Title 8 of the Consolidated Statutes of the Commonwealth of Pennsylvania is herein reapproved as the official Borough Code of the Borough of Chambersburg, Pennsylvania.

Chambersburg Non-Bargaining Employees Pay Plan

The “Chambersburg Pay Plan” is a complex set of tables and rules, which define each non-bargaining job at the Borough by a pay scale with a corresponding grade. The Plan covers every job, up to and including the Borough Manager. Council sets the tables. Employees in these jobs step through the pay scales based upon longevity (length of employment with the Borough), and while performance evaluations are required, employees move logically through the tables over time; in a process established by Town Council and administered by the Borough Manager, along with the Human Resources Department.

Initially, on December 4, 1991, the Town Council adopted the “Chambersburg Pay Plan”. In 2000, the Council updated the plan. The plan is controlled by compensation policies as they relate to pay increases, promotions, lateral transfers, etc.

There are separate tables for separate groups of employees, but in summary, every employee’s job is in a table. Non-bargaining employees are in the NBNE or NBE tables. NBNE stands for “non-bargaining non-exempt” and NBE stands for “non-bargaining exempt.” Exempt employees are employees, per the Federal Fair Labor Standards Act (FLSA), who are exempt from earning compensation for overtime.

Chambersburg is unique among local municipal governments to have such a system for such a long time. It has brought relative stability to the compensation system; however, it does, like most pay plans, have its shortfalls. The Pay Plan does not permit individual recognition, so as a result, there are no negotiations for wages, there are no pay raises, no merit raises, etc., and evaluations, which are required, do not have any impact on compensation. Further, neither Council nor public debate or action is required with regard to wages or the discussion of wages. Politics and public perceptions of compensation play no role in the compensation system.

Employees are in their job grade based upon their job duties and not the individual employee. Every job has a grade assigned and every grade is separated into steps. Steps are longevity increases based upon service time. Steps are not akin to years. Some steps move in 2 years and others in 3 years. There are some exceptions to the rules of the Plan. These include: when first hired, while a new employee, newly transferred employee, or new supervisory employee is usually placed in Step 1 or Step 2, sometimes they can request (and may be granted by the Borough Manager) authorization to start their service at a higher starting step. This is largely dependent upon the years of experience they are bringing to the Borough and/or the position. In doing so, the Borough has the ability to advance the new employee additional service time credit (as if they have worked here longer) although their grade for their job remains unaffected.

The goal of the Pay Plan was to have an employee advance from Step 1 to Step 10 in about twenty-years. The tables’ steps and grade concept has remained the same since 1992, when the Pay Plan went into effect, although the tables were revised in 2000. Staff believes in the occasional reexamination of the system. A thorough reexamination has not been completed since 2000, although the pay tables have been adjusted with cost-of-living increases, per Town Council approval. In June, Town Council approved a contractor to re-evaluate the compensation plan, including the grading of select positions and pay tables. The project is on-going.

When Town Council offers cost of living adjustments (COLA), (there will be a COLA in 2025 adopted by Council), the entire table moves up by the value of the cost-of-living adjustment. Council has been very reasonable with cost-of-living adjustments to the tables.

Therefore, in the budget, there is no specific reference to compensation other than the COLA. Council does not specifically authorize or adjust on an annual basis the balance of the plan rules.

Under the authority of Town Council, the Borough Manager is the Administrator of the Pay Plan. With the assistance of the Borough’s Human Resources’ team and a Personnel Consultant, the Borough Manager strives to administer the Plan timely, equitably, and consistently, per policy and procedure.

Chapter 3 - General Fund Budget

In most boroughs in Pennsylvania, the General Fund would house almost all municipal employees and operations. Not as significant in Chambersburg, the General Fund is still very important. Despite the dependence on internal service funds to properly allocate utility expenses, the General Fund is the main “GOVERNMENTAL” fund and the home of the most basic municipal operations. The General Fund must house our governmental activities departments by generally accepted accounting principles (GAAP). The General Fund is comprised of six (6) departments operating as one set of financial operations:

Administration – This general government operation is comprised of the civil and administrative activities of the Town Council, the Borough Manager, general insurances, special events, downtown civic activities, and the Boards, Commissions, and Committees; but not those activities or expenses attributed to the utilities or the internal services of the Borough.

Police Department – The public safety division of the Borough, under the supervision of the Police Chief, and the administration of the Mayor. This is the one area of the Borough where the Borough Manager acts only as the Business Manager, rather than the Chief Administrative Officer.

Fire Department – The Fire Department combines the Fire Suppression, the Fire Code Enforcement, and the Ambulance Service. It is under the supervision of the Fire Chief and the administration of the Borough Manager.

Recreation Department – Management and supervision of community resources such as the parks, playgrounds, Cumberland Valley Rail Trail, and the Eugene C. Clarke Jr. Community Center. In 2017, the Borough moved the Aquatic Center from the General Fund to operate in its own business-like fund. The supervision of the independent Swimming Pool Fund (Aquatic Center), as with the entire Recreation Department, is by the Recreation Director and the administration of the Borough Manager.

Land Use & Community Development – The Land Use & Community Development Department, affectionately known as “Lu Com Dev”, combines Planning, Zoning, Property Maintenance, Economic Development, and Code Enforcement, which now includes residential rental, restaurant inspections, and management of the Southgate Shopping Center. While engineering and the Storm Sewer utility are closely related, they are not in the General Fund. “Lu Com Dev” is under the supervision of the Deputy Borough Manager who is also the Land Use & Development Director, who is supervised by the Borough Manager.

The Deputy Borough Manager is the deputy, second-more senior position in the Borough organization.

“General” Highway Department – The maintenance and street crew handle street maintenance, signs, some landscaping, cleanup, moving, hauling, mounting, snow/ice/rain/wind storm response, fountains, bridges, and other street related functions. It is under the supervision of the Public Works Director and the administration of the Borough Manager.

Commingled revenue: the Borough earmarks specific General Fund revenue for specific General Fund activities; however, that is by practice only. No such separation of finances exists except in planning.

Unlike the utilities or the internal service funds, the General Fund receives all of its revenue from either various tax levies, as established by State Law, fees (land use, recreation, ambulance, etc.) or transfers from other funds. The General Fund is the fund that engenders the most complex analysis of revenues and expenditures. The General Fund balances every year, cannot run a deficit, and the Borough will not use debt to balance its operating budget per adopted financial policies. Finally, the Borough should not use savings to balance the General Fund. That is not the use of fund balance. Instead, balances should be shifted to capital expenditures for these areas, which are located in the separate General Capital Reserve Fund.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

While we tie one revenue to one program, in practice this is not how the General Fund operates. In the end, each General Fund “department” is just one slice of the greater “General Fund” pie.

General Fund Function	Earmarked Revenue
Administration	No earmarked revenue
Fire Department	Fire (0.5 Mil) Tax (Ambulance Tax Eliminated In 2020)
Fire Department	Local Services Tax On Workers
Fire Department	Fire Code Permits & Fees
Fire Department	Contributions For Ambulance Service
Fire Department	Ambulance Service Charges
Fire Department	Ambulance Club Membership Fees
Highway Department	No earmarked revenue
Land Use & Community Development	Street Excavation Permits
Land Use & Community Development	Curb & Sidewalk Permits
Land Use & Community Development	Snow/Ice Removal Fines
Land Use & Community Development	Property Maintenance Code Violation Fines & Fees
Land Use & Community Development	Property Maintenance Inspection Fees
Land Use & Community Development	Land Use And Development Permit Fees
Land Use & Community Development	Zoning Permits & Fees
Land Use & Community Development	Real Estate Property Rentals
Miscellaneous	Deed Transfer Tax On Real Estate Sales
Miscellaneous	Wage & Earned Income Tax On Residents
Miscellaneous	Interest Income
Miscellaneous	Payments In Lieu Gross Receipts Tax - Electric
Miscellaneous	Payments In Lieu Gross Receipts Tax - Gas
Miscellaneous	Comcast Television Franchise Fee
Police Department	Police Tax (To be 27-Mil in 2025)
Police Department	Police Fines & Fees
Police Department	False Police & Fire Calls
Police Department	Other Police Department Fees
Police Department	School Crossing Guard Grant
Recreation Department	Recreation Program Charges
Recreation Department	Recreation Department Receipts
Recreation Department	Recreation Vending, Concession & Consignment

One can envision how significant and important the undesignated miscellaneous revenue is to keeping certain functions funded in the General Fund. For example, administration and highway have no dedicated funding source whatsoever.

General Fund Revenues

Some General Fund Revenue is “earmarked” for specific General Fund departments. Other revenue, called non-designated miscellaneous revenue, is put into the proverbial pool for all General Fund departments to use. By accounting, we are required to commingle all revenue of the General Fund departments.

No taxes are used to supplement utility operations. In fact, just the opposite, our Electric Utility and the Natural Gas Utility pay taxes (similar to private companies) into the General Fund. While the Water Utility paid a PILOT through 2013, we ceased that practice as a result of a concern that a State law introduced might prohibit water utilities from making payments for general government operations. That 2017 State law was never adopted. Beginning in 2025, the Water Utility will make a small transfer to the General Fund. Not a payment in lieu of taxes (as with the Electric Utility and the Natural Gas Utility), but rather a payment in lieu of the Ambulance Fee, but just for the residential water customers of the Franklin County Housing Authority (FCHA) property on the westside of town. This is a pass-through, not a PILOT, and is actually FCHA paying the fee, but through the Water Utility. Furthermore, it does not amount to much money.

The Borough is very careful to keep our utilities and our General Fund separate. Those functions that serve multiple departments as service-providers (such as the Finance Department or the Motor Equipment Fund) are also kept out of the General Fund because they are shared departments, known as internal services. Therefore, the only functions that remain in the General Fund are the functions that are required to be there by generally accepted accounting principles (GAAP). Our system of clearing all shared services out of the General Fund is a unique accounting practice among municipalities however it makes clear sense as it reflects the importance of utilities (in separate enterprise funds) in our budget. In Chambersburg, in order to follow our use of cost-based accounting, back-office operations (clerical, information technology, human resources, accounting, etc.) are not in our General Fund. In almost every other town, they would be.

There are a number of different types of taxes collected by the Borough for use in the General Fund. However, State law sets most of these taxes that cannot be adjusted year-to-year, and are therefore not subject to any annual review. State law only allows the Borough one tax that it can adjust year-to-year: the real estate tax. Further, State law sets the rules and limits with the real estate tax as well.

Based on a property’s appraised value rather than the resources of the property owner, real estate or property taxes are regressive, non-elastic, and are generally unfair ways to raise revenue. In Chambersburg, historically the Council used property taxes for one purpose only: to fund the Chambersburg Police Department.

Beginning in 2014, Town Council decided to begin the levy of a separate Fire Tax. This decision was unavoidable given the rising costs of Fire Department wages and benefits. Beginning in the 2018 Budget, the Borough included a Police Tax, a Fire Tax, and an Ambulance Tax. However, State law requires that 2-mil of the 3-mil Fire Tax be given to the Motor Equipment Fund for apparatus rather than kept by the General Fund for Fire Department operations. Therefore, the Fire Tax is not very beneficial for the General Fund finances. Further, State law artificially caps it. In practice, one would conclude that the State opposes a fair Fire Tax when it was created in 1965 as an option, when few towns had paid professional firefighters.

General Fund Use of Fire Tax

The maximum permitted Fire Tax for a borough is 3-mil. Of that 3-mil, State law requires no more than 1-mil be used for Fire Department operations and the balance (a maximum of 2-mil must be used to defray the cost of fire apparatus). In Chambersburg, as a result of the antiquated tax system, 1-mil equals about \$215,843. So, as a result of the actions of the State and Franklin County, the Fire Tax could raise only

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

approximately \$215,843 of the over \$1 million in firefighter wages and benefit costs incurred annually by the Borough to keep our property and businesses safe.

Beginning with the 2020 Budget, Town Council repealed and eliminated the ½-mil Ambulance Tax. It was replaced with a ready-to-serve Ambulance Fee, a surcharge on water bills, which is given to the General Fund to cover the loss of federal fees from the ambulance service. Most of the Fire Tax goes to the Motor Equipment Fund to pay for Fire Department apparatus. A small remainder stays with the General Fund to pay for Fire Department operations.

General Fund Use of Police Tax

In Chambersburg, the cost of the Police Department typically exceeds the revenue derived from what is known in other Boroughs as the “general levy.” Seeing as the entire “general levy” covers only a portion of the cost of Police Department operations, in Chambersburg, we call the “general levy,” the Police Tax.

All of the Police Tax goes to cover the operation of the Police Department. No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire services.

General Fund Use of the Designated Bond Taxes

As of 2025, Chambersburg Town Council will have levied three (3) dedicated bond taxes. The latest levy is 1-mil for the cost of construction of the Public Works Campus. The Public Works Campus Bond Tax provides no revenue and no benefit to the General Fund. However, it covers what would have been the fair share of construction costs associated with General Fund operations; the share of construction costs owed by the Police Department, the Fire Department, the Recreation Department, Land Use & Community Development, General Highway operations, and the Administration.

Beginning in 2022, Chambersburg Town Council levied a dedicated Police Station Bond Tax. The Police Station Bond Tax provides no revenue and no benefit to the Police Department or the General Fund. It covers the cost of the construction of the renovated and expanded Police Station on S. Second Street.

Beginning in 2018, Chambersburg Town Council levied a dedicated Recreation Bond Tax. The Recreation Bond Tax provides no revenue and no benefit to the Recreation Department or the General Fund. It covers the cost of the construction of the Aquatic Center, renovated tennis courts and playgrounds, and a new roof that was put on the Recreation Center. It provides no revenue assistance to the General Fund.

This 2025 Budget reflects the continuing commitment by Town Council to pay off the debt associated with the infrastructure of our community.

It remains true that in Chambersburg, our citizens pay no dedicated Recreation Tax, no dedicated Highway Tax, and no taxes for economic development, civic activities, parks, recreation, street paving, alleys, or traffic problems, and no taxes at all to support any of the Borough’s operations, employees, utilities, other than the operations of the Police Department and the Fire Department.

Therefore, all the other General Fund operations must rely upon “miscellaneous revenue.” Every dollar that the Police Tax fails to cover the cost of the Police Department operation, or the Fire Tax and ambulance fees fail to cover the cost of the Fire Department operation, results in less resources for parks, playgrounds, streets, bridges, alleys, economic development, or quality of life code enforcement. While public safety is very important, quality of life suffers when Council fails to account properly for its costs.

Almost all employees of the Borough and most of the equipment of the Borough is a part of and operated by our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer, and Sanitation utilities) and our utility support departments (engineering, motor equipment, and administrative services). Your taxes do not support any utility operations, personnel or equipment and none of their expenses are in the General Fund.

General Fund Use of Fees

The Police Department earns a very small amount of income from fines and fees. The Fire Department brings in significant revenue from their operation of the ambulance services, but not much from the Fire Code Enforcement program. The Land Use & Community Development Department does not generate much income as many services they provide are free or near free. Health inspections and special events do not cover the expense of their administration. Further, the Rental Registration Program charges property owners a fee, but it does not cover the cost of the inspection program. The Recreation Department generates reliable income from their programming, but recreation departments do not generally cover their expenses. In Chambersburg, the Recreation (non-Aquatic Center) fees generate about 35% of the cost of the Recreation Department (non-Aquatic Center) operations with the balance coming from miscellaneous revenue. Purposely, most fees fail to cover the costs related to the services provided.

The largest fee collected by the General Fund is the Ambulance Fee, which also collects less than the write-off of ambulance patient fees forgiven so that the Borough can bill Medicaid and Medicare for ambulance expenses. The ready-to-serve Ambulance Fee, a surcharge on Water Utility invoices, is used to help cover, but always falls short, of the cost of the Fire Department's Ambulance service.

The Ambulance Fee is used to support the General Fund.

Beginning in 2020, Town Council repealed the Ambulance Tax. This was in conjunction with the establishment of a new ready-to-serve mandatory Ambulance Fee on all Water Utility invoices (because water fees are attributed to the property owner or owner's designee). A Police or Fire fee seems specifically prohibited by State law. However, emergency medical services are different. Beginning in 2024, the fee rose to a flat \$11.00 per month per water service connection per residential or commercial unit. There is no change envisioned for 2025. The surcharge, unlike a real estate tax, is broad-based. Utility customers of the Borough will all continue to pay this flat fee. Even tax-exempt property owners.

For many years, the Borough has been prohibited from collecting certain fees invoiced to patients who are covered by Medicaid/Medicare. For example, each year the Borough is forced to "write-off" as uncollectible, due to Medicaid/Medicare rules, over \$1-million in normal service fees that patients with third party insurance would have paid. This is in addition to almost \$400,000, per year in unpaid fees for patients with no insurance or unpaid deductibles or copays. All ambulance companies in Franklin County are experiencing the same financial problem with some finding it difficult to stay in business.

As a governmental fund, the business model for the General Fund is revenue-poor. It exists to improve the quality of life in the community. Even with the fees it collects, it is not a strong financial leader. Certainly, not like the utilities. However, these departments are not supposed to be financially profitable.

Who works in the General Fund?

It includes all the police officers, the Police Chief, the Police Lieutenant, the Police Inspector, and the Co-Responder/Community Liaison, but not the Police Department secretaries, or receptionist, who work for Administrative Services.

It includes all the firefighters, and the two Fire Chiefs, but not the Fire Department secretaries, who work for Administrative Services.

In the Recreation Department, many employees split their payroll. The Recreation Director (except when working on Aquatic Center issues), works in the General Fund. The two Recreation Department Supervisors (Recreation & Aquatic Center Supervisor and the Recreation Center & Park Maintenance Supervisor) work in the General Fund (except when working on Aquatic Center issues). The three maintenance employees work in the General Fund (except when working on Aquatic Center issues). The Recreation Program Coordinator works in the General Fund. The Recreation Maintenance Manager splits his year between the Recreation Center and the Aquatic Center. The Recreation Program/Office Assistant

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splits his time between the General Fund and the Administrative Services Fund. The Recreation Department Secretary works for Administrative Services.

In Land Use & Community Development, all the codes office employees work in the General Fund. The food inspector, economic development specialist, and the quality-of-life code inspector work in the General Fund. The Community Development Block Grant program provides a grant to offset administration of that program. There is no pay through the General Fund for any of the clerical employees. The Deputy Borough Manager works partially in the General Fund, but also in the Storm Sewer Utility.

The Budget Administrator position is split between the General Fund and the Administrative Services Fund.

In the Highway Department (General Highway Maintenance), all the maintenance crew employees work in the General Fund. The mechanics in the garage work for the Motor Equipment Fund, not the General Fund. The Sanitation Fund is where you would find the collection crew including the street sweeper. The supervisory staff works mostly for the Motor Equipment Fund, the Sanitation Fund, and the Engineering Fund, but a little in the General Fund. The Public Works Director splits their time by all four funds. The General Fund only pays clerical employees indirectly through the Administrative Services Fund.

In the end, public safety is the source of most General Fund employees and expenses. Further, when adding personnel, we deliberately attempt to avoid General Fund positions, as taxes generate most of the revenue. We do not have personnel-flexibility as the Borough does in the utilities and other funds.

In 2025, the budget recommends three (3) additional police officers. They are needed. A small share of that cost is offset by a U.S. Department of Justice COPS grant award. However, most of the cost is being borne by the recommended Police Tax increase. It is unavoidable. There was a necessary increase of one additional firefighter in the 2024 Budget, but due to resignations/retirements, the Borough, which adjusted revenue in 2024 to cover that cost, does not require a readjustment to cover the extra firefighter in the 2025 Budget.

There are no additional Recreation or Land Use & Community Development employees requested. One additional employee in Public Works requested will not bill their time to the General Fund.

Clearly, managing the payroll to properly and fairly split all these employees is very challenging.

General Fund Revenue Options?

There is currently no answer in Chambersburg or any other municipality that has police or paid fire services. Every municipality in Pennsylvania with police or paid fire services is in the same or much worse situation. If Chambersburg did not have our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer, and Sanitation utilities) or our utility support departments (Engineering, Motor Equipment, Administrative Services, which includes information technology, finance, and personnel); Chambersburg would be destitute.

Just remember, we are lucky to have strong, well operating, local utilities, two of which are paying Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth instead.

For the future, if we were to dream of solutions, the only conceivable solution is either:

- A wider tax base (i.e. a united system of Borough paid firefighters, Borough police officers, and regional township volunteers all working in one organization; paid for by both Borough and township property-owners); or
- A change to State law to allow an optional sales tax, liquor tax, or business tax.

There are no gimmicks, easy answers, or tricks to help the General Fund. To make matters worse, almost every single category of revenue in the General Fund is at a fixed rate, as set by State Law, and cannot be raised or adjusted by Town Council. The major revenues of the Borough's General Fund are:

- Real estate taxes to the General Fund, which are:
 - *Police Tax to the General Fund*
 - *Fire Tax with 84% shared with the Motor Equipment Fund and*
 - *Not any of the Real Estate bond taxes;*
- Deed Transfer Tax – *Set at maximum since 1987;*
- Earned Income Tax – *Set at maximum since 1965;*
- Payments in Lieu of Gross Receipts Tax from the Electric Utility & Gas Utility;
- Ambulance Fee on each water service invoice;
- Police Fines & Fees;
- EMS Fees & Charges;
- Recreation Fees & Charges;
- Land Use & Development Fees & Charges;
- Comcast Cable TV Franchise Fee;
- Pennsylvania State Aid for Pension Costs.

General Fund Tax Increase in 2025

- This budget includes an increase of 2-mil as a result of adding three (3) new police officers to the Police Department.
- This budget includes no increase due as a result of Fire Department operations, and one is not permitted.
- This budget includes a separate tax increase for the Public Works Campus (1-mil), but that does not benefit the General Fund directly. It helps avoid a expense for the General Fund.

With approval of this budget, Town Council can proudly explain to our constituents that while there is a tax increase included, in 12 of the last 18 budget years, the Borough of Chambersburg did not raise local Borough taxes at all; including last year. Further, taxes are for Police, Fire, and the mortgage-like bonds on projects like the Police Station and the new Public Works Campus.

The Broken Real Estate Tax System

Policy Question: why won't Franklin County update the tax rolls from 1961-1962?

If Franklin County undertook a property reassessment (which it has not since 1961-1962) the last County in the Commonwealth to undertake this recalculation, the number of mils would change lower (and render the 30-mil cap irrelevant), but that would not affect the dollar amounts paid by individual taxpayers. Although, some properties with older real estate may see relief, others may see an increase. Reassessment would be unpopular but an effective tool to help fund police and fire services.

It would also make the distribution of real estate tax liability fairer and more reasonable.

Here is some helpful information on county-wide reassessment from Indiana County, when they updated their tax rolls from 1968 to 2015:

https://www.indianacountypa.gov/wp-content/uploads/UNDERSTANDING_REASSESSMENT_FINAL.pdf

What is the definition of a mil? Often misspelled as mill, a mil is a property tax unit, equal to one dollar of tax per one thousand dollars of assessed value. Literally, a mil is a measure of money less than cents. When one purchases gasoline, one might pay \$3.999, which equals three dollars, ninety-nine cents and nine mil per gallon.

When it comes to taxes, a mil is not a standard measure. A mil is different in each municipality in Pennsylvania.

How is a mil determined?

The value of 1-mil is determined by the County's assessment system and the quantity of assessed real estate inside the municipality. Each County does not use the same assessment system. Some counties measure assessment on Fair Market Value (actual real estate value), whereas others use alternate systems based on historic trend analysis. There are published "equalization tables", which attempt to balance assessed value for comparison from one county to another. These tables, well intentioned, may distort further the differences in assessed value from one county to another. Finally, the quantity of assessed value in one municipality versus another also leads to different mil valuations for each municipality.

Counties with poor or outdated assessed valuations can have wild fluctuations in the value of a mil.

Seeing as municipalities with larger quantities of assessed valuation derive more value from a mil than communities with less quantity of assessed valuation, mil is an arbitrary measure and it rewards wealthier communities with higher real estate assessments with more tax yield and disadvantages communities with lower real estate assessments with less tax yield. It is inherently bias against certain socio-economic communities.

It is also an unfair and inaccurate way of placing caps on real estate taxes. This is the way caps are expressed in State law. Also, no government buildings, schools, charities, churches, or State-owned properties pay any real estate taxes. This tax-exemption system can eliminate 40%-60% of properties from the responsibility of paying for municipal services.

This further exacerbates the unfairness and disparity of using mil to express values or caps.

Is there an alternate system?

Tax increases can be capped in two alternate ways: percent increase per fiscal year or a percent tied to a growth factor such as Consumer Price Index. Furthermore, a "base year" can be established by dollar per "fair market value," and then adjusted year to year.

If my property has a fair market value of \$100,000, what should be my real estate taxes?

It may surprise you that often the non-school real estate tax in some communities for that property might be as low as \$50 per year. In general, in most municipalities, school district real estate taxes are 60% to 80% of real estate taxes paid. Municipal services such as police, fire, and ambulance service are often relegated to 20% to 40% of the overall real estate tax bill to a property owner.

Part of that inequity is the use of mil as the measure. A percent of fair market value would be much more equitable. Finally, a cap expressed in an annual growth rate, especially tied to an index, is also much more logical, fair, and predictable, and less bias.

Please see the enclosed two examples:



This is a single-family home in West Hanover Township, Dauphin County. It sits on 0.9 acres of land and has a fair market value of \$363,239 according to RealEstimator. It has an assessed value of \$158,500 according to the County. Under the law, 1-mil for this house would result in an annual payment, before discount, of \$158.50 or 0.044% of fair market value.



This is a single-family home in Gettysburg Borough, Adams County. It sits on 0.34 acres of land and has a fair market value of \$271,800 according to RealEstimator. It has an assessed value of \$182,300 according to the County. Under the law, 1-mil for this house would result in an annual payment, before discount, of \$182.30 or 0.065% of fair market value.

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What this demonstrates is that there is no standard relationship between fair market value and assessed value. Furthermore, since each County has an independent assessment system, the value of 1-mil can be wildly different from one county to another and it can be much greater or less than as a percentage of the property’s true value. Therefore, using assessment and mil results in an arbitrary system of taxation, arbitrary in application, and arbitrarily capped, not fair or equitable to property owners.

Finally, it establishes an unfair bias towards wealthier communities with higher assessed valuation. We conducted a limited survey to demonstrate the variability of the value of 1-mil from community to community, from county to county.

<u>Municipality</u>	<u>Type</u>	<u>County</u>	<u>Value of 1-mil</u>
Lower Merion	Township	Montgomery	\$7,780,358
Upper St. Clair Township	Township	Allegheny	\$2,350,000
Monroeville	Borough	Allegheny	\$2,300,000
Montgomery	Township	Montgomery	\$2,175,290
Upper Gwynedd	Township	Montgomery	\$1,692,123
Upper Moreland Township	Township	Montgomery	\$1,548,000
Fairview Township	Township	York	\$1,413,235
Salisbury	Township	Lehigh	\$1,319,445
Fox Chapel	Borough	Allegheny	\$1,231,000
Penn Township	Township	Lancaster	\$893,914
Lansdale	Borough	Montgomery	\$812,512
Amity	Township	Berks	\$735,550
Elizabethtown	Borough	Lancaster	\$640,159
Oakmont	Borough	Allegheny	\$593,461
Middletown Township	Township	Bucks	\$520,000
Gettysburg	Borough	Adams	\$506,783
Forest Hills	Borough	Allegheny	\$383,633
Doylestown	Township	Bucks	\$275,013
Chambersburg	Borough	Franklin	\$201,456
Loyalsock Township	Township	Lycoming	\$180,000
Butler	Township	Butler	\$163,274
Etna	Borough	Allegheny	\$95,000
Halfmoon Township	Township	Centre	\$81,508
Pen Argyl	Borough	Northampton	\$66,817

As is clearly demonstrated, the expression of real estate caps in the format of mil, is nonsensical. A 3-mil Fire Tax cap in Lower Merion would generate \$23,341,074 whereas the same 3-mil Fire Tax cap in Pen Argyl Borough would generate \$200,451 of which \$66,817 could only be used for Fire Department wages and benefits, pursuant to State law.

In conclusion, use of the terminology mil both in the calculation of real estate taxes and State law associated with real estate tax caps is not a good measure for many reasons. The State should consider a dramatic re-statement of law associated with local real estate taxes to make them more transparent, logical, understandable, fair, and free of bias.

A State-appointed panel researching how levies of real estate taxes are calculated and articulated in State law in other states would lend additional knowledge about works and what does not work with relationship to this issue.

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Real Estate Taxes and the Police Department and the Fire Department

Unfortunately, in 2025 it is estimated that the Chambersburg Police Department will cost \$242,881 more to operate than the revenues collected. This includes shifting police pension subsidies from the utility departments to help the Police Department as well as the estimated yield of 27-mil of Police Tax. To make the Police Tax cover this gap would have required an additional 1½-mil increase, which we are not recommending.

Increasing costs for the Police Department include wages (both a cost-of-living increase and more employees), benefits including health insurance, vehicle expenses (additional vehicle maintenance costs and additional vehicles), information technology expenses, and an increase in Workers’ Compensation insurance premiums. Together, department expenses grew \$883,704 or by 14%.

As a result of those changes, a tax increase is needed.

Police Department Budget	2024	2025
Estimated Cost of Operations	\$6,243,476	\$7,127,180
Reimbursement from CASD for School Crossing Guards (estimated)	-\$26,700	-\$34,000
Estimated Yield from Fines and Fees	-\$132,500	-\$185,000
State Grant for Police Pension Costs (grant shifted from utilities)	-\$714,084	-\$803,100
Subtotal	\$5,370,192	\$6,105,080
Tax Rate	25-mil	27-mil
Estimated yield of Police Tax (excluding tax liens & donations)	\$5,374,006	\$5,862,199
Police Department Deficit	\$3,814	-\$242,881

In general, if the Police Department runs a deficit as it is anticipated to do so in 2025, it is commingled with all the revenue and expenditures in the General Fund. The General Fund miscellaneous revenue must cover it as it does with all the General Fund departments including Fire, EMS, the Recreation Department, Land Use & Community Development, and general highway, which are all mixed together pursuant to the State recommended chart of accounts.

Having to choose between two poor choices, I have recommended a 2-mil increase in the Police Tax and running a possible deficit (which means using miscellaneous revenue to balance the Police Department operating budget). Adding more taxes would bring us closer to the 30-mil cap. Running a bigger deficit would use more of the limited miscellaneous revenue. I propose striking a balance.

The funding challenges are only temporarily corrected in the proposed 2024 Police Department operating budget. Council should use the tax increase of 2025 to begin the process of fixing the broken real estate tax system, which is a multi-year project, and which needs to be undertaken by Franklin County, or else soon the Borough of Chambersburg will no longer be able to sustainably fund the Police Department operations.

We are operating the Police Department with very little margin for error. Unforeseen costs such as a major detective caseload, a major public safety event, additional unforeseen overtime, additional training, or adding more employees in advance of other future retirements, can easily throw the Police Department budget into a more unstable place. Clearly the Police Tax will rise in the future.

In 2025, it is the Borough Manager’s recommendation that the Borough increase the Police Tax rate, currently at 25-mil, to 27-mil.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Police Tax Rate

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mil	17	20	20	20	20	20	20	20	21	21	23	23	24	24	24	24	24	25	25	27
%Δ	-	18%	0	0	0	0	0	0	5.0%	0	9.5%	0	4.3%	0	0	0	0	4.1%	0	8%

➔ 2.6%

In contrast, the Chambersburg Fire Department is in financial crisis right now. As discussed, it is estimated that the Chambersburg Fire Department and EMS will cost \$1,632,762 more to operate than the revenues collected. This includes shifting State pension subsidies from utility departments to help the Fire Department as well as the estimated yield of 1/2-mil of Fire Tax permitted to be used for operations. There is no way permitted to raise the Fire Tax (approx. 7 1/2-mil more) to cover this deficit.

The Borough uses the Ambulance Fee to help cover the EMS portion of the deficit. If the Ambulance Fee was used to cover the whole deficit, it would be set to \$24 per month instead of \$11 per month as is proposed for 2024.

Fire/EMS Budget	2024 Budget Est.	2025 Budget Est.
Estimated Cost of Operations	\$6,135,720	\$6,206,695
Local Services Tax Yield (set at State Maximum)	-\$758,000	-\$775,000
Fire Code Inspections	-\$83,000	-\$80,000
Ambulance Patient Fees	-\$1,418,500	-\$1,500,000
Ambulance Fee on Water Service Invoices	-\$1,436,830	-\$1,538,868
State Grant for Fire Pension Costs (grant shifted from utilities)	-\$594,373	-\$594,400
Subtotal	\$1,845,017	\$1,718,427
Tax Rate	3-mil	3-mil
Estimated yield of Fire Tax	\$720,214	\$621,920
Less required transfer to the Motor Equipment Fund (State Law)	-\$544,260	-\$536,255
Net Fire Tax Revenue for Operations	\$175,954	\$85,665
Fire/EMS Deficit	-\$1,669,063	-\$1,632,762

The Borough uses the Ambulance Fee to help cover the EMS portion of the deficit. The Ambulance Fee brings in \$1.54 million. The proposed Ambulance Fee is made necessary by the allowance for uncollectable ambulance receipts as a result of Medicaid/Medicare federal rules.

In addition to the Ambulance Fee, if the Fire Department runs a deficit, it is commingled with all the revenue and expenditures in the General Fund. The General Fund miscellaneous revenue must cover it as it does with all the General Fund departments including the Police Department, the Recreation Department, Land Use & Community Development, and general highway, which are all mixed together pursuant to the State recommended chart of accounts.

In 2025, it is the Borough Manager’s recommendation that the Borough not change the Fire Tax rate, currently at 3-mil, because an increase is not permitted by the State.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire Tax Rate (in mil)																				
FIRE	0	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
EMS	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.5	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0
																				Proposed

Note – Of this levy of 3.0-mil, only 1/2-mil is permitted to be used for firefighter wages and benefits.

Recall, the Fire Tax does not come close to covering the cost of the department, but cannot be increased.

Even with the Ambulance Fee, the Fire Department is anticipated to run a deficit requiring the use of general revenues to cover additional expenses. We are lucky that our General Fund has enough undesignated miscellaneous revenue to close this gap. However, long term, we need to explore ways to increase funding for Fire and EMS. The system is truly broken.

The Commonwealth of Pennsylvania, in the Borough Code, sets the limit on the Fire Tax at 3-mil of which 2-mil must be used for apparatus; leaving only 1-mil for Fire Department operations. Due to the antiquated tax system in Franklin County, that 1-mil is anticipated to generate \$215,843 in 2025. That is not sustainable. We need both Franklin County to update the tax rolls and we need the General Assembly to lift the Fire Tax cap to permit Town Council to decide what is the appropriate Fire Tax in the future.

In Chambersburg, in 2025, the average single-family home has a Franklin County assessed value of \$17,578.39; obviously, that is the assessed value and not the single-family home market value.

Half of all single-family homes in the Borough have an assessed value higher, and half have an assessed value lower. Commercial, industrial, and multi-family homes have different values.

According to Redfin.com, the average fair market value of all single-family homes sold in the Borough in 2024 was \$201,000. There were 19 homes sold year-to-date, only 10% of what was sold last year at the height of low mortgage rates.

Average Single-Family House Inside The Borough	2024	2025
Police Tax (All to the General Fund)	\$438.00	\$475.00
Fire Tax (Shared with most going to the Motor Equipment Fund) <i>Only</i>	\$53.00	\$53.00
Recreation Bond Tax <i>All revenue goes to paying the Recreation Bond and not the Recreation Department</i>	\$44.00	\$44.00
Police Station Bond Tax <i>All revenue goes to paying the Police Station Bond(s) and not the Police Department</i>	\$35.00	\$35.00
Public Works Campus Bond Tax <i>All revenue goes to paying for construction of the Public Works Campus and not the Highway Department</i>	-	\$18.00
Total (per year)	\$570.00	\$625.00

When asked, some citizens wildly inflate the dollar value of the real estate taxes that they pay per year. The single-family home with the largest Police Tax bill each year pays \$3,164.40 per year in Police Tax versus \$475 paid by the average single-family home. Further, that home has a Fair Market Value of \$851,000 (with a Franklin County assessed valuation of \$117,200) and is therefore a unique Borough property. Of all the single-family homes inside the Borough, half pay more than \$625 per year in Borough taxes, and half pay less.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

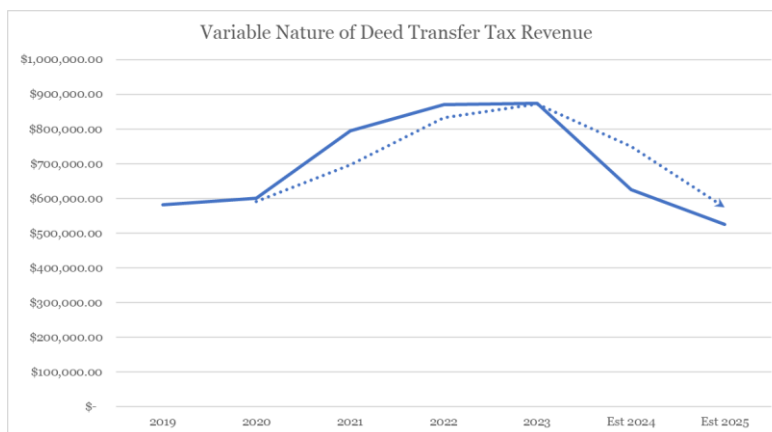
Real Estate Taxes (mil)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed
<u>Real Estate Taxes for the General Fund</u>											
Police Tax Mil (State Cap of 30-mil)	21	23	23	24	24	24	24	24	25	25	27
Fire Tax Mil (at State Cap)	2.5	2.5	2.5	3	3	3	3	3	3	3	3
Less Portion for Apparatus (by State Law)	-2	-2	-2	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5
Ambulance Tax Mil	-	-	-	0.5	0.5	0	0	0	0	0	0
Total Real Estate Tax To the General Fund	21.5	23.5	23.5	25	25	24.5	24.5	24.5	25.5	25.5	27.5
<u>Real Estate Taxes for Other Uses</u>											
Fire Tax for the Motor Equipment Fund	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recreation Bond Tax	-	-	-	3	3	3	3	3	2.5	2.5	2.5
Police Station Bond Tax	-	-	-	-	-	-	-	1	2	2	2
Public Works Campus Bond Tax	-	-	-	-	-	-	-	-	-	-	1
Total Real Estate Tax for All Purposes	23.5	25.5	25.5	30.5	30.5	30	30	31	32.5	32.5	35.5
Deed Transfer Tax to the General Fund				½ of 1%							No change allowed
Earned Income Tax to the General Fund				½ of 1%							No change allowed
Local Services Tax to the General Fund				\$52 per year per worker							No change allowed
Mercantile/Privilege Tax				N/A							No change allowed

Without the ready-to-serve Ambulance fee, a surcharge on Water Service invoices, the General Fund would be out of balance by over \$1.54 million.

There are very limited funding options for this extremely important fund going forward.

Key General Fund Revenues (Excerpt)

2025 General Fund Revenues (Excerpt)	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 BUDGET	2025 PROPOSED BUDGET
POLICE TAX (Rose To 25-Mil In 2023, 27-Mil Proposed In 2025)	\$5,010,323	\$5,035,978	\$5,067,454	\$5,060,555	\$5,229,081	\$5,435,380	\$5,862,199
AMBULANCE TAX (Lowered To 0-Mil In 2020)	\$101,912	\$5,490	-	-	-	-	-
Fire Tax (½-Mil)	\$106,007	\$111,821	\$106,208	\$102,299	\$105,078	\$111,475	\$109,840
Local Services Tax On Workers	\$864,308	\$816,309	\$787,302	\$785,273	\$774,095	\$758,000	\$775,000
Deed Transfer Tax On Real Estate Sales	\$582,654	\$600,003	\$795,061	\$869,660	\$493,324	\$625,000	\$525,000
Wage & Earned Income Tax On Residents	\$2,261,188	\$2,303,983	\$2,426,441	\$2,745,152	\$2,836,387	\$2,800,000	\$2,900,000
Payments In Lieu Gross Receipts Tax - Electric	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000	\$1,470,000	\$1,870,000	\$2,033,000
Payments In Lieu Gross Receipts Tax - Gas	\$570,000	\$570,000	\$650,000	\$650,000	\$750,000	\$900,000	\$910,000
Ambulance Service Fee	-	\$778,980	\$971,785	\$974,749	\$1,244,182	\$1,436,830	\$1,498,868
Police Fines & Fees	\$179,234	\$143,345	\$129,978	\$132,141	\$219,153	\$132,500	\$185,000
Ambulance Fees & Charges	\$1,230,814	\$1,147,111	\$1,217,343	\$1,314,329	\$1,399,772	\$1,378,500	\$1,500,000
Motor Equipment Fund Rebate (Includes ½-Mil Of Fire Tax)	\$559,350	\$573,355	\$585,320	\$575,815	\$612,735	\$594,260	\$586,255



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

General Fund Revenues (Full Detail)

<i>2025 General Fund Revenues (Detail)</i>	Year	(\$)	MIL
Police Tax Revenue (70002, 70003, 70008, 70011)	Est. 2025	\$5,862,199.00	27-mil
	Budget 2024	\$5,435,380.00	25-mil
	2023	\$5,284,700.00	25-mil
	2022	\$5,060,555.43	24-mil
	2021	\$5,067,453.65	24-mil
	2020	\$5,035,977.73	24-mil
	2019	\$5,010,323.05	24-mil
	Deed Transfer Tax Revenue (70009)	Est. 2025	\$ 525,000.00
Budget 2024		\$ 625,000.00	
2023		\$ 875,000.00	
2022		\$ 869,659.72	
2021		\$ 795,060.82	
2020		\$ 600,002.61	
2019		\$ 582,654.24	
Earned Income Tax Revenue (70010)		Est. 2025	\$2,900,000.00
	Budget 2024	\$2,800,000.00	
	2023	\$2,660,000.00	
	2022	\$2,745,151.97	
	2021	\$2,426,441.43	
	2020	\$2,303,983.20	
	2019	\$2,261,187.99	
	LST (or EMST) Tax Revenue (70005)	Est. 2025	\$ 775,000.00
Budget 2024		\$ 758,000.00	
2023		\$ 815,000.00	
2022		\$ 785,273.07	
2021		\$ 787,301.74	
2020		\$ 816,309.27	
2019		\$ 864,308.24	
Police Fines Revenue (70031, 70034)		Est. 2025	\$ 185,000.00
	Budget 2024	\$ 132,500.00	
	2023	\$ 144,000.00	
	2022	\$ 132,140.74	
	2021	\$ 129,978.20	
	2020	\$ 143,344.80	
	2019	\$ 179,234.07	
	Ambulance Billing Revenue (70046, 70047)	Est. 2025	\$1,500,00.00
Budget 2024		\$1,378,500.00	
2023		\$1,205,000.00	
2022		\$1,314,329.35	
2021		\$1,217,343.09	
2020		\$1,147,110.52	
2019		\$1,230,814.19	

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Police Department

Mission Statement: The mission of the Chambersburg Police Department is to improve the community’s quality of life through crime control and public safety while serving all people with fairness and respect.

Vision Statement: The Chambersburg Police Department will work hand in hand with members of the community to improve and enhance the richness of our quality of life consistent with the following principles: Respect for human rights, reduction of crime and disorder, employee, personal and professional well-being, community safety, high standards for excellence and continuous improvement.

Department Director: Chief Ron Camacho

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Police Operations	\$6,376,751	\$6,243,476	\$7,127,180
Earmarked Revenue			
Police Tax	\$5,229,081	\$5,435,380	\$5,862,199
Police Fines & Other	\$ 219,154	\$ 132,500	\$ 185,000
Subtotal	\$5,448,234	\$5,567,880	\$6,047,199
Excess (Deficit)	(\$928,516) Deficit	(\$675,596) Deficit	(\$1,079,981) Deficit

	2023 Actual	2024 Budget	2025 Budget
Police Operations			
Non-Personnel Costs	\$1,585,448	\$1,379,546	\$1,595,880
Personnel Costs	\$4,791,303	\$4,863,930	\$5,531,300

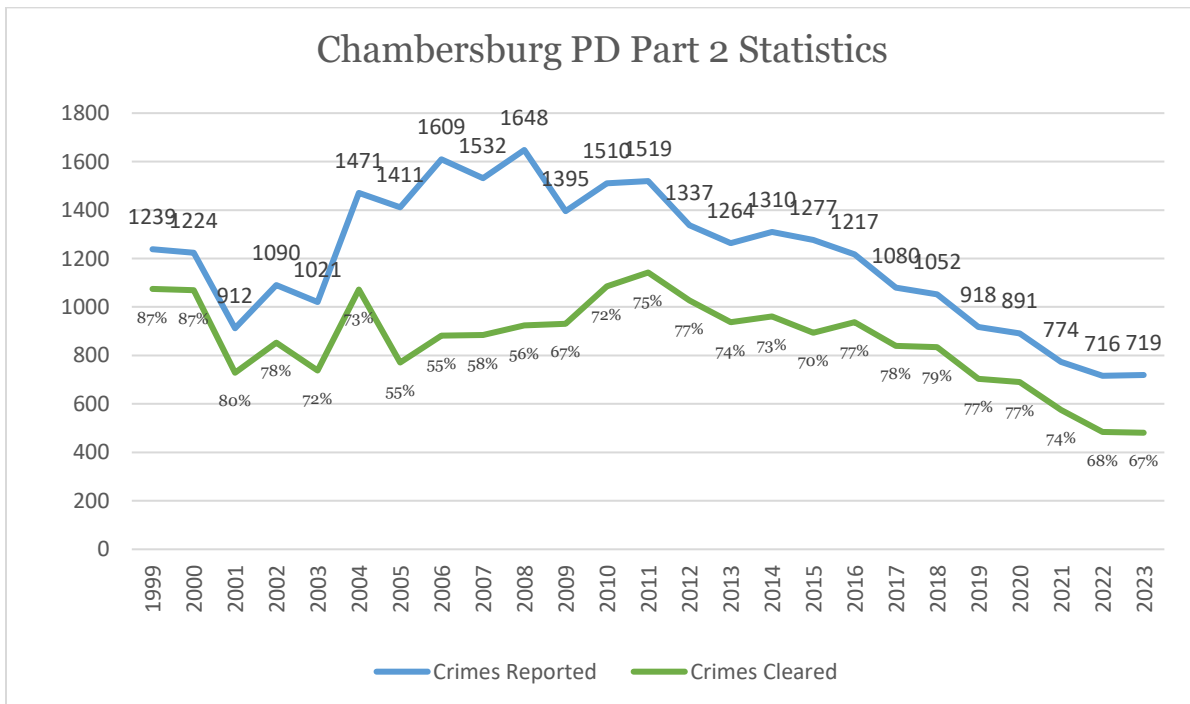
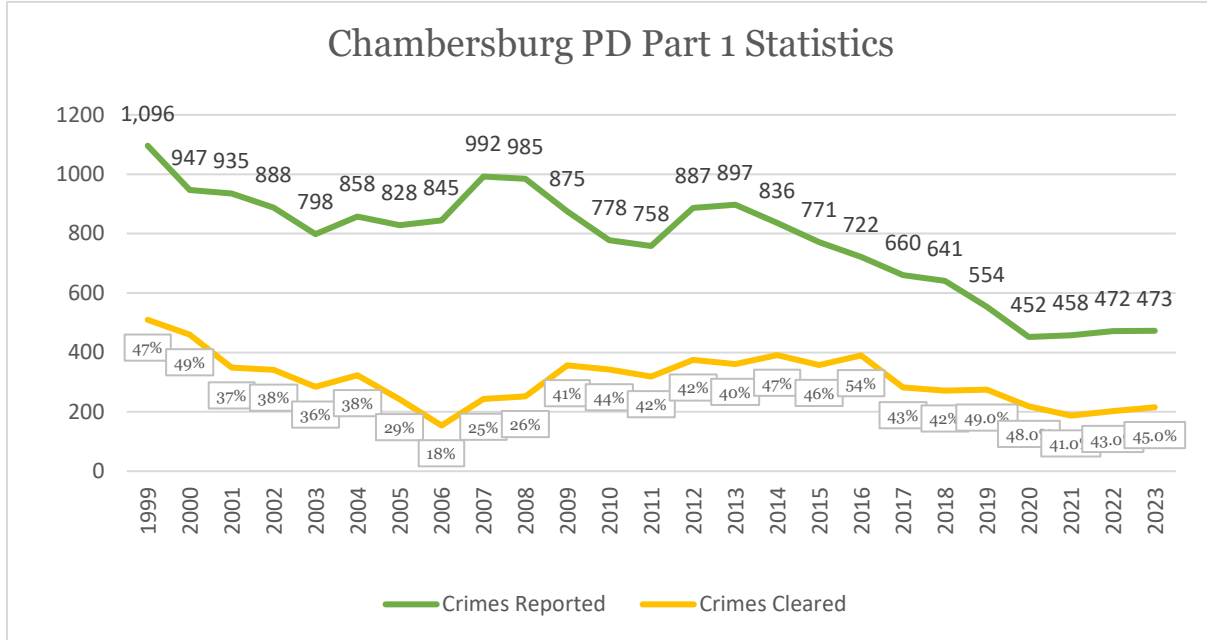
This 2025 Budget includes the hiring of three (3) additional patrol officers, and related expenses, and a share of a U.S. Department of Justice COPS Grant to offset some of that expense.

Chief Camacho anticipates 2025 will be another year of continued growth for the Department and our community. The agency accomplished its 2024 goals and has plans for further achievement in 2025. As of January 2024, the Police Department was fully staffed after its newest officer completed the police academy in December 2023. The Department continues to be recognized as one of the top agencies with Crime Watch, a resource for building public awareness concerning crimes and sharing information about those who commit crimes. The CPD is recognized as the top Crime Watch agency in Pennsylvania for site visits/social media and crime tips. The Department again earned the Lexipol Gold Award for policy management and is on track to earn it again for a fifth straight year. The Department completed and earned its first follow-up year as an accredited police agency through the Pennsylvania Law Enforcement Accreditation program. CPD also maintains IACP’s One Mind Campaign Pledge, where it trains and certifies 100% of our officers in Mental Health First Aid and Crisis Intervention Training.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Crime

Part 1 Crimes: Includes crimes such as Murder, Rape, Robbery, Assaults, Burglary, Thefts, Arson, etc.



Part 2. Crimes are “less serious” offenses and include Simple Assaults, Forgery/Counterfeiting, Embezzlement/Fraud, Receiving Stolen Property, Weapon Violations, Prostitution, Sex Crimes, Crimes against Family/Child, Narcotic Drug Laws, Liquor Laws, Drunkenness, Disturbing the Peace, Disorderly Conduct, Gambling, and DUI without serious injury, etc.

Crime reports have significantly decreased in the Borough of Chambersburg over the last fifteen years. From 2022 to 2023, the Borough saw a .2% increase in Part 1 Crimes and a .4% increase in Part 2 crimes. Over the last four years, Part 1 crime has remained at a fairly constant level.

Year	Part 1			Part 2		
	Crimes Reported	Crimes Cleared	Clearance Rate	Crimes Reported	Crimes Cleared	Clearance Rate
1999	1096	510	47%	1239	1074	87%
2000	947	460	49%	1224	1070	87%
2001	935	349	37%	912	729	80%
2002	888	341	38%	1090	852	78%
2003	798	284	36%	1021	737	72%
2004	858	323	38%	1471	1072	73%
2005	828	242	29%	1411	770	55%
2006	845	154	18%	1609	882	55%
2007	992	243	25%	1532	884	58%
2008	985	252	26%	1648	925	56%
2009	875	356	41%	1395	930	67%
2010	778	342	44%	1510	1086	72%
2011	758	319	42%	1519	1142	75%
2012	887	375	42%	1337	1027	77%
2013	897	361	40%	1264	937	74%
2014	836	391	47%	1310	962	73%
2015	771	357	46%	1277	894	70%
2016	722	390	54%	1217	937	77%
2017	660	282	43%	1080	840	78%
2018	641	271	42%	1052	834	79%
2019	554	274	49%	918	704	77%
2020	452	219	48%	891	690	77%
2021	458	187	41%	774	576	74%
2022	472	202	43%	716	484	68%
2023	473	215	45%	719	481	67%

Significant items for 2024:

In October 2023, the Chambersburg Police Department (CPD) returned to the newly renovated police station on Second Street. CPD is grateful for the significant investment that the Town Council has made into the future of the Department. Additionally, the Department continues its professional wellness program by incorporating new coaching and mentoring initiatives for the officers. Fifteen officers were part of a pilot program for professional coaching through Performance Protocol, and it has grown to


include more officers. Since the pilot program, numerous other officers have enrolled in professional coaching. As a result of these coaching sessions, the CPD administration has observed officer benefits of weight loss, better work and home life balance, individual accountability, and professional growth. Another goal completed in 2024 was implementing the Guardian Tracking Early Intervention software as part of professional wellness. This program provides an early warning system for potential burnout or mental health issues with our staff and increases efficiency in many other agency functions. The Department also implemented a new digital scheduling software program, which cuts down on the time needed to schedule officer work hours, leave, training, and overtime. Both software packages have improved the efficiency and effectiveness of the agency.

Traffic Enforcement Strategy

The Chambersburg Police Department’s traffic enforcement strategy has expanded since its inception in 2021. In 2022, the strategy was expanded to a department-wide initiative. It again developed in 2023 to include a goal of accident reduction. While citizen complaints were addressed in an on-going basis, officers were provided direction from the traffic enforcement patrol Sergeant on areas of major traffic concern. These areas were developed through data analysis of traffic collisions and causal factors of those crashes. Officers then conducted targeted traffic enforcement details in those areas. While this strategy was effective for addressing citizen complaints, there is a lack of data to show a reduction in vehicle collisions. This strategy will continue to develop as personnel is available. An increase in call volume has made this strategy difficult to maintain.

In 2025, CPD hopes to hire additional personnel and add a patrol vehicle to the fleet in order to focus on the goals of this strategy. With additional personnel, an officer could be fully dedicated to traffic enforcement. In addition to traffic enforcement, we continue to develop new public service announcements (PSAs), including “Perception of Speed” and “Hands-Free Cell Phone Law.” The goal of the new PSAs is to educate the public on the new law, the perception vs. reality of traffic issues such as speeding, and to decrease distracted driving.

Data Driven Approach to Traffic Safety (DDATS)

<p>Number of Details – 1,374 (through August) Number of Citations – 312 (Through August) 91% Ticket to Warning Ratio Hours Committed to Enforcement – over 655 (Through August)</p>	 A photograph showing two police officers on motorcycles. They are wearing helmets and uniforms, and the motorcycles have "POLICE" written on them. They are outdoors, possibly on a road or in a wooded area.
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Identification of problem areas and perceptual issues relating to traffic. These statistics do not include traffic stops and citations made during routine patrol.

Accreditation

On June 28, 2024 the department successfully completed its first follow-up year of accreditation. During the year, we were continuously tested on our policies and standards to ensure we maintained the highest level of professionalism. Accreditation validates the department’s policies and operations through a rigorous assessment of best practices and standards that PLEAC publishes. Ultimately, PLEAC Accreditation will lessen agency liability and continue enhancing the agency and its law enforcement practices.



Critical Components Essential To The Mission And Goals

The Chambersburg Police Department continues to operate in line with the “6 Pillars of 21st Century Policing”. This modern policing strategy was developed through the 2014 Presidential Task Force.

The strategy includes:

- Building Trust and Legitimacy;
- Policy and Oversight;
- Technology and Social Media;
- Community Policing and Crime Reduction;
- Officer Training and Education;
- Officer Safety and Wellness.



CPD Patrol Officers

In the Spring of 2024, the Chambersburg Sons of the American Legion Post #46 presented the Chambersburg Police Department with a check for \$17,425.00 to purchase a new K9. K9 Janko was purchased and began training with his new K9 handler, Ptlm. Jacoby. K9 Janko is a two-year-old Belgium Malinois. CPD continues to be humbled by the generosity and support of our amazing community.



Community Policing

Community policing continues to be the central philosophy of the Chambersburg Police Department. In 2024, officers from the department improved their efforts aimed at community partnerships and attended numerous events. The Department’s Mental Health Co-Responder and Community Liaison, Jennifer Ewing, spearheaded the agency’s second National Night Out. In December 2023, the Department also co-sponsored Holiday with Heroes with the Borough’s Fire Department. This, too, was a great success, and we anticipate that 2024 will be just as successful!





Chief's Advisory Committee Activities 2024

Chief's Advisory Committee Activities 2024

- Consulates of Guatemala, El Salvador, Mexico
- Holiday with Heroes
- National Night Out
- Juneteenth

Training

The Chambersburg Police Department upholds the philosophy that all officers are leaders in the community. Training gives officers the necessary tools to properly and effectively police our Borough. It also promotes a high level of professionalism among the officers. Through police software programs like Lexipol and Police One, the department can successfully and quickly push out training daily, weekly, and monthly. These programs allow members to remain current with case law and policy modifications, following the best practices in policing procedures across the United States. In 2023, the Chambersburg Police Department maintained its Gold standard achievement with Lexipol by completing required daily training modules and keeping the department’s policies current and up to date. This is the fourth straight year the department has been awarded for its policy management initiatives.

Use of Force	Threat Assessment and Threat Management
Defensive Control Tactics	Riot Control and Crowd Management
Legal Updates	Active Shooter
Drug Interdiction	ALICE Training
Human Resource Management for Supervisors	Critical Incident Management
Crime Scene Photography	Virtual Reality Simulator Training
Crime Scene Investigation	Interview and Interrogation
DUI Enforcement	Advanced Homicide Investigation
Search and Seizure	Sexual Assault Investigation
Weapons Armorer Training	PERF Senior Management Institute for Police
Peer Support and Mentoring	FBINAA
Mental Health and Wellness Training	FBIMALEEDS
FARO	FBINAA Leadership Certification
High Impact Supervision	

Several supervisors completed high-level command schools in 2024. Inspector Meredith Dominick graduated from the Police Executive Research Forum- Senior Management Institute for Police at Boston University. Sergeant Corey Fegan was selected through a competitive process, attended, and graduated from the FBI LEEDA Mid-Atlantic Law Enforcement Executive Development Seminar (LEEDS) at the prestigious Princeton University. Additionally, Sergeant Joseph Jakubic and Corporal Joseph McGhee attended the FBI National Academy Associates Leadership Certification Program.

Staffing

The Department’s utilization of technology is a double-edged sword. It creates effectiveness in solving crime while increasing the amount of time each officer utilizes while investigating crime.

The department spends most of its time responding to calls, completing the required paperwork, and patrolling when possible. This leaves little time for proactive policing.

- The Chambersburg Police Department handled approximately 1,400 calls for service per month.
- 16,587 calls for service in 2022 and 17,363 calls for service in 2023.
- An average of 48 calls for service a day with shift staffing between 4-6 or 7 officers on duty per shift.

The Chambersburg Police Department has 35 sworn officers, including the Lieutenant, the Inspector, and the Chief, in addition to 1 civilian mental health co-responder, for a total of 36 Police personnel. There are also 3 civilian clerical employees from the Clerical Pool within the Administrative Services Department.

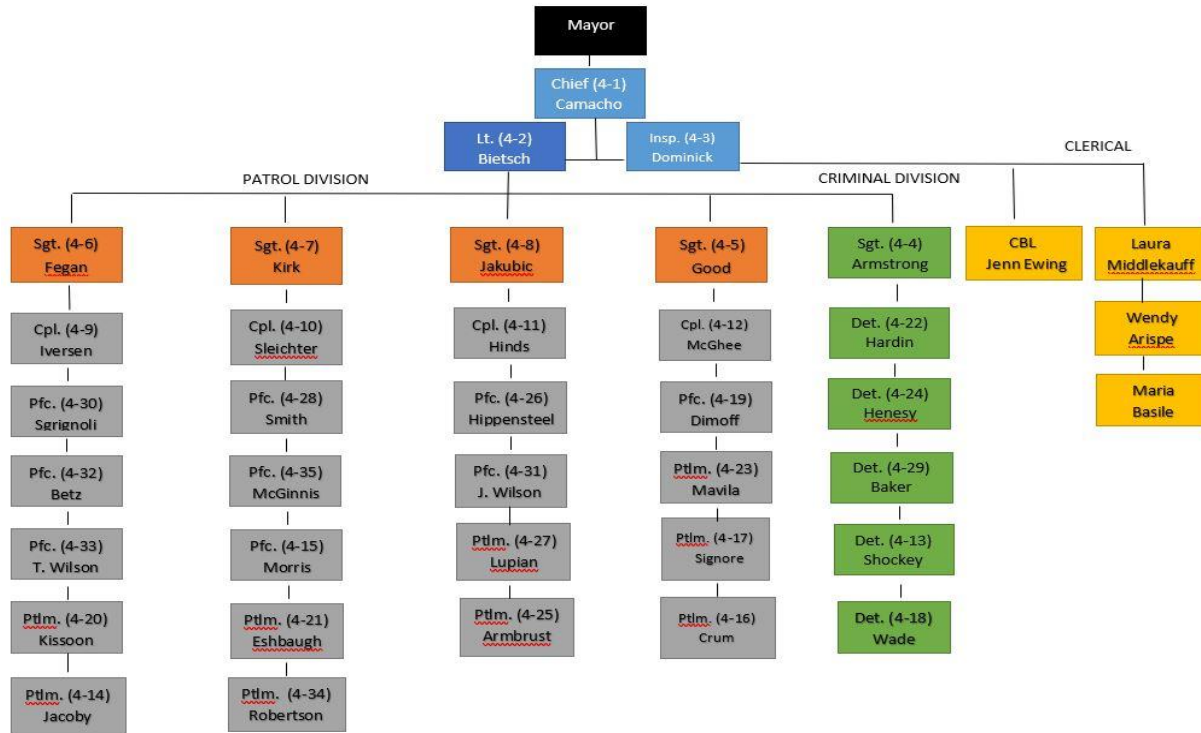
This 2025 Budget includes the hiring of three (3) additional patrol officers. Those officers, will be hired in Q4 of 2024 by way of a Council-approved 2024 Budget Amendment, and attend the Police Academy at Harrisburg Area Community College, at Borough-expense, in Q1 of 2025.

	Chief	Inspector	Lieutenant	Clerical	CSO/Co-Responder	Officers
2007	1	-	-	3	-	33
2008	1	-	-	3	-	33
2009	1	-	-	3	-	33
2010	1	-	-	3	-	33
2011	1	-	-	3	-	33
2012	1	-	1	2	-	31
2013	1	-	1	2	-	33
2014	1	-	1	2	-	33
2015	1	-	1	2	-	34
2016	1	-	1	2	-	32
2017	1	-	1	2	-	32
2018	1	-	1	2	-	32
2019	1	-	1	2	-	32
2020	1	-	1	2	-	32
2021	1	1	1	2	-	32
2022	1	1	1	2	1	32
2023	1	1	1	3	1	32
2024	1	1	1	3	1	32
Proposed 2025	1	1	1	3	1	35

There will be 38 uniformed employees (35 officers and 3 supervisory personnel) plus 4 civilians in the 2025 Budget. There is a financial offset for the CSO/Co-Responder position (Franklin County) and one of the new patrol officers (COPS Grant).

The COPS Community Policing grant was awarded in 2024. This grant will pay up to \$125,000, of an officer’s salary and benefits during the three-year grant period.

The Chambersburg Police Department - Organizational Flow Chart



Officer Formal Education is a Continuing Priority

- 66% of the Department holds a Bachelor’s Degree (30% is Nationwide Avg.)
- 14% of the Department earned a Master’s Degree (5% is Nationwide Avg.)
- AND There are More Officers Currently Enrolled in Higher Education!

CPD Officers are NOT Required to have College Degrees...but they WANT them.

Why is this important?

Because research shows that educated officers are...

- Less likely to use unnecessary force.
- Oriented to problem-solving.
- Better able to relate to the community they serve.
- More open to the use of evidence-based policing practices.
- Lower number of complaints filed against officers.
- Officers gain critical thinking skills, which assists them with solving real-world problems.

“To maintain at all times a relationship with the public that gives reality to the historic tradition that the police are the public and that the public are the police.”
Sir Robert Peel



Fire Department

The Chambersburg Fire Department is an all-risk, all-hazard, fire and EMS department, that consists of dedicated professionals who have a proud history of serving their residents, businesses, and visitors. The Fire Department responds to fires, medical emergencies, vehicle accidents, technical rescue incidents, hazardous material incidents, and any other emergency we are requested to assist with. We also provide outstanding non-emergency services such as public education, fire and life safety inspections, fire investigations, community risk reduction, and many other administrative functions. Regardless of the community’s needs, our fire chiefs, firefighter/EMTs, and administrative staff stand ready to serve. They are compassionate professionals who are highly trained, solution-oriented, and strive to exceed expectations at all times.

Department Director: Chief Dustin L. Ulrich

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
ES Dept. Operations	\$5,323,797	\$6,135,720	\$6,206,695
Earmarked Revenue			
Fire Tax Transfer	\$ 562,735	\$ 544,260	\$ 536,255
Local Services Tax	\$ 774,095	\$ 758,000	\$ 775,000
Fire Code Inspections	\$ 85,910	\$ 83,000	\$ 80,000
Ambulance Fees	\$2,691,139	\$2,855,330	\$3,006,000
<i>Subtotal</i>	<i>\$4,113,879</i>	<i>\$4,240,590</i>	<i>\$4,397,255</i>
Excess (Deficit)	(\$1,209,918) Deficit	(\$1,895,130) Deficit	(\$1,809,440) Deficit

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
ES Dept. Operations			
Non-Personnel Costs	\$1,181,456	\$1,273,135	\$1,361,295
Personnel Costs	\$4,142,340	\$4,862,585	\$4,845,400

Of the \$6,206,695 cost to operate the Fire Department, \$4,845,400 (78%) are wages and benefits.

In 2025, it is estimated that the Chambersburg Fire Department will cost \$1,809,440 more to operate than the revenues collected. This includes the Ambulance Fee and use of \$679,000 of the State Pension Grant shifted to assist the Fire Department budget from other departments.

As in any deficit year, the Fire Department draws on the other resources of the General Fund to break-even. After all, the General Fund is really one comingled fund with Police, Fire, Recreation, Land Use & Community Development, and Highway. Therefore, the Fire Department will break even at the expense of other departments and operations. The Borough of Chambersburg is not permitted to raise the Fire Tax to close this gap. To raise the Ambulance Fee to close this gap would necessitate an increase from \$11 per month (proposed for 2025) to \$23.25 per month (not recommended).

The 2025 Budget recommends no change in the Fire Tax because none is permitted.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

	2023	2024	2025
	Actual	Budget	Budget
Fire Code Permits & Fees	\$85,910	\$83,000	\$80,000
Contributions For Ambulance Service	\$47,184	\$40,000	\$40,000
Ambulance Fee on Water Service Invoices	\$1,244,182	\$1,436,830	\$1,538,868
Ambulance Patient Service Receipts	\$1,306,032	\$1,275,000	\$1,400,000
Ambulance Club Membership Fees	\$93,740	\$103,500	\$100,000
<i>Total Revenue from Fire Department Operations</i>	<i>\$2,777,048</i>	<i>\$2,938,330</i>	<i>\$3,158,868</i>

Currently, the Department has a staffing of twenty-six (24) full-time career firefighters as well as five part-time firefighters who are also emergency medical technicians. They are led by a Borough Fire and EMS Chief, Assistant Fire Chief, and four Fire Captains. The Department also has a volunteer Deputy Fire Chief in addition to the two career chiefs.

Having a highly trained, mission driven, staffed department allows us to provide a quick response and arrival to any location within the Borough. In most cases, from the time of dispatch to the time that a fire or EMS unit arrives is under four minutes to any location within the Borough. This prompt response delivers quick fire extinguishment before any major damage can occur as well as provides essential lifesaving medical care when time is critical.

Staffing

Mid-year 2022, a collective bargaining agreement was ratified between the Borough and the IAFF Local 1813. This agreement allows for the maximum staffing level of 28 to be implemented as the budget allows. Additional staffing could assist with overtime costs or allow the staffing levels to be at seven if no one is off. The request would be to fill the positions as the funding allows and to be able to get the new hires through their mandatory training and orientation in a timely manner

	Chief	Assistant Chief	Clerical	Firefighters
2007	1	1	1	21
2008	1	1	1	21
2009	1	1	1	21
2010	1	1	1	21
2011	1	1	1	21
2012	1	1	1	21
2013	1	1	1	21
2014	1	1	1	21
2015	1	1	1	21
2016	1	1	1	21
2017	1	1	1	21
2018	1	1	1	24
2019	1	1	1	25
2020	1	1	1	25
2021	1	1	1	25
2022	1	1	1	25
2023	1	1	2	25
2024	1	1	2	26
Proposed 2025	1	1	2	26

The Borough anticipates staffing to rise slightly to 28 by 2027. The Borough will be carrying three extra firefighters above the 24 full time firefighters required by agreement with the fire union. As of today, there are currently two (2) vacancies in the department, which will be filled as soon as possible.

The Fire Department's functions continue to grow which creates a substantial amount of paperwork that needs readily completed by administration and the firefighters. In 2023 the Fire Department added a clerical position to supplement the one office position. This position assists with quality assurance compliance of EMS reports, management of personnel time records, as well as the final stage of paperwork for quality control and statistical performance measurement with the inspection and permitting processes.

Emergency Medical Services

The Fire Department is the leader in Basic Life Support (BLS) ambulance service inside the Borough and in parts of the surrounding townships. A continued nationwide trend is the overwhelming demand for emergency medical services and this area is no different. Each year the department sees an increase of over three percent for emergencies of this nature. The primary ambulance housed at Headquarters Fire Station is one of the busiest single EMS units in Pennsylvania. Each year, this unit consistently responds to nearly 4,500 emergency medical responses providing basic life support services to those in need.

Over the past ten years, the Fire Department has seen an increase in emergency responses at a consistent rise of four percent (4%), each year. As with the previous years, staff continues to see challenges in the medical field in regards to the strained acute care system. Understaffed hospitals, emergency rooms seeing an overabundance of patients, and limited trauma centers in the area, are requiring the local ambulances to transport patients to hospitals far from Chambersburg. Any diversion created extended transport times, prolonged turnaround times to get back in service to handle additional incidents, and higher than anticipated fuel and maintenance costs on the ambulance. Personnel continued to adjust operations and responses to expeditiously transport the patient to the nearest available hospital, all while providing the patient with the Fire Department's standard of high-quality pre-hospital care.

One of the main fiscal challenges for the Chambersburg Fire Department is ambulance reimbursements. Each year, the ambulance responds to a substantial amount of calls at medical and nursing facilities. Over the past several years, there has been a trend of insurance benefits moving from private insurance to basic Medicare coverages. In an incident where the patient only has Medicare, the patient's Medicare is billed only if the transport meets medical necessity criteria as defined by Medicare. Therefore, the Borough often responds on emergency calls to transport the patient to the hospital, and later receives a refusal determination from Medicare; that is, no payment for patient services. Unfortunately, this limited reimbursement system only covers a fraction of the true cost of an ambulance transport. Each year the department must write-off as uncollectable funds, due to the Federal limitations on billing, as well as many private insurances setting lower reimbursement criteria for emergency incidents, over \$1.4 million in legitimate fees.

The Fire Department leadership closely monitors the ever-changing fiscal challenges that are imposed by the limitations for available reimbursement as well as the increasing operational costs, and re-evaluates the impacts that this could cause on budgets and adjust accordingly for the future.

For many agencies in the State, and even in Franklin County, there is a substantial crisis to keep operational services viable due to staffing retention and financial limitations. It is imperative that the Chambersburg Fire Department stay on course and continue to provide these necessary, basic lifesaving services to the community.

There remains no other option for Borough finances other than the Ambulance Fee. Without it, no other means of raising sufficient revenue to operate the ambulance would be possible. No tax options exist. No fee options exist. No possible cost cutting options.

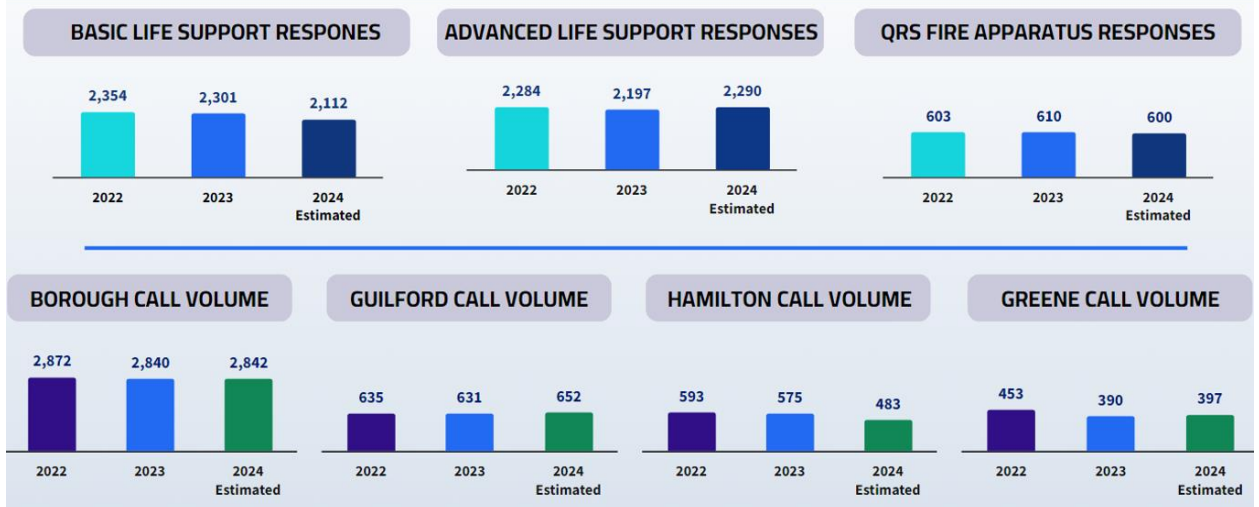
BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET



	Generated Revenue	Contractual Allowable (Uncollectable Due to Federal Regulations)	Call Volume	Average Revenue Per Response
2022	\$1,203,242	\$1,849,634	4,638	\$259
2023	\$1,297,780	\$1,736,873	4,498	\$288
2024	\$994,357 (Through 8/1/24 Only)	\$1,036,578 (Through 8/1/24 Only)	3,138	\$316

Ready-to-Serve Ambulance Fee Revenue Jan-Aug 2024 \$977,608.97 (y-t-d) \$11 per month per Water Service Account	Federal Mandates Restrict Billing Amounts for Medicare and Medicaid Patients Medicare - \$421.90 (Previously \$413.04) Medicaid - \$525.20 (Previously \$325.00)	EMS Equipment Costs Rise 6% on Average per Calendar Year
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OPERATIONAL - EMS



Missed calls are medical incidents that are handled by a mutual-aid EMS company due to the primary ambulance being on another emergency incident.

Fire Services

This past year, the Chambersburg Fire Department (CFD) excelled in training, standards, and operations. The fire service is an ever-changing environment and staff continued to build on their operational and leadership skills to be ever ready to serve the community.

In 2024, all CFD full-time firefighters and officers continued on the extensive firefighter and rescue training plan that was established in 2022. This multi-year plan focuses on fire suppression tactics, rope rescue operations, and vehicle extrication techniques. For the second year in a row the department has received the LEXIPOL CONNECT Silver Award for exemplary training that personnel conducted over the past year. In total, personnel attended over 4,000 combined staff hours of training over the past year. CFD is committed to the community’s safety and ensuring that personnel are properly trained for any task that may arise.

Coinciding with the increasing EMS call volume trends, fire and rescue incidents for fire apparatus showed a slight increase in 2024. In total, the department fire apparatus will have responded to over 1,100 emergencies in the Borough and surrounding townships. With modern day household furnishings and construction materials, a fire can rapidly develop and could double in size every thirty seconds.

The CFD prides itself in providing the quickest response to the emergency due to continuous research and implementation of new dispatching software. This software has allowed the department to respond to incidents 90 seconds sooner on average than in previous dispatching methods.



Engine 1.1 – Engine 1.2



Tower 1 – Engine 1.4 (Reserve)

	2023	2024
Fire Tax Revenue	\$605,056.40	\$592,902.52
Local Services Tax Revenue	\$774,094.96	\$447,484.47 (Through 8/31/24)
Fire Call Recovery Billing	\$22,713.29	\$16,020.75 (Through 8/1/24)
Business Permit Inspection Revenue	\$72,706.00	\$40,098.00 (Through 8/1/24)

The Fire Tax is capped at 3-mil with 2½-mil required to be used for apparatus expenses.

OPERATIONAL - FIRE

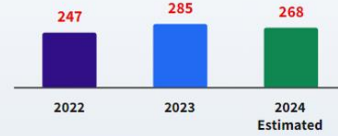
STRUCTURE FIRES IN BOROUGH



VEHICLE FIRES



AUTOMATIC FIRE ALARMS



Hazardous Materials Responses



VEHICLE ACCIDENTS



BRUSH FIRES



Grain Bin Rescue – Greencastle – CFD Ladder Truck Provided Mutual-aid



Apartment Building Fire South 2nd Street

Fire and EMS Apparatus

The increased demand on fire and EMS apparatus requires apparatus to be replaced at intervals that are more frequent. Over the past ten years the department has developed a strategic apparatus replacement plan that is financially responsible as well as focuses on the exact needs of the responses in the Borough of Chambersburg for years to come. In 2024, the department received a new Ford F550/Horton Type 1 ambulance. This EMS unit replaced a 2013 Dodge 5500 that was at the end of service life for our department. In addition to the ambulance, the department took delivery of a Ford F350 dually utility vehicle that will assist in safe transportation of the department’s all-terrain vehicle.

Community Risk Reduction (CRR) Efforts

One of the first steps to making a community safer is a thorough analysis on risks that are currently present, or could be in the future. Each year, the Chambersburg Fire Department carefully calculates and re-evaluates these risks and implements a current plan of action to limit or mitigate the concerns. The saying, “An ounce of prevention is worth a pound of cure,” is extremely accurate in risk reduction efforts. Two of the highest priority risk items in the current CRR plan for the Borough are carbon monoxide and cooking fire incidents. A very successful program was implemented in 2020 in cooperation with the fire department and the Borough Gas Utility. Planned on continuing into the foreseeable future, these two agencies paired to obtain Carbon Monoxide (CO)/Natural Gas detectors, which are placed at no charge in Borough private residences. In addition to carbon monoxide detectors, the fire department also has a cooperative agreement with the American Red Cross to allow the CFD to install smoke detectors at no charge to owner occupied residences within the Borough of Chambersburg. Since the implementation of these programs, the department has installed over 700 carbon monoxide detectors and over 1000 smoke detectors.

In addition to the CO and smoke detectors, the fire department also offers address signs, File of Life packets, and Stop the Bleed training at no charge for Borough residents.

Community Outreach

The Chambersburg Fire Department possesses a unique understanding of our community, surpassing that of many other entities. Our firefighters and EMS responders gain direct insights into the lives and needs of community members through medical calls, inspections, and incidents.

Our department collaborates extensively with various stakeholders, including the American Red Cross, Safe Kids Coalition, Traffic Injury Prevention Project, American College of Surgeons, and the Borough of Chambersburg Gas Department. This partnership involves rigorous research and adaptation to meet the evolving needs of the community. Efforts range from the provision of complimentary smoke detectors and carbon monoxide alarms to conducting car seat checks, underscoring our commitment to enhancing the Borough's safety.

STOP THE BLEED

SAVE A LIFE

BLEEDINGCONTROL.ORG

1 APPLY PRESSURE WITH HANDS

STOP THE BLEED

This program is crucial in controlling the bleeding of an injured subject. Since the implementation there have been over 1400 citizens taught by Chief Ulrich and Assistant Chief Myers on these life saving procedures.

AMERICAN RED CROSS SMOKE DETECTOR PROGRAM

CFD has installed over 800 smoke detectors in residences in the Borough since the implementation of the program in 2018. These detectors were installed by on-duty personnel at no cost to the resident. This invaluable life saving tool has been successful at alerting numerous homeowners of a fire and preventing a catastrophe in their home.

CAR SEAT CHECKS AND INSTALLATIONS

Each year the department checks and installs nearly 100 car seats for families in the area. CFD has six certified car seat technicians to serve the community.

Office of the State Fire Commissioner - State Grants

- The Office of the State Fire Commissioner (OSFC) granted \$16,951.99 to the CFD fire for the purchase of new firefighting turnout gear.
- The OSFC granted \$15,000 to CFD EMS for the purchase of active assailant patient care kits.
- The OSFC granted \$13,061.55 to the Cumberland Valley Fire Co. No. 5 for vehicle rescue tool.
- The OSFC granted \$13,061.55 to the Junior Hose & Truck Co. No. 2 for structural high-rise firefighting equipment.
- The OSFC granted \$13,061.55 to Goodwill Fire Co. No. 3 for McKinley Street Fire Station lighting upgrades.

2025 Challenges

- Attempt to pick-up additional EMS calls now being covered by township fire companies.
- Limited funding options for fire revenue – Mil Tax capped per law.
 - Demand for services increase, additional work force needed – limited funding, and equipment costs rise every year.
- Limited qualified staffing on emergency incidents as the Nation is in a volunteer staffing crisis.
- Aging fire stations – (McKinley Street Fire Station built 1959 & Headquarters Fire Station built 1976) -replacements/renovations are imminent in the near future.
- Recruitment and retention of fire and EMS personnel.

Fire Prevention and Code Enforcement

Every year, one of the most important missions of the Fire Department is to prevent the loss of life and property. This mission is delivered through targeted fire prevention activities to the community and within schools throughout the year, as well as an established “commercial property” fire inspection program. These fire safety inspections focus on maintenance of fire protection systems along with housekeeping items that in return result in fewer fires or loss of life. The inspection program also provides some income for the Fire Department.

The Fire Department prides itself on having well-established fire codes and a prevention program within the Borough of Chambersburg. With an established fire code ordinance and inspection program, the benefits could be tri-fold for the commercial occupancies within other jurisdictions. The advantages are that it could lower their insurance premiums, drastically reduce the property loss value, as well as provide a safer establishment for both the owners as well as the customers who occupy the business. Additionally, a business that has reduced fire risk directly affects the safety of first responders within their community, as firefighters are less likely to respond to a large fire at the facility.

There are no fire risk prevention or code inspection programs in our neighboring townships. For years, the Borough has sought to expand our program outside the Borough-limits, encourage safety, lower insurance costs, protect volunteer fire companies, and share the remittance with others to invest in their fire companies. So far, this has not happened.



Future Fire Department Goals for 2024

-  1 Adoption of new hire entry level physical agility testing. The department is looking to transition to the Nationally recognized CPAT (Candidate Physical Abilities Test)
-  2 Develop and implement a new firefighter orientation program. This will be in addition to the HACC Fire Academy and will be a mini-academy after their graduation. Primary focus is to better prepare the employee prior to responding to emergency incidents.
-  3 Planning/Execution for better staffing levels and implementation of additional EMS units.
-  4 Replacement of two firefighters due to a retirement and resignation. Plan is to have in the Spring 2025 Academy.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Should Chambersburg Need to Assume Responsibility for Advance Life Support Services

The Fire Department has continued to see an increase in the public's request for advanced life support (ALS) services. With the inconsistent services provided by ALS agencies supporting the department's mission, strong consideration must be given to expand our EMS services to support our community's needs. Over the past ten years, many of these ALS companies have utilized two to four paramedics to staff units at their facilities. Recently though, these same departments are having difficulty keeping one to two paramedics in service. Financial constraints on these departments also have some of their financial management re-evaluating their function and needs in this area.

The Borough currently contracts with Wellspan Health in order to provide this service. The main obstacle from assuming responsibility for this service by the Fire Department is the cost of staffing necessary to accomplish this program. The new program would likely require a 25% to 30% increase in staffing and net cost the Borough taxpayers about \$1 million in additional taxes or fees per year.

However, if our contractor fails to be able to deliver on our contracted services, this may become needed.



Wellspan Health Paramedic Chase Car

Thank you to Wellspan Health for their continuing support of the Chambersburg Fire Department!

Recreation Department



The Chambersburg Recreation Department provides quality recreation experiences for our community through well-organized and diverse programs, a properly maintained park system, and a welcoming and safe Aquatic Center.

Currently, the department is without a director. In their absence, the Borough Manager and Deputy Borough Manager are providing interim management along with the Recreation and Aquatic Center Supervisor and the Recreation Center and Park Maintenance Supervisor.

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Recreation Operations	\$1,371,834	\$1,473,220	\$1,580,295
Earmarked Revenue			
Recreation Tax	\$ -	\$ -	\$ -
Recreation Fees	\$ 240,333	\$ 207,000	\$ 247,000
Subtotal	\$ 240,333	\$ 207,000	\$ 247,000
Excess (Deficit)	(\$1,131,561) Deficit	(\$1,266,220) Deficit	(\$1,333,295) Deficit

The Recreation Department has done an excellent job of creating programs and monitoring expenses. With that said, there is no dedicated source of recurring tax revenues used towards recreation in Chambersburg, other than undesignated revenues and recreation receipts. Recreation department budgets rarely break even. Communities must commit to funding recreation for non-fiscal reasons such as economic development, community health, safety, and vitality.

There is no Recreation Tax in Chambersburg. The Recreation Bond Tax does not help finance operations.

The Recreation Bond Tax is not used to balance the Recreation Department budget.

General Recreation Financial Review of 2024

General Recreation Areas	Operating & Maintenance (O&M) Expenses	
	<u>2024 Budget</u>	<u>Through of 8/31/2024</u>
Recreation Center -----	\$109,500	\$82,150
Memorial Park -----	\$169,000	\$96,851
Other Park Areas Including the Rail Trail ----	\$177,000	\$135,252
Total Expenses for O&M -----	\$455,500	\$314,253

The Recreation Department generates revenues to offset operating expenses by offering programs and leagues; and, renting rooms at the Rec Center, pavilions, and various fields and courts.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Recreation (Non-CAC) Revenue & Expenses	2023 ADOPT BUDGET	2023 ACTUAL TOTAL	ROLLING 12 MONTH TOTAL	2024 BUDGET	2025 BUDGET
70037 - Recreation Department Receipts	+\$145,000	+\$227,279	+\$256,451	+\$195,000	+\$235,000
70038 - Recreation Vending, Concession & Consignment	+\$15,000	+\$13,054	+\$10,704	+\$12,000	+\$12,000
Expenditures - Operating Expenses	\$1,341,555	\$1,340,161	\$1,442,108	\$1,447,220	\$1,549,375
Expenditures - Non-Operating Expenses	\$-	\$82	\$-	\$1,000	\$1,000
Expenditures - Interfund Transfers (Workers Compensation & Capital Improvements)	\$30,705	\$31,595	\$25,000	\$25,000	\$29,920
<i>Total</i>	(\$1,212,260)	(\$1,131,505)	(\$1,199,953)	(\$1,266,220)	(\$1,333,295)

In 2025, the Recreation Department was budgeted to cost \$1,333,295 more than the revenue it will collect.

In general, if the Recreation Department runs a deficit, as it is anticipated to do so in 2025, it is commingled with all the revenue and expenditures in the General Fund. The General Fund miscellaneous revenue must cover it as it does with all the General Fund departments including Fire, EMS, the Recreation Department, Land Use & Community Development, and general highway, which are all mixed together pursuant to the State recommended chart of accounts.

The key to funding the Recreation Department is threefold:

- Ensure that the Police Department is well funded so that miscellaneous revenue is not diverted to their budget.
- Ensure that the Fire Department is well funded so that miscellaneous revenue is not diverted to their budget.
- Endeavor to offer programs and activities that bring in some revenue to offset expenses.



Annual Program Goals/Challenges

Continue to offer more quality programs that engage the citizens of our community while working with limited resources to accomplish this goal.

- Programs Generating the MOST Participation / Revenue: Sport Leagues & Programs.

- Programs Generating the LEAST Participation / Revenue: Arts / Specialty Classes.

Projects

The department will complete, by December 2024, the following projects using Recreation Capital Reserve Funds:

Memorial Park Sensory Pads for Inclusive Play*	\$5,000
Henninger Field Restroom Door Replacement	\$20,000
Henninger Field Sidewalk Replacement Along Poplar Ave.	\$18,500
Recreation Center Door Replacement (Final Phase)	\$18,000
Mike Waters Park Restroom/Storage Building Roof Overlay	\$13,500
Recreation Center Rear Exist Staircase Replacement	\$13,000
Memorial Park Bandshell Door Replacement	\$12,000
Total	\$118,000

**Grant submitted to DCNR for \$25,000 for this project*

Within the next 12 months, the Department will complete, by December 2025, the following projects using Recreation Capital Reserve Funds:

Mike Waters Fence Replacement	\$11,000
Recreation Center Door Replacement	\$20,000
Recreation Center Window Replacement	\$25,000
Total	\$56,000



New sidewalk nearby Henninger Field



Added new Cumberland Community Park to park inventory



Upgraded Gym 2 lights to LED, which has enhanced and increased our indoor pickleball use

Future projects include:

- E-Sports Arena - Leased Space Retrofit
- Water Street Linear Park (Recreation Improvements)
- Aquatic Center Water Feature Enhancement
- Recreation Center Gym 1 Window Replacement
- Recreation Center Entrance Roof Replacement
- Memorial Park Nellie Fox Baseball Backstop Replacement
- John Redding Memorial Park Needs Assessment
- Memorial Park Tennis/Pickleball Court Light Pole Replacement
- Recreation Center Boiler Replacement
- Marking Alleys with Bicycle Routes
- Pedestrian Exercise Circuit Through Wellspan Campus North of Norland

Many recreational improvements for the Southgate neighborhood including:

- Meeting Place Greenway
- Water Street Linear Park
- Meeting Place Plaza
- Creekside park in the area of the Marantha Cold Weather Shelter



New Water Street Near Senior Housing Gazebo



Current Water Street Near Senior Housing Gazebo

Working together with the Storm Sewer Utility, the Recreation Department is playing a role in the redevelopment of the Southgate Shopping Center. Following the current plans, at the end of the redevelopment process, the Recreation Department will manage a number of new passive and active recreation spaces in the Southgate neighborhood. Those include the upgrades to the Rail Trail in the vicinity of Water Street. Currently, a plain macadam pathway exists with a plan is to build an active linear park and trail through this space. In addition, the new Meeting Place Greenway project will build a lawn on what is now a empty parking lot. A walking path will be added nearby the creek. Also, another empty parking lot will eventually be converted into the new Meeting Place Plaza. A focal point and gathering place for the new neighborhood will be maintained and programmed by the Recreation Department. Finally, long-term plans also include creekside park areas along Loudon Street and W. Queen Street with pedestrian enhancements and creek-access for recreation purposes.

In addition to the plans at Southgate, the Recreation Department is also playing a role with the multimodal pedestrian and bicycle projects being developed by the Parking, Traffic, and Streetlights Department. Their plans will require additional greenways, pathways, and trails, which eventually will need to be maintained by and managed by the Recreation Department.

Finally, it is envisioned that sometime by 2027 or 2028, the Recreation Department will update the Recreation Master Plan, a plan for all recreation spaces of all kinds, including programming, throughout the community. Recreation is very important to quality of life and the investment made by the Council in recreation resources and facilities is far in excess of neighboring communities.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Independence Day Celebration

The Chambersburg Recreation Department organized its third Independence Day celebration to include nine different food vendors, three local breweries, four bounce house inflatables, two bands, three carnival-type games, face painting, and a tremendous fireworks display. The Department also implemented a sponsorship program to further offset the cost of the event.

Associated Expenses for 4th of July Celebration:	2023	2024
Fireworks Balance	\$8,379	\$8,504
Mercersburg Community Band	\$750	\$750
Howlers	\$0 – Paid by VFW Post 1599	--
Local Codes Permit	\$505	\$205
*Borough opted to waive permit fees in 2024		
Light Rental from Directional Traffic	\$0	\$0
Directional Traffic Personnel	\$1650	\$1,320
Special Event Monitors	\$1271	\$982
Police Personnel	\$512	\$496
Sani pots/Sanitation Dept. Charges	\$1,790	\$2,152
Inflatables	\$3,011	\$2,157
Prizes for Games	\$152	\$120
Games	--	\$144
Knocker Balls	--	\$419
Donation to Chambersburg Fire Department	--	\$50
Donation to Marion Volunteer Fire Company for Fire Police	\$0 – none available	\$50
Donation to Franklin Fire Department for Fire Police	\$0 – none available	\$50
Donation to Pleasant Hall Fire Department	--	\$50
Donation to St. Thomas Fire Police	\$0 – non available	\$100
Donation to Waynesboro Fire Department	--	\$25
Fireworks Deposit for next year’s 4th of July Celebration	\$.8500 approx.	\$8,504
Total Expense	\$26,520	\$26,078
Revenues Generated to Offset 2023 4th of July Expenses:		
Inflatables	\$2,200	\$981
Food Trucks and Beer Tent	\$2,681	\$1,273
*Lower income from vendors because of inclement weather		
Carnival Games	\$233	\$56
Knocker Balls	--	\$320
Sponsorship Sales	\$8,350	\$9,175
Banner & Radio Advertisements, Neptune Radio	--	\$2,625
Total	\$13,464	\$14,430
*Lower income from vendors because of inclement weather		

The 2024 celebration generated income of \$14,430 offset by expenses of \$26,078.

The Department intends to sell more sponsorships in 2025 to offset the cost of the Independence Day Celebration, and to also continue increasing the variety of activities offered prior to the Fireworks display.



Fireworks as seen from the Aquatic Center

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Land Use & Community Development Department



Affectionately known as LU-COM-DEV

The Chambersburg Land Use & Community Development Department includes the comprehensive land use functions, land development plan review, as well as enforcement of building, health, and property maintenance codes. The Land Use & Community Development Department helps to plan and review land use that is consistent with the Borough’s form and character. They support community values, preserve the environment, promote the wise use of resources, and protect public health and safety through code enforcement.

Department Director: Phil Wolgemuth, Deputy Borough Manager

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Operations	\$940,240	\$1,003,315	\$1,095,860

The Land Use & Community Development Department generally brings in less revenue for those fines and permit fees than every operation of the department, and this is done intentionally.

The Chambersburg Land Use & Community Development Department includes four offices: Planning Office, Zoning Office, Community and Economic Development Office, and the Code Enforcement Office, which handles building, health, and property maintenance codes. Issues related to the health code or the Board of Health are combined with Special Events permitting and restaurant/retail food licensing. The Department staff supports the Health Board, the Planning and Zoning Commission, the Curb and Sidewalk Policy Compliance Committee, the Zoning Hearing Board, and many other commissions and committees, the staff of the Land Use & Community Development Department is very busy.

A department of multifaceted disciplines, Land Use & Community Development focuses on any topic related to land use issues, grants, strategic planning, or economic development.

The department provides high quality service to Borough citizens and customers according to the following principles:

- Listen, to understand your needs;
- Give clear, accurate and prompt answers to your questions;
- Help resolve problems in an open, objective manner;
- Explain how you can achieve your goals under the Borough’s rules or the uniform code;
- Maintain high ethical standards;
- Work to improve our service in the most cost-effective manner possible.

Community planning involves citizens, neighborhood groups, businesses, stakeholders, land developers, and contractors, along with Borough staff and appointed and elected officials. The Town Council are the elected officials. The Town Council appoints citizens to serve on the Board of Health, Building Code Board of Appeals, Curb & Sidewalk Policy Compliance Committee, Elm Street Advisory Council, Housing Commission, Parking, Traffic & Street Light Committee, Planning & Zoning Commission, and the Zoning Hearing Board. These groups help facilitate the various parts of the planning and community development process. The Land Use & Community Development Department staff works with everyone to ensure that the practice is well executed. The Assistant Borough Solicitor is appointed to work with this department as well. There are three (3) main areas of concentration in this budget: Codes, Planning & Zoning, and Economic and Community Development.

Codes

The Codes Office is responsible for enforcing the Property Maintenance Code, Rental Property Code and Brush, Grass and Weeds Code, as well as the PA Retail Food Facility Safety Act and Uniform Construction Code, which are enforced by Pennsylvania Municipal Code Alliance (PMCA), the Borough's state-certified third-party code enforcement agency. PMCA personnel also enforce the Rental Property Code with administrative support from the Codes Office.

Codes Office accomplishments for 2024 include:

- Welcomed Jason Cohen, Budget Administrator, who provides financial management for revenue generated through code enforcement programs;
- Worked with Town Council to amend the Brush, Grass and Weeds Code, Property Maintenance Code, Snow and Ice Removal Code and Tattoo and Body Piercing Establishments Code;
- Hosted eight ServSafe courses in English, Chinese, and Spanish languages;
- Hosted free Food Handler Class to provide food safety information and training for volunteers for nonprofit agencies, churches and athletic event concession stands;
- Worked with Solicitor to implement standard code enforcement system for addressing PA Retail Food Facility Safety Act and PA Food Safety Act violations;
- Worked with Fire Department, Police Department, and Highway Department to establish better downtown detour route for special events.

The Codes Office's goals and challenges for 2025 include:

- For the Residential Rental Unit Inspection Program, conduct cost of service study, to include cost benefit analysis for Pennsylvania Municipal Code Alliance continuing inspections or whether the program should be administered entirely by the Codes office, and possibly adjust service fees in 2026;
- For the Retail Food Facility Program, conduct cost of service study and possibly adjust service fees in 2026;
- Host more ServSafe courses at Borough Hall for restaurant managers and food handlers, including the free course for volunteers;
- Work with the IT Infrastructure Steering Committee to research software solution for code enforcement, permits and licensing.

Retail Food Facility License Enforcement

This team of employees operate an efficient system to ensure all public eating and drinking places, including those that participate in Special Events, are inspected for compliance with the Pennsylvania Retail Food Facility Safety Act and the Pennsylvania Food Safety Act. Bilingual staff at the Borough provide language translations services during inspections in support of the team.

Working with more than 300 licensees, the program entails coordination of license applications, inspections and issuance, including compliance with reporting requirements for the Pennsylvania Department of Agriculture online restaurant inspection registry. Borough fees collected for licensing and inspections are estimated to be \$50,000, for 2025; however, that amount will not cover the entire cost of program administration, resulting in the need for some General Fund revenue support. In 2025, a cost-of-service study will be conducted, to include possible program fee adjustments in 2026.

To assist restaurant operators with ServSafe requirement, staff organized ServSafe training for Retail Food Facility Licensees that was conducted at Borough Hall by a training consultant hired by the Borough. In 2024, the first-ever course in Chinese was conducted. These training sessions were well attended and will continue in 2025, to include courses offered in English, Chinese, and Spanish.

Chambersburg prides itself on its large civic events and the Borough takes a teamwork approach to facilitating their success. In 2024, all major events, like the Christmas Parade, IceFest, Old Market Day and AppleFest, as well as smaller events, were held and well attended. These events generated revenue for food vendor inspections conducted by Borough staff in compliance with Food Code Enforcement playing a major role in the preparation for events.

Retail Food Facility Licenses

Year	Licenses	Inspections
2022	321	393
2023	357	467
9/30/2024	311	418

Special Event Permits

Year	Permits
2022	84
2023	83
9/30/2024	62

What is ServSafe?

ServSafe is an educational program that was developed by the National Restaurant Association (NRA). It's main goal is to educate food service workers about food safety. But it's not just for members of the NRA – anyone can become ServSafe certified.

ServSafe estimates that the average American purchases about 200 restaurant meals every year. They also estimate that nearly 1 million restaurants in the US employ almost 14 million food service workers. A food safety education program is needed to protect the public from foodborne illness.





Chambersburg prides itself on many special events, most require food permits or inspections



Conducting ServSafe Classes at City Hall for restaurant employees in English, Chinese, and Spanish



Development in Chambersburg Proceeds Unabated

In 2024, new residential rental units continue to be in demand in the Borough, with construction barely keeping pace with occupancy at the developments listed below, including the new Orchard Drive Apartments development that recently broke ground on Orchard Drive.

- Creekside Apartments, 156 dwelling units (132 in the Borough and 24 in Guilford Township) on Hollywell Avenue.
- Orchard Drive Apartments, 156 dwelling units on Orchard Drive.
- Molly Pitcher Landing, 48 dwelling units on Orchard Drive.
- Quinn Station at Nicholson Square Village, 104 dwelling units on Bassett Drive, Clinton Avenue and Sienna Drive.
- Progress Village, Phases 5 and 6, 81 dwelling units on Cheree Drive and Kelby Drive.
- Progress Village, Phase 7, 82 dwelling units on Kelhigh Drive.

Also, in 2024, new owner-occupied units began construction at the final phase of the Maple Run residential development, including 9 new single-family and 18 duplex dwellings that were approved by Town Council in 2023.

Non-residential development was also strong, as evidenced by the following land development plans approved in 2024:

- Borough Plan RE-1595, Final Land Development Plan for LBS Properties to construct a two-story building on Wayne Avenue to be occupied by Rita's Italian Ice on the first floor and professional offices on the second floor;
- Borough Plan RE-1599, Final Subdivision and Land Development Plan for Forrester Lincoln to construct a building on Lincoln Way East to be occupied by an automotive sales and service use;
- Borough Plan RE-1603, Final Land Development Plan for Tall Pines Distillery to construct a building and outdoor patio on Orchard Drive;
- Borough Plan RE-1608, Final Subdivision and Land Development Plan for the Borough to construct a Public Works campus on Wayne Avenue;
- Borough Plan RE-1609, Final Subdivision and Land Development Plan for Stohan Property Investments to renovate and expand a building on Lincoln Way East.

Also, in 2024, building construction began for Wawa on Wayne Avenue and the Keystone Rural Health Center on Catherine Street. While it was unfortunate to see Walgreens close on Lincoln Way East, we were pleased to see Dollar Tree secure permits to occupy the vacated building.



Creekside Apartments on Hollywell Avenue



Orchard Drive Apartment Complex Under Construction



Another Phase of Progress Village on Kelhigh Drive



Quinn Station Townhomes at Nickleson Square Village



Additional Single-Family Homes in Maple Run



Stohan Commercial Redevelopment on Lincoln Way East



New Dollar Tree Store on Lincoln Way East



Renovation of the Forrester's Dealership on Lincoln Way East



Wawa Convenience Store Under Construction on Wayne Avenue



New LBS Commercial Property (Rita's) on Wayne Avenue



New Keystone Rural Health Neighborhood Healthcare Facility at the Southgate Shopping Center

Residential Rental Inspection Enforcement and the Effect on the Codes Budget

- The Codes Office is responsible for enforcing the Property Maintenance Code and the Rental Property Code. PMCA personnel enforce the Rental Property Code with administrative support from the Codes Office. However, when we have a significant challenge with a local landlord, it is the Codes Office that must set about to use the complex and time-consuming legal system to bring the landlord into compliance.
- Town Council has repeatedly stated that property owners who are illicit community citizens (in the form of specific, chronic, and repeated Code violations) need to be prosecuted.
- In 2025, a cost-of-service study will be conducted, to include cost benefit analysis for PMCA continuing inspections or whether the program should be administered entirely by the Codes office and possibly program fee adjustments in 2026.

Rental Property Code (4,829 rental units billed in 2024)

Year	Systematic Inspections	Follow-up Inspections	Total Rental Unit Inspections
2022	796	510	1,306
2023	805	708	1,513
9/30/2024	880	741	1,621

Property Maintenance Code

Year	Rental Unit Violation Notices	Non-Rental Unit Violation Notices	Vehicles Unlicensed Uninspected	Vehicles Inoperable
2022	87	48	3	2
2023	162	77	18	8
9/30/2024	100	67	36	1

Planning and Zoning Office accomplishments for 2024 include:

- Welcomed Jason Cohen, Budget Administrator, who provides financial management for revenue generated through subdivision and land development plans;
- Worked with Planning and Zoning Commission to review and discuss Zoning Code amendments to prohibit incompatible uses in the Downtown Area and to incentivize new housing included as Goal Recommendations in the Chambersburg Vision 2035 Comprehensive Plan;
- Worked with Solicitor and Finance Department to establish plan to address outstanding escrow and public works security fees associated with subdivision and land development plans;
- Worked with Town Council and Franklin County to implement reapportionment of five Wards, as approved in 2023;
- Worked with Town Council to eliminate the Pedestrian and Bicycle Improvements Plan Advisory Committee;

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

- Processed Ordinance to rezone from Professional Office to Low Density Residential all land proposed for development through Borough Plan RE-1585, a Final Subdivision and Land Development Plan for Maple Run;
- Processed Ordinance to rezone from Low Density Residential to Distributed Commercial Highway a portion of the Melvin Leshar Partnership Property at 1260 Stanley Avenue Extended.

Planning and Zoning Office goals for 2025 include:

- Continue planning and implementation for Southgate Shopping Center redevelopment project;
- Administer newly established policy for escrow and public works security fees associated with Subdivision and Land Development Plans;
- Work with Town Council to determine whether Zoning Code amendments should be approved to prohibit incompatible uses in the Downtown Area and to incentivize new housing included as Goal Recommendations in the Chambersburg Vision 2035 Comprehensive Plan;
- Work with WellSpan Health to process plans for Summit Health Campus Expansion Project, to be partially funded with grant from Pennsylvania Redevelopment Assistance Capital Program;
- Work with the IT Infrastructure Steering Committee to research software solution for code enforcement, permits and licensing.

Subdivision & Land Development

Year	Plans	Land Use Permits	Building Permits
2022	9	511	318
2023	15	490	385
9/30/2024	14	377	196 *
* Data provided 1/1/2024 through 8/28/2024.			

Community and Economic Development

The Community and Economic Development Office is the administrator of Community Development Block Grants (CDBG), HOME Investment Partnership Program grants, Elm Street Program grants, and the Borough’s Housing Rehabilitation Program. The office also provides outreach and technical assistance for a variety of downtown and borough-wide economic development projects.

Community and Economic Development Office accomplishments for 2024 include:

- Welcomed Jason Cohen, Budget Administrator, who provides financial management for grant contracts;
- Worked with Town Council and Chambersburg Area Municipal Authority to implement Southgate Shopping Center redevelopment project, including compliance administration for grants from U.S. Army Corps of Engineers, Commonwealth Financing Authority, PennDOT and PA Department of Conservation and Natural Resources;
- Worked with Chambersburg Police Department and Franklin County Homeless Coalition to provide assistance to homeless people;
- With assistance from Urban Design Ventures, administered contracts for 2020, 2021, 2022, 2023 and 2024 CDBG, to include CDBG-CV;
- Hired Scott’s Hauling & Excavating, Inc. to complete the Meeting Place Greenway Project for total cost of \$269,336, to be funded with CDBG-CV;



Doughboy Statue at east point received well deserved cleaning and waxing

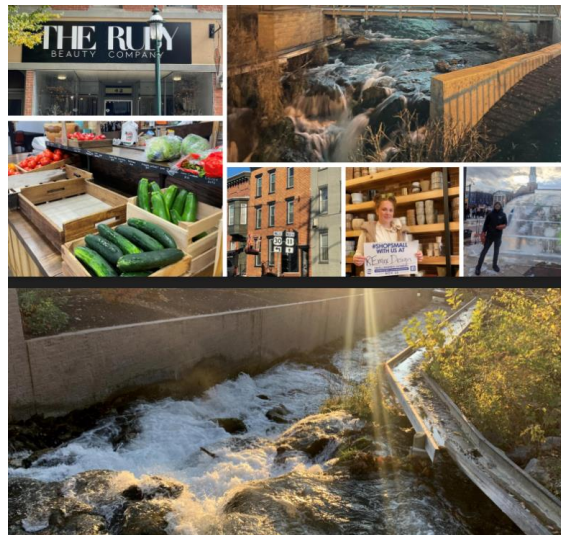


IceFest 2024

Downtown Maintenance (Community and Economic Development)

The Community and Economic Development Office manages a budget of \$50,000, for Downtown Maintenance. These funds are used to pay for watering flower baskets throughout the downtown, pruning trees, bushes, hedges around Memorial Square and in walkways and parking lots. It also pays for sidewalk repairs, maintenance of Chambers Fort Park, including the waterwheel, snow removal and salt on walkways, and at intersections from King Street to Washington Street, tree removal and maintenance of tree pits in the downtown, and brick pavers in walkways.

Thirty-seven (37), flower baskets are placed on electric poles along North and South Main Street, Lincoln Way and at Chambers Fort Park. A contractor waters baskets every day from May to October. Franklin County Career and Technology Center donates the flowers and plants them in support of the downtown.



Downtown Chambersburg, Inc. (DCI)

For 2025, we ask for the same amount (\$30,000) in 2024 to help cover:

- Marketing and Promotions costs
- Business Retention and Recruitment costs
- Investor/Developer Retention and Recruitment costs
- Keystone Community Designation costs and Keystone Opportunity Zone exploration.
- Administration of revolving loan programs & other grant programs.

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DCI's mission is to drive economic development through business recruitment and retention, as well as the administration of programs that positively affect the look, feel and perception of Main Street thereby attracting investment. In 2024, Town Council financially supported DCI to administer the downtown partnership marketing program at a rate of \$30,000, with the condition that the partnership annually raise an amount of cash contributions at least equal to that sum from various charities, merchants, stakeholders, partners or economic development agencies. In 2025, this budget again includes the DCI request to cover its marketing and promotions costs, business retention and recruitment costs, investor/developer retention and recruitment costs, Keystone Community costs and Keystone Opportunity Zone exploration.

Southgate Redevelopment Initiative

The Borough of Chambersburg collaborated with the community to embark on a proposed long-term initiative to reclaim and redevelop the Southgate Shopping Center into a mixed-use residential neighborhood.

The neighborhood's ongoing involvement in the Southgate redevelopment process is vitally important to the success of this community development initiative. To codify the neighborhood's continued participation in the redevelopment project, the approved Southgate Zoning Overlay District legislation includes a provision that established a permanent advisory committee made of neighborhood volunteers, which would review all planned development going forward.



The dilapidated half-empty Shopping Center as it appeared in 2022

Currently, the Board of the Chambersburg Area Municipal Authority (CAMA) is seeking proposals to revitalize the entire shopping center, having been purchased entirely from the previous owners in Ohio using a federal grant and no local tax money.

On July 27, 2023, the CAMA Board met and approved an extension to the Request for Proposals to seek partner developers. Following good discussions with prospective developers, it was the recommendation of staff to wait until 2024 and allow more work to be done on infrastructure projects before the site was offered for re-sale. It was the conclusion of staff that the operation of the shopping center was covering all its own expenses and further, there was much more work to be done on a variety of projects to prepare the site for re-sale. Therefore, the CAMA Board approved an extension of the Request for Proposal until July 31, 2025. The Keystone Rural health Center development project is expected to open its doors in 2025.

Meanwhile, the infrastructure projects currently being undertaken were reported as:

- Demolition of Building #1
- Construction of Temporary Parking Lot at the site of Building #1
- Meeting Place Greenway project
- Water Street Linear Park project

- Multimodal Grant Application and Transportation Set Aside
- Recreation grant applications
- Army Corps of Engineers Storm Sewer project
- Future Cedar Avenue
- Ongoing Keystone Health project

U.S. Army Corps of Engineers Storm Sewer Project

The Borough received a very significant grant from the U.S. Army Corps of Engineers (USACE) under their Section 313 Program, to assist with eligible costs associated with the Southgate Stormwater Infrastructure project. The overall cost for the neighborhood project is \$4.6M and \$2.0M has been already been allocated for reimbursement to the project under the Section 313 program.

A portion of the Borough's overall neighborhood project will be designated as the federal project. Separable elements will be identified so that federal funds provided for the project are sufficient to cover all USACE costs and reimbursements for the project, at a 75% Federal / 25% non-Federal cost share. At the time of grant award, \$2.0M in federal funds was made available, which equates to a first phase of the project of approximately \$2.67M. The project by the Borough is to construct improved stormwater conveyance features for the Southgate neighborhood. Stormwater features will utilize best management practices including bioretention areas with native species, riparian restoration, and stream bank stabilization along the stream corridor.

It is anticipated that engineering and design work will take place in the remainder of 2024, with construction of the new system expected to occur in 2025 and 2026.

This is one of several grant programs being undertaken in the Southgate neighborhood not directly related to the purchase of the shopping center, but to prepare the shopping center for resale.



Route of new community storm water conveyance and bioretention pond

It is important to add bike and pedestrian connectivity to the neighborhood, the new linear park adds recreational resources to target this neighborhood as well. A new linear park in the space that is now Water Street will add a much-needed park to this new improved neighborhood. Parkland is very important to economic redevelopment. Most developers point to accessibility to natural resources as a key to investment. The new Water Street Linear Park will not only be a Rail Trail but also a full park dedicated to the health of the community. The goal is to include exercise stations between W. Catherine Street and W. Washington Street, which will allow persons of all ages and abilities to pause along the trail and undertake exercise. These exercise stations match well the fundamental goals of the Keystone Health community healthcare facility being developed nearby soon.

The CAMA Board has expressed support for not only economic revitalization but personal revitalization from this project.

Meeting Place Greenway Project

The Borough of Chambersburg intends to use three hundred \$365,893, grant that was allocated by the United States Department of Housing and Urban Development (HUD) through the CDBG-CV program for the Meeting Place Greenway Project.



The plan calls for a new Meeting Place Plaza to be installed at the site of the I-Hop Parking Lot

To expend the grant that was allocated by HUD through the CDBG-CV program, the Meeting Place Greenway Project will be provided as an outdoor facility at the shopping center site to mitigate the effects of future coronavirus occurrences. The project will entail removal of approximately twenty-five thousand (25,000), square feet of asphalt, concrete and gravel parking lot. Two inoperable parking light poles and concrete foundations will be removed along with removal and/or relocation of underground and above ground Borough-owned utility facilities that are still in use or need to be abandoned because they are no longer used. The area, which is partially located in the 100-year Floodplain, will be replaced with soil and grass to create a greenway adjacent to the Conococheague Creek. The remaining adjacent asphalt will be delineated with concrete curb to create a boundary between the parking lot and greenway. Where appropriate, curb depressions will channel stormwater runoff from the parking lot into the grass area. To provide pedestrian connectivity and handicapped access to the greenway, an asphalt path will be provided adjacent to the creek, from the sidewalk networks on West Washington Street to Loudon Street. A new 12-foot-wide asphalt path will be installed along the edge of the grass, with the adjacent driveway entrance on West Washington Street being retrofitted as a trail entrance with bollards to prohibit vehicle access. Bollards will also be installed on the opposite end of the new path to prohibit vehicle access from the parking lot, which will continue to serve as pedestrian connectivity to the sidewalk on Loudon Street. The

other driveway entrance on West Washington Street will be closed with curb and sidewalk. The CDBG-CV-funded greenway will be located to the rear of the vacant building at the corner of West Washington Street and Cedar Avenue however, in the future other funding will be used to demolish the building which will be replaced with Borough-owned and maintained stormwater bioretention area to support the shopping center redevelopment project. The Shade Tree Commission will provide guidance for trees and landscaping to be planted and maintained at the greenway park.

This new, publicly accessible outdoor facility, will be owned and maintained by the Borough, creating open space, passive recreation and stormwater management facilities as well as a greenway to accommodate social distancing and mitigate potential future coronavirus pandemic impacts. A subdivision plan has been prepared, to be reviewed by the Southgate Neighborhood Advisory Committee and Planning and Zoning Commission and approved by Town Council, to create the 1-acre parcel where the project will be located, allowing ownership of the land to be transferred from CAMA to the Borough. The Borough will maintain the 1-acre parcel as an outdoor facility indefinitely.

The neighborhood includes residents of the 14-acre area encompassing the Southgate Shopping Center as well as surrounding neighborhoods located in Census Tract 110, Block Group 1 (91.1 % LMI), Block Group 2 (75.7%) and Block Group 3 (LMI 53.1%) and Census Tract 112, Block Group 1 (82.8 % LMI), Block Group 2 (68.3%) and Block Group 3 (LMI 65.7%). These areas are primarily residential, located in residential, commercial and manufacturing zoning districts. Residents of this area currently walk to the shopping center so it is logical to think that they will walk to the outdoor facility, which would become even more important to encourage use of the greenway for recreation in the neighborhood.

This project is consistent with the master plan for redevelopment of the shopping center.

The Borough will administer the CDBG-CV funds to prepare an Environmental Review Record, secure a NPDES permit, if necessary, and prepare plans and bid specifications to secure a contractor to complete the project. CDBG-CV funds will be used for costs associated with consultant services for CDBG-CV compliance, Borough staff compensation to prepare plans and permit applications and to pay the construction contractor hired through the public bidding process.



New Neighborhood Concept Plan Depicting Meeting Place Greenway Project Area

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Highway Department

The Highway Department performs a variety of maintenance tasks for the Borough of Chambersburg. While most jobs involve road maintenance, a significant portion of the workload is dedicated towards helping the Borough perform a wide variety of non-highway related maintenance activities. Frequent assistance is rendered to the Codes Departments, Storm Sewer Utility, and the Gas, Water and Wastewater, and Electric Utility in accomplishing their daily tasks.

Key staff in the department include Charles Nipe (Director of Public Works), Elwood Sord (Assistant Director of Public Works/Roadmaster) and Kolby Mickey (Public Works Supervisor/Assistant Roadmaster) who provides supervision of the crew.

	2023 Actual	2024 Budget	2025 Budget
Operations	\$1,435,151	\$1,488,190	\$1,613,227

The Highway Department is the Borough Department charged with the maintenance of the Borough’s streets and rights-of-way. This involves activities such as filling potholes, fixing large areas of damaged streets (patching), removing leaves, crack sealing, and includes the very labor-intensive process of snow removal from streets after a major snowstorm.

Besides maintaining streets, the Highway Department has provided significant support to other Borough Departments. Examples include:

- For Code Enforcement, mowing lawns and removal of signs in right of ways in violation of local law;
- For the Storm Sewer Utility, construction and maintenance of storm-water facilities;
- For the Fire Department, assisting with fuel spills after accidents;
- For the downtown, repairing damaged cannon posts and crosswalk striping;
- Parking lot and metered parking space maintenance for Borough facilities;
- Maintaining the Memorial Square and Glen Street Fountain;
- For the Electric Utility, setting telephone poles in concrete bases.

While many of these jobs have nothing to do with highways, supporting our partner agencies is a priority for this Department.



Snowy Memorial Square



Installing Handicap Parking Stall



Snow Removal Equipment

Let it snow!

The Borough's snow removal expenses are perhaps one of the most unpredictable General Fund expenses to effectively budget for, as they are directly related to winter weather, which can and does vary greatly in its frequency and severity from year to year. The 2023-24 winter season was a mild winter and did not require extensive snow removal efforts. However, of the \$87,500, budgeted for snow and ice removal from streets and alleys, \$67,700, has been expended to date.



Setting Up the Memorial Square Christmas Tree



Building a Temporary Parking Lot at the Southgate Shopping Center



Helping Social Services Clean Up an Encampment in the Woods



Reinstallation of the Refurbished Glenn Street Fountain

Major items for 2025

In 2025, the Highway Department will continue to fulfill all of the daily types of tasks typically completed. Additionally, the Borough plans to hire construction teams to rehabilitate the Kennedy Street, Dump Road, and Second Street bridges. This maintenance is a requirement of PennDOT's, and is being budgeted for \$350,000. The Limekiln Drive bridge estimates have grown to \$1 million to fix. That project was delayed in 2024 and hopefully will move forward this year.

Customer service is a key component of the Highway Department. The department takes pride in completing tasks in an efficient manner as quickly as possible. For instance, if a complaint of a pothole is received at a reasonable time of day, on most occasions we will be able to fill the pothole on the same day the complaint is received. Likewise, emergency response is standard 24 hours per day, 7 days per week. If a tree is blocking the cart-way or a stop sign is down, crews are dispatched to correct the issue no matter the time of day. We hope to continue this level of service, while also finding new and better ways to serve the citizens of the community:

- The Department will continue to assist the Storm Sewer Utility in the remediation of storm water related problems throughout the Borough.
- In 2023, the Public Works Department presented a next steps plan for alley paving and reconstruction to Council for consideration. Council chose to begin funding this plan of action in 2024. In 2024, seven alleys and/or alley segments were completely reconstructed or repaved.
- On those streets where large sections have failed, but do not merit a full-street repave, we hope to do once again large-scale patching operations in 2025 (if the 2025 Budget permits).



Highway Department Employees Building Curbs and Hauling Materials for Street Paving Projects

Non-Utility Ditch Patching:

An increased emphasis on patching streets, from small potholes to large patches, is reflected in the "Patching of Paved Streets" line item. This is set in the 2025 budget to \$229,700. Money previously set aside for alley patching has been redistributed to our alley rehabilitation program. The 2025 budget anticipates \$300,000, will be available for reconstruction and paving. Of the anticipated \$300,000, \$105,000, is contributed from the Sanitation Utility and \$100,000, will be contributed from the Storm Sewer Utility.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Real estate taxes levied now do not cover any of the cost of paving alleys.

Further, there are not enough funds provided by our Highway Aid grant money (a grant provided through PennDOT based on the sale of Liquid Fuels) to provide sufficient resources to fix and pave any of the alleys throughout the Borough.

The Borough owns many (although not all) of the back alleys. It appears the Borough has taken possession of more back alleys than a typical municipality of our size. With the completion of the 2022 Alley Analysis Report, the Borough Manager instructed the Public Works Director to move forward with the included plan of action in 2023. This plan of action was presented to the Borough Council in the summer of 2023 and they have supported a rate increase to Sanitation to increase the budget amount thereby allowing alleys to be completely repaved. In 2024, the Council will be asked to add a Storm Sewer Utility contribution of \$100,000 in the 2025 budget.



*Some Alleys Serve
Just a Few Homes*



*Others Provide Storm Water Conveyance or
Sanitation Truck Routes*

Wagner Supply Building and New Wayne Avenue Public Works Facility

At the end of 2019, the Borough had the opportunity to acquire a vacant commercial building at 366 Wayne Avenue in order to plan the relocation of the Sanitation, Motor Equipment, Highway from the Loudon Street Garage, the Highway Department, the Engineering Department from City Hall, and find a home for the Water and Wastewater street crew.

In a transformational project for the neighborhood, the Chambersburg Sanitation Utility purchased the old abandoned cold storage building on S. Fourth Street. This derelict and blighted structure was demolished in 2023, and the land will be incorporated into the new site of the Borough's future Public Works Campus facility. The ARPA grant provided sufficient funding to secure the building, plan for and help pay for its demolition and the clearing of the site. Additionally, this location may also co-locate future stormwater facilities to alleviate chronic and repeated flooding on S. Fourth Street. Finally, the site may also provide a part of a future pedestrian trailhead connected to the Borough's Rail Trail, which now terminates at S. Main Street.

The site, recently the home of Wagner Supply Depot, was expanded in 2021 with the purchase of the adjacent private home at 342 Wayne Avenue, which was demolished in early 2022. In addition, the Water and Wastewater utilities purchased adjacent property at 1435 S. Fourth Street to add to their use of the new public works facility. Following purchase, the property was transferred to Sanitation who will own the site and lease it back to Water and Wastewater. The demolition of this property was completed in mid-2023. As part of the 2024 budget, Council approved the purchase of the remaining homes that abut the Wagner Property along S. 4th Street and Wayne Ave. Of the 14 properties, eleven opted to sell to the Borough. Demolition of those properties is expected to commence in the fourth quarter of 2024 and be completed in the second quarter of 2025.

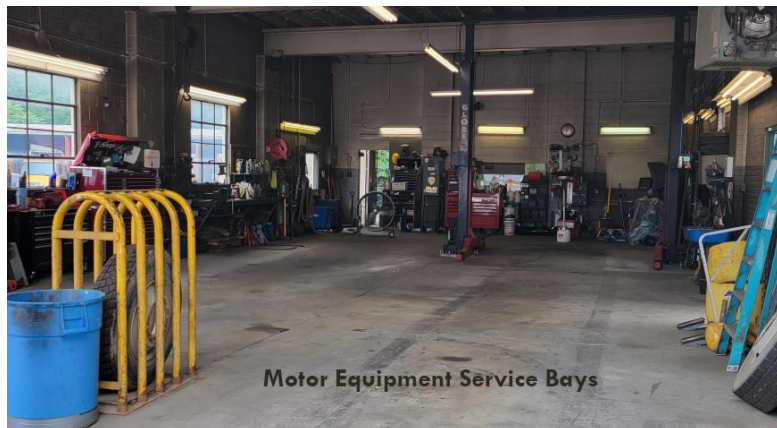
The construction portion of this project entered into the bidding phase the fourth quarter of 2024 with an award and funding decision anticipated by Council in the first quarter of 2025. If approved, construction is expected to begin in the second quarter of 2025 and continue through the third quarter of 2026.



Existing public works facility on Loudon Street dates from the beginning of the last century



Existing public works facility on Loudon Street has inadequate vehicle storage, maintenance bays, and is in the floodplain – would be unusable in an emergency



The site, once the home of Wagner Supply Depot, will be renovated over time to eventually replace the existing Borough public works facility located on Loudon Street at the corner of S. Franklin Street. The existing facility on Loudon Street is reaching the end of its useful life. Problems exist, including vehicle maintenance bays that are too small for today's modern trucks, poor equipment and materials storage, no room to grow, a cracked foundation, and is in the floodplain along the Conococheague Creek.

This budget includes a plan to borrow up to \$10 million to begin construction in 2025. A second borrowing will be necessary for 2026 if this plan and budget are adopted by Town Council.

Town Council is now being asked to commit to construction as the a bidding of the project to develop fixed costs will be available with this budget as well as the final funding plan with the 2025 budget.



New Public Works Campus project – approval is contemporaneous with adoption of the 2025 budget

General Government



General Government functions include a variety of activities from the organization and management of Town Council to various intergovernmental activities, to payment of General Fund general expenses such as insurance, memberships, civic activities, and the Shade Tree Commission. Intergovernmental affairs include activities associated with the Council of Governments, County Boroughs Association, the Pennsylvania State Association of Boroughs, and the Pennsylvania Municipal League, and training and conferences for elected officials. Downtown maintenance, including trees, sidewalks, walkways, and signs. Finally, the reimbursement for Special Civic Events is passed through General Government.

Department Director: Jeffrey Stonehill, Borough Manager/Director of Utilities

	2023 Actual	2024 Budget	2025 Budget
General Operations	\$2,377,869	\$2,977,175	\$2,473,380
<i>Includes insurance, tax collection, printing, dues, legal costs, training, back office, and advertisement of ordinances</i>			
Civic & Downtown Operations	\$693,580*	\$469,399	\$462,200
<i>Includes emergency management, Shade Tree Commission, and civic events</i>			
Transfer to Capital Reserve, etc.	\$1,416,805**	-	-
<i>Includes transfers for street projects (if available) and other capital projects such as the Temp. Police Station</i>			

* - Included the repair of the Memorial Square Fountain

** - Included the final payments associated with the temporary police station and the American Rescue Plan Act funding

Downtown Operations includes the major item of Southgate Shopping Center operations (\$345,810), which is completely offset by Southgate Shopping Center lease payments, so no local tax money is used for this purpose. Civic Operations includes money to maintain fountains and downtown trees. The Shade Tree budget remains unchanged at \$20,000. Maintenance of Landscaped Areas falls to \$55,000 per year.

Not included in the budget, but planned for each December beginning in 2014, the Borough uses this Cost Center to transfer miscellaneous revenue to the following year's General Capital Reserve to ensure there will be a street paving program. We never budget for the transfer, but we hope that it is around \$1 million. If the General Fund has a tough year, there will be no transfer and fewer streets paved the following year. There was a transfer of \$1,000,000 in 2023; 2024 remains unclear.

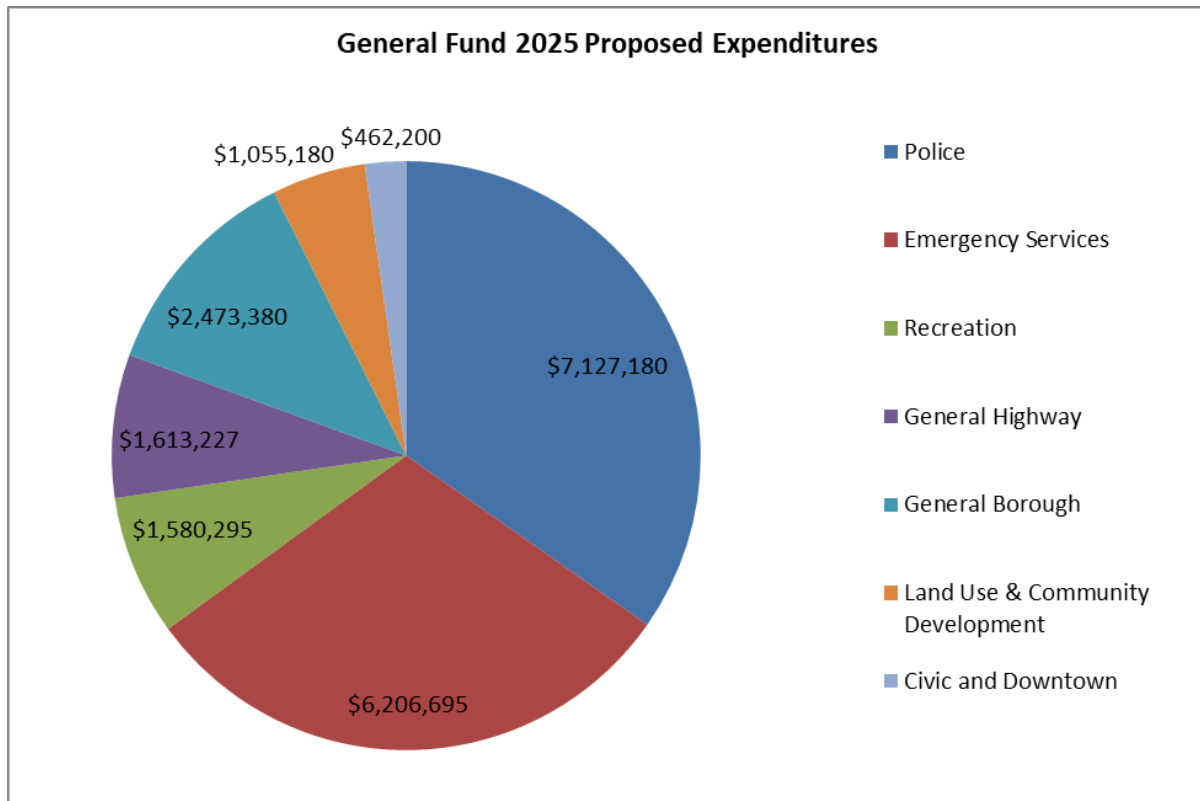
This Cost Center includes compensation for elected officials (including the Tax Collector) as well as money for insurance, safety expenses, printing, advertisement and the costs associated with the Wage Tax Bureau. This Cost Center includes money for the Solicitor's general activities (rather than utility funds). This Cost Center includes expenses for civic purposes, downtown festivals, maintenance of walkways/benches/trees, operation & maintenance of fountains, maintenance of landscaped areas around town, Shade Tree Commission expenses, and Emergency Management.

Major items for 2025:

- Elected officials' compensation remains fixed with no increase (per State law).
- Borough Solicitor compensation will rise 2.5% in 2025. In addition, the Solicitor has made a request to not increase the January lump sum payment received for administrative back-office operations.
- This budget keeps the Shade Tree Commission funding to \$20,000 to support the work of the Commission (tree grants, downtown tree improvements, and tree pit material testing).

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- Support of the Ice Fest Ice Slide installation will continue at a cost not to exceed \$15,000.
- The Borough will continue to financially support Downtown Chambersburg Inc. to administer the downtown partnership-marketing program at a rate of \$30,000 per year for 2025 as matched by cash contributions at least equal to that sum from various charities, merchants, stakeholders, partners, or economic development agencies.
- The Borough will continue to participate and support the efforts of the Downtown Business Council to have successful events that bring visitors and commerce to the downtown, with a lump sum cash grant of \$5,000 for that purpose, of which \$1,200 to be used for Christmas lights and decorations; not including the dozens of hours of staff time as in-kind support.
- There is no support for any other community organizations in the proposed budget.
- The Borough will continue our program of regular maintenance of the Memorial Square and Glen Street fountains.



	2025 Budget	
Police	\$ 7,127,180	34.7%
Fire & EMS (Emergency Services)	\$ 6,206,695	30.2%
General Borough	\$ 2,473,380	12.1%
General Highway	\$ 1,613,227	7.9%
Recreation	\$ 1,580,295	7.7%
Land Use & Community Development	\$ 1,055,180	5.1%
Civic and Downtown	\$ 462,200	2.3%
Total Expenditures	\$ 20,518,157	
Total Revenue	\$ 20,518,157	

When combined, Police, Fire, and EMS make up 64.9% of the General Fund operations. The General Fund is always balanced.

Chapter 4 - Enterprise Funds Budgets

An enterprise fund establishes a separate accounting and financial reporting capacity for borough services for which the Borough collects a service charge or fee in exchange for services provided. It is a business-like operation, separated financial and accounting-wise from other operations. Chambersburg has a preponderance of business-like operations. Under enterprise fund accounting, accounting separates the revenues collected and expenditures related to services into separate accounts. Each fund has its own financial statements, rather than commingled with the revenues and expenses of all the government activities of the General Fund.

Enterprise funds may be established, "for a utility, healthcare, recreational, or transportation facility." Examples of which include the following:

- Public utilities – water, wastewater, storm sewer, or sanitation operations;
- Healthcare – day care centers or nursing homes;
- Recreation – skating rinks, pools, or golf courses;
- Transportation – airports, marinas, or port facilities.

A borough may not establish enterprise funds for a normal government operation or service, such as police, fire, code enforcement, or zoning services. Those are governmental-type activities.

Creating an enterprise fund does not create a separate or autonomous entity from the municipal government operation, as would be done with a municipal authority, although an independent authority is often an alternative approach to enterprise creation. The borough department operating the enterprise service continues to comply with financial and managerial requirements like every other department, supervised by the Borough Manager, who is also the Director of Utilities.

Financial transactions are separated into these funds in order to provide Council and taxpayers with information to:

- Gauge performance;
- Analyze the impact of financial decisions;
- Determine the cost of providing a service; and
- Identify any transfers from other funds in order to provide services.

Enterprise funds allow the Borough of Chambersburg to express to the public the cost of services provided. They also allow these enterprises to utilize our internal service fund or cost based accounting method by renting vehicles, or paying administrative, or engineering expenses.

In addition to major utility enterprise funds such as the Electric Utility, Water Utility, Natural Gas Utility, Sanitation Utility, and Wastewater Utility, Chambersburg also maintains other enterprises such as a Storm Sewer Utility, the Parking, Traffic, and Street Lights Utility and the Aquatic Center; all operated as separate enterprises of the Borough.

Beginning in 2017, Chambersburg added the business-like operations of the Aquatic Center. This is common for municipal recreation facilities, like swimming pools or golf courses. Therefore, operating in an independent fund, the Aquatic Center manages independent finances. Further, Council uses taxes to cover the debt that was used to build the Aquatic Center and other Recreation Department improvements, so the enterprise only needs to balance its operating costs, and reserve for maintenance and infrastructure.

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Electric Utility



The Chambersburg Electric Utility takes a long-term strategic view of managing a nationally-recognized public power system, all while building character, competence, and collaboration. We will provide to our customers’ valuable energy products and services that are safe, reliable, and competitively priced. The Electric Utility will produce economic and other benefits to the Borough, its citizens, its customers, and employees. We operate in a professional, ethical, and courteous manner, accountable to Borough management and Town Council policy-making.

Utility Director: Jeff Heverley, PE

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$33,046,770	\$35,213,550	\$37,633,610
Expenses	\$31,281,736	\$35,213,550	\$37,633,610
Excess (Deficit)	\$1,765,034 Surplus	- Balanced -	- Balanced -

The goal is to produce approximately \$2,000,000 per year in excess revenue, as the necessary maintenance of the distribution utility costs approximately that much per year in investment. In 2023, the excess resulted in a transfer to the Electric Capital Fund.

An increase in Electric Rates for the first time in over ten (10) years was instituted in 2023. This budget includes the implementation of new revenue enhancements for the Electric Utility, begun with the 2023 rate study. In 2023, for the first time in over ten (10) years, the utility did a comprehensive study of electric rates, which is impacting 2025 decisions. It had become clear over the last year or two that the extremely low retail rates enjoyed by Borough customers was having a deleterious impact on the finances of the system. Specifically, without recovering sufficient cash from customers, the once abundant capital reserves of the department, necessary to sufficiently invest each year \$1,000,000 to \$2,000,000 per year in mission-critical infrastructure, was mostly, if not completely, depleted.

Chambersburg once proudly boasted one of the lowest retail electric rates in the Commonwealth. Perhaps, too low. While neighboring investor-owned utilities were implementing double digit rate increases, Chambersburg held the line on rates. This resulted in neighboring utilities with 50% to 100% higher retail rates than inside the Borough. It also resulted in an unsustainable position for Borough-leadership. Once the study was completed, Council immediately suggested, and staff began work upon, an 11.3% average overall rate increase to be followed by 1% to 5% rate increases scheduled for 2024, 2025, and 2026.

This 2025 budget includes estimates of the new revenue generated by the already-approved retail electric rate increases in late 2023 and mid-2024.

When the Electric Utility embarked upon rate maintenance to determine adequate and fair increased rates in 2023 for 2024 and 2025, the need to create sustainable rates was the goal. The Electric Utility only wishes to cover operating expenses and remain one of the lowest cost energy providers in Pennsylvania.

Despite already having two rate increases, Chambersburg still enjoys the third lowest retail rates in Pennsylvania. As a public power utility, we can maintain low rates and reliable service for customers.

Public power utilities are rooted in and committed to the communities they serve, and invest revenues directly back into the community. Public power supports local commerce, employs 93,000 people in hometown jobs, and invests more than two billion dollars annually directly back into their communities.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Background

The Electric Utility serves over 11,750 electric meters in South Central Pennsylvania, covering a service territory of about 6.5 square miles in the Borough of Chambersburg. Chambersburg's electric customers, unlike many other public power communities, are still composed of a diverse, healthy, and traditional mix of residential, commercial, institutional, and industrial facilities. Therefore, the Borough must plan years ahead to have the energy and peak power available to meet the higher forecasted electric loads, while also trying to keep costs to a minimum.

The availability of electricity to the Borough of Chambersburg began sometime after the Franklin Electric Company applied for a Charter to furnish electric current on August 29, 1874. It is uncertain how long this firm remained in business in our area. The Cumberland Valley Railroad Company constructed a portable electric light plant located on a railcar in 1883. In 1884, this device lit arc lamps around Memorial Square for the Centennial Celebration and lit the grounds for a baseball game, which was played one night on North Third Street at the corner of King Street, the first organized night baseball game anywhere in history.



Credit: Mike Marotte, III.

On November 29, 1889, the Borough placed a contract for installing the Borough's own Electric Light Plant to light the streets of the Borough for \$9,757. From dark until midnight, they operated the street lighting system. It did not operate on moonlit nights. In 1891, the Borough went into the commercial phase of supplying "current" to consumers. The Borough installed its first steam-driven generators along the Falling Spring in 1893. The high voltage distribution system naturally grew over the years from the power plant just off Light Avenue. This system became the central driving force for commerce as local industries embraced electrically driven machines. Rates were \$0.12 per kilowatt-hour in 1901, \$0.06 in 1935, \$0.0842 in 2008, and mid-2021 the overall average cost per kWh was around \$0.08959. About 8 million kilowatt hours were generated in 1935. In 2008, the total billed kilowatt hours were 303,299,213. In 2020, the total billed kilowatt-hours were down about 3.7% under the 2019 level at 298,902,132 kWh, due mostly to the local COVID-19 pandemic effects, with the Borough's generation facilities and contracted landfill gas-to-power facility producing about 16% of that annual total. Sales have since rebounded with new growth to 314,970,638 kWh in 2023, the last full year with records.

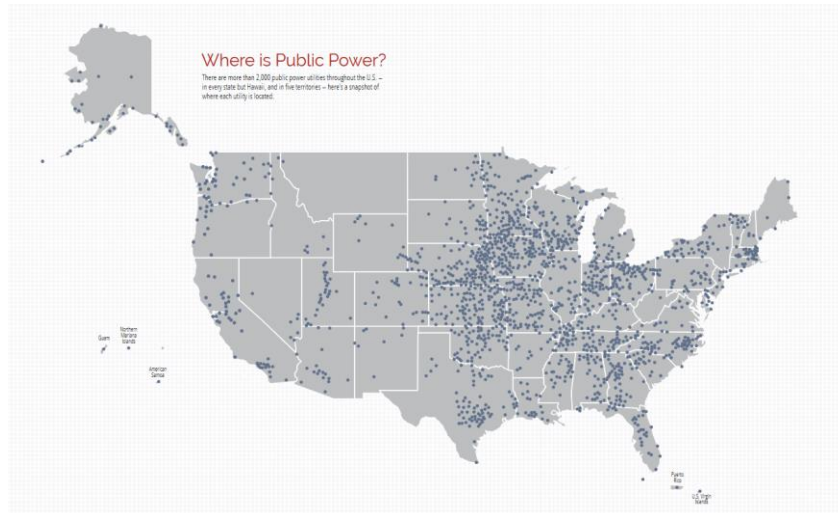
Chambersburg is unique in that we have a significant summer peak for power supply as well as a growing demand for energy in the winter season as well.



Crew from the Electric Utility in 1936 on Light Avenue

Expansive change in the Electric Utility’s business model came when the Borough’s long standing single power supply agreements with DTE Energy (the former Detroit Edison) expired on December 31, 2012. The Electric Utility has since been entering into multiple new lower cost wholesale power supply agreements; a practice which started in 2013. The cost of wholesale energy generally remained very favorable during that time and through about mid 2022, at which time the future market prices for power began to rise. Electricity is a commodity; bought, sold, and traded hour by hour, every day of the year.

Chambersburg is the largest public power system in Pennsylvania. The Borough owns most of the poles and supplies electricity on a non-profit basis to a majority of homes and businesses within Chambersburg. It is more typical than many know that a local municipality may be an electric supplier. There are more than 2,000 public power utilities throughout the U.S. One in every state but Hawaii, and in five territories. Below is a snapshot of where each utility is located.



Due to new wholesale market variability, in 2010 Pennsylvania adopted a change to the Borough Code to allow the 35 municipal electric systems to acquire energy in a different manner and in a strategically better way than in all of history. The Borough can negotiate and buy energy purchases without the cumbersome and untenable bid process typically used to buy large items. In light of this authority,

Chambersburg, with its consultant, GDS Associates of Marietta, Georgia, developed a Power Supply Master Portfolio Plan, which Town Council adopted on May 14, 2012.



The Borough has a portfolio of wholesale power options in addition to our own generation assets. Management of the portfolio is intended to provide Chambersburg homes and businesses with the lowest possible energy rates while maintaining a high level of reliable electric delivery.



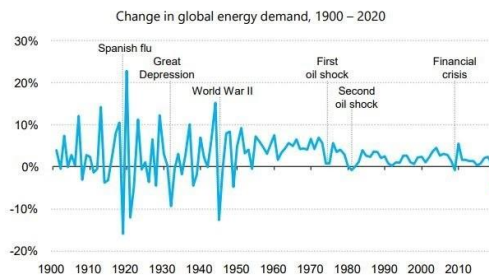
#PublicPower

Source: Public Power Pays Back, American Public Power Association, March 2018

Demand on Load 2020-2023

While the COVID-19 health crisis had a temporary impact on load consumption for the Borough system in 2020, the portfolio adopted by Council allowed a portion of each day’s wholesale needs to be purchased daily on the “spot market.” This prevented the sales downturn from accruing to the Borough as excess power capacity and energy purchases with exorbitant or un-recovered costs. This is the advantage of daily portfolio management. Further, throughout the late 2020 winter, stay-at-home workers, a unique development in the health crisis, drove up residential electric uses whereas commercial electricity consumption dipped. There was a short period during the pandemic when industrial facilities were completely closed, but that did not last long. While industrial consumption dropped at first, contributing to the shortfalls of budget electric consumption in the first and second quarter of 2020, it quickly rebounded in 2021 and consumption continued mostly stable throughout 2022 and into 2023.

Coronavirus: a once in century event for energy demand



The shock to energy demand in 2020 is set to be the largest in 70 years. In our estimate, global energy demand declines by 6%, a fall seven times greater than the 2009 financial crisis.

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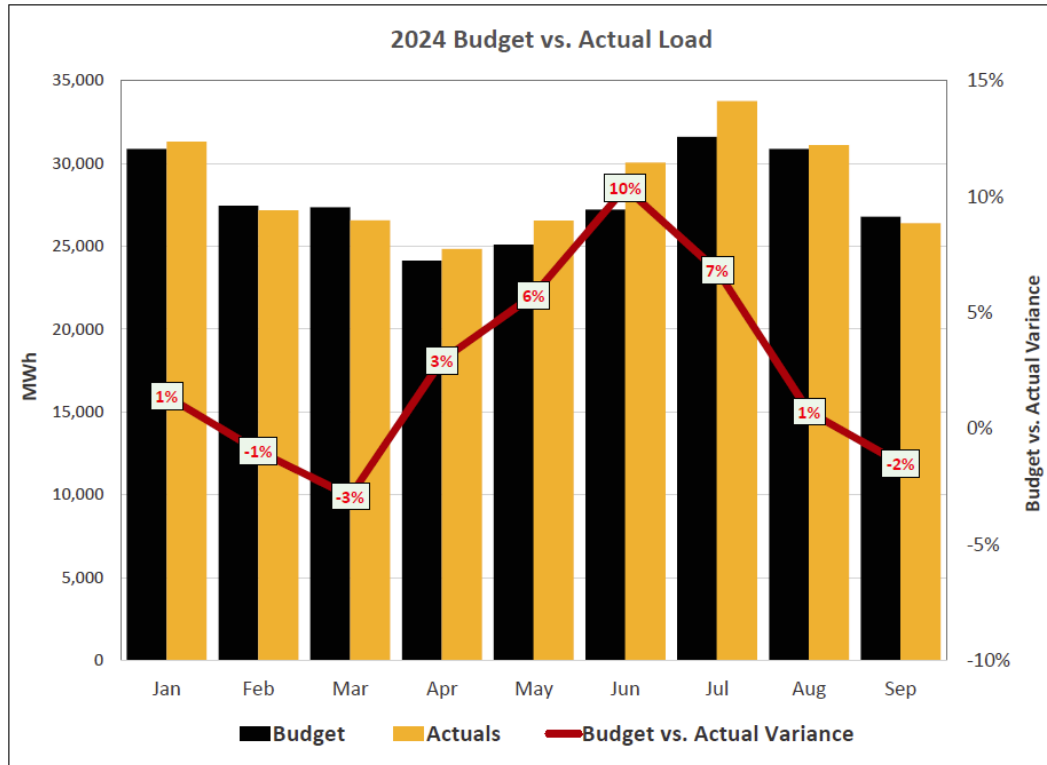


Added to the Pandemic-related electricity consumption reductions from budget in 2020, there were some weather-related effects. The months of January, February, and March had significantly fewer heating degree-days (a measure of how much heating energy might be needed for heating) than the prior year, coupled with COVID-19 reductions, which may mostly explain the steepest energy use drop during the first half of the year. The energy sales in the first half of 2020 dipped down below budget by about 12% at its worst in April 2020. They recovered to a positive 11% in July 2020, but then with the difficulties of the year, closed out with a net-negative 5% below forecast.

The 5% below budget outcome was balanced on both the revenue and expenditure side of 2020, with no long-term net impact on Electric Utility finances.

Seeing the overall increase in energy sales trends toward the end of 2020, there were still some sectors of industrial and commercial load that were historically below average, and remain so to this day (some vacant commercial real estate). During the year 2021, sales of electric energy continued the trend upward at a moderate rate. Furthermore, the system saw some new industrial customers that did quite well in 2021, and with the first half of 2022 became a more stable buying pool. Overall, after the 5% dip in sales in 2020, 2021 was right back up to 2019 numbers, which remained fairly flat in 2022 and 2023 even with new residential and commercial metered customer growth. Sales are trending upward throughout 2024.

The Borough has shown full load and retail sales recovery and more from the COVID-19 pandemic of 2020-2022, but market volatilities and unbalanced supply chain price increases have begun to appear. With the resurgence over the past couple years following 2020, coupled with expected customer growth, the projections were for higher load in 2023, but that was not the case with actual load coming in about 8% lower than projections for the year. 2023 ended up being a slight drop in customer sales from 2022. Projections going forward for 2024 and beyond have been tempered back some so that we are not getting to the point where we have over-purchased with our hedged supply deals. So far, 2024 is tracking slightly over budget overall.



Through September of 2024, the overall Electric Utility operating cash, cumulative revenues minus expenses for the year, is showing a positive position of \$2,554,177, due mainly to the effects of rate increases to build back depleted funds coupled with a favorable year of market conditions and generation. Energy prices had increased dramatically and now dropped back while capacity prices have also fallen off significantly over the past wholesale power delivery year. There are a lot of moving parts in the markets including generation and transmission systems, energy flows, costs, and the various market-pricing mechanisms. Fortunately, as 2023 proceeded, market energy costs stabilized and seemed to come back down into 2024. The Borough seems well hedged to take advantage of many of the available market fluctuations and for the ultimate benefit of its residents, but there are still uncertainties that the Department is watching during 2024 into 2025. Furthermore, the production of our mix of network resource and behind-the-meter assets remains our biggest strength in hedging the uncertainty of energy and capacity prices.

Any decline in energy use because of a local economic downturn, as temporarily witnessed during Covid-19, is mitigated by the Borough’s portfolio purchases of electricity. As consumption decreases, for whatever reason, the Borough’s energy wholesale purchase expenses are also reduced proportionally by not purchasing as much expensive energy on the margin (“Portfolio of Energy Products”). Another cost-saving phenomenon in the “portfolio” benefits kick-in which applies if there is a reduction in energy demand/use for any reason (i.e., recurring recession, COVID up-tick, or other similar event). When prices are up, as observed over the recent years, the Borough merely purchases less of the expensive market balancing power for its residents, thereby lowering the portfolio all-in cost per kWh.

We are managing the purchasing based upon the vagaries of the load and the local economy. In 2024 the Electric Utility saw a change at the top of the customer list from the long-term highest users of TB Woods, Chambersburg Hospital, and Ventura Foods. The Curaleaf cannabis cultivation facility has taken over as the top electric customer of the Borough, with existing building space to further increase usage over the coming years as applicable legislation would change.

Looking forward to the 2025 budget-year, the local economy appears stable with construction seemingly back to normal. There is always a level of uncertainty and risk of unforeseen changes in the power industry over time. Chambersburg is not immune to market variability or the impacts of national and state legislative initiatives. The utility is positioned well and may be, in some circles, considered as a more nimble and well-connected PA Borough utility. As a result of these observations, and while expecting some increased volatility, possibly major at times, Chambersburg also evaluates and remains actively involved with watching progress and in the development of regional and national public policy.

Historic Challenges to Public Power in Chambersburg

Dissatisfied persons within the Borough sought to restrain the Borough from producing electricity in its very early years. Fortunately, the courts dismissed a legal challenge around 1904 and preserved the Borough’s right to be one of Pennsylvania’s founding electric systems. The now named “Park of the Valiant” on North 2nd Street, near the Headquarters Fire Station, was built in the 1938-1939 time period as a “floral park” to commemorate the success in keeping local control of what was, at the time thought to be, and has since turned out to be, one of the Borough’s greatest financial assets. The commemorative plaque was cleaned this year. Further, a tree re-planting project is underway with assistance of the Shade Tree Commission.



Park of the Valiant Fountain and the Park Pavilion

Public power has enjoyed both support and opposition since the beginning of electrification (Borough of Chambersburg, circa 1893). Public power is often challenged, sometimes by powerful corporate interests. These discussions and viewpoints however have grown in recent decades. The expanding corporate versus government dichotomy has become a chasm in some cases. Currently, in many States there are electric utility operational difficulties and public uprisings against cost/service divergence, leading to a number of

municipalities, nationwide, considering becoming public power entities. These towns, some small and some as large as Pacific Gas & Electric in California, are being faced with significant reliability of service and cost pressures. Therefore, some electric transmission distribution company operating models and their viabilities are being called into question. Public Power entities, when run well, avoiding the profit motive, have the potential to achieve and to maintain the longest records of accomplishment of providing excellent, reliable public services, and at the lowest costs. It is not always good news for public power; however, some large public power systems including Murfreesboro, Tennessee, and Vero Beach, Florida, are considering liquidation. The Murfreesboro City Council in a 6-1 vote, agreed to sell the Murfreesboro Electric Utility in January 2020 for a base price of \$245 million to the larger Middle Tennessee Electric Membership Corporation, an electric co-op. On June 5, 2018, the Florida Public Service Commission (FPSC) approved the \$185 million purchase of the Vero Beach municipal utility by Florida Power & Light (FPL).

Closer to home, in Pennsylvania, many times legislation has been introduced in Harrisburg with ideas to make the provision of public power more challenging and to favor private industry and commerce at the expense of lower electric rates and hometown control. It is important for a new generation of the valiant to fight off these efforts.

Historic Generation



For the first fifty years of operation, all electricity distributed by the department was produced within the Borough by its own generating equipment, which was added as needed for customer load growth. During World War II, generators were unavailable to meet increased generation demands by the local industries producing for the war effort. Thus, a 69 kV transmission line was constructed from South Penn (later becoming West Penn Power Company) to augment the Borough’s generation. After the war-related restrictions were lifted, Chambersburg began to invest in needed generating equipment into the 1940’s - 60’s, with the addition of boilers and steam turbines and later two dual-fueled diesel/gas engines respectively.

In 1975, the decision was made to cease the Borough’s steam-driven generation operations because of the age of the equipment and the new environmental requirements for burning coal. Most of the electricity was then purchased at wholesale rates from West Penn Power’s predecessor, Potomac Edison. The transmission system and distribution substations were expanded over the next thirty years to meet an ever-increasing customer load.

During the past several decades, the Electric Utility continued to add to and upgrade the substations and the distribution system. In 1999 a new 3.2-megawatt dual-fuel generator was added to the two existing dual-fuel units, which increased the Borough’s generating capacity to 7.5 megawatts. The Electric Utility also upgraded to state-of-the-art control systems and installed a Supervisory Control and Data Acquisition (SCADA) system network. During this time, the Borough had been developing and installing a Borough-wide Geographical Information System (GIS) to combine utility maps, customer service records, and numerous data files into a single geographical and reference system. The Electric Utility has been instrumental in installing a fiber optic cable system among the various substations and other Borough facilities located throughout the Borough. This installation expanded in 2013 by entering into a fiber optic

sharing agreement with Franklin County. The Borough’s fiber backbone is now being used to support the infrastructure of government organizations, its own computer networks, and increasingly, the Borough’s traffic signal systems. In 2021, the Borough network was significantly expanded to incorporate the Borough-wide traffic signal upgrade project and the newly constructed Franklin County office facilities, including the new courthouse complex on Memorial Square.

In 2021, and completed in 2022, all three engines were overhauled and new control systems were installed, including a vertical drive vibration monitor on each engine generator set at the Falling Spring Generating Station. In 2021, Town Council made a policy decision to renovate the Falling Spring Generation Station electric generation assets and to change their designation from grid network resources to behind-the-meter (BTM) generation, for supplying the Borough customers’ power on an as-needed basis rather than the grid and to mitigate growing transmission costs in doing so. The plant was effectively BTM as of June 1, 2023. Operations staff have so far been successful, and engine equipment has cooperated in successfully hitting all of the annual peak hours to reduce our grid reliance and charges.

In 2024, existing technologies, utilizing various fuels, traditional electricity generation, as well as new generation, renewable energy technologies, and the changing wholesale power marketplace, are adding complexity to Chambersburg’s business decision-making. All of these competing business forces add demands for management’s attention. The Electric Utility is conducting necessary periodic maintenance, developing multi-year and complex capital improvement plans, strategic equipment additions, customer growth, service, and satisfaction benchmarks, while developing staff, succession plans, and supporting systems and teams.



Falling Spring Generation Station – Engines, Controls, and Renovations 2021-2022

Chambersburg’s largest generating facility, the Orchard Park Generation Station, undertook a major control system upgrade of two engine/generators in 2021, while also maintaining and running the Wärtsilä (Finland) constructed power plant, including the four, eighteen-(V) cylinder, 8,086 horsepower engines that generate about 5.8 megawatts each. The original \$20 million project, which included the construction of an adjoining substation and other system improvements, became operational in 2003. Because of the new power plant, the Borough joined PJM Interconnection, a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. This allowed Chambersburg to purchase and sell electricity directly from and to the grid.

In 2009, Council agreed with staff’s proposal to halt work and spending on the original landfill gas project as it was being conceived at that time. Responding to developments in purchase power markets, beginning in 2012, the Borough embarked on a new phase of both wholesale power purchasing and

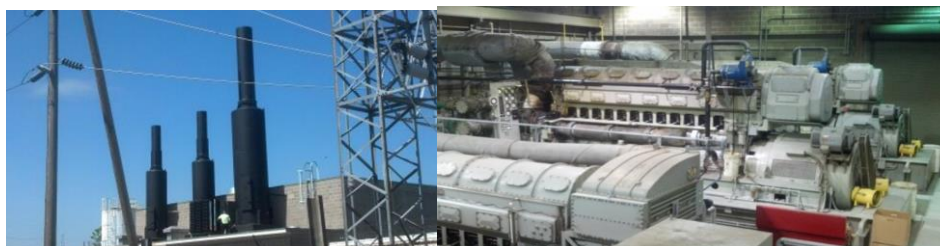
generation additions. The landfill project was originally intended to be a high-BTU gas refinery, to be built and operated at the Scotland Landfill site by the Borough and/or a refined gas pipeline to the Borough for mixing and consumption at Orchard Park Generating Station. The conclusion of staff's analysis was to change directions with the landfill owner (Waste Connections), abandon the refinery development process, and to see if a third-party private power plant developer would contract with the Borough for a simpler concept. The Borough Manager suggested a more economically viable electric "extension cord" power project to bring power from the landfill to the Borough. This was the only remaining project concept that would be considered going forward. As was somewhat expected, in 2010, PPL Renewable Energy contacted the Borough to solicit interest in a power-only project involving their development of the Scotland Landfill site. The Borough's role in the development of this project was the ambitious plan to build the just over 4-mile long "extension cord" to deliver the power to Chambersburg, which was then completed on time and under budget. The plant went into commercial operation in early 2013.

Since the beginning of operation, the landfill gas power plant has been sold several times. First, Talen Energy acquired it, and then Talen Energy sold the facility to Energy Power Investment Company (EPIC). NextEra Renewable Fuels Investment Company is the current owner.

In 2019, a Second Amendment to the Power Purchase and Sale Agreement was entered into between the Borough and EPIC. This agreement extended the Borough's purchase term and at a significantly reduced rate. The original agreement from back in 2009 was set to expire at the end of 2022. The overall term was extended by ten years to the end of 2032. The original rate of \$63/MWh was reduced to a maximum of \$51/MWh beginning January 2020. The agreement also created a provision to allow for further rate decreases corresponding to any improvement the Borough can provide the owner in their methane purchase price from the landfill. Through the Borough Sludge Hauling and Disposal agreement with Waste Connections, Waste Connections extended a discount to EPIC for the methane purchase, which further lowered our purchase price to \$49/MWh starting on March 1, 2020, translating to an approximate 22% reduction from the value of the original agreement. This deeper discount will extend through at least the end of 2024. Overall, these purchase price decreases from the original agreements will save the Borough almost \$700,000 annually, but still dependent on the actual facility output/capabilities.

As it is with the various developing electric markets themselves, the Borough has found it best to be served by many and differing sources of power supplies, "a portfolio" of both power purchase agreements (PPA's) and iron in the ground or real electricity generation plants, including new renewable and sustainable sources. The commercial trademark of Chambersburg is that it has managed for its customers, generation assets, interconnections, and power purchasing agreements for over 130 years. There were coal fired-steam power plants in Chambersburg up until the 1970's; now there are many technologies and opportunities for the Electric Utility and the "Power Team" to consider carefully.

Reciprocating natural gas/diesel (dual-fueled) engines were introduced in the 1960's to supplement the growing power supply needs of Chambersburg at a cost of approximately \$5,000,000.



*Falling Spring Generation Station
Unit #7 (1999) in Foreground, #6 (1968), and #5 (1968)*

The previous Electric leadership, our team of engineering and management consultants, and Town Council had the foresight to add more engine-generators in 2003, at a cost of approximately \$20 million. The decision to add more generation assets came at a time when power costs were still relatively inexpensive. The strategic planning and decisions made by Council back then would ultimately become the solution to lowering and stabilizing costs and retail rates during the period from 2010 through today. The last bond payment for this plant was made in 2022, further offering needed budget relief in 2023.



Orchard Park Generation Station - Unit #8 in Foreground, #9, #10, and #11 (2003)

*Falling Spring Generating Station Electric Generator, Engine Refurbishments –
2021-2022*

The present Borough-owned set of engines at the Falling Spring Generating Station (7 MW), and at the Orchard Park Generating Station (23 MW), total 30 MW and are operated as peaking resources in the best interest of the Borough and overall grid. These investments have made sense to the Borough historically, as they have more than offset the Borough’s generation and transmission “load” payments to PJM, and except for two-years in its 20-year history, from energy, capacity, and reactive services, has captured market values well in excess of the former annual debt service on the assets. The Falling Spring Generating Station with no debt service, has been a net winner over its lifetime and will continue to be with its latest set of refurb and pulling it behind-the-meter (BTM), to capture benefits in a different way. OPGS, as a designated network resource, PJM pays for the capacity values for just being ready to run as it is considered “iron in the ground”. PJM also pays the energy and approved maintenance and operating costs when the generator units are called to run. To continue receiving these benefits, Chambersburg must maintain the units such that they are available to run on only several minutes notice to help resolve transmission system constraints and generation shortages.

These generation assets help the power flow around Chambersburg to east coast markets, instead of having to serve the consumer loads in Chambersburg. The Borough’s generation extends value to the existing power transmission systems, both internal and external to Chambersburg. Electricity “congestion” (a term for generation being called online during peak usage times) on the transmission systems’ overhead wires, is similar to that of automobile congestion on a limited set of highways causing overall increased costs (i.e., traffic jam/toll-way) to those receiving the power (i.e., operating costs to your automobile’s final destination). It is more complicated than that, but the Borough’s self-generation benefits financially as PJM merely passes on the congestion-reduction cost-savings back to the owners/users of the systems that helped to reduce the overall costs of the electric transmission highway. Borough-owned generation assets from this congestion-reducing phenomenon have historically been for many decades, a net overall positive contributor to helping control the cost of electricity for everyone in the Borough. There are other benefits for self-generation – running the generators for our own benefit.

The Town Council approved a change of the business model for the generation at the Falling Spring Generation Station, beginning in June 2023.

Wholesale electricity prices were on the rise throughout 2022, while future transmission rates and many other costs seem to be rising even faster. There are continued and even worsening supply chain issues effecting the Electric Utility, from vehicles to transformers and much in between. It was determined to be wise for Chambersburg to consider future “power purchase” portfolio options in preparation for when the

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

fuels and electricity prices do rise as anticipated. From that perspective, the department floated requests for proposals (RFP's) for not only new Power Purchase Agreements (PPA's) but for studies and recommended strategic upgrades, and/or expanding and diversifying the power supply portfolio in 2020-2022, using the approved 2019 Bond funds, while also considering traditional, as well as new offerings of affordable, traditional, renewable, sustainable generation technologies.

In 2020, the Borough embarked upon adding a community solar energy project to our power purchase portfolio. This exciting project is another example of new generation, behind the meter, serving our community and providing power supply for the future.



Community Solar Initiative

In 2020, the Borough embarked upon adding a community solar energy project to the purchase power portfolio. This exciting project is another example of a generation resource addition through a power purchase agreement (PPA), injected behind the transmission service billing meter, serving our community and providing cost-lowering power supplies for the future. In a partnership with Sun Tribe and Safari Energy, the Borough started receiving in 2022 about 30,000 MWh of renewable power which will power an equivalent of about 2,600 homes.



Chambersburg Solar Center – Photovoltaic Panels

Elected officials held a “flip the switch” event and inaugurated the new 15-megawatt solar array on September 13, 2021 on Elk Ridge in Hamilton Township, just outside the Borough. The new facility, owned and operated by Aspen Power Partners, is providing 100% of its power to the Borough under a long-term power purchase agreement. The system covers 86 acres and is expected to produce enough electricity to power more than 2,600 homes, or 9% of the borough’s annual electricity needs.

Planned by Sun Tribe, the facility was built by Safari Energy, and was purchased by Aspen Power Partners in 2022. Vincent Sorgi, president and chief executive officer of the PPL Corporation, delivered remarks at the event and was joined by leaders from Sun Tribe, PPL, and Safari Energy.

“Working with partners like the Borough of Chambersburg is incredibly rewarding, as their innovative outlook and commitment to renewable energy align very much with our vision for a sustainable energy future,” said Vijay Singh, President, PPL Renewables. “This project is the largest single-site solar system that Safari Energy had built, and we hope to build on this success with other projects and solar portfolios across the country,” he added.

Aspen Power Partners is a distributed generation platform with the dual mission of accelerating and democratizing decarbonization. They develop and finance community, multifamily, and other distributed solar and storage installations enabling consumers of all income levels to access clean renewable energy. According to Executive Director Eric Aubrey, “We have assembled a group of seasoned professionals across development, construction, and project finance and asset management to lead the company. Aspen is headquartered in Dallas, TX with locations throughout the U.S.”

The Chambersburg Solar Center is atop land that is also home to an active shale mining operation. The effort to design, permit, and construct a solar power plant on the site required close coordination with representatives from the Borough, Hamilton Township, Franklin County, and the Pennsylvania Department of Environmental Protection. “This project is a fabulous example of how to site a solar farm on land that has already been disturbed for another purpose, including mining,” explained Danny Van Clief, CEO of Sun Tribe Development.

The Solar Center is interconnected into the Borough’s Commerce Street substation, which sits a few hundred feet from the site of the new facility. That interconnection was paid for with assistance of Alternative Energy Grant from the Pennsylvania Commonwealth Financing Authority and proceeds from the Borough’s 2019 Electric Utility Capital Bond Issue.

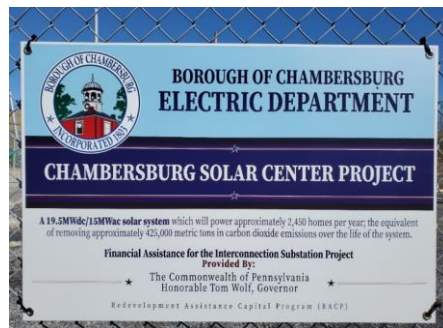
BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

To accommodate the planned and Bond generation additions into the portfolio, customer load growth, and emergency/reliability switching moves in the northwest Borough, the Department upgraded power transformers and built a solar interconnection substation on the Commerce Street property substation to receive power from the Chambersburg Solar Center.

Originally planned between May and July of 2020, Council originally executed a Solar Project Power Purchase Agreement with a firm called Sun Tribe for a facility to be known as the Chambersburg Solar Center, a 15 MW behind-the-meter solar facility in Hamilton Township. Per agreements, the generation was scheduled to go into service by June 15, 2021. Due to unforeseen difficulties, the operation date was delayed to October 21, 2022, when the facility was eventually producing power for the Borough as it has been since. This generation project has also changed hands a couple times; first to Safari Energy and now owned by Aspen Power Services. Each time the facility is resold, the Borough must review the transfer and make approval. This is significant because the Borough is the leaseholder for the land and because the facility-owner is responsible for the maintenance of the facility.



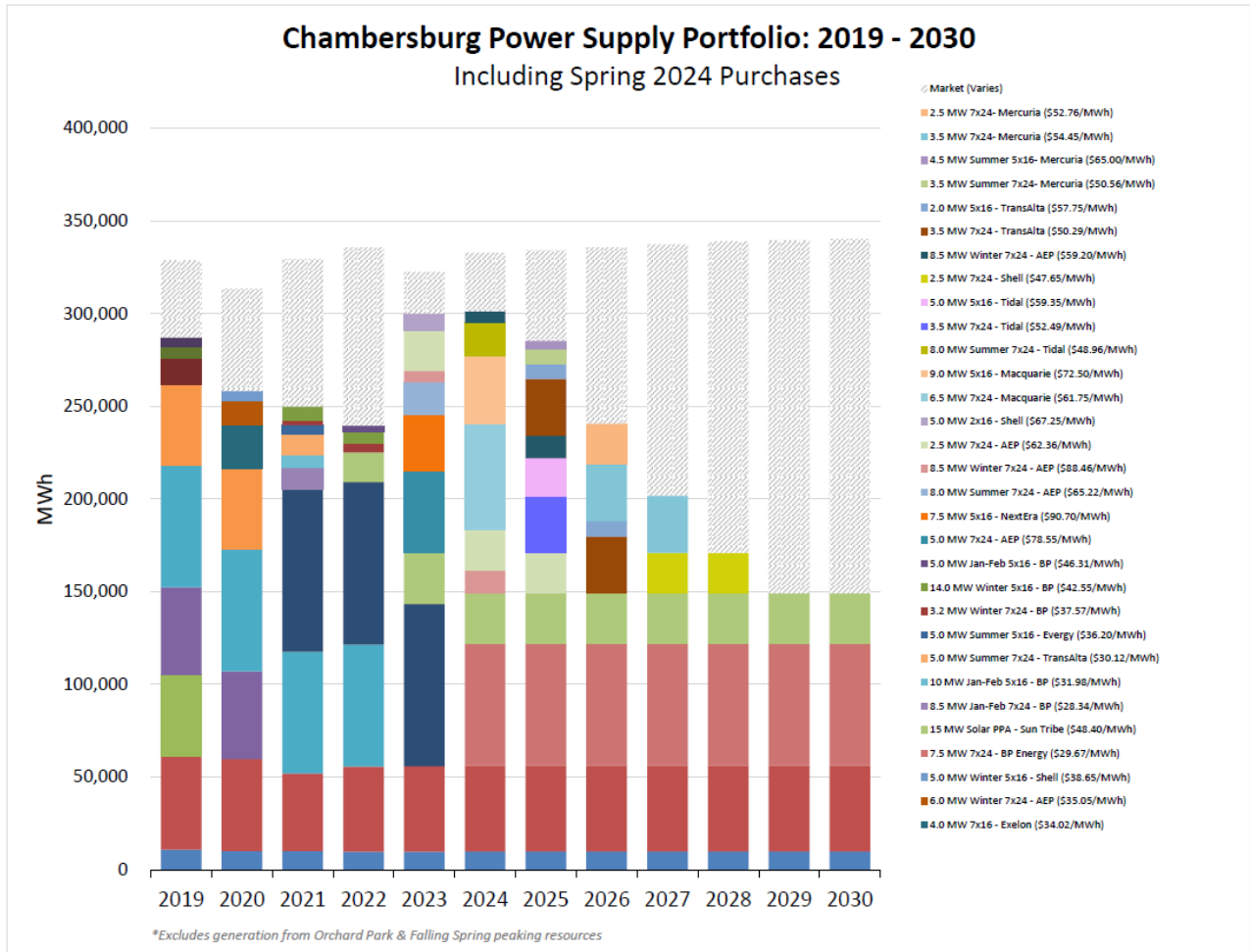
Upgraded Commerce Street Substation Transformers



Portfolio of Energy Products

Beginning in 1996 and up to 2002, wholesale power-purchasing borough electric utilities like Chambersburg, began participating in the wholesale electricity marketplace, or “shopping” the markets. As wholesale generation system competition and markets developed into “stock markets for electricity”, trading power by the minute, season, and year, the Borough observed better opportunities, and therefore began to position itself to purchase multiple sources of generation from multiple suppliers in the marketplace, managed by PJM Interconnection LLC, our regional grid operator.

The overall objective of the physical and power purchase portfolio of transactions is to mostly cover in advance; the total expected energy requirements at bid or negotiated contract prices, each year, and to significantly reduce market price volatility on the Borough’s electric ratepayers. Across the tops of the updated stacked bar graph below shows the Borough’s historic and upcoming total annual need for energy in megawatts (1 MWh = 1,000 kWh).



Within each stacked bar by year, it also shows how the Borough has filled, or will fill in the future, the various “blocks” of power. The portions of power supply (blocks) stack up to the Borough’s total need for the year. The lowest “blue” colored block and next up “red” colored block are the New York Power Authority Hydropower agreement and the landfill gas-to-power blocks, respectively. The landfill gas-to-power is renewable and sustainable power coming from the landfill plant owned by NextEra Renewable Fuels Investment Company to Chambersburg on the Borough-owned Express Generator Feeder (EGF), or the “Extension Cord,” as it was named when it was new in 2013.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

To limit “emotional buying” during extreme low- or high-priced periods, the Borough decided in 2012 to go out to the power markets, up to twice per year for short-, medium-, and long-term blocks, looking for the lowest bidders on the predetermined energy block sizes and terms needed to strategically fill the future-looking portfolio block model. The portfolio plan has been expanded in recent years to study and possibly include more Borough-owned or power purchase agreement (PPA) type power generation sources. This approach has proven since inception to effectively cost-average-in the multiple-year power supply costs, thereby maintaining electric rates as low and stable as possible over the past 12 years.

Borough of Chambersburg, PA

Calendar Year 2024 Market-Based Energy Block Products

Term	Supplier	Contract Execution	Size MW	Type	Delivery Location	Price \$/MWh
2024-2030	BP	Spring 2020	7.5	7x24	APS Zone	\$29.67
Dec 2023-Feb 2024	AEP	Fall 2022	8.5	7x24	APS Zone	\$88.46
2023-2025	AEP	Fall 2022	2.5	7x24	APS Zone	\$62.36
2024	Macquarie	Fall 2022	6.5	7x24	Western Hub	\$61.75
2024	Macquarie	Fall 2022	9.0	5x16	Western Hub	\$72.50
Jun-Aug 2024	Tidal Energy	Spring 2023	8.0	7x24	APS Zone	\$48.96
Dec 2024-Feb 2025	AEP	Fall 2023	8.5	7x24	APS Zone	\$59.20

[View of Trending Electric Rates](#)

Municipal electric utilities are the “original” power producers and are still viewed as leading-edge vertically integrated electric utilities. The public power industry is still managed (or legally have the opportunity to manage) their own generation, transmission, substations, distribution facilities, meters, and delivery services. This vertical integration model, when successful, has age-old cost saving advantages over that of the newer investor-owned utility model, a victim of deregulation and divestiture.

Municipal electric utilities, such as Chambersburg, can operate within the bounds of the best of both wholesale and retail electric utility worlds, gathering the benefits from the wholesale market and passing those directly back to the owners of the system, its ratepayers, the residents and businesses. For over 130 years, this model of bringing the financial benefits directly back to the community proved to be a successful model for providing reliable and stably-priced electricity to Chambersburg customers. In stark contrast to the investor-owned utility rates, where shareowners and numerous business interests take profits from the large interstate flows of electricity, ultimately adding costs and hurting both the serving entities and their customers.

The Borough uses its own dual-fueled generation resources to help stabilize energy costs and ultimately help control the volatile swings of retail rates, in addition to managing wholesale and retail power pricing. Chambersburg Electric is fortunate to collaborate with the Borough natural gas utility. However, recent peaking fuel (gas and oil) prices have raised the cost of our generation as well. Prices generally rise during times of peak gas and electric demand.

During the summer months in particular, when loads are at their highest, energy costs largely follow the price of natural gas because it is the predominant fuel for “peak” electric generation resources. Similar to Orchard Park and Falling Springs, generation that operates on natural gas has the ability to quickly ramp up and ramp down output. This is an essential characteristic of “peak load” generation plants because the energy demands of customers changes on a minute-by-minute basis. In order to “balance” the demand for energy with the output of generation, energy prices are calculated in real-time every five minutes.

Prior to May 2022, the average price of natural gas delivered to the Henry Hub was just under \$5.00/MMBtu, which roughly translated to an average real time price for energy of \$60.00/MWh for the Borough. However, that changed quickly as the cost of natural gas increased by more than 70% throughout the rest of the month of May 2022. While there have been some temporary dips in the cost of

natural gas, it averaged over \$8.00 /MMBtu throughout the rest of the summer 2022, which resulted in an average real time price for energy of over \$95.00/MWh.

Fortunately, the Borough does not purchase 100% of its energy needs on a real time basis. In order to stabilize costs to residents, the Borough enters into future contracts to purchase between 70 and 80% of its energy requirements well in advance of when it will be needed. As a result, the Borough had experienced this 70% increase in real time energy prices on only a portion of its energy needs. Due to this effective planning methodology, the Borough has been able to maintain very low/stable rates while seemingly countless utilities across the country have been forced to increase their retail rates by 30%-50% or more over the past couple of years.

Stable rates do not mean zero retail rate increases. It would be impossible never to adjust retail rates no matter how wildly successful the Borough is on managing costs.

The future natural gas market is bleak, but unknown. In the meantime, as some of the contracts to purchase energy in advance expire, the Borough will replace those with new favorable contracts, even if the best prices are an increase in costs. This means that as the wholesale energy prices have increased, the Borough too has experienced a significant increase in energy costs for 2023 and beyond.

The Electric Utility and the Borough Manager developed a realistic forecast for retail rates in 2023 while kicking off a retail rate study to address rising costs. We continue to shop for the best power resources for our community.

#WeShop4U is a marketing “hashtag” developed to make this point, that in Chambersburg, the Electric Utility navigates the complexity of the electricity marketplace, so that residents do not need to do it. Customers of the surrounding investor-owned utilities need to shop and manage their own electric costs. Every year we read media stories about customers taken advantage of by electricity providers with variable rates that boom, or experience unwanted telephone solicitations. These calls still come in occasionally, but Chambersburg Electric Utility customers can respond by saying “not interested”. This is especially important during these times of spiking and constantly variable prices.

#WeShop4U

We say with confidence, your town shopping for your electric needs guarantees lower electric rates for you. While a 2022 survey indicated that Chambersburg had the lowest retail electric rates in Pennsylvania, before the current agenda of revenue enhancements, Chambersburg’s Electric Utility still has some of the lowest retail rates in Pennsylvania.



Borough Electric Utility About 1900

First Energy Relationship

Effective March 2020, the Borough entered into an updated Operating and Interconnection Agreement (OIA) for Wholesale Load with West Penn Power Company, a Subsidiary of FirstEnergy Corp. The modernized agreement had been worked upon for almost two decades and superseded the former 1993 Electric Service Agreement (ESA). This agreement incorporated updated interconnection responsibilities and terms along with doing away with a former artificial incoming Megawatt cap on interconnection points.

This was a major accomplishment. FirstEnergy is the adjacent/surrounding investor-owned utility. They provide the transmission connection between the Borough electric system and the grid, operated by the PJM Interconnection LLC. While the Borough is far from the only public power system in the FirstEnergy territory, they acquired our transmission services contract when they purchased West Penn Power, and therefore the legacy, and pre-competition agreements became out of date. Late 2023 into 2024, through some restructuring of FirstEnergy companies, the transmission entity that services Chambersburg is now named Keystone Appalachian Transmission Company (“KATCo”). Similarly, FirstEnergy's four Pennsylvania electric distribution utilities were combined into a single legal entity called FirstEnergy Pennsylvania Electric Company (“FE PA”) while they still do business under the legacy names. As a distribution-only company, FE PA will focus its investments solely on serving its local customers and KATCo will focus solely on transmission investments.

While the Borough has resolved many lingering interconnection issues with West Penn Power through the updated Operations Interconnection Agreement (OIA), one unresolved matter remains. Through the way the Borough boundary as it exists today was established over the years with annexing outlying areas, an electric service territory dispute was created. For most of the Borough, the sole option for electric service is the Borough's own non-profit public power pool. Unfortunately, in some areas that were annexed after West Penn's predecessors had already established services, there exists to this day an argument that West Penn has the right to serve these areas. While there is one small, mainly residential pocket in the north end of town, the majority of these areas reside in the southern end from the last area annexed into the Borough in 1967. Some of these areas are covered by terms in a Memorandum of Understanding (MOU), which was entered into with Potomac Edison in 1974. This covers for West Penn Power to serve [then] existing customers in a small northern area, along with new and existing customers in the areas mainly along the southern end of Main Street and Mill Road. The Chambers 5 Business Park was not covered by this MOU, but the issue is present in that area south of Orchard Drive off Nitterhouse Drive.

Town Council feels strongly that all areas within our Borough limits shall be solely served by our municipal electric utility similar to the laws that indicate we cannot serve areas outside of our boundary. All of our residents should have the same rights to our service excellence, reliability, and low rates. This has been discussed with West Penn Power many times without yet being resolved. Borough staff, with legal support, will continue to bring this issue up on behalf of all the property owners represented by Town Council. It will be a great success when this issue is resolved.

Chambersburg Electric Utility Infrastructure Bond Update

On Monday, February 25, 2019, the Chambersburg Electric Utility sold a \$9,315,000 capital improvements bond in order to raise resources to invest in the Borough's public power system. The Electric Utility sought to invest in capital improvement projects during 2019-2022 to upgrade and ensure security, resilience, reliability of the Borough-operated public power system, in order to maintain and improve their safety record, the overall cost of operations, the system's incredibly reliable power delivery infrastructure, and grow to meet its customer demands for the future. The Electric Utility team completed 100% of the Bond projects by July 2022.

The five (5) main infrastructure Bond projects were:

- 1) Upgrade to larger units, the power transformers at the Commerce Street Substation;

- 2) Interconnection facilities to the Community Solar Project;
- 3) Transmission/Distribution Substation Improvements;
- 4) Distribution Operations Center Site Preparation & Construction;
- 5) Upgrade Controls and Overhaul Select Existing Generation Assets.



New Distribution Operations Facility



Rear Line Truck Bays – New Electric Distribution Operations Center



Line Crews Installing Underground Cable & Overhead Messenger for Fiber Network

In 2020, GDS Associates continued their review of existing generation assets and, as previously mentioned, began to seriously explore the use of the 2019 bond proceeds to change the generation configuration. In 2020, because of the 2019 Bond resources, the Borough studied its existing old Falling Spring Generating Station that was built in the later 1960's, upgraded in 1999 to its present day 7.2 MW capacity. These units have operated very reliably since they were built. We were at a cross roads of how to best position these assets with the existing and proposed new community solar generation, the planned upgrades, or focus on new possible generation assets, to optimize and integrate the multiple resources plan.

There is a three-prong development process (like the three prong “electric plug”). In this concept, there is a need for 1) “Conventional Power Generation” sources and fuels (“fossil fuels” - oil and natural gas, etc.); however, traditional sources will likely be supplemented in nearly equal amount by the developing portfolio of the much more variable, 2) “Renewable Energy” resources (wind, solar, bio mass, etc.). Also, to balance those resources for availability, reliability, and system delivery integrities, likely balanced by the developing sources of, 3) “Energy Storage” (batteries, Super-Capacitors, methane or compressed air caverns, CNG, LNG, flywheels, etc.). The Borough will need to explore portfolio blocks of “storage” or other dispatch-able/variable but new forms of behind the meter generation for load balancing, and peak load reduction. Storage systems, or other similar calculated load following resources, need to be developed using the many known and proven technologies, forms of energy storage, involving electrical, mechanical, and chemical processes to be re-applied in the electric utility and many other industries like large thermal processes, bio-gases digestion, public transportation, electric vehicles (EV), agriculture, and the Internet of Things (IoT), etc.

In 2021, Town Council authorized staff to switch for the Falling Spring Generation Station from a PJM network-resource (dispatched to benefit the grid) to a behind-the-meter (BTM) resource (self-dispatched to benefit the Borough's power supply needs).

PJM, as the grid operator, must continue develop market structures to incentivize the proper amount of generation and in the best locations, situated by the load-centers, using existing and uprated transmission systems.

Natural gas, nuclear, and likely some oil, must supplement the growth in renewable energy production, their variable outputs, coupled with traditional forms of electricity generation, and energy storage offsetting/balancing.

Retiring coal plants are inevitable and it is becoming clear that with rising renewables comes the need for a balancing “other form of fuel”. When the wind or solar generation supply sources decline for their known reasons (wind dies down in summer, and of course, solar outputs go to zero at night), there is a push toward hybrid generating plants. This means coupling more-plentiful and cleaner fuels with renewable energy sources to make up the new mix of electric generation sources in the future. Chambersburg needs to explore these arrangements for our system as well. Our current research has resulted in scenarios where Chambersburg is well positioned to begin movement in this direction.

In 2022, the five major capital investment projects including the two plant's generation control systems upgrades/enhancements were completed on time and as contemplated by the 2019 bond issuance.

The Electric Utility coordinated with Wärtsilä to upgrade the generation controls on the final two units at the Orchard Park Generating Station and with Fairbanks Morse at the Falling Spring Generating Station to upgrade its three units of generation controls, and while also installing new vertical drive vibration monitors and controls on units 5, 6, and 7. The capital investments at each plant extended their useable life by at least two decades.

Full Electrification Policy Sweeps the Nation

According to the American Public Power Association (APPA), “Many changes in the energy system — the generation mix, digitization, active customers and changing customer preferences, and policy and market reform — are happening with or without efficient electrification. Companies — both traditional utilities and new entrants — will step forward to help provide customers with what they want: low cost, comfort, convenience, and clean and reliable power.” Chambersburg is skeptical of quick unplanned electrification.

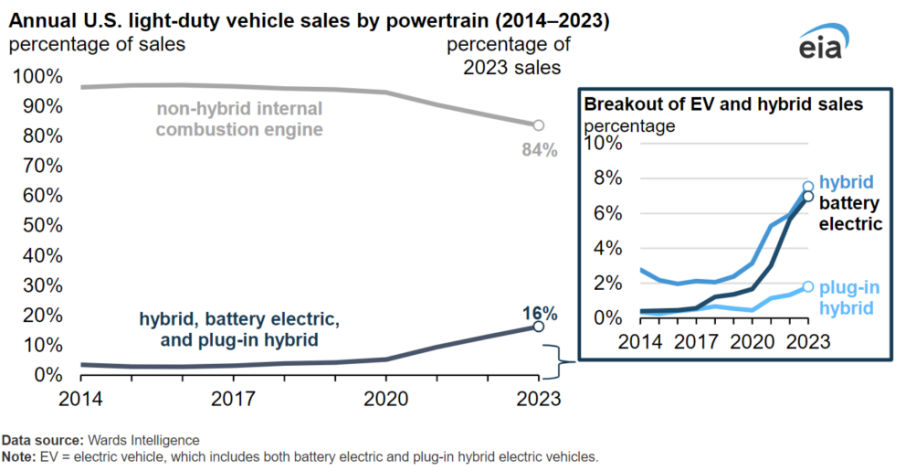
The APPA essay continues, “Opportunities for electrification are highly dependent on local conditions, such as our local weather, energy prices, policies, and regulation. However, building space heat and water heat are other areas where electrification can play a key role, along with new efficient natural gas options. Given our assumption of continued low natural gas prices, we project significant growth in the use of natural gas in electricity generation and industry.”

Chambersburg Borough desires to be a good steward of the environment, evidenced by the way we maintain and operate our utilities. We have long advocated for energy efficiency in our community, believing public natural gas utilities and the existing pipeline infrastructure should continue to play an integral role in reducing greenhouse gas (GHG) emissions. We also recognize natural gas can provide energy affordability and reliability to all Americans, including those in working-class communities.

The use of natural gas for generation is a key reason for both GHG reduction and consumer affordability.

For at least the near future, there needs to remain a significant and dedicated amount of natural gas generation to permit the electric grid to function. Switching to everything-electric is not a practical policy at this point. According to Govern Magazine, “Shifting from natural gas or fuel oil not only entails large upfront costs, but it is also likely to require more electricity and a significant expansion of power grids, making both homebuilders and politicians increasingly wary of electrification.”

Electric end use is on the rise: nearly 40% of homes in the United States are primarily heated by electricity, and fully-electric vehicles comprised 7.3% of all light-duty vehicle sales in 2023. Yet, where electric demand is growing and how electrification affects the grid varies from state to state.



Electric Rates

As noted, Chambersburg proudly boasted one of the lowest retail electric rates in the Commonwealth. The impact of low rates was substandard investment in infrastructure. While neighboring investor-owned utilities were implementing double digit rate increases, Chambersburg held the line on rates. This resulted in neighboring utilities with 50% to 100% higher retail rates than inside the Borough. It also resulted in an unsustainable position for Borough-leadership. Once the study was completed, Council immediately suggested, and staff began work upon, an 11.3% across-the-board rate increase to be followed by rate increases scheduled for 2024, 2025, and 2026 in the vicinity of 1% to 5%. The 3.9% 2024 increase went into effect with September billing. Furthermore, Council recommitted to maintenance of the electric system.

Furthermore, the initial 11.3% overall rate increase impacted different types of electric customers in a variety of different ways. Some customers saw larger increases (above 11.3%) and others lower as the Borough's consultants fairly distributed the rate increase by rate class based on economic impact to the Borough Electric Utility finances.

The 2024 budget included estimates of the new revenue generated by the already-approved retail electric rate increases in late 2023. Throughout the year, staff has been monitoring rate performance coupled with various fluctuating operational costs and revenues. The same monitoring will occur throughout 2025.

In 2022, the wholesale price of electricity (and natural gas) began to rise significantly. Most utilities saw a 16% to 28% increase in their retail rates. Chambersburg held out as long as possible against that need. In the end, the 2020 temporary Power Supply Adjustment (PSA) decrease was reversed in October 2022, the average residential electric bill increased back to \$100.90 per month from \$98.90 per month, although results varied based on several factors including energy use, weather, and home attributes. An additional 2% step increase was implemented through the billing PSA starting with January 2023 billing.

In 2023, other utilities had been hit just as hard as they were in 2022. For example, according to the Pittsburgh Post-Gazette going into that winter, "The price of energy for Pennsylvania utility customers is likely to rise again this winter, riding the general inflation trend and, more specifically, the steep increase in the price of natural gas. This impacts both gas utility customers and electric customers, because the grid that supplies electrons to Pennsylvania draws the most power from natural gas power plants. And natural gas is on a roll. Over the past two years, near-term futures contracts rose from \$2.28 per million British thermal units of gas in September 2020, to \$5.12 in September 2021, and again to \$7.76 last month."

"Some electric utilities, including West Penn Power, adjusted their numbers on Sept. 1 and will do so again on Dec. 1. West Penn's "price to compare" shot up to 8.2 cents per kilowatt-hour in June, up from 5.7 cents during the prior quarter. It's now 8.3 cents."

That equates to a 16% increase in West Penn Power on June 1, 2022, and a compounded 11.2% increase on September 1, 2022. Secondly, West Penn Power received permission for a second 16% rate increase in 2023 (for a total increase of 32%). They are now requesting permission for a 40% increase in 2025.

While neighboring utilities have higher retail rates than inside the Borough by some 50% to 100%, the Borough merely reversed the temporary 2% rate reduction from 2020. In 2023, Council immediately suggested, and staff began work upon, an 11.3% across the board rate increase to be followed by rate increases scheduled for 2024, 2025, and 2026 in the vicinity of 1% to 5%.

In January 2023, the average residential electric bill increased 2%, by approximately \$2 per month (\$100.90/month to \$102.90/month). In January 2024, a more substantial increase was put into effect (overall 11.3%), although results varied based on several factors including energy use, weather, and home attributes. It is likely some residential customer saw higher increases.

When the Electric Utility embarked upon rate maintenance to determine adequate and fair increased rates in 2023 for 2024, the need to create sustainable rates was the goal. The Electric Utility only wishes to cover operating expenses and remain one of the lowest cost energy providers in Pennsylvania.

Simply put, public power is community power. That means people who live and work in the community, not corporations, make the decisions about how the electric utility is run. Public power utilities are rooted in and committed to the communities they serve and invest revenues directly back into the community. Public power supports local commerce, employs 93,000 people in hometown jobs, and invests more than \$2 billion annually directly back into the community. Chambersburg is the largest public power system in Pennsylvania, the only one to operate multiple power plants, and a leader for the support of these systems across the U.S.

Chambersburg strives therefore to provide excellent electric services that customers can depend on and at a reasonable value.

Year	Total Electric Bill (1,000 kWh)	\$/month Effect
2012	\$114.73	Base year
	----- Implementation of Portfolio Electric Purchasing Plan -----	
May 2013	\$109.48	Drop 4.6% (\$5.25)
Nov 2013	\$104.23	Drop 9.2% (\$10.50)
Nov 2014	\$100.90	Drop 12.1% (\$13.83)
	----- Base Rate Ordinance Updated (November 2014) -----	
2016-2019	\$100.90	No change, no increase
2020-2022	\$98.90	Drop 1.98% (\$2.00)
2022	\$100.90	Increase 1.98% (\$2.00)
2023	\$102.90	Increase 2% (\$2.00)
	----- Base Rate Ordinance Updated (2023) -----	
2024-Jan	\$116.50	Increase of approx. 13.2% (\$13.60)
2024- Sept	\$120.60	Increase 3.5% (\$4.10)
2025- Sept	\$123.37 Proposed	Increase 2.3% (\$2.77) Proposed

Residential Electric Bill for a customer using 1,000 kWh/month

If approved, following September 2025, the average residential rates will have increased only 7.5% since 2012. Meanwhile inflation alone (CPI) has gone up 27% in the same time period.

Our long-standing success story in Chambersburg means that the monthly electric bill for a residential customer, using 1,000 kWh per month, dropped from an average monthly electric bill of \$124.00 in 2010 to \$98.90 in 2020, or 20%. The 2024 budget included a relatively significant increase in electric rates at the end of 2023, other justified rate increases at the beginning of 2024, now that the full rate-assessment in the form of a “cost of service” rate maintenance study was approved by Town Council, and further discussion on rates has occurred. Going into 2025, rates remain lower than they were back in 2010.

It is unrealistic to expect electricity to be less expensive when adjusted for inflation than a decade ago.

Electric rates have been very stable since 2014 when Town Council approved changes recommended by the Borough Manager to our rate Ordinance. Stability in electric rates can be attributed to multi-year successful management of the portfolio of energy products, integrated resource, and asset management plans.

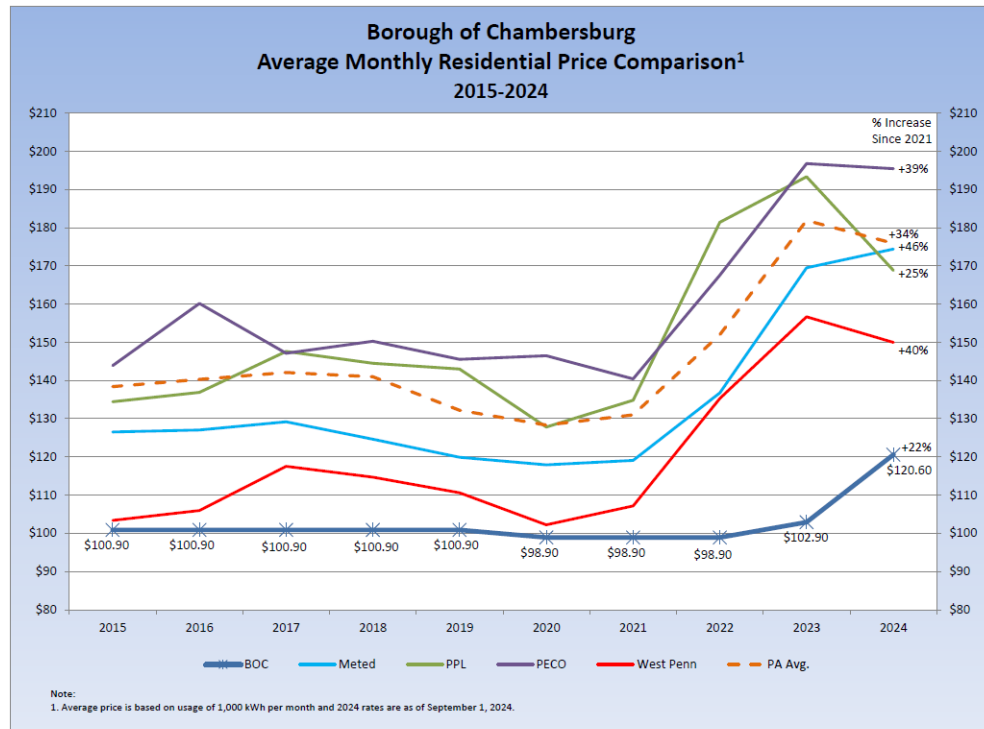
The Borough Manager has worked to lower electric invoices for residents and businesses and can be thanked for using imaginative policy recommendations to save customers millions of dollars.

The wholesale power portfolio will continue to be reviewed in the coming years to possibly incorporate new concepts including more low-cost landfill gas generation, community solar, batteries, or other renewable, sustainable forms of energy and storage.

For the average Residential customer using 1,000 kWh per month as the basis described above, what follows is a graph of how Chambersburg stacks up against its neighboring and other investor-owned utilities across the State as we embark upon 2025.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

It was determined that Chambersburg’s average residential electric cost per month (for 1,000 kWh) compares most favorably to its neighbors and Pennsylvania. Presently, Chambersburg’s all-in monthly residential electric bill is estimated to be over 20% below our neighboring investor-owned utility, West Penn Power, and Chambersburg is estimated at about 32% below the State’s “all-in” or “provider of last resort” average cost per month for a residential customer using 1,000 kWh per month. These entities have increased rates by 25.40% in the past 3 years.



SUM SMART UTILITY MANAGEMENT, LLC
Vision • Flexibility • Regulatory Creativity

As of today, electric rates inside the Borough system remain approximately 40% less than similar rates paid by residents and businesses that utilize West Penn Power.

This was confirmed by our 2023 rate study. Council approved hiring GDS Associates to complete a Cost-of-Service (COS) Rate Study on January 9, 2023. The financial impacts that affect the Borough are changing all the time so past, ongoing, and future cost and market considerations need taken into account when these studies are performed. Estimations are made dealing with load forecasts, growth, and costs using all of the data sources available. There are a significant number of moving parts to consider and project to include FERC, PJM, Capacity, Transmission, and Energy rules and market changes.

GDS collected data, studied all, and presented findings to Council on August 14, 2023. Council considered options presented and at their following meeting directed staff to work with GDS and the Solicitor’s office to implement the recommended option that included a 11.3% overall rate increase. This then needed broken out fairly across the various rate classes with their different usage patterns and service needs. Some rates were also modernized in the process. The ordinance was advertised, adopted by Council, and set to go into effect on bills starting January 1, 2024 for December, 2023 billing. Going forward the Power Supply Adjustment (PSA) will be adjusted annually or as otherwise needed to account for changes in power supply costs. Further potential increases as identified by GDS in their study will be evaluated in subsequent years as observations are made of how the initial increases work and costs are covered to operate the department while replenishing and maintaining adequate reserves. While keeping rates low, the department continues serving customers and extending facilities to meet the needs of growing existing

and the many new customers. The Electric Utility has the forward-looking goals to keep up with the growing demands of the Borough customers.

This 2025 Budget includes the continuation of rate management originally approved by Town Council in 2023.

Potential Impact of Much Higher PJM Fees

Our customers may not be aware that every utility in the PJM network may be facing a substantial increase in electricity pricing as a result of the PJM's July 2024 capacity auction. All Pennsylvania, Maryland, New Jersey, Ohio, and Virginia utilities are grappling with how best to educate and inform elected officials, customers, and others as we consider what steps to take in our own utilities.

The impact will be different for each utility depending on factors such as behind the meter generation, type of power purchase agreement, etc. but there will be an impact for all systems as we move closer to the 2025/2026 delivery year.

As typical, Chambersburg is better protected than most utilities from the upcoming increase in PJM capacity fees in 2025.

We anticipate an increase of over 800% in PJM's capacity fees it charges all utilities to encourage grid improvements beginning in mid-2025. Staff is monitoring the impact. As you can imagine, such fee increases are making all utilities, big and small, question the system managed by PJM to run the grid.

Finances – Policy

- Maintain the proposed estimated \$37.5 million budget with an attempt to stabilize the operating and capital reserves closer toward the targets when approved by Council. They are intended to smooth the short-term volatility for long-term rate stability and financials.
- Propose in the 2025 budget cycle to balance operating cash/fund and capital expenditures/fund that will maintain and keep up with necessary maintenance and infrastructure improvements.
- In addition, use various insurances, operating cash, and capital reserves, as financial stabilizers during times of emergencies and severe price pressures, storms/facilities/equipment damage.
- Reinforcements, specific circuit rebuild/worst performing circuit reliability improvements, and maintenance of electric transmission and distribution facilities.

Operations

- Power Supply Portfolio – continue analysis on the peak clipping values of the Community Solar Generation Operations and seek to maximize outputs and corresponding benefits.
- Functionally move in the outdoor equipment and vehicles, and organize the new Distribution Operation Center.
- Maintain the Falling Spring and Orchard Park Generation Stations at full design capacity into PJM and BTM service so that the plants are reliability able to run when dispatched and needed to clip peaks.
- Upgrade and maintain the Borough's substation and distribution facilities while also connecting the numerous residential units and commercial buildings throughout town.

General Utility

- Evaluate new generation opportunities along with upgrades to existing.
- Continue evaluations of Borough and customer owned electric service equipment.
- Personnel Succession Planning with strategic and key additions, per gap analysis.
- Operating Budget projected to be back to normal operations with 2024 rate increases to more adequately cover costs.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

- Capital budget will be back nearly to historical position after the conclusion of the major 2019 Bond project spending coupled with rate increased to start re-building the fund.
- Training and professional development in 2025 per the succession plan.
- Recommend regular vehicle purchases per the Fleet Management Plan. Plan in advance for long lead-time vehicles.
- Watch for movement in State and Federal legislation that would yield an unfavorable ruling against the Borough electric system, the Borough's existing or possible new generation sources.
- Study, evaluate, and balance the installation of dependable more traditional sources of power with those of renewable energy projects that have the potential to bring real economic values back to the Borough and its customers.
- Provide strategic energy/demand management/demand response and sustainable sources/use education for the various applicable customer classes.
- Improve the energy efficiency/sustainability of Borough-owned and select customer facilities through the Borough's Code Enforcement and Power Team committee.
- Research and development using meter infrastructure, reading devices, and integration with software, starting with the downtown district.
- Focus on furthering sustainable economic development, industrial job retention, and creation.
- Grow to become an excellent model of a thriving, walk-able community for industry, commerce, institutions, residential living, and in ways that its people and community feel matters the most.
- Assist with development of an energy education program in the schools.

2025 Preparations/Goals

The approach that we will apply in 2025:

- Support our employees for personal and corporate success, safety, training, succession plans.
- Update aging and end of life utility infrastructures.
- Enhance usefulness, strength, and reliability of existing facilities.
- Acquire new energy supply products in the portfolio.
- Develop or purchase new PPA renewable energy, energy storage resources.
- Update old or add new traditional generation sources.
- Update old and add faster and more automatic power restoration systems.

We believe that the key to long term success in this municipal electric business model is therefore summarized as managing-well each and every aspect of the electric utility operation, from the very relationships with those who manage and supply the power coming in, to those of the smiling faces of its users.

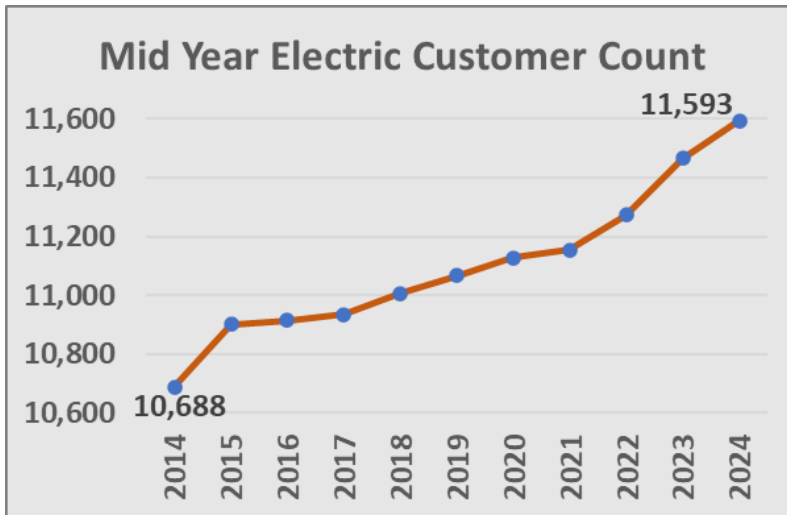
Chambersburg has a three-pronged approach:

- 1) Growing portfolio of purchased traditional and renewable sources of power and energy.
- 2) Traditional bank of dual fuel reciprocating engines diversified as Network and Behind-the-Meter Resources.
- 3) The third prong or energy storage will develop in many new ways and forms in the future. As we wait for the products to be developed and commercially available, the Borough will focus on balancing in almost equal parts its renewable to traditional resources. A 50% renewable and 50% traditional split may make sense over the long term with energy storage picking up the balancing act when its commercial time comes. The initial Sun Tribe, community solar development had an energy storage option available, but at the time it was considered was not found to make financial sense. Battery Storage options will be further investigated as we enter 2025.

Major Accomplishments

With all of the challenges of day-to-day operations, Chambersburg Electric Utility logged much success in 2023 into 2024:

	2023	2024 YTD
Meters set or changed	263	57
Services Replaced	263	121
New/Temp Services	163	69
Street Light Re-lamp	249	96
Non-Pay After Hour Turn On	174	15
Transformers Install/Replaced	28	12
Poles Installed	53	15
UG Cable Installed (ft.)	27,272	9,190
OH Cable installed (ft.)	28,218	9,345
Cable/Communication Messenger (ft.)	3,290	140



Lighting and Hot Water Only Accounts Not Included

In 2020, the Borough Solicitor, in partnership with the Pennsylvania Municipal Electric Association (PMEA) convinced the General Assembly to clarify the State law regarding Gross Receipts Tax (GRT). If this tax had been applied to Borough wholesale purchase of electricity, as was suggested, it would have been a significant cost. That cost would have negatively affected Borough retail rates. A small clarification headed off a major issue for the Borough, our ratepayers, and the thirty-four other municipal power systems in Pennsylvania.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

System Average Interruption Duration Index (SAIDI)

Our Chambersburg Borough Electric Utility System Average Interruption Duration Remains Very Good

Borough Average 2023 SAIDI	9 Minutes (appeared 82% better than “Small EDC”) (appeared 97% better than WPP)
Small EDC (PUC), 2023 Avg SAIDI (Citizens, Pike UGI, Wellsboro)	82 Minutes (appeared 49.5% better than “Large”)
Large Investor-Owned Utilities 2023 SAIDI (Duquesne, PECO, PPL, Met Ed, Penelec, Penn Power, WPP)	183 Minutes
West Penn Power	285 Minutes or an average 4.75 hours per customer per year

SAIDI = System Average Interruption Duration Index (On average, how many minutes per year is every customer on the system out of power.)

It is important to note that West Penn Power appeared 56% worse than “Large IOU” Average.

The source of this data is the PA PUC 2023 Reliabilitydata/report:

https://www.puc.pa.gov/media/3123/draft-2024-electric-reliability-report-8-2024_final.pdf

APPA BOC 2023 Annual Benchmarking Report, “eReliability Tracker”

The good news is that the rates are maintained low in Chambersburg while also improving and maintaining one of the most reliable electric delivery systems in the U.S. Above is a summary of how Chambersburg compares to small and large Pennsylvania regulated (Public Utility Commission or PUC) utilities. One standard measure of reliability is called SAIDI, or System Average Interruption Duration Index. SAIDI simply is a count of the total minutes of customer outages that there were in a year divided by the total number of customers. For Chambersburg, on average, every customer in the Borough was out of power for only 9 minutes in 2023. Comparing that to the surrounding investor-owned utility, West Penn Power, every customer in the West Penn Power service territory was out of power for an average of 285 minutes or 4 hours and 45 minutes per year (PAPUC-Annual Electric Service Reliability Report, 2023).

2025 Budget – Future View

The Chambersburg philosophy is all utilities must continually evolve and change; therefore, staff recommends that the Borough budget for installation of new and innovative technologies, generation, transmission, substation, distribution, and other system upgrades. These investments make sense over the long term and are consistent with the American Public Power Association’s Reliable Public Power Provider (RP3) Certification Program, which the Borough has proudly worked toward and supported progress annually since 2009; receiving the Diamond level award renewal in 2023.

In 2020, we used a “Request for Proposal” (RFP) to select a consulting firm (GDS Associates, Marietta GA), and with staff guidance, to consider specific cost-effective options for replacing, re-powering, or re-configuring the outputs of the Borough’s two 50-year-old engines/generators at the Falling Spring Generation Station.

The evaluation was made in conjunction with possible limited refurbishments to the facility of about \$4 million to \$12 million. The Falling Spring Facility had a catastrophic vertical drive failure in March 2021 causing complications for the Generation Station and the related 2019 Bond Project, including generation controls upgrade. Associated plans were completed to bring the Falling Spring Generating Station back behind the meter as of June 1, 2023, as it was prior to Orchard Park Generating Station interconnecting with PJM.

This operational change is intended to reduce Borough “load” purchases, considering natural gas fuel purchases at a lower, more fixed, non-interruptible natural gas rate. Fortunately, gas prices stabilized some in 2023 after having risen in 2022 about 35% for electric generation. However, either way, some aspects of the project may reduce peak energy purchases, PJM peak generation capacity charges, and reduce the expected increasing First Energy and PJM transmission system charges in the future.

The Borough previously enjoyed approximately 16% renewable energy supply in the “portfolio”; including the LFG plant contributing about 15%, with the New York Power Authority hydroelectric, and local roof mounted solar adding the remaining less than 1%. The Aspen Power Partners Community Solar project, since being placed in commercial service in late 2022, has raised the annual renewable energy purchases in Chambersburg’s portfolio to an estimated 25%, or about ¼ of the annual energy coming from renewable sources.

Energy Efficiency

Chambersburg
25%
Renewable Energy

In addition to our efforts to undertake integrated resource planning and infrastructure improvements, Chambersburg has also proposed and implemented many energy efficiency projects report to date, using various other commercially available technologies:

- LED Street Lighting Conversions with New Light Emitting Diode (LED) Street Lighting.
- Pedestrian Walk Signal and Remaining Traffic Signal LED Conversions.
- Controllable Traffic Signals and Street Lighting for Energy Efficiency.
- Solar/LED Street Signs.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Our large Community Solar Project, the Chambersburg Solar Center, now operational, is intended to offset need for costly individual, and cost-duplicating rooftop solar installs.

These energy efficiency projects help reduce Borough facility and infrastructure energy consumption and costs that show up as losses in some cases. They further contribute to the stable and competitive electric rate structures.

Sometimes in public power, as in all municipal decision-making, one seeks a “silver bullet” of low cost and plentiful energy supplies to meet all needs. The Borough Manager directs the utility systems with the policy position to consider “the silver bullets may be in fact a multitude of energy resources, from a wide variety of energy types, and whatever electricity sources that are in the long-term interest of its residents and the Borough system”. The Borough can maintain the status quo low rates and even “hedge” against most future uncertainties by remaining open to many projects and technologies, by not removing anything from the mix until it is determined to be un-economic in both a short- and long-term view. The Borough does not pursue poor economic projects or will at least remain vigilant to watch for the right time should boundary conditions change and sensitivities be more flexible.

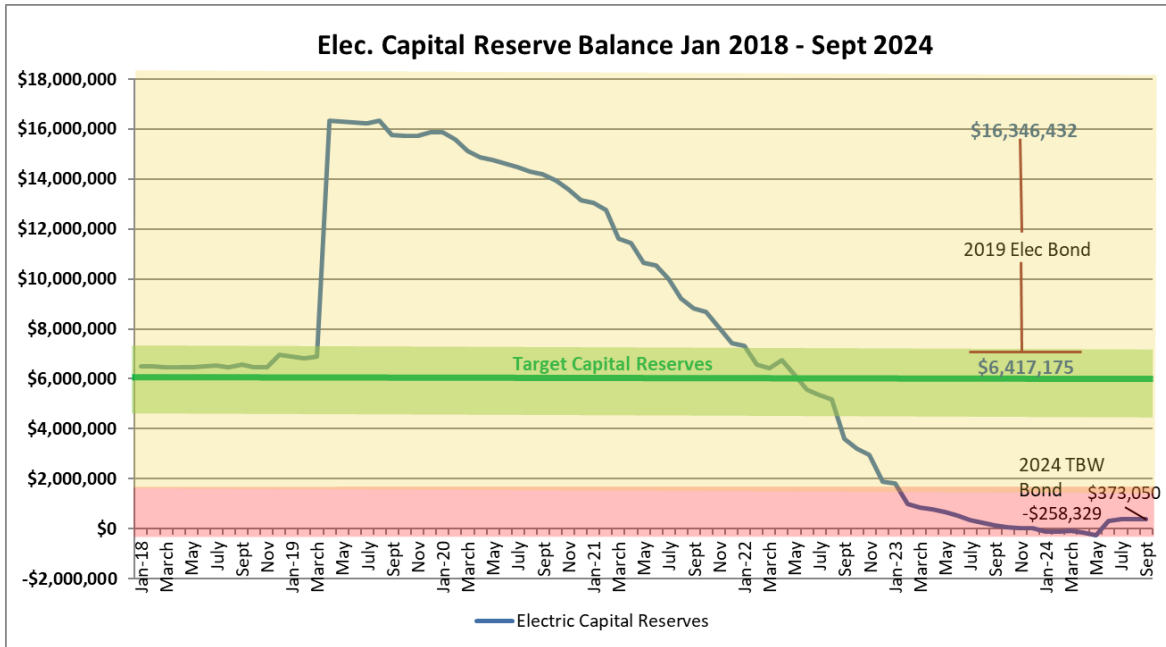
Capital Investment into System and Estimated Operating Cash Balance

“Tools” often referenced in the Electric Utility are generally referring to the sum of Borough-owned generation asset revenue values, net benefits of the previously purchased portfolio products, other Borough-participating variable capacity, and energy market revenue/cost/hedge influences.

Based on the trends in cash flow going into 2023, a zero (\$0) recurring monthly operating cash transfer to the capital reserve fund was again temporarily recommended. The 2022 budget year included no transfer, in light of the growing market and fuel-cost volatilities. In order to help preserve operating cash for 2023, it was a more conservative approach recommended than even in 2022. Identifying and the deferral of non-essential operating expenses in 2023 was recommended due to the significant price increases that were experienced in the expected portfolio of energy product purchases for 2023. With the rate increases going into effect early 2024, these cost deferrals can be pulled back some. Transfers to replenish the depleted capital reserve were re-instituted in 2024 and are increased in the 2025 budget.

The Borough Manager proposed, and Council approved in 2019, the Electric Utility’s \$10 million bond request to install, over about three years, facilities and generation resources that will, over the next 20-years or more, save the Borough hundreds of thousands or more of dollars in unplanned failures, maintenance costs per year. The external debt funding was procured for the identified projects and were mostly spent over the 2021-2022 period. This significant capital investment over a relatively short period reduced the operating expenditures needed over those several years. This was good news for an already struggling budget proposal attempting to minimize rate increases in 2023.

Prior to the bond issuance, Electric capital reserves had recovered well and stabilized to around the desired \$6 million mark. The large increase in capital reserves shown is representing the bond proceeds dedicated to the approved Project List which was drawn down over the 3-year period as planned. Approximately \$3 million in capital reserve spending was spent in 2022-2023 for the unexpected overhaul/renewals of Engines 5 and 6 at the Falling Spring Generating Station. This reduced the balance through 2023 and entering 2024 fully depleted as it had not been replenished in many years. Transfers began again in 2024 at a level at least equal to spending, so the fund did not go further negative as the operating account settled out. Entering 2025, reserve rebuilding will increase significantly to get the fund back to desired levels as was the plan by the recent rate increases.



Clearly indicates the impact of no rate increases while investing in capital needs

Council’s goal, as set after the prior economic downturn (Financial “Hurricane Years” of 2009-2013 as it was coined), was to restore operating and capital reserves to adequate values which were to help the Borough maintain stability through the relatively good times. Further, to prepare again for possible future financial emergencies and/or economic turbulence. The reserve levels are set to balance cash reserves. Electric market revenues derived from the new energy portfolio and Borough-owned generation assets, or hedging “tools”, that are used to rebuild the reserve balances starting from the balance low of January 2013. These funds were against utilized as planned over the past few years of elevated market and industry costs to buffer customers from drastic rate increases as we rode through.

The following table is proposed for the overall 2025 Electric Capital Improvements Plan:

<u>Funding Source</u>	<u>Project</u>	<u>2025 Est. Cost</u>
Grant/Match	Transmission System Switching and Protection Upgrades- Resilience Grant	\$1,000,000
Debt	Major Maintenance Overhaul of TB Woods Substation*	\$360,000
Capital Reserve	Distribution System Upgrades, Extensions, New OH/UG Customers, Capacitors	\$275,000
Capital Reserve	Rework and Harden Grant/2nd Transmission Poles	\$220,000
Capital Reserve	Ops Center Smokestack Refurb and Roof Replacement- Initial	\$205,000
Capital Reserve	Convert Park Sub Distribution From 4 to 12 kV	\$190,000
Capital Reserve	Transmission/Distribution Substation Equipment & Engineering	\$135,000
Capital Reserve	Convert Water St Rail Trail Distribution from OH To UG	\$95,000
Capital Reserve	Engine/Generator Major Maintenance Items/Parts	\$65,000
Capital Reserve	Build Out Feeder 273 Toward Downtown	\$50,000
Capital Reserve	Battery Storage Capacity Project Interconnection Design	\$45,000
Capital Reserve	Replacement Single Reel Cable Trailer	\$40,000
Capital Reserve	Cree Substation Relay Replacements- Initial Phase	\$38,000
	TOTAL	\$2,718,000

** - It is the intention of the Borough to undertake this capital improvement on behalf of the customer and increase/surcharge the customer’s electric rate to recover the cost of their improvements.*

The seasonal and operational impacts on the operating incomes and expenses, past and proposed operating and capital cash balances, result in a balancing act between system needs and outcomes between the two funds. The higher the generation and market costs/revenues for the year (greatest single line items), or “increased tools”, the higher the cash operating balance is to be expected at the end of the

year. Likewise, if generation and market values are depressed to a minimum, or “no tools”, the operating cash balance can actually go negative. Staff manages almost in real time to consider trends, future views, and cost-fluctuations attempting to ensure expected balance targets are achieved by dates-certain.

[Reliable Public Power Provider Program from the APPA \(RP3\)](#)

Chambersburg was proud to earn, over 14 years ago now, and maintain since, the RP3 designation from the American Public Power Association (APPA) and work toward overall continuous improvement goals for the mutual benefit of Chambersburg and its residents.



The RP3 program recognizes utilities that demonstrate high proficiency in reliability, safety, work force development, and system improvement. Criteria within each of the four RP3 areas are based upon sound business practices and recognized industry best practices. In addition to its fourth RP3 award in 2017, Chambersburg was first awarded a “Certificate of Excellence” in the APPA’s eReliability Tracker program, also a very high standing now among the nearly 400 public power entities who offered reliability data into the program. The sixth RP3 award was renewed at the highest level of Diamond in 2023 with a score of 99.5/100. The department has made notable progress each year toward the continuous improvement goals.

RP3 Designation: In 2023 and beyond, the RP3 Goals will be specifically tailored toward developing a comprehensive succession plan for a safer, more seamless, transfer of organizational and technical knowledge and transition from retiring employees to those who are incoming and getting on board with the steep learning curves ahead.

In the reliability area, end of life facility, and aging infrastructure projects, the line crew will be covering up more of those overhead-energized parts reducing customer exposures to those nuisance momentary outages. System development: The Borough will be upgrading various transmission and substation equipment/technologies to accommodate the new community solar energy purchases and to better coordinate operations of fault protection systems.

Chambersburg is one of 254 of the nation’s approximately 2,000 public power utilities to hold Reliable Public Power Provider (RP3) recognition from the American Public Power Association for providing consumers with the highest degree of reliable and safe electric service. Chambersburg is one of only three out of the 35 municipal electric utilities in Pennsylvania to have acquired the RP3 award status.

These electric utility industry standard measures are integral to the success of the community it serves. Chambersburg is the proud home of over 11,600 residential, commercial, and industrial customers. A nearly equal split among those customer types, and for decades, is a measure of the community’s diversity, strength, and abilities to weather the financial storms.

The Borough Achieves APPA’s SEP Designation

In 2021, the Electric Utility achieved “Smart Energy Provider” Certification. Chambersburg Electric became the first in Pennsylvania and one of about 97 public power utilities in the Nation of just over 2,000 to meet the new even higher operational efficiency standards. Chambersburg renewed its designation in 2023. Wisconsin has the highest number of utilities achieving the standard at 25 out of 97, or about 26% of the SEP certifications. What follows is an excerpt from the American Public Power Association website on the program.

Smart Energy Provider Program

The Smart Energy Provider (SEP) program is a best practices designation for utilities that show commitment to and proficiency in energy efficiency, distributed generation, renewable energy, and environmental initiatives.



The purpose of the Smart Energy program is to provide national recognition of utility efforts to incorporate energy efficiencies and sustainability while providing affordable electric service. Additionally, achieving SEP designation will help public power utilities benchmark and evaluate their work on these topics against a set of industry best practices.

The Department has therefore set the following Goals for 2025:

- Establish Utility/Community/Customer Relational Enhancements
- Participate in Satisfaction Surveys/Focus Groups
- New Utilities Outreach/Energy Education Programs
- Loan Program: Load Profile Shaping and New Electro-Technologies
- Environmental Impact Baselines, Objective Calculators, Reporting

Chambersburg is the first and only entity out of the 35 municipal electric utilities in Pennsylvania to have acquired the SEP Certification in October 2021 with renewal in 2023.

Succession Planning

Former Superintendent Richard Hamsher retired in early 2009 after 40+ years of service. Ron Pezon and Jeff Heverley managed the Department together since 2008. On May 30, 2023 Ron retired from his service to the Borough. Jeff took the full reigns of the Department as the Director of Electric Utility after a transitional period of the two acting as Co-Directors with Ron’s upcoming retirement. The department has a strong supervisory and management team, yet Jeff’s former Assistant Director level position remains unfilled. The Borough is seeking to fill this void.



Clyde Castle, Chuck Piper, Jeff Heverley, Jerry Howe, Jen Sprenkle, and Jamie Reed

Electric Utility Management

The Borough of Chambersburg has typically planned well during the times of replacing an average number of retirees year to year. However, we are now entering an unprecedented time of need to develop

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people for forthcoming demand for specific skills sets, including leadership positions, substations, system operators, mechanics, and lineworkers of every trade level.

For planning purposes, we are beginning with a snapshot in time looking out at 5-, 10-, and 30-year time periods. The table below paints a clear picture of the front-end loaded or near-term retirement eligibility of the workforce and the need for transitioning and/or replacing a significant number of electric utility workers.

In 2021, working together with Human Resources and the Borough Manager, the Electric Utility began proposing some specific temporary and/or perhaps permanent positions to ensure coverage of full-time equivalents as folks retire or leave employment with the Borough. While still managing within the existing, proposed financial guidelines, and ever mindful of Council budgetary authority, the Electric Utility has been working on the succession replacement process. Secondly, some additional vehicle and operating equipment may be necessary as the Electric Utility plans to meet the need during the transition period and beyond.

Major Employee Retirement Milestones (Eligibilities @ **age 63-65**)

Employees Eligible for Retirement

7 of 28	= 25%	Eligible for Medicare age 65 in next 5 years, 63 in 3 years
+1 of 28	= 28.6%	Eligible for full Borough retirement age 63 in next 5 years
+4 of 28	= 42.9%	Eligible for early retirement age 60 in next 5 years
+1 of 28	= 46.4%	Eligible for full Borough retirement age 63 in next 10 years
15 of 28	= 53.6%	Beyond 10 years until Normal Borough Age 63 Retirement

3 Open Positions- 2 Lineworkers and Assistant Director

In conclusion, 46% of the department personnel may leave for retirement by 2034. The decrease of normal Borough retirement age from 65 to 63 has further increased this effort.

Personnel changes in 2024

Two key management level employees retired in 2023. Both were filled, but the Assistant Director position has subsequently remained open. It will hopefully be filled in 2025. In 2023, a second Lead Line worker position was created to further support the distribution supervisor, pass on important skills to the more junior lineworkers, while increasing depth of knowledge through training. Three more entry level lineworkers were hired to continue the plan of bolstering the crew as multiple entry employees have now not been retained through the process. In 2024 efforts have been made to hire some mid-level lineworkers. There has been some success, but 2 positions are still working to be filled by the end of 2024. A strong future looking crew is being formed with support and guidance from members on the upper end of the retirement level scale.

The Electric Utility created and filled an additional Electric System and Generation Operator position in 2022 to bolster staff in that 24/7 position and prepare for coming retirements. This bargaining unit position, along with advanced filling of other critical operational “learning” positions, department needs, is consistent with the succession plan, and beginning preparations for the upcoming retirements of various employees. In mid to late 2025, it is suspected that steps will be taken to continue these efforts by hiring 1 or 2 additional interim level positions in preparation for future replacements. These are not jobs that can be picked up in minimal timeframes.

The Future of the Pennsylvania Municipal Electric Association & Chambersburg Leadership

In September 2024, officials from approximately 26 of our 35 municipalities that make up Pennsylvania Municipal Electric Association (PMEA) (including Jeffrey Stonehill, Jeff Heverley, Jason Cohen, and Ben Hayhurst) gathered at the 2024 PMEA Annual Conference in Bedford, Pennsylvania. PMEA is a much more active organization with training, advocacy, and assistance to the 35 boroughs that have municipal public power systems in Pennsylvania.

Chambersburg continues as a member of the Board of Directors.

Chambersburg has always been a leader in the world of public power. We worked to help draft the proposed by-laws changes for PMEA and a proposed resolution for each municipality to use to remain a member of PMEA. Furthermore, Salzmann Hughes was appointed as General Counsel to the organization and Smith, Elliot, and Kerns of Chambersburg, as independent auditors.

Chambersburg Borough Manager, Jeffrey Stonehill, continues as President of PMEA. He serves in that capacity since 2018.



On Friday, September 11, 2023, the Board of Directors of the Pennsylvania Municipal Electric Association renewed the appointment of Diane Bosak as the Association’s Executive Director. Diane was the unanimous choice of the Board of Directors. She has brought a wealth of talent and experience to help the Pennsylvania Municipal Electric Association. Together, we will deliver the message of the benefits of Public Power, for the thirty-five boroughs with public power systems throughout the Commonwealth. She is representing well the mission of public power and our organization.

The 2025 PMEA conference will once again be held in Bedford, Pennsylvania.

Strategic Electric Plan – Looking Forward

- Bolster all staff positions and back-ups to become a stronger unified team.
- Multiple sources of power (reduced vulnerabilities, reduce long-term cost fluctuations, reduce sharp price increases due to rapidly changing market conditions).
- Low-cost power hedges in place – Market.
- High-cost power hedges in place – BOC “Tools”.
- Local traditional and renewable behind the meter sources of power.
- Write/Negotiate Agreements Adding Value to Borough.
- Optimize mix of local and traditional sources of power using in new ways the other Borough Energy utilities.
- Large number of slices and variety of power sources.
- Use all that are technically proven/financially viable technologies.
- Electric fleet vehicles purchases/conversions when appropriate using electric vehicles and/or low cost CNG units displacing foreign and domestic oil purchases.



Orchard Park Generating Station

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Largest Customers (in \$ order)

Hundreds of customer success stories are the natural out-falling of these types of over-arching quality objectives. What follows is a list of the Borough's top 26 customers who are still thriving in Chambersburg. There is a new leader as of 2024.

1	Curaleaf	14	BWise Manufacturing
2	TB Woods HV Melting, Foundry/Fabrication	15	Borough of Chambersburg Electric Facilities
3	WellSpan Chambersburg Hospital	16	Keystone Health Facilities
4	Ventura Foods	17	Giant Food Stores – Norland
5	Americold (Chambersburg Cold Storage)	18	Giant Food Stores - Wayne
6	CASD Facilities	19	BJ's Wholesale Club
7	WellSpan Health Other Facilities/Offices	20	Franklin County Facilities
8	Borough of Chambersburg Regional WWTP	21	Weis Markets
9	Knouse Foods	22	Target
10	Wilson College	23	Brightspeed Facilities
11	Edge Rubber	24	YMCA
12	Menno Haven Facilities	25	Shook Home
13	Catch-up Logistics	26	Butcher Shoppe

SkySub Pole-Mounted Smart Grid Systems

The Borough of Chambersburg Electric Utility received a grant award of \$806,250 to install two innovative pole-mounted smart grid systems to promote rapid isolation and restoration of power in the Borough.

The Borough's utility identified a vulnerability in its grid at the intersection of Grant Street and the Norfolk Southern rail line. The intersecting 69 kV electrical lines stem from the Borough's power generation facilities and a disturbance to this area could render the grid unable to transfer available power to areas in demand. The Borough desired to address this vulnerability by acquiring and installing a SkySub substation at this location, which would allow the automatic switching and redirecting of available electricity to the electrical lines with the capacity to power the grid. The project involves making the Borough's grid more resilient to disturbances, which can occur time-to-time. The total cost of the project is estimated to be \$1,075,000. The Pennsylvania Department of Environmental Protection's Grid Resiliency Program (GRG) has approximately \$16 million in competitive funding available to entities that own or operate electric power system infrastructure throughout the Commonwealth, that want to implement resilience measures intended to mitigate the impact of electric grid disruptive events. The Borough Electric Utility pledged \$268,750.00 in matching funds for the project through the Capital Improvements Plan. The new grant award from the GRG program was a welcome investment.



Joining the American Municipal Power (AMP) Joint Action Agency as a Non-Power Supply Member

In 1971, American Municipal Power, Inc. (AMP) was formed when a group of municipally owned electric systems joined forces to gain economies of scale in power supply, amplify their bargaining position, and fight for access to areas previously blocked by investor-owned utilities. AMP provides many different things today to its over 130 member municipalities. AMP is owned and governed by more than 130 Members in nine states including over 30 of the 35 public power systems in Pennsylvania.

AMP provides many services including power supply, transmission, Advanced Metering Infrastructure (AMI), a Smart Thermostat Program, an economic development program, environmental compliance, safety programs, complementary membership for the American Public Power Association, PJM Network compliance and monitoring, and a membership in Hometown Connections. AMP offers its members a variety of technical services to help them improve the quality of service they offer their customers:

- eReliability Tracker. ...
- Circuit Rider. ...
- Engineering. ...
- Environmental Compliance. ...
- Lineworker Apprentice Training. ...
- Mutual Aid. ...
- System Mapping. ...
- Technical Training Programs.

AMP is also a joint action agency. A municipal joint action agency (JAA) is a not-for-profit, intergovernmental body that provides energy and related services to municipal utilities. JAAs are formed by groups of utilities to share costs and resources, and to benefit from economies of scale. Joint Action Agencies are a tool that municipal distribution utilities can use to accomplish their goals of reliable, safe, and low-cost electric supply and services to their communities in an efficient and effective manner.

Chambersburg does not need to use AMP for power supply purchases, contracting, or delivery. As you know, we have extensive infrastructure in place for these services. However, other ancillary services provided by AMP, including technical assistance, training, and their AMI program, are very exciting.



The 2025 Budget includes sufficient resources to join American Municipal Power and become a non-power supply member.

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Payment In Lieu Of Gross Receipts Taxes (PILOT)

The Borough Electric Utility makes a tax-like contribution to the General Government operations of the Borough. If the Electric Utility were an investor-owned electric utility, licensed for operation in Pennsylvania, the Electric Utility would pay “taxes” to the Commonwealth of Pennsylvania. In its current legal format, the Chambersburg Electric Utility is not licensed by Pennsylvania, it is exempt from most Public Utility Commission rules, regulations, and tariffs, and is exempt from paying taxes.

Please find enclosed the proposed 2025 Chambersburg PILOT Tax Return form.

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
PILOT	\$1,350,000	\$1,350,000	\$1,470,000	\$1,870,000	\$2,033,000

**Borough of Chambersburg Finance Department
Electric Gross Receipts Tax
For Tax Year: 2024**

Borough of Chambersburg Acct #	Source of Gross Receipts	Total Budgeted Gross Receipts	Total Taxable PA Receipts
	Utility Plant & Allowance		
	Revenues - Electric Plant Leased to Others		
20010/20018/20020/20021	Other Utility Operating Income	710,000	710,000
20015	Revenues - Merchandise & Jobbing	80,000	
	Revenues - Nonutility Operations		
	Nonoperating Rental Income		
20019/20024/20028	Interest & Dividend Income	189,800	
20016/20017	Miscellaneous Nonoperating Income	600,000	
	Gain/Loss on Disposition of Property		
20011	Residential/Commercial/Industrial Sales	34,750,000	34,750,000
	Public Street & Highway Lighting		0
	Other Sales to Public Authorities		0
	Sales to Railroads & Railways		0
20012	Sales for Resale	1,033,410	1,033,410
	Interdepartmental Sales		
	Other Sales, Nonmajor Only		0
	Provision for Rate Refunds		0
	Forfeited Discounts		0
20022	Miscellaneous Service Revenues	500	500
	Sales of Water and Water Power		0
20023	Rent from Electric Property	50,000	50,000
	Interdepartmental Rents		
20013	Other Electric Revenues	63,400	
	Revenues from Transmission of Electricity of Others		0
	Regional Transmission Service Revenues		0
20014/20025/20026	Miscellaneous Revenues	155,500	155,500
20027	All Other Sources	1,000	1,000
	Totals of each column	\$37,633,610	\$36,700,410
	Tax at the rate of 59 mills Gross Receipts Tax		\$2,165,324
	Town Council Adopted Multiplier		93.88893%
	Payment in Lieu of Gross Receipts Tax		\$2,033,000

Natural Gas Utility



The Chambersburg Natural Gas Utility will provide our customers with prompt, professional service; a reliable and safe system with reasonable and stable rates. We exist to generate benefits for the community we serve.

Utility Director: John Leary

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$12,680,212	\$11,335,910	\$10,881,095
Expenses	\$11,345,707	\$11,335,910	\$10,881,095
Excess (Deficit)	\$1,334,505 Surplus*	- Balanced -	- Balanced -

* - Includes a \$1,702,000 transfer for future capital projects was made as this surplus was realized.

The gain in 2023 was a product of additional lower sales and lower than anticipated gas expenses.

The Natural Gas Utility has accounted for rising costs in 2024. While the charge for delivery of gas remains unchanged, the charge for the gas itself fluctuates with the wholesale cost of buying the gas.



Be Careful Where You Dig

Background

The Chambersburg Gas Company began operation as a private company in 1856, manufacturing gas from coal. They delivered the gas primarily for street lighting, although later it became a common heating and cooking fuel in the home. The private company continued operation until 1946, when the Borough of Chambersburg purchased the gas utility and became the second of only two municipal gas operations within the Commonwealth of Pennsylvania (Philadelphia being the other). In 1953, the Borough converted the system to clean burning natural gas. Because of Pennsylvania Legislative action, Philadelphia Gas Works has come under Public Utilities Commission (PUC) jurisdiction. This now leaves Chambersburg as the only true municipal gas system in the State of Pennsylvania.



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The Borough is proud to operate the safest gas system in Pennsylvania. There have been zero reportable gas safety incidents in the Borough in over 35 years.



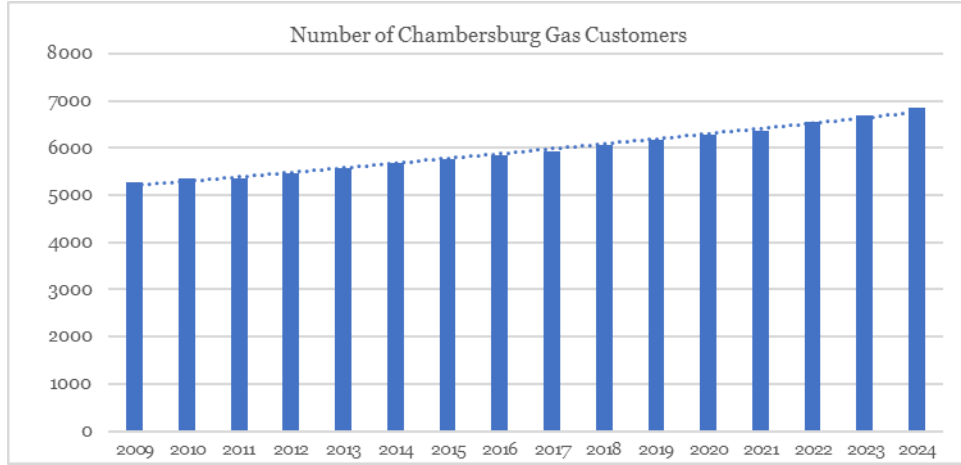
Additionally, Chambersburg delivers the lowest cost gas in Pennsylvania. In 2023, the Borough delivered 1,267,776 Dekatherms (DTH) of gas to our customers, with gas sales totaling \$11.3 million. This was a 20% decrease from 2022, primarily due to warmer weather, and decreased power plant usage.



In 2024, the Natural Gas Utility has continued to work aggressively to replace old pipe, including over half a mile of cast iron gas mains and steel services on Philadelphia Avenue, Commerce Street, and Vine Street. Additionally, the utility extended service to over 100 new customers in the Borough.

Expanding gas use throughout the Borough helps more and more residents benefit from lower utility bills. Residents converting to gas heat can save up to \$2,000 per year on their utilities. These savings help decrease poverty in our community.





Increasing our customer base not only helps additional residents benefit from gas service, it also helps keep gas rates down for existing customers. The broader the Borough’s customer base is the more we can spread out fixed costs benefiting everyone. Increased revenue also results in additional revenue for the General Fund through our Payment in Lieu of Taxes (PILOT), helping to keep taxes lower in the Borough.

We are very excited to have significantly added to our customer base. Twenty-three years ago, the Borough had less than 5,000 gas customers. This number remained relatively stagnant for a number of years, until about 15 years ago. From that time on, we have added an average of over 100 customers per year, bringing our current total to 6,850.

A big reason for the addition of so many customers is the Energy Efficiency Financing Program. Under the program, residents and developers of multi-family homes can finance up to \$7,500 to replace a non-gas furnace or water heater with a gas unit. Small businesses can finance up to \$10,000. The loans are at 0% interest, with a \$3.00 per month administrative charge (\$5.00 for commercial and multi-family loans), with repayments of up to five years. The program to date has over 950 participants, with a total value of \$5 million in 0% interest loans.



Funds are available for residential homeowners where natural gas service is available for the purchase and installation of natural gas ENERGY STAR residential appliances – natural gas furnaces, natural gas tankless water heaters, and tank water heaters.

The Main Street Energy Efficiency Financing Program is a municipal service for citizens and customers located within the natural gas service areas of the Borough-owned natural gas distribution system.



Loan Program Success Involves Partnership with Local Plumbers

Environmental Remediation



Before the Service Center, the Site was a Manufactured Gas Plant

Subsurface soil contamination exists related to a previous Manufactured Gas Plant (MGP) on the site of the Customer Service Center on S. Franklin Street. Primarily for street lighting, the plant built in 1856 was a private company, manufacturing synthetic gas from coal. The private company ran the facility until 1946, when the Borough purchased the site. Within seven years, the Borough converted the synthetic gas system to clean natural gas. However, the 90 years of prior operation left the site with underground contamination. During preparations for the new Electric Utility Building, crews discovered this contamination.

Because the Borough places so much importance in environmental responsibility; upon discovery, we immediately began a remediation plan. This plan included extensive drilling and testing of the soil and groundwater to determine the extent of contamination. It also included sampling of the air inside the Service Center to ensure there were no threats to employee health. The testing determined there are no current threats to the surrounding environment, or to employee health and safety. We are continuing to regularly monitor the site, prior to remediation to ensure there is no damage to the Conococheague Creek.

The Borough received a \$525,000 grant from the Commonwealth of PA to assist with the MGP assessment. This grant has allowed us to develop a plan with the PA DEP to prevent the contamination from becoming a threat to the surrounding areas. This plan is expected to be completed in 2024 and will allow the Borough to continue use of the facility without liability or danger to the community.



Gas Lighting

As many people are aware, the ambience created by gas lamps is a thing of beauty. To increase the aesthetics of the new County Courthouse plaza on Memorial Square, the Borough collaborated with Franklin County to install several gas lanterns on the plaza. These lights are enhancing the beauty of the site, and we expect will help others to see the benefits of gas lighting for their homes and businesses.

If you are interested in installing gas lights at your home or business, contact the Chambersburg Natural Gas Utility.

APGA System Operational Achievement Recognition (SOAR) Award



Developed by the American Public Gas Association (APGA) to recognize outstanding public gas systems in the US, the System Operational Achievement Recognition (SOAR) award was established. Excellence is measured in four areas: System Integrity, System Improvement, Employee Safety and Workforce Development.

In 2017 and 2020, Chambersburg was awarded SOAR at the Gold level – the highest possible level. The award is for a three-year period, so the Borough had to reapply in 2023 for SOAR consideration. We are proud that in 2023 we again received SOAR Gold recognition! The scoring criteria became even more difficult since 2020, yet the Borough received 99 out of 100 possible points in the 2023 scoring! The SOAR award is analogous to the American Public Power Association (APPA) RP3 award (RP3’s three levels are Diamond, Platinum and Gold), which has also been awarded to Chambersburg.



The safety of Chambersburg gas utility customers and Chambersburg employees is our top priority. To that end, the Natural Gas Utility has strong programs in leak detection, corrosion prevention, public education, and employee training.

There have been zero reportable gas safety incidents in Chambersburg for over 35 years, and we believe that no system is safer in Pennsylvania. That being said, safety requires a culture of detail and an attitude of vigilance. We not only need to keep the infrastructure in top working order, but we need employees committed to safety.

The Chambersburg Natural Gas Utility is proud to be a winner of the 2024 APGA Safety Award. This is the 11th straight year Chambersburg has been presented this award, a sign of consistent commitment to safe operation.

The Chambersburg Natural Gas Utility is proud to assist the Chambersburg Fire Department with the purchasing of Carbon Monoxide (CO) detectors for customers’ protection from this dangerous odorless gas that can be a byproduct of malfunctioning heating systems. We have been sponsoring this program for the past six years, and have purchased several thousand CO detectors for Borough homes. Since 2019, we have been purchasing combined CO/methane detectors, further enhancing our outreach to the community to ensure the safety of our residents. We intend to continue these purchases indefinitely.

Additionally, greater gas use improves household safety, according to the National Fire Protection Association (NFPA). Per NFPA studies ([Home Cooking Fires \(nfpa.org\)](https://www.nfpa.org/home-cooking-fires)), homes with gas stoves are 2.6

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times less likely to have house fires than those with electric stoves. Likewise, the NFPA has found that homes with gas heat are 2.7 times less likely to have house fires than those heating with electric.

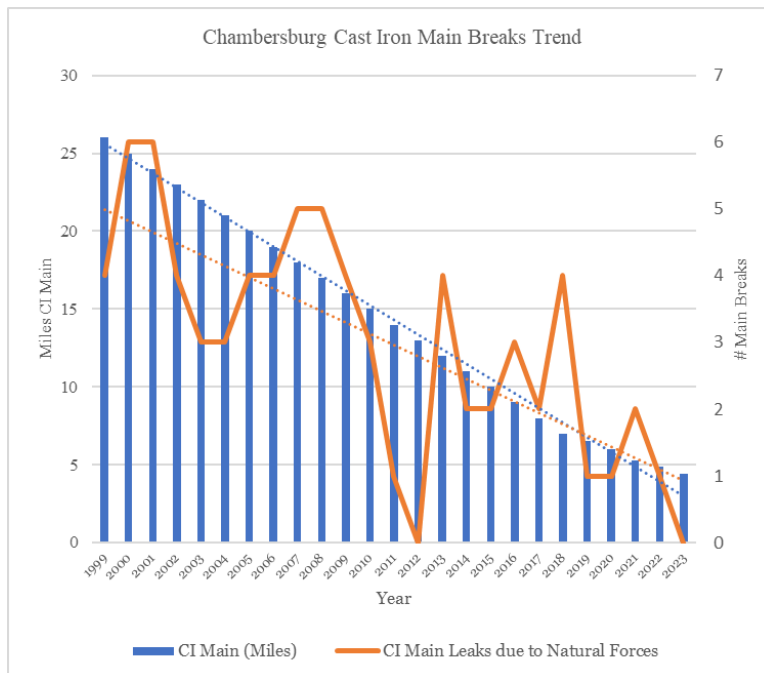
The Federal government regulates natural gas system safety. We continue to implement safety and operational changes including substantial replacement of older underground cast iron and steel piping with plastic. This replacement has led to a significant reduction trend in gas leaks. In addition, regular and aggressive upgrades and preventive maintenance schedules have prevented any reportable gas safety incidents in Chambersburg for over 35 years.



Ten Straight Years Winning the APGA Safety Award

In light of our commitment to safety, the Borough continues to replace old gas mains and services:

- Replaced 21 miles out of 26 miles of Cast Iron (CI) main since 2000 when the program began, a much faster pace than most gas utilities
- Prioritizing replacements ahead of re-paving and based on risk assessments
- Spending about \$1,000,000 this year on old pipe replacement – recommend increase to \$1.6 million in 2025, paid for by Federal Grant
- Gas leaks continue to trend lower and less serious compared to previous years (as shown in the chart below of “Cast Iron Main Breaks Trend”, which tracks the decrease in main breaks as we’ve replaced Cast Iron pipe).



Cast Iron versus Natural Gas Polyethylene Pipe (through 2023)

American Public Gas Association & Industry Leadership

The American Public Gas Association (APGA) has over 730 members in 37 states and is the primary not-for-profit trade organization that represents America's publicly owned natural gas local distribution companies. APGA represents the interests of public gas before Congress, federal agencies and other energy-related stakeholders by developing regulatory and legislative policies that further the goals of our members. In addition, APGA organizes meetings, seminars, and workshops with a specific goal to improve the safety, reliability, operational efficiency, and regulatory environment in which public gas systems operate. Through APGA membership, public gas systems are kept informed about new developments in technology, safety, public policy, operations, and the global markets that could affect the communities and consumers they serve. APGA members are owned by and accountable to the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

APGA Membership provides representation on Capitol Hill and the full APGA staff at our service for all Federal gas issues, networking opportunities with fellow public gas professionals, the opportunity to get involved at the highest levels of public gas, and educational opportunities to improve our operations.

Council President Allen Coffman actively serves on the APGA Public Gas Policy Council providing an invaluable voice to gas issues at the national level.

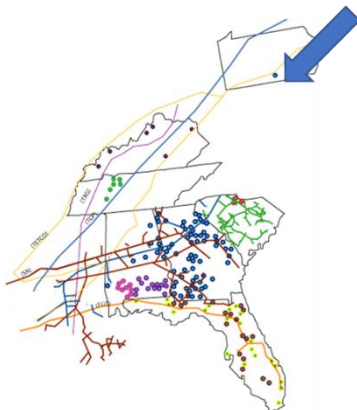
Assistant Director of Natural Gas Utility, Jon Mason, is a member of the APGA Security and Integrity Foundation Board of Directors and a leader on the APGA Operations and Safety Committee.

Director of Natural Gas Utility, John Leary is a member of the APGA Board of Directors, and the Board of Directors for the APGA Research Foundation. He is also active on numerous other committees.



Jon Mason, John Leary, Roy Schweizer, and Allen Coffman at the Capitol

Membership with the Municipal Gas Authority of Georgia



The Municipal Gas Authority of Georgia (The Gas Authority) is the largest non-profit natural gas joint action agency in the United States, serving 79 Members in Georgia, Alabama, Florida, Pennsylvania, and Tennessee, who meet the gas needs of approximately 245,000 customers.

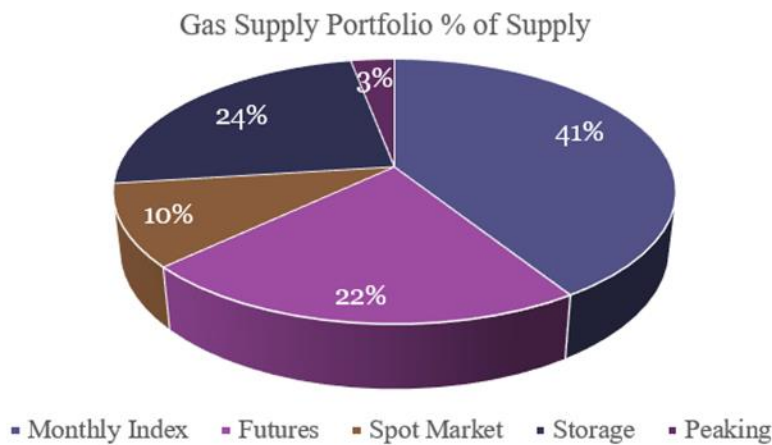
The Gas Authority meets the Borough's full natural gas supply requirements, and provides scheduling services for gas delivery. They provide assistance in system rate design, marketing assistance, and regulatory assistance.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

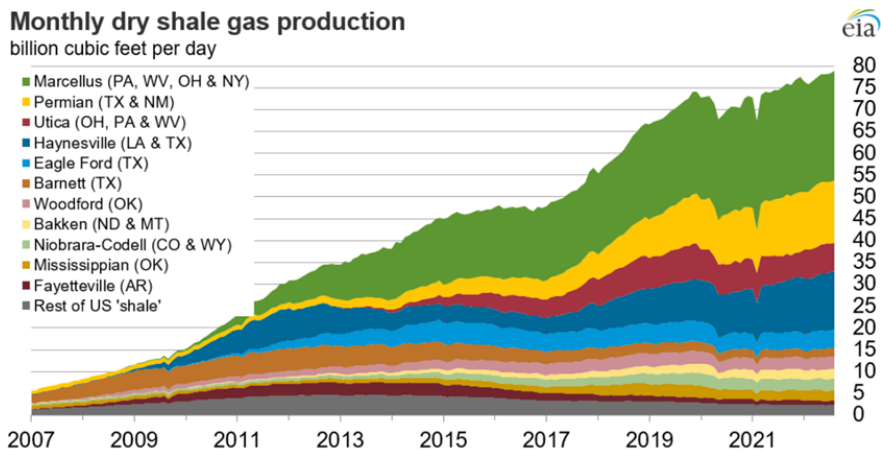
We are officially the northernmost outpost of the great State of Georgia. In 2017, Jon Mason was appointed to the Gas Authority Board of Directors. He continues to serve as a non-Georgia representative on the Board of Directors.

Through our membership in the Gas Authority, all Chambersburg gas is purchased. By means of the Texas Eastern pipeline, all Chambersburg gas is delivered. The “take-point” is on Guilford Springs Road, south of the Borough. The Authority’s pool of member purchases provides significant savings and there are values to the Borough in excess of what we pay for their service. Our supply is via a diversified portfolio in order to decrease price volatility. The Borough purchases gas through a diverse portfolio:

- First of Month Index;
- Futures Market;
- Spot Market;
- Storage;
- Peaking.



The Gas Authority allows the Borough the freedom to choose what mix we would like for our gas supply. Every month, the Borough works with the Gas Authority to evaluate purchasing needs and the makeup of the gas-purchasing portfolio, adjusting what best suits the Borough’s customers’ needs.



Data source: Enverus state administrative data. Data are through August 2022 and represent EIA’s official tight gas estimates but are not survey data. State abbreviations indicate primary state(s).
Note: Improvements to play identification methods have altered production volumes of various plays.

Gas Transportation Arrangement with UGI Gas Utilities

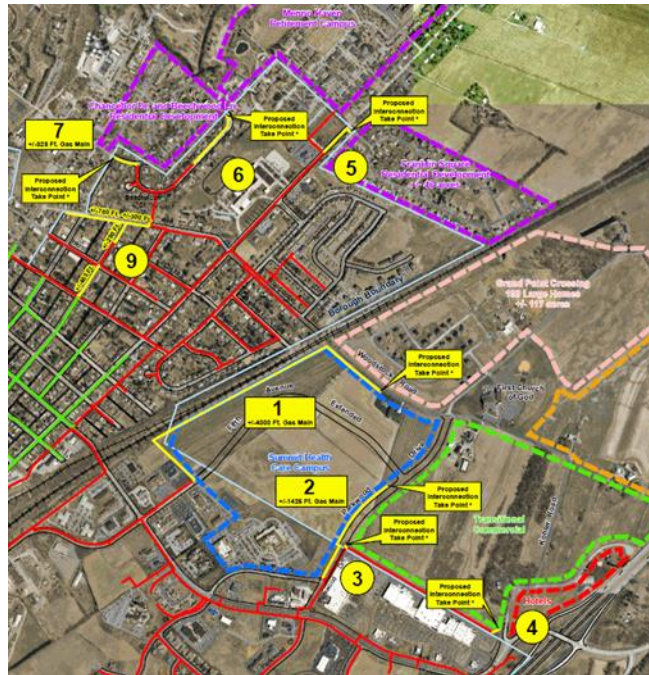
The Borough has been transporting natural gas to UGI Gas for the past five years. The Borough is generally prohibited from serving customers outside of the Borough. Significant development is pending in Greene Township, just outside the Borough limits, which requires low-cost natural gas. This development includes a large expansion at Menno Haven, as well as, development for Wellspan Health. This area is in UGI’s franchised territory, but they lack the means to provide gas to the area.

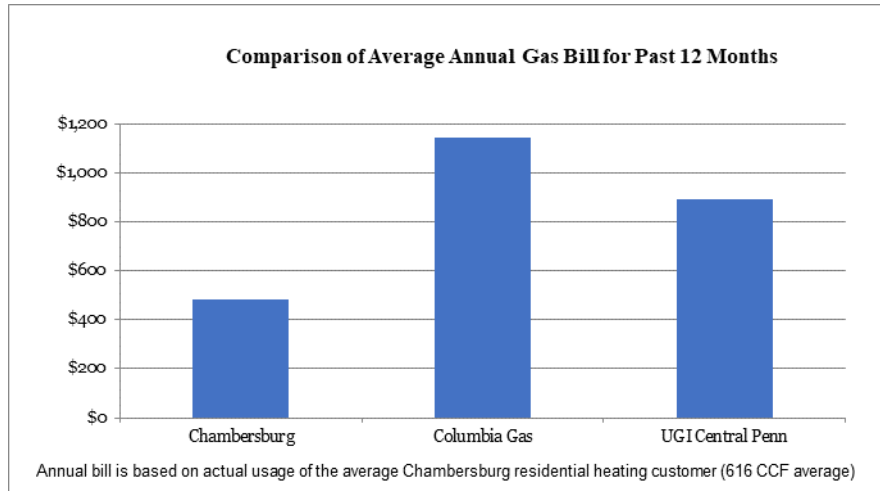
In discussions between Menno Haven and UGI Gas, the two decided to approach the Borough and request a transportation arrangement. The concept was, UGI Gas would buy its own gas supply and have it transported to the Borough’s natural gas interconnection on the Texas Eastern pipeline. Chambersburg would transport that gas through the Borough system to the Greene Township line and UGI offered to pay the Borough for the transportation. UGI would then take possession of its gas at the Borough border, then distribute to Menno Haven. In the end, Menno Haven gets gas service, UGI gets a gas customer, and UGI pays the Borough a fee for transportation of natural gas through the Borough system.

While working out this arrangement for Menno Haven and UGI, the Borough of Chambersburg decided a similar arrangement would work for hundreds of other homes and businesses in Greene Township. The Borough suggested, and UGI agreed, that gas could be made available to: the Grand Point neighborhood, the growing Wellspan Health campus on Parkwood Drive, undeveloped land along I-81 near Exit 17, the Franklin Square residential neighborhood, and the Chancellor Drive/Beechwood neighborhood as well. The Borough will transport UGI gas from the Texas Eastern pipeline to Greene Township in these areas, in addition to the Menno Haven campus, and UGI will sell its gas to new customers in these sections of Greene Township. UGI will pay the Borough a fee for the transportation of its gas.

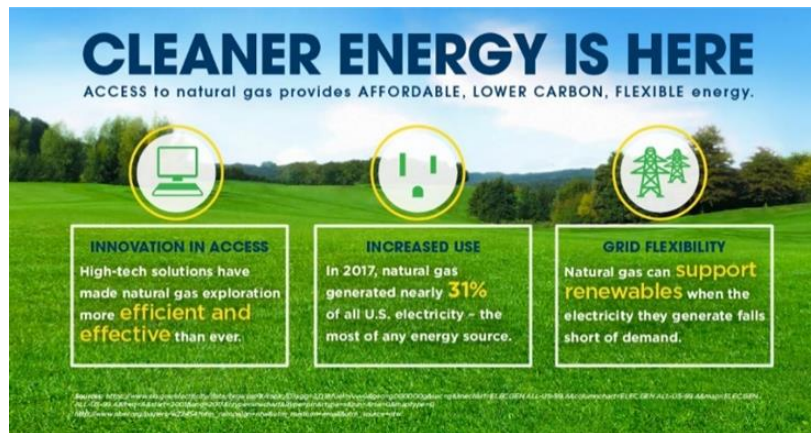
This project included the addition of new pipelines on the north end of the Borough natural gas system, paid in part from a grant from the Pennsylvania Commonwealth Financing Authority. These new pipelines were installed in 2020.

The UGI interconnection, as well as future water and sewer projects, are all related to this future development. This arrangement will provide excellent benefits to Borough gas customers.





Comparison of Average Monthly Gas Bill for Oct. 2023 through Sep. 2024



Extensive Grant Funded Infrastructure Projects Keep the Natural Gas Utility Busy

The Natural Gas Utility received approximately \$5.2 million in 2022 to complete phase one of the project. The second award of \$5.56 million in 2023, from the USDOT’s Pipeline and Hazardous Materials Safety Administration’s Natural Gas Distribution Infrastructure Safety and Monitoring Grant Program will pay for a significant cost of the remaining work to be completed, ensuring the continued provision of safe and affordable natural gas.

The continued supply of reliable natural gas is critical to maintain economic growth and promote development in the borough, which is one of the fastest growing areas in Franklin County. The project is also intended to provide natural gas service to several areas of the borough that are classified as historically disadvantaged communities, ensuring that these communities are supplied affordable energy.

The Borough’s project will reduce the risk of methane leaks from of existing pipelines, create well-paying jobs, promote economic growth, and benefit disadvantaged rural and urban communities with the safe provision of natural gas. The continued supply of reliable natural gas is critical to maintain economic growth and promote development in the Borough, which is one of the fastest growing areas in Franklin County.

Citizens may be seeing quite a few projects around town where infrastructure is being upgraded.

Natural Gas Rates

The 2025 Natural Gas Utility budget contains an 8% increase in the retail rate for natural gas delivery. This increase is necessary to pay for the Gas Utility’s fair share of the new Public Works Campus. Despite this increase, Chambersburg will continue to have the lowest retail natural gas rates available in Pennsylvania. This contributes to the economic development in the community, is a contributing factor to lower unemployment, higher salaries, economic vitality of businesses, and a lower cost of living for everyone.

Chambersburg residents’ gas prices are currently 52% lower than prices charged by local private gas companies. An average Chambersburg residential bill was \$480 for the past twelve months vs. \$1,016 at average local private utility rates as approved by the Pennsylvania Public Utilities Commission (for a customer using the same amount of gas as the average Chambersburg customer).

The average Borough gas customer’s annual gas bill is expected to rise to \$517 with the proposed rate increase. Pending rate increases with private local gas utilities indicate that Chambersburg residents will continue to pay over 50% less than private customers.

Chambersburg consumer natural gas rates are broken down into several parts. The Gas Supply cost is a direct pass through to customers of the wholesale cost for gas delivered to Chambersburg. The Gas Supply rate is \$0.96 per hundred cubic feet (CCF). To account for fluctuations in monthly wholesale gas prices, the Purchased Gas Adjustment (PGA) factor is added. The PGA is the same for all customer classes (currently a credit of $-\$.42$). The Gas Distribution Rate varies by customer class. Our largest class of customers, Residential Heat, pays a distribution rate of \$0.1664 per CCF. The Monthly Customer Charge also varies by customer class. Combining the Gas Supply and Distribution Rates for Residential Heat customers gives a total rate of \$1.1264, prior to the inclusion of the PGA. Residential Heat customers pay \$8.70 per month for the Monthly Customer Charge.

<u>Month</u>	<u>Avg Units (CCF)</u>	<u>Base Rate</u>	<u>PGA</u>	<u>Cust. Charge</u>	<u>Total Bill</u>
Oct-23	42	1.1264	-0.51704	\$8.70	\$34
Nov-23	94	1.1264	-0.50802	\$8.70	\$67
Dec-23	113	1.1264	-0.52626	\$8.70	\$77
Jan-24	120	1.1264	-0.5325	\$8.70	\$80
Feb-24	90	1.1264	-0.54252	\$8.70	\$61
Mar-24	68	1.1264	-0.5181	\$8.70	\$50
Apr-24	30	1.1264	-0.50252	\$8.70	\$27
May-24	14	1.1264	-0.47645	\$8.70	\$18
Jun-24	11	1.1264	-0.47059	\$8.70	\$16
Jul-24	9	1.1264	-0.41167	\$8.70	\$15
Aug-24	10	1.1264	-0.41167	\$8.70	\$16
Sep-24	15	1.1264	-0.41167	\$8.70	\$19

The Borough’s retail rates have three components; Gas Supply, Gas Distribution, and the Monthly Charge. Gas is sold in hundred cubic feet (ccf) units.

- Staff is recommending an 8% rate increase.
- The proposed budget includes \$2,935,000 in capital improvements to the Natural Gas Utility infrastructure; including the replacement of old gas mains and services, the extension of gas service to new areas of the Borough, and for the environmental cleanup at the Service Center. The bulk of the replacement work and environment work is expected to be paid for under grant programs.
- The proposed budget looks to begin reserving approximately \$2,500,000 for future capital improvements to the distribution system.
- The proposed budget includes the addition of three new employees to complete our pipe replacement program within our five-year requirement. These new employees’ salaries will be paid for by our Federal grants.
- Replace 7th St. Regulator Station.
- Begin relocation of ½ mile of High-Pressure gas main to allow for I-81 Exit 12 construction. Work to be paid for by PennDOT.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

2025 Department Goals

- Continue to have zero reportable gas safety incidents.
- Zero lost time injuries to employees.
- Replace over one mile of CI gas mains.
- Add over 100 new gas customers.
- Extend gas mains to new customers in new areas of the Borough.
- Increase gas transportation flows to UGI.
- Continue to make large financial contributions to Borough operations to help keep taxes and all utility rates low.



Largest Natural Gas Customers

Largest Customers By Volume 2023 Customer	Total Units (Ccf)	Total Amount (\$)
Orchard Park Generating Station	1,413,320	\$ 511,526
Chambersburg Hospital	1,041,735	\$ 857,957
Knouse Foods Co-Op Inc	1,015,931	\$ 623,712
Ventura Foods LLC	679,713	\$ 512,374
T B Woods Incorporated	637,675	\$ 441,905
Chambersburg Area Senior High	341,359	\$ 295,371
B-Wise Manufacturing LLC	319,754	\$ 277,025
Wilson College	275,248	\$ 224,270
AES Compassion Care LLC	209,042	\$ 172,441
Falling Spring Generating Station	175,070	\$ 68,049



Gas fireplaces are a beautiful addition to any home

Environmental Benefits of Natural Gas

- Natural gas is safe, clean, reliable and affordable. It is also a domestic energy source, helping to power our economy and increase America’s energy security.
- Natural gas costs much less to use than other energy sources - benefitting everyone, but especially low-income households.
- Expanding access to natural gas is one of the most effective methods to cut poverty in the US and the world, due to its low cost.
- Natural gas has significantly lower emissions of pollutants and CO₂ than oil or electric.

Important for the Borough to continue to support responsible production of natural gas.



Cooking with natural gas is impossible to replace, especially for commercial kitchens



Natural Gas Electric Generation

Chambersburg Electric Generation Project

The Borough would like to better maximize the financial benefits of generation. Because of the Borough's unique ability to acquire low cost gas, we are able to benefit the community with clean, low carbon electricity to our residents at a cost better than private utilities.

A high priority is also increasing our ability to be more self-sufficient with electrical generation needs. Many possible future grid problems are becoming apparent, increasing the importance of the Borough having the ability to control our own generation to minimize problems outside of the Borough. The more the Borough can satisfy our own electric needs, the more we won't be susceptible to blackouts or price spikes.

The unique position of the Borough owning and operating electric and natural gas utilities gives us the ability to partner throughout the development of this project, providing greater benefits to Borough residents. As is seen throughout the Borough, owning and operating all of our utilities continues to benefit Borough residents.

At this point, installing additional natural gas generation seems unlikely, but the future policy of the Borough may change.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Payment In Lieu Of Gross Receipts Taxes (PILOT)

As you know, the Borough Natural Gas Utility makes a tax-like contribution to the General Government operations of the Borough. If the Natural Gas Utility were an investor-owned utility, licensed for operation in Pennsylvania, the Natural Gas Utility would pay “taxes” to the Commonwealth of Pennsylvania. In its current legal format, the Chambersburg Natural Gas Utility is not licensed by Pennsylvania, it is exempt from most Public Utility Commission rules, regulations, tariffs, and is exempt from paying taxes.

Please find enclosed the proposed 2025 Chambersburg PILOT Tax Return form.

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
PILOT	\$650,000	\$650,000	\$750,000	\$900,000	\$910,000

**Borough of Chambersburg Finance Department
Gas Gross Receipts Tax
For Tax Year: 2024**

BOC Acct #	Source of Gross Receipts	Total Budgeted Gross Receipts	Total Taxable PA Receipts
	Utility Plant & Allowance		
	Revenues - Gas Refinery Plant Leased to Others		
30012/30018/30020/30021	Other Utility Operating Income	210,000	210,000
30015	Revenues - Merchandise & Jobbing	5,000	
	Revenues - Nonutility Operations		
	Nonoperating Rental Income		
30019/30024	Interest & Dividend Income	68,800	
30014/30016/30017/30027	Miscellaneous Nonoperating Income	1,350,300	
	Gain/Loss on Disposition of Property		
30011/30026	Residential/Commercial/Industrial Sales	9,185,145	9,185,145
30028	Other Sales to Public Authorities		0
	Sales to Railroads & Railways		0
	Sales for Resale		0
	Interdepartmental Sales		
	Other Sales, Nonmajor Only		0
	Provision for Rate Refunds		0
	Forfeited Discounts		0
30022	Miscellaneous Service Revenues	30,000	30,000
	Sales of Water and Water Power		0
	Rent from Gas Property		0
	Interdepartmental Rents		
30013	Other Gas Revenues	31,100	
	Revenues from Transmission of Electricity of Others		0
	Regional Distribution Service Revenues		0
30025	Miscellaneous Revenues	750	750
	All Other Sources		0
	Totals of each column	\$10,881,095	\$9,425,895
	Tax at the rate of 59 mills Gross Receipts Tax		\$556,128
	Town Council Adopted Multiplier		163.6315%
	Payment in Lieu of Gross Receipts Tax		\$910,000

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Water Utility



The Chambersburg Water Utility provides high quality drinking water and fire protection flow for Borough customers, including the Bear Valley Authority, through cost effective operation and maintenance of our infrastructure, while meeting the ever-changing challenges of continual growth and environmental protection.

Utility Director: Lance Anderson, PE

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$5,121,735	\$5,175,125	\$5,738,804
Expenses	\$5,482,273	\$5,175,125	\$5,738,804
Excess (Deficit)	(\$360,538) Deficit*	- Balanced -	- Balanced -

* - Originally, the 2023 budget included a transfer back from the Water Capital Fund, but in the end that transfer was cancelled and the fund balance of the Water Fund was used to cover the deficit.

The Chambersburg Water Utility is in a strong operating position. Prior to the 2020 bond sale, the Department was debt free. Prior to 2018, it had not raised the retail water rates since 2001 (seventeen years) and even now, it has one of the lowest average monthly water rates in Franklin County.

Previous water rate increases – 1991, 2001, 2018, 2019, 2020, 2022, 2023, and 2024.

Following the plan first introduced in 2018, the Water Utility raised retail water rates \$.01 per unit per year from 2018-2020 resulting in a rate of \$.15 per unit. In 2021, there was no rate change. In 2022, the “per unit rate” was increased from \$.15 to \$.17. In 2023, the “per unit rate” was increased from \$.17 to \$.22. In 2024, the “per unit rate” was increased from \$.22 to \$.25. In 2025, the “per unit rate” is to be increased from \$.25 to \$.27 along with a 20% increase in the readiness-to-serve rate. The rate increases are necessary to generate additional revenue to cover increased operational and maintenance costs, administrative costs, and debt service. More recently, additional costs attributed to supply chain issues, such as chemicals, gas, and supplies, and other operational expenses, such as paving, have contributed to the necessity. It is likely that future increases in costs may require future rate increases.



This 2025 budget recommends a small water rate increase (2¢ per unit) and a 20% increase in the readiness-to-serve rate to keep pace with rising expenses. Regardless, Chambersburg has the lowest retail rates in the region even after this adjustment.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Water Rates

The Water Utility envisions two types of small increase: a water rate increase in 2025 of 2¢ per unit proposed; and a ready-to-serve charge increase in 2025 of 20% proposed. These increases will cover infrastructure improvement costs, operational cost increases and water meter costs.

The average single-family home customer uses 170 gallons of water per day. This usage equates to 70 “units” per month (1 “unit” = 74.8 gallons). The 2024 rate is \$0.25/unit; \$5.95 r-t-s. As a result, in 2024, average single-family home saw monthly billing of \$23.45. We anticipate that the average monthly billing for a single-family home will rise from \$23.45 to \$26.04 per month in January 2025 (\$2.59 per month).

The Chambersburg Water Utility still has some of the lowest rates in the region. This proposed increase will vary based on several factors including weather, and home attributes. Some of our neighboring water systems pay 300% more than Chambersburg residents and businesses do for their water supply. It is hard to overstate how much more utilities cost living in the townships around Chambersburg Borough.

2024 usage charge: \$.25/unit; \$5.95 r-t-s

2024 average monthly billing: \$23.45

2025 usage charge: \$.27/unit; \$7.14 r-t-s

2025 average monthly billing: \$26.06



Municipality	Rate	Monthly Billing
Borough of Chambersburg (Current)	25¢	\$23.45
Borough of Chambersburg (Future)	27¢	\$26.04
Borough of Chambersburg (Outside)	10¢	*\$11.96
Bear Valley Water Authority		\$85.99
Capital Region Water		\$63.93
Greencastle		\$63.49
Washington Township		\$43.35
Carlisle		\$41.65
Gettysburg		\$39.82
Waynesboro		\$38.81
Shippensburg		\$34.83
Guilford Water Authority		\$31.20

One-month billing based upon the usage of the average-single-family-household

** - Borough officials working on plan to bring outside water customers to eventually be equal to inside*

The Chambersburg Water Utility continues to have some of the lowest costs of any water utility in the area even after the proposed rate increase. Borough water customers (outside) in the townships are to be transitioned to Borough rates as a result of being shifted to the Chambersburg Area Municipal Authority (CAMA), beginning in 2025. This shift will result in a similar rate increase for these customers.

In 2024, the Water Utility has reserves of \$4,800,000 in capital funds for future capital projects. In addition, the Water Utility also has reserves of \$2,500,000 in operational funds.

The system is mostly exempt from Pennsylvania Public Utilities Commission regulations (except our customers in Greene, Guilford, and Hamilton Townships). Currently, staff is working on a cooperative initiative with Greene Township to serve the area north of Norland Avenue in Greene Township. On June 30, 2022, an Intermunicipal Agreement between the Borough, Greene Township, and Chambersburg Area Municipal Authority was executed defining this cooperative effort. This area would ultimately be served through the Borough's Authority. The 2025 budget includes \$1,200,000 in support of this initiative.



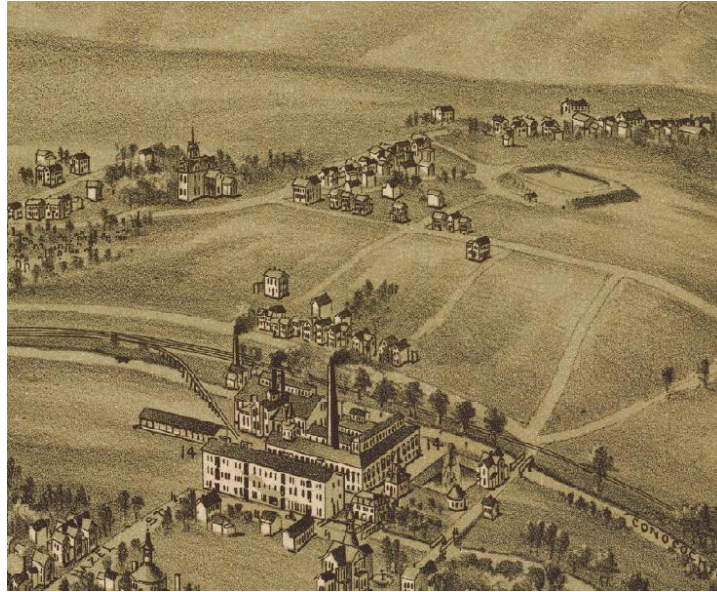
The Interconnection Pump Station at Sollenberger Road between the Chambersburg Water System and the Bear Valley Joint Intermunicipal Authority

Finally, we maintain an excellent relationship with the Bear Valley Joint Municipal Authority, our largest water customer.

Background and History

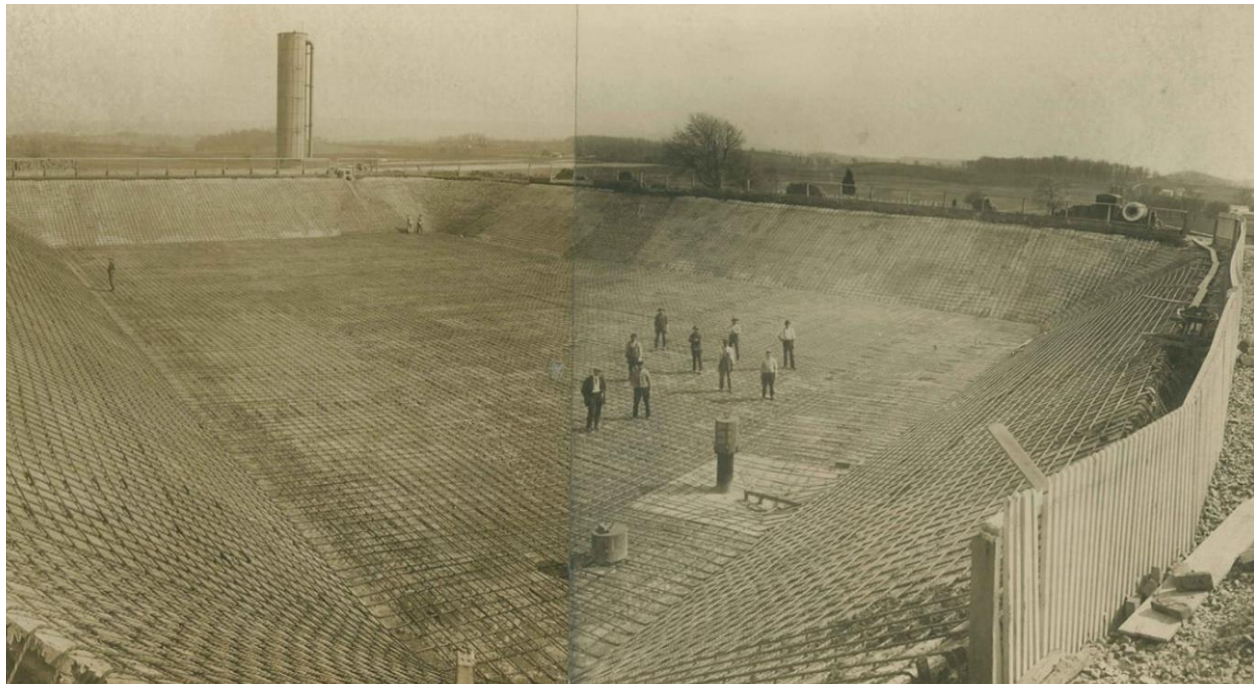
A good source of water has always been essential to the well-being and survival of communities throughout civilization. Chambersburg exists because of water. It is no wonder that the original Colonel Benjamin Chambers Fort was atop the Falling Spring, at King Street, to provide a good source of water for the use of the inhabitants, for commerce, as well for fire protection. Around 1818, shareholders organized the Chambersburg Water Company. To pump water from the Falling Spring to a reservoir sited on the current Chambersburg Hospital land, engineers used a waterwheel. Water then flowed to customers through hollowed pine logs, joined “end to end”. The estimate is that this system cost approximately \$40,000, no small sum in 1818.

The water system was improved and expanded in 1871 with the development of the Borough's first utility enterprise, the Birkinbine Reservoir, which consisted of a 300,000-brick reservoir near the intersection of Reservoir and Franklin Streets (Reservoir Hill).



A drawing of Chambersburg from 1894 includes the open-air reservoir on top of the hill overlooking the Wolf Manufacturing Plant along the Conococheague Creek

A steam engine powered pumping station along the Conococheague Creek lifted the water from the creek into the reservoir. Over six miles of cast iron pipe was installed to transport the water to the reservoir, and then distribute it to the North Main Street area, as well as to the center of town. From these mains, smaller pipes distributed water to individual properties. The water was taken from the creek with little regard to the fact that raw sewerage was being piped into the creek about a mile above the pumping station.



Dull Hill Reservoir in Guilford under Construction

In January 1891, the Borough purchased the C. B. Gish flourmill, a location called “Siloam”. It consisted of a mill dam and the impounding area above it. Additional land purchase gave rise to the possibility of a 2-million-gallon reservoir. Initially, it was expected that the mill’s wheel would force water to the new reservoir known as Horst Reservoir. The experiment was less than successful and steam-driven pumps were implemented. In 1905, a Worthington steam-driven pump was successfully installed with the plant producing about 1.5 million gallons per day in 1907. Unfortunately, the water from the Conococheague Creek flowed through miles of pastures and fields making it a less than an agreeable source of water. In 2005, the Borough breached the Siloam Dam and the stream’s banks restored.

The Borough still owns land along Siloam Dam Road in Greene Township.



The Second Siloam Dam

In 1909, Mr. A.W. Zacharias, the Burgess, prompted the locals to work on the “water situation of the Borough”. By 1910, Town Council decided to look to the east of the Borough and develop the town’s main water source, the Conococheague Creek, in the valley above Caledonia Park, east of town on the South Mountain. This system would eventually provide the Borough with pure water from a gravity fed water system eliminating the costs of pumping water. To obtain the State Department of Health’s approval, the Borough agreed to install the first sanitary sewer system along with a sewerage treatment plant. The Borough issued a \$150,000 bond package in 1910 to construct the stream intake facilities, a 2-million-gallon reservoir east of town, and a fourteen-inch pipeline into town, terminating at South Sixth Street.



The Original Water Intake in Caledonia Still in Use

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

The first water from the new source arrived on July 3, 1911, and was of sufficient purity that no chemical treatment was necessary for many years. Water hardness was measured at four parts per million, as contrasted with sixteen units per million, from the same stream collected at the Siloam Dam. The elevation at the center of Chambersburg was about 975 feet below that of the intake dam providing water pressure of fifty to eighty pounds per square inch throughout the town. In later years, chlorine was utilized to treat the water for microorganisms and fluoride compounds were added to help protect residents' teeth. In the early 1930's, a reinforced concrete dam was constructed across the Birch Run creating a storage capacity of 387 million gallons.



The site of the Old Birch Run Reservoir in Caledonia State Park

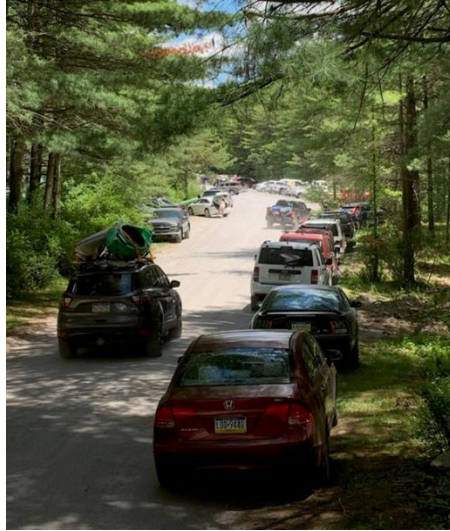
In the late 1960s, the Borough decided to enlarge its water storage reserve and improve other facilities. A new dam called the Long Pine Run Dam was constructed upstream from the Birch Run Dam creating a lake with a surface of 150 acres and storing 1.78 billion gallons of water. Additionally, a new Water Treatment Plant with a daily flow capacity of six million gallons was constructed. A three-million gallon “ground based steel water storage tank” was built at the former Birkinbine open reservoir site on Reservoir Hill. In 1967 and 1969, bond issues were floated for a total of \$8,325,000 to cover the \$7,410,850 cost of these projects as well as other items including the old Borough swimming pool. Up until that time, that was the largest utility project ever initiated by the Borough of Chambersburg. Since that time, the Borough has initiated many projects that have enhanced the quality of service to the customers of the Borough's Water Utility. The Birch Run Dam was removed in 2004 but many parts of the original system are still in use.

The water quality of the Long Pine Run Dam and its protected watershed is amazing. While providing high quality water to its diverse customer base, the Borough's Water Utility has consistently kept its rates (cost per unit) at one of the lowest levels in the region.



Long Pine Run Reservoir

Beginning in 2020, during the COVID-19 health crisis, but also continuing into the present, outdoor recreational activities in State Parks and forest recreational areas increased significantly. While a surprising result of a global health pandemic, it seems that most citizens believed that recreational day trips to nature were a good use of their time. Unfortunately, this resulted in a significant increase in public recreational use of Long Pine Run Reservoir. Issues such as traffic, parking, human waste, and trash reached a dangerous condition. In 2023, the Pennsylvania Department of Conservation and Natural Resources began constructing a new eco-friendly restroom-pavilion and continued to make improvements to the parking lot and non-motorized boat launch area. The Borough wants to cooperate with these state agencies. However, with one of the only water sources in the region that permits recreational activities, it is only through cooperation and enforcement that the reservoir can continue to be a raw water source for the Borough's treatment plant.



Long Pine Parking Area – Summer 2020



Newly Constructed Long Pine Parking Area and New Signage – Summer 2024



Long Pine CXT Restroom – Summer 2024



Long Pine Run Dam Control Tower and Access Road



Long Pine Spillway – July 2018

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Source Water Protection Plan

Clean, safe drinking water is often taken for granted. Many people have no idea where their water comes from, how it is treated, or how it arrives at their faucet. Protecting the raw water supply is an important element in the overall mission of delivering a safe and reliable supply of drinking water to consumers. Comprehensive source water protection not only benefits the water supply, but ultimately the economic, social, and environmental well-being of a community. In 2022, the Water Utility developed a Safe Water Protection Plan which was approved in accordance with Pennsylvania Safe Drinking Water Regulations. The project cost, \$27,345, was 100% funded by Pennsylvania Department of Environmental Protection. The resulting Source Water Protection Steering Committee continues to meet on an annual basis to further evaluate the plan objectives and to support protection initiatives.



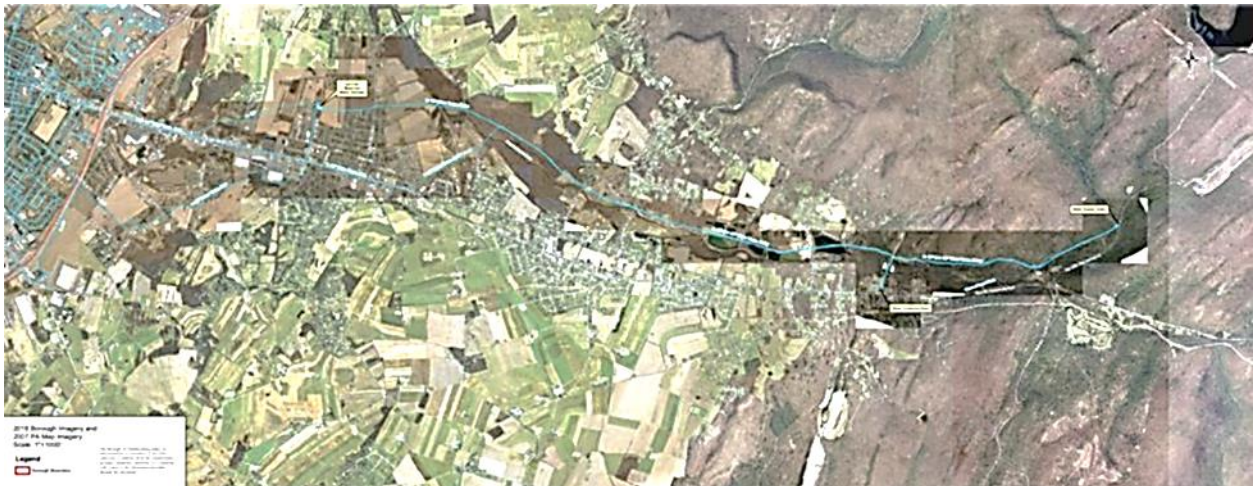
New Source Water Protection Sign – 2024

Water Utility Statistics (2023, last full year)

- Water supply, treatment, transmission, and distribution
- Treated 1.439 billion gallons of water in 2023
- Operation and maintenance of the water production and distribution facilities
- 8 water main breaks repaired in 2023 (National average – 33 breaks)
- 21 total water distribution repairs in 2023
- 24% unaccounted water lost in the system in 2023
- Operation of the Water Treatment Plant laboratory
- Perform regulatory and control testing for the Water Treatment Plant and distribution system
- Perform testing for area water authorities and orchards
- Water supply for fire protection
- Added 5 fire hydrants in 2023
- Plumbing inspection and meter replacements
- In-house plumbing inspection is performed by Pennsylvania Municipal Code Alliance
 - However, exterior inspections as well as other types of in-house inspection services, such as sewer system inspections, are performed by Borough personnel
- Inspected 2 water/sewer main extension projects in 2023
- Replaced 211 water meters in 2023



*Julio D. Lecuona Water Treatment Plant
Greene Township
6.0 Million Gallons per Day Capacity*



Water Transmission System from Caledonia

Projects



New Chemical Feed Equipment Installed in 2023

- A. 2024 Street Repair Projects: \$200,000 per year dedicated to infrastructure and paving projects.
- B. Lead Gooseneck Replacement Project: \$2,100,000
 - The project includes the excavation and removal/replacement of up to 1,968 lead goosenecks from the service lines of Borough of Chambersburg water customers;
 - Typically replace 75 lead goosenecks per year in conjunction with street paving;
 - Lead goosenecks are typically 18” long and were installed between the main and the copper service line;
 - Typically found on services installed prior to 1970;
 - All work (except street restoration) will be performed by Borough of Chambersburg personnel;
 - Timeline: October 2021 through July 2024;
 - Cost: \$2.1 million (actual); \$3.3 million (estimation)
 - On April 21, 2021, the Water Utility, with the help of GMS Funding Solutions, was awarded a \$3.3 million grant through PENNVEST. No matching funds are required for this grant.



Water Service Excavation with Vac Truck



Water Service Before Gooseneck Removal - Water Service After Gooseneck Removal



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

C. Water Treatment Plant Sludge Upgrades: \$500,000

- Clarifier and filter operations create a “sludge” waste that has a high aluminum concentration.
- Project objectives:
 - Separation of concentrated sludge from stormwater
 - Discharge concentrated sludge directly to sanitary sewer
- Timeline: 2025 bidding with 2026 project completion



Water Treatment Plant Waste Processing Facilities

D. Alternative Sources of Raw Water: \$400,000

- Currently, the Borough has one source for drinking water – Long Pine Run Watershed in the Michaux State Forest;
- Shippensburg University professors Dr. Christopher Woltemade and Dr. Thomas Feene performed the initial evaluation of locations;
- In 2021, an evaluation of the hydrogeology in the Chambersburg area in relation to the existing treatment and transmission infrastructure was completed;
- In 2022, a detailed investigation of site characteristics to identify the highest priority of water source locations was completed;
- In 2024-2025, property considerations including alternatives are being evaluated.



Potential Well Sites Near the Water Treatment Plant

Water Meter Remote Reading Project

Currently, there are roughly 750 total water meters installed that use some form of a smart or remote reading technology. Most of the units are located east of I-81 and in the Norland Avenue area and are read using a licensed radio frequency.

In 2024, the Water Utility expanded its use of water meter remote reading technology to include the installation of cellular-enabled water meters. In 2025, the pilot testing of cellular meters will continue to expand with additional installations.



Typical Cellular-Enabled Water Meter

Water Distribution System

96 miles of pipe length
743 fire hydrants
2247 water valves

Storage Facilities

Water Plant Clearwell 1 – 2 MG
Water Plant Clearwell 2 – 2.5 MG
Dull Hill Reservoir – 2 MG
Nitterhouse Elevated Tank – 2 MG
Birkinbine Tank – 3 MG

11.5 MG total storage
2.9 days storage capacity

Water Transmission Lines

32 miles of pipe length from
the raw water intake to town
Includes raw and treated water

Water Meter Customers

Domestic – 8,403
Commercial – 1,038
Industrial – 17
Municipal – 1

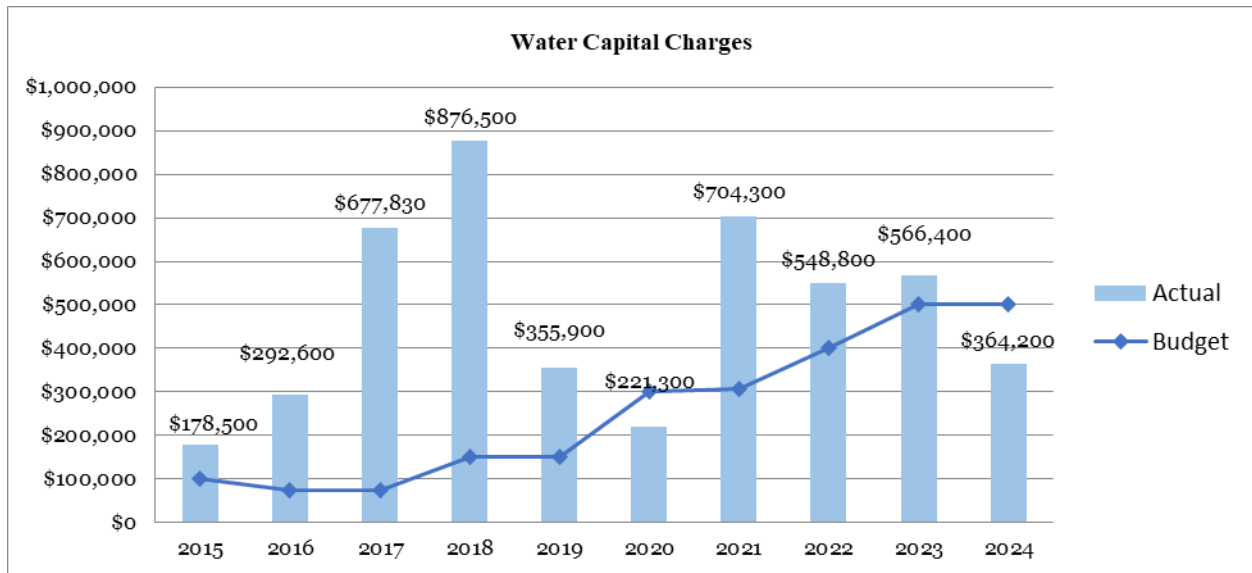
Total – 9,459

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET



Birkinbine Tank Last Re-Painted in October 2015 – New WTP Clearwell 2 at 2.5 MG

New Water Connections



Act 57 Tapping Fee Study

In 2021, the Water Utility and the Wastewater Utility completed a professional study to update the current tapping fees (capital charges). A tapping fee is a charge reflecting capital cost to property owners who desire or are required to connect to the Borough’s water and/or sanitary systems. The basic concept of charging tapping fees is to recover a portion of fixed capital investment costs from new customers as they connect to the water and sanitary systems. The customer “buys in” to the system before obtaining service. When water and sanitary sewer facilities are constructed or upgraded, such as treatment plants, mains, and storage facilities, they are designed and constructed to not only provide service to the existing customer base, but also to serve the growth needs of the community. The existing customers, through years of payment of rates, pay for the cost of constructing facilities that will someday be utilized by future customers. Guidelines and requirements for establishing or updating tapping fees is set forth in the Pennsylvania Municipality Authorities Act. The study to update fees was completed in accordance with the current regulations Act 57 of 2003. The last Act 57 study was completed in 2005.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

On August 23, 2021 Town Council adopted new Tapping Fees as recommended in the professional study completed by the Borough’s Engineer, GHD. The table below summarizes the new fees.

Water Tapping Fees (Adopted August 23, 2021)

Capacity Part	\$2,464 per EDU
Distribution Part	\$618 per EDU
EDU Definition	163 gallons per day

Water Tapping Fees (Previous)

Capacity Part	\$2,142 per EDU
Distribution Part	\$0 per EDU
EDU Definition	162 gallons per day

Sewer Tapping Fees (Adopted August 23, 2021)

Capacity Part	\$1,900 per EDU
Collection Part	\$2,284 per EDU
EDU Definition	226 gallons per day

Sewer Tapping Fees (Previous)

Capacity Part	\$844 per EDU
Collection Part	\$0 per EDU
EDU Definition	194 gallons per day

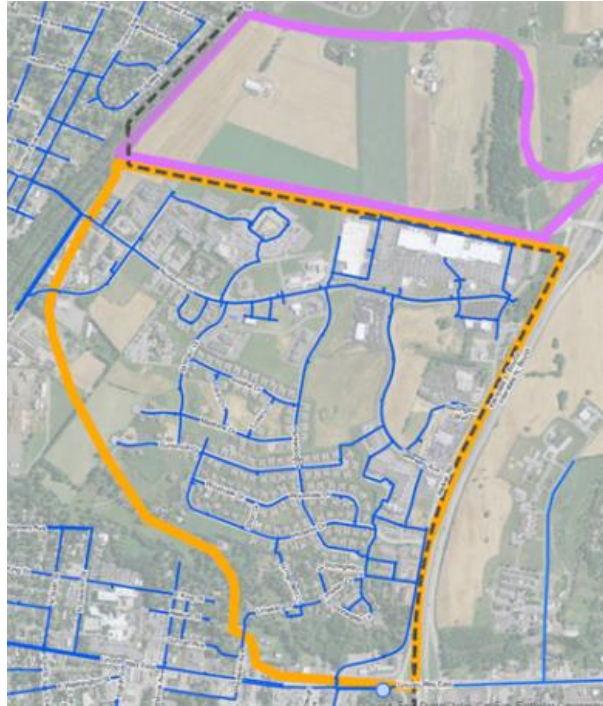
Total Residential Tapping Fee (1 EDU)(EDU = 194 gallons per day or about 1 single family home)

Adopted August 23, 2021	\$7,266
Previous	\$2,986

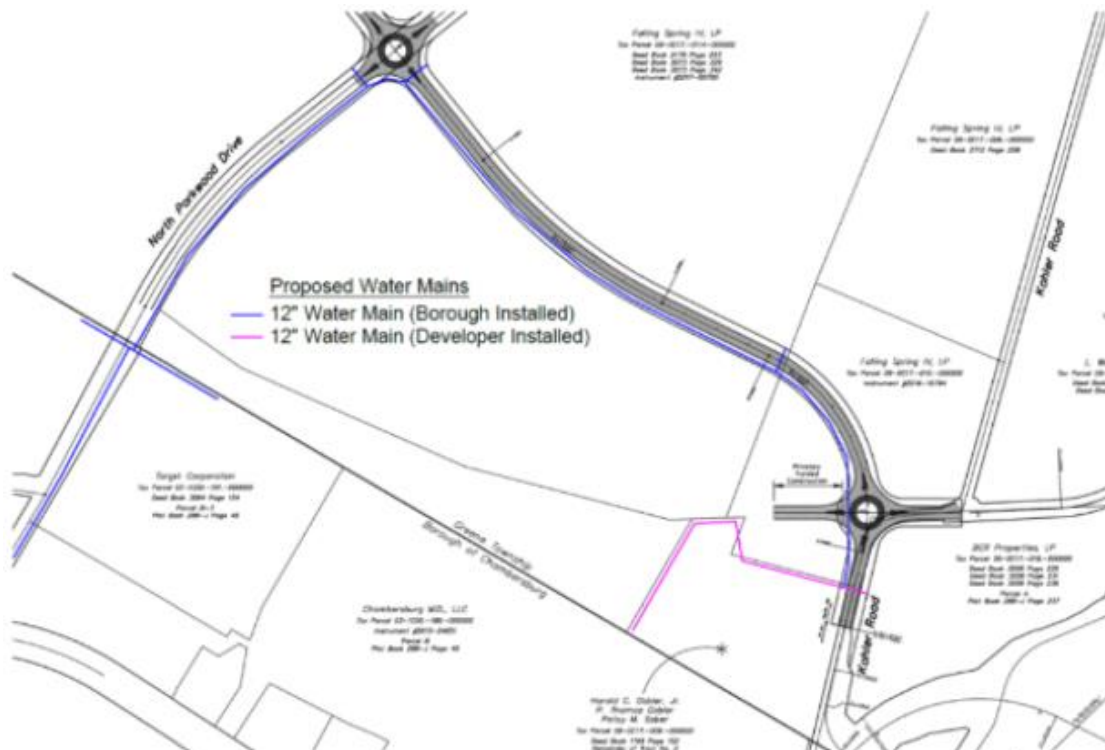
Recommended 2025 Capital Projects

- 2025 Street Repair Projects: \$104,000 per year dedicated to fixing water infrastructure before streets are paved
- Water Treatment Plant Sludge Upgrades: \$500,000 (2025 costs: \$450,000)
 - Allows for the direct discharge of clarifier sludge to the sanitary sewer
- Alternate Source of Water Supply: \$400,000 (2025 costs: \$200,000)
 - Property evaluation
- Water Treatment Plant Roof Replacement: \$100,000
- Tools, Equipment, Chemical Feed Equipment: \$100,000
 - Tools and equipment necessary for operational improvements
- Grand Point Water District Service: \$1,200,000
 - The project supports future development and water service in Greene Township
 - 4,000 linear feet extension of 12-inch water mains
 - Water service will be through the Borough’s Authority, CAMA
 - With the assistance of GMS, the Water Utility received a \$579,000 H2O grant to support funding of the project.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET



Grand Point Water District



Future (2026+) Capital Projects

- Water Treatment Plant SCADA Replacement: \$500,000
- Water Tower/Tank Painting: \$1,000,000
- Installation of AMI Smart Water Meters: \$5,000,000
- Intake Screening Improvements: \$400,000
 - Replacement of the raw water screen at the intake facility

In late 2019, Town Council gave approval for the Chambersburg Water Utility to sell a bond in early 2020 to finance the Water Utility Clearwell Project at the Julio D. Lecuona Water Treatment Plant in Greene Township. The bond sale took place in January 2020 and will be paid off using water fees and no taxes over the next twenty years.

Upon completion of the Water Treatment Plant Clearwell Project and Conococheague Weir Project in 2022 and the Chambers Street/Reservoir Hill Water Main Extension in 2023, all bond funds totaling approximately \$7,400,000 have been spent on Water Utility projects.



Conococheague Weir in Operation



Chambers Street/Reservoir Hill Water Main Extension

Treatability of Water – Iced Tea

Treatability of raw water is always an issue facing a water system using surface water. Specifically, the Julio D. Lecuona Water Treatment Plant was historically plagued by shutdowns due to turbidity and color issues with the raw water coming into the plant. This issue, dubbed “Iced Tea,” still exists; however, in 2018 our team evaluated a treatment alternative through pilot testing a new water treatment coagulant, Delta-Floc 801. The testing was completed in 2019 under a Pennsylvania Department of Environmental Protection limited duration construction/operation permit. Operational testing has shown the ability to treat raw water beyond 200 color units where our previous shutdown was at 70 color units (cu). In 2023, because of the new coagulant use, there were no shutdowns due to Iced Tea raw water.



“Iced Tea” Raw Water – Conococheague Creek

The Water Utility continues to evaluate its staffing needs. In 2020, the Water Utility added one additional WTP employee to the operational staff to assist with daily operations and PADEP increased regulatory sampling and reporting requirements. New 2024 regulations include the following:

- 2021 Lead and Copper Rule Regulations:
 - Field verification of service line materials; 8,310 total service lines
 - Submission of a Service Line Inventory annually beginning October 16, 2024
 - Public notifications (annually) to residents beginning November 2024 to those with lead, galvanized, and unknown service lines.
 - Service line materials require verification – in progress
 - Annual reporting to DEP
 - New sampling and testing requirements begin in 2025
- PFAS (also known as forever chemicals) Regulations:
 - 2024 Quarterly testing of PFOA and PFOS (all tests have been non-detect)
 - Additional testing by 2027: PFHxS, PFNA, HFPO-DA (GenX), and PFBS
- Unregulated Contaminant Monitoring Rule (UCMR) 5 sampling

In 2025, no additional Water Treatment Plant personnel are proposed.

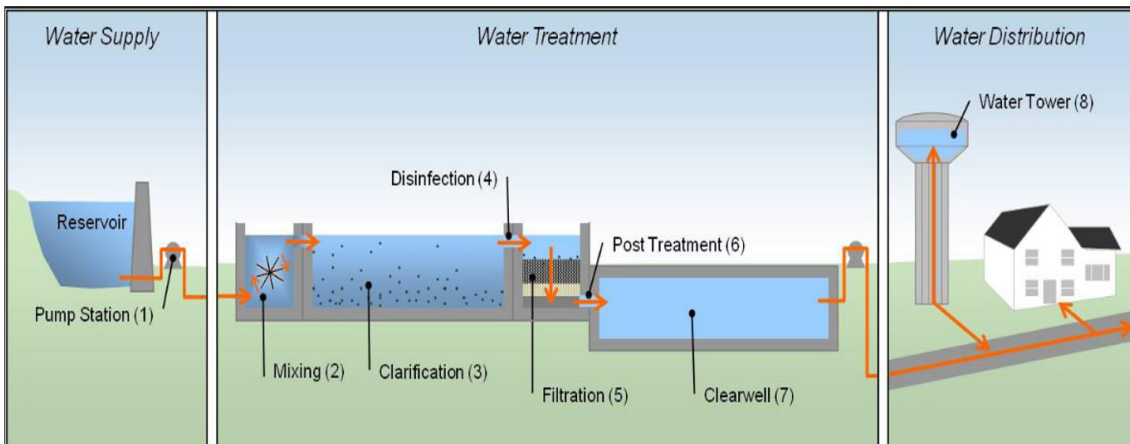
The Water Utility Maintains a Comprehensive Service Line Inventory Spreadsheet

The Borough continues to make significant maintenance upgrades at the Long Pine Reservoir, the Raw Water Intake, the Water Treatment Plant Filters, and throughout the distribution system. This process continued in recent years with the completion of a 2,000 linear feet extension of 16” water main from Chambers Street to Reservoir Hill as well as the removal of up to 1,968 lead goosenecks from the service lines of water customers.

Major items for 2025

The proposed budget includes \$2,050,000 in capital improvements to the Water Utility infrastructure; including:

- WTP upgrades – sludge processing
- Alternate sources of water supply
- WTP roof replacement
- Grand Point water service
- Tools, equipment, chemical feed equipment



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Largest Customers (in dollars sold)

	Customer	Units Used	Net Amount	Daily Avg. (Gallons)
1	Bear Valley Authority (Intermunicipal)	3,959,783	\$1,250,224.46	811,484
2	Ventura Foods LLC	728,430	\$149,701.06	149,278
3	Knouse Foods Co-op Inc.	379,957	\$76,855.45	77,865
4	Chambersburg Hospital	331,901	\$85,297.63	68,017
5	Tommy's Express Car Wash	134,488	\$27,156.64	27,561
6	HTI Recycling	131,755	\$29,066.05	27,001
77	Menno Haven Penn Hall	126,800	\$43,660.37	25,985
8	TB Woods Inc	122,439	\$27,443.53	25,092
9	Martin's Famous Pastry (Guilford)	117,760	\$11,747.99	24,133
10	Luberski Inc.	82,589	\$17,695.41	16,925
11	Laurel Lakes	76,456	\$11,467.23	15,668
12	Barclay Village	65,420	\$18,743.12	13,407



Nitterhouse Tank

Payment In Lieu Of Ambulance Fee

In years past, the Borough Water Utility made a tax-like contribution to the General Government operations of the Borough. The Water Utility paid \$72,000 per year through 2013. In anticipation of a possible change in State law that would prohibit water utilities from making payments for general government operations, we ceased this practice.

The Water Utility continues to contribute to the internal services funds of the Borough including Engineering, Motor Equipment, Self-Insurance, and Administrative Services; for services rendered to support the utility's operations.

In 2024, a property owner approached the Borough with a unique problem. They were struggling with accounting for the Ambulance Fee. While the Ambulance Fee is not Water Utility revenue, it is collected as a surcharge on water service invoices.

A unique water rate was established for those units owned by the property owner noted above, which should allow the Borough to incorporate the Ambulance Fee into the water rates rather than have them delineated as a surcharge on the water service invoices, but only for these properties. In general, the Borough prefers to break down the difference between water rates and the Ambulance Fee on water service invoices. This practice has caused trouble for the customer.

So, to assist the customer, and only for these accounts, the new rate will bury the fee inside the water rate. In the 2025 Budget, staff will break their accounts out as unique and then make an internal accounting move to get the ambulance fee paid to the Fire Department from the Water Utility once collected.

This one transfer for this one customer will be therefore a Payment in Lieu of Ambulance Fee transferred by the Water Utility to the General Fund.

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Wastewater Utility



The Chambersburg Wastewater Utility is committed to its fundamental objective of providing the highest quality municipal wastewater service for its residential, commercial and industrial users at a reasonable price; and to meet that objective, the Wastewater Utility will adhere to the following principles:

- Providing effective collection and treatment of wastewater which complies with all state and federal regulations
- Working with the regional community to plan for future capacity to ensure the long-term success, public health, and environmental quality of the area
- Providing prompt and effective customer service
- Staffing the organization with qualified professionals
- Striving for excellence with each employee participating as a team member to improve continually the performance of the organization.

Utility Director: Lance Anderson, PE

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$7,984,225	\$7,543,200	\$8,422,731
Expenses	\$7,391,551	\$7,543,200	\$8,422,731
Excess (Deficit)	\$592,674 Surplus	- Balanced -	- Balanced -

In 2023, a surplus was realized which was transferred to Capital Reserve to help pay for future projects.

The Wastewater Utility is in a strong operating position and has not had a rate increase in twelve years. The cause of the last increase of 16% in December 2012 was the capital expenses related to the Treatment Plant Upgrade Project. In 2014, the Second Consent Order and Agreement with PA DEP, originally issued in 2011, was satisfied and lifted. However, the Borough has permanently accepted the challenge to continue to investigate and determine sources of inflow (rainwater) and infiltration (groundwater) entering into the sanitary sewer system where it does not belong. These expenses also contributed to that rate increase as well.

While we have enjoyed no rate increase in twelve years; however, as costs continue to rise and capital investment continues to be necessary, a rate increase is recommended for 2025.

The 2025 budget recommends a 11.5% rate increase to keep pace with rising expenses and the increased investment in capital projects including the Public Works Campus project. Regardless, Chambersburg has the lowest retail rates in the region even after this adjustment.

What does the 2025 rate increase mean?

- The average residential customer uses 170 gallons of water per day. This usage equates to 70 “units” per month (1 “unit” = 74.8 gallons)
- 2024 rate: \$.348/unit
2024 average monthly billing: \$24.36
- 2025 rate: \$.388/unit
2025 average monthly billing: \$27.16

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

How does this compare to area utilities?

Municipality	Rate	Monthly Billing
Borough of Chambersburg (Current)	34.8¢	\$24.36
Borough of Chambersburg (Future)	38.8¢	\$27.16
Borough of Chambersburg (Outside)	48.5¢	\$33.95
Hamilton Township		\$65.00
Gettysburg		\$63.08
Carlisle		\$53.62
Capital Region Water		\$52.26
Greene Township		\$48.00
Greencastle		\$47.80
Waynesboro		\$47.25
Antrim Township		\$45.00
Guilford Township		\$42.00
Washington Township		\$31.98

In late 2023, the Wastewater Utility moved the sludge hauling operation at the WWTP in-house. The hauling contract (bid every three years) had tripled over the last ten years due to lack of interest from local haulers. In 2023, hauling and disposal costs totaled approximately \$800,000. The additional WWTP operation resulted in one additional Water/Wastewater shared employee added but also resulted in a projected decrease in sludge costs of \$70,000 in 2024.



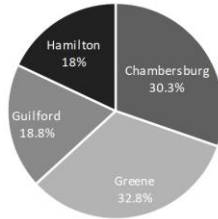
WWTP Sludge Hauling Truck – Purchased 2023

In recent years, the Wastewater Utility has addressed the need to replace its most experienced workers due to retirement. In 2021, the department added and filled an Assistant Chief Operator position for succession planning. In 2022, the department added and filled an Assistant WWTP Supervisor position and a Water and Sewer Inspector Trainee position. Filling these positions will allow current employees in their new roles to learn about the WWTP operations and inspection duties from existing employees prior to their retirement in the upcoming years.

In 2023, the Lead Person on the Water and Sewer Maintenance Crew was promoted to Water and Wastewater Maintenance Supervisor. Additionally, in 2024, three new Maintenance Person positions were added to increase the field crew from five to eight individuals. The additional personnel allow the department to keep pace with increasing workload and demands by having up to two field crews. The primary responsibilities of the Maintenance Person position are to provide general maintenance, repair,

replacement, installation, and investigative services for the Borough of Chambersburg’s water distribution system and sewer collection and conveyance system.

The 2025 Wastewater Utility budget reflects no further changes in staffing, but future staffing changes and/or additional capital investments may someday trigger a future rate increase.



Intermunicipal Cooperation

The utility entered into a regional wastewater cooperation agreement with the surrounding townships in 2010. That was followed up with a regional wastewater conveyance agreement in 2015. Finally, the Wastewater Utility is working with Greene Township to establish ~250 EDUs (equivalent daily units of sewage flow) in the Grand Point neighborhood north of Norland Avenue.

Wastewater Utility Intermunicipal Cooperation

The Borough owns and operates the J. Hase Mowrey Regional Wastewater Treatment Plant, and under the provisions of the 2010 Intermunicipal Agreement, provides sewer service to our Municipal Partners. As of March 31, 2017, after substantial completion of the 2013 upgrade project, the partners adjusted the sewer capacity allocations of 11.28 mgd (million gallons per day) based on annual average flow (AAF) as follows in accordance with the Agreement:

- Borough of Chambersburg 30.32% or 3.42 mgd AAF
- Greene Township 32.89% or 3.71 mgd AAF
- Guilford Township 18.79% or 2.12 mgd AAF
- Hamilton Township 18.00% or 2.03 mgd AAF.

For purposes of Operation & Maintenance, the percentage breakdown among the Borough and the three contributing Townships as follows:

- Borough of Chambersburg 30.32%
- The balance, 69.68%, to be shared by the Township based upon actual flow for any given month.

In addition to wastewater treatment, the Borough also provides conveyance services through the following shared interceptors:

<u>Interceptor</u>	<u>Contributing Municipalities</u>
East Conococheague	Chambersburg, Guilford
West Conococheague	Chambersburg, Greene, Guilford, Hamilton
Falling Spring	Chambersburg, Guilford
South End	Chambersburg, Guilford

Capacity in each of the interceptors is distributed based on peak instantaneous flow and all associated costs are shared subject to the provisions of a separate 2015 Intermunicipal Agreement.

Currently, staff is also working on a cooperative initiative with Greene Township to assist in providing sewer service to a portion of the area north of Norland Avenue in Greene Township. On May 17, 2022, an Intermunicipal Agreement between the Borough, Greene Township, and the Greene Township Municipal

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Authority was executed defining this cooperative effort. The 2024 budget includes \$50,000 in support of this initiative.



Cooperative Sewer Service Area – Greene Township

The Borough of Chambersburg is cooperating with Greene Township to help bring development to their transitional commercial zoning district, which currently lacks proper wastewater facilities.



The Area of Greene Township Known as the Peanut will have Borough of Chambersburg water & wastewater service

Background and History

In 1910-1911, the Borough of Chambersburg decided to obtain its water supply from the State Forest at Caledonia. It was necessary to obtain a permit from the Pennsylvania State Health Department. When the State Health Department issued a permit for the right to the water of Birch Run, it also provided that for this right, the Borough of Chambersburg was to install “a Sanitary Sewerage System with a proper Disposal Plant of a capacity sufficient to take care of the town for twenty years to come.”

The same bond issue, which provided funds for the construction of the water supply line between Caledonia and Chambersburg, also provided for sufficient funds for \$65,000 to put in a Sanitary Sewerage System in Chambersburg. The Finance Department is the proud possessor of bond number 25 for \$500, an “Improvement Bond of 1910” Series A which carried a 4 ½% interest rate. This note matured in 1915. The current Borough’s logo is adapted from a depiction of City Hall found on that bond. This original system was constructed and put into service August 1, 1912, and portions of this initial system are still in service today.

From the time of the initial construction, the Borough has made continuous improvements with major improvements in 1939, 1959, 1978, 1997 and 2013 to the treatment facility. Following is a list of major facility milestones:

- 1938 Upgrade: Upgrades were completed in October 1939 at a cost of \$217,715.41 (45% was funded through a grant). Engineers indicated that the Plant capacity was 2 million gallons per day.
- 1948: A Waste Water Treatment Plant laboratory was established and the plant processes have been monitored for efficient operation ever since. The Pennsylvania Department of Environmental Protection accredits the current laboratory facility.
- 1957 Upgrade: Upgrades were completed in 1959 at a cost of \$990,330.13.
- 1978 Upgrade: The J. Hase Mowrey Regional Wastewater Treatment Facility was dedicated on November 16, 1980. The Borough upgraded the facility to a capacity of 5.2 million gallons per day, at a cost of \$9.045 million (Unlike today, the Borough was able to fund 75% of the cost through a grant).
- 1997 Upgrade: Upgrades were completed in July 1999 at a cost of \$18.5 million. Engineers indicated that the Plant capacity was 6.8 million gallons per day, with a maximum capacity of 17.0 million gallons per day.
- 2013 Upgrade: Upgrades were completed on March 31, 2017 at a cost of \$39.9 million. Plant capacity is rated at 11.28 million gallons per day, with a maximum monthly capacity of 14.66 million gallons per day.

Additionally, the treatment plant has evolved into a regional facility providing wastewater treatment for our municipal partners in Greene, Guilford, and Hamilton Townships. Hamilton Township initially provided connections in 1972. Through an expansion of the conveyance system in the 1970’s, the remaining townships ultimately connected to the system in 1980.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

The Current Wastewater System

- 87 miles of pipe length
- 2,305 manholes
- 4 interceptors (Falling Spring, East Conococheague, West Conococheague, and South End)
- 4 Borough owned and maintained sewer meter stations (6 township owned and maintained)
- 4 Borough pump stations (Pennsylvania Ave. SPS, Hollywell Ave. SPS, Chambers 5 SPS, Progress Village SPS).

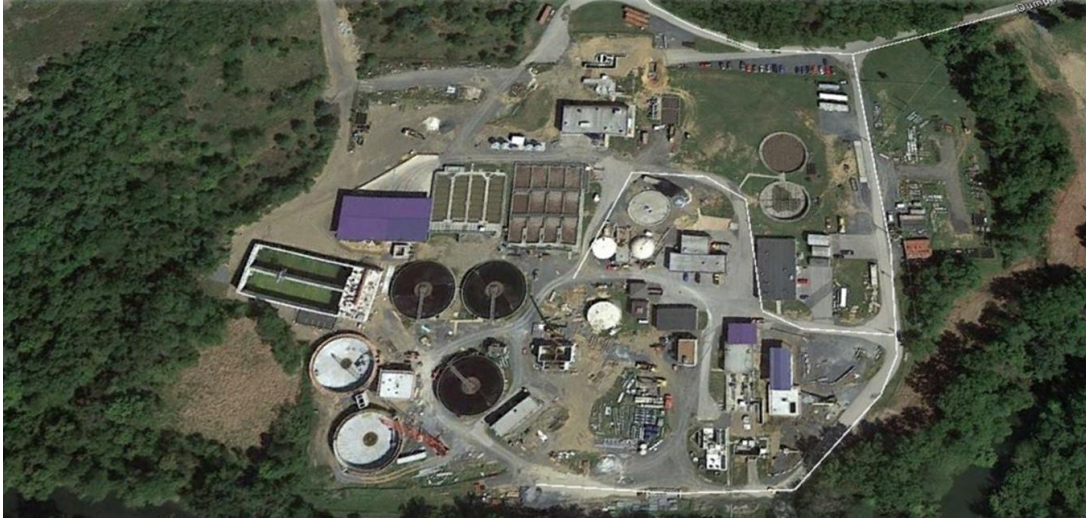
J. Hase Mowrey Regional Wastewater Treatment Facility



2022



2018 – Borough Aerial Photography



2015 – Under Construction



2017 – After Project was Completed

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

The Largest Public Works Project in the History of the Borough of Chambersburg

Prior to 2013, Chambersburg's 6.8 million gallons per day (mgd), J. Hase Mowrey Regional Wastewater Treatment Plant, served Chambersburg, Greene Township, Guilford Township, Hamilton Township and indirectly part of Letterkenny Township. In addition to the Commonwealth's 2008 Chesapeake Bay Tributary Strategy, which forced a cap on the amount of nitrogen and phosphorus discharged from the facility, Chambersburg was also facing the demand of building additional capacity (a 60% increase) to meet projected twenty-year build out in the service region, as required by DEP's Act 537 Plan Study. These two mandates initially resulted in proposed facility renovations with an estimated price tag of over \$50 million.

The existing treatment facilities at the Chambersburg plant were not able to meet the pending nutrient discharge limits. Therefore, the municipal partners needed to upgrade the facility to meet the nitrogen and phosphorus caps. In addition to meeting these caps, the partners needed an expansion from 6.8 mgd to 11.28 mgd to accommodate the anticipated growth from regional development within the service area. The facilities must be able to convey a total influent peak flow of 33.5 mgd based upon analysis of the Borough's collection and conveyance system. The resulting extensive scope included upgrades to all facets of the treatment process with an emphasis on being cost effective, energy efficient, and environmentally sensitive. Key project components included:

- A new headworks and influent pump station to replace the existing deficient facilities. Engineers designed a size of 33.5 mgd of influent flow, and all internal conveyance infrastructures capable of passing flows that are associated with this instantaneous peak as well throughout the plant.
- PA DEP established discharge limits necessitating an improved biological treatment process to provide nutrient (nitrogen and phosphorus) removal. Compliance with these limits were required beginning in October 2012. In order to meet these requirements during the construction period through 2016, the Borough purchased nutrient credits on the open market from other treatment facilities with excess treatment credits, on an interim basis.
- Available for beneficial reuse in land application, the Borough installed a new biosolids treatment process resulting in an improved final product quality. Land application of biosolids has become one of the most cost-efficient biosolids management strategies available to treatment facilities.
- An expanded UV disinfection system sized to meet a peak flow of 33.5 mgd. The Borough installed a new UV system in spring 2012.

The Borough completed the upgrades at a cost of \$39.9 million. Construction activities initially began in 2012, with the primary upgrades completed in March 2017. This made the project the largest public works project in Chambersburg's history. Initially, prior to design, engineers projected the costs to over \$50 million with a reduced scope of construction. Our "Municipal Partners" shared all costs, as defined in the Intermunicipal Agreement, including the Greene Township Municipal Authority, the Guilford Township Sewer Authority, and the Hamilton Township Municipal Authority. The partners executed the agreement on September 13, 2010.

Chambersburg's J. Hase Mowrey Regional Wastewater Treatment Plant has been a symbol of intermunicipal cooperation for 40 years. The current upgrades will allow the facility to support the Chambersburg area for decades to come. However, for the first time since reconstruction, some significant projects are necessary to make sure this facility continues to operate effectively.



Final Clarifiers



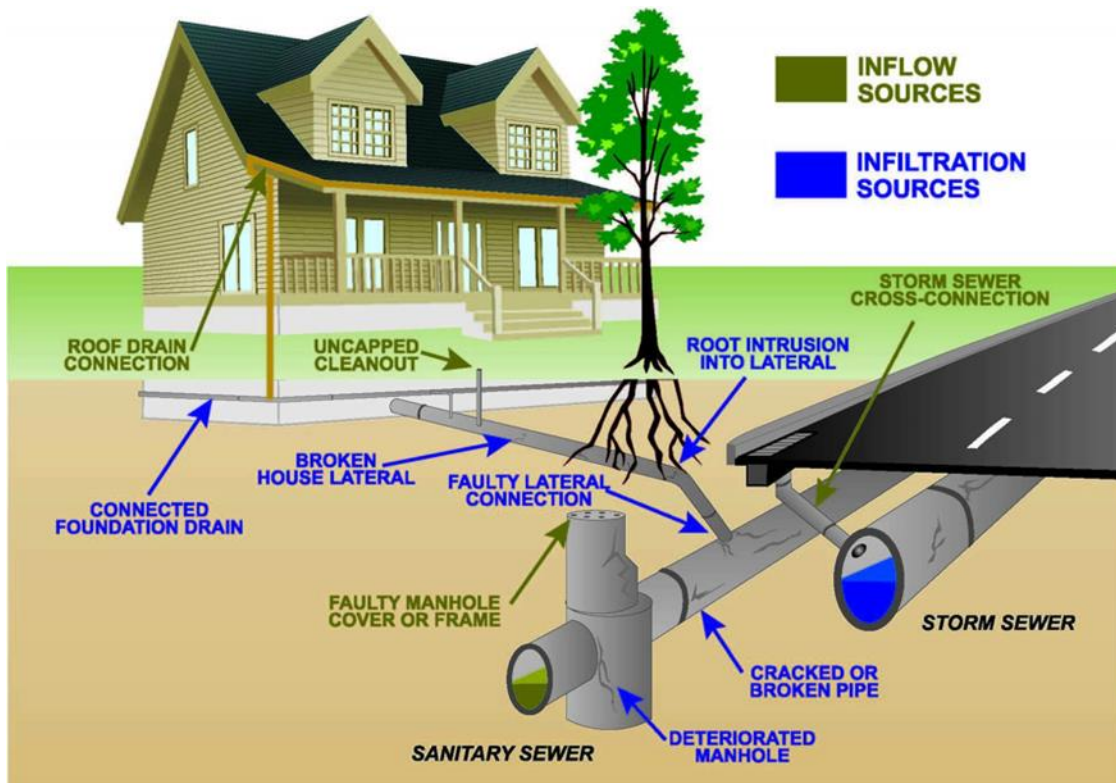
Biosolids Treatment Facilities



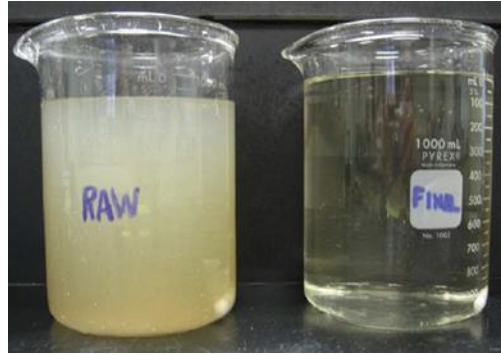
Disinfection Facilities



Final Outfall to Conococheague Creek



The Wastewater Utility works to keep Inflow and Infiltration out of the sewer system. For example, from 2022 through 2024 there was more than 6,000 linear feet of terra cotta sewer main replaced with modern PVC sewer main by Wastewater Utility personnel and contractors.



Raw Water Influent vs. Final Effluent

Wastewater Utility Services

- Regional wastewater conveyance and treatment
 - Treated 2,045,000,000 gallons of wastewater in 2023
 - Average daily wastewater treatment plant flow: 5.602 mgd
 - Decrease from 2022 of 2.8%.
- Sewer customers
 - Residential 8,422
 - Commercial 971
 - Industrial 18
 - Municipal 3
- Operation and maintenance of the collection and treatment facilities
 - Replaced 0 feet of sewer main in 2023 (due to water maintenance work)
 - 0 wastewater maintenance repairs in 2023 (due to water maintenance work)
 - 9,709 feet of mains televised in 2023
 - 1712 feet of contractor installed sewer main extensions were completed in 2023
- Operation of the Wastewater Treatment Plant laboratory
 - Perform regulatory and control testing for the WWTP.
- Plumbing Inspections
 - Pennsylvania Municipal Code Alliance performs in-house plumbing inspection. However, exterior inspections as well as other types of in-house inspection services, such as sewer system inspections, are performed by Borough personnel.

Projects

- East Conococheague Pump Station: \$2,000,000
 - Includes the abandonment of a section of the East Conococheague Interceptor between King Street and Chambers Street
 - Currently in design with bidding in late 2024
- Laurich Meadows Pump Station: \$2,000,000
 - Includes the complete relocation and replacement of the pump station
 - Currently in design with bidding in late 2024
- WWTP Solids Processing Improvements: \$400,000
 - Installation of valve actuators with SCADA integration in order to meet operational goals
- WWTP Thickener Roof Removal: \$110,000
 - Currently on-hold pending operational changes
- Street Repair Projects 2024: Approximately \$625,000 dedicated to fixing infrastructure before streets are paved.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

East Conococheague Pump Station Project

The project will allow the abandonment of 1450 feet of the East Conococheague Interceptor between King Street and Chambers Street. The Borough built interceptor in 1911.

- Estimated cost: \$2,000,000

Interceptor repair obstacles:

- Located in the stream bank or wetlands
- Adjacent to the cemetery behind Falling Spring Presbyterian Church
- The pipe was cast in place in 1911 on an existing stone wall

The pump station will transfer flow across the Conococheague Creek to the West Conococheague interceptor which was constructed in the 1970s.

Anticipated construction years: 2025-2026.



*Pump Station Location -
Chambers Street*

If possible, following construction, it would be the goal of the Wastewater Utility to maintain creek access at the end of Chambers Street.

Laurich Meadows Pump Station

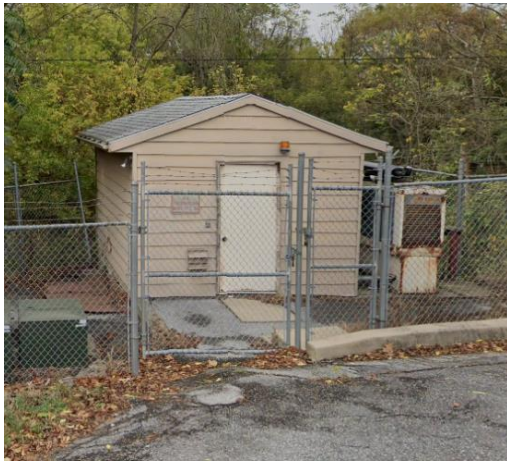
The project will allow the replacement of the existing pump station. The pump station was constructed in the early 1980s to provide sewer service to the Laurich Meadows development.

- Estimated cost: \$2,000,000

The project also requires the relocation of the pump station

- Site cannot support a replacement project
- Stream erosion is undermining the foundation
- Land acquisition was required and completed in 2024.

Anticipated construction years: 2025-2026.



Existing Laurich Meadows Pump Station



Pump Station Relocation

Recommended 2025 Capital Projects

- Street Repair Projects 2025: \$750,000 per year dedicated to fixing sewer infrastructure before streets are paved.
- WWTP solids processing improvements: \$400,000 (2025 costs: \$200,000)
 - Improve processing to reduce sludge production and make all sludge available for land application.
- East Conococheague pump station: \$2,000,000 (2025 costs: \$1,000,000)
 - Construction of a pump station in order to abandon a section of the East Conococheague Interceptor between King Street and Chambers Street
 - Anticipated construction years: 2025-2026
- Laurich Meadows pump station: \$2,000,000 (2025 costs: \$1,000,000)
 - Relocation and construction of a pump station that supports sewer service for Laurich Meadows
 - Anticipated construction years: 2025-2026
- WWTP equipment evaluation and upgrade: \$16,000,000 (2024 costs: \$500,000)
 - Evaluation of aging WWTP equipment for future replacement and/or upgrade
 - Equipment includes UV disinfection, belt press, old headworks, grit removal, solids building, and SCADA.
 - Cost sharing: 30.32% Borough share; 69.68% Township share
- Sewer equipment and tools: \$50,000.



Aging Equipment – UV Disinfection



Aging Equipment – Belt Press



Aging Equipment – Grit Removal



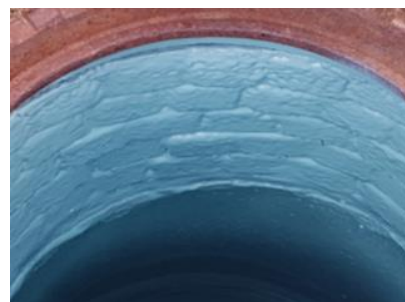
Aging Equipment – Old Headworks

Future (2026+) Capital Projects

- WWTP thickener roof removal: \$110,000
 - Removal of a deteriorating roof from a tank structure.
- Manhole rehabilitation/sewer lining: \$60,000.
 - Rehabilitation of existing sewer infrastructure when replacement is not feasible.
- WWTP Roof Replacement: \$100,000
- Grandview Avenue Sewer Replacement: \$1,000,000



Sewer Main Installation



Manhole After Rehabilitation



WWTP Thickener

Future Water/Sewer Crew Maintenance Facility

On October 6, 2021, the Sanitation Department purchased the Old Cold Storage property located at 1335 S. Fourth Street. This will be the future site of the Water and Wastewater maintenance crew equipment storage section of the new Public Works facility to be built at 366 Wayne Avenue (the sites are contiguous). The new Water & Wastewater utilities maintenance crew offices are currently located across S. Fourth Street at the previously purchased site at 1332 S. Fourth Street. In addition to meeting current and future Water/Wastewater needs for maintenance personnel, the Borough will also investigate using 1335 S. Fourth Street as the location of a connection to the south end of the Rail Trail, which currently terminates nearby at S. Main Street. In 2023, the Old Cold Storage building was demolished by the Sanitation Department as part of the new Public Works campus project.



Old Cold Storage Building on S. Fourth Street – Before and after demolition



Water/Wastewater Utility Office Building Occupied at 1332 S. Fourth Street

The Wastewater Utility operates a Wastewater Treatment Plant (WWTP) under a National Pollutant Discharge Elimination System (NPDES) Permit. The Pennsylvania Department of Environmental Protection, on behalf of the United States Environmental Protection Agency, issues the permit. The previous permit expired in January 2022. On July 1, 2022, the State issued a permit, which will run through June 30, 2027. This permit contains expanded regulatory testing requirements beyond previous permit levels. The Wastewater Utility added a Laboratory Technician/Operator position to meet increased regulatory requirements in 2017. The new 2022 regulatory requirements may require additional personnel in the future.

Regulatory requirements and laboratory functions, as required by the NPDES permit, will continue to increase for wastewater, water, and storm sewer functions in the upcoming years.


The NPDES Permit System

*National Pollution Discharge Elimination System

Point Source Pollution is regulated by NPDES permits.

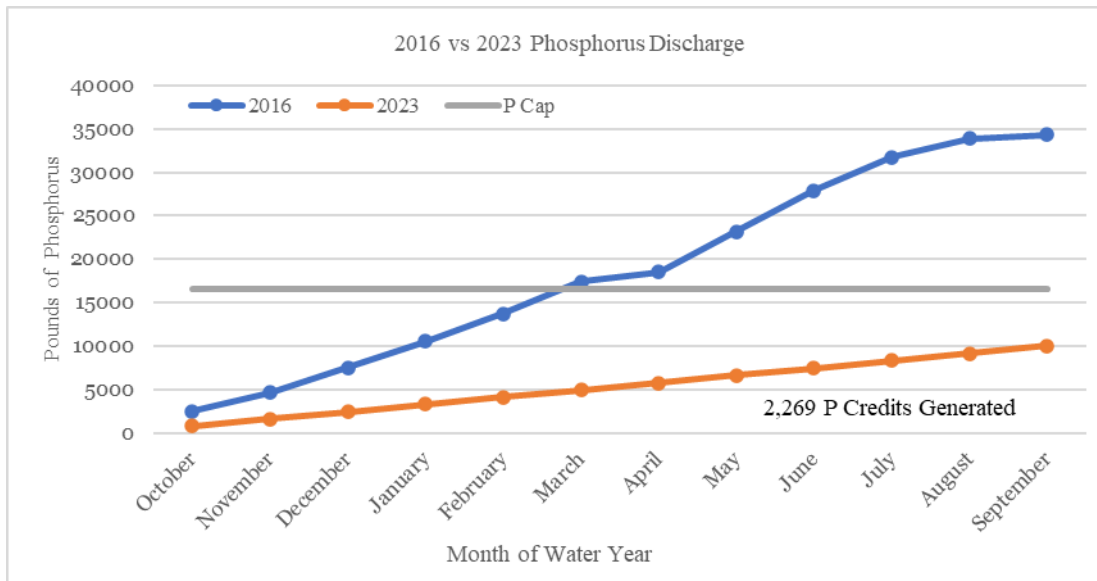
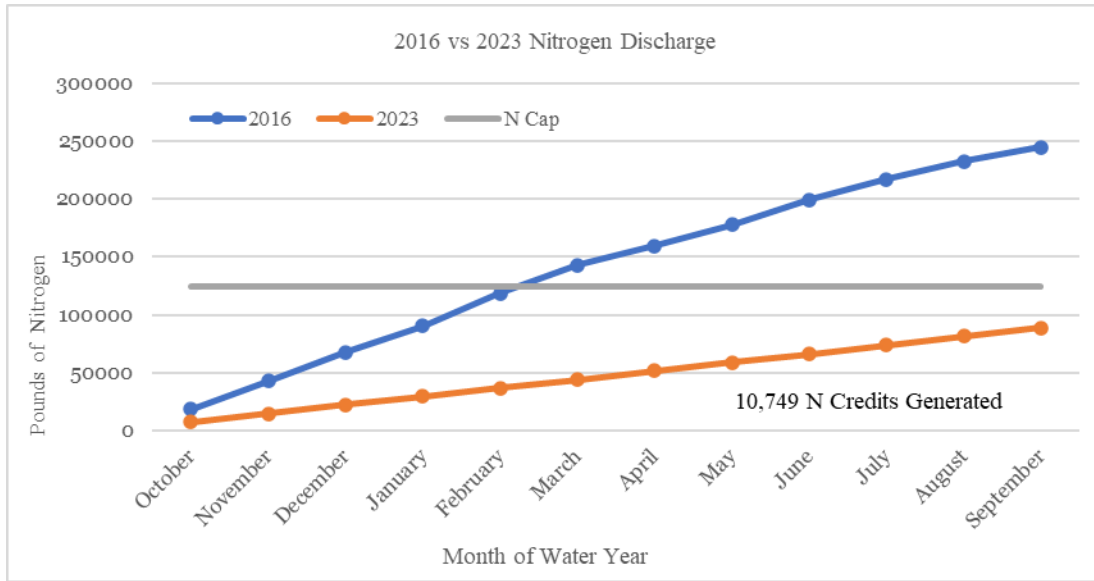
Point source polluters cannot **discharge pollution** into the **navigable waters of the US** without obtaining a permit that requires them to use **economically feasible control technologies** to reduce & treat their effluents.

*These are:
technology-based standards



Lance Anderson at the Headworks

Removal Trends (Nitrogen and Phosphorus)



The treatment process is successfully controlling the release of nitrogen and phosphorus as required by DEP. This was the primary goal, along with wet weather capacity, of the improvements at the wastewater treatment plant.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Sewer Rental Rates

The 2025 budget recommends a 11.5% rate increase to keep pace with rising expenses and the increased investment in capital projects including the Public Works Campus project. The last rate increase (16%) was in December 2012. Chambersburg will still have the lowest sewer retail rates in the region. After the rate increase, the average residential sewer bill will be \$27.16 per month.

It is likely that future capital improvements or staffing changes may require future rate increases in the upcoming years.

Industrial Pre-Treatment Customers (in PDD order)

	Permitted Daily Discharge
Ventura Foods	140,000 gallons
Knouse Foods	140,000 gallons
IESI Blue Ridge Landfill	100,000 gallons
Martin's Famous Pastry Shoppe	52,000 gallons
BWise Manufacturing	4,000 gallons



Sanitation Utility



The Sanitation Department pursues a commitment to provide a safe, efficient, and effective municipal solid waste collection and disposal operation that protects the natural environment, citizens of Chambersburg, and businesses. We also strive to preserve the quality of life of our citizens and their environs today and in the future.

Our Goals:

- To safely and efficiently collect residential and commercial solid waste and dispose of it at a landfill;
- To safely and efficiently collect residential recyclable materials for processing and reuse;
- To provide general cleanliness to the Chambersburg community.

Utility Director: Charles Nipe

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$4,374,676	\$4,859,348	\$5,542,975
Expenses	\$3,860,848	\$4,859,348	\$5,542,975
Excess (Deficit)	\$513,828 Surplus*	- Balanced -	- Balanced -

* - Includes a \$315,329 transfer for future capital projects was made as this surplus was realized.

In 2022, the Sanitation Utility passed through their operating fund money from the American Rescue Plan Act to help acquire the Cold Storage building on S. Fourth Street, as a part of the site of a future public works campus. In addition, the cost of recycling (+\$50,000) and trash disposal (+\$50,000) failed to keep pace with the rates charged to customers. This was true in last year’s budget as well. Chambersburg Borough historically has lower trash collection fees than our surrounding municipal and private sanitation systems. This will be true in 2024 as well as most have recently raised rates.

In response to the rising cost for vehicles, fuel, recycling services, and disposal at the landfill, this budget contemplates a more significant trash rate increase than typical. The Sanitation Utility envisions a residential increase of \$4.00 per month (\$28 to \$32) and this budget is proposing a commercial rate increase of \$2.00 per cubic yard (\$15 to \$17). The Chambersburg Sanitation Utility still has some of the lowest rates in the region; this proposed increase will keep pace with the commercial trash haulers who serve the townships.

<p>Chambersburg Sanitation Residential Rate (2025): \$32/month including recycling, semi-annual bulky-item and annual E-waste drop-off events</p> <p>Other Trash Systems:</p> <p>Waste Management (2024):</p> <p>\$55.00/month - Includes recycling, but no bulky</p> <p>Apple Valley (2024):</p> <p>\$59.98/month - Includes recycling, but no bulky</p> <p>Worthy’s Refuse (2024):</p> <p>\$49.00/month – Includes recycling, but no bulky</p> <p>IESI - Waste Connections (2024)</p> <p>\$40.83/month – Includes recycling, but no bulky</p>

The rates charged by the Sanitation Utility remain significantly below private sector competition for trash disposal in the region, even after the 2025-rate increase.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Serving 8,080 residential customers and 652 commercial customers, the Department is primarily concerned with collecting commercial and residential trash, as well as residential and small commercial recycling collection.

The Sanitation Utility is responsible for a number of other activities, such as street sweeping, the annual electronic waste collection, semi-annual bulky item collection, leaf collection in the fall, and “Christmas Tree” collection. The Department also supervises the Green Yard Waste Collection Center on W. Commerce Street, in Hamilton Township. In 2025, the Department will be restructuring our street sweeping program to meet the growing demands of the Borough and to incorporate weed removal. The incorporation of weed removal into the street sweeping program will greatly reduce the need to have contractors applying herbicide to curb lines throughout the Borough.

The Sanitation Utility also oversees and maintains the Borough Farm, which is used for transient storage of construction material such as stone and clean fill. Finally, the Sanitation Utility co-owns the current Loudon Street Public Works facility and the new site of a future planned public works campus on Wayne Avenue.

The Borough’s recycling program, managed in-house, continues to provide the more convenient single-stream recycling of almost all recyclable materials today.



Major Activities of the Sanitation Utility

- Residential Trash Pick-Up and Disposal
- Commercial Trash Pick-Up and Disposal
- Recycling Collection and Disposal
- Green Yard Waste collection and disposal
- Leaf Collection and Disposal
- Bulky Item Semi-Annual Drop-off Event
- Electronic-Waste Annual Drop-off Event
- Street Sweeping.



Chambersburg Recycling System

In 2020, the Borough switched from using Waste Management for picking-up and processing our recycling, to picking up the recycling with our own staff, and then using a broker to sell the material that the Borough collects. This resulted in savings to the department for a time. Best of all, from their perspective, our residents have been able to participate in recycling in the same manner as they have been doing for years. All the while, other towns and other places have moved to eliminate recycling options.

In 2022, the Borough extended our contract with a private recycling broker for one year. In 2023, a new three-year contract was awarded to provide this valuable service to our community.

The recycling system throughout the U.S. and our region continues to experience challenges relating to economic factors and the marketability of recycled materials. In addition, while we anticipate recycling programs will continue to evolve, our Sanitation Department is committed to providing a viable program for the near future. Through at least 2026, we anticipate things might stay the same for recycling.

For many years, Chambersburg personnel have collected all residential municipal waste, so the transition back to collecting our own recycling was not too difficult to arrange. However, in addition to hiring employees and purchasing a collection vehicle for this operation, the Borough had to find a way to process the recycled material.

In our process, the Borough collects single-stream comingled recyclable material from the curbside from Borough residents and small commercial establishments. The Sanitation Department transports this material to the transfer facility located at the Borough Farm. At the Farm, crews consolidated the comingled material into a recycling container supplied by the private recycling broker. The private recycling broker is therefore fully responsible for the recycling efforts of these materials.

Unfortunately, the global marketplace for recycled materials has collapsed and, without foreign markets for the material, the value of this material is considerably less. In fact, with such low rates to landfill municipal solid waste in our region, the disposal of recyclables is actually at a significant premium over trash. In Pennsylvania, there is no regional recycling efforts. Every community is on their own. Finally, the State encourages, but barely recognizes, recycling efforts. We receive an annual small grant to help.

However, the Borough remains a green community, committed to recycling even at a premium cost over disposal, and as with our wholesale electricity purchases, we exemplify a commitment to the environment through this sanitation program. We will endeavor to extend these efforts as long as practical.



Recycling Transfer Station at the Borough Farm

Recycling is one factor in the way that the Borough received a Sustainable PA Gold Level designation from the Pennsylvania Municipal League and Sustainable Pittsburgh.

In addition, Town Council is quite proud that we have found a way to keep this program going where each year it becomes financially and logistically more challenging.



**RECYCLE OFTEN.
RECYCLE RIGHT.™**



Borough of Chambersburg

Beginning now, residential trash customers have single stream recycling:



**Plastic Bottles
& Containers**



**Food & Beverage
Cans**



Paper



**Flattened Cardboard
& Paperboard**



**Food & Beverage
Cartons**



**Clear, Green &
Brown Glass**

Do NOT include in your mixed recycling bin:



NO Food Waste
(Compost instead!)



**NO Plastic
Supermarket
Bags & Film**



**NO Foam Cups,
Packing Peanuts
& Containers**



NO Needles
(Keep medical waste out of recycling. Place in safe disposal
medical trash containers)

**To Learn More Visit:
RecycleOftenRecycleRight.com**

#RORR

**Please place recycling all in one bin to be picked up by
Waste Management on behalf of Chambersburg every week
on the same day and in the same place as your Borough
trash pick up.**

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Bulky Waste

Any bulky waste that is dumped illegally in public areas such as sidewalks or streets will be collected by Borough employees and the adjacent property owner will be assessed at a rate of \$75 per hour as a special disposal fee to reimburse the Borough Sanitation Department for our actual cost to collect and dispose of the improperly dumped bulky item. Additionally, anyone caught illegally dumping will be subject to a fine of up to \$1,000, pursuant to Chapter 248 of the Code of the Borough of Chambersburg. If you own property, you are required to ensure that no illegal dumping occurs because property owners are responsible.



Bulky Item Collection at the Borough Farm, September 2023

The following are bulky items:

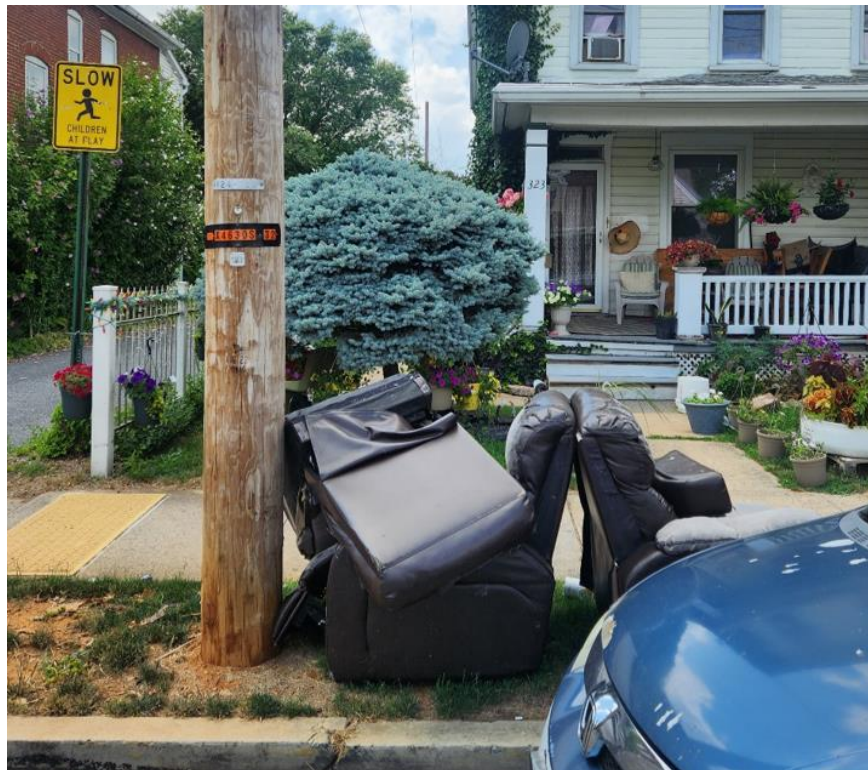
Air Conditioners	Freezers	Rugs
Bathtubs	Furnaces	Screens
Beds	Furniture	Sheds (metal)
Bicycles-Tricycles	Heaters	Sinks
Bookcases	High Chairs	Speakers
Box Springs	Ladders	Spouting
Carpet	Lamps	Stands (wire, wood, plastic)
Chairs	Landscape Logs	Stoves
Commodos	Lawn chairs	Stools
Couches	Lawn Mowers/Sweepers	Strollers
Cribs	Lighting fixtures	Tables
Desks	Mattresses	Toys (large plastic)
Dishwashers	Mirrors	Trash Cans
Drapery Rods	Mops and Brooms	Vacuum Cleaners
Dry Paint Cans	Ottomans	Washers
Dressers	Picnic Tables	Water Heaters
Drums	Picnic Umbrellas	Wheelbarrows
Dryers	Refrigerators	Windows

The Borough will not accept construction debris: no bricks, no drywall, no cinder blocks, no floor or ceiling tiles, no construction wood.

The Borough will not accept green yard waste: customers should bring all green yard waste to the Green Yard Waste recycling center on W. Commerce Street in Hamilton Township. A Borough Green Yard Waste card is required for drop-off. Cards are available at City Hall during regular business hours.



New Borough Recycling Containers or Toters Ready for Pick-up



Example of Illegal Dumping

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

If a property owner or a tenant is moving out of a house or apartment, or if a Sanitation Department customer has accumulated bulky trash, they have four options by which to comply with our ordinances:

- 1) Rent a dumpster from the Borough of Chambersburg, or a larger dumpster can be rented from a private company;
- 2) Transport bulky trash themselves to the Progressive Waste Blue Ridge landfill located in Scotland, PA, or to any other licensed waste disposal location, at their expense;
- 3) Transport allowed bulky trash themselves to the Chambersburg Waste Paper Transfer Station located in Chambersburg, PA at their expense;
- 4) Hold their bulky trash, out of sight, within the confines of their property until the semi-annual (spring and fall) Borough bulky trash disposal event.

Electronic Waste (E-Waste) Recycling

Another aspect to recycling is the disposal of electronic waste or e-waste items. The Borough continues to work with Waste Management to provide our citizens with an opportunity to dispose of electronic waste since it is no longer legal to dispose of e-waste in the trash. Very few municipalities provide this service or they provide it for free. Borough sanitation customers are therefore limited to the disposal of two items each.



Sanitation & Highway Personnel Load Large Flat Screen TVs during Electronic Waste Drop-Off Week

Green Yard Waste Recycling Center

Beginning in April 2015, the Borough’s new Green Yard Waste Recycling Center opened on W. Commerce Street in Hamilton Township. Initially this was a requirement by the PA Department of Environmental Protection to relocate our site from the Borough Farm, off Dump Road. This directive led to a \$1.5 million project, which included the acquisition of a new site, construction of the site, installation of truck scales, and purchase of a second leaf vacuum truck. To offset this expense, the PA Department of Environmental Protection pledged to Chambersburg a grant for \$225,000.

The Borough reduced debt payments (like a mortgage) for the site in 2021 by a refinancing to \$101,795 per year.

In addition to a full-time employee who manages the waste and confirms residency during the warm weather months, the Borough has hired one extra part time Sanitation worker to expand the open times at the facility. This employee works 10 hours per week at the site. During the cold weather months, the full-time employee supplements the Sanitation Department crew.



Borough Employees Cleaning Up Green Yard Waste Center



Leaf Vacuum Truck

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Wagner Supply Building and New Wayne Avenue Public Works Facility

At the end of 2019, the Borough had the opportunity to acquire a vacant commercial building at 366 Wayne Avenue in order to plan the relocation of the Sanitation Department, Motor Equipment Department, and Highway Department's Loudon Street facility. The existing facility on Loudon Street is reaching the end of its useful life. Problems at the site include vehicle maintenance bays that are too small for today's modern trucks, poor equipment and materials storage, no room to grow, and is located in the floodplain along the Conococheague Creek.

The Borough expanded the site, which was recently the home of the Wagner Supply Depot, in 2021 with the purchase of the adjacent private home at 342 Wayne Avenue by the Sanitation Department. The Borough demolished the home in early 2022. In addition, the Water/Wastewater Department purchased adjacent property at 1435 S. Fourth Street to add to their use of the new public works facility. Following the purchase, the departments transferred the property to Sanitation who will own the site and lease it back to the Water/Wastewater departments. The demolition of that property was completed mid-2023.

SGS Architects/Engineers was engaged in 2021 and a building committee is developing a concept plan to update the site. The next phase, Design Development, began in early 2023; and in 2024 Council approved funding for the development of Construction Documents and acquisition of other properties along S. 4th Street and Wayne Ave. Demolition of those properties began in the fall of 2024 and are expected to be complete in spring of 2025. Council will be considering approval of the construction project in early 2025 with construction beginning shortly thereafter and full occupancy estimated in 2026.

This project will be a joint project between Motor Equipment, Highway, Sanitation, Engineering, and Water/Wastewater departments.



For the organization of this new public works campus, the project finances will pass through the newly created Public Works fund. This fund is supported by the Electric, Gas, Water, Sewer, and Sanitation utilities, as well as the General Fund.



How the New Facility Will Appear as Seen From Wayne Avenue



Demolition of Previous Properties Underway in 2024

Borough Employee Commercial Driver's License (CDL) Training Program



In 2022, the federal government changed the requirement to obtain a commercial driver's license (CDL), requiring entry level driver training (ELDT), as a prerequisite to taking the CDL exam. As a result, the Borough developed an in-house program utilizing current staff to facilitate the program as the most efficient option for the Borough. The Borough's program and curriculum were approved by the state, and the in-house training of staff to obtain their CDL began in 2022. Having this program in-house is an advantage when recruiting talent to work for the organization in positions that require a CDL; it expedites the process overall, and provides an opportunity for candidates for employment, new employees, and internal transfers who may otherwise not be able to afford the training on their own. Additionally, it was and continues to be a great addition to an already established training and development program at the Borough. We've had 18 employees, to date, successfully go through the Borough's CDL Training Program and obtained their Commercial Driver's license through the Pennsylvania Department of Transportation.

Municipal Separate Storm Sewer System (MS4) Utility



The Borough – located in the Conococheague Creek Watershed – regulates stormwater according to a Stormwater Management Ordinance, adopted by Town Council on June 20, 2004, and amended on July 14, 2014. Originally, the Borough drafted and adopted the local law according to the Act 167 Conococheague Creek Watershed Plan, as approved by the Pennsylvania Department of Environmental Protection (DEP) on November 10, 2003.

Year 2025 will mark the tenth year of existence of the Storm Sewer Utility, one of the first such municipal utilities in the Commonwealth of Pennsylvania.

Department Head: Phil Wolgemuth, Deputy Borough Manager
 Storm Sewer Utility Manager, Andrew Stottlemyer

	<u>2023 Actual*</u>	<u>2024 Budget**</u>	<u>2025 Budget***</u>
Revenue	\$1,225,738	\$1,515,660	\$1,665,542
Expenses	\$1,309,638	\$1,515,660	\$1,665,542
Excess (Deficit)	-\$83,900 Deficit	- Balanced -	- Balanced -

The deficit in 2023 was as a result of maintenance spending using some of the fund balance made available by a surplus in the prior fiscal year.

In 2022, after years of delay, the Storm Sewer Utility changed the Storm Water Pollution Control Fee calculation methodology, which will result in a significant increase in revenue so that this utility can undertake the required maintenance, investment, and operation of the MS4 system.

During the 2022 Budget adoption, Council amended the fee schedule to include the Structural Best Management Practices (BMP) Credit so that all non-residential customers received the 30% credit in 2022. As such, revenues (and expenditures) were adjusted lower to account for that across-the-board discount.

*- In 2023, the across-the-board 30% credit for all non-residential customers was incorporated into revenue and expenditure projections.

** - In 2024, this budget reflects the end of the across-the-board 30% credit for all non-residential customers. Only those customers who rightfully earn a 15% or 30% credit by filing appropriate proof of having best management practice storm water installations on their property, will continue to receive that credit.

***For 2025, staff recommends increasing the per month per ERU from \$5 to \$6, which will increase annual revenue by \$289,596 from \$1,324,356 to \$1,613,952.

As noted, with the 2024 Budget adoption, Council ended the across-the-board 30% credit for all non-residential customers.

MS4 Permit

The Borough municipal separate storm sewer system (MS4) operates under Pennsylvania Department of Environmental Protection NPDES General Permit No. PAG 133704, of which coverage commenced on June 1, 2018 and expires at midnight on March 15, 2025.

In 2018, the Pennsylvania Department of Environmental Protection (DEP) approved a new NPDES General Permit, along with a Chesapeake Bay Pollutant Reduction Plan. The Borough has until March 15, 2025, to achieve pollutant-loading reductions for sediment, total nitrogen, and total phosphorous. It should be noted that DEP has administratively extended the existing permit that MS4 permittees operate under.

The MS4 Permit requires the Borough to operate a stormwater management program to address the following Minimum Control Measures:

- MCM 1. Public Education and Outreach on Stormwater Impacts
- MCM 2. Public Involvement and Participation
- MCM 3. Illicit Discharge Detection and Elimination
- MCM 4. Construction Site Stormwater Runoff Control
- MCM 5. Post-Construction Stormwater Management in New Development and Redevelopment
- MCM 6. Pollution Prevention and Good Housekeeping.



In 2022, after years of delay, the Storm Sewer fund changed the calculation methodology for the Storm Water Pollution Control Fee, which resulted in a significant increase in revenue so that the utility can undertake the required maintenance, investment, and operation of the storm sewer system and requirements of the municipal separate storm sewer system (MS4) permit.

The 2020 budget included an adopted proposal to completely change the calculation of the Storm Water Pollution Control Fee and increase the revenue for the operation and system maintenance. Due to the COVID-19 health crisis, Town Council delayed those plans. In 2021, Council approved the utility to switch from a flat rate, per sanitary sewer connection, to a rate based upon impervious area as calculated for each non-residential lot. This new methodology was finally implemented in 2022, resulting in a significant change for commercial, industrial, and institutional customers (shopping centers, schools, churches, the hospital, etc.), which all saw significant changes in their Storm Water Pollution Control Fee. The change for single-family residential customers, however, did not change. The new system allows every type of property to pay their fair share based upon their proportional relationship to the impervious area of a single-family residential home, expressed in single-family equivalent residential units or ERU. This new calculation methodology is commonplace and recommended by the United States Department of Environmental Protection.

1 ERU = 1 Equivalent Residential Unit = 1 Average Single-Family Home

The average impervious area for the average home in the Borough of Chambersburg

Storm Sewer Pollution Control Fee Rate for 2025

In the Borough rate system, every single-family home, regardless of actual impervious area, pays 1 ERU as if they were all equal to the average single-family home. Every single-family home is paid at the average. Non-single-family homes (commercial, industrial, institutional, etc.) types of property pay the fee based on their actual impervious area, in multiples of ERU, as in multiples of average single-family home impervious area units.

For 2024, Town Council set the per month per ERU fee at \$5, with all single-family customers paying \$5 per month, and all non-single-family residential customers paying a monthly fee that is determined by multiplying the \$5 per ERU fee by the total impervious area on their property. Council ended the across-the-board 30% credit for all non-residential customers. Only those customers who rightfully earn a 15% or 30% credit by filing appropriate proof of having best management practice storm water installations, will continue to receive that credit. Property owners are encouraged to reference the Storm Sewer Management Program Credit Policy Manual that explains how they can comply with the Structural BMP Credit requirements to secure a credit.

For 2025, staff recommends increasing the per month per ERU from \$5 to \$6, which will increase annual revenue by \$289,596 from \$1,324,356 to \$1,613,952. To date, 40 of 744 customers have been approved for permanent 15% or 30% Structural BMP Credit, which accounts for 960 credits, reducing non-single-family residential ERUs from 15,188 to 14,228.

Storm Sewer Pollution Control Fee and Credit Program

Storm Sewer Pollution Control Fees are classified in two ways; (1) as single-family residential, with those customers being charged one Equivalent Residential Unit (ERU) per month, and (2) as non-single-family residential (commercial, industrial and institutional), with those customers being charged based on the number of ERUs as a result of impervious area on their parcel. ERU is the average impervious area of all single-family residential properties in the Borough. One ERU equals 2,920 square feet. In essence, how many houses is a non-single-family residential parcel equivalent to in comparison to the average impervious surface of a single-family home.

There are currently 7,228 single-family residential and 744 non-single-family residential customers paying for 22,416 ERUs encompassing 65,454,720 square feet of impervious area. Of the 22,416 ERUs, 7,228 are for single-family residential customers and 15,188 are for non-single-family residential customers.

LAND USE	CUSTOMERS	SQUARE FEET	PERCENTAGE TOTAL
Single-family	7,228	21,105,760	32%
Non-single-family	744	44,348,960	68%
Total	7,972	65,454,720	

Storm Sewer Pollution Control Fee and Credit Program



Borough of Chambersburg
 Storm Sewer Management Program Credit Policy Manual
 As approved by Town Council on December 13, 2021
 As revised by Town Council on December 12, 2022
 As revised by Town Council on February 13, 2023
 As revised by Town Council on September 26, 2023
 As revised by Town Council on December 11, 2023

Three different credits are offered as means for customers to reduce monthly Storm Sewer Pollution Control Fees by implementing Best Management Practice (BMPs) activities to reduce the contribution of stormwater and pollutants to the storm sewer system and/or to aid in meeting MS4 permit obligations.

1. Single-family residential customers that attend Borough sponsored educational programs that comply with the MS4 Minimum Control Measure (MCM) for Public Education.
2. Non-single-family residential customers that install and maintain structural BMPs on their property that comply with the Borough’s Stormwater Management Code.
3. Any customer that provides an easement for BMPs to be installed on their property to comply with the MS4 permit or Chesapeake Bay Pollutant Reduction Plan.

Storm Sewer Pollution Control Fee and Credit Program

PUBLIC EDUCATION CREDIT	<p>Educational program to be offered in Council Chambers on Tuesday, December 17, 2024 at 7:00 p.m. Single-family residential customers that attend will receive reimbursement for one per ERU fee (\$5).</p>
STRUCTURAL BMP CREDIT	<p>30% credit offered for structural BMPs that were installed on a customer’s property after June 20, 2004 when Town Council first adopted Stormwater Management Code.</p> <p>15% credit offered for structural BMPs that were installed on a customer’s property before June 20, 2004 when Town Council first adopted Stormwater Management Code.</p> <p>30% credit offered for customer properties where structural BMPs were installed before and after June 20, 2004 when Town Council first adopted Stormwater Management Code.</p> <p>40 of 744 non-single-family customers have structural BMPs with 30 customers approved for 30% credit and 10 approved for 15 % credit.</p>
EASEMENT CREDIT	No easement credits issued to date.
IMPERVIOUS AREA REDUCTION	No impervious area reductions approved to date.

Storm Sewer Pollution Control Fee and Credit Program

Town Council set the 2024 per month per ERU fee at \$5 with single-family residential customers charged one ERU (\$5 per month) and all other customers (non-single-family residential) charged ERUs based on the amount of impervious area on their property.

For 2025, staff recommends increasing the per month per ERU from \$5 to \$6, which will increase annual revenue by \$289,596, from \$1,324,356 to \$1,613,952.

2025 STORM SEWER POLLUTION CONTROL FEE			
Customers	Fee Amount	ERUs	Total Annual Revenue
Single-family	\$6 per month	7,228	\$520,416
Non-single-family with credit	\$6 per month	2,679	\$192,888
Non-single-family without credit	\$6 per month	12,509	\$900,648
Total		22,416	\$1,613,952

CUSTOMERS	IMPERVIOUS AREA	IMPERVIOUS AREA PERCENTAGE	REVENUE PERCENTAGE
Single-family	21,105,760 sf	32%	32%
Non-single-family	44,348,960 sf	68%	68%

Projects

Capital Improvements Projects Bond

2025		BOND	OTHER	TOTAL
1	Southgate Shopping Center Storm Sewer System Improvements Project	\$1,343,576	\$3,300,000	\$4,643,576
2	North Fourth Street Storm Sewer System Improvements Project	\$1,800,000	\$0	\$1,800,000
3	S. Fifth St. Storm Sewer System Improvements Project	\$1,212,278	\$0	\$1,212,278
4	Industrial Dr. Storm Sewer Improvements	\$550,000	\$0	\$550,000
	TOTAL	\$4,905,854	\$3,300,000	\$8,205,854
2026				
1	Conococheague Creek Floodplain Mitigation Project Southgate Shopping Center	\$700,000	\$0	\$700,000
2	Fifth Ave. Drainage Conveyance Upgrades	\$272,658	\$0	\$272,658
3	Streambank Stabilization at Water Wheel	\$272,658	\$0	\$272,658
	TOTAL	\$1,245,316	\$0	\$1,245,316
2025/2026				
	TOTAL	\$6,151,170	\$3,300,000	\$9,451,170

Capital Improvements Projects Capital Reserve

2025		CAP RES	OTHER	TOTAL
1	Conococheague Creek Adaptive Canoe and Kayak Launch at Pine Woods Park	\$58,500	\$58,500	\$117,000
FUTURE PROJECTS				
1	Commerce St. Storm Sewer Upgrades (CBPRP BMP Project)	\$350,000	\$0	\$350,000
2	Fifth Ave. Drainage Conveyance Upgrades	\$275,000	\$0	\$275,000
3	Falling Spring Presbyterian Church Floodplain Restoration Project (CBPRP BMP Project)	\$260,000	\$0	\$260,000
4	Floodplain Restoration at Long John Silver's	\$200,000	\$0	\$200,000
5	Storm Sewer Upgrades at Lincoln Way East	\$150,000	\$0	\$150,000
6	S. Main St. Storm Sewer Upgrades	\$100,000	\$0	\$100,000
7	Stevens Elementary School (CBPRP BMP Project)	\$100,000	\$0	\$100,000
8	Wilson College (CBPRP BMP Project)	\$100,000	\$0	\$100,000
9	S. Main St. Storm Sewer Upgrades	\$100,000	\$0	\$100,000
10	Grandview Ave. Storm Sewer Upgrades	\$100,000	\$0	\$100,000
11	Grant St. Storm Sewer System Improvements Project	\$100,000	\$0	\$100,000
12	King St. Storm Sewer System Improvements Project	\$100,000	\$0	\$100,000
13	Ludwig Ave. Parking Lot (CBPRP BMP Project)	\$100,000	\$0	\$100,000
14	Mill Creek Acres Park (CBPRP BMP Project)	\$100,000	\$0	\$100,000
15	Nitterhouse Park (CBPRP BMP Project)	\$100,000	\$0	\$100,000
16	Sheffler Dr. (CBPRP BMP Project)	\$100,000	\$0	\$100,000
	Total	\$2,335,000	\$0	\$2,335,000



Wood Alley Improvements

BOROUGH OF CHAMBERSBURG

Stormwater Public Meeting Notice

If you live in a single-family home, duplex or townhouse, you pay a Storm Sewer Pollution Control Fee of \$5 per month.



You are eligible to receive credit for one \$5 monthly fee by attending a public education program where you will learn about local stormwater impacts, including the Borough Storm Sewer Utility, Municipal Separate Storm Sewer System (MS4) Program and Storm Sewer Pollution Control Fee and Credit Program.

WHEN

Tuesday, December 17, 2024

WHERE

Borough Hall Council Chambers
100 South Second Street, Chambersburg

TIME

7:00-7:30 p.m.



**GET PAID TO GO TO
A PUBLIC MEETING!**

If you attend this educational program, you will receive one credit by reimbursement for one \$5 monthly fee. Reimbursement will be made by the Borough via check for each paying customer that attends the event in its entirety and completes a simple, one page Credit Application, to be provided at the event. For owner-occupied single-family residential customers, reimbursement will be made for one \$5 monthly fee, regardless whether one or multiple occupants attend the event. For renter-occupied single-family residential customers, reimbursement will be made for one \$5 monthly fee to the occupant or owner that attends the event and that is currently paying the fee. A property owner may apply for multiple fee reimbursements as long as they are currently paying the fee.

The program will be held on Tuesday, December 17, 2024 at 7:00 p.m. in Council Chambers in the Utility Departments Addition to Borough Hall, 100 South Second Street, which can be accessed from the entrance off the parking lot to the rear of the building.

If you have any questions, please contact Andrew Stottlemeyer,
Storm Sewer System Manager, at 717-251-2434 or astottlemeyer@chambersburgpa.gov.

Storm Sewer Utility accomplishments in 2024

- Hired JD Wagoner Excavating to complete the Chambersburg Rail Trail Stormwater Management Project for total cost of \$301,574.58, which was partially funded with Chesapeake Bay Trust grant funds;
- \$421,735.73, which is funded with CDBG and Storm Sewer Capital Reserve;
- Hired Scott’s Hauling and Excavating to complete the Pleasant Street Stormwater Improvements Project;
- Staff worked with Franklin County Conservation District to secure an additional \$67,424; project fully grant funded;
- Hired FlockWorks to provide guided goat grazing to clear overgrown land along the banks of the Conococheague Creek adjacent to the Rail Trail;
- Hired Utility Services Group to complete phases 1 and 2 of the cleaning and subsurface CCTV project totaling \$142,477.65 (cost does not include heavy cleaning);
- Worked with GMS Funding Solutions and PA Fish and Boat Commission Boating Facility Grant program in order to relocate the Conococheague Creek Adaptive Canoe and Kayak Launch (\$58,500 received from PA FBC);
- Issued 6 Stormwater Management Code violation notices; and
- Through September 30, 2024, spent \$123,000 on various storm sewer system maintenance projects and estimate spending \$50,000 more through December 31, 2024.



Chambersburg Rail Trail Stormwater Improvement



FlockWorks Guided Goat Grazing



Storm Sewer Pipe Cleaning and CCTV Recording Project



Limekiln Drive Pipe Replacement



Water Street Infiltration Bed

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Storm Sewer Utility Goals for 2025

- Work with the Solicitor and GHD to prepare application to renew MS4 permit and update the Stormwater Management Code;
- Hire contractor to complete the Southgate Shopping Center Stormwater Management Improvements Project; to be funded with \$3,300,000 grant from the United State Corps of Engineers and \$1,346,576 bond revenue;
- Hire contractor to complete the North Fourth Street Storm Sewer System Improvements Project, to be funded with \$1,800,000 bond revenue;
- Hire contractor to complete the S. Fifth Street Storm Sewer System Improvements Project, to be funded with \$1,212,278 bond revenue;
- Hire contractor to complete the Industrial Drive Storm Sewer System Improvements Project, to be funded with \$550,000 bond revenue;
- Hire contractor to complete the Conococheague Creek Adaptive Canoe and Kayak Launch at Pine Woods Park, to be funded with \$58,500 grant from the PA Fish and Boat Commission and \$58,500 from Capital Reserve;
- Continue storm sewer system maintenance program, to be funded with \$300,000 from Operations;
- Hire contractor to complete phases 3 and 4 of the Storm Sewer Cleaning and CCTV Project, to be funded from Operations;
- Work with GHD to establish better capital improvements planning program by using data from CCTV Project;

Intergovernmental Cooperation Agreements

Town Council approved Intergovernmental Cooperation Agreements with Hamilton Township and St. Thomas Township to provide Stormwater Management Program Administrative Services for their MS4 Permits and Pollutant Reduction Plans that the Pennsylvania Department of Environmental Protection approved.

Staff to provide the following services through Intergovernmental Cooperation Agreement with Hamilton Township:

- Prepare their MS4 Annual Report;
 - Provide their public education, outreach, involvement, and participation;
 - Provide their code enforcement;
 - Develop and implement their operation and maintenance program for Township facilities; and
 - Develop and implement their training program for Township employees to ensure prevention of pollutants from municipal operations to the MS4.
-
- \$2,368.74 invoiced for services provided through September 30, 2024;
 - \$2,851.01 received for services provided in 2023;
 - \$5,405.22 received for services provided in 2022;
 - \$2,918.61 received for services provided in 2021;
 - \$3,068.21 received for services provided in 2020;
 - \$7,470.70 received for services provided in 2019; and
 - \$602.98 received for services provided in 2018.

Inter municipal cooperation is the hallmark and the overall object of the Borough's Storm Sewer Utility.



Andy Stottlemyer and a Hamilton Heights Elementary Fifth Grade Presentation

Chesapeake Bay Pollutant Reduction Plan

In 2017, Herbert, Roland, and Grubic (HRG), the Borough’s storm sewer engineering consultant, prepared a Chesapeake Bay Pollutant Reduction Plan, along with the Borough’s Notice of Intent for general MS4 Permit renewal coverage that the Borough submitted to the Pennsylvania Department of Environmental Protection for review.

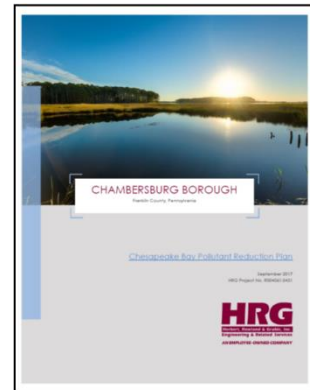
The overall goal of the plan is to implement Best Management Practices (BMPs) to produce tangible improvements to the quality of stormwater discharges in the Chesapeake Bay Watershed.

The plan approved various Best Management Practices projects, which intend to reduce the amount of nitrogen, phosphorus and sediment conveyed into the Falling Spring Creek and Conococheague Creek, which ultimately flows to the Chesapeake Bay via the Potomac River.

The Borough is responsible for funding these projects, with DEP evaluating progress when our MS4 Permit expired on March 15, 2023.

Projects completed or in planning stages:

- 1) Fifth Ave. Extension (complete)
- 2) Gilbert Avenue (complete)
- 3) Rhodes Drive (complete)
- 4) Central Avenue Parking Lot Rain Garden (complete)
- 5) Harrison Drive Inlet Filter (complete)
- 6) Fourth Street (complete)
- 7) South Main Street (complete)
- 8) Wolf Ave. Rail Trail (construction contact awarded 2023)
- 9) South Fourth Street (finance and construct 2024-2026)
- 10) Water Street Infiltration Bed (complete)



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET



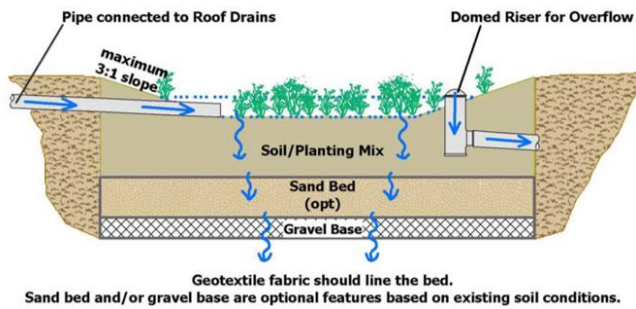
Storm Sewer Utility Fee Comparisons

Based on a Western Kentucky University survey conducted in 2020, the existing \$5 per month per ERU fee is the lowest amongst other Boroughs in Pennsylvania.

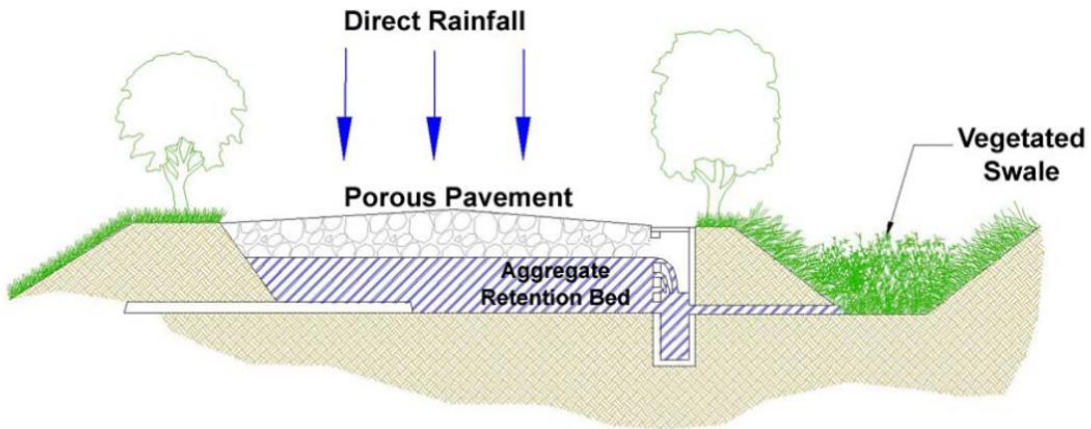
- Borough of Chambersburg: \$5 per month (recommended to increase to \$6 per ERU in 2025)
- Borough of Carlisle: \$7 per month
- Borough of Highspire: \$7 per month
- Borough of Clarion: \$9 per month
- Borough of Dormont: \$9 per month
- Borough of Greencastle: \$14.33 per month



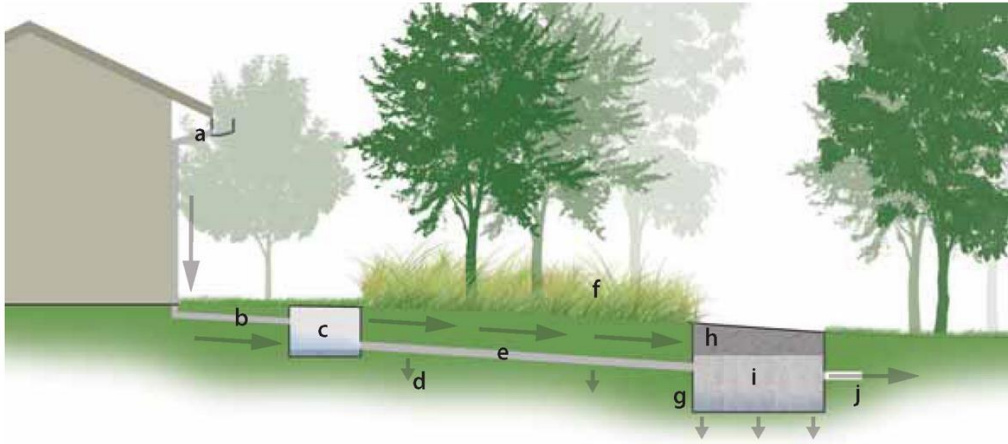
Out-of-Town Example of Stormwater Best Management Practice (BMP) on Private Property



A Recharge Garden (also called a Rain Garden or a Bioretention Garden) is an excavated shallow surface depression planted with specially selected native vegetation to treat and capture runoff and typically underlain by a sand or gravel infiltration bed.



Example of Use of a Vegetated Swale in Stormwater Management

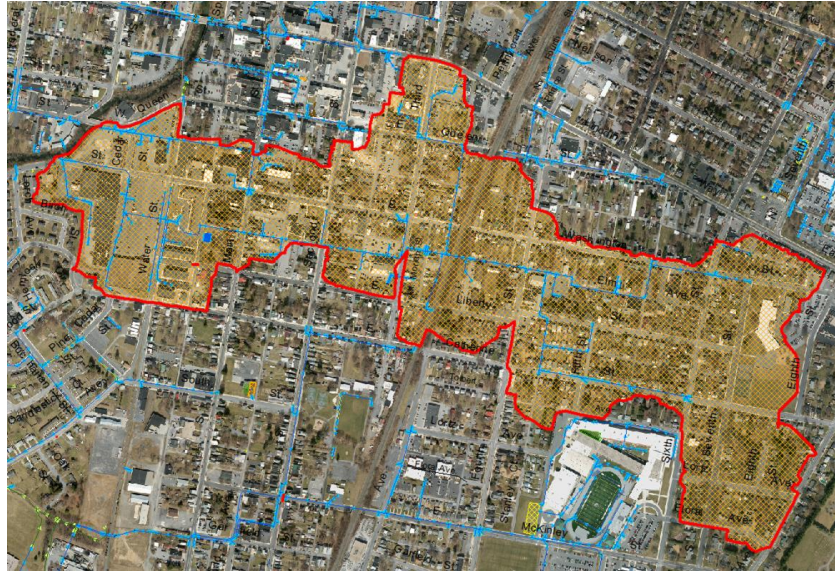


- a** rain gutter system **b** perforated pipe **c** sediment basin **d** stormwater infiltrates subsoil
e sand trench **f** vegetative filter area **g** infiltration device **h** gravel layer **i** sand layer
j overflow to storm drainage system

Best Management Practices for Subsurface Infiltration



Rhodes Drive Borough-Owned Infiltration Area



The Drainage Area Managed by the Southgate Shopping Center Property



The Proposed New Bioretention Area at the Southgate Shopping Center

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Parking, Traffic and Street Lights Utility



Created in 2012, this utility includes Downtown Parking, Street Lights, Traffic Signals, and Borough-wide parking and traffic control and infrastructure/devices. An inter-departmental agency, the mission of this department is Public Safety through the proper management of vehicular, pedestrian, and multi-modal infrastructure and regulations, under the advice and direction of the Borough’s Parking, Traffic, and Street Lights (PTSL) Committee.

As an inter-departmental agency, the Borough Manager supervises these functions. The Public Works Director, the Director of the Electric Utility, the Finance Director, the Police Chief, and the Traffic Signal Maintenance Supervisor support the Committee.

Utility Director: Jeffrey Stonehill, Borough Manager/Director of Utilities

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$1,459,978	\$1,585,300	\$1,818,855
Expenses	\$1,374,615	\$1,585,300	\$1,818,855
Excess (Deficit)	\$85,363 Surplus*	- Balanced -	- Balanced -

Transfers from the Electric Utility for illuminated traffic control devices and street light expenses heavily subsidize the Parking Fund.

*- The entire surplus in 2023 was a result of the Borough-wide traffic signal upgrade project which was covered by the use of the Congestion Mitigation and Air Quality (CMAQ) grant, and Federal funding coming into the fund in 2023, but out of the fund in 2022.

The Parking, Traffic, and Street Lights Utility is a separate enterprise fund of the Borough; run like a utility with most proceeds supplied by the Electric Utility and parking fees. There are no actual employees; however, the fund pays, by the hour, the payroll of employees working on projects. The fund owns the streetlights, traffic signals, parking meters, and illuminated traffic control devices. It is managed directly by the Borough Manager. There are a number of downtown off-street parking lots managed by the fund with the assistance of Public Works. The parking enforcement operation is cooperatively managed by the Borough Secretary and Customer Service.

In addition to the Borough Manager, the Public Works Director or his designee, the Electric Utility Director or his designee, the Finance Director, and the Police Chief or his designee, support the Parking, Traffic, and Street Lights Committee and the operations.

In 2011, Council set the meter rate at 25¢ only and there is no proposal to change the rate.

At such a low parking rate, it hardly makes any sense to upgrade the parking meters, install new kiosks, or to begin installing credit card accessible meters. The cost of that technology, as well as the fees to process credit card transactions, would add tens of thousands of dollars in expenses. This makes no sense when the average transaction is for 25¢.

Much of the time and effort of this operation is spent on improved traffic technology, and multi-modal pathways, to encourage safer, but not faster, transportation through the community.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

<u>ACCOUNT NO</u>	<u>DESCRIPTION</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
		<u>ADOPT</u> <u>BUDGET</u>	<u>ACTUAL</u> <u>TOTAL</u>	<u>ADOPT</u> <u>BUDGET</u>	<u>PROPOSED</u> <u>BUDGET</u>
84010	Residential Parking Permits	\$1,100	\$1,018	\$1,000	\$1,000
84011	Parking Meter Receipts	\$57,000	\$66,498	\$62,000	\$65,000
84012	Parking Permit Receipts	\$58,820	\$36,796	\$40,000	\$40,000
84013	Parking Meter Fines	\$30,390	\$37,995	\$30,000	\$32,485
84030 & 84071	Interfund Transfers*	\$1,100,000	\$1,100,000	\$1,100,000	\$1,343,290
	Expenses - Metered Parking Operation & Maintenance	\$152,730	\$142,357	\$165,020	\$202,720
	Expenses - Parking & Traffic	\$657,400	\$606,683	\$681,300	\$770,510
	Expenses – Street Lights	\$286,700	\$266,652	\$279,030	\$317,700
	Expenses - General & Administrative	\$455,145	\$357,674	\$300,420	\$257,020
	Expenses – Transfer To Parking Capital Fund For Projects	-	-	\$157,815	\$268,250
	Expenses - Interfund Transfers (Workers Comp & Self Insurance & Public Works Campus)	\$1,035	\$1,035	\$815	\$2,655
	<u>Total Expenses</u>	\$1,170,870	\$1,225,738	\$1,515,660	\$1,665,542
	<u>Total Revenues</u>	\$1,553,010	\$1,459,978	\$1,585,300	\$1,818,855
	<u>Difference</u>	+382,140	+234,240	+69,640	+153,313

Each year the fund attempts to put aside money for future capital projects.

Parking meter revenue and parking permit revenue are never sufficient to cover expenses.

For example, in 2023, the last full year, the revenue included subsidies of \$1,100,000 to support \$1,459,978 in expenses.

State and federal grants support the Parking Fund as well as subsidies from the Electric Utility.

Parking 2025

- Expanding the Police Traffic Unit Continues in 2025:
 - CPD outlined the goals of this unit;
 - Enforcement remains the number one request by citizens;
 - Signs, rules, traffic patterns, etc., are irrelevant without enforcement;
 - CPD to add additional police officers in 2025 to assist;
 - Sgt. Good participates with PTSL Committee.
- Parking lots getting more ADA parking spaces.
- Parking enforcement has become more reestablished.
- Borough Secretaries now more involved than ever in parking system.

Multi-Modal Projects for Future

The Borough, at some point, will apply for funding for this large, multi-site, bike/pedestrian, and traffic project.

New multi-site, Multi-Modal (MTF) project grant program (Three-Years):

- 1) Acquire land for trails, trailhead, and new streets;
- 2) Design project components:
 - Broad Street Greenway, Trail and Trail Head;
 - Kennedy Street Extended;
 - Third Avenue Greenway;
 - McKinley Streetscape and Pedestrian Improvements;
 - North Rail Trail Extension, in Cooperation with Wilson College & Armstrong Family;
 - South Rail Trail Extension with new Ped Crossing S. Main St., and new Ped connection to S. Fourth St.
- 3) Construction and construction management.



Broad Street Greenway & New Kennedy Street Extended



New Water Street Near Senior Housing Gazebo



Current Water Street Near Senior Housing Gazebo

Water Street Linear Park

B – RAIL TRAIL “GRAVEL ROAD” EXTENSION



Location: Links northern terminus of rail trail to Wilson College Equestrian Complex

Implementation Partners: Borough, Pedestrian and Bicycle Improvements Plan Advisory Committee, Wilson College, Recreation Advisory Committee and Chambersburg Area Municipal Authority.

Engineering Cost: \$50,000 - \$70,000

Construction Cost: \$300,000 - \$400,000

Potential Funding Sources: TIGER, TIFIA Loans, Transportation Alternatives (TA), DCNR grants, DCED GTRP grants, PennDOT and DCED Multi-modal Funds, General Funds, Municipal Bonds, Tourism & Quality of Life Enhancement Grant and Capital Campaign.

Project Overview: The Rail Trail “gravel Road” Extension links the northern terminus of the existing rail trail to Wilson College Equestrian Complex and Wilson’s internal trails. This portion of the trail extends approximately 0.5 mile. The proposed rail trail extension will include a 10 – 12 ft. shared-Use path with 2 ft. buffers on each side of the trail. This connection includes one roadway crossing at the W. Commerce Street/Hood Street intersection.



I – SOUTHERN RAIL TRAIL EXTENSION



Location: Southern terminus of Rail Trail to Fifth Ward neighborhoods and commercial area (Wayne Avenue)

Implementation Partners: Borough, Pedestrian and Bicycle Improvements Plan Advisory Committee and Chambersburg Municipal Area Authority.

Potential Funding Sources: TIGER, TIFIA Loans, Transportation Alternatives (TA), DCNR grants, DCED GTRP grants, PennDOT and DCED Multi-modal Funds, General Funds, Municipal Bonds, Tourism & Quality of Life Enhancement Grant and Capital Campaign.

Engineering Cost: \$125,000 - \$150,000

Construction Cost: \$850,000 - \$950,000



Project Overview: Multi-purpose 10'-12' shared use path improvements extending the existing rail trail to the Wayne Avenue. Improvements could also include some on-road improvements, crossings and signage.



D – 3RD STREET GREENWAY



Location: 3rd Street north of Lincoln Highway to Grant Street

Implementation Partners: Borough, Pedestrian and Bicycle Improvements Plan Advisory Committee, Recreation Advisory Committee and Chambersburg Municipal Area Authority.

Potential Funding Sources: TIGER, TIFIA Loans, Transportation Alternatives (TA), DCNR grants, DCED GTRP grants, PennDOT and DCED Multi-modal Funds, General Funds, Municipal Bonds, Tourism & Quality of Life Enhancement Grant and Capital Campaign.

Engineering Cost: \$40,000 - \$60,000

Construction Cost: \$250,000 - \$300,000



Project Overview: The 3rd Street Greenway trail begins 900 ft. north of Lincoln Highway and terminates at Grant Street. The trail would run approximately ¼ mile in length. The proposed trail will utilize a 10 – 12 ft. shared-Use path with 5 ft. buffers on each side of the trail.

Rendered in the right margin by Park & Edson /Creative Downtown Master Plan



6.0 DESIGN GUIDELINES

Design guidelines will contribute to creating a safe, accessible and interconnected Borough-wide network for pedestrians and bicyclists.

If properly designed, pedestrian and bicycle facilities can play an important role in the overall health of the community as well as the overall transportation network of the Borough with connections to the region. Integration of design standards and modification of Borough regulations will allow for bicycle and pedestrian facility improvements to occur (refer to Appendix B for specific recommendations).

6.1 HEALTHY COMMUNITY DESIGN & COMPLETE STREETS CONCEPTS

National studies indicate that the way we design, build and retrofit our neighborhoods affects our physical and mental health. Decision-makers must consider options that promote walkability, bikeability and livability such as:

- Provide adequate public facilities such as parks, bike trails, recreation centers and outdoor plazas that give people a place to be active and encouraging outdoor physical activity.
- Finding creative ways to address health issues through the design and retrofit of neighborhoods and streets.
- Improve the health of vulnerable populations and access to health care.
- Ensure that sidewalks and streets are in good repair and streets are safe for pedestrians and bicyclists.
- Offer more healthy and affordable food choices readily available and accessible to all neighborhoods.
- Assure land use policies support issues of healthy retail, farmers markets, urban agriculture, restaurants and transportation.
- Incorporate crime prevention through environmental design (CPTED) standards into ordinances and design standards where appropriate to create

an environmental that promotes safety. Feeling safe in your surroundings plays an important role in mental and physical health.

- Establish a Good Neighbor guide that provides strategies for becoming a good neighbor to other residents and adjacent businesses as well as becoming a partner to local government.
- Create a welcoming and friendly environment through social events, citizen engagement and leadership skills.
- Promote environmental stewardship and protection with residents, businesses, developers and government.
- Adopt a complete streets policy and amend ordinances and design standards to require public and private investment comply with this policy.
- Create corridors that provide safety, accessibility and mobility for multiple forms of transportation.



Ideas for McKinley Street



Proposal to Relocate U.S. 11 Northbound from Garfield Street to Derbyshire Street

In 2014, Chambersburg Borough staff, working with traffic engineer Adam Wagner of Traffic Planning and Design, a Harrisburg based professional traffic engineering firm, developed a proposal to relocate route U.S. 11 northbound from its current path along Garfield Street to an alternate path along Derbyshire Street.

Chambersburg, like many communities laid out in the Nineteenth Century, has a tight grid of undersized streets in its Central Core. One of the factors that has led to the economic development and growth of Chambersburg and Franklin County is the fact that it is located at the crossroads of some impressive motorized and railroad commercial transportation routes. One of those routes is U.S. 11. U.S. 11 is a north-south (physically northeast-southwest) United States highway system extending 1,645 miles across the eastern United States. The southern terminus of the route is at U.S. 90 in the Bayou Sauvage National Wildlife Refuge in eastern New Orleans, Louisiana. The northern terminus is at the Rouses Point - Lacolle 223 Canadian Border Crossing in Rouses Point, New York. The route continues across the border into Canada as Quebec Route 223. U.S. 11, created in 1926, largely follows the route of the original plan. Mostly duplicated by the route of I-81, U.S. 11 is one of the most important legacy truck transportation routes in the United States. It passes directly through Chambersburg, Pennsylvania.

In 1957, in an effort to mitigate against the growing volume of traffic passing through Downtown Chambersburg, the State of Pennsylvania approved a plan to allow most major routes throughout the core to become one-way streets. This act separated northbound and southbound U.S. 11 onto two different streets (southbound remained on Main Street whereas northbound was relocated to Second Street). This plan was made possible by the fact the Chambersburg street grid included convergence points where streets joined together on the edge of the core street network. Unfortunately, the street grid only had three of these points of convergence: North Point, East Point, and West Point. There was no southern point of convergence. This factor necessitated a work-around to allow U.S. 11 to be separated into two different streets without a convergence point. That work-around was the designation of Garfield Street, to act as a one-block pass through for traffic to pass from Main Street to Second Street and mimic the pattern of the convergence points on the north, east, and west of Downtown Chambersburg.

Garfield Street was no less wide than Main Street or Second Street and the geometry of the street was sufficient to handle the traffic volume as existed in 1957. There are three facts about Garfield Street that render it a poor one-block pass through for U.S. 11 now:

1. Garfield Street is mostly a residential street with multi-family homes on both the north and south side of the one block that handles U.S. 11 northbound. Many of these homes are rental properties and the number of automobiles that seek to park on-street on Garfield Street limits the available width of the street for through traffic. Further, the nature of the demographics of the residents includes families with school age children. This results in a significant quantity of pedestrian cross traffic at the intersection of Main Street at Garfield Street, Fairground Avenue at Garfield Street, and Second Street at Garfield Street. While there are no reported pedestrian accidents, there is a concern that over time the residential nature of Garfield Street and the parked vehicles has rendered it less acceptable as a major truck route.
2. The grid nature of the Chambersburg street network creates very tight turn radii for tractor trailers when turning onto, and off of, Garfield Street. The standard single tractor trailer on the road is 53 feet long. The current model for the double tractor trailer is two, 28-foot-long trailers, the whole "Twin 28", measuring 66 feet in length. A new truck, called a "Twin 33," would increase both trailers' length to 33 feet, making future trucks 85 feet long. These tractor trailers have an incredibly difficult challenge handling the turn radii at Garfield Street in Chambersburg. Further, there exists little opportunity to improve that turn radii as the intersections of Main Street at Garfield Street, and Second Street, at Garfield Street are fully developed with occupied private property. Finally, from time to time, I-81 is closed due to accidents. When this happens, all I-81 northbound traffic is routed onto U.S.11 as a detour, which eventually passes onto Garfield Street. This traffic includes wide load vehicles, which find passing

through Garfield Street impossible. Given this is in a residential neighborhood adjacent to Downtown Chambersburg, there is little opportunity for tractor trailers to find alternative routes, pull off to the side to contemplate how to navigate Garfield Street, or move in a deliberate speed through the Garfield Street bottleneck. Given the growth in area truck traffic, this problem is likely to grow over time.

3. The Second Street end of Garfield Street requires that traffic turn either northbound onto Second Street, to follow U.S.11 northbound or southbound onto Second Street/Wayne Avenue towards the northern terminus of Pennsylvania State Route 316. This choice and the existence of the northern terminus of S.R.316 exacerbates the tight and confusing nature of Garfield Street at Second Street intersection. Vehicles, including tractor trailers, have two choices (north or south), very little room to make a decision, and two opposing tight turns each with poor turn radii. Although, the southern turn (onto Second Street/Wayne Avenue or S.R.316) is even worse than the northern turn radii, where most tractor trailers spill across two lanes of traffic to navigate this turn motion. Finally, to allow this turn movement, traffic on northbound Second Street/Wayne Avenue must be held up at a stop sign as to not interfere with the Garfield Street traffic flow. This stop-sign has become the scene of most of the vehicular accidents, as vehicles rear-end other cars at the stop sign or tractor trailers poorly navigate the turn, striking vehicles and objects. Tractor trailers regularly cross the pedestrian sidewalk at this intersection in order to navigate the turn motion.

In summary, finding an alternative to Garfield Street was a goal for traffic planners at the Borough of Chambersburg.

Derbyshire Street is one block south of Garfield Street and runs parallel to it. Derbyshire Street is also a local street owned by the Borough of Chambersburg. Currently it is a two-way street (unlike one-way eastbound Garfield Street) and it is underutilized. Many motorists use it as an alternate route to avoid Garfield Street, although that is impossible for tractor trailers given the tight uphill nature of the Derbyshire and Wayne Avenue intersection. The south side of Derbyshire Street is dominated by an industrial facility, which in its heyday was a major employer. The intersection of Derbyshire Street and Fairgrounds Avenue was the employee pedestrian entrance to the industrial site and an old fashion turnstile gate still sits at that location. However, currently the industrial site is underutilized and there is no longer a rush of pedestrian workers crossing Derbyshire Street and passing through the turnstile. In fact, it is unlikely the site will ever see that type of traffic again. Truck traffic to the industrial site enters off over Main Street (U.S.11), although there is a truck maintenance gate on Derbyshire for the facility.

In 2014, the Borough's Parking Traffic and Street Lights Committee suggested to Town Council, that a letter be sent to the Pennsylvania Department of Transportation suggesting the relocation of U.S.11 northbound from Garfield Street to Derbyshire Street.

In response, the Council placed the concept on the Borough's Official Map planning process. The Official Map is a futuristic look at possible improvements to Borough Transportation Corridors; as authorized by law under the Pennsylvania Municipalities Planning Code (MPC). On Monday August 25, 2014, Chambersburg Town Council adopted the current Official Map, which includes Proposal No. 14: Traffic Pattern Change between Garfield Street (two-way) and Derbyshire Street (one-way Eastbound), and S. Second Street one-way from Derbyshire.

Traffic Planning and Design prepared an official exhibit outlining Proposal No. 14, which was used in town hall meetings with area residents as well as impacted businesses. One-on-one meetings were held with four (4) impacted commercial businesses: Blue Mountain Apparel, a retail store on Second Street; Amsley's Collision Service, a automotive repair business on Wayne Avenue; Johnnie's Family Restaurant, an eating establishment on Main Street; and, Fred Fox, owner of Chambersburg Engineering and the Gaumers Chassis Engineering abandoned site at the intersection of Derbyshire and Main Street.

Proposal No. 14 – Fixing Garfield Street

Derbyshire Street and its intersections with Main Street and Second Street are almost identical to Garfield Street. There are three facts about Derbyshire Street that render it a much better route for northbound U.S.11 than Garfield Street:

1. Derbyshire Street is a residential street on the north side (similar to Garfield Street), but the entire southern curb line is along the industrial property. With half as much multi-family housing when compared to Garfield Street, Derbyshire needs much less on-street parking. In fact, the proposal is to completely eliminate on-street parking along the southern curb line, thereby increasing the available cartway width for vehicular traffic. The Borough might also curtail or limit parking on the northern curb line. The street will appear wider with many fewer parked cars. Further, with half the housing, and no additional neighborhood south of Derbyshire Street, there would be fewer pedestrian crossings along Derbyshire in comparison to Garfield Street. Therefore, Derbyshire is, by its location one block south, a safer street than Garfield.
2. There exist two fixes for the very tight turn radii for tractor trailers when turning onto and off of Derbyshire Street, where no fixes existed on Garfield Street. At the intersection of Main Street and Derbyshire Street, the southeast corner is a grassy knoll mostly in the existing right of way and outside the fence line of Chambersburg Engineering. It would be relatively cost efficient to change the curb line on the southeast corner of Main Street and Derbyshire Street to allow tractor trailer making the turn (northbound on Main Street onto eastbound on Derbyshire Street) with a much-approved turn radius. Further, at the intersection of Wayne Avenue and Derbyshire Street, along the maintenance driveway to Chambersburg Engineering, the cartway is slightly wider, in the existing right of way, to allow the turn radius for tractor trailers making the turn (eastbound Derbyshire onto southbound Wayne Avenue) with a vastly improved turn radius. Finally, the biggest advantage and the most important difference between Garfield Street and Derbyshire Street is the existence of the triangle site formed by the intersection of Wayne Avenue (S.R.316), Second Street, and Derbyshire Street. The proposal calls for the acquisition of that land, currently a private car sales office, and incorporation of the entire triangle site into a much larger and expanded intersection. If this land acquisition of the triangle site is successful, this would allow the improvement of route of U.S.11 northbound in three significant ways:
 - a. The choice and the existence of the northern terminus of S.R.316 requires that traffic turn either northbound onto Second Street to follow U.S.11 northbound or southbound onto Wayne Avenue to follow S.R.316 southbound. If the triangle site is eliminated, that choice can be built as a sweeping fork in the road with the left lane flowing onto Second Street northbound and the right lane flowing onto Wayne Avenue southbound. Without the obstruction of the triangle site, the turning radii for both of these turns would be excellent and a hyper-elevated cartway can be included to assist with the grade change required by the Wayne Avenue overpass over the Norfolk Southern Railroad. There would be enough room for the installation of the new fork in the road and no longer would there be any turn radii issues on northbound U.S.11 at S.R.316.
 - b. Second, elimination of the triangle property would allow for the creation of a small but important off-street parking area. This small lot would be adjacent to three homes clustered on Second Street and the stores where Blue Mountain Apparel now sits. This small lot would be very beneficial to the parking-starved neighborhood, would allow the elimination of on-street parking on Derbyshire Street, and provide safe access to the stores where Blue Mountain Apparel is located.
 - c. Finally, elimination of the triangle property would allow a decorative installation (a small fountain or welcome sign) to be placed in the gap created by the new fork in the road. As the new southern gateway to Downtown Chambersburg, this focal point (akin the

forementioned points of confluence that exist on the north, east and west sides of Downtown Chambersburg) could aid with the revitalization of this neighborhood. This new “Southern Gateway” is an indispensable benefit of creating a better street network.

3. Finally, switching the route of U.S.11 northbound from Garfield Street to Derbyshire Street would eliminate the need for any northbound stop sign on Second Street at Garfield Street. That sign, which is the site of numerous accidents, becomes unnecessary in this new plan. Northbound traffic flow on Second Street, whether originating from Wayne Avenue (S.R.316) or from Derbyshire Street (U.S.11), would flow without interruption into two northbound lanes of the one-way Second Street. Therefore, it would be the newly adapted Garfield Street that would get the stop sign rather than Second Street. Garfield Street, after the switch, would become just like Derbyshire Street (or Liberty Street, McKinley Street, or Catherine Street) are currently. It would be a local two-way street, a single block, between Main Street and Second Street. As with all the other neighborhood streets Garfield would be used mostly by locals for local traffic. It would have little or no truck traffic and it would go back to being a secondary collector street. As a result, the demoted Garfield Street would get a stop sign at both Main Street and where it intersects with Second Street. Finally, it would be two-way rather than one-way.

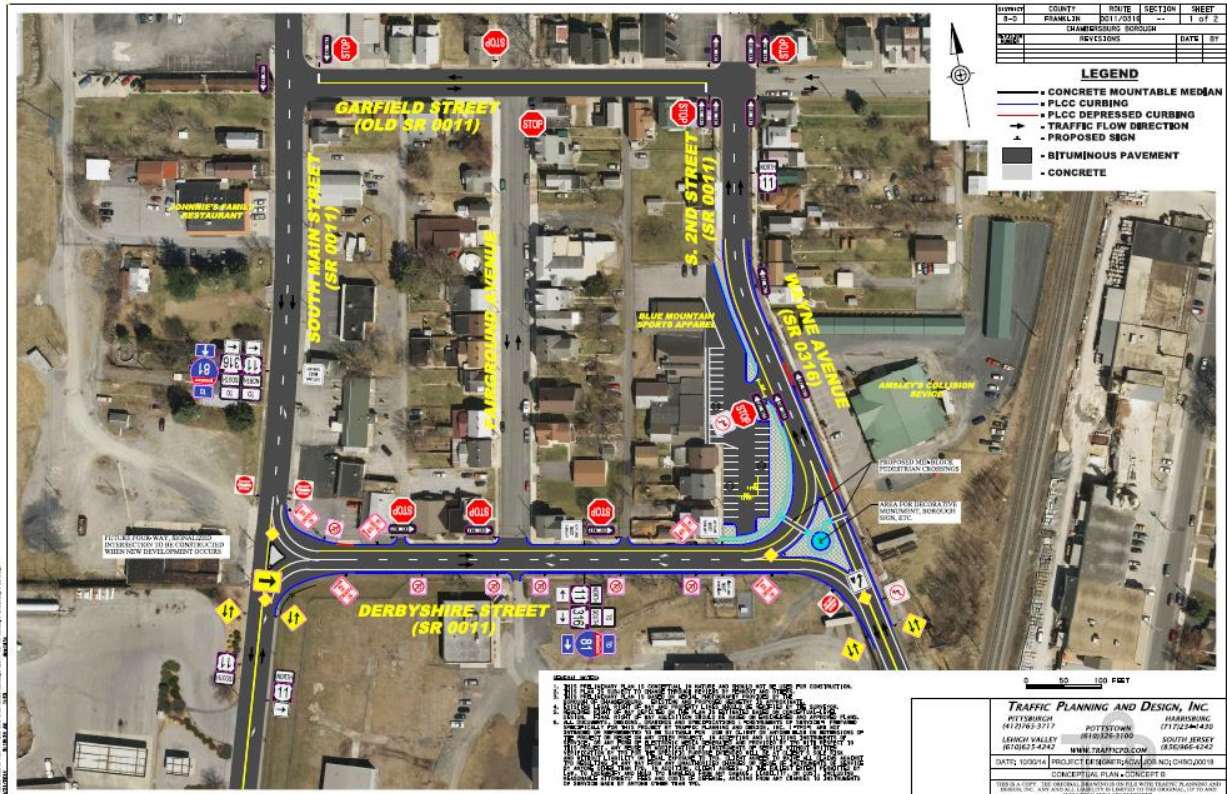
In summary, Derbyshire Street is a far superior street for U.S.11 than Garfield Street. Relocating U.S.11 from Garfield Street to Derbyshire would eliminate each of the aforementioned problems with the current route.

The attached plan shows a conceptual layout and signing configuration for the potential shift of U.S.11 from Garfield Street to Derbyshire Street. This configuration will alter the travel paths of vehicles intending to access the properties along Main Street, Second Street, Wayne Avenue, Derbyshire Street and Garfield Street. The access pathways to the following businesses have been reviewed, and consideration has been given where possible to reduce the impacts of the proposed modification. It should be noted that as with much of the rest of the Borough, one-way streets are commonplace and drivers are accustomed to needing to ‘go around the block’ in order to access certain businesses.

- Blue Mountain Sports Apparel – The existing business is situated along the west side of Second Street near the intersection of Wayne Avenue/Second Street. Currently, Second Street is a two-way street along the property frontage. With implementation of the plan, S. Second Street would become a one-way street (northbound). The former business owner had raised concern regarding the existing parking along the building frontage and the need for vehicles to back out into the travel lane in order to exit the site. The proposed plan will narrow Second Street to one lane and curbing (depressed in areas for enter/exit to the business) will be installed along the west side of the street. This will increase the size of the parking area in front of the building and provide space for vehicles to back out of the parking stalls while remaining in the parking lot. The issue of Second Street becoming a one-way street in front of the building is understood; however, it would not be possible to maintain southbound traffic to the business with this proposed change. The existing path of vehicles from the north is to drive down Main Street, turn left onto Garfield Street, and then right onto Second Street. With the proposed changes, vehicles will continue south on Main Street one block, turn left on Derbyshire Street, and then left onto Second Street. While the configuration will change, the route is nearly as direct as it was in the existing condition and will be intuitive for drivers due to the signing for U.S.11.
- Amsley’s Collision Service – The existing business is located along the east side of Wayne Avenue (S.R.316) just north of the Derbyshire Street/Wayne Avenue intersection. With implementation of the plan, Wayne Avenue would become a one-way street (northbound). It would not be possible to maintain southbound traffic to the business with this proposed change. The existing path of vehicles from the north is to drive down Main Street, turn left onto Garfield Street, right onto Second Street, and then left onto Wayne Avenue. With the proposed changes, vehicles will continue south on Main

Street one additional block, turn left onto Derbyshire Street, and then left onto Wayne Avenue. An eastbound left turn lane has been added to the plan along Derbyshire Street at the Wayne Avenue intersection in order for vehicles to access the business. The left turn lane has been designed to accommodate larger vehicles (tow trucks/car carriers) which may need access to the business. While the street configuration will change, the route is nearly as direct as it was in the existing condition and will be intuitive for drivers due to the signing for U.S.11 and S.R.316.

- Johnnie’s Family Restaurant – The existing business is located along the west side of Main Street just south of the Garfield Street/Main Street intersection. The property owner has raised concern that vehicles will no longer be able to directly access the business from the south by traveling northbound on Main Street. Unfortunately, it is not feasible to maintain northbound traffic along Main Street with the proposed configuration. The proposed configuration will bring the subject roads into consistency with the rest of the Borough configuration of U.S.11. Vehicles will have to ‘go around the block’ in order to access the business. However, the proximity of the business to the Derbyshire Street/Main Street intersection should help drivers to quickly understand the new access pattern.
- Gaumers Chassis Engineering – This location is currently vacant and being marketed for potential redevelopment. It sits west of the intersection of Derbyshire and Main Street. The property owner has raised concern that vehicles will no longer be able to directly access the site from Main Street if it were to be redeveloped. The proposed configuration will maintain a full intersection at Main Street and Derbyshire Street. As a result, for some cost, which likely would be borne by future development, that intersection, which is planned to be full-movement, but un-signalized, could have a traffic signal added. The current traffic island located at Main Street and Garfield would be relocated to Main Street and Derbyshire under the plan. However, that median can be removed and a traffic signal installed at a future date. A signal could, if warrants are met, be permitted to allow dedicated access into and out of the Gaumers Chassis Engineering site.



Downtown Parking Study Reminder, As Questions about a Garage Still Arise

- On January 29, 2018, Derck & Edson released a Downtown Parking Utilization Study
- “Within the Central Core study area of Chambersburg, there are approximately 180 on-street spaces and nearly 1000 spaces held in parking lots (of which 68 are public spaces managed by the Borough.) Additionally, the Borough has estimated that an average of nearly 600 spaces are vacant throughout the downtown each day. The main complaint that the Borough hears about these spaces relates to proximity to the desired destination.”
- “The following pages of this report will document the analysis of parking utilization in the Central Core as well as summarize options for integrating structured parking as a possible solution. For clarity, structured parking in this report shall generally describe parking arranged in a vertical manner using structural building elements to elevate parking above the natural ground level.”
- In my reading of the report, the following statement is the most important conclusion of Derck & Edson’s analysis:
 - “...this analysis determined that the notion of building a standalone structured parking facility will likely not be financially viable. Further, the anticipated likely loss of spaces for any future County courthouse expansion project, as well as increased demand for surrounding businesses, provides reasonable evidence that a mixed-use project in the Central Core, with uses beyond parking, will be more likely viable than a structured parking facility alone. Given the upcoming increase in demand and shrinking availability of surface parking, a concerted effort by a local development organization is highly recommended.”

A downtown parking garage would earn insufficient revenue by itself to justify construction, debt service, and maintenance. There is not sufficient off-hour parking, and surface parking rates are still too inexpensive. However, a parking garage as a part of a more extensive Downtown Office Building Project, may make sense if the office building tenants subsidize the parking operation.

The land identified in this study is now entirely under control of the County and Shook Home. The entities can now redevelop the site exactly as proposed by Derck & Edson.

- The block identified in the Derck & Edson study as being the preferred site for a mixed-use development, including a parking garage, and a mixed-use office-building, was Lincoln Way East between Second Street and the Heritage Center
- In 2020, Franklin County demolished two of the buildings on this site for a surface parking lot (the Lodge and the Kaye Building).
- The third building on the lot, the F&M Bank Drive-Thru, is available for redevelopment as a result of the relocation of the F&M Bank HQ out of downtown; and is owned by the new owners of the Shook Home.
- The Shook Home recently sold to new owners.
- Even the two single family homes on S. Second Street are no longer an impediment to consolidation of the site into one lot.
- Who might be interested in redevelopment of the site (i.e., CADC)?
- Site entirely owned by the County.

It is the recommendation of the Borough that the entities involved in this potential project (the Borough, the County, the Shook Home, and the Chambersburg Area Development Corporation) continue to meet and discuss the feasibility of a mixed-use development including a parking garage at this site.

Site 2 - Elks Club Corner Lot - Preferred Option



The preferred location at the corner of Lincoln Way East and S. Second Street would allow bridge connections to the County, Shook Home, and F&M Bank properties (shown above), while providing prime corner space for a retail user (shown left) and upper floor residential units with roof deck amenities (shown at right). Additional levels of parking could be considered to increase available parking inventory and still be integrated into the mixed-use design.

County demolished the old Elks Lodge on the site of a potential parking garage and multi-use development



Courthouse Annex Building

Shook Home Building

Former F&M Trust HQ

Proposed

Advocacy for the Local Use of Radar for Traffic Enforcement

Radar is acknowledged by law enforcement personnel as the safest, most accurate and efficient speed timing device. Despite this fact, Pennsylvania is the only state in the country that does not allow for the local use of radar. As a result, speeding on neighborhood roads is consistently the most common concern voiced by our constituents.

In 2023, the U.S. Department of Transportation's National Highway Traffic Safety Administration released its 2020 annual traffic crash data. Sadly, over 11, 000 people were killed in speed-related crashes nationwide. Crashes on local roads accounted for 87% of fatalities. Here in Pennsylvania, 1,129 people died in vehicle crashes in this report. Of those fatalities, 459 were speed-related, making up 41% of all traffic fatalities in the Commonwealth. These figures would normally cause concern, but in a year that saw motorists driving significantly less due to the pandemic, it makes these statistics even more troubling. Local use of radar would help to curtail these preventable losses of life.

In addition to the high number of speed-related fatalities, the non-radar speed timing devices and technology used by local police are becoming more and more obsolete. There are only three PennDOT approved non-radar technologies available to municipal police, one being a stop watch. Companies producing these devices are going out of business or ceasing production, as there is very little demand for these products outside of Pennsylvania. Additionally, many speed timing devices that use other technologies, other than radar, are not compatible with the computer systems in new police vehicle models.

Chambersburg is very concerned about our non-radar speed timing devices becoming obsolete.

If the General Assembly does not act soon, a stop watch may soon be the only speed timing device available to our local police officers. This very unsettling development has and will continue to hinder local law enforcement operations within across the Commonwealth and further endanger public safety.

Chambersburg supported an effort in 2023 to change the law.

Senate Bill 459, introduced by Senator Greg Rothman, provided a proposal for local use of radar. As in prior sessions, a municipality must adopt an ordinance to use radar and officers must complete an approved training course.

Officers would be able to enforce speed using radar from or adjacent to a clearly marked vehicle that is visible to those driving. A minimum of four official signs warning drivers of local police radar enforcement would need to be installed along the main roads within 500 feet of municipal borders. During the first 90 days of radar enforcement, individuals pulled over for speeding would only receive a written warning.

The proposed bill would further provide for speed enforcement restrictions, including the prohibition of points on a driver's license, the prohibition to ticket unless a motorist is traveling 10 MPH or more over the speed limit and 6 MPH or more over in a school zone, and the prohibition of using radar in the immediate area (500 feet) of a sign decreasing the posted speed.

As of the end of the 2024, the General Assembly failed to pass the Rothman proposal before the session ended.

Chambersburg supports a plan by which the municipal share of revenue generated from the use of radar may not exceed one percent of what a municipality received in the prior year. Funds in excess of the one percent would be remitted to the Motor License Fund. Clearly, this is a safety issue and not a money issue. Those who accuse local government of wanting radar to make money, misunderstand the importance of this issue.

Parking Kiosks are a Money Loser

- There have been reported discussions about why Chambersburg Borough parking meters do not accept credit cards and debit cards. In short, the reason is cost.
- Chambersburg charges 25¢ per hour for parking. Our meter revenue cannot cover the capital cost for one new parking kiosk, not to mention the credit card fees.
- The Borough bought a kiosk from the low bidder for the Rosedale parking lot at a cost of \$16,000 a few years ago. There are 35 spaces in that lot and the meters are effective Monday to Friday, 8:00 a.m. to 5:00 p.m. At that rate, that one machine will take years to breakeven on the installation and operational costs of a kiosk (and the kiosk has a lifespan of about 10 years).
- Furthermore, the Borough's credit card processor currently directly charges the customer a minimum fee of \$1.00 or 3% (whichever is more) for credit or debit cards. So there would need to be a surcharge on every transaction of no less than \$1.00 and a 25¢ deposit in the meter would cost \$1.25 to the customer, etc.
- These kiosk parking systems are only for much larger communities with many more meters and much higher parking rates. The Borough Manager has made a rough estimation that to cover the capital cost of replacing our parking meters with those that accept credit cards and debit cards, the Borough should consider raising rates from 25¢ per hour for parking to \$4.00 per hour for parking with a 1-hour minimum, plus a \$1 per-swipe fee to the credit card processing company (or the 25¢ per hour rate would need to rise to \$5.00 per hour to be paid by the customer parking, in order for the cost of the equipment and transaction fees to be covered).
- To that end, staff suggests that the Borough continue to try to preserve the manual parking meters with the 25¢ rate as long as possible.
- At least until the Borough can no longer obtain parts for the old parking meters.



One of two existing parking kiosks in the Rosedale Parking Lot

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Upgrade Project for the Borough's Traffic Signal Network

On Monday, February 9, 2015, Town Council unanimously endorsed a recommendation of the Parking, Traffic, and Street Light Committee. The Committee recommended that the Borough file an application with the Franklin County Metropolitan Planning Organization (MPO) committee to utilize all available funds in Federal Highway Administration (FHA) Congestion Mitigation and Air Quality (CMAQ) grant. These funds would upgrade the Borough's traffic signal infrastructure, install communication equipment, and make improvements that would allow the Borough to ascertain performance metrics from the Borough's traffic signal network. The adaptive signal technology will soon be ready now that the Borough has completed these infrastructure improvements.

On Monday, May 20, 2015, the Metropolitan Planning Organization (MPO) voted unanimously to allocate CMAQ Improvement Program funds – and any other available state or federal transportation funds – not to exceed \$3.7 million for the Traffic Signal Improvement Project. According to the MPO, no local cash match will be required. PennDOT approved this and another round of funding to Chambersburg.

The first phase of the 100% Federally funded Chambersburg area Traffic Signal Upgrade Project was completed in mid-2022. The overall scope of that project was to update detection, controllers, and communications of 68 signals in the Borough and surrounding townships. Many cabinets were upgraded where needed to house the expanded equipment. New reflective backplates were added to signal heads per updated specs.

Concurrent with the project, while all permits were being updated, the Borough modernized many outdated pedestrian signals primarily through the downtown area. This will reduce re-occurring maintenance costs and provide safer pedestrian facilities to line up with the Borough's Ped and Bike initiatives.

Through the Franklin County MPO, additional funding of \$834,940 was subsequently approved to proceed with a Phase 2 of this project to expand the use of this modern equipment now installed with the majority of the initial signals. This phase will improve signal timing, coordination, and institute responsive traffic controls.

Staff worked through the various PennDOT approvals and agreement was again entered with Traffic Planning & Design, Inc. (TPD) to commence engineering on the next phase. Throughout 2023 and into 2024, TPD worked through design requirements with staff and PennDOT.



This phase of the project is very design heavy with the primary outcome being implementation of updated signal/corridor timing and control. With the new sophisticated equipment installed through phase 1, TPD is able to make these changes remotely working with PennDOT through design. There is expected to be minimal actual needed construction implementation service which is anticipated to be bid out by mid-2025.

Sample 5th/LWE Intersection with updated:

- Radar Detection
- Fiber Communication
- Signal Backplates
- LED Pedestrian Signals
- Controller and Cabinet (not in picture)
- Surveillance Camera
- LED Street Light.



Traffic Signal Upgrade Grant Project

Greene Township Signal Project

- On June 27, 2022, Council decided to support the installation of a new traffic signal at Old Kohler Road and Walker Road in Greene Township.
- Support was requested because the intersection is on the boundary between the municipalities.
- The Borough requested a traffic study indicating a twenty-year or more build out of the Grand Point neighborhood be considered, as well as additional mitigation needed for Walker Road as that buildout occurs, in advance of the approval of the installation of the traffic signal.
- At the Borough’s request, the Greene Township Supervisors completed this traffic study, presented it to the Borough, and agreed to future traffic improvements.
- The Borough endorsed the installation of the new signal.
- PennDOT forced one significant change to the design.
- The new signal will prohibit northbound Walker Road traffic from turning left into old Kohler Road, which is now a popular traffic movement.
- Anticipate installation in 2025.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Hamilton Township Sollenberger Road Project

- PennDOT abandoned concept of installing a roundabout at Loudon Ave., Lincoln Way West, and Sollenberger Road.
- Intersection is almost all in Hamilton Township, but is adjacent to Borough line and impacts Borough traffic flow.
- PennDOT would like to just widen intersection instead.
- Borough asked about addressing Loudon Street traffic, but PennDOT refused any request to study impacts of Sollenberger Road to borough routes.
- Borough still wants to study a West Chambersburg Boulevard concept (Industrial Drive to Lincoln Way connection) AND widening Black Avenue from Queen St. to Lincoln Way concept.

Maintenance of Township Signals

- Borough staff continues to maintain dozens of signals for Guilford, Hamilton, and Peters Townships with 24/7 response
- Flashers at Grindstone Hill and Rt 0316 in Guilford Twp were pulled down by a truck and rebuilt to new condition.



Future Traffic Signal Locations in the Borough

- Orchard Drive and Mill Road
Currently a 4-way stop, same impact as a signal
- S. Main Street and Industrial Drive
This will be needed if the southern rail trail extension is funded
- Lincoln Way East and Limekiln Rd./Plasterer’s
In cooperation with Lincoln Cemetery Development

2025 Projects

	Cost	Grant	Borough Cost
Traffic Signal Improvements Project (PennDOT CMAQ)(Multi-Year Project)	\$600,000	\$600,000	-
Intersection Camera Project	\$120,000	-	\$120,000
Traffic Safety, Public Safety, Codes Portable Camera Trailer with Telescoping Boom	\$100,000	-	\$100,000
Borough Wide Fiber Project (Split with Admin Services IT)	\$15,000	-	\$15,000
	\$835,000	\$600,000	\$235,000

Swimming Pool Fund (Aquatic Center)



Created in 2017, this Department owns and manages the Chambersburg Aquatic Center finances. The facility began construction in 2017 and opened on May 25, 2018, to great acclaim.

The Pool Fund has three functional areas: facility operations, facility administration, and facility construction/capital outlay.

While the Borough currently has no Recreation Director, Samantha Hewitt, manages the facility.

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$1,350,687	\$1,367,675	\$1,492,150
Expenses	\$1,291,752	\$1,367,675	\$1,562,650
Excess (Deficit)	\$58,935 Surplus*	- Balanced -	(\$70,500) Deficit**

* - The 2023 surplus was retained for future capital investment into the facility.

** - The proposed 2025 Budget includes an anticipated deficit for capital investment into the facility as well as required transfers.

It is the intention that by the end of 2025, the fund balance of the Swimming Pool Fund will have \$960,000 cash for future maintenance and repairs at the facility.



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Years of Steady Progress Building a Successful Business Enterprise

In 2020, the Aquatic Center completed its third year of operations. Revenue was greatly impacted by the pandemic, with a later than usual opening date for the facility, and then a limitation on the number of guests. Additionally, many expenses were actually higher due to improvements made to the facility to deal with the impacts of COVID. Also, the pre-established annual payment to the Administrative Services Fund of \$46,479 for bookkeeping, information technology, and personnel management was levied and calculation was based upon the success of the 2018 season.

In 2021, the Aquatic Center completed its fourth year of operations. It was anticipated, even with the possible continuing impact of the COVID-19 health crisis, that the facility would be in a better position to open on time and manage its expenses better than that of 2020. This season ended well, despite ongoing challenges of COVID-19 mitigation protocols, initial capacity restrictions, and staffing constraints, but did not realize the net revenues as predicted due to these limitations and additional expenses.

However, later in 2021, Council received a grant to use the American Rescue Plan Act funding to assist in replacing some of the lost revenue from 2020 and 2021, and awarded a deposit of \$100,000 into the Swimming Pool Fund to help the final 2021 numbers improve. In a normal year, the pool should recognize a deposit into reserves of around \$75,000 to \$85,000 for future capital needs and maintenance.

2022 – 5th Year of Operation:

The ultimate goal for the 2022 season was to provide a normal start, free of COVID-19 restrictions, greater number of lifeguards, and stronger visitation numbers to resemble and exceed that of the 2019 season. Post season evaluations indicated operations exceeded these expectations on all levels.

Additionally in 2022, Council deposited another contribution of \$280,000 from AARPA funds into the Aquatic Center's fund balance to support future capital needs and routine maintenance that will be necessary as we move into the future years of operations.

2023 – 6th Year of Operation

While the facility has performed extremely well in its first six years of operation, despite the COVID-19 disruption to operations, it has certainly proven to be a challenging facility to manage and maintain. However, staff continues to face their respective challenges, learning and growing through the process, and working hard to meet expectations.

One aspect that certainly cannot be compromised is safety. This is where regular, critical evaluations of operational areas will need constant monitoring for wear and tear, and sometimes immediate maintenance may be necessary to address a concern.

2024 – 7th Year of Operation

With temperatures averaging in the 90's and minimal rainfall, the facility experienced high activity levels during July and August, welcoming numerous guests and members. The 2024 season brought over 67,000 people through the front gate; a 3,800 person increase from the previous season. The facility continues to be a successful operation where guests from neighboring regions wish to visit.

The 2024 season was highly successful from an operational standpoint, demonstrating significant financial growth in revenue generation. Seasonal staff were instrumental in the daily operations and filled open schedules that sometimes can be difficult especially towards the end of the season. The facility was open 89 of 91 possible days in 2024. The management team, comprising of two returning members and two new additions, functioned as a strong, unified crew that effectively managed daily operations. Such like other years, there were a few incidents with patrons throughout the season; however, all handled justly and allowed the operations to continue to run smoothly on all accounts.

For maintenance, the 2024 season continued to prove the wear and tear the facility is starting to have as it ages. A few general maintenance items were fixed throughout the season. Clamps that hold piping for the

slides water source were replaced, as well as the top and bottom fence rails around the slides, all due to rust. Mid-season a loose coping stone started to drift-off in the vortex which was quickly repaired and regrouted.

Vigilant evaluations and walk-throughs of the facility will help maintain and address any areas of concern or potential issues not only for maintenance, but also operations.

Financial Challenges

Evaluation of the financials on an annual basis continues to confirm that in order to maintain the necessary pace to rival the ever-rising expenses to operate and maintain the facility, we must continue to incrementally raise rates, and proactively maintain assets in a financially responsible manner.

It is important that the Borough taxpayers protect this investment and ensure its continued operation and financial viability. To that end, in 2025, it is suggested that an aquatics finance consultant be engaged to determine correct rates and rate-models for the facility. Also, in 2025, it is suggested that an aquatic maintenance consultant be engaged to develop a comprehensive preventive maintenance and capital replacement plan for the facility.

2024 Facility Improvements

As the facility continues to be of high demand in usage, and through its 7th season, it is starting to show its wear. At this time, typically facilities are showing their age and maintenance is required. Not only does maintenance of the facility mean infrastructure and aesthetics, but also requires operation additions. During the 2024 season a few notable improvements were completed:

- In 2023 a private picnic pad was installed with picnic tables, but was not used or rented by patrons as anticipated. In 2024, staff installed a charcoal grill at the private picnic pad which led to additional revenue.
- Around the main and well pools, coping stones were starting to push out from the wall. Many coping stones also needed to be regrouted as the grout was deteriorated or is no longer intact. Additionally, tiles were replaced in the tot pool and at the handicap entry of the 25-meter pool.
- The small and large pump house are the home for all chemicals used to treat and maintain proper water quality. Both fans needed to be repaired as they were not up to code standards from corrosion of the electrical components.
- The seasonal staff breakroom is located at the back of the main office area. Lifeguards, Activity Attendants, Managers, and Cashiers use this area during off-rotations.
- The large pump house has two boilers and both needed to be repaired. The boiler heats the Lazy River and the zero-depth entry.
- The Aquatic Center is a fenced-in facility. This season, the final phase of replacing fencing around the facility was completed. 900-feet of fencing was replaced from what was original to the Municipal Pool.
- Currently, all facility Walkie-Talkies are non-waterproof. At minimum, the facility operates on 24 Walkie-Talkies to communicate between lifeguards, managers, and other staff members. Because of daily usage, including near water, this equipment needs to be serviced and repurchased often.
- A nice addition for operations was the purchase of Neptune Radio. It is a clean, family-friendly radio station. A specific station was tailored and created for the Aquatic Center, named Splash Radio. All pertinent information regarding rules, safety, and advertisements are DJ'd over the speakers. Additionally, this allowed for an opportunity of sponsorships and a generation of new income to cover the cost of the radio-player.
- Operations had been using the 'old-fashioned way' to matrix and manipulate schedules for over 100 seasonal staff through paper and pen, as well as excel sheets. In the 2024 season, When to Work was purchased to help facilitate creating daily work schedules for the 130 seasonal staff

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

and proved to be very helpful and successful amongst managers and seasonal employees proving to be a timing save tool.

Recommended Facility Improvements for 2025 Utilizing the Operating Budget

- Continue to fix tile-work and coping stones throughout the pools, as well as regrout. This is part of essential maintenance in the facility, on a now yearly basis.
- Add 1-2 ceiling fans in locker rooms to allow more ventilation to circulate. This will help with airflow and cleanliness.
- Replace expansion joints in the concrete as it is beginning to push away from the concrete and deteriorate.
- Purchase new multiple mini-golf clubs, as many are original from the first season and need replaced.
- Hire one additional seasonal worker for parks maintenance crew to help maintain and clean the facility during daily/after operations.
- The play-unit structure in the zero-depth entry has a tipping bucket. This bucket needs to be cleaned and waxed due to sun and chlorine exposure through the seasons. Staff are finding ways to reach the bucket without damaging the pool floor or surrounding pool deck, as the height requires a lift.

2024 Operating Challenges

- The continuing rise in cost of chemicals, especially in Chlorine, creates an obstacle for budgeting and finding a way to offset this expense. This specific expense continues to increase and is in high-demand during summer months.
- Hiring certified lifeguards and retaining lifeguards for future seasons.
- Cleanliness of the facility such as locker rooms and bathrooms; as many of the staff cleaning these locations are not providing sufficient care in the exercising of these duties.

Recommended Changes to Improve Operations in 2025

- Advertise and promote facility through brochures and share with local businesses in the surrounding area/counties, i.e., Twin Bridge Campground, Hotels, Gettysburg, etc.
- Acquire additional sponsors for Neptune Radio increasing revenue through sponsorship packages.
- Continue to review incentives and hourly pay-rates for seasonal staff and adjust accordingly in comparison to national/state/local organizations as such and in order to retain current staff.
- Research and offer new revenue generating ideas for creative, sundry sales.
- Find innovative ways to make concessions quicker and stream-line processes for storing, making, and selling foods; as well as continue to partner with local food vendors, i.e., Sweet Rollers, with whom we have already established a relationship.



The sundry retail operation (C.A.C. Shack)

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Financial Review

Operating Revenue vs Operating Expense	2023 (as of 8/31)	2024 (as of 8/31)
Revenue Generated from Admission Fees (memberships and daily admissions)	\$569,497	\$634,662
Revenue Generated from Programs	\$40,747	\$40,228
Revenue Generated from Rentals / Parties	\$47,047	\$43,274
Other Operating Income	\$6,893	\$11,355
Concession Income	\$158,576	\$156,401
Operating Revenue	\$822,760	\$885,920
Revenue Generated from Admission Fees (memberships and daily admissions)	\$31,008	\$37,138
TOTAL REVENUES	\$853,768	\$923,058
Operating / Admin Expense	(\$677,999)	(\$711,996)
Bond Principal/Interest Expense	(\$87,105)	(\$80,335)
TOTAL Operating / General-Admin Expense	(\$765,104)	(\$792,331)
Total Net Operating Revenue	\$88,664	\$130,727

Evaluation of the financials on an annual basis continues to confirm that in order to maintain the necessary pace to rival the ever-rising expenses to operate and maintain the facility, we must continue to incrementally raise rates, and proactively maintain assets in a financially responsible manner.

Snapshot Review of the Season	2023	2024
Number of Possible Days Available	92	91
Number of Days Open	90	89
Number of Days Over 500	70	63
Number of Days Over 1000	17	23
Number of Days under 200	8	7
Number of Daily Borough Patrons Served	12,616	11,323
Number of Daily Franklin County/Ship Patrons Served	10,055	9,984
Number of Daily "Outside Discount Areas"	12,044	12,608
Number of Daily Uncategorized Attendees (Daily free, summer camp & party participants)	3,435	6,567
Total Daily Attendance	38,150	40,482
Total Member Attendance	24,977	26,536
Total People Served in all admission Categories	63,127	67,018
Number of Memberships Issued	941	932
Number of Borough Employee Memberships Issued	--	75
Total Number of Memberships Issued	--	1007
Percentage of Borough Memberships Issued	44%	44%
Percentage of CASD Township Memberships Issued	36%	32%
Percentage of Outside CASD Memberships Issued	20%	23%
Number of "Basic" Parties	13	14
Number of Parties with Upgrades (Pavilion or Picnic Pad)	131	123
Number of Rentals without Parties (Pavilion or Picnic Pad)	47	46
Number of Full Facility Rentals (after-hours)	29	29
Number of Discount Daily Pass Books Sold	34	22

2024 Daily Other Attendance Categories - In order to gauge the impact of these categories

Number of Alternative Entries (By/As)

By 10 Pass Book Entry	228	2024 Daily Alternative Paid Categories	
As Child Under 1	600		
As Member Guest Punches (5 Pass)	2,309	As Camp Group Attendees	517
As Party Participants (Included in Rental)	1,747	As Party Participants, Additional Fee	242
As Rec Program Participants	326	By Special Events (Adult / Teen Night)	172
As Super Swimmer (16 th Visit Free)	89	TOTAL	1,268
TOTAL	5,299		

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

The start of the 2024 season arrived with questionable weather patterns, to include rain and cooler temps, but once the warmer weather arrived, it remained through the entire month of August. Sales and attendance that lacked in June were recovered in August. Scheduling lifeguards to cover shifts was the easiest it’s been since 2019; however, it still requires more than 40 Guards to regularly fill 12 spots per day. Scheduling employees to staff the facility is the single-most challenging facet of operations.

Projects

In the future, the growing strain on staffing is going to be a challenge that can be addressed by siting more facilities that do not require staffing with trained and licensed lifeguards. Rather, there is an abundance of activity attendants available, who can be trained with other skillsets that are different than lifeguards. Our current program of incentives and reimbursement for certification, as well as generous compensation, has helped maintain a sufficient quantity of lifeguards. As capital investments are made in the facility, staffing needs should be one of the more important criteria in equipment selection. Consideration should be given for planning to install new water features that does not require lifeguard supervision (standing water is not permitted). This will keep the facility fresh, work to disperse patrons in the facility on a busy summer day, and continue to attract visitors from near and far before it loses its new appeal and attendance begins to wane.



Proposed “no-lifeguard-necessary” future equipment

Capital Projects Planned for 2025

	Projects 2025	
Gutters (Phase 1)		\$4,000
Roof repair/replace (Phase 1)		\$6,000
Security Cameras		\$12,000
Blue Pads		\$14,000
Water Proof Walkie Talkies		\$18,000
	Total	\$54,000
	Projects 2026+	
Gutters (Phase 2)		\$4,000
Roof repair/replace (Phase 2)		\$6,000
New Shade Sails		\$50,000
New Lockers		\$15,000
Splash Pad Concrete Coating and Replacement of One Feature		\$7,000
Water Feature Enhancements No Lifeguard Required		\$250,000
New Pool Covers		\$60,000
Heat and Insulate Large Pump House		\$30,000
Tot Pool Features		\$14,000
	Total	\$211,000

There remain other capital investment concerns, which require additional research:

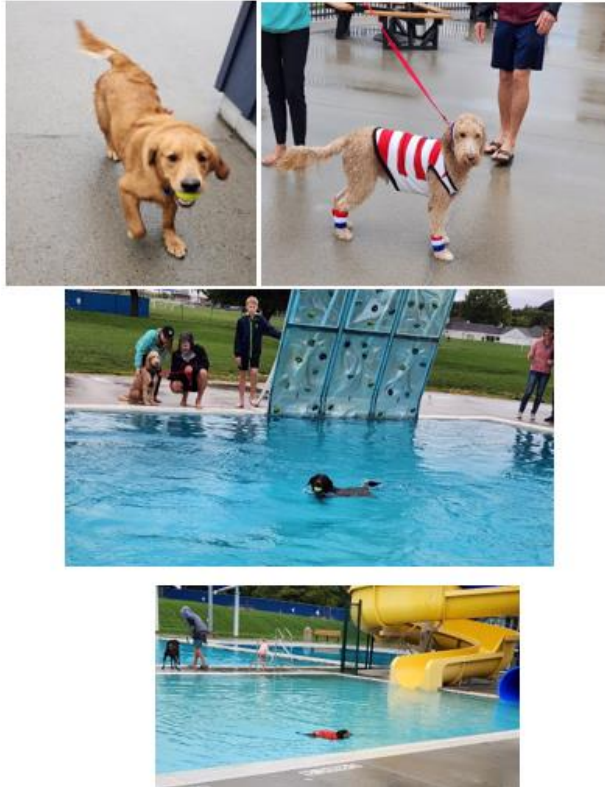
Projects That Need Research

- Boiler Issues
- Pump Maintenance
- Sand Volleyball Court Maintenance
- Water Service Issues
- Drain Cover Requirements
- Existing Slide Metallurgy Concerns
- Enhanced Technology

Rule Addition

Recommendation to add the following language to the Facility Guidelines:

Please respect our staff. Foul and abusive language or threatening behavior towards Staff will not be tolerated. Management reserves the right to ask individuals to leave the premises, and in which, may inhibit future facility entrance.



Puppy Paddle 2024

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Admission Rates

Daily Admission Rates (Changes in Blue)	2024 Full Rate No Discount	2024 Franklin Cty Shippensburg	2024 Borough Discount	2025 Full Rate No Discount	2025 Franklin Cty Shippensburg	2025 Borough Discount
Over 42" Sat/Sun	\$18	\$13	\$9	\$19	\$14	\$10
Over 42" M-F	\$16	\$13	\$9	\$17	\$14	\$10
Age 1+ / Under 42" Sat/Sun	\$12	\$9	\$6	\$13	\$10	\$7
Age 1+ / Under 42" M-F	\$10	\$8	\$6	\$11	\$9	\$7
Senior Citizen (60+) / Chaperone (60+) Sat/Sun	\$11	\$8	\$6	\$13	\$9	\$7
Senior Citizen (60+) / Chaperone (60+) M-F	\$10	\$8	\$6	\$11	\$9	\$7
Twilight Age 1+ / Over 42" Sat/Sun (After 5 PM)	\$12	\$9	\$6	\$12	\$9	\$6
Twilight Age 1+ / Over 42" M-F (After 5 PM)	\$11	\$9	\$6	\$11	\$9	\$6
Twilight Age 1+ / Under 42" Sat/Sun (After 5 PM)	\$10	\$8	\$5	\$11	\$9	\$6
Twilight Age 1+ / Under 42" M-F (After 5 PM)	\$10	\$8	\$5	\$11	\$9	\$6
Chaperone Sat/Sun **Recommend to remove	\$11	\$8	\$6	-	-	-
Chaperone M-F **Recommend to remove	\$11	\$8	\$6	-	-	-
Children under 1 yr. of age	Free	Free	Free	Free	Free	Free

**Daily patrons are required to present a Driver's License or current Passport to validate residency. If neither can be provided, an alternate type of photo ID along with a piece of mail that includes their name and address is an acceptable substitute. Essentially, anyone residing in Franklin County or the Borough will be required to present an approved ID to validate their area of residence; otherwise, a daily guest will be required to pay the highest applicable category rate.*

Special Events, Other Prices, and Benefits

Daily Admission Rates	2024 Full Rate No Discount	2024 Borough Discount	2025 Full Rate No Discount	2025 Franklin Cty Shippensburg	2025 Borough Discount
Special Days/Events	\$6	\$4	-	-	-
-Teen / Adult Night **Recommend remove Teen Night					
-Family Night (rate per person)			\$7	\$6	\$5
Discount Pass Booklets	\$140	\$145			
**Recommend change to: 5 Pass Discount Punch Card			\$79		
Other					
-Water Walking, Daily Rate	\$4	\$2	\$5	\$5	\$4
**Recommend change to: 50% for members based upon residency			-50%	-50%	-50%

Military Benefit: Active Military Personnel and family showing proper ID receive 10% off daily and Borough discounted rates. Does not apply to special day or discounted prices.

Daily Entrance Includes the following: Super Swimmer Card: with every 10 punches, earn one free Daily Rate admission. Recommend to 15 punches per card.

Holiday Daily Admission:

2025 Holidays defined as: Memorial Day, Juneteenth, Fourth of July, and Labor Day:
On these days, all Saturday/Sunday daily rates apply to holidays.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Season Memberships

This year, 2025, the budget contemplates changing and combining the Youth and Adult Memberships together and call it an Individual Membership. Only with respect to Family Memberships, does number and age of children in the household really matter.

<u>Adult Membership</u>	2024	2024 Borough Discount	2025	2025 Borough Discount
Adult Membership Regular Season	\$209	\$155	-	-
-20% Adult discount by January 31st	\$167.20	\$124	-	-
-15% Adult discount by March 31st	\$177.65	\$131.75	-	-
-10% Adult discount by May 25th	\$188.10	\$139.50	-	-
<u>Youth Memberships</u>	2024	2024 Borough Discount	2025	2025 Borough Discount
Youth Membership Regular Season	\$185	\$135	-	-
-20% Adult discount by January 31st	\$148	\$108	-	-
-15% Adult discount by March 31st	\$157.25	\$114.75	-	-
-10% Adult discount by May 25th	\$166.50	\$121.50	-	-
<u>Individual Memberships</u>	2024	2024 Borough Discount	2025	2025 Borough Discount
Individual Membership Regular Season	-	-	\$215	\$169
-20% Individual discount by January 31st	-	-	\$172	\$135.20
-15% Individual discount by March 31st	-	-	\$182.75	\$143.65
-10% Individual discount by May 23 rd	-	-	\$193.50	\$152.10
<u>Senior Citizen Memberships (Sr. 60 yrs+)</u>	2024	2024 Borough Discount	2025	2025 Borough Discount
Senior Citizen Membership Regular Season	\$175	\$125	\$189	\$139
-20% Adult (Sr. 60 yrs+) discount by January 31st	\$140	\$100	\$151.20	\$111.20
-15% Adult (Sr. 60 yrs+) discount by March 31st	\$148.75	\$106.25	\$160.65	\$118.15
-10% Adult (Sr. 60 yrs+) discount by May 23 rd	\$157.50	\$112.50	\$170.10	\$125.10
<i>Membership Additions</i>				
-Grandparent/Nanny	\$145	\$105	Discontinued	Discontinued

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Family Memberships

There will be no change in the cost of a Family Membership for 2025. The Aquatic Center will instead undertake a Cost of Services (COS) Study in 2025 and anticipates an entirely new way of calculating memberships, more accurately and more fairly, for 2026.

	<u>NON BOROUGH RATE</u>	<u>IN BOROUGH RATE</u>
<i>1 Guest Pass Punch Card with purchase of a Membership Included</i>		
3 Family Members	\$415	\$269
-20% Family discount by January 31 st	\$332.00	\$215.20
-15% Family discount by March 31 st	\$352.75	\$228.65
-10% Family discount by May 23 rd	\$373.50	\$242.10
4 Family Members	\$415	\$269
-20% Family discount by January 31 st	\$332.00	\$215.20
-15% Family discount by March 31 st	\$352.75	\$228.65
-10% Family discount by May 23 rd	\$373.50	\$242.10
5 Family Members	\$415	\$269
-20% Family discount by January 31 st	\$332.00	\$215.20
-15% Family discount by March 31 st	\$352.75	\$228.65
-10% Family discount by May 23 rd	\$373.50	\$242.10
6 Family Members	\$435	\$289
-20% Family discount by January 31 st	\$348.00	\$231.20
-15% Family discount by March 31 st	\$369.75	\$245.65
-10% Family discount by May 23 rd	\$391.50	\$260.10
7 Family Members	\$455	\$309
-20% Family discount by January 31 st	\$364.00	\$247.20
-15% Family discount by March 31 st	\$386.75	\$262.65
-10% Family discount by May 23 rd	\$409.50	\$278.10
8 Family Members	\$475	\$329
-20% Family discount by January 31 st	\$380.00	\$263.20
-15% Family discount by March 31 st	\$403.75	\$279.65
-10% Family discount by May 23 rd	\$427.50	\$296.10
9 Family Members	\$495	\$349
-20% Family discount by January 31 st	\$396.00	\$279.20
-15% Family discount by March 31 st	\$420.75	\$296.65
-10% Family discount by May 23 rd	\$445.50	\$314.10
10 Family Members	\$515	\$369
-20% Family discount by January 31 st	\$412.00	\$295.20
-15% Family discount by March 31 st	\$437.75	\$313.65
-10% Family discount by May 23 rd	\$463.50	\$332.10
15 Family Members	\$615	\$469
-20% Family discount by January 31 st	\$492.00	\$375.20
-15% Family discount by March 31 st	\$522.75	\$398.65
-10% Family discount by May 23 rd	\$553.50	\$422.10

Every additional family member = \$20

Beginning in 2025, the Borough will no longer offer the Pre-Season, Membership Payment Plan option.

Membership Benefits Include:

- Early Admittance: Saturday and Sunday 11:30 a.m. – 1:00 p.m.; Mon.-Fri., Noon-1:00 p.m.; may bring a guest during early admission with a Membership Issued Guest Pass.
- Free Guest Pass Punch Card with purchase of a Membership:
 - Individual Memberships receive Guest Pass Punch Card with two punches;
 - Family Memberships receive Guest Pass Punch Card with five punches.
- Additional Guest Pass Punch Cards are available for purchase once all punches have been used.
 - Members residing in the Borough may purchase another punch card for \$50
 - Members residing outside of the Borough may purchase another punch card for \$60
- 10% discount at the Concession Stand for food items (not C.A.C. Shack items) when showing a membership card.
- Water Walking discount: Members may purchase a Water Walking Membership for unlimited. Water Walking per Season: \$45 for Borough Residents; \$55 for Non-Borough Residents.
- 10% discount on Swimming Lessons.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Party and Rental Rates

<u>Category</u>	2024	2025	2024 Borough Discount	2025 Borough Discount
Daytime Parties				
Pool Party during operational hours	\$149	\$149	\$129	\$129
<ul style="list-style-type: none"> • 3 hours includes up to 20 people, children under age of 1 not included in this count. • Each additional person, \$5/ person. Max of 50 people permitted. Daily rate required for anyone over max attendance. • Discounts at concessions (food options provided with reservation form). • Time Slots: 1:00 pm to 4:00 pm OR 4:45 pm to 7:45pm. • Picnic tables near mini golf (not under pavilion). • One umbrella per table. Each table seats 8. • Only 2 parties permitted during same time slot at this location. 				
Pool Party with Pavilion Rental (whole) – Seats approx. 70	\$215	\$219	\$205	\$209
<ul style="list-style-type: none"> • Includes all Pool Party options, but with tables under the pavilion instead of near mini golf. Seats approx. 75. 				
Pool Party with Pavilion Rental (Half) – Seats approx. 35	\$179	\$185	\$169	\$175
Pool Party with Picnic Pad Rental – Seats approx. 15	\$169	\$169	\$145	\$145
<ul style="list-style-type: none"> • Includes all Pool Party options, but with Picnic Pad instead of tables near mini golf, Grill; Electricity. 				
Time Slots: 1:00 pm to 4:00 pm OR 4:45 pm to 7:45pm.				
Pool Party with Event Room – Seats approx. 30	\$189	\$189	\$175	\$175
<ul style="list-style-type: none"> • Includes all Pool Party options, but with Event Room instead of tables near mini golf. Tables/chairs provided. 				
Time Slots: 1:00 pm to 4:00 pm OR 4:45 pm to 7:45pm.				
Rentals Without a Party				
Pavilion – Full day rental without a party				
Whole (seats 75)	\$99	\$99	\$85	\$85
Half (seats 35)	\$79	\$79	\$69	\$69
Picnic Pad Full-day Rental Without Party	\$69	\$69	\$65	\$65
<ul style="list-style-type: none"> • Seats approx. 12-15; Grill; Electricity 				
Event Room Rental Only – Capacity 30. Tables and Chairs provided.				
During operational pool hours	\$29/hr.	\$79/day	\$25/hr.	\$69/day
Corporate/Charity Pool Events				
Full Facility After Hours on Thu., Fri., or Sat.	\$499	-	\$475	-
Rate for Individuals, Families, or Registered Charity Organizations		\$499		\$475
Rate for Businesses or Unregistered Organizations		\$549		\$525
* - Registration is Proof of IRS Form 990 from Prior Tax Year				
Activity Area Only Rental after hours (8-10 PM; up to 500 people)	\$149	\$149	\$129	\$129
Post-Labor Day Activity Area Rental Rates	\$135	\$135	\$125	\$125
*All after-hour rentals occur between 8-10 PM and are limited to 500 people.				
<ul style="list-style-type: none"> • Saturdays or Sundays beginning the weekend after Labor Day through approx. mid October. • Times 1:00 p.m. through 4:00 p.m. • Includes unlimited games of mini-golf, sand volleyball, basketball, and picnic tables under the pavilion. 				
Summer Camp Group Rates				
<ul style="list-style-type: none"> • The Aquatic Center will not accept more than 175 total campers in any one calendar day. • Groups may schedule time between the hours of 1:00 p.m. and 3:30 p.m., (Mon. to Thu. only). 				
Summer Camps that charge their participants		\$7.50 / person (camp participants)		
Summer Camps that do not charge their participants		\$4.50 / person (camp participants)		
<ul style="list-style-type: none"> • No charge for group chaperones/counselors for camps that do not charge their participants. 				



Chapter 5 – Internal Service Funds Budgets

When governments wish to allocate the cost of providing certain centralized services (e.g., a motor pool, information technology, a shared warehouse) to the other departments of the government entity that use these services, they utilize a charge back system called Internal Service Fund accounting. Chambersburg does this for many of our operations in order to better account for utility funds.

An internal service fund is the appropriate accounting mechanism when it is the intent of the government to recover the full cost of providing the service through user charges to other departments. The Borough calls this “cost-based accounting.”

Management uses the Borough’s six internal service funds to charge the costs of certain activities, such as insurance, motor equipment, engineering, and others to individual funds. A portion of these assets and liabilities of the internal service funds are included in the governmental activities and are allocated based on the usage of those services by the governmental funds.

The Borough's internal service funds consist of:

- Stores Fund – The Stores/Warehouse Department is responsible for the purchase, storage, and disbursal of inventory, which supports the construction and maintenance functions of the Borough utilities, as well as our Customer Service Center and 24/7 call center.
- Administrative Services Fund – Administrative Services, which used to be synonymous with the Finance Department, has greatly expanded in the last decade. Now, it is in three-parts.
 - The first part is responsible for the complete financial management, utility meter reading (which includes parking meter maintenance and enforcement), and customer service.
 - In 2012, the Borough expanded this fund to add a second part, which are services to include the clerical pool of employees (which includes parking permits and parking meter fund processing), Information Technology, and Human Resources.
 - In 2024, the operation and maintenance of the City Hall campus was transferred to Public Works.
- Engineering Fund – This fund supports the activities of the Engineering Department, which is responsible for furnishing civil engineering, surveying, drafting, digital mapping, and utility location/mark out information to other departments. The department also designs and inspects public works projects including streets, sidewalks, and curbs.
- Motor Equipment Fund – This fund supports the activities of the Motor Equipment Department, which manages a rolling stock of more than 200 vehicles and our garage operations.
- Public Works Campus Fund – This fund supports the construction and operation of the new Public Works Campus. This was done in a separate fund beginning in 2025 so that the users of the facility can transfer revenue to cover the expenses in proportion to a formula adopted by Council. Furthermore, in keeping the construction and operation of this facility separate, the Borough can both track its expense and, not allow this large project to skew other funds with other missions (i.e., the Sanitation Fund, where this project was originally conceived).
- Self-Insurance Fund – This fund is used to fund risk management and general liability which the Borough does not transfer to commercial insurance carriers or insurance pools.
- Worker’s Compensation – This fund underwrites the risks to the Borough resulting from job-related injury or illness to its employees. It is a trust fund licensed by the Commonwealth.

For the purposes of this narrative, this Chapter will focus only upon the Stores/Warehouse Department, the Administrative Services Department, the Motor Equipment Department, the Engineering Department, and the Public Works Campus Fund. The balances of these funds are covered in statistical format only.

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Stores/Warehouse Department



The Stores/Warehouse Department provides internal and external customers with exceptional services for both emergency and routine communication through the Customer Service Center, as well as provides each utility operation with an efficient and effective purchasing and warehousing system.

Department Head: John Leary

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$2,101,212	\$1,995,015	\$1,866,610
Expenses	\$1,534,339	\$1,995,015	\$1,866,610
Excess (Deficit)	\$566,873 Surplus*	- Balanced -	- Balanced -

* - The 2023 surplus was as a result of greater sale of inventory to utility operations than originally planned. It was offset by a smaller deficit in the 2022 fiscal year.

In theory, this internal service fund should balance every year. However, because the purchase of materials and supplies may appear in different fiscal years from their consumption, from time to time, the fund demonstrates a year-end surplus or deficit. For example, in 2022 a deficit existed from materials increasing inventory.

The Stores/Warehouse Department, located at 80 South Franklin Street, is our Customer Service Center for both internal and external customers. Supervised by George Weis, the center includes the warehouse functions of the Borough and our customer service Dispatchers.

This department provides two key internal services for the other departments of the Borough: first, it is the centralized purchasing and inventory location for parts, supplies, and utility hardware (the Stores/Warehouse), and second, it provides a 24/7/365 Customer Service Center for utility emergency and routine customer service. A gas utility is federally required to provide emergency support to its customers.

The Stores/Warehouse Department has \$1.5 million equity invested in its large utility parts inventory. The purchase of supplies and the distribution to the various utilities drives the fiscal performance of the department. In general, it is just a pass-through operation, consolidating purchasing for the utilities, storing material until needed, and covering its expenses.



The Chambersburg Stores/Warehouse Department has been very active in 2024. This includes:

- Painting of the building exterior;
- Replaced a significant amount of deteriorating perimeter fencing;
- Repaving of the entire lot;
- Preparing underground contamination final containment for an old Manufactured Gas Plant (MGP) that sat on the site before it was the Borough Service Center; and
- New Warehouse Person and two new Dispatchers.

The Stores/Warehouse Department is proud of our excellent Customer Service Center Dispatchers, who work around the clock dealing with issues and concerns of our residents. We are proud of the fact that our customers talk to a live person whenever they call, at any hour of the day.

The warehouse is responsible for:

- Purchasing and stocking material and parts for utility repair and construction;
- Purchasing off the COSTARS State Contracts;
- Management of inventory;
- Central stores warehouse operations;
- Assists Electric Utility with processing PCB removal of old transformers; and
- Gathering and disposing of scrap metal from various utility operations.

The Borough Warehouse is the primary purchasing and disbursement operation for the Borough. All departments, especially the utilities, utilize the Warehouse for the bulk of their procurement needs. Staff keeps stocked in the Warehouse much of the material purchased to ensure availability when needed.



2025 Goals

- Warehouse items needed for Borough utility emergencies and normal operations – \$1.5 million inventory including office supplies, janitorial supplies, wire, pipe, and transformers.
- In 2025, we expect to purchase approximately \$820,000 of material, much of it consisting of small dollar purchases;
- Financially sound per item markup expected to remain constant for 2025 (No rate increase for the past 25+ years);
- Oversee and assist in final site remediation efforts from former MGP operations;
- Construct building overhang to protect transformers from the weather; and
- We have a goal of identifying and adding new ways to benefit the Borough.



*Tyawwna Watts - Bernadette Culbertson - Sandra Smith
Select Members of the Service Center Dispatcher Team*



Gas Meters in the Warehouse

Manufactured Gas Plant Site Remediation



Service Center under Construction, with MGP Tank Top Left

The Borough has finalized plans for the remediation of the Borough’s Customer Service Center site, a 2-acre former Manufactured Gas Plant (MGP) site located at 80 South Franklin Street. The site was first developed and privately operated as the Chambersburg Gas Works in 1856. In 1864, Confederate forces destroyed the manufacturing plant during the burning of Chambersburg and the owners rebuilt it shortly thereafter. The site continued to operate as a Manufactured Gas Plant by private companies with various modifications and improvements until the Borough purchased the property and the MGP in December 1946. The facility is Borough-owned. It is the headquarters for the Borough’s Customer Service Center and houses the Borough Emergency Dispatch Center, Borough Warehouse, Borough Natural Gas Utility, and Borough Electric Utility Line Crew.

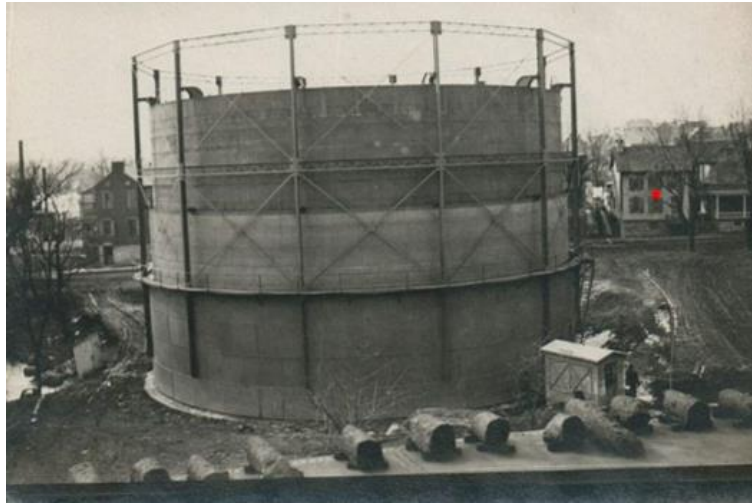
While advancing plans for a building expansion early in 2020, initial earthmoving to ascertain underground utilities’ locations, and a potential stormwater infiltration gallery, revealed potentially contaminated soils, halting all activities. Due to extensive costs associated with the site’s remediation, the Borough sought and was awarded \$525,000 from the Pennsylvania Department of Community and Economic Development Industrial Sites Reuse Program (ISR) in 2021 to fund the first phase of investigation and remediation at the site. The Electric Utility and the Natural Gas Utility are working cooperatively on this project.

There is no current danger to any employees working at the facility nor to the environment. Any subsurface contamination leftover from the MGP is isolated, identified, and now being monitored.

The Borough and Town Council are voluntarily addressing this situation. The Borough has retained BL Companies to assist with this project.

The Borough has coordinated with PA DEP to finalize a plan to ensure all contamination is contained, and not a threat to the environment, nor a future liability to the Borough. Final sign off by PA DEP is expected by the end of 2024. This Borough has been able to use the ISR grant to pay for the bulk of the cost to

complete this containment. The Borough entered into an agreement with PA DEP in 2024 to limit our liability going forward. We have approached this project with environmental stewardship despite inheriting the problem generations ago.



Pre-existing structures on site in what-would-be today's parking area

The small red star is on the same home, which still stands, in each of the photographs



Today's parking area

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Customer Service Center

The Chambersburg Stores/Warehouse Department is also the home of the Borough's 24/7/365 Call Center, the Customer Service Center. The Borough's utility operations require live 24/7/365 customer service for both safety and Federal Pipeline Safety law.

- Provides 24 hours a day customer support and emergency dispatch for utilities;
- Provides customer service for calls made to Borough Hall when offices are closed (nights, weekends, and holidays);
- Processes citizen complaints and concerns;
- Regularly conducting enhanced customer service training;
- Operates electronic gate remotely for the Borough Farm; and
- Daily stuff utility bills in envelopes.

Electric Utility Operations Center

The Electric Utility completed construction of their new Distribution Center on the site in 2021 and it was fully outfitted and occupied in 2022. Construction was financed through the Electric Utility's 2019 Capital Improvements Bond Issue. This building now houses the Electric Line Crew, Line Crew trucks, and provides substantial indoor space for the warehousing of electric cable reels to prevent their damage from the elements. The Year 2023 had seen substantial amounts of Warehouse inventory for the Electric Utility use moved into the new building, which is located at the Service Center.



In 2025, the Electric Utility may install a cover for the equipment that the continue to store outside.



Electric Utility's Transformers and Cable Stored Securely at Warehouse

Administrative Services Group of Offices



Chambersburg’s Administrative Services Department preserves and protects the Borough’s financial, technology, and human resources, in order to attract, select and retain an effective workforce and to facilitate the effective use of City Hall, Borough staff, and our community resources.

Our Goals:

- To provide accurate, timely and meaningful reporting and analysis of the Borough’s financial status;
- To attract and retain quality team members and to assure that municipal services are provided in an effective and efficient manner;
- To develop and manage cost-effective programs for loss prevention, self-insurance, compensation, and benefits;
- To minimize the Borough's exposure to financial risk and overall liability;
- To continually develop and enhance the professionalism and service orientation of our personnel; and
- To manage the data, technology, and information systems of the Borough in a cost-effective manner.

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$8,606,635	\$9,890,944	\$10,271,795
Expenditures			
Utility Addition Ops	\$559,084	\$584,655	\$586,985
Personnel/Payroll	\$803,447	\$983,055	\$968,700
Information Tech	\$1,352,317	\$1,721,577	\$1,641,700
Finance/Accounting	\$942,193	\$1,129,120	\$1,179,100
Customer Service	\$1,654,449	\$1,636,965	\$1,968,965
Clerical Pool	\$1,440,144	\$1,470,647	\$1,420,400
General Administration	\$888,608	\$834,165	\$888,740
Misc./Township EMS	\$106,691	\$108,750	\$117,500
Transfers for Insurance, etc.	\$572,920	\$386,010	\$289,705
Capital & Equipment	<u>\$342,691</u>	<u>\$1,036,000</u>	<u>\$1,210,000</u>
Total	\$8,662,544	\$9,890,944	\$10,271,795
	(\$55,909) Deficit	- Balanced -	- Balanced -

The deficit noted above in 2023, staff balanced at the end of year by an equal surplus in the previous year.





Chambersburg Town Council Chambers in 1957 in what is today the Engineering Department and Chambersburg Town Council Chambers in 2022 in the new Utility Departments' Addition to City Hall

The Chambersburg Administrative Services Department is the home of:

- Clerical Pool Office: The shared secretaries leased to each department;
- The Personnel & Payroll Office: The Human Resources Department;
- Information Technology: Computers, software, and utility invoicing;
- Customer Service: The meter readers and front counter operations;
- Finance & Accounting: Accounting and financial management for all departments; and
- Buildings, Grounds, & Maintenance: Maintenance and operations of City Hall campus and downtown.

Most municipalities do not own and operate large-scale utility operations so, whatever back-office operations they manage are often in their General Fund. In Chambersburg, most of the employees, equipment, personnel, and financial work involve our utilities and therefore putting all the back-office operations in a fund that bills back its costs to other departments makes much more sense. In doing so, the utilities, the largest users of these services, also pay the largest share of these back-office operations.

Who supervises the employees of the Administrative Services Department?

- Clerical Pool Office: Director of Administrative Services
- The Human Resources Office: Director of Administrative Services
- Information Technology: Director of Administrative Services
- City Hall & Customer Service: Finance Director
- Finance & Accounting: Finance Director
- Building, Grounds, & Maintenance: The Director of Public Works

State and Local Law establish the position of Borough Manager. The Borough Manager is the Chief Administrative Officer of the municipality. He serves at the pleasure of the Town Council and manages all the day-to-day operations of the organization on their behalf. In addition, he is the Personnel Officer of the Borough, responsible for management of the employees.

Local Law establishes the position of Finance Director. However, State Law establishes the position of Treasurer. In Chambersburg, the Finance Director is also the Borough Treasurer. That person is responsible for the fiscal and fiduciary management of the Borough operations. In addition, they are the fiduciary in charge of the Borough's independent pension plans.

The current Finance Director is Benjamin Hayhurst. Ben serves at the pleasure of the Borough Manager and was appointed as Treasurer by Town Council in 2024.

Furthermore, the Borough Manager appointed a Director of Administrative Services beginning in 2022. With the consent of Council, Melinda Thompson became the first Director of Administrative Services and the Borough Manager has delegated authority over Human Resources, Information Technology, and the Clerical Pool to her. She had previously served as Human Resources Supervisor. Kris Baker, continues as the Human Resources Supervisor. Peter Kolva supervises the Information Technology office. The Clerical Pool recognizes Jamia Wright as the Borough Secretary and most senior member of the pool.

Stephanie Farris, who is the Administrative Services Supervisor, and Michelle Amsley, Accounting Supervisor, assist the Finance Director. In 2024, Council moved supervision of Building & Grounds to the Public Works Department. Larry Truett is the Building, Grounds, & Maintenance Supervisor, who assists the Public Works Director.

Finally, Town Council appoints an independent auditor to confirm that the fiscal operations are being handled in accordance with generally accepted accounting principles for local government and State Law. The current independent auditor is SEK of Chambersburg, Pennsylvania.

The Chambersburg Administrative Services Department has significant equity invested in most of the buildings and office equipment of the Borough. The management of personnel and systems drives the fiscal performance of the department. In general, it is just a pass-through operation, consolidating administrative functions for the utilities and covering all its expenses. All expenses are billed directly back to all the other departments of the Borough. Any surplus is for non-cash items and is equity from capital equipment.



The front counter in the Utility Departments' Addition to City Hall



The original front counter in what-is-today, the Administration Office Suite

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Human Resources Office and Personnel/Payroll Services

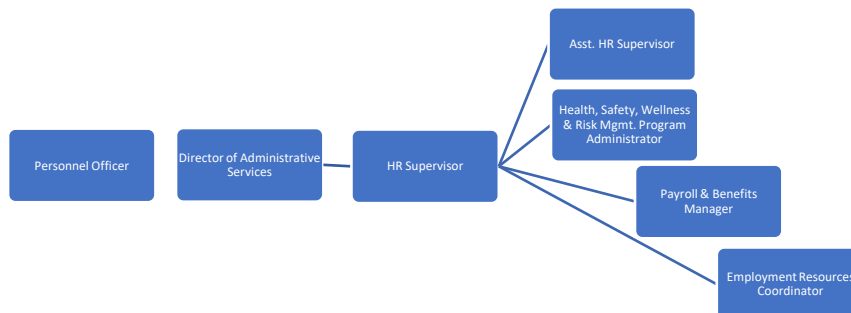
Led by Administrative Services Director Melinda Thompson, the Human Resources (HR) Office is a strategic partner with the Borough Manager's office in recruitment, retention, compensation and benefits, training and development, labor management, employee relations, and safety. The six full-time member staff are under the direct supervision of Kristine Baker, Human Resources Supervisor, with the oversight of Melinda Thompson, Director of Administrative Services. The staff serve as an integral part of the internal services functions of the Chambersburg Borough.

As part of the 2024 budget, we requested an Assistant Supervisor position for purposes of succession planning in preparation for Kris Baker's impending retirement after 40 years of service to the Borough of Chambersburg. As a result of recruiting efforts, Steve Hampton was selected for the role. Steve brings a variety of experience from working in various roles throughout his 17 years of employment with the Borough. He was hired in January of 2007 as a Sanitation Loader; promoted in June of that same year to a Dispatcher position at the Borough's Customer Service Center; was promoted again in December of 2008 to an Account Clerk, working at the front counter customer service operations for a period of six (6) years; and then was promoted to HR Management Assistant in August of 2014, where he served for nearly six (6) years before transferring to the Water Treatment Plant as a Plant Operator in March of 2020. Steve worked at the Water Plant for a little over four years before being promoted back to HR as the department's Assistant Supervisor. We are pleased with Steve's return to the department and continue to look forward to all he has to offer.



Steve Hampton, Assistant HR Supervisor

The Human Resources office is responsible for processing payroll for collectively over 450 full-time, part-time, and seasonal employees. Additionally, the HR office staff manage employee enrollment processes and contributions, as well as facilitate payment of invoices for employee benefits including health, dental and vision insurance, life and long-term disability insurance, workers compensation, pension contributions and payments, 401A and 457B Deferred Compensation plans, and health reimbursement accounts for employees, their dependents, as well as retirees. Staff also arrange for and facilitate professional development opportunities, travel accommodations, and in-house training for all employees and Borough elected officials. Finally, staff serve as a bridge for resources between the Borough organization, management team, and employees; providing support in all areas of a staff member's experience and at every level of the organization, including but not limited to, compensation and benefits, performance management, and the overall health and well-being of Borough employees.



Organization Structure of the Human Resources Department

With the addition of the Assistant HR Supervisor position, a capital project was approved with the 2024 Budget to renovate the large conference room by making it into two separate offices; one office for the new supervisor and the second office space was made into a small meeting room. We are grateful for the newly renovated spaces.



Small meeting room addition in the HR Office Suite

Recruitment and Retention

HR staff are responsible for the oversight of the recruitment of future Borough personnel by facilitating and managing the process. Office staff assist department heads in the assessment of their need for human capital, including knowledge, skills, and abilities desired to complement and complete the workforce population; both for the individual departments and Borough-wide. As a part of position management, prior to the posting of a position vacancy, office staff routinely work with department heads to prepare, review, and update job descriptions to ensure an accurate description of the job's essential duties and functions; required competencies such as knowledge, skills, and abilities; work environment; and physical demands. Staff organize the internal and external advertisement of promotional and vacant opportunities, and with department head recommendations, determine the target audience and forum(s) to recruit. In addition, the office manages the screening of applications; coordination of interviews; assists in the selection of candidates; completes reference checks; prepares written communication such as contingent offer letters; ensures the completion of pre-employment screening, including background checks; and facilitates the onboarding, including working with individual department management to set goals and objectives for new and/or transfer employees.

By the time of this publication, in 2024 staff posted 36 vacancies; participated in 78 interviews (not including Fire Department Interviews); and processed 27 new full-time and part-time employees, 71 new seasonal employees and 59 returning seasonal employees, 8 internal transfers or promotions, 18 separations (6 of those were retirements). Staff added 4 new positions to address staffing needs including succession planning. Through recruitment and hiring initiatives, minority representation increased to 14% of our total workforce, a 5% increase from 2023. Our goal at the Borough is for minority representation to continue in an upward trajectory so that we can effectively and efficiently meet the communication needs of our diversified community population through our services.

Over the last several years, in cooperation with the Recreation Department management team, HR staff have become more involved in the recruitment and onboarding of the Chambersburg Aquatic Center's seasonal staff. This cooperation is vital to these activities that unfold quickly, providing a smooth and efficient process for everyone involved. The Borough welcomes approximately 150 seasonal employees to staff the Aquatic Center operations between Memorial Day weekend and Labor Day weekend. However, planning and recruitment efforts begin months before opening day and post-season debriefing exercises last months after closing day. Efforts are constantly being made, where possible, to improve upon the experience, both for employees and patrons, before the next season.

Staff continues to utilize vendors, such as Shield Screening and ClearCompany, to enhance the Borough's recruitment, background screening, and onboarding processes. Borough departments have benefited greatly from a more streamlined process, creating efficiency in the hiring of new employees, virtual onboarding, and the promotion and transferring of current staff. The entire recruitment, application, background screening, and onboarding process is now done 100% online and is the most efficient and

effective it's been. Human Resources' staff will continue to assess the process to recruit and hire employees, and look for ways to improve on everyone's experience in this area where we believe is possible and appropriate.

The Borough is now two (2) years into its partnership with IDEMIA, providing for onsite FBI Fingerprinting services located at the Borough's Recreation Center. Staff and Town Council viewed this as a wonderful opportunity to not only streamline another critical process for the Borough, but more importantly, provide the service close and within walking distance of our local and regional community employers. The service is staffed by Borough employees and is open to the public. This fiscal year, as of September 10, 2024, the IndentoGo fingerprint location has processed 5,411 identification-requests, which is already 81% of the total processed in 2023.

In 2022 the federal government changed the requirement to obtain a commercial driver's license (CDL), requiring entry level driver training (ELDT) as a prerequisite to taking the CDL exam. As a result, the Borough developed an in-house program utilizing current staff to facilitate the program as the most efficient option for the Borough. The Borough's program and curriculum were approved by the state, and the in-house training of staff to obtain their CDL began in 2022. Having this program in-house is an advantage when recruiting talent to work for the organization in positions that require a CDL; it expedites the process overall, and provides an opportunity for candidates for employment, new employees, and internal transfers who may otherwise not be able to afford the training on their own. Additionally, it was and continues to be a great addition to an already established training and development program at the Borough. We've had 18 employees, to date, successfully go through the Borough's CDL Training Program and obtain their commercial driver's license through the Pennsylvania Department of Transportation.

In addition to improving processes and programs within the organization, the HR Office continues to work towards enhancing the Borough's community outreach program, in the employment context, by collaborating with community affiliates. Our goal has been to develop and implement a program to include mentorships, internships, and workplace development opportunities for the next generation of workforce while showcasing the importance of local government. This goal is a work in progress. In 2024, our Employment Resource Coordinator, Sophia Suarez, participated in 62 mock interviews with students in the Chambersburg Area School District; and attended seven (7) job-related events at State College, Shippensburg University, Penn State University Mont Alto, Harrisburg Community College, and Juniata School District. Additionally, Sophia has drafted a Borough Internship Program and solicited participation from several Borough departments with the goal of implementing the program in 2025. Additionally, the Borough, through Sophia's efforts, has benefited from a co-op program in conjunction with the Chambersburg School District, with a student of the district working with the Recreation Maintenance department over the past two summers. We look forward to expanding all these program initiatives in 2025, as both a service to aspiring community members and as a pipeline of local talent to fill future vacancies due to retirement of Borough staff.

Compensation

The Human Resource Office is responsible for the management of the Borough's compensation plan, including bargaining and non-bargaining pay tables and schedules, and seasonal pay rates. The Payroll and Benefits Manager, Kathy Jo Bard, manages a \$22 million annual payroll budget by processing 26 payrolls each year. This includes the processing of voluntary and mandatory payroll deductions such as employee benefit contributions and federal, state, and local taxes. Additionally, Kathy Jo coordinates the annual performance evaluation and annual step increase program, cost of living adjustments (COLA's) upon Town Council approval, and any transactions that effect pay such as promotions, transfers, demotions, separations, and position re-classifications. This role is extremely important to the department, not only in ensuring correct and accurate payments to staff and elected officials, but also in maintaining the Borough's legal compliance as it relates to payroll and benefits.

The Borough has been fortunate to have in-house full-time programming staff who have designed various programs and applications that the Borough continues to use today; an example being our timecard and payroll application. Originally designed over 20 years ago, the application has served its purpose. However, in 2024, HR staff began exploring the possibility of moving away from our legacy system, a system that is extremely customized to Borough idiosyncrasies yet very manually intensive, to a more modern system with multifaceted capabilities in one source. In such a modern state of the art system, employees can both interact with HR and management and have an exclusive source for HR-related information anytime, accessible on computers and mobile devices. By moving to one system, HR has an opportunity to consolidate vendors and improving efficiency in HR processes, all while saving the Borough money.

Over the past several years, HR staff have been challenged to address Borough position classification and compensation in response to an ever-changing economic landscape which directly impacts the Borough's ability to recruit and retain key talent. In response to this challenge, with Town Council's approval and with the assistance and oversight of the Borough Manager, the Borough partnered with GovHR Inc., to conduct a classification and compensation study on select Borough bargaining and non-bargaining positions beginning in July of 2023. Approximately 180 job analysis questionnaires (JAQ's) were completed by Borough employees, respective to their assigned positions, and submitted to GovHR to evaluate and score. Additionally, approximately 139 employee interviews were conducted by the GovHR team as part of the classification study process. Additionally, GovHR, with Human Resources' cooperation, deployed approximately 50 surveys to local and national municipalities and townships who offered similarly utility services, requesting compensation and classification data from their organizations so as to compare the data to Borough of Chambersburg positions. Roughly 60% of those 50 organizations participated in the survey. Staff continue to work with GovHR to review and score the positions with the ultimate goal of having a sound and modern classification system in order to evaluate jobs for their appropriate positioning in the organization. As part of this study, GovHR will release a report to include corresponding compensation data to aid the Borough in evaluating market value and positioning of impacted Borough positions. We anticipate the final report from GovHR will reveal helpful information for staff to provide a recommendation to Council, in an effort to address the increasing compensation divide between municipal and private sector positions. Staff's ultimate goal is for the Borough's position in the industry markets to be competitive in order to attract and retain the employee talent needed to maintain the level of services offered at the Borough.

Concurrent to this study, staff continues to work with the Borough Manager, exploring options through research and best practices to develop compensation policies, programs, and initiatives, with the goal of attracting and retaining the technical talent needed for continuity of the exceptional level of utilities and services Borough customers have come to expect and appreciate. For example, in February of 2023, the Borough implemented a policy providing differential pay to designated qualified employees, whether exempt or non-exempt, who are selected by the Borough to provide training to other designated employees when providing said training is not part of their regular and routine job duties. This year, the Borough introduced a Bilingual Pay Differential Policy, providing an incentive pay to designated qualified employees, whether exempt or non-exempt, who are requested by the Borough to provide translation and/or interpretation services to other designated departments and /or employees, when providing said translation is not part of their regular and routine job duties. Both of these policies provide incentives to staff who are willing to go above and beyond the requirements of their job to advance the organization in a specific way.

Our goal as a department is to continue to assess programs and policies, in a fair and consistent manner, and as they relate to compensation, so the Borough's needs with regard to services, initiatives, and programs continue to be met by our talented personnel resources, our employees.

Benefits Management

The Benefits and Payroll Manager, Kathy Jo Bard, with the oversight of Kris Baker, HR Supervisor, and Steve Hampton, Assistant HR Supervisor, is also responsible for the administration and processing of a variety of voluntary and involuntary benefits. These include health, dental and vision insurance, life and long-term disability insurance, workers compensation claims processing and payments, pension plan payments, 401A and 457B Deferred Compensation management, medical and non-medical leave of absence programs (i.e., Family Medical Leave of Absence and Catastrophic Leave), paid time off, and health reimbursement accounts for over 400 full-time, part-time, and seasonal employees, dependents, and retirees, respectively. All department staff, in one form or another, manage the Borough's professional relationships, including contract maintenance with the various vendor providers, contractors, and consultants whom the Borough does business with, including Mission Square, Benecon, AFLAC insurance, Davis Vision, Mazzitti & Sullivan Employee Assistance Program, Interstate Tax Services for Unemployment Compensation, Inservco for workers compensation management, and several other benefit and insurance providers. Finally, staff members serve as the point of contact for employee questions and concerns regarding benefits.

In May of 2024, Jason Cohen was named the Borough's Budget Administrator. In this position, he is responsible for the administration of the Borough's three (3) independent defined benefit pension plans and works closely with the pension committee to select professional assistance for investments, banking, and legal advice consistent with State Law for selection of such professional services. He is the point of contact for disbursement of pension payments and arranges for quarterly and annual review of pension plans and advises the committee on proposed actions, including reporting. In addition to serving as the Pension Plan Administrator, the Budget Administrator is responsible for the account management of the defined contribution pension plan and the Borough's defined benefit (401a) retirement benefit accounts and services. He acts as the point of contact for all retirement plan attributes and issues and provides support to Human Resources on pension inquiries and estimates, when needed and necessary, as they remain the employee point of contact. This new position with Jason Cohen has been a tremendous benefit to the Human Resources office.

The Borough offers an Employee Assistance Program (EAP) through Mazzitti & Sullivan EAP Services. The EAP is designed to help employees with a range of problems affecting their lives and job performance. Through contracts with Mazzitti & Sullivan, the Borough is able to provide general EAP services including counseling, financial planning, training, and other resources, as well as a Coaching service, and a Peer Support Program which is designed for our Police Department that includes a critical response team made up of peer first responders who are trained by Mazzitti & Sullivan experts. Employee utilization of this benefit is at 45% which is above the M&S EAP Services' average annual utilization rate of 8-10%, and well above the national annual utilization rate of 4-6% according to our M&S Corporate Development & Wellness Manager. With the pressures that come with work-life balance, it is good to know that employees are using this resource to better their situation, whether personally, professionally, or both. The Borough, as an employer, has also taken advantage of the resources available to them, specifically for Executive Coaching and Supervisory Training services where, upon the Borough's recommendation, M&S staff or consultants work hand-in-hand management team members to enhance their skillsets in an effort to improve upon leadership qualities and/or deficiencies.

For health insurance, the Borough is a member of a consortium through the Pennsylvania Municipal Health Insurance Cooperative (PMHIC) and managed by Benecon. Recognizing the effectiveness of group purchasing, Benecon pioneered self-funded consortiums and cooperatives. Benecon currently has approximately 290-member municipalities totaling over 9,957 covered employees. The self-funding arrangement is based on achieving sustainable and competitive pricing without the financial risk encountered when smaller entities self-fund individually. Chambersburg is one of the top two or three largest members of PMHIC. Additionally, PMHIC members have the opportunity to receive surplus

money from their claim fund after all non-catastrophic claims have been paid. For the 2023 claim year, the Borough anticipates receiving approximately \$250,000 in surplus claim funds.

We are almost a full benefit year into Benecon administering our Health Reimbursement Account (HRA) and it has been tremendous. In September of last year, staff was notified by our former contractor, Significa Benefit Services, that they were no longer going to be providing the Borough's Health Reimbursement Arrangement (HRA) services; a service where employees can submit out-of-pocket medical expenses for reimbursement up to a designated amount funded by the Borough respective to the type of coverage employees have, whether individual or family benefit coverage. After researching options, staff recommended to the Town Council that Benecon also administer the HRA benefit on behalf of the Borough. Benecon offers state-of-the-art online portals for both individual employee accounts as well as an employer portal where reimbursements can be easily tracked and reported, as well as a user-friendly website and easy-to-use reimbursement process which will be a welcome relief to most employees. This has been a welcome change for both HR staff and affected Borough employees.

Employee and Labor Relations

For the past few years, the Human Resource office has been focusing more intentionally on employee engagement and building an inclusive workplace culture. It is important to management that all employees feel like they are part of a Borough-wide team. Studies have shown that if employees feel they belong and are valued for their individual and collective contributions at work, they will be more productive and inclined to stay with an organization. Over time, promoting inclusion in the workplace will result in the Borough retaining key talent and a more productive and efficient workforce. We believe that every individual has something positive to contribute to the workplace and we will continue to afford them opportunities to do so. In addition to these efforts, the HR office staff assists management at all levels to navigate the difficult and oftentimes complex employee issues concerning performance, behavior, and policy development, application, and adherence. Designated HR staff facilitate and administer the disciplinary and performance improvement processes on behalf of, and in partnership with, department leadership, in an effort to help leverage resolutions that bring awareness to impacted employees and protect the Borough from potential liability. Dealing with such sensitive issues requires a certain skill set, because as staff, on behalf of the Borough organization, we want to ensure the process is consistently and appropriately applied, creating and maintaining trust in the system from and for all parties involved. With that, we are very proud of Sophia Suarez, Employment Resources Coordinator, who has recently obtained her Internal Investigations Certificate through the HR Certification Institute.

As mentioned, HR staff, as well as the Borough Manager, together, have focused more intentionally on engaging employees, specifically at the job site, in department staff meetings, and in opportunities for special recognition when employees go above and beyond in the performance of their job duties.



*Pictured left to right donuts in the Employee Lounge to enjoy for Valentine's Day;
The Cross Road HR Newsletter*

We are always looking for ways to engage staff beyond what is expected of them in their job responsibilities. Our goal is for a holistic approach to employment so that employee needs can be met beyond just receiving a pay check. We believe that in doing this, it fosters a community culture; a culture of encouragement and ultimately performance success with competent, driven, and tenured staff.

Building upon existing communication to Borough employees, staff developed an official HR newsletter titled, “The Cross Road” where important HR-related information is shared and employee milestones are celebrated. The first release of the newsletter was in the 3rd quarter of this year. We believe that it’s a great way to connect with staff while highlighting different and various areas of the Borough services, initiatives, and staff accomplishments and have received only positive feedback so far.

Last year, the Employee Canteen Pilot Program was implemented; a program designed to provide drinks and snacks to Borough employees while at work, to not only express appreciation to employees, but to also increase efficiency and productivity of employee's time where we can. The idea of having snacks available at work, to be consumed at work, was to save on the time it may take an employee to otherwise leave the worksite to purchase food. At the conclusion of a pilot program in late 2023, a survey was sent to all Borough staff to afford feedback in an effort to weigh costs and benefits of the program. The survey revealed that 87.14% of employees found the program to be valuable to them; while 97.14% believed it to be a nice perk for being an employee at the Borough of Chambersburg. Staff coordinating the program found ways to improve the efficiency of the program before its implementation in January of 2024, including bulk ordering to include free shipping, and cost-effective pricing through a current Borough vendor. As a result, there are snack stations at each participating Borough location for employees to consume. We will continue to assess the Canteen Program, now and in the future, for improved efficiency and recommend to the Borough Manager its continuance.

HR staff are working on an initiative currently referred to as ‘employee quarterly events’, meant to replace our traditional annual holiday event, and designed to provide an opportunity for staff to network more frequently throughout the year to build upon our Borough employee community. These events will be organized by a different host department each quarter, and occur prior to the beginning of the work day to allow for as much employee participation as possible. We hope to the first event in March of 2025. Several departments have already volunteered to host the events. Employees will have an opportunity to voluntarily network with their coworkers in different locations of the Borough that they might not normally and routinely see throughout their work day/week/month/year. Management believes this will also aid employees in understanding how their jobs impact other Borough jobs and the employees who perform them, as well as how their job is important to the overall operation of the Borough organization. We trust that the opportunity for more frequent contact with co-workers in these settings will promote and grow the Borough employee community we hope for and continue to work to achieve.

Town Council approved a Capital Improvement Project (CIP), as part of the 2024 Budget, to convert the old 4th Floor HR Video Conference Room into office spaces as mentioned. Staff was able to complete the project under budget which left a balance of funds. The Borough desires to promote the well-being of its staff in many ways; including areas where employees can take breaks during their workday, according to policy. Staff are especially desirous to offer an outdoor space where employees can take breaks and enjoy fresh air in a designated area free from public view. Numerous areas have been considered and evaluated, but none met the requirements. A committee was formed in 2024 in an attempt to identify the space and move the project forward. The committee selected as a good option the existing space between the Utility Annex and existing Borough Hall. This space is currently unused, requires a minimum investment to upgrade and furnish, and provides a secure outside space that staff can have lunch or take breaks. Town Council approved the reallocation of the CIP funds to this outdoor space project in September of 2024. Staff hope to complete the project and have the space available to employees by Memorial Day, 2025.

Finally, the office has an open-door policy, providing a place where employees can bring their confidential issues and concerns. The HR Office provides our Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliance, as well as our confidential Employee Assistance Program (EAP), contracted through Mazzitti & Sullivan EAP where necessary.



On Behalf of the Borough, Staff Volunteer at the Annual ICMA Conference Held in Pittsburgh, September 2024. Pictured left to right: Tyler Seibert, Water Plant; Oliver Arispe, LUCOMDEV; John Leary, Natural Gas Utility; Jennifer Sprenkle, Electric; and Melinda Thompson, HR.



Rec Staff Appreciation Lunch with Town Council Personnel Liaison, Allen Coffman, and Borough Manager, Jeffrey Stonehill, at the Recreation Center



Outdoor Space for New Employee Break Area

Labor Management

Office staff participate in labor management activities such as collective bargaining, implementation of bargaining agreements, labor management meetings, and facilitation of the grievance process for three (3) labor unions: the American Federation of State, County and Municipal Employees (AFSCME), the International Association of Firefighters (IAFF), and the Chambersburg Police Officer Association (CPOA). Although there were no contracts up for negotiation this year, the Town Council Personnel Liaison along with designated Borough staff and the Borough's Solicitor were able to achieve a comprehensive Collective Bargaining Agreement (CBA) document between the Borough and the IAFF, consolidating years of Memorandums of Understanding and the last CBA which expired in 2012. This was an incredible accomplishment for both parties involved, the Borough and the IAFF Union Local 1813.

Borough staff are prepared to engage in negotiations with the IAFF in 2025, as their current contract is set to expire on December 31, 2025. The AFSCME CBA and CPOA Agreement still have two years, left on their agreements, so collective bargaining on those two contracts will not be occurring next year.

Outside of formal contract negotiations, Borough management and union management teams have been willing to discuss matters as they relate to impacted staff, including terms and conditions of employment at the Borough, settling any matters in dispute and maintaining open communication between the parties. Having good relations between the unions and Borough management is paramount to HR staff, and staff will continue to do their part in fostering such an environment.

Training and Development

Human Resources staff process tuition and job-related training requests as part of the Borough's professional development program, which includes ensuring the proper approval process is followed; processing as many as 600 requests per year, organization-wide. This requires HR staff to make travel and training arrangements, such as registration and accommodations for Borough employees and members of Town Council.

Additionally, staff both coordinate and facilitate relevant training, as needed, including training on workplace safety and Borough policies and procedures. In 2024 year, our Health, Safety, Wellness and Risk Programs Administrator, Paul Flohr, continued the supervisor training "Mini Series" to include a variety of training topics to help supervisors manage the various aspects of their programs. The program has been well-received since its inception in 2023 and it will continue into 2025. The purpose of the "Mini Series" training is to educate and support supervisor leadership on internal and external Borough processes; to update on changes; and increase knowledge and understanding, in an effort to promote confidence in applying policies, processes, and procedures in their day-to-day supervision of staff. Mini Series training topics in 2024 included 'Diffuse the Bomb-Supervisory Skills; Team Building; Accountability; Vision- Future into the Present; Supervisor Level Safety 101; and Team Building-Communication. In 2025, the theme will be 'Guts and Courage' with the remaining sessions covering organizational topics to include safety, paperwork, and timesheets/cards. Each training session is delivered primarily by Paul Flohr, but also other HR staff, depending on the subject of the training.

Paul, Kris and Steve also coordinated two financial workshops in September of 2024 to aide employees considering retirement in the near or distant future. Employees were able to gain information to help them plan for their future beyond Borough employment. These trainings were well-received.

This year, the Borough acknowledged that occasionally select non-bargaining employees are required to provide training to another staff member(s), in cases where it is not part of their normal job duties. In such cases, this training is meant to pass along technical and institutional knowledge to benefit the employee who is new to the position. This knowledge transfer not only provides benefit to the new employee, but also to the organization with respect to continuity of services, stability, consistency of application, and investment into the people who perform the work. To recognize an employee's effort in

contributing to a new employee or a transfer employee's knowledge of the newly assigned job, a new pay premium was established titled Training Differential.

HR staff look for ways to revise and enhance policies and practices in an attempt to stay up to date with industry best practices as much as possible. Within this year 2024, Staff have worked with the Borough's Solicitor, updating the Non-Bargaining Personnel Manual, a document that has become an encompassing source of Borough policies and procedures. The goal with this project is to produce an updated resource for employees, and an attempt to consolidate all other Personnel Manuals into one single source and comprehensive document for all employees to reference. Staff believes that by doing it this way will benefit all involved, including employees, management, and administration, while maintaining a document that preserves the rights of every employee group, including the three (3) collective bargaining units: Fire, Police and AFSCME. And finally, Staff will continue to work with the Borough's Personnel Consultant to update Borough job descriptions to a present look of core duties and responsibilities, knowledge, skills, and abilities required of each position.

Health and Safety

The Health and Safety Program encompasses the Wellness Committee, Safety Committee, Risk Management, and Workers Compensation program management. The Health and Safety Program is also responsible for observing and auditing safety practices at various department locations and facilities throughout the Borough, as well as providing safety and risk management training. The H&S Administrator, Paul Flohr, oversees the management of the Bureau of Workers Compensation self-insurance program, ensuring the proper and timely compliance in accordance with personnel policies and departmental standard operating procedures pertaining to employee safety. In July of 2024, the Bureau of Workers Compensation audited the Borough's self-insurance program for compliance with the Commonwealth's policies and procedures; the Borough's program passed on the first attempt. This is valuable for the Borough of Chambersburg to continue to be self-insured for our many varied departments and programs.

Throughout this year, the department continued their on-the-job training capabilities with the ultimate goal of training consistently on all general industry standards, including risk prevention. The training was facilitated through Vivid Learning Systems online safety training and tracking software, as well in-person; offering topics such as total body wellness, back pain, foot and ankle, CPR, Stop the Bleed Training, and a continued focus on proper PPE. Outside trainers were brought to the Borough to conduct equipment training, such as Backhoe/Loader Operator Training for Utility Employees and Forklift Operator Certification Training for Garage, Highway, and Utility Employees, in an effort to better equip our employees to current industry standards.

Over the past year, Paul has worked collaboratively with the utility departments to update and/or change out meters from unsafe to safe locations at several identified residences in the downtown area. This project was initiated with the health and safety of our utility field staff, including utility meter technicians, in mind. Paul is also heavily involved in all the safety aspects of the Chambersburg Aquatic Center, a seasonal operation of the Borough, in cooperation with the Aquatic Center's management team and as a representative of the HR department; from health, food, and safety inspections of the Concessions Stand, and seasonal orientation and training of staff, to ensuring proper PPE is obtained and worn. Paul can be counted on to ensure not only employee safety but patron safety as well, as he recently obtained an Amusement Ride Inspector Certification to test various apparatuses at the Center for safety.

Paul Flohr chairs the Borough's Wellness Committee, and through partnerships with both Wellspan Health, PHS Physical Therapy, and Benecon, the committee provided important training and wellness tips. Additionally, with Wellness funding, the annual voluntary Flu Vaccination Clinic is once again being made available to staff. For 2024, the Wellness committee helped facilitate the addition of filtered water and ice machines to provide a better solution for the needs of the employees while also doing our part as a Borough in reducing the refuse footprint by minimizing the use of plastic water bottles.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

The HR Office continues to work on improving and providing a workplace safety culture at the Borough where safety comes first. Through HR staff's knowledge, experience, and training, the department will continue to work on the reduction of workplace accidents and incidents with the goal of reducing major claims, minimizing the loss experience ratio, and decreasing the Borough's total workers compensation expenses. On average, industry standards dictate that most workers compensation cases are closed within 18 months; however, at the Borough, both Paul Flohr and Kristine Baker have worked meticulously to refine our process by building employee trust and fostering good vendor relationships, which has factored in the reduction of our average claim time to 42 days from open to close. The Borough leverages an 'athletes first' concept in injury treatment to reduce the open claims ratio and to help employees return to work faster in post-operation procedures. This has greatly improved employee morale and helped to contain lost wages, lost productivity, and lower overtime cost.



Left Picture: Stop the Bleed Training; Center Picture: Gas Department- connecting fittings on Philadelphia Avenue;

Right picture: Pole Top Rescue Training for Lineworkers

Compliance

The Human Resource office is responsible for compliance with federal, state, and local laws that govern every aspect of Borough employment. Staff manages employee record retention, including the archiving and shredding of records. Office staff files state, federal, and local taxes both quarterly and annually, and conducts Equal Employment Opportunity (EEO) and Bureau of Labor Statistics (BLS) reports, as required. The office serves as a partner and resource to Borough department leadership to assist in the enhancement of compliance and regulated policies, processes, and trainings. In July of this year, the Town Council authorized the appointment of Melinda Thompson as the Borough's HIPAA Privacy Officer. In collaboration with the Borough Manager and Borough Solicitor, staff continue to evaluate policies for potential revisions and is in the process of drafting an updated Employee Handbook(s) with the goal of distributing it to all impacted staff by the end of this year. Additionally, staff have offered, and continue to offer, trainings to mitigate the Borough's liability exposure.

Human Resources Challenges for 2025

Staffing: Aging workforce and skills gaps

- Continue to address through succession planning, co-op programs, internships, and other recruitment and community engagement efforts
- Continue to look for ways to fill skills gaps in positions where enhanced skills are needed (including the exploration of software)

- Continue to explore and review viable options through research best practices in compensation/benefits to attract and retain the technical talent needed for continuity of exceptional Borough-provided services
- Preparing for the impending retirement of long-tenured employee, Kris Baker

Training: Empowering supervisors to manage personnel more effectively; continue to proactively provide training and resources to employees with transparency

- Continue to address through Supervisory Training, Coaching, Performance Management training, performance conversations and Mini Series training

Employee Relations: Building upon and enhancing this program area to more intentionally build up internal talent

Compensation and Benefits: Being competitive with our total compensation package in a highly competitive market of technical skills; highlighting current benefits and resources available

- Opportunity to encourage more participation in wellness initiatives as a proactive approach for claim reduction, as well as highlight the value of the Borough's Employee Assistance Program (EAP)

Human Resources Goals for 2025

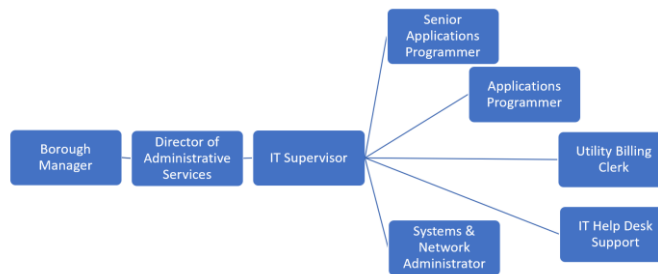
- Streamline processes with the help of current technology systems, including implementing a modern payroll system to include bi-weekly payroll, compliance reporting, and performance management
- Continue to improve transparency and education about employee benefits and HR policies and procedures
- Research and compare best practices in compensation and benefits to be competitive in industry markets
- Continue to develop a Safety Culture through training and best practice policies and procedures
- Collaborative designing of competency-based performance evaluations
- Become fully functional on Performance Management in ClearCompany
- Continue the job description review project
- Develop programs to reach the next generation of workforce (co-ops, internships, etc.)
- Continue to address staffing needs through succession planning in key departments
- Continual policy review to enhance practices and procedures based on employment trends and best practices, including policies impacting compensation.

In summary, we've had a very busy and productive year in Human Resources! As this year nears conclusion, the office staff looks forward to reflecting on the accomplishments and goals met in 2024. More importantly, staff anticipates a new year of goals, initiatives, and objectives that will only continue to make the Borough a great place to work and live.

Information Technology Office

Under the direction of the Director of Administrative Services, Melinda Thompson, and supervision of Peter Kolva, Information Technology Supervisor, the IT department, staffed with six (6) full time employees: Pete Kolva, Shawn Chilcote, Cory Stine, Trent Olson, Tom Dunn, and Brent Myers, is responsible for a variety of things that impact our IT infrastructure at the Borough; including computer helpdesk, reports and programming, hardware and software installation and removal, systems and network maintenance, network and email security, security cameras, specialized vehicle computer technology, special projects, for all the departments of the Borough.

In addition to the full-time technical staff, this office has two (2) full time data processing employees, Tim Brindle and Julie Myers, who take the utility meter reading data and transpose it digitally into the utility billing system. The IT office also has an assigned full-time clerical pool employee, Janine Shoap, who manages the procurement for the department, including cell phone purchasing and set-up, software licensing, tablet and telephone account management, and customer service.



Organization Structure of the Information Technology Department

The IT infrastructure complement includes:

- 14 Servers
- 287 Desktops/Laptops/Tablets
- 74 Borough-issued Smart Phones in Mobile Device Management (MDM)
- Server Disk Used 12.0 TB out of an available 32.0 TB Total (so there’s room to grow!)
- Average 52.0 support tickets/week
- 341 IP Video Cameras
- 12 Network Video Recording (NVR) Camera System
- 11 Police In Car Camera/Wireless
- 7 Fixed Policer LPR Systems
- 2 External Websites (Borough and Chambersburg Fire Department)
- Several thousand programs to support
- Fire, Police, Service Center, Water, Sewer, Electric Plants –All supported 24/7.

The department recently welcomed Thomas Dunn, Applications Programmer, to the team in August of this year. Tom is a 2013 Graduate of Penn State University, graduating with a Bachelor’s degree in Computer Science. Tom has over 10 years’ experience as a Software Development Engineer, previously working for Amazon where he began as an intern in 2012. We are excited to have Tom on our team; he is already proving his immense value with his involvement in the Customer Service Portal Project, among other things.



Thomas Dunn, Applications Programmer

Last year we began the helpdesk, an internal IT customer service initiative. The helpdesk has undergone some fine tuning over time, including implementing a new ticket system this year. Overall, to date, we consider it a success. The addition of this position, held by Brent Myers, was instrumental in streamlining the many technical support requests received by the department on a daily basis. The primary responsibility of the position is to receive the initial requests from end-users, either troubleshoot the situation or escalate it to the next tier of technical support. Requests are received in a ticket system software and assigned among department staff according to the program area; whether systems and network, programming, utility billing, or information security. The helpdesk is averaging approximately 120 tickets per month. Once the tickets are submitted by the end-users, the Help Desk Technician addresses what they can as the first-tier level support, and escalates the remaining to the second-tier support technicians when necessary.

IT Staff are frequently challenged to keep up with the day-to-day demands of Borough end-users, equipment and program upgrades and updates, in addition to new and/or enhancement projects which have kept both the System & Network Administrators, Cory Stine and Trent Olson, and the Application Programmers (Shawn Chilcote, Senior Applications Programmer, and Tom Dunn, Applications Programmer) very busy. Collectively, the IT team supports all internal technology and also technology that will be used by Borough customers, such as the Customer Service Portal currently in design. In addition to the thousands of support tickets IT receives per year, projects and enhancements are ongoing, even as the date of this publication, and will continue to be, as technology is a demanding industry of change. This year, IT staff have performed major projects and accomplishments listed below.

2024 Major Projects and Accomplishments

- Migrated to new ticketing, computer management and IT documentation software
- Implement new Certificate server for all in-house certificate verifications
- Set up penetration testing on the Borough's network and systems
- Setup and installation of new laptop computers for the Fire Department
- Redesign of the HR Employee Portal to input new user requests, changing existing user information, and remove users upon separation
- Continued to work with Fresche Solutions' programmers on the design of the Customer Service web-based Portal
- Installed Verizon hotspots in the Police annex building of the City Hall Campus for better access and coverage
- Completed many programming changes to enhance processes that impact both Finance and Human Resources
- Installed many new security cameras at various Borough building locations

The Borough's technology, with respect to programs and software, is a hybrid arrangement with some licensed or contracted, and the rest built and supported in-house by our resident programming staff. Our staff programmers are in high-demand as it is the departments' general goal and desire to function more efficiently through programming and functions, therefore more effectively. Approximately 10% of the helpdesk tickets are specifically for programming needs. The programmers continue to work on many projects that include, but are not limited to, a customer form for gathering info on water service lines for the Water Department; a pension tracking application for HR; a new purchase order flow process; programming for new cellular water meter readers; programming new rate increases for several utility departments; programming new combination water rate/ambulance fee billing for a Borough customer; ongoing work on the Customer Service Portal.

It is no secret that technology changes at an exponential rate; some with a lifespan of less than 12 months. In this ever-changing, ever-advancing field, it is important that our technological infrastructure keeps up with the work demands, but also that our IT staff have the ability to maintain the skillset needed through training and advancement, and have the resources to support and secure the Borough's programs and end-users. The Borough supports their professional growth through career and education development opportunities. To date, IT staff have spent over 200 hours in training to improve on their knowledge and skill-sets in an ever-changing, fast-advancing field, with more to come.

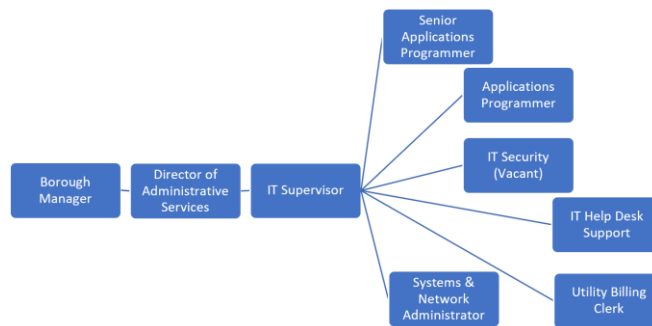
Cybersecurity

It is imperative that IT staff be proactive and up-to-date on cybersecurity resources and challenges. Each year staff build upon existing security measures in a proactive manner. In 2023, staff fully implemented two-multi-factor authentication for personal computers (PC's) and 2-step verification on all Borough Gmail accounts. In 2024 staff finished the installation of a Unified Endpoint Management solution on all Borough-issued phones and personal phones used for Borough business. Additionally, all devices should now have additional security protection that allows employee ID badges to sign into computers. These several initiatives helped further enhance previous security changes such as implementing more complex passwords, making it difficult to breach devices. In 2024/2025, IT staff implemented a security operations center, or SOC, to further aid IT staff with the monitoring of the Borough's network

Regular and routine patching and software updates are a requirement in order to ensure Borough systems remain secure. Cyber-attacks are a reality, and IT staff work to help employees understand this in order to ensure the integrity of the Borough's network. Frequent trainings and test emails with "spam and malware" are imposed on employees which provides a great opportunity for IT staff to test our system in a controlled manner, and to see security training put to work through employee's positive responses.

The Borough Manager requested all Borough department management develop contingency plans in early 2024; identifying critical processes and the path to successful completion should the Borough experience an unfortunate cyber event. With the five utilities at the Borough, it was imperative this be done. Melinda Thompson led the project, and is currently working with members of the IT team on refining it before it is published internally.

We continue to realize the need for an IT Security position. With a turnover in programming staff this year, the priority to backfill the Applications Programmer position became the priority. Staff have full intention to fill the Security position already approved by the Town Council in a previous budget. The position will exclusively focus on what will be an established IT department function under the direction of the IT Supervisor. The addition of this position will slightly change the IT Organization Structure, pictured below.



Revised Proposed Structure

Front Counter Customer Service Portal Update

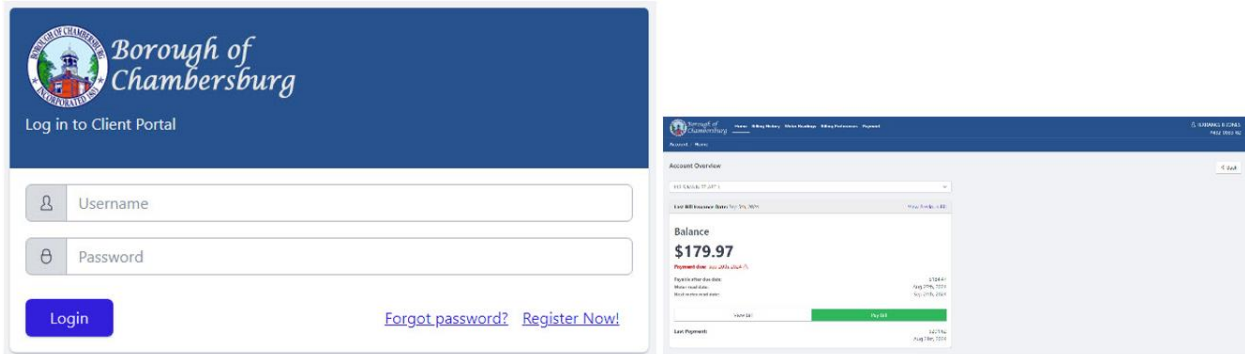
For several years, it has been the goal of the Borough to provide utility customers with a web interface portal that is easy-to-setup, user-friendly, and safe, authenticate, and could match to Borough accounts, tenants, property owners, etc. Additionally, it would allow the use of all types of payment methods (credit, debit, EFT, etc.) remotely online with ease and comfort for customers; transactions could be posted in real-time to the utility billing system; and would permit statement billing online so customers can view an up-to-date reflection of their account status.

The Customer Service Portal Steering Committee, led by project manager, Melinda Thompson, meets bi-weekly and has been diligently working on the design, development, and testing of the Customer Service Portal along with the developers, Fresche Solutions. This is one of the biggest technical projects the Borough has undertaken, and as with any project there are great accomplishments and unavoidable delays along the way. The Borough has not waned on its commitment to providing this Portal to its utility customers; while we know it will be a huge convenience to many if not all customers, we hope our customers take advantage of it.

It is important to recall that the Town Council approved this important IT project to create an internet portal to allow customers (and front counter tellers) the ability to do many of the most common tasks via the internet. The initial project design and development, referred to by staff as Phase 1, included creating customer accounts, paying a bill, checking a balance, closing an account, daily balancing and closing of 'drawers' by staff, and allowing landlords to check tenant's accounts. This will also include new seamless internet payment access for e-checks, all credit cards and even Apple Pay, Google Pay, and other cash transfer apps.

This project and the original features were included in the original design and Statement of Work, approved by the Town Council on February 13, 2023. With the Town Council approval in April of 2024, additional attributes were able to be included in what staff have referred to as 'Phase 2' of the project. While we have not yet gone live with the Portal, we are very close to conclusion, as we are now working with Paymentus, the contracted payment processor, to begin the final step of the Portal's development. This next step includes, among other things, many hours required for work with Paymentus, project deployment, transitioning of programming from Fresche to our Borough programming staff, training of Borough staff, and some fine tuning of features discovered through testing. Upon successful internal testing with Paymentus, Fresche, and the Borough's team, the Portal is scheduled to go live where we will move to a small group of beta-testers, ensuring its smooth operation prior to opening it up to the public. We are very excited to have this functionality for Borough residents and utility customers in the very near future!

Below are a few snippets of views within the test portal that will be available to customers upon the Customer Service Portal going live to the Public.

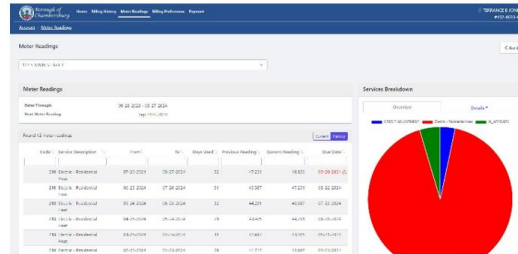


Pictured left to right: Portal Login Page; Customer Landing Page

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Steering Committees

New in 2024 was the addition of two steering committees: The Customer Service Portal Steering Committee (CSPSC) and the IT Infrastructure Steering Committee (ITISC). Both committees meet routinely to discuss their respective project areas.



Customer Meter Reading History

IT Infrastructure Steering Committee

This steering committee is made up of representatives from IT, HR, Finance, and the Utilities departments. The team meets bi-weekly. It is this steering committee's mission to provide effective resources and unrivaled services through innovative technology by collaboratively planning for and determining the best options for optimizing operations. We will standardize processes to improve efficiency, productivity, and department cohesiveness.

We have developed a general process/procedure for reviewing technology requests and making a recommendation regarding those requests. All requests (i.e., new software, new subscriptions, subscription renewals, upgrades in both software and hardware, etc.) will be reviewed by this committee to ensure that ultimately the 'product' fits into the Borough's strategic plan regarding technology resources and IT infrastructure posture over the next five and ten years. The committee operates under the oversight of the Borough Manager.

Information Technology Goals for 2025

- Redundant Fiber Project
- Comcast for Intake Dam
- Core Switch Upgrade
- Wagner Building (New Public Works Campus)
- Replace laptops in the Police Cruisers
- Complete SOC Implementation
- Ongoing Camera and Server Upgrades
- Ongoing Personal Computer (PC) Replacement/Upgrades
- Fire Department Website Redesign
- Software Purchase/Upgrade for HR and Finance

Projects for Information Technology

- Borough Wide Fiber Project: \$200,000;
- Network Switches: 150,000;
- Power9 System: \$60,000;
- New cameras borough wide: \$100,000;
- Virtual Server Platform Upgrade: \$450,000;
- Customer Service Portal: \$100,000.

In summary, the IT staff are committed to further advancing the Borough’s technology through enhancements, research and best practices, training and development, innovative ideas, and state-of-the-art resources. Staff understand that as the Borough’s business grows, often to more complexity, so must their technology. Additionally, securing those resources, both in data and infrastructure, is paramount to the Borough’s successful delivery of services.

Clerical Pool

Under the supervision of the Director of Administrative Services, and with the assistance of Jamia Wright, Borough Secretary, this internal services division, a part of the Administrative Services Department, consists of a pool of clerical staff on-lend across the Borough to provide administrative support (secretaries and office managers) for Emergency Services, Police, Land Use and Community Development, Public Works, five utility departments, IT, HR, Recreation, and the Borough Manager’s Office.

This administrative support team is the backbone of the office functions at the Borough of Chambersburg. Melinda Thompson and Jamia Wright continued a focused effort in providing the cross-training and support needed to clerical staff, so that all clerical staff have the ability to function as a back-up to one another, even covering during any extended absences.

Jamia Wright and Tanya Sisk, both tenured clerical employees with the Borough, function as the Borough Secretary and Assistant Borough Secretary, respectively. They serve as Administrative Assistants to the Borough Manager and to the Town Council. They are exclusively responsible for preparing the information needed for the Town Council and other assigned Committee meetings as well as documenting any actions taken during these meetings. In the course of their duties, they help to support the Borough Manager’s goal in having a transparent municipal government.

Other Borough Clerical Pool Full Time and Regular Part Time Staff Includes:

- Officer Managers: Jackie Umberger (Fire Department), and Laura Middlekauff (Police Department)
- Secretary II: Janine Shoap (IT), Julie Martin (Codes), Jody Mayer (Special Events and Health & Retail Food Licensing), Amber Kerstetter (Public Works), Vacant (LUCOMDEV), Jamie Foose (Recreation), Penny Morrison (Utilities), and Maria Wagner (Finance)
- Secretary I: Wendy Arispe (Police Department), Marshall Warden (Fire Department), and Linda Hess (Human Resources)
- Receptionist: Donna Van Winkle and Dixie Bryan (Front Counter) and Maria Basile (Police Department)

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Finance and Accounting

The Borough of Chambersburg's Finance and Accounting Department is responsible for recording, tracking, and reporting all financial transactions that occur within the Borough, including managing accounts payable (payments owed by the Borough), accounts receivable (payments including utility invoices owed to the Borough), budgeting, bookkeeping, auditing, and ensuring compliance with financial regulations by producing accurate financial statements for the Town Council and other stakeholders.

The Finance Director serves at the pleasure of the Borough Manager and is responsible for overseeing all financial aspects of Borough-government, including budgeting, accounting, revenue collection, investments, purchase processing, and financial reporting, ensuring the Borough operates within its budget and complies with financial regulations, while also advising the Town Council and Borough Manager on key financial decisions and strategies.

The 2024 personnel changes for Accounting, Customer Service and Meter Reading were:

- Hired to fill a vacant Regular Part-Time Reception Clerk position due to a promotion
- Restructured Staff Accountant and Accounting Supervisor/Staff Accountant positions
- Promoted Assistant Director of Finance/Assistant Treasurer to Director of Finance/Treasurer due to a transfer to the Borough Manager's office
- Hired to fill a vacant Utility Meter Technician position due to a departure
- Hired to fill a vacant Bilingual Front Counter Teller I position due to a departure
- Transferred to fill a vacant Front Counter Teller 1 position.

In 2024, the Borough is proud to have once again received the Government Finance Officers Award for the publication of the 2023 Annual Comprehensive Financial Report (ACFR).

In 2023 the Borough selected F&M Trust of Chambersburg to take over banking and investment advisory services. Finance continues to work with F&M Trust Investment Advisors towards the goal of maximizing the Borough's return on investments. As of September 30, 2024, the Borough has investments under management with a valuation of \$54.6 million and is realizing an average yield of 1.31% for an estimated annual income of \$715 thousand. The Borough held many positions from a lower interest rate environment that have been, and will continue to mature in the coming months. These funds will then be reinvested at higher current rates. State Law significantly limits what local governments can invest in, which has the intended effect of mitigating risk, however, it also limits yield.

Finance and Accounting continues to administer a prescribed collections process, staffed by the Collections/Tenants Rights Clerk, because of the creation of the position in 2015. Through September 30, 2024 year-to-date, \$765,575 was collected through merchandise and jobbing, up from \$597,647 over the same period in 2023. On January 9, 2024, \$266,387 of merchandise and jobbing accounts receivable was outstanding. By October 3, 2024, \$172,605 or 65% of that outstanding balance had been resolved, in line with prior years.

Until go-live of the customer portal, the Borough has continued utilizing and growing the PETE (Payments Easily Transferred Electronically) program, which automates the payment process for customers and reduced the time required to process such payments. As of September 30, 2024, PETE utilization has grown another roughly 4%, increasing customer enrollment to approximately 25% of utility accounts.

Finance and Accounting goals for 2025 include:

- Collaborate with other departments
 - To improve comprehensive understanding
 - To identify areas of opportunity
 - To design and implement mutually beneficial solutions

- Educate staff on internal operations, external reporting requirements and technological opportunities
- Improve citizen access to the Borough’s services via a “customer portal” for payments, applications, account review, etc.
- Improve the customer service experience for both customers and employees
- Improve meter reading and service order operations’ efficiency and ensure Meter Readers’ safety in conjunction with the utilities staff – particularly by requiring remote meter reading technology integration and/or utility meter relocation to exterior locations.

Customer Service

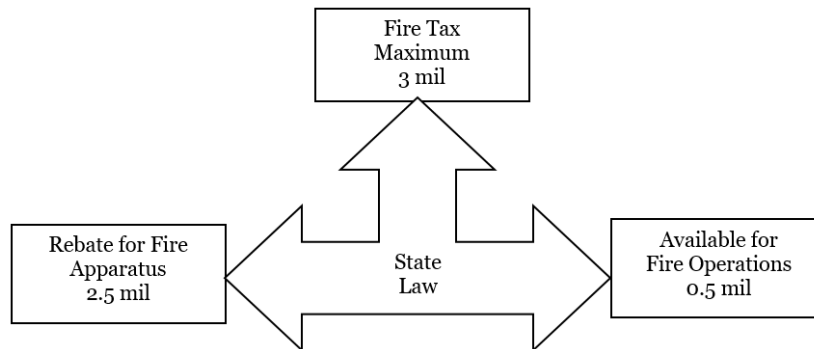
Under the supervision of the Finance Director, this office includes all of the full time Meter Readers and Technicians, the Parking Enforcement Officer, the Front Counter Reception Clerks and Tellers, and Customer Service Representatives. Responsibilities in this office include the successful reading of over 11,000 electric meters, 5,000 gas meters, and 9,000 water meters every month. The office receives payments for utilities, accounts receivables, and processes claims, complaints, challenges, and disconnections. This office also supervises the parking enforcement program: writing tickets, maintaining the parking meters, accepting payments, and handling all of the logistics of Borough parking.

Fire Tax Fund

Beginning in 2013, Town Council decided to begin the levy of a separate fire tax. This decision was unavoidable given the Town Council’s unsuccessful attempt to convince an arbitrator to reduce benefits, increase employee contributions to benefits, or prevent annual wage increases awarded these employees. The budget now includes both a police tax and a fire tax.

Prior to 2018, as the fire tax was used only for equipment and vehicles for the Emergency Services Department, it had no direct impact on the General Fund. Proceeds from the fire tax were given to the Motor Equipment Fund; the motor pool of the Borough, which is a separate fund. However, in the Motor Equipment Fund, all those proceeds are to be used for the motorized equipment fleet; fire apparatus and ambulances. This, in turn, helped by allowing a rebate on its contribution to support fire apparatus and ambulances; representing an indirect benefit for the General Fund. Beginning in 2018, an additional 0.5 mils (for a total of 3 mils) were levied in order to assist with the funding of Emergency Services Department salaries, which does represent a direct benefit to the General Fund.

2025 Fire Tax Yield	\$604,365	3 mil
2025 Fire Tax Revenue	\$646,095	includes prior year delinquency, liens, interest, and PILOTs
2025 Fire Tax Transfer	\$109,840	to the General Fund for ES Department Salaries
2025 Fire Tax Transfer	\$536,255	to the Motor Equipment Fund for ES Department Equipment
2025 General Fund Rebate	\$536,255	to benefit the ES Department budget in the General Fund
2025 Budget	\$646,095	



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Also, beginning in 2018, 0.5 mils were levied in order to assist with the funding of the Borough’s 24/7 Basic Life Support (BLS) ambulance service, which does represent a direct benefit to the General Fund. However, after examining the revenue generation capability of this assessment, through 2019, Town Council is left responsible for generating further additional funding necessary to operate the EMS services that our community is increasingly requiring. To that end, in 2020, Town Council eliminated the ½-mil levy, and adopted the assessment of an Ambulance Fee, at a rate of \$7.00, to be billed monthly to every Borough water customer. The intent was to remove the deficit that is being created as a result of the Borough attempting to provide the level of EMS services that the community is requiring. In 2021, the Ambulance Fee was raised from \$7.00 per month, per water service customer, to \$7.50 per month; in 2023 that fee was raised to \$9.50 and in 2024 the fee was raised to \$11.00. There is no increase in the ready-to-serve Ambulance Fee included with this 2025 budget.

Recreation Bond Tax Fund

Beginning in 2018, Town Council decided to begin the levy of a separate Recreation Bond Tax. This decision was tied to the sale of the Recreation Bond that occurred in 2016. Town Council’s decision to fund replacement of the Memorial Park Pool, as well as a package of other Recreation Department improvements, necessitated the levying of a new tax of 3 mil, beginning in 2018.

In the 2017 Budget, the fund was created and the first debt service payment was due. The proceeds to pay this first payment came from a transfer from the Recreation Department in lieu of swimming pool operations. This was only the case for 2017. Beginning in 2018, the tax has since provided the resources to pay debt service payments. In 2023, the tax was reduced to 2 mil, as a result of debt service savings being realized due to a refunding of the 2016 bonds, at a lower interest rate. There is no change in this bond tax in the 2025 Budget.

2025 Recreation Tax Yield	\$503,635	2.5 mil
2025 Recreation Tax Revenue	\$541,015	includes prior year delinquency, liens, interest, and PILOTs
2025 Recreation Bond Payment	\$68,035	to pay down the Recreation Department's portion of the 2016 General Obligation Bond
2025 Recreation Tax Transfer	\$450,520	to the Swimming Pool Fund, to pay down the Fund's portion of the 2016 General Obligation Bond
2025 Recreation Expenses & Fund Balance	\$22,460	expenses and addition to the fund balance
2025 Budget	\$541,015	

Police Station Bond Tax Fund

Beginning in 2022, a levy of 1-mil was adopted, with an additional 1.5 mils anticipated in 2023, for the purpose of paying down the debt that is to be incurred to facilitate the expansion and construction of the Borough Police Department headquarters; a part of the City Hall Campus. In 2023, an addition of only 1-mil was adopted in order to fully fund the debt service requirements. There is no change in this bond tax in the 2025 Budget.

2025 Police Station Bond Tax Yield	\$402,910	2-mil
2025 Police Station Bond Tax Revenues	\$428,840	includes prior year delinquency, liens, interest, and PILOTs
2025 Police Station Bond Payment	\$415,650	to pay down the Borough's portion of the 2022 General Obligation Bond
2025 Police Station Bond Expenses & Fund Balance	\$13,190	expenses and addition to the fund balance
2025 Budget	\$428,840	

Public Works Campus Bond Tax Fund

The "Chambersburg Public Works Campus Bond Tax" refers to a specific real estate tax levied on property within the Borough of Chambersburg, Pennsylvania, specifically designed to fund the construction and development of a new public works campus; this tax is associated with a dedicated bond issue, meaning the revenue generated goes directly towards paying off the debt incurred for the project.

The Chambersburg Public Works Campus is a project to consolidate and relocate several Borough of Chambersburg support activities into a new facility on Wayne Avenue. The 2025 Budget contemplates construction to begin in 2025 and last approximately 18 months. In 2024, Town Council approved a Resolution, a funding mechanism for this project. This transformational project will develop a new, modern, energy efficient, environmentally sound, safe, and aesthetically pleasing public works campus facility on the block bounded by Wayne Avenue, S. Fourth Street, and the Norfolk-Southern Railroad. At the end of 2019, the Borough had the opportunity to acquire a vacant warehouse building at 366 Wayne Avenue to plan the relocation of the Loudon Street Sanitation Department, Motor Equipment Department, and Highway Department facility at this future location, and will be joined by the Engineering Department as well.

The site, once the home of Wagner Supply Depot, the Cold Storage building, and several other homes and one business, will be renovated over time to eventually replace the existing Borough public works facility located on Loudon Street at the corner of S. Franklin Street. The existing facility on Loudon Street is reaching the end of its useful life, problems exist, including vehicle maintenance bays that are too small for today's modern trucks, poor equipment and materials storage, no room to grow, a cracked foundation, and is in the floodplain along the Conococheague Creek.

In April 2024, in preparation for the release of design specifications and a financing plan to erect this important municipal project, the Town Council established an accounting method for the distribution of costs associated with, and expenses attributable to, the Borough budget.

With adoption of the 2025 Budget, the following steps will be taken:

- The establishment of a separate internal services fund (ISF) to be called the Public Works Campus Fund, which will establish the accounting for expenses and revenues associated with the Public Works Campus development and operation;
- The move of those assets and liabilities associated with the Public Works Campus development project to the Public Works Campus Fund effective January 2025;
- The Public Works Campus Fund is authorized to become the repository of funds necessary for the retirement of debt associated with the proper operation of the new Public Works Campus; and
- The establishment of a separate Public Works Campus Bond Fund, a holding fund, to collect those real estate taxes associated with the Public Works Campus Bond, and transfer them to the Public Works Campus Fund.

Yield from the newly established first year of the Bond Tax:

2025 Public Works Campus Bond Tax Yield	\$201,455	1-mil
2025 Public Works Campus Bond Tax Revenues	\$206,455	includes prior year delinquency, liens, interest, and PILOTs to the Public Works Campus Fund to pay down the Borough's portion of the 2024 General Obligation Bond and Note, and 2025 General Obligation Bonds
2025 Public Works Campus Tax Transfer	\$142,225	
2025 Public Works Campus Bond Expenses & Fund Balance	\$64,230	expenses and addition to the fund balance
2025 Budget	\$206,455	

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Council approved the following funding distribution for the construction of the facility:

General Fund (Emergency Services)	
General Fund (General Expenses)	
General Fund (Highway Department)	
General Fund (Planning)	
General Fund (Police)	
General Fund (Property Maintenance)	
General Fund (Recreation)	
General Fund (Zoning)	
<i>TOTAL GENERAL FUND BY TAXES</i>	23.800%
Sanitation Fund	20.599%
Water Fund	17.910%
Sanitary Sewer Fund	17.061%
Gas Fund	12.442%
Electric Fund	6.644%
Storm Sewer Fund	0.894%
Parking Fund	0.332%
Swimming Pool Fund	0.206%
Motor Equipment Fund	0.092%
Stores/Warehouse	0.014%
Engineering Fund	0.006%
	100.000%

As you can see, real estate taxes only pay for 23.8% of the cost of construction with the balance coming from transfers from those funds who use the vehicle maintenance facility at the campus.

Custodians, Downtown, and City Hall Maintenance

Under the supervision of the Public Works Director, this office includes the Buildings, Grounds, & Maintenance Supervisor, the Live-In Residence Downtown Custodian & Maintenance Worker, and the building Custodians. The Buildings, Grounds, & Maintenance Supervisor maintains City Hall plumbing, electrical, and HVAC systems, as well as downtown maintenance responsibilities, while Custodians clean City Hall and other facilities, run errands, and do deliveries.

In 2024, this crew of full-time and part-time employees grew to include a part-time custodian for the Police Station, and several new workers, all under the supervision of Larry Truett, who is the Building, Grounds, & Maintenance Supervisor.



Downtown Custodian Jeff Ziegler Cleaning Street Lights

Miscellaneous Expenses

Administrative Services miscellaneous expenses include the cost of collective bargaining legal assistance, credit card service fees, mutual reimbursement of ambulance receipts to other ambulance companies, and facility and capital equipment purchases and reserves.

Charge Back Calculation to Other Departments

As with all internal service funds, other Borough departments provide all the funding for the Administrative Services Department. In order to complete the 2025 proposed budget, the Administrative Services Department is proposing the enclosed charge-back formula for its expenditures. The formula results in the following shared expenses:

Electric Utility	26.03%
General Fund	16.85%
Wastewater Utility	13.20%
Water Utility	10.82%
Natural Gas Utility	11.01%
Motor Equipment	9.52%
Sanitation Utility	4.12%
Storm Sewer (MS4)	3.16%
Parking Traffic & Street Lights	1.99%
Stores/Warehouse	1.55%
Aquatic Center	1.42%
Engineering	0.46%
TOTAL	100%

Allocation Based on actual 2023 (the last full year) expenditures by department



*Clock Tower being restored in
2022*

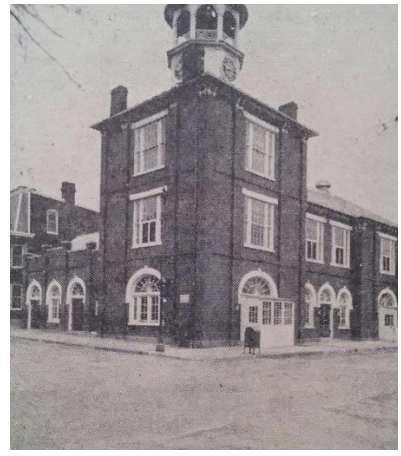


Clock Tower finish in 2023

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET



1921



1941



1961



2005



2014



2017



2020



2022

Engineering Department



The Engineering Office reviews the design process and inspection of all public works and utility projects. Such projects include, but are not limited to, streets, sidewalks and storm sewers. In general, the office provides support services to all Borough departments from preliminary layout to construction inspection completion. In conjunction with the Borough’s Public Works Department, the Engineering Department maintains a record of all assets within the public right of way.

Department Head: Charles Nipe

Supervisor: Brian Fogal

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$625,547	\$633,800	\$850,168
Expenses	\$534,752	\$633,800	\$850,168
Excess (Deficit)	\$90,795 Surplus	- Balanced -	- Balanced -

While the Engineering Department is just an internal service fund covering the cost of providing civil engineering, utility location services, Geographic Information System (GIS) digital mapping, and surveying to other departments, in the net those services typically result in excess revenue for the department operations. As a result, the Engineering Fund transfers excess resources to the General Fund, over the course of each year, to cover special studies and projects such as the development of new zoning code, the Borough’s Comprehensive Plan development, or other engineering studies in Land Use & Community Development.

The Engineering Department has significant equity invested in most of the GIS (digital mapping), surveying, and engineering equipment of the Borough. The management of utility engineering and construction drives the fiscal performance of the department. In general, it is just a pass-through operation, consolidating engineering functions for the utilities and covering its expenses.



Currently at City Hall, the Department will be relocating to the future Public Works Campus

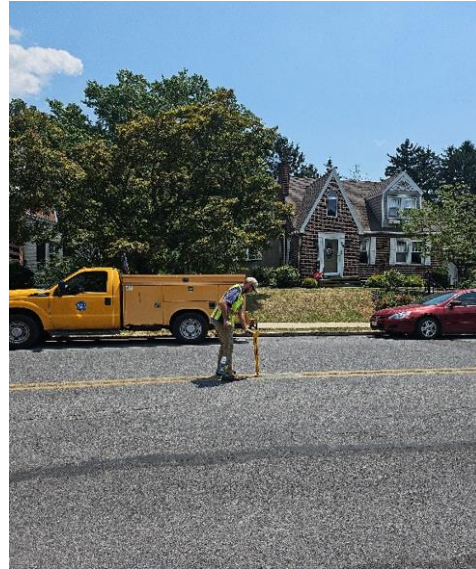
BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Engineering Department accomplishments for 2024 include:

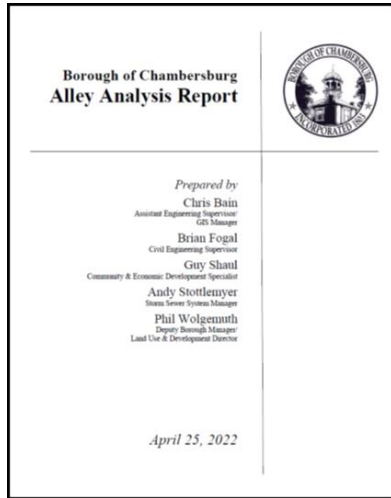
- Implemented a new PA One Call software which replaced the outdate manual fax system;
- Implemented a new Road Condition software which allows staff to capture relevant data for analysis while performing other tasks. This software will allow staff to develop improved pavement management decisions relating to road repaving and rehabilitation; and
- Prepared plans/bid specifications, conducted curb/sidewalk inspections and administered construction contracts for 2024 projects, including Full Depth Reclamation and/or Mill and Overlay of Borough streets contained in the 2024 Capital Improvement Program and Permanent Restoration of Surface Openings on Borough Streets and State Routes.

Engineering Department goals for 2025 include:

- Work with Town Council and Director of Public Works to advance initiatives relating to the Boroughs Pavement Management Program;
- Prepare plans/bid specifications and conduct curb/sidewalk inspections for streets to be reconstructed during 2025;
- Increase the use of technology for data collection and field markings of utilities; and
- Develop a succession plan for the Engineering Supervisor.



Staff from the Engineering Department, Land Use and Community Development Department, and Storm Sewer Utility prepared this report. The Borough Geographic Information System (GIS) and fieldwork were used to prepare the report, which includes various maps depicting alley characteristics as well as ways to potentially finance maintenance of Borough-owned alleys.



In the Borough, there are privately owned alleys and Borough-owned alleys. This report focuses on Borough-owned alleys only. The Subdivision and Land Development Code defines an alley as a right-of-way intended for vehicular travel which serves as a secondary means of access to lots, which abuts the side or rear yards of two or more lots. The Zoning Code defines an alley as a public thoroughfare other than a side street, which affords only a secondary means of access to abutting property and is not intended for general traffic circulation. Some alleys provide primary access to dwellings or other buildings; however, those buildings are mostly located in older neighborhoods. The Subdivision and Land Development Code prohibits construction of new buildings with primary access to an alley, unless granted permission by Town Council. In addition to secondary access, alleys provide connectivity between alleys and streets. Most alleys provide two-way vehicle access, but some provide only one-way access. Alleys are used by:

- Pedestrians;
- Motorized vehicles (motorcycles, cars, trucks, etc.);
- Non-motorized vehicles (bicycles, skateboards, etc.);
- Refuse collection trucks; and
- Utility facilities, underground and above ground, including surface stormwater conveyance, whether Borough-owned or owned by private companies.

Alleys typically have a 16-foot right-of-way with a paved cartway width of 16 feet or less. Comparatively, a local street typically has a 50-foot right-of-way with a paved cartway of 36 feet. Most alleys are paved with gravel, asphalt, concrete, or brick. However, some alleys are not paved at all and are simply covered with grass. There are 23.73 miles of Borough-owned alleys, with 22.05 miles improved and 1.68 unimproved; while there are 68.28 miles of Borough-owned streets. Based on staff inspection and analysis, improved Borough-owned alleys are in good, fair, or poor condition. It was 2011 the last time a contract was awarded by Town Council to reconstruct alleys. A mill and overlay process was the most common construction method used.



*5th Avenue & Grant Street –
Curb and Sidewalk
Installation*



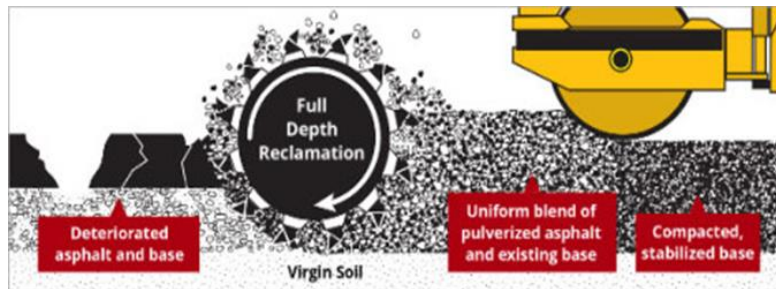
*Paving Operation – S.
Harrison Avenue & E.
Ludwig Avenue*

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Engineering Permits

<u>Year</u>	<u>Curb & Sidewalk</u>	<u>Excavation</u>	<u>Utility Locator Calls</u>	<u>Calls</u>
2020	46	115	2020	3,915
2021	39	76	2021	4,095
2022	18	14	2022	4,324
2023	25	22	2023	4,780
2024 (Through 6/30/24)	75	121	2024 (Through 6/30/24)	2,730

Street Improvements 2025-2026+



The Engineering Department also helped to prepare the street improvement project lists for 2025-2026 and beyond. This list now includes paving of alleys. In 2022, the Engineering Department participated in preparation of an Alley Analysis Report, which outlines ways to better finance maintenance. In 2023, the Director of Public Works presented to Town Council the plan of action to advance the initiatives outlined Alley Analysis Report, this presentation was entitled Alley Analysis Report. This plan outlined a Pavement Management Program, set a tentative annual budget, and offered potential funding options for Council’s consideration. Council elected to phase in this approach with Sanitation increasing their collection/disposal fee for refuse as the first step in 2024 and Sanitation and the Storm Sewer Utility both contributing in 2025. This increase now provides an additional \$205,000 of annual funding to begin alley renovations.

2025 PROJECTS						
Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Fuels/Capital Reserve	97299	Coldbrook Ave. (Wayne Ave. to Lincoln Way)	\$354,120	\$0	\$0	\$354,120
Liquid Fuels/Capital Reserve	97299	Orchard Dr. (Cumberland Ave. to Wayne Ave.)	\$290,900	\$0	\$0	\$290,900
Liquid Fuels/Capital Reserve	97299	Orchard Dr. (Cumberland to Rosewood Ct.)	\$255,649	\$0	\$0	\$255,649
Liquid Fuels/Capital Reserve	97299	Orchard Dr. (Leidig Dr. to McKinley St.)	\$103,944	\$0	\$0	\$103,944
Liquid Fuels/Capital Reserve	97299	Martin Ave. (Garber St. to N. Franklin St.)	\$95,766	\$0	\$0	\$95,766
Liquid Fuels/Capital Reserve	97299	Rosewood Ct. (Orchard Dr. to Leidig Dr.)	\$66,317	\$0	\$0	\$66,317
Liquid Fuels/Capital Reserve	97299	Garfield St. (S. Sixth St. to Coldbrook Ave.)	\$43,810	\$0	\$0	\$43,810
Liquid Fuels/Capital Reserve	97299	Water St. (W. Washington St. to W. Queen St.)	\$11,400	\$0	\$0	\$11,400
			\$1,221,906	\$0	\$0	\$1,221,906

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

2025 PROJECTS						
Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Fuels/Capital Reserve	97299	Duke Alley	\$61,249	\$0	\$0	\$61,249
Liquid Fuels/Capital Reserve	97299	E. Ludwig Ave. (Third St. to Fourth St.)	\$57,637	\$0	\$0	\$57,637
Liquid Fuels/Capital Reserve	97299	Independence Ct. (Garber St. to N. Franklin St.)	\$57,408	\$0	\$0	\$57,408
Liquid Fuels/Capital Reserve	97299	Rosemont Ct. (Hood St. to Pleasant St.)	\$42,989	\$0	\$0	\$42,989
Liquid Fuels/Capital Reserve	97299	Seaton Ct. (Darwin Ct. to Elder St.)	\$36,215	\$0	\$0	\$36,215
Liquid Fuels/Capital Reserve	97299	Pomeroy Ct. (Glen St. to Garber St.)	\$16,320	\$0	\$0	\$16,320
Liquid Fuels/Capital Reserve	97299	Wood Alley (E. Ludwig Ave. to Washington St.)	\$16,062	\$0	\$0	\$16,062
			\$287,880	\$0	\$0	\$287,880

2026 PROJECTS						
Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Storm Sewer Bond	97299	Industrial Dr.	\$453,964	\$0	\$453,964	\$150,000
USACF	97299	Cedar Ave. (W. Washington St. to W. Catherine St.)	\$410,400	\$410,400	\$0	\$0
CRAG	97299	Pleasant St. (Elder St. to Franklin St.)	\$224,225	\$224,225	\$0	\$34,756
Liquid Fuels/Capital Reserve	97299	Plasterer Ave. (Lincoln Way East to Cemetery)	\$184,612	\$0	\$0	\$33,933
Liquid Fuels/Capital Reserve	97299	E. Washington St. (Third St. to Eighth St.)	\$162,720	\$0	\$0	\$175,000
Liquid Fuels/Capital Reserve	97299	N. Seventh St. (Lincoln Way to Montgomery Ave.)	\$150,000	\$0	\$0	\$15,635
Liquid Fuels/Capital Reserve	97299	Nelson St. (N. Fourth St. to Fifth Ave.)	\$149,984	\$0	\$0	\$14,991
Liquid Fuels/Capital Reserve	97299	E. Catherine St. (S. Fourth St. to Lincoln Cemetery)	\$149,280	\$0	\$0	\$11,327
Liquid Fuels/Capital Reserve	97299	Stonegate Circle South	\$135,256	\$0	\$0	\$10,092
Liquid Fuels/Capital Reserve	97299	Stonegate Circle North	\$108,280	\$0	\$0	\$9,638
Liquid Fuels/Capital Reserve	97299	Prince St. (Lincoln Way East to Nelson St.)	\$92,439	\$0	\$0	\$9,638
Liquid Fuels/Capital Reserve	97299	Cedar Ave. (W. Catherine St. to W. Water St.)	\$68,157	\$0	\$0	\$9,638
Liquid Fuels/Capital Reserve	97299	Stonegate Ct.	\$42,958	\$0	\$0	\$9,638
			\$2,332,239	\$634,625	\$453,964	\$1,697,614

2026 PROJECTS						
Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Fuels/Capital Reserve	97299	Clippinger Alley (S. Second St. to Wood Alley)	\$54,671	\$0	\$0	\$54,671
Liquid Fuels/Capital Reserve	97299	Venice Ct. (Washington St. to S. Fourth St.)	\$51,368	\$0	\$0	\$51,368
Liquid Fuels/Capital Reserve	97299	East Point Ave. (E. Washington St. to Lincoln Way East)	\$47,622	\$0	\$0	\$47,622
Liquid Fuels/Capital Reserve	97299	Rutherford Ct. (Stanley Ct. to East Pointe Ave.)	\$43,796	\$0	\$0	\$43,796
Liquid Fuels/Capital Reserve	97299	Tolbert Ave. (S. Fourth St. to Fifth St.)	\$36,790	\$0	\$0	\$36,790
Liquid Fuels/Capital Reserve	97299	Elm Ave. (S. Sixth St. to S. Seventh St.)	\$15,370	\$0	\$0	\$15,370
Liquid Fuels/Capital Reserve	97299	Almond Ct. (E. Washington St. to Elm Ave.)	\$10,639	\$0	\$0	\$10,639
Liquid Fuels/Capital Reserve	97299	Calvert Ct. (E. King St. to Vanburen Ct.)	\$10,172	\$0	\$0	\$10,172
			\$270,401	\$0	\$0	\$270,401

2027 PROJECTS

Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Funds/Capital Reserve	97299	S. Fourth St. (E. McKinley St. to E. Queen St.)	\$567,490	\$0	\$0	\$567,490
Liquid Funds/Capital Reserve	97299	Ramsey Ave. (Edgar Ave. to Terminus)	\$343,067	\$0	\$0	\$343,067
Liquid Funds/Capital Reserve	97299	S. Fifth St. (Highland Ave. to Maryland Ave.)	\$305,651	\$0	\$0	\$305,651
Liquid Funds/Capital Reserve	97299	Byers Ave. (Cumberland Ave. to Long Ln.)	\$240,600	\$0	\$0	\$240,600
Liquid Funds/Capital Reserve	97299	Middle St. (Stanley Ave. to Wallace Ave.)	\$236,070	\$0	\$0	\$236,070
Liquid Funds/Capital Reserve	97299	S. Franklin St. (Lincoln Way West to Loudon St.)	\$200,145	\$0	\$0	\$200,145
Liquid Funds/Capital Reserve	97299	S. Fourth St. (Wayne Ave. to Terminus)	\$155,809	\$0	\$0	\$155,809
Liquid Funds/Capital Reserve	97299	Wallace Ave. (E. McKinley St. to Dewberry Ct.)	\$122,570	\$0	\$0	\$122,570
Liquid Funds/Capital Reserve	97299	Dewberry Ct. (Wallace Ave. to Terminus)	\$118,908	\$0	\$0	\$118,908
			\$2,290,310	\$0	\$0	\$2,290,310

2027 PROJECTS

Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Funds/Capital Reserve	97299	Moon Ct. (S. Fourth St. to S. Seventh St.)	\$107,320	\$0	\$0	\$107,320
Liquid Funds/Capital Reserve	97299	Stanley Ct. (E. Liberty St. to Lortz Ave.)	\$59,309	\$0	\$0	\$59,309
Liquid Funds/Capital Reserve	97299	Cambridge Ct. (Ohio Ave. to Hudson Ave.)	\$25,981	\$0	\$0	\$25,981
Liquid Funds/Capital Reserve	97299	Belvidere Ct. (Scotland Ave. to Geiman Ct.)	\$22,172	\$0	\$0	\$22,172
			\$214,782	\$0	\$0	\$214,782

FUTURE PROJECTS

Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Funds/Capital Reserve	97299	US11 (Garfield St. to Derbyshire St.)	\$2,000,000	\$0	\$0	\$2,000,000
Liquid Funds/Capital Reserve	97299	Stouffer Ave. (Wayne Ave. to McKinley St.)	\$924,260	\$0	\$0	\$924,260
Liquid Funds/Capital Reserve	97299	Grandview Ave. (King St. to North Franklin St.)	\$718,230	\$0	\$0	\$718,230
Liquid Funds/Capital Reserve	97299	Grant St. (N. Second St. to Fifth Ave.)	\$582,732	\$0	\$0	\$582,732
Liquid Funds/Capital Reserve	97299	Parkwood Dr. (Norland Ave. to St. Paul Dr.)	\$400,000	\$0	\$0	\$400,000
Liquid Funds/Capital Reserve	97299	Bishop Ave. (Glen St. to Borough Line)	\$241,523	\$0	\$0	\$241,523
Liquid Funds/Capital Reserve	97299	Leidig Dr. (Stanley Ave. to Orchard Dr.)	\$187,281	\$0	\$0	\$187,281
Liquid Funds/Capital Reserve	97299	Rife St. (Center St. to N. Franklin St.)	\$116,843	\$0	\$0	\$116,843
Liquid Funds/Capital Reserve	97299	Chambers St. (Philadelphia Ave. to Wolf Ave.)	\$80,150	\$0	\$0	\$80,150
Liquid Funds/Capital Reserve	97299	Hudson Ave. (Edgar Ave. to Philadelphia Ave.)	\$51,804	\$0	\$0	\$51,804
Liquid Funds/Capital Reserve	97299	Horst Ave. (Edgar Ave. to Cambridge Ct.)	\$45,234	\$0	\$0	\$45,234
Liquid Funds/Capital Reserve	97299	Rose St.	\$38,296	\$0	\$0	\$38,296
Liquid Funds/Capital Reserve	97299	Wolf Ave. (Chambers St. to Commerce St.)	\$16,246	\$0	\$0	\$16,246
			\$5,402,599	\$0	\$0	\$5,402,599

FUTURE PROJECTS

Funding Source	Account No.	Project	Total Cost	Outside Funding	Debt Funding	Borough Cost
Liquid Funds/Capital Reserve	97299	Montgomery Alley (N. Fourth St. to N. Seventh St.)	\$133,889	\$0	\$0	\$133,889
Liquid Funds/Capital Reserve	97299	Columbia Ct. (Ramsey Ave. to Hudson Ave.)	\$111,856	\$0	\$0	\$111,856
Liquid Funds/Capital Reserve	97299	Montgomery Alley (N. Second St. to Penncraft Ave.)	\$84,122	\$0	\$0	\$84,122
Liquid Funds/Capital Reserve	97299	Newport Ct. (Park Ave. to Pennsylvania Ave.)	\$73,356	\$0	\$0	\$73,356
Liquid Funds/Capital Reserve	97299	Delaware Ct. (Park Ave. to Norland Ave.)	\$40,695	\$0	\$0	\$40,695
Liquid Funds/Capital Reserve	97299	Cambridge Ct. (Hudson Ave. to Horst Ave.)	\$20,243	\$0	\$0	\$20,243
Liquid Funds/Capital Reserve	97299	Monroe Ct.	\$19,567	\$0	\$0	\$19,567
Liquid Funds/Capital Reserve	97299	Calvert Ct. (Montgomery Alley to Nelson St.)	\$17,703	\$0	\$0	\$17,703
Liquid Funds/Capital Reserve	97299	Martin Ct. (N. Coldbrook Ave. to Ena Ct.)	\$16,725	\$0	\$0	\$16,725
			\$518,156	\$0	\$0	\$518,156

These lists include alleys, as beginning in 2024, the budget included funds for alley paving with:

- \$100,000 from the General Capital Reserve; and
- \$100,000 from the Sanitation Department (for alleys used by Sanitation vehicles for collection).
- In 2025, the budget calls for an additional increase in alley paving of:
- \$100,000 from the Storm Water Department (for alleys with storm water conveyance systems).

Storm Water Engineering

In an attempt to comply fully with the responsibilities under the Municipal Separate Storm Sewer System (MS4) regulations, in 2017 the Borough engaged consulting engineer Herbert, Rowland and Grubic (HRG) to design storm sewer system projects and review drainage plans on the Borough's behalf.

In 2024, the Borough issued a Request for Proposals to renew our relationship with a storm water consulting engineering firm. The Borough selected Herbert, Rowland and Grubic (HRG) to review drainage plans on the Borough's behalf and selected GHD Engineering to design storm sewer system projects.



In 2025, the Borough will create new aerial photography through a contractor which will be used to refresh both our civil engineering maps, used for everything from design to storm water management, as well as our impervious surface survey, to measure impervious surfaces on all building lots.



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Motor Equipment (Motor Pool) Operation

The Motor Equipment Department maintains and repairs the Borough’s vehicle fleet, and provides affordable internal services to Chambersburg Borough departments. Further, it is the Motor Equipment Department's intention to provide these services in an efficient, economical, and safe work environment for Borough employees.

Department Head: Charles Nipe

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2025 Budget</u>
Revenue	\$5,385,719	\$5,024,936	\$5,266,420
Expenses	\$4,336,397	\$4,300,436	\$7,101,051
Excess (Deficit)	\$1,049,322 Surplus	\$724,500 Surplus	(\$1,834,631) Deficit

In many years, the fund collects excess revenue towards the replacement of motor equipment. In some years, it expends that excess from fund balance towards replacement motor equipment. That is what is planned for 2025.

Charles Nipe is assisted in management of the department by Arnold Barbour and Robert Howard.

The Motor Equipment fund holds excess equity in the form of cash on deposit, building towards the replacement purchase of future motor equipment. Therefore, in some years, deposits exceed withdrawals whereas in other years it is the opposite. In the net, the fund holds millions of dollars of assets (equipment) and deposits (cash) and therefore carries a significant fund balance. However, that fund balance is all designated to support specific vehicles and equipment.

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget
Equipment Purchases	\$742,180	\$323,665	\$1,824,725	\$1,306,036	\$1,013,181	\$3,428,000

As time has gone on, the cost of vehicles and apparatus has risen astronomically, thereby raising the rates of replacement, and charge-back to the departments that use the equipment.

Each piece of equipment has its own account in the Motor Equipment Fund. The Borough tracks maintenance, gas, repairs, insurance, and depreciation on each piece of equipment. When a department needs to replace that equipment, sufficient funds should be on deposit to make a cash purchase. Exceptions include accidents, where insurance helps, an unforeseen breakdown, which consumes equity and cause a vehicles account to go negative, or additions to the fleet. When a department wants to add to their fleet, they can borrow equity from existing vehicles in their fleet, but that loan needs to be repaid with additional vehicle rental payments.

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

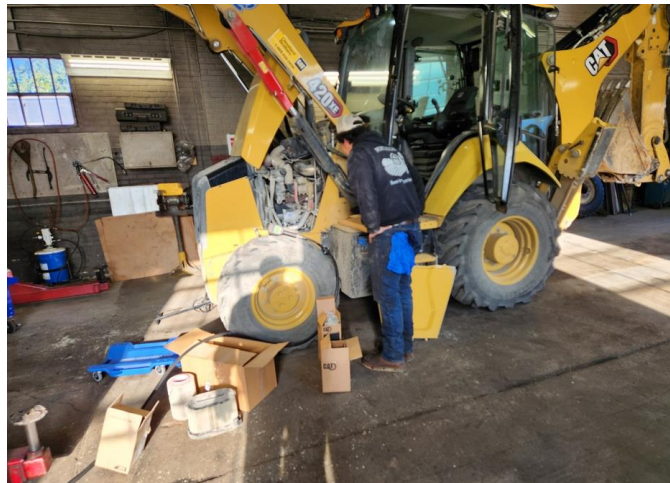
Ultimately, this motor pool accounting formula is a financially responsible method that would require significant capital investment to start today. We are fortunate that past Borough leadership established this replacement model.



*Cole Stull and Dirk Lautenslager
Borough Mechanics at Work*

The Chambersburg Motor Equipment Department has significant equity invested in all of the motorized equipment of the Borough including some very large and expensive pieces of equipment (i.e. fire apparatus, dump trucks, digger derricks, etc.). The management of these assets drives the fiscal performance of the department. In general, besides the mechanics who maintain the vehicles, it is a repository operation, consolidating assets for the utilities; and, covering their maintenance and fuel expenses. It is the motor pool.

The Borough does not use credit to buy vehicles. The Borough accumulates resources. In addition to maintaining and repairing the Borough's vehicle fleet, the Department is managed to make sure that funds are available to replace all Borough vehicles when it becomes necessary to do so.



Backhoe Maintenance

It is often surprising for outsiders and new employees to learn that no Borough Department actually owns the vehicles they use. For instance, the Police Department owns no patrol car; and the Fire Department doesn't own any ladder trucks. All Borough vehicles (with very few exceptions) are actually owned by the Motor Equipment Department.

Every two weeks during the course of the year, each Department pays the Motor Equipment Department a 'rental rate' for the use of the vehicles. This money is then used to pay for the operation and maintenance (i.e., gas and mechanical services) for each vehicle; the rest of it is then saved to purchase a new, replacement vehicle at some point in the future when the current vehicle wears out.



Loudon Street Public Works Facility

The amount of money that each Department must pay for each vehicle is determined using the Borough’s RENO formula:

$$X = ((R-E) / N) + O$$

Where R is the cost to replace a vehicle, E is the equity, or how much has been retained so far, N is the number of bi-weekly payments until the anticipated replacement date, and O is operation and maintenance (such as fuel) that is also paid for by the rental rate. Therefore, if a vehicle costs \$20,000 to replace, we have already saved \$10,000, there are 50 bi-weekly payments left until its projected replacement date, and it costs \$100 in fuel and maintenance to operate every two weeks, the formula looks like this:

$$\begin{aligned} X &= ((\$20,000-\$10,000) / 50) + \$100 \\ X &= (\$10,000/50) + \$100 \\ X &= \$200 + \$100 \\ X &= \$300 \end{aligned}$$

The department will have to set aside \$300 every two weeks if it wants to replace the vehicle on its expected replacement date.

In 2018, a new variable was added to the formula to account for overhead. Since vehicle rental rates provide the only income for the Motor Equipment Department, payments have to be made to the Department for overhead costs such as new tools, employee training, etc. This was calculated to be approximately 20%, so that the formula is now: $X = (((R-E)/N) + O) + (OH\% \times X)$, where $OH = 20\%$; so in the equation above, $X = \$360$.

The finances of the Motor Equipment Fund vary from year to year as revenues enter the account and funds are expended to purchase vehicles and equipment. Without evaluating the entire life cycle costs for all assets, it is difficult to judge the fund’s health. The Borough, with thorough annual reviews, evaluates each asset to ensure appropriate funding levels are maintained to support this rate model.

Beginning in 2021, the Motor Equipment Department began experiencing supply chain issues with the procurement of new vehicles and equipment. To address this issue, a new multiyear purchase program was adopted as part of the 2023 capital program. With the new program, vehicle and equipment expected delivery dates will be factored into the equation, thereby insuring they arrive in the year they are needed.



Highway Sign Truck



New Ambulance

Motorized Equipment Purchases

MOTOR EQUIPMENT

2025				
Department	Account No.	New Vehicle	Replace Vehicle	Est. Cost
Code Enforcement	81973	Ford Escape	Ford Escape (No. 84)	\$40,000
Code Enforcement	81973	2009 Chevy Colorado 4WD (No. 955) <small>Transfer from Gas Dept.</small>	2013 Ford Expedition (No. 8902)	\$2,000
Electric	81973	Freightliner Digger/Derrick	1998 Freightliner Digger/Derrick (No. 820)	\$370,000
Emergency Services	81973	Pierce Enforcer Pumper	2005 Pierce Enforcer Pumper (No. 578)	\$900,000
Engineering	81973	Ford F-150	2015 Ford Explorer (No. 550)	\$55,000
Gas	81973	Tandem Axle Dump Truck	1999 GMC Dump Truck (No. 303)	\$220,000
Gas	81973	Ford F-150	2009 Chevy Colorado 4WD (No. 955)	\$45,000
Highway	81973	JCB W110 Excavator	1997 Case Backhoe (No. 799)	\$275,000
Highway	81973	Tractor 75hp Loader and 4-Way Bucket	2000 John Deere Tractor with Mower (No. 1021)	\$85,000
Highway	81973	Tractor 75hp Loader and 4-Way Bucket	1990 John Deere Tractor with Mower (No. 1907)	\$85,000
Police	81973	Ford Explorer K9	2016 Ford Explorer Interceptor (No. 7403)	\$73,000
Police	81973	Ford Explorer Patrol	Additional Vehicle	\$68,000
Police	81973	Ford Explorer Patrol	2019 Ford Explorer Interceptor (No. 7406)	\$60,000
Police	81973	Ford Explorer Patrol	Additional Vehicle	\$60,000
Sanitation	81973	Street Sweeper	Additional Vehicle	\$330,000
Sanitation	81973	Freightliner Rear Load Refuse Truck	2003 Western Star Rear Load Refuse Truck (No. 367)	\$300,000
Sanitation	81973	Recycling Truck <small>(Downpayment to Order 2025 and Receive 2026)</small>	Additional Vehicle	\$10,000
Water/Sewer	81973	Freightliner Vac Truck	2018 Freightliner Vac Truck (No. 403)	\$450,000
				\$3,428,000

2026				
Department	Account No.	New Vehicle	Replace Vehicle	Est. Cost
Admin Services	81973	Ford Escape	2016 Ford Escape (No. 2016)	\$41,000
Admin Services	81973	Ford Escape	2016 Ford Escape (No. 2017)	\$41,000
Emergency Services	81973	Ford F150 Supercab	2021 Ford F150 Supercab (no. 7308)	\$77,900
Emergency Services	81973	Ford Explorer	2016 Ford Explorer (No. 7302)	\$51,250
Police	81973	Ford Explorer	2020 Ford Explorer (No. 7407)	\$61,500
Police	81973	Ford Explorer	2020 Ford Explorer (No. 7408)	\$61,500
Recreation	81973	Ford F250 Superduty Extended Cab 4WD	2013 Ford Superduty F-250 Truck (No. 7502)	\$48,700
Recreation	81973	John Deere 4x4 Gator	2015 John Deer 4x4 Gator (No. 554)	\$22,550
Recreation	81973	John Deere 4x4 Gator	2015 John Deer 4x4 Gator (No. 505)	\$20,500
Sanitation	81973	Recycling Truck (Possible 50% Grant)	Additional Vehicle	\$260,000
Sanitation	81973	Case Side Loader	1999 Case 1845C Unloader (No. 976)	\$123,000
Water/Sewer	81973	Ford Superduty Truck	2013 Ford Superduty Truck (No. 360)	\$51,250
Water/Sewer	81973	Freightliner Vac Truck	2018 Freightliner Vac Truck	\$450,000
Water/Sewer	81973	Case Wheel Loader	2005 Case 621D Wheel Loader (No. 404)	\$174,250
Water/Sewer	81973	2001 Mack Dump Truck (No. 111) Rebuild		\$50,000
				\$1,534,400

2027				
Department	Account No.	New Vehicle	Replace Vehicle	Est. Cost
Admin Services	81973	Ford Ranger Truck	2019 Ford Ranger Truck (No. 8807)	\$47,300
Admin Services	81973	Ford Transit Connect Van	2017 Ford Transit Connect Van (No. 8801)	\$42,025
Electric	81973	Backyard Digger Derrick	2005 Dueco Digger Derrick w/ Trailer (No. 500)	\$231,150
Electric	81973	Traffic Signal Bucket Truck	2016 Ford Traffic Signal Bucket Truck	\$147,100
Electric	81973	Ford F350 4WD Truck	2017 Ford F350 4WD Truck (No. 203)	\$57,800
Emergency Services	81973	Dodge Ram 4500 Ambulance	2020 Ford F550 Ambulance (No. 1-8)	\$405,550
Engineering	81973	Chevy Express Cargo Van	2007 Chevy Express Cargo Van (No. 7)	\$57,800
Engineering	81973	Ford F-150 w/ Cap	2017 Ford F-150 w/ Cap (No. 8301)	\$57,800
Police	81973	Ford Explorer	2022 Ford Explorer (No. 7411)	\$63,050
Police	81973	Ford Explorer	2016 Ford Explorer (No. 7401)	\$57,800
Sanitation	81973	Freightliner Side Load Commercial Refuse Truck	2017 Freightliner Side Load Commercial Refuse Truck (No. 603)	\$252,150
Sanitation	81973	Freightliner Side Load Commercial Refuse Truck	2017 Freightliner Side Load Commercial Refuse Truck (No. 604)	\$252,150
Water/Sewer	81973	Caterpillar Backhoe	2014 Caterpillar Backhoe (No. 479)	\$157,600
				\$1,829,275

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Chapter 6 – Frequently Asked Questions

1. Why does the Borough of Chambersburg keep raising taxes?

In 12 of the last 18 budget years, Town Council approved no real estate or Act 511 tax increase. Chambersburg rarely raises real estate taxes and generally only for Police Department and Fire Department needs. The Borough of Chambersburg did not raise real estate taxes between 2007 and 2013; then, the Council was very conservative with minor increases in 2014, 2016, 2018, 2022, 2023, and 2025. In recent history, in most years Chambersburg has not raised the real estate tax rate. Furthermore, there is a constant theme in our finances: real estate tax increases were rare and only dedicated to funding police and fire services.

No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire. The Recreation Bond Tax does not pay to support the Recreation Department operations. The Police Station Bond Tax does not pay to support the Police Department. The new Public Works Campus Bond Tax does not pay to support the Public Works Department.

2. Why do I pay so much in taxes?

In 2025, the Borough will only collect a small portion of all the taxes you pay. Most of your taxes do not go to the Borough. In fact, most of your taxes go to support other government agencies despite the fact that the Borough supplies most of your services if you live inside the Borough.

3. The Borough has so many employees, so many trucks, is that where my tax money goes?

Almost all employees of the Borough, and most of the equipment of the Borough, is owned and operated by our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer and Sanitation Departments) and our utility support departments (engineering, motor equipment, administrative services, which includes information technology, finance, clerical, maintenance of buildings, and human resources). Your taxes do not support any utility operations, workers, equipment, or the support departments. Further, as the budget document reveals, the Borough's utility rates are very reasonable. Therefore, no, this is not where your tax money goes.

4. Why if I live in the township do I pay taxes to the Borough?

Unless you own property inside the Borough, or have a job inside the Borough, you pay no Borough taxes. Further, if you just have a job in the Borough, you pay only \$1 per week to the Borough and nothing else. In fact, almost no township residents contribute any tax money to the Borough. For example, the Sales Tax collected at stores inside the Borough all goes to support the State, not the Borough. Finally, the Borough has no relationship with Chambersburg Area School District taxes or Franklin County taxes.

5. Why does the Chambersburg Area School District have such high taxes?

The independently elected School Board and not the Borough sets the budget and tax rates for the Chambersburg Area School District. The Borough has no say in these issues.

6. Why does Franklin County have such high taxes?

The independently elected County Commissioners and not the Borough sets the budget and tax rates for Franklin County. The Borough has no say in these issues.

7. Where do my taxes go?

Until 2014, 100% of the real estate taxes collected by the Borough of Chambersburg were used exclusively to support the Chambersburg Police Department. In 2014, a small share was added to support the Chambersburg Fire Department. The Borough used all the real estate taxes collected within the Borough

exclusively and to support the Police Department and the operations of the Chambersburg Fire Department; none of this revenue is used to support any other department or operation. As of 2025, we will still only use real estate taxes to support Police and Fire; and, the debt services associated with the pool and other park improvements from 2016, the 2022 Police Station construction, and the upcoming 2026-2027 Public Works Campus construction. As for traffic, street paving, code enforcement, parks, or any other employees and projects, or any other operation or utility of the Borough other than public safety, no real estate taxes are used. This was true in previous budgets as well.

Chambersburg does receive income beyond the property tax. Ancillary miscellaneous tax revenue available to the Borough of Chambersburg amounts to: a wage tax set to a State mandated maximum rate; a local services tax (worker tax), which is set to a State mandated maximum rate; and a deed transfer tax (for real estate transactions), which is also set to a State mandated maximum rate. These so-called Act 511 taxes are important, but cannot be adjusted year-to-year based on need or economic realities. Therefore, they are minor, appreciated, and set by the State since 1965. Together, along with fees and fines, these categories make up the only revenues.

Fortunately, the Electric Utility and the Natural Gas Utility make a Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth; as such, they are tax exempt. So instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway maintenance, and recreation) activities.

Finally, the other revenue received by the General Fund is grants. In most years, most towns receive very little grant money, although we fight for a fair share. Chambersburg is uniquely successful at getting grants. However, grants cost a lot of money to administer, track, and report. So much of their dollar value is diminished by these administrative costs. Further, most require a cash (not services) contribution or match from the Borough to contribute to whatever they are funding. Finally, grants provide funds to build things and almost never to run things. You may get a grant to build a thing. However, rarely do grants pay the day-to-day operations of anything required after you build the thing paid for by the grant.

As usual, in 2025, the Borough is lucky to receive some Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels). In addition, to keep up with all highway maintenance on Borough streets money left over from the previous fiscal year is used. Street repair is extremely expensive and Highway Aid is very small in proportion.

8. Doesn't the Borough get a lot of money for all the new businesses near Norland Avenue?

The Borough utilities sell a considerable amount of utility services in this new neighborhood or as a result of any new development, increasing the size of the Borough's independent utility accounts. However, new developments generate very little additional taxes to support the Borough. Most of the revenue they create is in the form of Sales Tax and in Pennsylvania, local municipalities receive no Sales Tax share. Further, the sale of alcohol generally provides almost zero income to the host municipality. The developments are very good for our community and create lower unemployment, but they do not generate income proportional to the responsibilities they create for police, fire, and traffic.

9. Doesn't the Borough get a lot of money from all the development and businesses in the townships?

No, the Borough utilities sell some utility services in the township either directly to customers or through township authorities. However, just as with individual taxpayers, businesses and industry in the townships pay no taxes to support the Borough of Chambersburg, or Police Department, Fire Department, or EMS services. No financial benefit from any development outside the borough limits aid the Borough of Chambersburg other than some utility sales in some cases.

10. Doesn't every property owner contribute real estate taxes for police and fire?

No, many types of properties are exempt under State law from paying real estate taxes. Those exempted properties include schools, colleges, churches, charities, and other government agencies. Therefore, while

these property owners add to the economic vitality of our community, they do not necessarily contribute any money to support police or fire services. However, some of these agencies (Chambersburg Hospital is a good example) make a voluntary contribution in support of the Borough's public safety services regardless of their tax-exempt status. We encourage all tax-exempt property owners to donate to the police and fire services every year through a letter writing campaign each spring.

11. Why can't you bill people directly for police and fire instead of using real estate taxes?

State law prohibits the levy of taxes as a fee on persons (called per capita taxes). Instead, the law allows us only to use property as the sole means to determine how much tax to collect. Therefore, if you rent your property, your property owner will pay the real estate tax, and it will be reflected in the rent you pay. There is no other system allowed. The Ambulance Club is not a tax; rather, it is more like a gift to support the Ambulance service. The annual Ambulance Club is optional, although it is recommended.

Beginning in 2020, Council created a "per month per water utility invoice ready-to-serve Ambulance Fee" to support the Ambulance services. Nothing under the law prevents a fee in support of the Ambulance service but the Borough cannot collect a fee for general Fire Department operations. Further, this is a Borough operation utilizing Borough employees and Borough equipment. This may feel like a tax but it is a required fee. If it were a tax, it could not be associated with water service and many customers would be exempt. That is the meaning of fees in Pennsylvania. However, a very important court case is examining that definition right now. The Borough of Chambersburg is watching that court case carefully.

The Borough Fire Department does invoice insurance companies for auto and home damages after an event. However, they will never bill the car-owner or the homeowner if the insurance does not reimburse them for firefighting expenses.

12. If Borough non-exempt real estate owners pay for the police and fire, why do they respond to police and fire calls in the townships?

State law requires that emergency services respond to all dispatches for health and safety. The Borough's emergency services will always support our township neighbors regardless of money issues. We also enjoy the support of the various volunteer fire companies from the townships and the Pennsylvania State Police. Mutual aid is a very important principle in public safety.

13. How can the Borough afford police officers and fire fighters when the money to pay for them can only come from such a small group of taxpayers?

We agree that the system is broken. We can envision nothing but painful tax increases in the future to pay for growing police and fire expenses. Something must change in the next few years.

14. Why don't most of the townships have local real estate taxes?

The local townships do not have police departments. They rely on the Pennsylvania State Police. They do not have township-employee fire departments. They rely on the generosity of volunteer firefighters. All of the Borough's local real estate taxes go for these functions. Moreover, while some wish the Borough did not have paid police and fire departments, unfortunately, we cannot go back.

15. Can the Borough get rid of our Police Department or our paid Fire Department?

No, it is not practical or legal at this point. Further, Council agreed to add additional paid firefighters in the last labor agreement. The truth is we would be skeptical to rely exclusively on the shrinking ranks of volunteers alone. Further, we are worried that the Pennsylvania State Police or the dwindling firefighters in the townships will not be sufficient to protect the townships alone. Not to mention, there are insufficient volunteers for our Borough alone. The best new system would be a regional system of Borough paid firefighters, Borough police officers, and regional township volunteers all working in one

organization; one regional effort. We support the growth of our police and fire departments and providing *our* services expanded into the townships; one Chambersburg “area” force.

For many years, the Borough has requested that the townships take the first step and consider allowing the Chambersburg Fire Department to do fire safety code inspections at commercial businesses in the townships. This new service would have been a precursor of our future cooperation. So far, there has been no public support for this first important step, despite the fact that no one is doing fire safety inspections outside the Borough at this point.; and, that is really dangerous. Perhaps we need to recognize that Chambersburg is more than a neighbor to the townships but rather a place township residents and businesses can pay for emergency services.

16. What is the Franklin Fire Company? Are they a township fire company?

No, the Franklin Fire Company is Station 4 of the Borough of Chambersburg. It is our best-staffed and best-equipped volunteer fire company. By agreement, we have encouraged the Franklin Fire Company to provide fire services both inside the Borough and in the townships. All the Borough contributes to their operation is some fuel and lots of goodwill.

17. If the Borough has a Police Tax and a Fire Tax, what pays for streets?

We use the miscellaneous taxes and revenue of the Borough (such as Earned Income Tax and Deed Transfer Tax) to pay for the Highway Department operations and the Recreation Department operations. The Sanitation Utility is a separate utility (not unlike the Electric, Gas, Water, or Wastewater utilities) and they keep the streets clean, free of leaves, and well swept. The Chambersburg Aquatic Center is run like a separate business. Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels) funds highway paving projects. Our grant only pays for street construction made to Borough-owned streets. Keeping up with all highway maintenance on Borough streets without a dedicated funding source is very challenging. Finally, generally, fees support the Land Use & Community Development programs. The truth is we have very little revenue, very few opportunities to increase revenue, and many general government responsibilities.

18. Why are Borough streets in such bad shape?

First, it is important to recognize that the Borough does not own or maintain many of the streets inside the Borough. The Pennsylvania Department of Transportation (PennDOT) maintains most of the major streets such as Main Street, Memorial Square, Lincoln Highway, Second Street, Loudon Street, Wayne Avenue, Scotland Avenue, Philadelphia Avenue, and many others. Of course, if the Borough utility operations cut a State-owned street, then PennDOT makes the utility fix the street. However, when others cut the street, PennDOT and the Borough both watch to make sure contractors repair their cuts. The Borough owns most of the side streets and many of the alleys. When the Borough plans to pave a street, the Borough utilities start fixing pipes under those particular streets about two-years before. With so many old streets, the Borough, and contractors, fix many pipes at any one time. On most streets, and in most situations, whoever makes the cut pays the Borough for the installation of a temporary patch in advance of either a permanent patch or an upcoming street paving. Therefore, that temporary patch might be there for a year or two in the case of street paving. What you think of as a badly paved street might be a street undergoing a multi-year repair. If you see bumpy, uneven patches on streets, it is likely still undergoing multiyear repairs. That is not a fixed street, but rather a temporarily patched street awaiting a permanent fix.

For example, in 2023 and 2024, utilities replaced all the pipes under S. Fourth Street between Wayne Avenue and Stanley Avenue. In 2024, we received six complaints that the street needed to be paved. Of course it did. We had just finish 18-months of replacing underground infrastructure. For months the street was bumpy and uneven. Then, in the fall of 2024, a new surface covered all the scars of the repairs. That was always the plan. So if you see a really bumpy or uneven road, ask yourself if the Borough is in the process of fixing the street and the infrastructure. That might be the case.

The Borough does not pay to fix State-owned streets, County-owned bridges, private streets, or township roads. Finally, the Borough has let many alleys degrade. We now have some resources to pave alleys despite years of neglect. It is a never-ending battle to keep up with street maintenance with no dedicated funding source.

In a normal year, we try to spend between \$1 million and \$2 million on paving side streets. Unbelievably, that is not much money and does not take care of many of our over 60 miles of public streets. In the 2025 Budget, the Borough will spend almost \$1.6 million in street paving and patching and over \$205,000 in alley fixes.

19. Why won't you pave my street?

We pave streets in the Borough every year. Again, in 2025 we will pave 8 blocks of side streets. We spend about a year or two fixing pipes and then we top it off with a new layer of pavement. In addition, developers build streets as they build adjacent projects. Finally, if a utility department digs up a street not a part of the paving program, they must fix it. The Borough has no dedicated funding source beyond the Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels) to pave your Borough-owned street. One suggestion is that the Borough invoice adjacent property owners to pay for their share of street paving; at least for alley work; as done for curbs and sidewalks. The biggest complaint against that idea is that most folks feel their taxes should pay for street paving. However, as the budget details, taxes paid now do not cover any of the cost of paving streets or alleys. In 2025, the Sanitation Utility and the Storm Sewer Utility will contribute \$205,000 towards alley patching associated with wear and tear from trash trucks or stormwater conveyance. This is enough to patch three or four alleys per year.

20. Why does it take so many employees to work on construction or street projects?

Often seen, for many reasons including safety and the handling of large construction equipment, the Borough utility and highway workers congregate in large numbers. However, the Borough Highway Department only has seven (7) full time employees, so you are probably seeing contractors who won competitive low bids for projects, rather than employees. We do not pay them by the employee or by the hour. We pay contractors by the project, and therefore the incentive is to do as much work as fast as possible to do a project; that usually means they bring many employees.

21. Why will township residents pay more for using the Chambersburg Aquatic Center or other Recreation Department programs?

Up until 2009, the Chambersburg Area School District contributed to the cost of operating the Borough Recreation Department. The school tax money comes from both Borough and township residents. According to a 2009 agreement, the district stopped supporting our programs in exchange for a grant, which ended in 2014. Therefore, township residents, who are residents of the Chambersburg Area School District, are no longer contributing to support the Borough Recreation Department operation. As such and only being fair, township residents pay a little more than do Borough residents. It is not permissible to deny access to our recreation programs based upon residency. However, there is no prohibition on having a two-tier fee system. If the townships' boards wanted to contribute directly to the Recreation Department with a cash subsidy, their residents could enjoy the lower tier rates.

The Aquatic Center, all the Borough-owned tennis courts, and playgrounds, and the Recreation Center roof, were replaced using money from the 2016 Recreation Bond, which is like a mortgage. The Recreation Bond Tax pays for the mortgage on the facilities, but not their operation.

Continuing in 2025, the Borough's Aquatic Center will have three separate rates for Borough residents, County/Shippensburg residents, and non-Borough residents. Borough taxes do not go to support the operation of the Aquatic Center. It costs over a million dollars per year to run the Aquatic Center. Finally, property owners pay no taxes towards the operation of the Aquatic Center or any Recreation Department program. Fees must cover the program costs, not real estate taxes.

This is why residents get a discount on Recreation Department activity fees.

22. Why do fees go up every year?

The cost of just about everything goes up every year. However, it is not permissible for the Town Council to make any profit on any fee for any service; and, all fees are adopted at a public meeting. Covering actual costs are the best we can do under the law.

23. Why do Borough employees get such good wages and benefits; can't they be reduced?

No, most Borough employees are represented by collective bargaining unions and those unions have negotiated labor agreements with Town Council or (in the case of the uniform employees of the police and fire service) could have had those labor agreements imposed on the Borough. The Town Council cannot unilaterally change the terms and conditions of employment. Nor can Town Council necessarily lay off employees. Certainly, we think we have great employees, and in a lot of cases, their compensation is in proportion to what municipal workers across the Commonwealth are paid. Regardless, there is no reason to blame the employees themselves, who are generally good workers, and our friends, and neighbors. Most of the employees are also customers of the Borough, and they pay for utilities and programs just like everyone else.

24. With limitations on the Police Tax and the Fire Tax, how can you afford projects like the new Public Works Campus on Wayne Avenue?

Chambersburg real estate taxes remain earmarked only for police and fire operations. Real estate taxes are not the source of funding for any other department or employee. In fact, the three bond taxes now levied effective with this budget:

- Recreation Bond Tax, specifically for paying off the 2016 Recreation Bond (bonds refinanced in 2021), a bond to pay for the construction (but not operation) of the Aquatic Center, renovations to all Borough playgrounds in 2018, and all Borough tennis courts in 2018;
- Police Station Bond Tax, specifically for paying off the 2022 Police Station Bond(s), for the renovation and expansion of the Borough Police Station on S. Second Street, but no police operations; and
- A new Public Works Campus Bond Tax, a new tax specifically for paying off the 2025-2026 construction of about 24% of the cost of the new Public Works Campus.

These three bond taxes are similar to mortgages. Therefore, one can reliably say, "No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire." It is important to acknowledge that real estate taxes are not used in support of most departments, operations, or employees; not parks or street maintenance or the Borough administration, are paid for using real estate taxes. The only use of these taxes are police and fire, and to pay off the 2016 Recreation Bond, the 2022 Police Station Bond, and the new 2025-2026 Public Works Campus Bond. This has always been our financial plan for the Borough's use of taxes.

This project, just like the previous Recreation Capital Improvements Projects and the Police Station Renovation and Expansion Project will be funded in part by a dedicated real estate tax. Unlike those other projects, the dedicated real estate tax will not pay all of the cost of the debt issuances. In fact, the tax levied is calculated to only cover approximately 24% of the annual cost of the debt. This is because 76% of the cost of the Public Works Campus project is being funded by the various Borough utility operations. Only that portion of the cost attributable to General Fund or governmental operations (i.e., police, fire, EMS, highway, recreation, community development, etc.) is being paid for by the dedicated real estate tax. The balance is being paid for by interfund transfers from the various utilities.

The Public Works Campus is a very important project for the future of our community. It might not be exciting, but it is desperately needed to replace the aging facility on Loudon Street.

25. How can the Borough afford so many cars and trucks?

Borough vehicles are paid for in a unique system. The Motor Equipment Fund buys the vehicles (everything from dump trucks to police cars to fire engines) and rents them to the departments. The rental fees cover gas, insurance, maintenance, and depreciation. The Motor Equipment Fund holds the depreciation and when the vehicle needs to be replaced, if calculated correctly, there should be sufficient cash-on-deposit to buy a replacement vehicle. This has been working well for generations. The Borough is able to save millions of dollars by not borrowing or leasing any vehicles through this unique motor pool system.

26. Why can you not just take utility money and pay for police officers and firefighters?

The Borough cannot wholesale move funds from utilities, kept in separate accounts, to the General Fund to pay for fire, police or parks. Nor would this be fair to utility customers. In addition, the Electric Utility and the Gas Utility already make a Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth. However, as such, they are tax exempt, so instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway, and recreation) activities. State law does not allow the Wastewater Utility to make similar payments. We could ask the Water Utility to pay taxes but we have not done so in many years.

27. How can the Borough buy the Southgate Shopping Center without affecting taxes?

The project's goal is to create a new sustainable neighborhood that promotes a mixture of uses to include housing, recreation, employment, retail and business services into the neighborhood adjacent to downtown and to therefore increase utility sales from this neighborhood. On April 7, 2022, the Chambersburg Area Municipal Authority (CAMA) purchased Phase 1 of the Shopping Center. On August 24, 2022, the Chambersburg Area Municipal Authority (CAMA) reached an agreement to sell the former Gold's Gym building at the Southgate Shopping Center to Keystone Health. On October 13, 2022, the Chambersburg Area Municipal Authority (CAMA) purchased Phase 2, or the balance of the shopping center. No local taxpayer money is involved in this plan as the American Rescue Plan Act provided a \$7,763,037 non-competitive, federal formula grant from the U.S. Treasury Department to the Borough to help the community respond and recover from the COVID-19 pandemic. Of that amount, Town Council allocated \$4,151,857 to purchase the Southgate Shopping Center. When the parts of the shopping center are resold, Council can reuse the resulting proceeds from the sale for other investments. In the meantime, store rents more than cover interim operations until the shopping center is resold by CAMA. No local tax money is being used for the Southgate project.

In 2023, the Borough received a grant from the US Army Corps of Engineers to replace underground utilities in the amount of \$3.3 million with a match of \$1.3 million from the Borough in storm sewer fees.

In 2024, the Borough received two more grants to replace Water Street with a new linear park. Also, construction on the Keystone Health Community Healthcare Facility has progressed well. That is the new anchor to the redeveloped neighborhood.

The Town Council goal for the redevelopment is to sell more utilities, improve the downtown area, and open new and expanded public spaces and recreational amenities to the community.

28. Are there assets the Borough can sell, such as parks, to avoid tax increases?

No, in general, there is a prohibition on the sale of most Borough assets. For example, our parkland is usually deed restricted to remain as public parks. Further, most of the assets are owned and operated by our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer, and Sanitation utilities) or our utility support departments (engineering, motor equipment, administrative services, which includes

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

information technology, finance, and personnel); so, their sale would not help the General Fund anyway, or pay for police or fire expenses.

29. Can we raise a different tax, such as a sales tax or a hotel tax?

No, in general, the Commonwealth of Pennsylvania does not allow us the right to raise any other type of taxes. In 2014, the Town Council requested that the General Assembly allow Franklin County to raise the county hotel tax and share proceeds with Chambersburg for the Police Department. The State failed to approve the proposal. In addition, sales tax, liquor taxes, business taxes, and other local taxes are not an option under State law. For example, in 2015, the State proposed an increase in the hotel taxes across the State, for tourism only, with a prohibition on using them by any local town for anything else such as police expenses, as Chambersburg had suggested the year before.

30. Can we buy fewer trucks, do less construction, or lower the number of employees?

No, in general, the Motor Equipment Fund owns all Borough vehicles and rents them to the utilities, not the General Fund. The only vehicles rented by the General Fund are police vehicles, fire vehicles, and recreation equipment. Your taxes do not pay for vehicles for the utilities. Your taxes go only to support the Police Department equipment and vehicles and to provide fire and EMS equipment and vehicles for the Fire Department. Almost all the construction projects of the Borough, other than street paving projects (and some of those too) are completed by our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer and Sanitation utilities); or, our utility support departments (engineering, motor equipment, administrative services, which includes information technology, finance and personnel). Therefore, really, when it comes down to the budget gap, it is a police, fire, recreation or street paving issue.

31. What is the long-term answer, other than taxes, to pay for these functions?

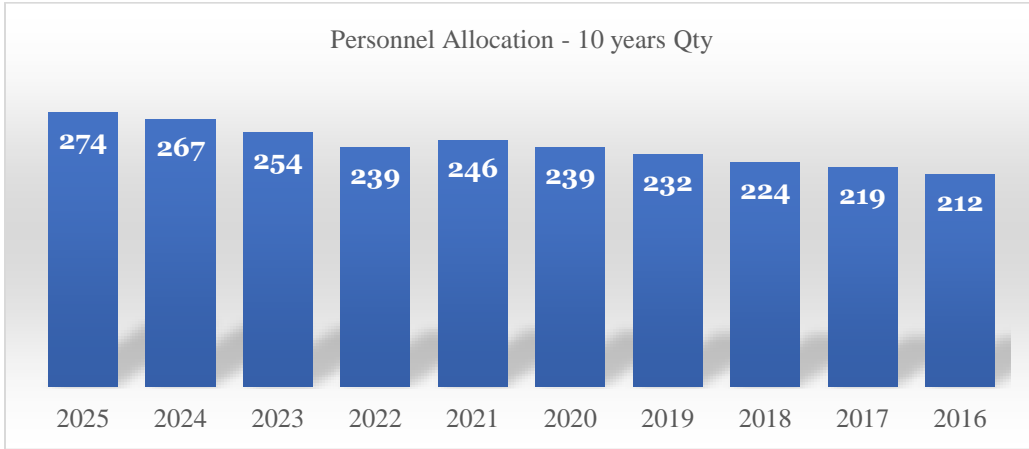
There is currently no answer in Chambersburg or any other municipality that has police or paid fire services. Every municipality in Pennsylvania with police or paid fire services is in the same or much worse situation. If Chambersburg did not have our utility departments (Electric, Gas, Water, Wastewater, Storm Sewer, and Sanitation utilities) or our utility support departments (engineering, motor equipment, administrative services, which includes information technology, finance, and personnel); Chambersburg would be destitute.

Just remember, we are lucky to have strong, well operating, local utilities, which are paying Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth instead.

Tax Equivalent of Electric and Gas Utility PILOT Payments

<u>The Value of the Electric & Gas PILOT Payments</u>	<u>2025</u>	<u>Property Tax Equivalent</u>
Electric Department Payment in Lieu of Gross Receipts Tax	\$2,033,000	9.39 mils
Gas Department Payment in Lieu of Gross Receipts Tax	\$910,000	4.20 mils
Subtotal	\$2,943,000	13.59 mils*
Percent of General Fund Budget Supported by PILOT Payments (2025)	14.32%	
How much more would the avg. single family house pay without PILOT	\$238.89	More per year in taxes
*State law limits tax levy to 3 more additional mils so this is impossible		

Chapter 7 – Personnel Review & Changes

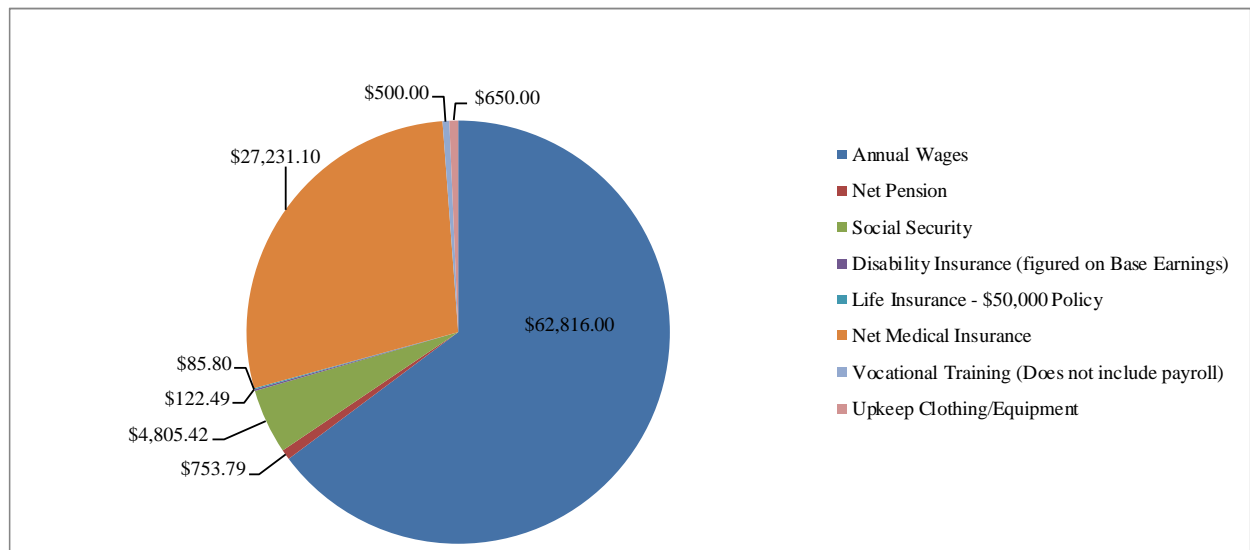


<u>Function/Program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>General Government</u>										
Administration	2	2	2	3	3	3	3	2	2	2
Clerical	15	17	16	15	15	15	13	13	13	14
Code Enforcement	5	5	5	4	4	4	2	2	1	1
Community Development	1	1	1	1	1	1	1	1	1	1
Engineering	7	8	5	5	5	5	5	5	5	5
Finance /Parking	27	26	27	24	27	25	24	23	23	22
Information Technology	9	9	8	7	7	6	6	5	5	5
Personnel	6	7	5	5	5	4	4	4	4	3
Planning/Zoning	0	0	0	0	0	0	0	1	1	1
Public Information	0	0	0	0	0	0	0	0	0	0
<u>Public Works</u>										
Administration	5	6	5	4	4	4	4	3	3	3
Central Garage (Motor Equip.)	4	4	4	4	4	4	4	4	4	4
Labor/Maintenance (Highways)	6	5	5	5	6	6	6	6	6	6
Sanitation	15	14	14	15	14	14	13	11	10	10
<u>Recreation</u>										
Administration	2	2	1	2	2	2	2	2	2	2
Labor/Maintenance	7	6	7	6	6	6	6	6	3	3
Pool	0	0	0	0	0	0	0	0	0	0
Seasonal	0	0	0	0	0	0	0	0	0	0
Tennis	0	0	0	0	0	0	0	0	0	0
<u>Public Safety</u>										
Fire Administration	2	2	2	2	2	2	2	2	2	2
Fire Personnel	27	27	28	26	25	25	25	25	24	21
Police Administration	2	2	1	1	1	1	1	1	1	1
Police Personnel	37	34	35	34	34	34	34	35	35	35
911	0	0	0	0	0	0	0	0	0	0
<u>Utilities</u>										
Administration	7	7	8	6	6	6	6	6	6	6
Electric Distribution	12	12	12	10	12	12	12	9	9	9
Electric Plant Generation	13	13	13	12	12	12	12	12	12	12
Electric System Maintenance	0	0	0	0	1	1	1	1	1	1
Gas Distribution	14	10	8	8	8	8	8	8	8	8
Stores/Warehouse/Call Center	7	9	6	6	6	6	6	6	6	6
Water Distribution	2	2	3	2	2	2	2	2	2	2
Water Treatment Plant	9	8	8	9	9	9	8	8	7	7
Sewer Collection/Conveyance	10	10	7	6	7	7	7	6	7	6
Sewer Treatment Plant	16	14	13	12	14	12	12	12	13	11
Traffic Signal/Street Lights	3	3	3	3	3	2	2	2	2	2
Storm Water Department	2	2	2	2	1	1	1	1	1	1
<u>TOTAL</u>	274	267	254	239	246	239	232	224	219	212

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Average AFSCME Employee

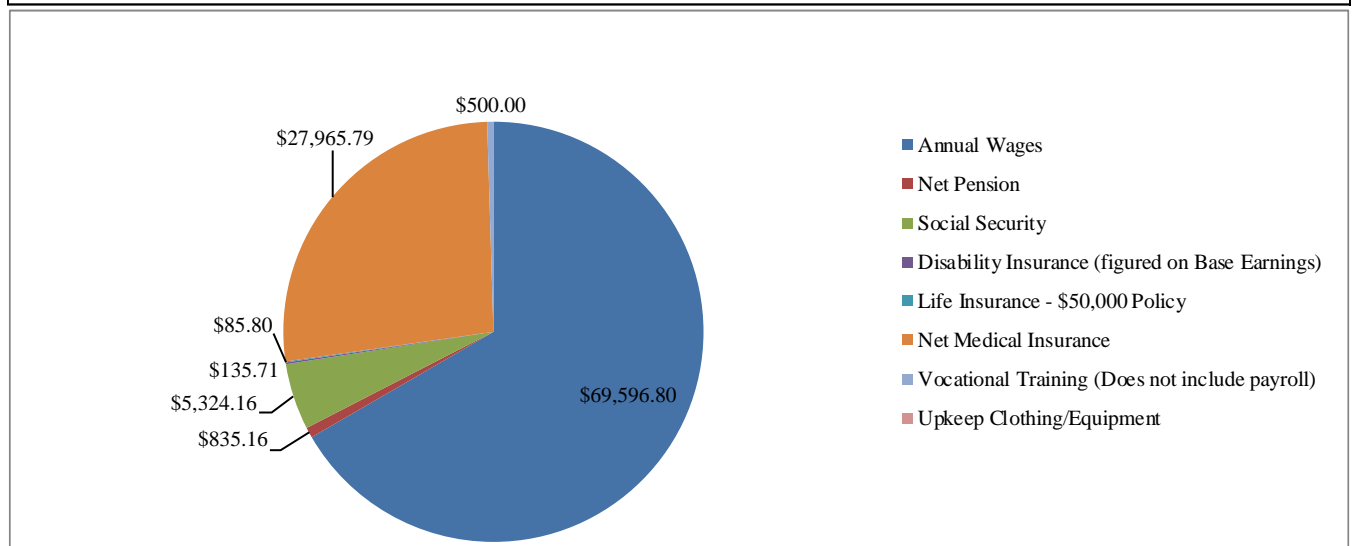
AVERAGE AFSCME EMPLOYEE 2025			
	<i>Estimate</i>		
Pay Rate	\$30.20		
Annual Wages	2080	\$	62,816.00
<u>Benefits</u>			
Pension (from Actuarial Valuation)	7.20%	\$	4,522.75
Employee Pension Contribution	6.00%	\$	(3,768.96)
Net Pension		\$	753.79
Social Security	7.65%	\$	4,805.42
Disability Insurance (figured on Base Earnings)	0.00195	\$	122.49
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months = \$85.80	\$	85.80
Medical Insurance	11.7% Increase	\$	26,025.61
Medical Insurance Contribution		\$	(1,698.36)
HRA		\$	2,903.85
Net Medical Insurance		\$	27,231.10
Vocational Training (Does not include payroll)		\$	500.00
Upkeep Clothing/Equipment		\$	650.00
Total Benefits		\$	34,148.61
Total Earnings and Benefits		\$	96,964.61



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Average Clerical/Technical Employee

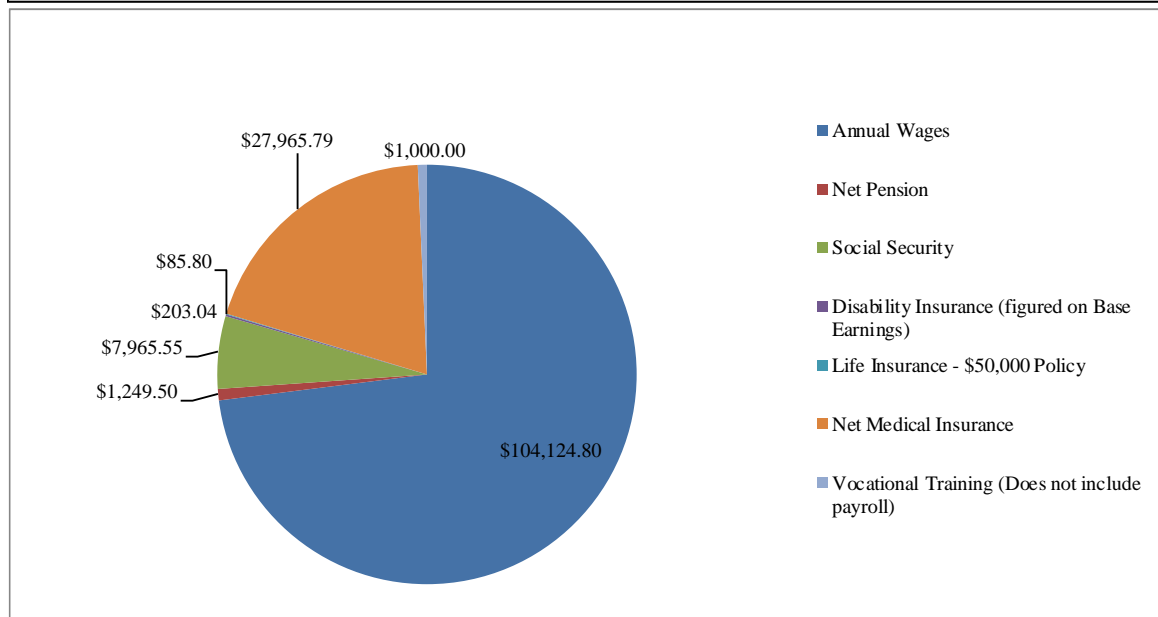
AVERAGE CLERICAL/TECHNICAL EMPLOYEE 2025		
	<i>Estimate</i>	
Pay Rate	\$33.46	
Annual Wages	2080	\$ 69,596.80
Benefits		
Pension (from Actuarial Valuation)	7.20%	\$ 5,010.97
Employee Pension Contribution	6.00%	\$ (4,175.81)
Net Pension		\$ 835.16
Social Security	7.65%	\$ 5,324.16
Disability Insurance (figured on Base Earnings)	0.00195	\$ 135.71
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months = \$85.80	\$ 85.80
Medical Insurance	11.7% Increase	\$ 26,014.08
Medical Insurance Contribution		\$ (1,707.36)
HRA		\$ 2,846.15
Dental Insurance	8% Increase	\$ 812.92
Net Medical Insurance		\$ 27,965.79
Vocational Training (Does not include payroll)		\$ 500.00
Upkeep Clothing/Equipment		0
Total Benefits		\$ 34,846.62
Total Earnings and Benefits		\$104,443.42



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

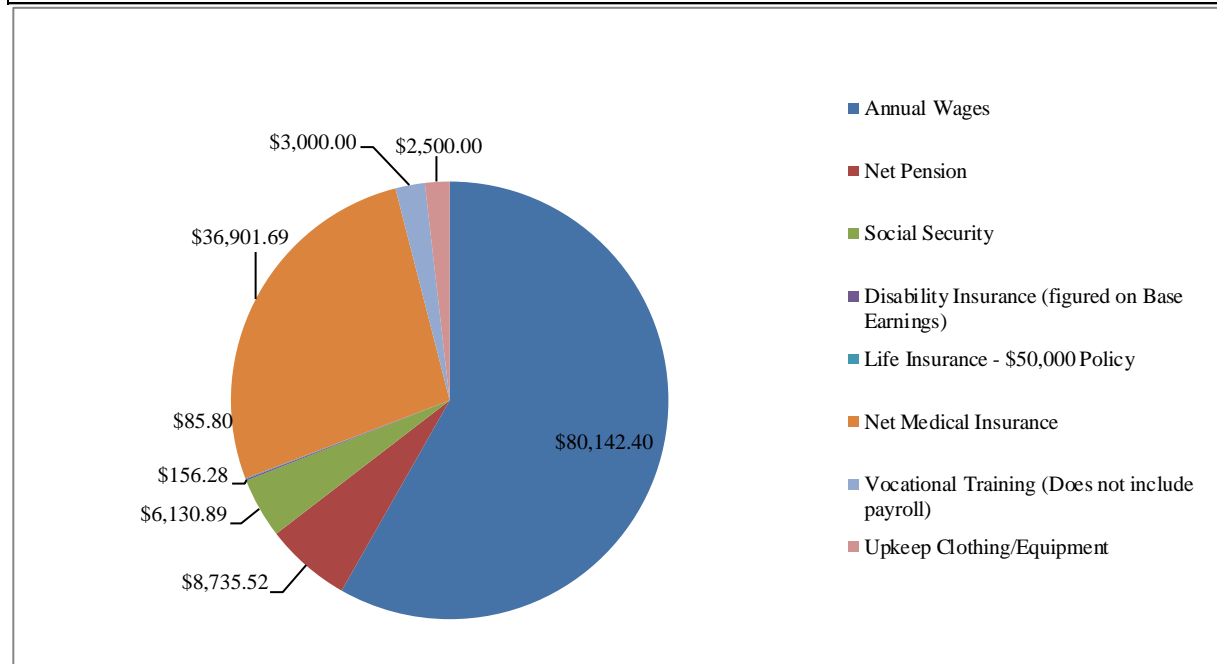
Average Supervisory/Administrative Employee

AVERAGE SUPERVISORY/ADMINISTRATIVE EMPLOYEE 2025		
	<i>Estimate</i>	
Pay Rate	\$50.06	
Annual Wages	2080	\$ 104,124.80
<u>Benefits</u>		
Pension (from Actuarial Valuation)	7.20%	\$ 7,496.99
Employee Pension Contribution	6.00%	\$ (6,247.49)
Net Pension		\$ 1,249.50
Social Security	7.65%	\$ 7,965.55
Disability Insurance (figured on Base Earnings)	0.00195	\$ 203.04
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months = \$85.80	\$ 85.80
Medical Insurance	11.7% Increase	\$ 26,014.08
Medical Insurance Contribution		\$ (1,707.36)
HRA		\$ 2,846.15
Dental Insurance	8% Increase	\$ 812.92
Net Medical Insurance		\$ 27,965.79
Vocational Training (Does not include payroll)		\$ 1,000.00
Total Benefits		\$ 38,469.68
Total Earnings and Benefits		\$ 142,594.48



Average Police Uniformed Employee

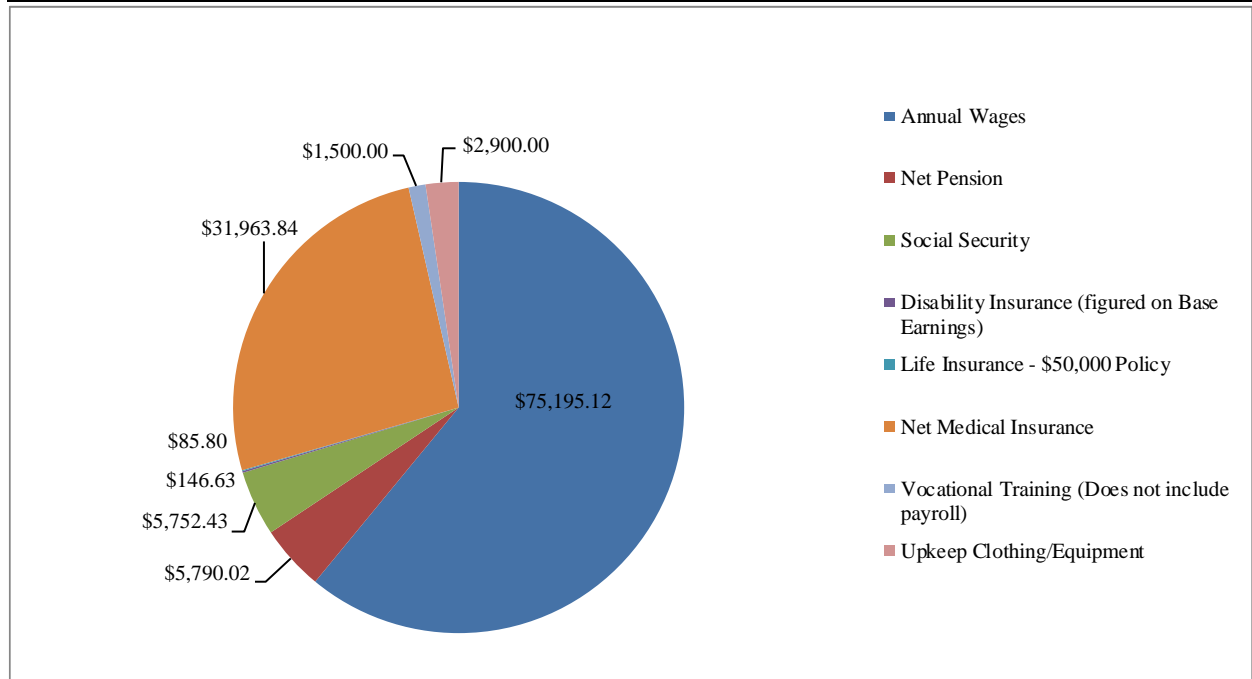
AVERAGE POLICE EMPLOYEE 2025		
	<i>Estimate</i>	
Pay Rate	\$38.53	
Annual Wages	2080	\$ 80,142.40
<u>Benefits</u>		
Pension (from Actuarial Valuation)	15.40%	\$ 12,341.93
Employee Pension Contribution	4.50%	\$ (3,606.41)
Net Pension		\$ 8,735.52
Social Security	7.65%	\$ 6,130.89
Disability Insurance (figured on Base Earnings)	0.00195	\$ 156.28
Life Insurance - \$50,000 Policy	$.000143 * 50,000 = \$7.15 * 12 \text{ Months} = \85.80	\$ 85.80
Medical Insurance	11.7% Increase	\$ 38,566.66
Dental Insurance	8% Increase	\$ 868.71
Medical Insurance Contribution		\$ (2,533.68)
Net Medical Insurance		\$ 36,901.69
Vocational Training (Does not include payroll)		\$ 3,000.00
Upkeep Clothing/Equipment		\$ 2,500.00
Total Benefits		\$ 57,510.18
Total Earnings and Benefits		\$ 137,652.58



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Average Fire Department Uniformed Employee

AVERAGE FIRE EMPLOYEE 2025			
	<i>Estimate</i>		
Pay Rate	\$34.43		
Annual Wages	2184	\$	75,195.12
<u>Benefits</u>			
Pension (from Actuarial Valuation)	12.70%	\$	9,549.78
Employee Pension Contribution	5.00%	\$	(3,759.76)
Net Pension		\$	5,790.02
Social Security	7.65%	\$	5,752.43
Disability Insurance (figured on Base Earnings)	0.00195	\$	146.63
Life Insurance - \$50,000 Policy	$.000143 * 50,000 = \$7.15 * 12 \text{ Months} = \85.80	\$	85.80
Medical Insurance	11.7% Increase	\$	33,340.57
Medical Insurance Contribution		\$	(2,193.60)
Dental Insurance	8% Increase	\$	816.87
Net Medical Insurance		\$	31,963.84
Vocational Training (Does not include payroll)		\$	1,500.00
Upkeep Clothing/Equipment		\$	2,900.00
Total Benefits		\$	48,138.72
Total Earnings and Benefits		\$	123,333.84



Personnel Changes for 2025

FY 2025 new positions and authorization for positions approved mid-year FY 2024

Gas Department (No impact on taxes)

The 2025 Budget includes a recommendation to create three (3) Gas Technician Apprentice positions: The Borough has received two USDOT grants, with a combined value of \$10.8 million, for the replacement of old gas mains and services. This work is required to be completed within five years, adding significant additional workload to the Gas Department. In order to allow the Gas Department to complete this work within the required timeframe, we will need to add another crew of three Gas Technicians/Gas Technician Apprentices. We are requesting authorization to hire three new Gas Technician Apprentices in the 2025 budget, with their salaries expected to be paid for by grant funds.

Police Department (Supported by General Fund tax revenue)

- The 2025 Budget includes a recommendation to fund three (3) new Police Officer Patrol positions. The Borough has received one Community-Oriented Policing Services (COPS) grant for the total amount of \$125,000 to be distributed over a three-year period (roughly \$41,000 per year) and designated specifically to one (1) of the three (3) patrol positions. The remaining two (2) patrol positions and balance of the third position will require an increase in the tax millage. The parameters of the federal COPS grant require the Borough to continue to fund the designated community policing patrol position beyond the three-year grant period. These three requested (3) positions are vital and essential to ensuring the continued hard work of staff in the Chambersburg Police Department, whose call volume has steadily increased over recent years but without staffing increases. The funding is expected to be partially paid by grant funds and increased borough taxes.
- Authorization to continue to fund mid-year FY 2024 position previously approved by Council; this 2025 Budget includes the Co-Responder/Community Liaison position. The Chambersburg Police Department replaced the current Community Service Officer position with a Co-Responder/Community Liaison position in 2022 in an effort to have co-responder position exclusively for the Borough; combining it with the Police Department's community policing initiatives, specifically the community liaison duties, allowing more opportunity and exposure with the residents of the Borough, as well as continuity of services. The full-time position is partially grant-funded by an Agreement with Franklin/Fulton County Mental Health/Intellectual Development/Disabilities/Early Intervention Program and the Chambersburg Borough; the remaining funds are from the General Fund. The funding ratio is 50%-50%. In June of 2024, the Town Council approved a renewal agreement for this program, including funding.

Public Works Department

- **(No impact on taxes)**
This 2025 Budget includes a recommendation to fund a full-time Sanitation Loader - an additional sanitation loader is needed to support the current recycling program. The recycling truck operates with one driver and one loader, compared to a refuse truck that operates with one driver and two loaders. Additionally, we operate two residential refuse trucks daily in each ward, but only one residential recycling truck services the same area. This effectively has the recycling loader working a 4 times greater workload. Funding for this position will be fully covered through the Sanitation fund. This additional expense was included in the rate increase proposed for 2025.
- **(No impact on taxes)**
This 2025 Budget includes a recommendation to fund a full-time Sanitation Equipment Operator - an additional equipment operator is needed to support the new street sweeper we are procuring to accomplish the transition from a contracted weed control program to an in-house weed control program. In addition to operating the street sweeper, this position will be utilized for snow removal, leaf collection, as well as other assigned duties. Funding for this position will be fully covered through

the Sanitation fund. Most of the costs for this process improvement will be funded by the corresponding elimination (\$100,000 in 2024) of the outsourced week control program. Any additional expenses will be fully covered by the Sanitation fund.

- **(Cost May Include a Share of General Fund miscellaneous revenue)**

Authorization to continue to fund mid-year FY 2024 position previously approved by Council, this 2025 Budget includes a second Assistant Director of Public Works position to train with the existing full-time Assistant Director, until the incumbent Assistant Director's retirement in January 2025. This additional cost will be *invoiced to the Borough utility departments and hopefully their cost will be borne by utility operations*. This position includes the requirements of a Professional Engineer licensed in Pennsylvania or an Engineer-in-training that can complete the requirements to become a registered Professional Engineer in Pennsylvania. After January 2025, the incumbent's position will be eliminated upon their retirement.

Borough Manager's Office (Supported by General Fund tax revenue)

This proposal has been developed in coordination with Town Council leadership and the Human Resources Office. In order to address future succession planning and in order to address the current opening at the Recreation Department, this 2025 Budget includes a recommendation to fund a hybrid Recreation Director/Assistant Borough Manager position. The goal of this position is to identify a candidate who can demonstrate today the ability to manage organizations, programs, budgets, and infrastructure, and to develop a future Borough-management level candidate in the ten to twenty-year time-frame. In the interim, this position will direct and supervise the operations and employees of the Recreation Department, including the Aquatic Center, under the authority of the Borough Manager. Additionally, it will support the Borough Manager by acting as his liaison to key General Fund departments, including Police and Fire. Finally, the candidate must have public speaking and social media experience. As a part of a succession plan for the Borough-management level positions, the incumbent will appropriately train under, and be mentored by, the Borough Manager and Deputy Borough Manager. The candidate will either be a credentialed city manager with the International City Management Association (ICMA) or be qualified to earn a credential in a reasonable period of time; the same accreditation held by the Borough Manager. The candidate will also have extensive recreation program and department-level or assistant-department-level management experience, just as the incumbent Borough Manager did upon hire. The full-time position will be funded by General Fund revenue; with some funds from the Chambersburg Aquatic Center enterprise. If approved with this budget, a candidate will be hired as soon as possible, hopefully before the beginning of the busy recreation activities season.

Administrative Services Department (Supported by all departments with little impact on taxes)

The 2025 Budget includes a recommendation to fund the Budget Administrator position. This position was created in 2024 with funding previously allocated to the Director of Finance/Treasurer position. The Budget Administrator position is a part of the Borough Manager's team and has a series of interconnected responsibilities to assist in the Manager's Annual Borough Budget process and with the Deputy Borough Manager's programming and reporting with respect to certain key programs. Additionally, the Budget Administrator is responsible for administration of the Borough's three (3) independent defined benefit pension plans. The full-time position is partially funded by Administrative Services; the remaining funds are from the General Fund (LUCOMDEV). The funding ratio is 70%-30%.

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BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Summary Budget

**BOROUGH OF CHAMBERSBURG BUDGET IN SUMMARY
2025 REVENUES & EXPENDITURES BY FUND**

2025 Revenues Proposed Budget		2025 Expenditures Proposed Budget	
Gen Operating Fund:		Gen Operating Fund:	
Gen Borough Operating Income	\$19,672,742.00	Gen Borough Operating Expenses	\$2,473,155.00
Interfund Transfers to Gen Borough	\$886,095.00	Interfund Transfers from Gen Borough	\$225.00
		Highway	\$1,613,227.00
		Emergency Services	\$6,206,695.00
		Police	\$7,127,180.00
		Recreation	\$1,580,295.00
		Planning	\$201,680.00
		Zoning	\$39,525.00
		Property Maintenance Code	\$854,655.00
		Miscellaneous	\$462,200.00
		Special Interfund Transfers	\$0.00
Total Gen Operating Fund Revenues	\$20,558,837.00	Total Gen Operating Fund Expenditures	\$20,558,837.00
Gen Capital Reserve Fund:	\$2,837,310.00	Gen Capital Reserve Fund:	\$3,413,101.00
Other Gen Fund:		Other Gen Fund:	
Special Revenue Fund	\$2,999,638.00	Special Revenue Fund	\$2,989,738.00
Fire Tax Fund	\$661,095.00	Fire Tax Fund	\$661,095.00
Recreation Bond Tax Fund	\$561,015.00	Recreation Bond Tax Fund	\$561,015.00
Police Station Bond Tax	\$433,840.00	Police Station Bond Tax	\$433,840.00
Liquid Fuels Tax	\$641,225.00	Liquid Fuels Tax	\$1,988,560.00
Public Works Campus Bond Tax	\$206,455.00	Public Works Campus Bond Tax	\$206,455.00
Surplus Operating Fund	\$200.00	Surplus Operating Fund	\$200.00
Total	\$5,503,468.00	Total	\$6,840,903.00
Total Trust and Agency Funds:	\$2,408,220.00	Total Trust and Agency Funds:	\$2,416,970.00
Enterprise Operating Funds:		Enterprise Operating Funds:	
Electric Department	\$37,633,610.00	Electric Department	\$37,633,610.00
Gas Department	\$10,881,095.00	Gas Department	\$10,881,095.00
Water Department	\$5,738,804.00	Water Department	\$5,738,804.00
Sewer Department	\$8,422,731.00	Sewer Department	\$8,422,731.00
Sanitation Department	\$5,542,975.00	Sanitation Department	\$5,542,975.00
Parking, Traffic & St. Lighting	\$1,818,855.00	Parking, Traffic & St. Lighting	\$1,818,855.00
Storm Sewer	\$1,665,542.00	Storm Sewer	\$1,665,542.00
Swimming Pool	\$1,492,150.00	Swimming Pool	\$1,562,650.00
Total	\$73,195,762.00	Total	\$73,266,262.00
Enterprise Capital Reserve Funds:		Enterprise Capital Reserve Funds:	
Electric Capital Reserve	\$4,894,050.00	Electric Capital Reserve	\$3,268,000.00
Gas Capital Reserve	\$3,178,200.00	Gas Capital Reserve	\$2,725,000.00
Water Capital Reserve	\$945,900.00	Water Capital Reserve	\$2,350,000.00
Sewer Capital Reserve	\$841,100.00	Sewer Capital Reserve	\$2,750,000.00
Sanitation Capital Reserve	\$265,570.00	Sanitation Capital Reserve	\$100,000.00
Parking Capital Reserve	\$875,230.00	Parking Capital Reserve	\$847,000.00
Storm Sewer Capital Reserve	\$3,567,480.00	Storm Sewer Capital Reserve	\$8,422,854.00
Total	\$14,567,530.00	Total	\$20,462,854.00
Internal Service Funds:		Internal Service Funds:	
Stores	\$1,866,610.00	Stores	\$1,866,610.00
Motor Equipment	\$5,266,420.00	Motor Equipment	\$7,101,051.00
Public Works Campus	\$13,997,595.00	Public Works Campus	\$10,648,025.00
Engineering	\$850,168.00	Engineering	\$850,168.00
Workers Compensation Fund	\$667,670.00	Workers Compensation Fund	\$610,607.00
Administrative Services	\$10,271,795.00	Administrative Services	\$10,271,795.00
Self-Insurance Fund	\$1,278,415.00	Self-Insurance Fund	\$1,691,205.00
Total	\$34,198,673.00	Total	\$33,039,461.00
Total 2025 Budget Revenues	\$153,269,800.00	Total 2025 Budget Expenditures	\$159,998,388.00
		Difference between Rev & Exp	(\$6,728,588.00)
		Use of Bond Funds on Hand	\$15,415,854.00
		Net Increase of Cash Reserves	\$8,687,266.00

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Budget Summary Notes:

1. General Fund Capital Reserve Fund: \$575,791 from Fund Balance
2. Liquid Fuels Fund: \$1,347,335 from Fund Balance
3. Trust and Agency Funds: \$54,250 from Project H.E.A.T. Fund Balance
4. Swimming Pool Department Enterprise Fund: \$70,500 from Fund Balance
5. Water Department Capital Reserve Enterprise Fund: \$1,404,100 from Fund Balance
6. Sewer Department Capital Reserve Enterprise Fund: \$1,908,900 from Fund Balance
7. Storm Sewer Department Capital Reserve Enterprise Fund: \$4,855,374 from Fund Balance
8. Motor Equipment Internal Service Fund: \$1,834,631 from Fund Balance
9. Self-Insurance Trust Fund: \$412,790 from Fund Balance
10. Capital Investment: \$23,875,955
11. Difference between Rev. and Exp. before Bond Sinking funds applied: **(\$6,728,588)**
12. Difference between Rev. and Exp. after Bond Sinking funds applied: \$8,687,266
13. \$12,355,171 of \$159,998,388 budget or 7.72% of budget funded by cash reserves

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Key General Fund Revenues (Excerpt)

<u>Deed Transfer Tax</u>		<u>Amount</u>	<u>Growth Rate Since 2019</u>
2024	Est.	\$ 481,590	-17.3%
2023		\$ 493,324	
2022		\$ 869,660	
2021		\$ 795,061	
2020		\$ 600,003	
2019		\$ 582,654	
<u>Earned Income Tax</u>		<u>Amount</u>	<u>Growth Rate Since 2019</u>
2024	Est.	\$ 3,104,772	37.3%
2023		\$ 2,836,387	
2022		\$ 2,745,152	
2021		\$ 2,426,441	
2020		\$ 2,303,983	
2019		\$ 2,261,188	
<u>Local Services Tax</u>		<u>Amount</u>	<u>Growth Rate Since 2019</u>
2024	Est.	\$ 803,661	-7.0%
2023		\$ 774,095	
2022		\$ 785,273	
2021		\$ 787,302	
2020		\$ 816,309	
2019		\$ 864,308	

Police Wages over same period = +37%

Fire Wages over same period = +38%

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

2025 General Fund Revenues (Excerpt)	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 BUDGET	2025 PROPOSED BUDGET
Police Tax (rose to 25-mil in 2023, 27-mil proposed in 2025)	\$5,035,978	\$5,067,454	\$5,060,555	\$5,229,081	\$5,435,380	\$5,862,199
Ambulance Tax (lowered to 0-mil in 2020)	\$5,490	-	-	-	-	-
Fire Tax (½-mil)	\$111,821	\$106,208	\$102,299	\$105,078	\$111,475	\$109,840
Local Services Tax on Workers	\$816,309	\$787,302	\$785,273	\$774,095	\$758,000	\$775,000
Deed Transfer Tax on Real Estate Sales	\$600,003	\$795,061	\$869,660	\$493,324	\$625,000	\$525,000
Wage & Earned Income Tax on Residents	\$2,303,983	\$2,426,441	\$2,745,152	\$2,836,387	\$2,800,000	\$2,900,000
Payments In Lieu Gross Receipts Tax - Electric	\$1,350,000	\$1,350,000	\$1,350,000	\$1,470,000	\$1,870,000	\$2,033,000
Payments In Lieu Gross Receipts Tax - Gas	\$570,000	\$650,000	\$650,000	\$750,000	\$900,000	\$910,000
Ambulance Service Fee	\$778,980	\$971,785	\$974,749	\$1,244,182	\$1,436,830	\$1,498,868
Police Fines & Fees	\$143,345	\$129,978	\$132,141	\$219,153	\$132,500	\$185,000
Ambulance Fees & Charges	\$1,147,111	\$1,217,343	\$1,314,329	\$1,399,772	\$1,378,500	\$1,500,000
Motor Equipment Fund Rebate (Includes 2.5-Mil of Fire Tax)	\$573,355	\$585,320	\$575,815	\$612,735	\$594,260	\$586,255

2025 General Fund Revenues (Proposed)	2022 ACTUAL	2023 ACTUAL	2024 BUDGET	2025 PROPOSED BUDGET
Police Tax (rose to 25-mil in 2023, 27-mil proposed in 2025)	\$5,060,556	\$5,229,081	\$5,435,380	\$5,862,199
Fire (½-mil) Tax (Ambulance Tax Eliminated In 2020)	\$102,299	\$105,078	\$111,475	\$109,840
Local Services Tax On Workers	\$785,273	\$785,273	\$774,095	\$775,000
Deed Transfer Tax On Real Estate Sales	\$869,660	\$493,324	\$625,000	\$525,000
Wage & Earned Income Tax On Residents	\$2,745,152	\$2,836,387	\$2,800,000	\$2,900,000
Federal Receipts	-	-	-	-
State Pension Grant	\$1,301,112	\$1,476,373	\$1,459,050	\$1,637,415
Other Inter-Governmental Grants	\$40,276	\$19,988	\$40,000	\$25,000
Invoiced Work	\$78,689	\$256,169	\$115,000	\$135,000
Misc. State Sales Tax	-	-	-	-
Interest Income	\$30,703	\$56,930	\$30,000	\$49,560
Street Excavation Permits	\$19,478	\$13,256	\$30,000	\$25,000
Curb & Sidewalk Permits	\$390	\$465	\$5,000	\$1,500
Snow/Ice Removal Fines	\$5,288	\$6	\$5,000	\$1,200
Payments In Lieu Gross Receipts Tax - Electric	\$1,350,000	\$1,470,000	\$1,870,000	\$2,033,000
Payments In Lieu Gross Receipts Tax - Gas	\$650,000	\$750,000	\$900,000	\$910,000
Payments In Lieu Gross Receipts Tax -Water	-	-	-	-
Payments In Lieu Of Ambulance Fees	-	-	-	\$32,868
Unrealized Gains	\$298,362	\$473,205	\$300,000	\$300,000
Police Fines & Fees	\$130,744	\$122,750	\$130,000	\$185,000
False Police & Fire Calls	\$15,050	\$12,925	\$13,000	\$13,000
Other Police Department Fees	\$1,397	\$96,404	\$2,500	\$1,500
Property Maintenance Code Violation Fines & Fees	\$37,335	\$37,959	\$41,000	\$41,500
Recreation Department Receipts	\$192,257	\$227,279	\$195,000	\$235,000
Recreation Vending, Concession & Consignment	\$15,928	\$13,054	\$12,000	\$12,000
Property Maintenance Inspection Fees	\$127,280	\$133	\$129,700	\$132,000
Land Use And Development Permit Fees	\$945	\$2,743	\$2,500	\$2,500
Fire Code Permits & Fees	\$79,225	\$85,910	\$83,000	\$80,000
Zoning Permits & Fees	\$3,000	\$2,000	\$3,000	\$2,000
Contributions For Ambulance Service	\$1,019,574	\$1,291,367	\$1,476,830	\$1,506,000
Ambulance Service Charges	\$1,209,749	\$1,306,032	\$1,275,000	\$1,400,000
Ambulance Club Membership Fees	\$104,580	\$93,740	\$103,500	\$100,000
School Crossing Guard Grant	\$28,872	\$29,948	\$26,700	\$34,000
Comcast Television Franchise Fee	\$334,199	\$305,493	\$330,000	\$320,000
Refunds Prior Year Payments	\$61,243	\$61,899	\$70,000	\$45,000
Real Estate Property Rentals	\$284,821	\$412,420	\$400,000	\$320,000
Contributions From Private Sources	\$602	\$8,350	\$2,000	\$5,000
Miscellaneous	\$1,321,025	\$362,013	\$25,000	\$45,000
Sale Of Scrap	\$2,128	\$670	\$1,600	\$2,000
Transfers From Other Funds	\$6,193,663	\$328,957	\$300,000	\$100,000
Transfers From Highway Aid (Liquid Fuels Grant)	-	-	-	-
Transfers From Engineering Department	\$138,550	\$90,000	\$90,000	\$90,000
Motor Equipment Fund Rebate (2.5-mil Of Fire Tax)	\$575,815	\$612,735	\$594,260	\$586,255
Total Estimated General Fund Revenue	\$25,215,218	\$19,832,389	\$19,790,495	\$20,558,837

Percent Change +0.2% +3.9%

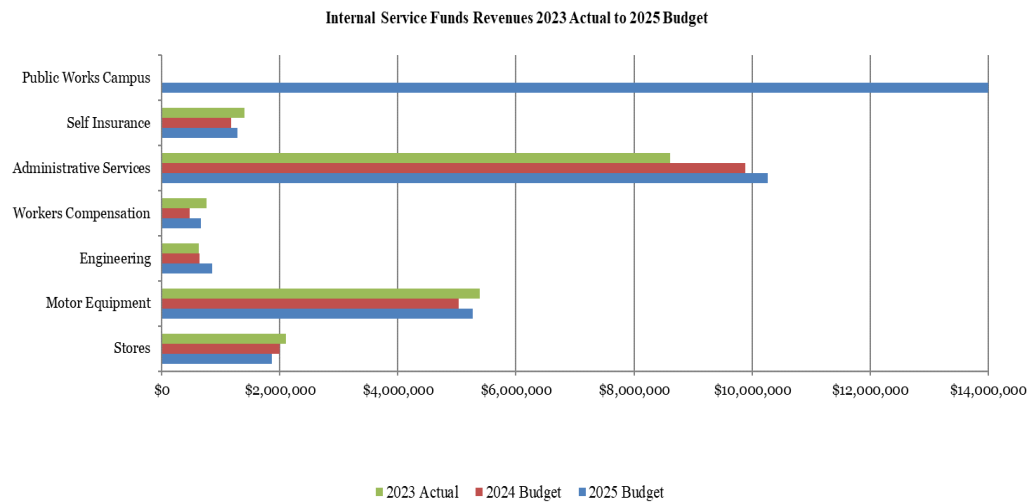
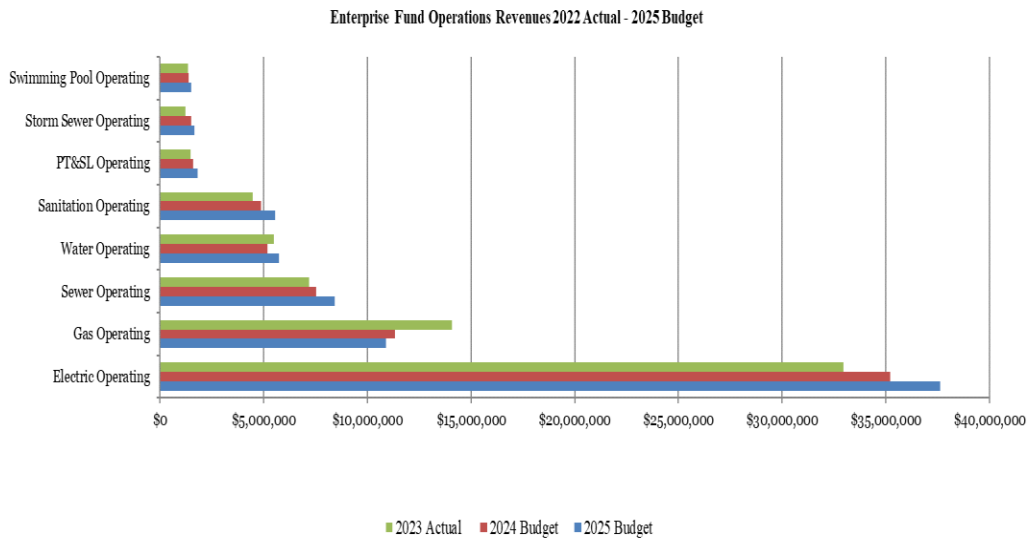
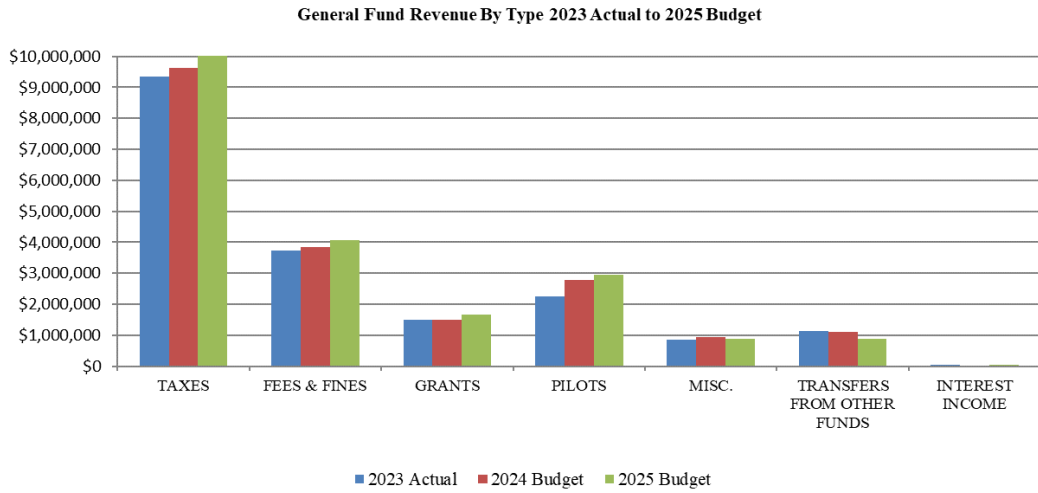
BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Total Revenues, Deposits, Transfers by Fund

	2022 Actual	2023 Actual	2024 Budget	2025 Budget Proposed
<u>Utility Operating Fund Revenue</u>				
Electric Operating	\$34,594,782	\$33,046,771	\$35,213,550	\$37,633,610
Gas Operating	\$12,864,801	\$12,680,211	\$11,335,910	\$10,881,095
Wastewater Operating	\$7,517,686	\$7,984,226	\$7,543,200	\$8,422,731
Water Operating	\$5,755,146	\$5,121,734	\$5,175,125	\$5,738,804
Sanitation Operating	\$4,284,824	\$4,374,677	\$4,859,348	\$5,542,975
Parking Traffic Street Lights	\$1,240,841	\$1,459,977	\$1,585,300	\$1,818,855
Storm Sewer	\$1,135,582	\$1,225,738	\$1,515,660	\$1,665,542
Swimming Pool	\$1,583,912	\$1,350,685	\$1,367,675	\$1,492,150
<u>Governmental Taxes, Fines & Fees</u>				
General Fund	\$25,215,218	\$19,832,389	\$19,790,495	\$20,558,837
<u>Internal Services Fees</u>				
Public Works Campus	-	-	-	\$13,997,595
Administrative Services	\$7,631,531	\$8,606,634	\$9,890,944	\$10,271,795
Motor Equipment	\$4,297,728	\$5,385,720	\$5,024,936	\$5,266,420
Stores/Warehouse	\$1,521,743	\$2,101,211	\$1,995,015	\$1,866,610
Engineering	\$562,067	\$625,547	\$633,800	\$850,168
<u>Special Revenue Receiving</u>				
Special Revenue Receiving Acct	\$4,328,563	\$1,513,086	\$2,851,339	\$2,999,638
Fire Tax Receiving Account	\$647,924	\$646,700	\$663,735	\$661,095
Highway Aid Receiving Account	\$646,379	\$644,652	\$615,100	\$641,225
Recreation Bond Tax Receiving Account	\$650,204	\$553,422	\$566,015	\$561,015
Police Station Bond Tax Receiving Account	\$203,487	\$415,748	\$438,810	\$433,840
Public Works Campus Bond Tax Receiving Account	-	-	-	\$206,455
<u>Deposits to Self-Insurance</u>				
Self-Insurance Holding Account	\$1,014,278	\$1,403,055	\$1,169,285	\$1,278,415
Workers Comp Holding Account	\$597,883	\$755,499	\$472,450	\$667,670
<u>Deposits for Capital Projects</u>				
Electric Capital Reserve	\$581,470	\$71,242	\$1,978,000	\$4,894,050
Storm Sewer Capital Reserve	\$2,100,082	\$1,230,341	\$7,051,750	\$3,567,480
Gas Capital Reserve	\$60,561	\$1,776,772	\$2,866,345	\$3,178,200
General Capital Reserve	\$8,395,881	\$1,339,777	\$1,420,100	\$2,837,310
Water Capital Reserve	\$736,031	\$1,955,365	\$1,647,010	\$945,900
Parking Traffic Capital Reserve	\$999,445	\$11,019	\$761,715	\$875,230
Wastewater Capital Reserve	\$1,252,528	\$1,168,878	\$999,765	\$841,100
Sanitation Capital Reserve	\$2,103	\$961,491	\$3,237,057	\$265,570

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Revenue by Type



BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Total Operating Budget 2025

	Revenues	Less Interfund Transfers	Operating Budget
Stores	\$1,866,610	\$913,500	\$953,110
Electric	\$37,633,610	\$0	\$37,633,610
Gas	\$10,881,095	\$0	\$10,881,095
Water	\$5,738,804	\$0	\$5,738,804
Sewer	\$8,422,731	\$0	\$8,422,731
Sanitation	\$5,542,975	\$0	\$5,542,975
General Fund	\$20,558,837	\$886,095	\$19,672,742
Motor Equipment	\$5,266,420	\$536,255	\$4,730,165
Public Works Campus	\$13,997,595	\$597,595	\$13,400,000
Engineering	\$850,168	\$0	\$850,168
Parking, Traffic, & Street Lights	\$1,818,855	\$1,343,290	\$475,565
Storm Sewer	\$1,665,542	\$0	\$1,665,542
Swimming Pool	\$1,492,150	\$450,520	\$1,041,630
Workers Compensation	\$667,670	\$632,185	\$35,485
Administrative Services	\$10,271,795	\$0	\$10,271,795
Self-Insurance	\$1,278,415	\$97,450	\$1,180,965
Special Revenue	\$2,999,638	\$5,000	\$2,994,638
Trust Funds & Utility Deposits	\$45,320	\$0	\$45,320
Citizens' Reward	\$890	\$0	\$890
Recreation Bond Tax	\$561,015	\$0	\$561,015
Fire Tax	\$661,095	\$0	\$661,095
Police Station Tax	\$433,840	\$0	\$433,840
Public Works Campus Tax	\$206,455	\$0	\$206,455
Liquid Fuels	\$641,225	\$0	\$641,225
Sister City	\$1,110	\$0	\$1,110
Project Heat	\$30,000	\$20,000	\$10,000
Surplus Operating	\$200	\$0	\$200
Subtotal			\$128,052,170
Electric Capital	\$4,894,050	\$4,000,000	\$894,050
Gas Capital	\$3,178,200	\$775,000	\$2,403,200
Water Capital	\$945,900	\$50,000	\$895,900
Sewer Capital	\$841,100	\$0	\$841,100
Sanitation Capital	\$265,570	\$231,710	\$33,860
General Capital	\$2,837,310	\$2,271,310	\$566,000
Parking, Traffic, & Steet Lights Capital	\$875,230	\$268,250	\$606,980
Storm Sewer Capital	\$3,567,480	\$100,000	\$3,467,480
Subtotal			\$9,708,570
Total			\$137,760,740

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Debt By Type

Borough of Chambersburg, PA
 Outstanding Debt by Type (Excluding Lease & Subscription Liabilities)
 Last Ten Years Actuals
 As of December 31st

Fiscal Year	Governmental Activities			Business Type Activities												Total Bonds & Notes Primary Government
	General Obligation Bonds	Public Works Campus General Obligation Notes	Administrative Services General Obligation Notes	Electric Department General Obligation Bonds	Electric Department General Obligation Notes	Gas Department General Obligation Notes	Sewer Treatment Plant General Obligation Bonds	Sewer Treatment Plant General Obligation Notes	Water Plant General Obligation Bonds	Sanitation Department General Obligation Bonds	Sanitation Department General Obligation Notes	Swimming Pool General Obligation Bonds	Storm Sewer Department General Obligation Bonds	Administrative Services General Obligation Notes		
2025 Est.	\$ 7,695,783	\$ 9,641,752	\$ 1,838,595	\$ 9,129,896	-	-	\$ 3,550,168	-	\$ 6,258,061	\$ 4,450,542	-	\$ 6,350,616	\$ 5,709,372	\$ 5,584,075	\$ 60,208,861	
2024 Est.	\$ 7,966,703	-	\$ 1,917,425	\$ 9,616,011	-	-	\$ 3,834,946	-	\$ 6,528,678	\$ 4,688,054	-	\$ 6,654,696	\$ 6,156,343	\$ 5,823,492	\$ 53,186,348	
2023	\$ 8,229,999	-	\$ 2,001,294	\$ 9,496,346	-	-	\$ 4,116,073	-	\$ 6,787,356	\$ 2,297,914	-	\$ 6,941,400	-	\$ 6,078,215	\$ 45,948,597	
2022	8,502,544	-	2,026,530	9,945,066	-	-	4,396,663	-	7,049,660	2,410,031	-	7,229,802	-	6,385,797	\$ 47,946,093	
2021	1,137,797	-	2,129,324	11,882,008	-	-	4,669,903	-	8,051,155	1,792,084	-	7,535,580	-	6,608,155	\$ 43,806,006	
2020	1,177,460	-	2,458,894	12,635,624	1,101,101	-	-	4,738,899	8,345,029	1,193,905	693,010	7,704,219	-	6,591,139	\$ 46,639,280	
2019	1,222,613	-	2,333,531	14,429,310	1,161,435	-	-	4,998,565	-	-	773,511	7,988,188	-	7,015,552	\$ 39,922,705	
2018	1,266,583	-	2,432,984	5,885,427	1,221,769	-	-	5,258,231	-	-	849,160	8,264,034	-	7,198,783	\$ 32,376,971	
2017	2,524,117	-	736,651	7,290,599	1,282,103	-	-	5,517,897	-	-	922,420	7,319,938	-	2,137,971	\$ 27,731,696	
2016	2,526,457	-	-	8,996,973	1,342,437	-	185,081	5,777,562	-	-	993,365	7,326,725	-	-	\$ 27,148,600	
2015	-	-	-	10,361,612	1,402,771	-	358,388	6,037,228	-	-	1,487,213	-	-	-	\$ 19,647,212	
2014	-	-	-	11,188,200	1,463,106	-	766,800	6,296,894	-	-	614,202	-	-	-	\$ 20,329,202	

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Performance Measures

Borough of Chambersburg, PA
Operating Indicators by Function//Program
Last Ten Years (for which data is available)

Function//Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government:										
Lien letter & tax certification requests	24	52	52	77	94	81	227	244	185	65
Community development:										
Building permits issued	490	511	563	534	606	578	533	556	516	444
Estimated value of construction	\$ 76,366,125	\$ 39,819,337	\$ 68,182,066	\$ 6,982,335	\$ 8,289,541	\$ 15,134,264	\$ 10,996,813	\$ 52,165,922	\$ 17,519,123	\$ 8,397,058
Occupancy permits issued	344	348	299	200	180	269	130	156	98	53
Number of planning commission agenda items	18	11	15	15	19	24	22	29	24	15
Public works:										
Roads resurfaced (linear feet)	5,529	151	359	0	989	13,995	7,630	3,795	3,611	2,671
Roads reconstructed (linear feet)	6,637	6,710	4,904	0	8,744	3,592	7,115	16,495	9,490	1,932
Tons of snow melting salt used	204		291	174	664	648	347	223	919	1,322
Recreation:										
Pool attendance	62,999	66,335	59,785	38,167	75,000	68,448	0	26,000	24,900	17,300
Number of utilization events (1)	18,027	16,822	14,868	8,675	19,570	13,000	1,681	1,720	1,750	1,702
Number of consumers served	5,133	152,084	123,023	81,203	137,816	111,480	103,337	90,800	93,200	87,600
Number of seasonal programs	173	132	143	98	205	201	229	278	309	232
Police:										
Calls for service	17,393	16,613	14,082	18,639	22,304	23,548	20,784	19,784	21,392	14,650
Total arrests	1,868	1,599	1,162	1,012	1,119	1,177	1,139	1,214	1,264	1,478
Part I offenses reported (major offenses)	482	482	590	669	763	896	906	1,002	1,047	1,089
Part I offenses cleared (percentage)	45.0%	42.0%	45.0%	52.0%	47.0%	41.0%	41.0%	42.0%	44.0%	44.0%
Part II offenses reported (minor offenses)	734	746	557	1,453	1,615	1,704	1,753	1,906	2,045	1,866
Part II offenses cleared (percentage)	66.0%	65.0%	60.0%	43.0%	37.0%	39.0%	39.0%	36.0%	37.0%	37.0%
DUI arrests	85	92	92	115	131	116	128	157	155	141
Fire:										
Total number of responses	1,341	1,362	1,153	878	995	1,228	926	1,044	978	869
Responses involving loss	12	11	4	4	7	1	5	5	7	6
Structure fires	47	40	33	26	44	36	30	37	49	39
Volunteer hours	45	205	1,301	54,788	62,367	71,420	73,093	72,989	79,484	83,503
False alarms/false calls	275	240	231	110	131	165	118	115	130	101
Total calls for assistance	4,939	4,624	4,576	4,302	4,351	4,211	4,260	4,167	4,113	3,992
Utilities:										
Electric department										
Units billed (kw/h)	314,970,638	316,011,089	317,417,606	298,902,132	310,284,238	317,159,888	300,587,452	312,197,885	319,635,858	319,544,389
Billed revenue	\$ 29,381,706	\$ 28,360,627	\$ 28,395,165	\$ 26,909,692	\$ 28,392,847	\$ 29,021,633	\$ 27,648,682	\$ 28,589,395	\$ 29,135,014	\$ 29,951,885
Gas department										
Units billed (100 cu. ft.)	11,025,089	11,751,733	11,642,164	10,611,581	11,267,743	12,071,013	10,152,671	9,905,831	11,130,033	11,519,811
Billed revenue	\$ 10,297,478	\$ 11,174,392	\$ 7,703,799	\$ 7,134,298	\$ 7,641,459	\$ 7,883,850	\$ 6,525,268	\$ 5,263,898	\$ 6,600,376	\$ 9,315,187
Water department										
Units billed (10 cu. ft.)	14,195,443	13,686,404	13,936,575	13,938,621	13,627,727	13,720,268	13,428,778	13,869,496	14,230,754	13,660,004
Billed revenue	\$ 4,517,495	\$ 3,617,602	\$ 3,398,765	\$ 3,361,002	\$ 3,173,005	\$ 3,005,145	\$ 2,877,281	\$ 2,891,533	\$ 2,870,909	\$ 2,827,392
Sewer treatment plant department										
Units billed (10 cu. ft.)	24,103,988	23,203,358	24,979,346	23,667,641	20,368,267	27,974,980	24,569,839	23,805,582	23,047,321	24,803,706
Billed revenue	\$ 7,302,400	\$ 6,711,299	\$ 6,956,556	\$ 6,657,706	\$ 6,270,847	\$ 6,432,192	\$ 6,212,330	\$ 5,604,837	\$ 5,457,716	\$ 5,276,763
Storm sewer department										
Fees billed	7,989	7,995	8,550	8,490	8,422	8,339	8,254	8,226	8,170	-
Billed revenue	\$ 1,109,684	\$ 1,102,584	\$ 510,780	\$ 405,825	\$ 402,039	\$ 399,544	\$ 395,872	\$ 295,134	\$ 293,302	\$ -
Sanitation department										
Units billed (cu. yds)	162,669	159,703	154,268	150,368	150,917	147,474	144,863	142,116	140,519	141,880
Billed revenue	\$ 1,894,350	\$ 3,515,169	\$ 3,462,572	\$ 1,475,791	\$ 1,338,749	\$ 1,311,329	\$ 1,296,451	\$ 1,268,049	\$ 1,139,021	\$ 2,377,421

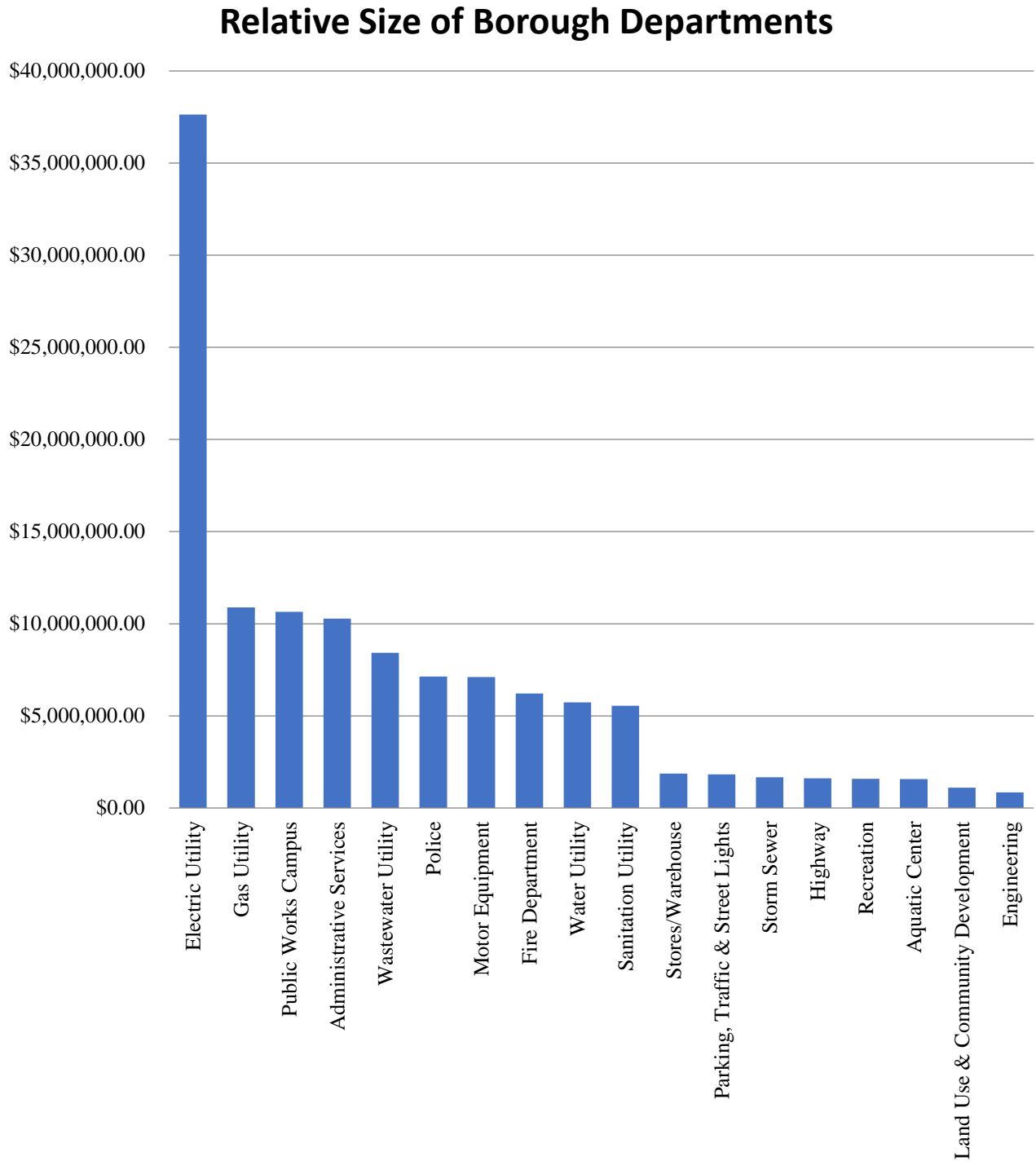
Demographic and Economic Statistics

**Borough of Chambersburg, PA
Demographic and Economic Statistics
Last Ten Years (for which data is available)**

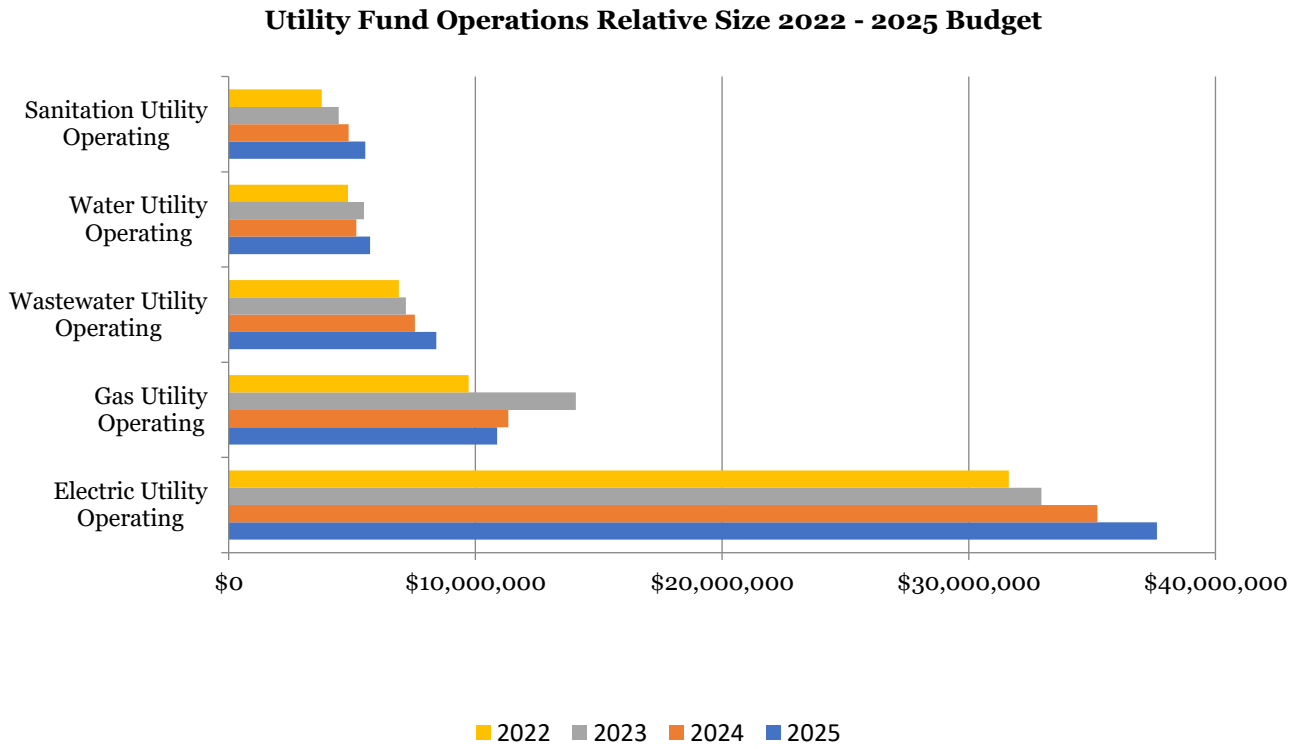
Fiscal Year	Population (1)	Per Capita Personal Income (1)	Per Capita Household Income	Median Household Income (1)	Median Age (1)	Educational Attainment Bachelor's Degree or Higher (1)	School Enrollment (1)	Unemployment Rate (4)	Median Value of Residential Property (1)	Total Assessed Property Value (2)	Total Personal Income (3)
2023	22,364	\$ 32,662	\$ 65,324	\$ 53,493	39.5	26.20%	5,694	2.90%	\$ 185,100	\$211,048,000	\$325,000,000
2022	22,316	28,704	63,480	51,861	39.8	24.60%	4,936	3.40%	156,900	209,049,550	320,736,288
2021	21,903	25,542	63,480	48,662	39.8	23.20%	4,893	4.80%	156,900	208,150,620	308,885,148
2020	21,553	27,037	63,480	49,023	37.6	27.10%	4,893	7.40%	154,700	207,001,370	289,690,642
2019	21,143	26,721	57,246	47,963	37.1	23.80%	4,595	3.80%	158,700	205,330,190	290,186,897
2018	21,029	24,297	57,246	45,846	35.4	23.40%	4,595	3.80%	158,100	202,849,270	306,488,615
2017	20,878	22,278	52,895	42,432	35.9	21.10%	4,644	4.50%	156,700	201,414,090	289,816,451
2016	20,691	20,839	51,243	41,751	35.6	22.30%	4,722	5.10%	157,300	198,422,640	289,567,884
2015	20,691	20,967	50,937	40,936	36.3	21.50%	4,548	5.10%	158,200	197,793,910	291,192,635
2014	20,602	20,851	49,388	39,960	36.2	21.30%	4,532	5.50%	159,200	195,864,790	286,756,069

(1) American Fact Finder (5-year estimate) based on latest information available
 (2) Franklin County Assessor's Office
 (3) Franklin County Area Tax Bureau - 2023 estimated. Actual amounts (2014 - 2022) remain subject to change as prior years continue to be reconciled
 (4) Annual Average - U.S. Bureau of Labor Statistics, Chambersburg-Waynesboro, PA Metropolitan Statistical Area

Relative Size of Borough Departments



Relative Size of Utility Operations



Excluding Capital Investments

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

In 2025, the Borough will have an ALL-FUNDS BUDGET of \$159,998,388. In 2024, the ALL-FUNDS BUDGET was \$134,254,757. This represents a 19.2% increase, with no major changes to accounting or operational practices. This net increase is largely a result of increases in operational expenses in the Police, Recreation, Property Maintenance Code, Electric, Water, Sewer, Sanitation, Parking Traffic & Street Lighting, Storm Sewer, and Aquatic Center operations; the spending down of fund balance reserves and/or bond funds in the General Capital Reserve, Liquid Fuels, Electric Capital Reserve, Water Capital Reserve, Sewer Capital Reserve, Storm Sewer Capital Reserve, and Motor Equipment Funds; as well as the addition of the Public Works Campus Fund.

In 2025, the Borough's OPERATING BUDGET will be \$137,760,740. In 2024, the Borough's OPERATING BUDGET was \$124,198,372. This represents an 10.92% increase, with no major changes to accounting or operational practices. This increase is largely attributable to revenue in the Electric, Electric Capital Reserve, Gas Capital Reserve, Water, Sewer, Sewer Capital Reserve, Sanitation, General, Motor Equipment, Public Works Campus, Storm Sewer, and Aquatic Center Funds, as a result of utility rate increases, projected increases in sales, as well as the anticipated revenue resulting from grants and debt issuance.

In 2025, the Borough's GENERAL FUND BUDGET will be \$20,558,837. In 2024, the Borough's GENERAL FUND BUDGET was \$19,790,495. This represents a 3.9% increase, and is a realistic gauge of actual growth in the Borough's spending plan, given the importance of the Police and Fire/EMS Departments, as well as the provision of all major governmental services.

Overlapping Taxes on Borough Property Owners

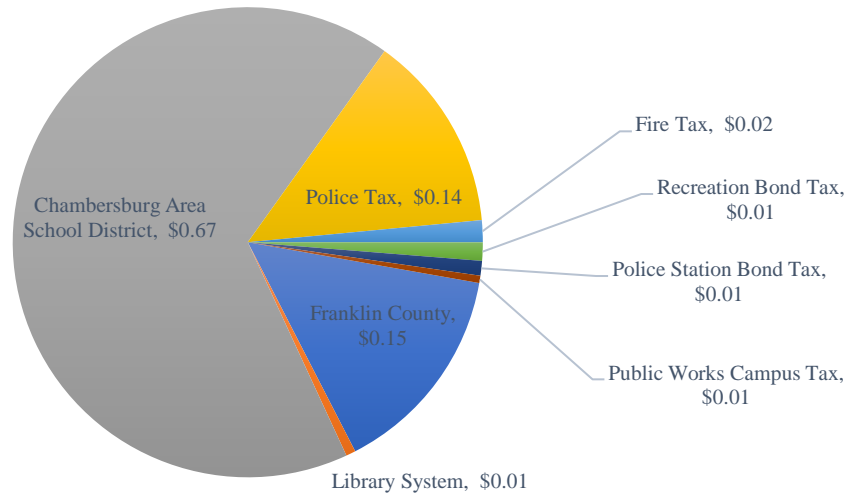
<u>Average Single-Family House Inside The Borough</u>	<u>2024</u>	<u>2025</u>
Police Tax (to the General Fund)	\$438.14	\$474.62
Fire Tax (to the Motor Equipment Fund)	\$52.58	\$52.74
Recreation Bond Tax (to the Swimming Pool Fund & General Fund)	\$43.81	\$43.95
Police Station Bond Tax	\$35.05	\$35.16
Public Works Campus Tax	-	\$17.58
Total (per year)	\$569.58	\$624.05

<u>Average Single-Family House Inside The Borough</u>	<u>2024</u>		<u>2025</u>	
Police Tax (to the General Fund)	\$438.14	\$1.20	\$474.62	\$1.30
Fire Tax (to the Motor Equipment Fund)	\$52.58	\$0.14	\$52.74	\$0.14
Recreation Bond Tax (to the Swimming Pool Fund & General Fund)	\$43.81	\$0.12	\$43.95	\$0.12
Police Station Bond Tax	\$35.05	\$0.10	\$35.16	\$0.10
Public Works Campus Tax	-	-	\$17.58	\$0.05
Total (per year)	\$567.58	\$1.56	\$624.05	\$1.71

	<u>2025</u>		
Franklin County (2024)	29.10 mil	\$511.53	14.67%
Library System (2024)	1.30 mil	\$22.85	0.66%
Chambersburg Area School District (2024)	132.493 mil	\$2,329.01	66.78%
Police Tax	27 mil	\$474.62	13.61%
Fire Tax	3.0 mil	\$52.74	1.51%
Recreation Bond Tax	2.5 mil	\$43.95	1.26%
Police Station Bond Tax	2.0 mil	\$35.16	1.01%
Public Works Campus Tax	1.0 mil	\$17.58	0.50%
Total	198.393 mil	\$3,487.43	100%

Of every \$1 of real estate taxes paid by a Chambersburg Borough property-owner, .67¢ goes to the Chambersburg Area School District.

They issue their own tax invoices.



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BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

Capital Projects

<u>Department</u>			<u>Cost</u>	<u>Outside Funding</u>	<u>Debt Funding</u>	<u>Borough Contribution</u>
Warehouse/Stores	Capital Reserve	Install Service Center Overhang for Electric Transformers	\$80,000	-	-	\$80,000
Electric Utility	Grant/Capital Reserve	Transmission System Switching and Protection Upgrades (Resilience Grant)	\$1,000,000	\$250,000	-	\$750,000
Electric Utility	Bond	Major Maintenance Overhaul of TB Woods Substation	\$360,000	-	\$360,000	\$360,000
Electric Utility	Capital Reserve	Distribution System Upgrades, Extensions, New OH/UG Customers, Capacitors	\$275,000	-	-	\$275,000
Electric Utility	Capital Reserve	Rework and Harden Grant/Second Transmission Poles	\$220,000	-	-	\$220,000
Electric Utility	Capital Reserve	Operations Center Smokestack Refurbish and Roof Replacement (Initial)	\$205,000	-	-	\$205,000
Electric Utility	Capital Reserve	Convert Park Sub Distribution from 4 to 12 kV	\$190,000	-	-	\$190,000
Electric Utility	Capital Reserve	Transmission/Distribution Substation Equipment & Engineering	\$135,000	-	-	\$135,000
Electric Utility	Capital Reserve	Convert Water Street Rail Trail Distribution from Overhead to Underground	\$95,000	-	-	\$95,000
Electric Utility	Capital Reserve	Engine/Generator Major Maintenance Items/Parts	\$65,000	-	-	\$65,000
Electric Utility	Capital Reserve	Build-Out Feeder 273 Toward Downtown	\$50,000	-	-	\$50,000
Electric Utility	Capital Reserve	Battery Storage Capacity Project Interconnection Design	\$45,000	-	-	\$45,000
Electric Utility	Capital Reserve	Replacement Single Reel Cable Trailer	\$40,000	-	-	\$40,000
Electric Utility	Capital Reserve	Cree Substation Relay Replacements (Initial Phase)	\$38,000	-	-	\$38,000
Natural Gas Utility	Grant	Replace Cast Iron Gas Mains and Old Steel Services (Grant Funded)	\$1,600,000	\$1,600,000	-	-
Natural Gas Utility	Grant/Cap Reserve	Gas Line Relocation for I-81 Guilford Springs Road Exit (PennDOT Funded) Phase 1	\$800,000	\$775,000	-	\$25,000
Natural Gas Utility	Capital Reserve	Installation of New Gas Services	\$100,000	-	-	\$100,000
Natural Gas Utility	Capital Reserve	Install Zone 2 Anode Bed and Rectifier	\$75,000	-	-	\$75,000
Natural Gas Utility	Capital Reserve	Upgrade Seventh St. Regulator Station	\$50,000	-	-	\$50,000
Natural Gas Utility	Capital Reserve	Miscellaneous IT Upgrades	\$50,000	-	-	\$50,000
Natural Gas Utility	Capital Reserve	Extend Gas Mains to Serve New Customers	\$50,000	-	-	\$50,000
Water Utility	Grant/Cap Reserve	Grand Point Water Service Extension (Total Project \$1,200,000 with \$600,000 from State Grant, \$1,200,000 expense in 2025)	\$1,200,000	\$600,000	-	\$600,000
Water Utility	Capital Reserve	Water Treatment Plant Sludge Upgrades	\$450,000	-	-	\$450,000
Water Utility	Capital Reserve	Limekiln Drive Bridge Water Main Replacement	\$300,000	-	-	\$300,000
Water Utility	Capital Reserve	Alternative Source of Water Supply (Property Evaluation)	\$200,000	-	-	\$200,000
Water Utility	Capital Reserve	Water Treatment Plant Roof Replacement	\$100,000	-	-	\$100,000
Water Utility	Capital Reserve	Tools, Equipment and Chemical Feed Equipment	\$100,000	-	-	\$100,000
Wastewater Utility	Capital Reserve	East Conococheague Pump Station (Total Project \$2,000,000 with \$1,000,000 in 2025)	\$1,000,000	-	-	\$1,000,000
Wastewater Utility	Capital Reserve	Laurich Meadows Pump Station (Total Project \$2,000,000 with \$1,000,000 in 2025)	\$1,000,000	-	-	\$1,000,000
Wastewater Utility	Townships/Capital Reserve	Wastewater Treatment Plant Equipment Evaluation and Upgrade (Borough Share 30.32%/Township Share 69.68%)	\$500,000	\$348,400	-	\$151,600
Wastewater Utility	Townships/Capital Reserve	Wastewater Treatment Plant Solids Processing Improvements (Borough Share 30.32%/Township Share 69.68%)	\$200,000	\$139,360	-	\$60,640
Wastewater Utility	Townships/Capital Reserve	Tools and Equipment (Borough Share 30.32%/Township Share 69.68%)	\$50,000	\$34,840	-	\$15,160
Storm Sewer Utility	Grant/Bond	Southgate Shopping Center Storm Sewer System Improvements Project	\$4,643,576	\$3,300,000	\$1,343,576	\$1,343,576
Storm Sewer Utility	Bond	N. Fourth St. Storm Sewer System Improvements Project	\$1,800,000	-	\$1,800,000	\$1,800,000
Storm Sewer Utility	Bond	S. Fifth St. Storm Sewer System Improvements Project	\$1,212,278	-	\$1,212,278	\$1,212,278
Storm Sewer Utility	Bond	Industrial Dr. Storm Sewer System Improvements Project	\$550,000	-	\$550,000	\$550,000

BOROUGH OF CHAMBERSBURG – PROPOSED 2025 BUDGET

<u>Department</u>			<u>Cost</u>	<u>Outside Funding</u>	<u>Debt Funding</u>	<u>Borough Contribution</u>
Storm Sewer Utility	Grant/Capital Reserve	Conococheague Creek Adaptive Canoe and Kayak Launch at Pine Woods Park	\$117,000	\$58,500	-	\$58,500
Admin Services	Information Tech	Virtual Server Platform Upgrade	\$450,000	-	-	\$450,000
Admin Services	Information Tech	Borough Wide Fiber Project (Split with PTSL)	\$200,000	-	-	\$200,000
Admin Services	Bond	Borough Hall Wall Cladding Project	\$150,000	-	\$150,000	\$150,000
Admin Services	Information Tech	Network Switches	\$150,000	-	-	\$150,000
Admin Services	Information Tech	New Cameras Borough Wide	\$100,000	-	-	\$100,000
Admin Services	Information Tech	Customer Portal	\$100,000	-	-	\$100,000
Admin Services	Information Tech	Power9 System	\$60,000	-	-	\$60,000
Parking Traffic	Grant	Traffic Signal Improvements Project (PennDOT CMAQ)(Multi-Year Project)	\$545,000	\$545,000	-	-
Parking Traffic	Capital Reserve	Intersection Camera Project	\$120,000	-	-	\$120,000
Parking Traffic	Capital Reserve	Traffic Safety, Public Safety, Codes Portable Camera Trailer with Telescoping Boom	\$100,000	-	-	\$100,000
Parking Traffic	Capital Reserve	S. Main St./Orchard Dr. Traffic Signal Equipment Reconfiguration	\$55,000	-	-	\$55,000
Parking Traffic	Capital Reserve	Borough Wide Fiber Project (Split with Admin Services IT)	\$15,000	-	-	\$15,000
Parking Traffic	Capital Reserve	Traffic Signal Equipment	\$12,000	-	-	\$12,000
Aquatic Center	Capital Reserve	Water Proof Walkie Talkies	\$18,000	-	-	\$18,000
Aquatic Center	Capital Reserve	New Blue Pads for Floating Log Crossing	\$14,000	-	-	\$14,000
Aquatic Center	Capital Reserve	Cameras at the Aquatic Center	\$12,000	-	-	\$12,000
Aquatic Center	Capital Reserve	Roof Repair/Replace	\$6,000	-	-	\$6,000
Aquatic Center	Capital Reserve	Gutters	\$4,000	-	-	\$4,000
Recreation	Capital Reserve	Recreation Center Window Replacement	\$25,000	-	-	\$25,000
Recreation	Capital Reserve	Recreation Center Door Replacement	\$20,000	-	-	\$20,000
Recreation	Capital Reserve	Mike Waters Fence Replacement	\$11,000	-	-	\$11,000
Police	Capital Reserve	License Plate Reader Lincoln Way East/Walker Rd. (Funded in 2024)	\$125,000	-	-	\$125,000
Police	Grant/Capital Reserve	License Plate Reader Mobile	\$85,000	\$48,150	-	\$36,850
Police	Grant	GETAC Mobile Data Computers for Vehicles and Motorcycles	\$70,000	\$70,000	-	-
Police	Capital Reserve	Ballistic Shield Replacements	\$24,000	-	-	\$24,000
Police	Grant	License Plate Readers Quick-Deploy	\$21,315	\$21,315	-	-
Police	Capital Reserve	Simunitions	\$12,000	-	-	\$12,000
Sanitation Utility	Capital Reserve	Leaf Collection Unit Rehabilitation	\$100,000	-	-	\$100,000
Highway	Capital Reserve	Limekiln Drive Bridge Replacement	\$700,000	-	-	\$700,000
Highway	Capital Reserve	Chambers Fort Park Pedestrian Bridge Re-decking	\$125,000	-	-	\$125,000
Highway	Capital Reserve	Fifth Ave Bridge Improvements	\$65,000	-	-	\$65,000
Highway	Capital Reserve	Dump Road Bridge Improvements	\$50,000	-	-	\$50,000
Highway	Capital Reserve	Kennedy St. Bridge Improvements	\$50,000	-	-	\$50,000
Land Use & Community Dev.	Grant/Capital Reserve	Purchase and Relocate Cold Weather Shelter at 195 Loudon St.	\$500,000	\$475,000	-	\$25,000
Land Use & Community Dev.	Capital Reserve	Cameras for Southgate Shopping Center	\$20,000	-	-	\$20,000