



# **Borough of Chambersburg**

Borough Manager's Proposed  
2018 Budget

# Budget Statement

- Submitted herewith for your consideration is the Borough Manager's Recommended 2018 Budget. As is required by local law, I have prepared this document in a form that can be adopted by Town Council. The proposed 2018 operating budget is balanced; revenues and cash balances cover all necessary expenses.
- Following the presentation, a copy will be available on [www.chambersburgpa.gov](http://www.chambersburgpa.gov) under Transparency

# 2018 Budget Goals

A budget is a spending plan – a strategic plan

It is not an accounting of money. It is not a spreadsheet of line items, although we have one. It is policy document.

The goals of the 2018 Strategic Plan are:

- Planning, preservation and citizen engagement
- A safe, clean, green and healthy community
- Finishing municipal construction projects; which are reshaping our community
- Controlling the growth in taxes and utility rates

# Chambersburg has Largest Borough Budget in Pennsylvania

Chambersburg has the most complex budget in Pennsylvania. Unlike every other town, including big cities, we have over a dozen separate funds (accounts) because all the utilities are kept segregated from the other operations. Chambersburg's fiscal size is the 12<sup>th</sup> largest in PA, the 3<sup>rd</sup> highest revenue over expenditures, and the largest Borough; because of the utilities.

<b>Largest Municipalities in Pennsylvania (2015)</b>		<b><u>County</u></b>	<b><u>Total Revenue</u></b>	<b><u>Loss or Gain</u></b>
1	PHILADELPHIA CITY	PHILADELPHIA	\$8,152,666,000	-\$404,091,000
2	PITTSBURGH CITY	ALLEGHENY	\$688,136,050	-\$12,576,000
3	READING CITY	BERKS	\$248,430,784	+\$22,490,592
4	ALLENTOWN CITY	LEHIGH	\$188,166,483	-\$17,286,337
5	ERIE CITY	ERIE	\$173,105,966	+\$10,294,994
6	BETHLEHEM CITY	NORTHAMPTON	\$158,050,959	+\$8,528,218
7	LANCASTER CITY	LANCASTER	\$140,674,633	-\$12,114,773
8	SCRANTON CITY	LACKAWANNA	\$134,223,158	+\$14,806,277
9	HARRISBURG CITY	DAUPHIN	\$107,705,004	+\$4,499,541
10	LOWER MERION TWP	MONTGOMERY	\$100,556,223	-\$1,855,900
11	YORK CITY	YORK	\$93,410,268	+\$7,446,105
12	CHAMBERSBURG	FRANKLIN	\$91,414,976	+\$17,609,377

# No surprises in the 2018 Budget

- This budget includes the new Recreation Bond Tax approved by Council in 2016 to begin in 2018

With the exception of the Recreation Bond Tax, the real estate taxes of the Borough will remain earmarked only to police, fire and ambulance operations. No other department or employee is funded through real estate taxes. In fact, since the Recreation Bond Tax is specifically earmarked for paying off the 2016 Recreation Bond, one can reliably say: **no real estate tax will pay for any operations of the Borough of Chambersburg other than police, fire and ambulance.**

More on the Recreation Bond Tax to follow...

# No surprises in the 2018 Budget

- This budget includes the increase in the Fire Tax set when the labor pact was approved in 2017

Town Council has not adjusted the Fire Tax since its inception in 2014, but in light of the new labor agreement, Council is being asked to raise it from 2.5 mil to 3.0 mil and to add a separate 0.5 mil Ambulance Tax. **This 1 mil increase** will be used to offset the wages and benefits of firefighters and the costs associated with Basic Life Saving (BLS) ambulance service.

More on the Fire and Ambulance Tax to follow...

# No surprises in the 2018 Budget

- This budget includes the increase in the Police Tax clearly predicted in the 2017 Budget

Town Council choose NOT to increase in the Police Tax in 2017. In this 2018 Budget, Council is being asked to raise it from 23 mil to 24 mil. **This 1 mil increase** represents a 4% increase spread over two fiscal years (2017 and 2018).

More on the Police Tax to follow...

# Incremental Tax Changes

<b>Borough Real Estate Tax Increases (Historical)</b>		<b><u>Increases</u></b>
2007	11 years ago	No
2008	10 years ago	No
2009	9 years ago	No
2010	8 years ago	No
2011	7 years ago	No
2012	6 years ago	No
2013	5 years ago	No
2014	4 years ago	Yes
2015	3 years ago	No
2016	2 years ago	Yes
2017	Last year's budget	No
2018	This year's budget	Yes



# Incremental Tax Changes

- Chambersburg did not raise real estate taxes between 2007 and 2013; then there was an increase in 2014 and a second increase in 2016. Therefore, there have been only 2 previous real estate tax increases in the last 11 years. Chambersburg did not raise the real estate tax in 2017.
- Chambersburg Real Estate taxes will have risen 52.5% in 11 years or about 4.7% per year over that period 2007-2018.

# Nobody Wants a Tax Increase

- That being said, an increase due to a very positive labor pact with the fire union is understandable.
- That being said, an increase due to having our Police Department at full staffing is understandable.

## Police and Fire Taxes are Understandable

Our citizens pay no dedicated Recreation Tax, no dedicated Highway Tax, and no taxes at all to support any of the Borough's *operations*, utilities, or utility support departments other than police and fire/ambulance.

# Recreation Bond Tax



Good debt is investment debt that creates value," says Eric Gelb, CEO of Gateway Financial Advisors and author of "Getting Started in Asset Allocation."

Paying a tax for a bond issue, as was decided by Town Council, is not the same as paying a tax for the *operation* of the Borough.

**A tax to build something of value, adds value to a town**

# Recreation Bond Tax

Whether citizens agree with the Town Council on their decision to not hold a referendum in 2016, the basic fact remains, the Recreation Bond Tax, the new tax starting in 2018, is not to pay for any Recreation Department *operations*. It will pay off, over twenty-five years, the debt to build the new Chambersburg Aquatic Center at Memorial Park and other playground and park improvements.

Debt to increase asset value is a smart use of debt, is common in business and industry, and is actually a recommended practice.

Our citizens pay no dedicated Recreation Tax, no dedicated Highway Tax, and no taxes at all to support any of the Borough's *operations*, utilities, or utility support departments other than police and fire/ambulance.

# Incremental Tax Changes

All the real estate taxes collected within the Borough are used exclusively for the Police Department and to support the operations of the Chambersburg Emergency Services Department; none of this revenue is used to support any other department or operation. As of 2018, we will still only use real estate taxes to support Police, Fire, Ambulance and the debt services associated with the pool and park 2016 Recreation Bond. No real estate taxes are used for highways, streets, code enforcement, parks, or any other employees such as the Borough Manager, or any other operation or utility of the Borough other than public safety.

# Incremental Tax Changes

Changes:	<u>2017</u>	<u>2018</u>
Police Tax	23 mil	24 mil
Fire Tax	2.5 mil	3.0 mil
Ambulance Tax	-	0.5 mil
Rec Bond Tax	-	3.0 mil

In 2018, we will add 1 mil for the Police, 1 mil for the Fire/Ambulance and the 3 mil for the Rec Bond Tax approved by Council in 2016.

# Police Dept Operating Budget

In this 2018 Budget, Council is being asked to raise the Police Tax from 23 mil to 24 mil. This represents a 4% increase spread over two fiscal years (2017 and 2018).

<b>Police Department Budget</b>	<b>2017</b>	<b>2018</b>
Estimated cost of operations	\$5,162,275	\$5,295,920
Reimbursement from CASD for School Crossing Guards (estimated)	-\$44,000	-\$53,000
Estimated Yield from Fines and Fees	-\$181,500	-\$185,500
State Grant for Police Pension Costs (grant shifted from utilities)	-\$312,001	-\$312,001
<b>Subtotal</b>	<b>\$4,624,774</b>	<b>\$4,745,419</b>
Tax Rate	23 mil	24 mil
Revised estimated yield of Police Tax (excluding tax liens & donations)	\$4,250,000	\$4,539,000
<i>Estimated Expenses over Revenue</i>	<i>-\$374,774</i>	<i>-\$206,419</i>

Each year, the Police Department budget is balanced by a) tax liens, b) donations, and c) shifting pension costs from the utilities. In the future, the Police Tax should equal the Police Department operating budget.

# ES Dept Operating Budget

In 2018, like most years, the ES Dept brings in significant ambulance income. Just as in the past, even with the Fire Tax, the department did not come close to covering its costs without non-fire revenue to pay their expenses.

<b>Emergency Services Department Budget</b>	<b>2017</b>	<b>2018</b>
Estimated cost of operations	\$3,889,875	\$4,612,540
Local Services Tax Yield (set at State Maximum)	-\$832,500	-\$832,500
Fire Code Inspections	-\$50,000	-\$65,000
Ambulance Fees	-\$1,339,000	-1,755,865
State Grant for Fire Pension Costs (grant shifted from utilities)	-\$201,883	-\$201,883
<i>Subtotal</i>	\$1,466,492	\$1,757,292
Tax Rate	2.5 mil	3.5 mil
Estimated yield of Fire/Ambulance Tax (excluding tax liens & donations)	\$504,898	\$685,000
Less required transfer to the Motor Equipment Fund (State Law)	-\$487,000	-\$488,900
<i>Net Fire Tax Revenue for Operations</i>	\$17,898	\$196,100
<b>Emergency Services Department Deficit</b>	<b>-\$1,448,894</b>	<b>-\$1,561,192</b>

Council agreed to the labor pact in May 2017. We knew it would force some type of increase. The Kasher Decision cost 2.5 mil in 2014 and was not a good decision. The new agreement apparently costs 1 mil.



# Shorting Other General Fund Departments

- The Fire Tax does not balance the ES Dept budget
- The Police Tax does not balance the Police Dept budget
- That being said, a small increment is needed just to keep up with growing expenses and not taking any more resources from other departments

# Real Estate Taxes

## Proposed for 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> <u>Proposed</u>
Police Tax Yield	21	23	23	24
Fire Tax Mil	2.5	2.5	2.5	3
Ambulance Tax Mil	-	-	-	0.5
Recreation Bond Tax Mil	-	-	-	3
Total Real Estate Tax Mil	23.5	25.5	25.5	30.5

# Fire Tax is Limited by State Law

- Boroughs can not have a Fire Tax of more than 3 mil and of that no more than 0.5 mil can go to Fire Department operations. This is what is recommended in the 2018 Budget with 2.5 mil going to offset Fire Department apparatus expenses and 0.5 mil going to operations.
- Boroughs can not have an Ambulance Tax of more than 0.5 mil. This is what is recommended in the 2018 Budget.

# Police Tax is Limited by State Law

- Boroughs can not have a Police Tax of more than 30 mil. In the 2018 Budget, it is recommended that the Police Tax rise from 23 mil to 24 mil.

# Bond Taxes Are Unlimited by State Law

- Boroughs can levy as much tax as decided by their Council as long as it is earmarked to pay off debt.
- There are debt limits. Chambersburg is nowhere near our debt limit.

In our 2016 CAFR, it was identified by the independent auditors that we have a debt capacity of \$156 million with only \$27 million in outstanding debt. Therefore we are at 17.28% of our debt capacity. No new debt contemplated in 2018.

# Property Tax History

<b>Police Tax Rate</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Mil</b>	20	20	20	20	20	20	20	21	21	23	23	24

<b>Fire Tax Rate</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Mil</b>	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5	3.0

<b>Ambulance Tax</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Mil</b>	0	0	0	0	0	0	0	0	0	0	0	0.5

<b>Recreation Bond Tax</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Mil</b>	0	0	0	0	0	0	0	0	0	0	0	3.0

<b>Borough Taxes</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Mil</b>	20	20	20	20	20	20	20	23.5	23.5	25.5	25.5	30.5

**Chambersburg Borough real estate taxes have risen 52.5% in 11 years**

**Or about 4.7% per year**

# Avg. Single Family House

## Average Single Family House Inside The Borough

	<b>2017</b>	<b>Per Day</b>	<b>2018</b>	<b>Per Day</b>
<b>Police Tax (to the General Fund)</b>	\$388.01	\$1.06	\$409.23	\$1.12
<b>Fire Tax (2.5 mil to the Motor Equipment Fund)</b>	\$42.18	\$0.12	\$42.62	\$0.12
<b>Fire Tax (0.5 mil to the General Fund)</b>			\$8.53	\$0.02
<b>Ambulance Tax (to the General Fund)</b>	-	-	\$8.53	\$0.02
<b>Recreation Bond Tax (to pay for the 2016 Recreation Bond debt service)</b>	-	-	\$51.15	\$0.14
<b>Total (per year)</b>	<b>\$430.18</b>	<b>\$1.18</b>	<b>\$520.06</b>	<b>\$1.42</b>



**Single Family House**  
\$520.06 per year\*



**Schools**  
No tax



**Non-profits**  
No tax



**Government**  
No tax



**Commercial/Industrial**  
More

No government buildings, schools, charities or township property owners pay any Police, Fire, or Recreation Bond Tax on their property – average commercial or industrial property owners may pay more. Also, for many folks, 100% of this cost is deductible on your Federal Income Taxes, returned to you in your tax refund every year. Please protect the SALT (State & Local Tax) deduction from being eliminated during Federal tax reform.

The avg. single family house will see taxes rise from \$430.18 to \$520.06 per year or an increase of approximately 21%

# Utilities

- Water, Sanitary Sewer, Natural Gas, Electric, Storm Sewer, Sanitation, Parking & Traffic, and now a new Swimming Pool enterprise fund
- Only municipality in Pennsylvania to operate all their own utilities
- Largest municipal electric in PA, twice as big as #2
- One of only two with natural gas; and the other is Philadelphia, which doesn't have an electric utility
- No rate changes in 2018 except... 1 cent for Water



# Utilities

For the first time since 2001, the Water Dept is proposing a rate increase:  
a 1 cent rate increase:

What does a 1 cent increase in the Water Rate mean?

- The average residential customer uses 185 gallons of water per day
- This usage equates to 75 “units” per month (1 “unit” = 74.8 gallons)
- 2017 usage charge: \$.12/unit
- 2017 average monthly billing: \$15.00
- 2018 usage charge: \$.13/unit
- 2018 average monthly billing: \$15.75



# Utilities

Still the lowest composite utility rates in Pennsylvania

<b>Utility</b>	<b>2017 Cost</b>	<b>2018 Cost</b>	<b>Last Changed</b>
Electric	\$100.90 per month	\$100.90 per month	2014 (lowered)
Water	\$15 per month	\$15.75 per month	2018
Sewer	\$29.50 per month	\$29.50 per month	2012
Gas	\$631 per year	\$631 per year	2013
Sanitation	\$18.75 per month	\$18.75 per month	2016
Storm Sewer	\$4	\$4	2017

# Utilities

No change in the Sanitation rate but a warning:

- **The cost of disposing of bulky waste and electronic waste continues to rise. This may necessitate a mid-year Sanitation Rate adjustment sometime in 2018.**

# A Look Beyond 2018

We need to understand that Chambersburg Borough is committed to public safety unlike any other town in our area; more so than most of Pennsylvania.

Most township residents do not realize that they have no local police force.

Hard to find any other Borough in Pennsylvania with a paid 28-person fire department.

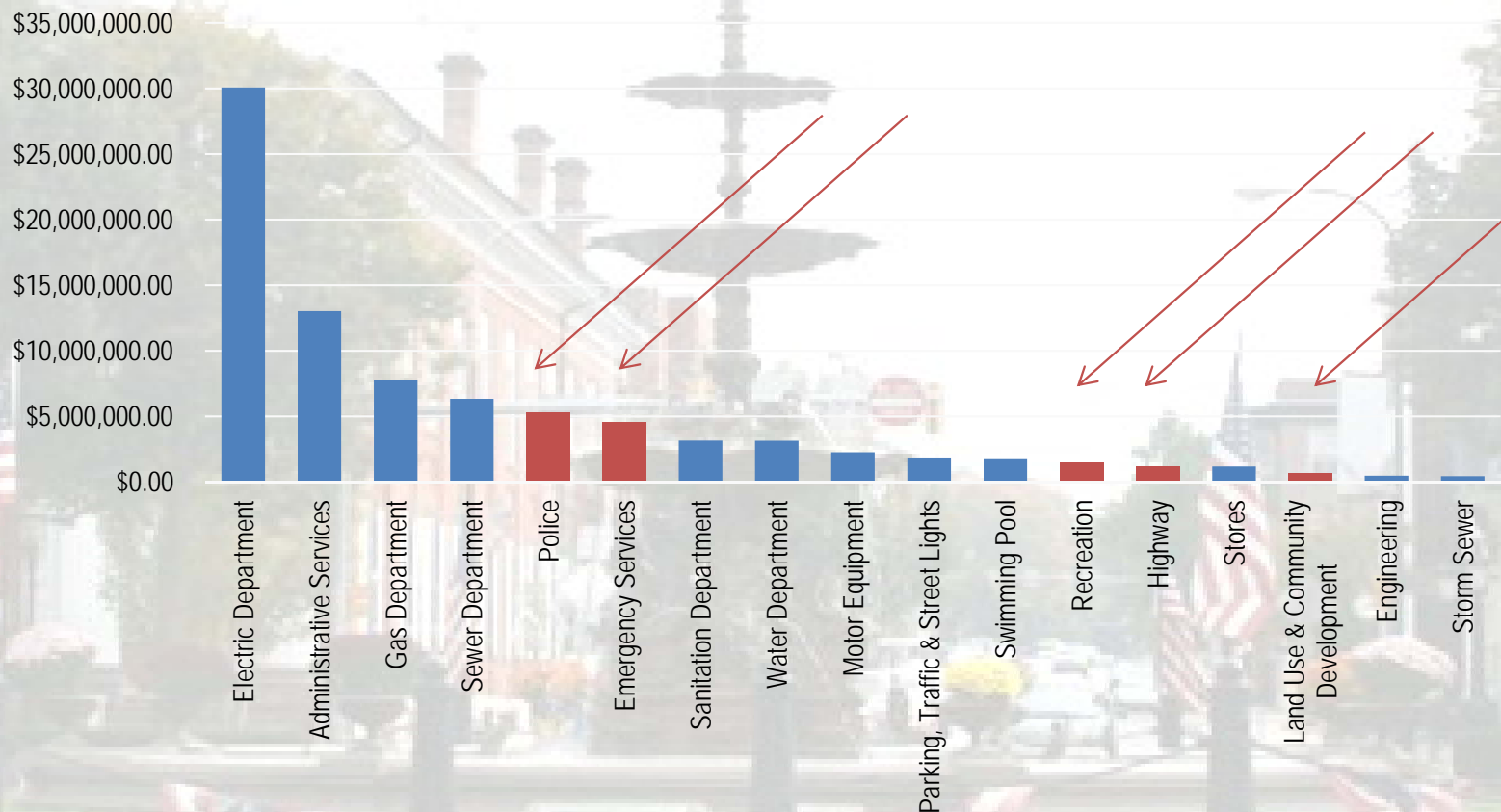
Waynesboro – 5 employees      Carlisle – 3 employees

Greencastle, Gettysburg, Camp Hill, State College, Bedford, etc. – No employees

# Why focus on the General Fund

The **General Fund** is not the largest or most complex part of the budget, but it does receive almost all the taxes levied by the Borough.

## Relative Size of Borough Departments



# Types of Taxes Allowed Under Law

All go to the General Fund

- Real estate taxes (many different limits based upon use)
- 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. None including tolls, fees for police/fire services, or any fee that collects more money than the service provided
- No business tax, no liquor tax, no sales tax, no nothing

# Taxes Do Not Always Go Up

Please tell people to stop saying this misinformation

The Deed Transfer Tax *has not gone up since 1987*

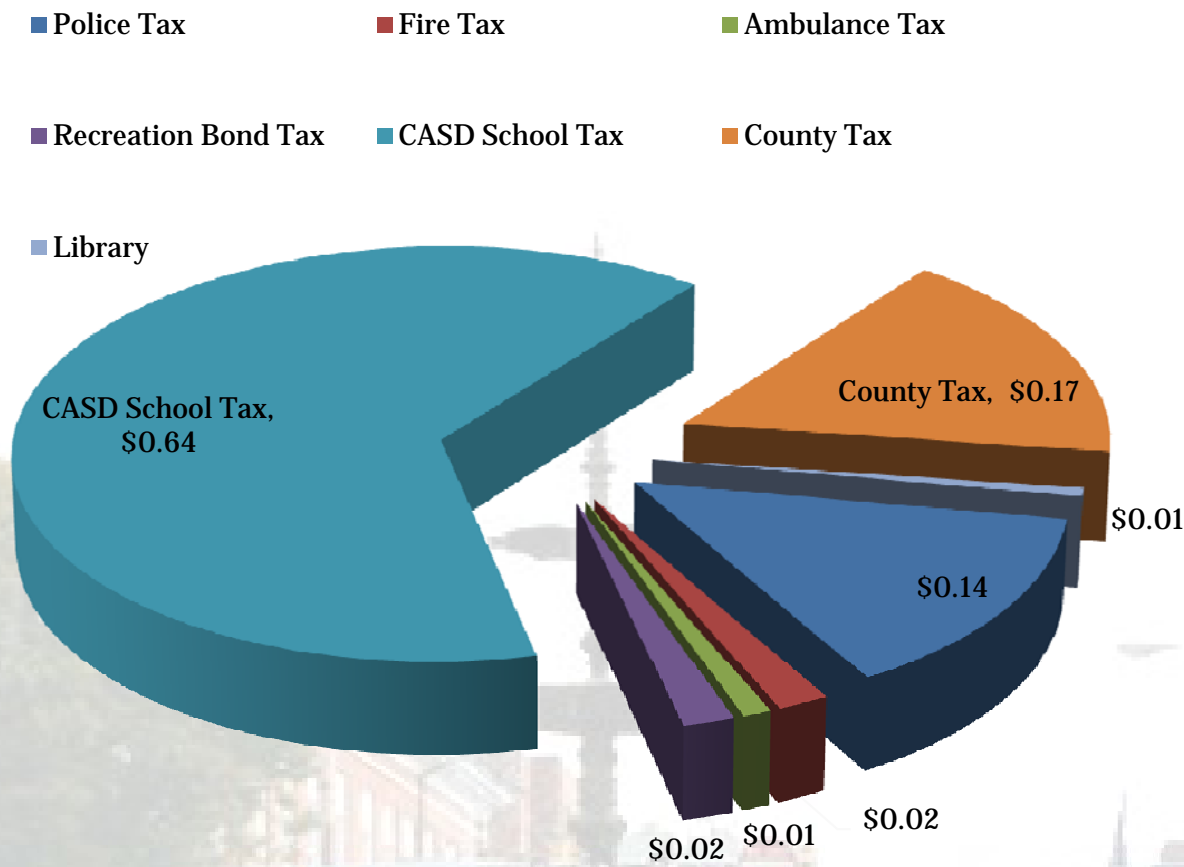
The Earned Income Tax *has not gone up since 1965*

The Local Services Tax *has not gone up since 2007*

Borough real estate taxes have only risen 3 times in the last decade (2014, 2016 and 2018)

And real estate taxes used only for Police & Fire/Ambulance

*Ask the skeptics what taxes are they talking about?*



Only 19¢ of every \$1 paid in real estate taxes will go to the Borough of Chambersburg.

The balance, 81¢ will go to support the school district, the county, and the library. In fact 64¢ of every dollar goes to the Chambersburg Area School District.



# Value of 1 Mil of Tax

Total assessed value of taxable real estate inside the Borough for 2018 is estimated to be \$202,217,800. Therefore, the cash value of 1 mil would equal \$202,218. However, when factoring in our average collection rate for any year, we should expect that same mil to yield \$188,060. This difference is a result of the average amount of taxes remitted on time, annually, versus the total that is levied. So for budget purposes, 1 mil is equal to approximately \$202,000 in cash.



Real example of average Borough home:  
0.15 acre lot single family home  
Estimated value: \$154,500

Assessed value: \$16,974

	<u>2017</u>	<u>2018</u>
Police Tax	\$388.01	\$409.23
Fire Tax	\$42.18	\$51.15
Ambulance Tax	-	\$8.53
Recreation Bond Tax	-	\$51.15
Total	\$430.18	\$520.84

# Typical Year of Capital Projects

- Electric, Gas, Water and Sewer have interesting and ambitious system upgrade projects, which they will fund from cash reserves
- The Recreation Dept includes finishing the Aquatic Center, building out Nicholson Square Park, and doing the Playground Upgrade project approved by Council
- The Police, Fire and Highway Departments have few if any projects in 2018
- There is anticipated to be a transfer in December, as usual, from the General Fund to the General Capital Reserve; so, a standard street paving list included in the budget can be undertaken in 2018
- There are only 2 vehicles to be bought in 2018
- We will begin design of Phase 2 of the City Hall Improvements
- We have a number of Parking & Traffic projects already underway including the Downtown Central Parking Lot and Pedestrian/Bicycle Improvements
- CDBG projects include Elder Street and ADA curb ramps
- Finally, the Storm Sewer utility will be upgrading Rhodes Drive

# Typical Year of Side Street Paving

<u>2018</u>	<u>Estimated Cost</u>
Liquid Fuels: Alexander Ave. (Roland Ave. to Norland Ave.)	\$266,136
Liquid Fuels: Hollywell Ave. (Industrial Dr. to South St.)	\$259,111
Liquid Fuels/General Fund: Orchard Dr. Ultra-Thin Friction Course (S. Main St. to Wayne Ave.)	\$207,910
General Capital Reserve: Park Ave. (Scotland Ave. to Edgar Ave.)	\$179,822
General Capital Reserve: Mill Rd. Mill/Overlay (Hollywell Ave. to Delano Dr.)/Ultra-Thin Friction Course (Delano Dr. to Main St.)	\$136,645
General Capital Reserve: Sheffler Dr. Ultra-Thin Friction Course (North End to South End)	\$120,209
General Capital Reserve: Bedington Boulevard Mill/Overlay	\$34,970
General Capital Reserve: Phoenix Drive (Walker first block) Mill/Overlay	\$42,845
General Capital Reserve: Hollywell Ave./Industrial Dr. Intersection Reconstruction	\$28,264
General Capital Reserve: Elm Ave. (Sixth St. to Seventh St.)	\$4,785
Bill to Adjacent Property Owners: Garfield St. (Middle St. to S. Sixth St.)	\$52,880
Bill to Adjacent Property Owners: Middle St. (McKinley St. to Bender Ave.)	\$32,050
Chambersburg Health Services MTF: Fifth Ave. Extension	\$1,514,784
Borough CDBG: Elder St. (Hood St. to Terminus)	\$700,000
Borough MTF: Rhodes Dr. BMP Project	\$408,749
Borough MTF: Burkhart Ave. (Harrison Ave. to Central Ave.)	\$35,600
Borough MTF: Central Ave. (Lincoln Way East to Queen St.)	<u>\$34,100</u>
<i>Total</i>	\$4,058,860

<u>By Funding Source</u>	
Liquid Fuels	\$613,465
General Capital Reserve	\$667,232
Bill to Adjacent Property Owners	\$84,930
Chambersburg Health Services MTF	\$1,514,784
Borough CDBG	\$700,000
Borough MTF	\$478,449
<i>Total</i>	\$4,058,860

# Typical Year of Side Street Paving

With a reasonable contingency, it is anticipated that the 2018 paving budget will be \$ 1,272,822.

Highway construction projects are done with Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels) and whatever money is left over from the previous fiscal year. Our Highway Aid grant only pays for street construction made to Borough owned streets and not much of that at all. Keeping up with all highway maintenance on Borough streets without a dedicated funding source has always been very challenging.

In 2018, we will again be able to scrape together some balances to have a street maintenance program, but once again not enough money to either keep up with the growing needs or to address any of the Borough-owned alleys. Town Council is asked to consider for 2019 authorizing the Engineering Department to analyze and map all alleys in the Borough to establish a plan and funding strategy for alley ownership and maintenance.

# Major Construction 2018

City Hall Utility Departments' Addition should be finished

The 2018 Budget includes resources for the completion of construction and occupying the new addition.



# Major Construction 2018

Aquatic Center at Memorial Park should be finished

The 2018 Budget includes resources for the completion of construction and the opening of the new facility.



# Major Construction 2018

The background image shows a town square with a central fountain, several American flags, and a building with a clock tower in the distance. The scene is slightly faded to allow text to be overlaid.

North Chambersburg Transportation Improvements Project  
Chambersburg Health Services (Summit Health) project

Extension of Fifth Avenue northward to meet Parkwood Drive (Phase 4)  
should be completed in 2018

# A Safe, Clean, Green & Healthy Community

- Explore Pedestrian and Bicycle Improvements & Healthy Communities Design Initiative
- Sustainable PA Community Certification
- Expand Post-Construction Stormwater Management to Prevent Pollution in Our Streams
- Expand Fire Safety Programs into the Townships



# Planning Preservation Citizen Engagement

- Beginning in 2018, and lasting into 2019, the 2007-2008 Comprehensive Plan will need to be updated
- Use Citizen Engagement and Public Outreach to Involve the Community in the Planning Process
- Incorporate Other New And Existing Plans Into An Overall Action Plan For Our Community
- Public Outreach in the Elm Street Neighborhood
- Healthy Communities Plan & Complete Streets Plan

# Personnel Changes

- **Add 1 new position to the Administrative Services – Finance and Accounting Department:** Due to the increasing need for a switchboard operator and coordination of visitors, a Reception Clerk/Account Clerk I is being added, upon moving the Finance and Accounting operations to the Utility Addition
- **Add 1 new position to the Administrative Services - City Hall and Customer Services Department;** Due to the opening of the Chambersburg Aquatic Center, a full time grounds and maintenance employee will be added to work as the custodian and light mechanic at the facility.
- **Add 1 new position to the Personnel & Payroll Office:** Due to demands on next generation recruitment, a new Diversity, Outreach, and Employment Resources (DOER) Coordinator is included in this budget
- **Add 2 new positions to the Recreation Department in the General Fund;** There has been an identified need of additional maintenance help and therefore a new full time Parks Maintenance Supervisor position and one Parks Maintenance Worker is being added.
- **Add 1 new position, half in the Swimming Pool Fund and half in the Recreation Department in the General Fund;** Due to the opening of the Chambersburg Aquatic Center, three part time positions are being consolidated into one new full time position: the Part Time Pool Manager, Part Time Soccer Program Manager, and Part Time Basketball Program Manager are now one full time Pool and Athletic Leagues Program Manager position.
- **Cost of living increases pursuant to existing collective bargaining agreements:** Employees represented by AFSCME Local #246, the International Association of Fire Fighters (IAFF) Local #1813, and the Chambersburg Police Officers Association, are due to receive 1.95% cost of living increases. It is anticipated in this budget that non-bargaining employees will receive the same 1.95% cost of living increases.

Some of these impact current positions and should be discussed in more detail in Executive Session

# Summary of Budget

	2018 Revenue	2018 Expenditures	Withdrawal/Deposit from Fund Balance	
General Fund	14,950,500			Balanced with increases in Fire/EMS Tax of 1 Mil (TOT 3.5 Mil) and Police Tax of 1 Mil (TOT 24 Mil)
General		1,494,480		
Highway		1,184,635		
Fire/Ambulance		4,612,540		
Police		5,295,920		
Recreation		1,481,715		
Land Use & Community Dev		657,365		
Misc Functions		223,845		
General Fund		14,950,500	-	Balanced
Electric	30,079,131	30,079,131	-	Balanced
Gas	7,781,000	7,781,000	-	Balanced
Water	3,148,180	3,148,180	-	Balanced with 1 cent rate increase
Sewer	6,346,475	6,346,475	-	Balanced
Sanitation	3,159,840	3,159,840	-	Balanced
Parking Traffic	1,869,965	1,869,965	-	Balanced
Storm Sewer	443,625	443,625	-	Balanced
Swimming Pool	1,018,795	1,739,795	-721,000	Use of proceeds from 2016 Rec Bond Remaining Aquatic Center Project (\$721k Balance Remaining)
Motor Equipment	3,217,740	2,259,800	+957,940	Addition to fund balance for future motorized equipment purchases
Engineering	476,600	476,600	-	Balanced
Stores/Warehouse	1,182,650	1,182,650	-	Balanced
Admin Services Dept	13,022,855			
Utility Addition Operations		434,690		
Personnel & Payroll		368,775		
Info Technology		939,675		
Finance/Customer Service		2,282,050		
Clerical Pool		1,097,790		
General Admin & Supplies		771,075		
Admin Cap Projects		7,128,800		Includes funds to complete construction of the New Utility Addition to City Hall
Admin Services Dept		13,022,855	-	Balanced
General Capital Reserve	1,768,186	3,501,686	-1,733,500	End of 2017 transfer scheduled: \$907k for streets, \$600k for software; plus \$262,242 from recreation bond proceeds for playground projects; and the addition of two new anticipated grants (300k + \$240k)
Storm Sewer Capital	476,464	476,464	-	Balanced
Electric Capital	845,350	1,363,350	-518,000	Use of accumulated fund balance from previous years to pay for capital improvements
Gas Capital	1,414,750	1,100,750	+314,000	Addition to fund balance for future projects
Water Capital	225,400	2,599,400	-2,374,000	Use of accumulated fund balance from previous years to pay for capital improvements
Sewer Capital	1,761,500	3,521,500	-1,760,000	Use of accumulated fund balance from previous years to pay Borough share of capital improvements
Sanitation Capital	600	600	-	Balanced
Parking Capital	3,852,944	3,825,006	+27,938	Includes extensive grant projects (CMAQ Traffic Signals) and MTF Downtown Improvements
Self Insurance Trust	1,168,270	1,318,270	-150,000	Use of accumulated fund balance from previous years to pay for anticipated claims in 2018
Workers Comp Trust	189,150	229,150	-40,000	Use of accumulated fund balance from previous years to pay for anticipated claims in 2018
Special Revenue Trust	771,385	771,385	-	Balanced
Security Deposits Trust	653,700	472,750	+180,950	Additional customers/projects added versus those deducted
Recreation Tax Fund Holding	571,500	571,500	-	First year of new Recreation Tax (3 mil) Dedicated to Paying Costs of Recreation Bond Issue
Fire/Ambulance Tax Holding	689,000	689,000	-	Includes 2.5mil for Fire Apparatus, 0.5mil for Fire Wages, and 0.5mil for EMS Wages
Liquid Fuels Holding	613,466	613,466	-	All grant proceeds forwarded to the General Fund Capital Reserve for Street Paving
Sister City	1,185	1,185	-	Balanced
Project H.E.A.T.	24,700	40,700	-16,000	Use of accumulated fund balance from previous year



Real example of average Borough home:  
 0.15 acre lot single family home  
 Estimated value: \$154,500

Assessed value: \$16,974

	2017	2018
Police Tax	\$388.01	\$409.23
Fire Tax	\$42.18	\$51.15
Ambulance Tax	-	\$8.53
Recreation Bond Tax	-	\$51.15
<b>Total</b>	<b>\$430.18</b>	<b>\$520.84</b>

The change of the value of 1 mil based upon total assessed real estate has no impact on an existing property whose individual real estate assessment does not otherwise change during the year.

*Total Tax Burden*

2018			
Franklin County	27.60 mil	\$470.61	16.72%
Library	1.05 mil	\$17.90	0.64%
Chambersburg Area School District	105.94 mil	\$1,806.40	64.17%
Police Tax	24 mil	\$409.23	14.53%
Fire Tax	3.0 mil	\$51.15	1.82%
Ambulance tax	0.5 mil	\$8.53	0.30%
Recreation Bond Tax	3.0 mil	\$51.15	1.82%
<b>Total</b>	<b>165.09 mil</b>	<b>\$2,814.97</b>	<b>100%</b>

Franklin County has yet to decide their 2018 mil rate

# Next Steps

The background of the slide is a faded photograph of a city square. In the center is a large, ornate fountain with multiple tiers. To the left, a tall clock tower with a circular clock face is visible. The square is surrounded by trees and buildings, and there are American flags on poles in the foreground.

- Tonight – authorize the advertisement of the budget
- Next week – November 13 – accept public comments on the proposed budget
- If needed – November 27 – no scheduled meeting but available if needed to gain more public comments
- December 11 – approve the proposed budget and the 2018 Real Estate Tax Ordinance



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