

Borough Manager's Proposed 2025 Fiscal Year Budget

FOR THE BOROUGH OF CHAMBERSBURG

Zoom to Each Slide in Presentation

A grid of 48 presentation slides, each with a title and content. The slides are arranged in 6 rows and 8 columns. Each slide has a blue header and a white body with text, tables, or charts. The topics include budget details, utility rates, and revenue sources.

- Row 1:**
 - Role of Council in the Budget Process
 - Chambersburg Rises to #8 in 2022
 - Size of Budget (2022)
 - Size of Proposed Budget (2025)
 - Chambersburg is Unique
 - Chambersburg's Budget is Unique
 - Our Economy is Better than Many
 - Things that Drive Need for Revenue
- Row 2:**
 - Bond Taxes are Used for Bonds Only
 - 2025 Will See Very Necessary Revenue Enhancements
 - Many Property Owners Do Not Pay Taxes to the Borough
 - Limited Types of Tax Revenue
 - Act 511 Taxes Cannot Be Adjusted Ever
 - Before We Talk Mill Rates, Understand Assessed Valuation
 - Real Estate Tax Caps Are Set by the State and Are Expressed in Mill, not Dollars or %
 - Value of 1-Mil in Chambersburg
- Row 3:**
 - New Real Estate Tax Rates
 - New Real Estate Tax Rates
 - New Real Estate Tax Rates
 - General Fund Budget is Balanced
 - Even With the Police Tax, The Police Department Will Run A Police Tax Deficit
 - Even With the Fire Tax & Ambulance Revenue, The Fire Department Will Run A Deficit
 - This Budget Recommends No Increase in the Ready-to-Serve Ambulance Fee
 - Fire Tax is Example of State Limited Taxes
- Row 4:**
 - Lowest Utility Rates in Franklin County and Some of the Lowest in Pennsylvania
 - Even After Increases, Utility Bills Will Actually be Lower Than Non-Residents' Bills Were in 2021
 - Electric Rates – No Change Until Sept. 2025
 - Electric Rates – No Change Until Sept. 2025
 - Natural Gas – First Change in Years in 2025
 - Natural Gas – First Change in Years in 2025
 - Wastewater Rates – Customers in 2025 to See First Increase in Years
 - Wastewater Rates – Customers in 2025 to See First Increase in Years
- Row 5:**
 - Water Rates – Another Increase in 2025 but Still Lower Than Most Others
 - Water Rates – Another Increase in 2025 but Still Lower Than Most Others
 - Sanitation Rates – Another Increase in 2025 but Still Lower Than Most Others
 - Sanitation Rates – Another Increase in 2025 but Still Lower Than Most Others
 - Storm Sewer Pollution Control Fee in 2025 to Rise Per ERU for First Time
 - Storm Sewer Pollution Control Fee in 2025 to Rise Per ERU for First Time
 - Lowest Utility Rates in Franklin County and Some of the Lowest in Pennsylvania
 - 2025 Proposed Utility Rates
- Row 6:**
 - All Revenue Enhancements Proposed
 - All the Utility Funds are Balanced
 - Total Impact of Proposed Budget
 - What is Included with the 2025 Budget
 - What is On the Horizon (Future)

Role of Council in the Budget Process

Each year the Borough Manager is required to submit a fully balanced budget to Council in a format that can be adopted.

The Council receives the budget around the beginning of November.

The budget is advertised as available for public review.

There is at least one budget public hearing held; more if needed.

Council separately approves the Capital Improvements Plan (CIP) typically in November.

Council is expected to approve the budget in December. Must be approved by the end of the year and must be balanced (expenses must equal revenue and cash balances).

Council approves a Tax Ordinance setting the real estate tax rate for the next year.

Council approves separate ordinances and resolutions setting utility rates.

While only in an election year may the budget be fully re-approved in January, Council does have the authority to make budget amendments throughout the year. That being said, taxes can only be set by January.

Chambersburg Rises to #8 in 2022

2022 was a slightly unusual year because of all the COVID spending by municipalities.

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 including City of Chester and City of Williamsport.

Chambersburg had the 8th largest budget of any municipality, and has the largest Borough budget statewide.

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

Size of Budget (2022)

<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
<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

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

Size of Proposed 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. Much of it due to capital project infrastructure spending including the proposed storm sewer projects and the Public Works Campus.

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. Most of it related to additional taxes and utility fees.

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.

Chambersburg's budget is significantly increased by all the grants and grant-spending on infrastructure, which has been increasing each year, especially for the utilities.

Chambersburg is Unique

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.

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.

Chambersburg's Budget is Unique

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, 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.

The Borough's utility rates are very reasonable; less than similar utilities in Franklin County or in comparison to the State of Pennsylvania.

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.

Our Economy is Better than Many

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 sale of real estate and associated taxes, 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.

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.

Things that Drive Need for Revenue

Real estate taxes are the only taxes that Council can adjust year-to-year. No other taxes are permitted to exist or permitted to be adjusted under State law.

Chambersburg uses real estate taxes to support Police and Fire operations; and the debt services associated with :

- the pool and other park improvements from 2016 (bonds refinanced in 2021);
- the 2022 Police Station construction; and
- the upcoming 2025-2026 Public Works Campus construction.

These bond projects are basically like mortgages.

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 the 2024 Budget as well.

Public Safety and debt service. Those are the only uses of real estate tax.

Bond Taxes are Used for Bonds Only

Just to be clear, Chambersburg real estate taxes remain earmarked only for Public Safety and debt service. Real estate taxes are not the source of funding for any other department or employee. In detail, the three bond taxes now levied effective with this budget do not help with operations of the associated departments:

- Recreation Bond Tax, specifically for paying off the 2016 Recreation Bond (bonds refinanced in 2021), a bond to pay for the construction of the Aquatic Center, renovations to all Borough playgrounds in 2018, and all Borough tennis courts in 2018, *but not to run the Aquatic Center or the Recreation Department operations or expenses*;
- 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 not any police operations or expenses*; 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.

It is reasonable to assume that some folks incorrectly believe these bond taxes help pay for operations. As they only pay for specific bonds, they do not count towards the 30-mil cap on taxes.

2025 Will See Very Necessary Revenue Enhancements

The Police Tax will rise this year as a result of adding three (3) new police officers to address growing demand for public safety services, including traffic enforcement. Police Officers are paid for using Police Tax (and a small generous Federal grant this year).

There will be a new tax dedicated to about 24% of the construction of the much-needed Public Works Campus. The balance will be paid by the various utilities.

Furthermore, Chambersburg utilities remain the lowest-cost utilities in Franklin County or in comparison to the State of Pennsylvania.

While many utility fees will rise this year, they still are much lower than neighboring utilities.

While we acknowledge any tax or rate increase is undesirable, Chambersburg is growing and investing. Our community continues to adapt and change.

The total cost of all the new utility rates and the tax increases in this budget is approximately \$20 per month for the average single-family household inside the Borough.

Many Property Owners Do Not Pay Taxes to the Borough

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. And we also have a paid-professional 24/7 fire and EMS service.

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.

Volunteerism is at dangerously low-levels in township fire companies. Having a paid-force protects homes and businesses, but it is expensive.

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.

Also, 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.

- Some non-profits, like Chambersburg Hospital, have a history of helping police & fire.

Limited Types of Tax Revenue

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.

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, in 2015, the State adopted 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 only the year before.

In 2015, the Town Council proposed a new State law to permit all core-communities (a term for the most densely populated municipal center of each County) to sell supplemental liquor licenses in a downtown entertainment district (called a Core-Community Liquor License) with proceeds being dedicated to police coverage. The proposal never gained any traction in Harrisburg despite being supported by the Boroughs Association.

Act 511 Taxes Cannot Be Adjusted Ever

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; a broken system left unchanged since 1965.

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.
	Deed Transfer Tax, a ½ of 1% tax when property inside the Borough is sold or transferred.
Earned Income Tax	Set at maximum since 1965.
	Earned Income and Wage Tax, which is a ½ of 1% tax on wages (not investments or retirement benefits) earned by those who live inside the Borough.
Local Services Tax	Set at maximum since 2007.
	Local Services Tax, which is a \$1 per week tax on workers inside the Borough.
Mercantile/Business Privilege Tax	Prohibited if not adopted by 1988.
Amusement Tax	Vending machine tax seen as nuisance in today's environment.
Paid Parking Tax	Useful if there is a large parking operator in your municipality.

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

Before We Talk Mil Rates, Understand Assessed Valuation

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 per gallon, which equals two dollars, ninety-nine cents, and nine mil per gallon.

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.

Franklin County has chosen to not update the assessed value of real estate since 1961.

Using assessment and mil results in an arbitrary system of taxation, arbitrary in application, and arbitrarily capped, not fair or equitable to property owners.

Real Estate Tax Caps Are Set by the State and Are Expressed in Mil, not Dollars or %

So every town has a different tax cap, and every town in every county has a different value of a mil. However, every real estate tax rate is expressed in mil and capped in the number of mil.

1-mil in Lower Merion is
\$7,780,380

1-mil in Pen Argyl is
\$66,817

Boroughs cannot have a
general tax levy over 30-mil

Boroughs cannot have a
fire tax over 3-mil

Seems very arbitrary.

<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	\$233,000
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

Value of 1-Mil in Chambersburg

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; 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.

Your assessed value is set by Franklin County. Visit the Franklin County Tax Assessment Office to learn your property's assessed value at 272 N. Second Street, Chambersburg, 17201, or click:

<https://fcgis.franklincountypa.gov/taxparcelviewer/> to check your home's assessed value.

New Real Estate Tax Rates

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.

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. We will in return add three more police officers to the force.

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 old assessment system in Franklin County and the State-imposed cap (expressed in mil).

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 miscellaneous 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 state-wide 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.

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

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 maybe in 2027 too.

As a result of slightly higher assessed values and a 3-mil increase proposed in this budget, taxes will cost approximately \$55 more per year, before discount. That would be about \$4.58/mo. more before discount.

New Real Estate Tax Rates

	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	
Police Tax Yield	\$5,060,555	\$5,229,081	\$5,374,006	\$5,862,199	
Mil (Add 2-mil for 2025)	24	25	25	27	+2 for 3 more police officers
Fire Tax Yield	\$632,189	\$628,380	\$720,214	\$640,605	
Mil (No change allowed)	3	3	3	3	
Recreation Bond Tax	\$629,032	\$525,969	\$537,103	\$532,335	
Mil (No change)	3	2.5	2.5	2.5	
Police Station Bond Tax	\$200,032	\$409,130	\$426,402	\$425,820	
Mil (No change)	1	2	2	2	
Public Works Campus Tax	-	-	-	\$201,455	+1 for Public Works Campus
Mil (Established)	-	-	-	1	
Value of 1 Mil (For Illustration Only)	\$210,381	\$209,002	\$217,161	\$215,843	
TOTAL MIL RATE	31	32.5	32.5	35.5	
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 ESTIMATED IMPACT	\$535.99	\$564.70	\$570	\$625	
	For 31 mil	For 32.5 mil	For 32.5 mil	For 35.5 mil	

New Real Estate Tax Rates

It is absolutely necessary to hire more police officers to allow CPD to continue to provide a myriad of policing services.

The way we pay for police officers in Chambersburg is real estate taxes.

The CPD has done its fair share of saving the Borough taxpayers money by creating the Police Foundation and aggressively seeking State and Federal grants to offset the rising personnel and equipment costs. Our donations and grants over the last couple of years are nearing 5 million dollars. We believe these valuable donations and grants will continue as the department's reputation as a premier police agencies in Pennsylvania.

Regardless, this budget includes hiring three more officers and 2-mil more of police tax.

This budget also includes 1-mil to help pay the fire/police/highway share of the Public Works Campus construction costs. Not all of the construction costs, just the General Fund departments' share. Utilities will pay their fair share as well.

This is why we must raise taxes. To avoid this increase would require removing the new police officers and the Public Works Campus project; not recommended.

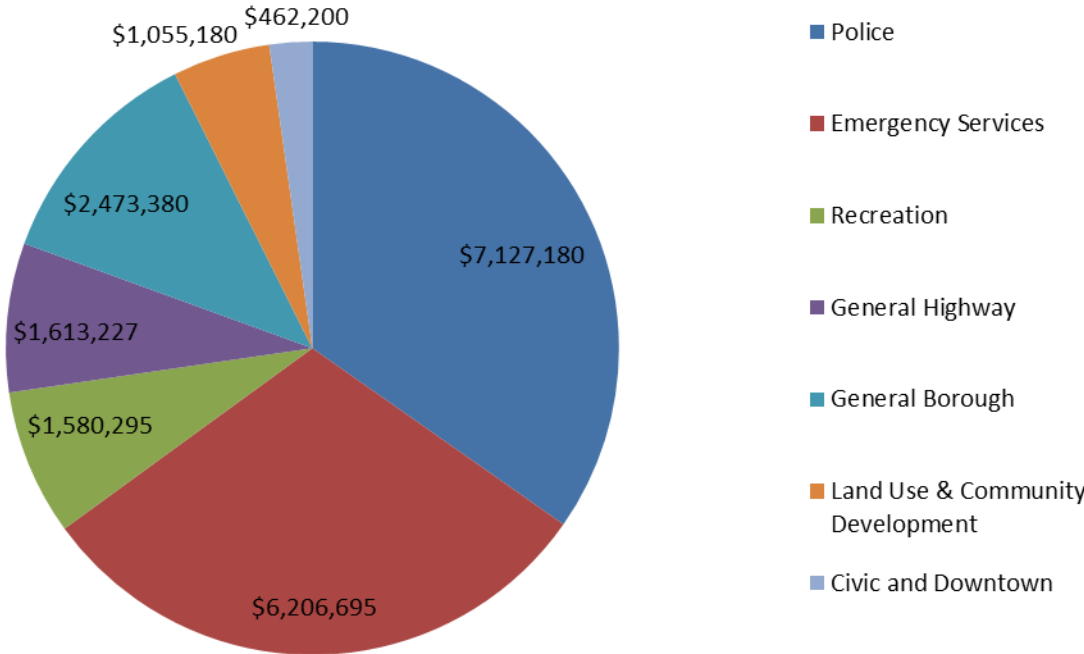
As a result of slightly higher assessed values and a 3-mil increase proposed in this budget, taxes will cost approximately \$55 more per year, before discount. That would be about \$4.58/mo. more before discount.

General Fund Budget is Balanced

With the additional Police Tax, the General Fund budget is balanced.

Combined, Police, Fire, and EMS are about 65% of the General Fund.

General Fund 2025 Proposed Expenditures



	2025 Budget	
Police	\$ 7,127,180	34.7%
Fire & EMS	\$ 6,206,695	30.2%
General Government	\$ 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	

Even With the Police Tax, The Police Department Will Run A Police Tax Deficit

Which will be covered by other miscellaneous taxes in the General Fund.

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 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 earmarked 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.

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.

As the State-cap for Police Tax is only 30-mil, we do not recommend an increase beyond 27-mil for 2025.

Even With the Fire Tax & Ambulance Revenue, The Fire Department Will Run A Deficit

Which will be covered by other miscellaneous taxes in the General Fund.

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	3.0 mil	3.0 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

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 (approximately 7.9-mil more) to cover this deficit.

If the Fire Department runs a deficit, it is commingled with all the revenue and expenditures in the General Fund.

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.

This Budget Recommends No Increase in the Ready-to-Serve Ambulance Fee

The Ready-to-Serve Ambulance Fee is a flat \$11 fee on water service invoices to cover the cost of ambulance service being ready to respond if needed.

Without the ready-to-serve Ambulance fee, the income collected from all water customers, the General Fund would be out of balance by over \$1.54 million.

	2023 Actual	2024 Budget	2025 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
Total Revenue from Fire Department Operations	\$2,777,048	\$2,938,330	\$3,158,868

Fire Tax is Example of State Limited Taxes

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. Therefore, the Borough is prohibited from using more than 1-mil (the 2025 equivalent of about \$215,843) for all the firefighter wages and benefits. 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.

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.

It would be nice if the County could fix the value of 1-mil to Fair Market Value. It would be nice if the State would allow a Fire Tax of greater than 3-mil with 2-mil of that 3-mil being required to be used for apparatus.

Lowest Utility Rates in Franklin County and Some of the Lowest in Pennsylvania

While staff cannot guarantee that the Borough will not raise rates, our goal is to have some of the lowest utility rates in Pennsylvania with outstanding reliability.

Chambersburg once proudly boasted 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.

Our electric rates remain 25% to 40% lower than our area utilities, even now after the increases.

Chambersburg Natural Gas and Wastewater rates haven't been raised in over a decade.

Chambersburg Sanitation and Water utilities are remarkably less expensive than others.

Compared to private companies and municipal authorities both, Chambersburg has very low rates.

Even After Increases, Utility Bills Will Actually be Lower Than Non-Residents' Bills Were in 2021

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.

Electric Rates – No Change Until Sept. 2025

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 increase. However, in addition, the Borough may be forced, through no fault of our own, to also adjust upward the Borough's energy supply multiplier (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 grid's July capacity auction. Every utility in the PJM grid 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 (\$2.77 per month). **Even after this rate adjustment, the electric rates in the Borough remain 25% to 40% lower than private electric companies in the townships.**

Electric Rates – No Change Until Sept. 2025

In September 2025, a \$2.77 per month increase, for the average single-family household customer. Some customers may see different results based on many factors.

The electric rates in the Borough remain 25% to 40% lower than private electric companies in the townships and 50% to 100% lower than rates throughout the State.

The Borough may also be forced, through no fault of our own, to make a PSA adjustment in June 2025 although that is not contemplated by the proposed budget.

Natural Gas – First Change in Years in 2025

This budget includes the first Distribution rate increase in years and we've kept it low. In fact, the **private 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 a average single-family home will increase approximately 8%, from \$480 per year to \$517 per year (average of \$3.08 per month).

Natural Gas – First Change in Years in 2025

The first increase in the gas distribution rate since 2009.

Private gas companies in the township now charge 100% more (double) what the Borough of Chambersburg charges for distribution of natural gas.

In January 2025, a \$3.08 per month increase, for the average single-family household customer. Some customers may see different results based on many factors.

Wastewater Rates – Customers in 2025 to See First Increase in Years

The Wastewater Utility is in a strong operating position and has not had a rate increase in 12-years. The cause of the last increase of 16% in December 2012 was as a result of the capital investment related to the Treatment Plant Upgrade Project.

Both the pipes and the Wastewater Treatment Plant are shared expenses with the township authorities. Despite our cost controls, their systems are more expensive and they have higher 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. Regardless, Chambersburg has the lowest retail rates in the region even after this adjustment.

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

The Wastewater Utility will change rates for January 2025 (full year).

Wastewater Rates – Customers in 2025 to See First Increase in Years

First increase in wastewater rates since 2012.

In January 2025, a \$2.80 per month increase, for the average single-family household customer. Some customers may see different results based on many factors.

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

Water Rates – Another Increase in 2025 but Still Lower Than Most Others

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 1¢ 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.

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 usage charge: 25¢/unit; \$5.95 r-t-s - 2024 average monthly billing: \$23.43
- 2025 usage charge: 27¢/unit; \$7.14 r-t-s - 2025 average monthly billing: \$26.04

Water Rates – Another Increase in 2025 but Still Lower Than Most Others

The Water Utility envisions two types of small increases: 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.

In January 2025, a \$2.61 per month increase, for the average single-family household customer. Some customers may see different results based on many factors.

Municipality	Rate	Monthly Billing
Borough of Chambersburg (Current)	25¢	\$23.43
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

Sanitation Rates – Another Increase in 2025 but Still Lower Than Most Others

Chambersburg has the lowest sanitation rates in our area, and that is not going to change in 2025.

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.

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.

Sanitation Rates – Another Increase in 2025 but Still Lower Than Most Others

No changes to any programs or services.

In January 2025, a \$4.00 per month (\$28 to \$32 per month) increase, for the all single-family type household customers. Commercial customers will see different results based on many factors.

Vendor Name	Curbside 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

Storm Sewer Pollution Control Fee in 2025 to Rise Per ERU for First Time

1 ERU = 1 Equivalent Residential Unit = 1 Average Single-Family Home; The average impervious area for the average home in the Borough of Chambersburg.

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 2025, staff recommends increasing the per month per ERU fee from \$5 to \$6, which will increase annual revenue needed for many important stormwater and flooding projects. To date, 40 of 744 customers have been approved for permanent 15% or 30% Structural BMP Credits, which accounts for 960 credits, reducing non-single-family residential ERUs from 15,188 to 14,228.

This is the first increase in the ERU rate since the introduction of the ERU system.

Storm Sewer Pollution Control Fee in 2025 to Rise Per ERU for First Time

The Storm Sewer Utility will undertake millions of dollars in required improvements over the next year. These project commitments necessitated bond financing, which was approved in 2024.

In January 2025, a \$1.00 per month increase, for every single-family household customer (1-ERU). Commercial, industrial, institutional, etc. customers will see different results based on their actual impervious surface calculations.

Based on a Western Kentucky University survey conducted in 2020, the new \$6 per month per ERU fee is the lowest amongst other Boroughs in Pennsylvania.

- Borough of Chambersburg: \$6 per month 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

Lowest Utility Rates in Franklin County and Some of the Lowest in Pennsylvania

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.

2025 Proposed Utility Rates

<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.	September 2025
				Please note there may be a separate PSA adjustment as a result of PJM Fees.	June 2025
Water	\$21.35 per month for avg. home	\$23.43 per month for avg. home	\$26.04 per month for avg. home	Approx. \$2.61 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 utility fees by September 2025	

All Revenue Enhancements Proposed

<u>Category</u>	<u>Increase Per Month</u>		<u>Increase Per Year</u>		<u>When</u>	<u>Total Per</u>
Gas Rate Increase	\$3.08	per month	\$36.96	per year	1/1/2025	\$517/yr.
Electric Rate Increase	\$2.77	per month*	\$8.31	per year	9/1/2025	\$123.37/mo.*
Water Rate Increase	\$2.61	per month	\$31.08	per year	1/1/2025	\$26.04/mo.
Trash Rate Increase	\$4.00	per month	\$48.00	per year	1/1/2025	\$32/mo.
Wastewater Rate Increase	\$2.80	per month	\$33.60	per year	1/1/2025	\$27.16/mo
Storm Sewer Rate Increase	\$1.00	per month	\$12.00	per year	1/1/2025	\$6/mo.
Police Tax (General Levy) – 2-mil Increase	\$3.08	per month	\$37.00	per year	1/1/2025	\$475/yr.
Public Works Campus Bond Tax – 1-mil Added	\$1.50	per month	\$18.00	per year	1/1/2025	\$18/yr.
All other Borough Real Estate Taxes – No change	-		-			\$132/yr.
	\$20.84	per month*	\$224.88	per year		
* - As of September 2025	All statistics are approximate and based upon the average single-family residential customer.					

The total cost of all the new utility rates and the tax increases in this budget is approximately \$20 per month for the average single-family household inside the Borough.

All the Utility Funds are Balanced

Except the Aquatic Center enterprise fund, which is making a withdrawal from fund balance to invest in facility improvements.

<u>Utility</u>	<u>Proposed Revenue</u>	<u>Proposed Expenses</u>	<u>Difference</u>	
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

Total Impact of Proposed Budget

The total cost of all the new utility rates and the tax increases in this budget is an approximate increase of \$20 per month more for the average single-family household inside the Borough.

1. Township property-owners do not pay taxes to the Borough of Chambersburg.
2. Borough Police and Fire only respond to the townships in the form of mutual aid.
3. There are no local police services in the townships.
4. There are only volunteer fire companies (and mutual aid) in the townships.
5. Chambersburg uses real estate taxes to pay for police and fire; and the three bond taxes.
6. This budget includes three more police officers.
7. This budget includes a variety of project proposals, including the Public Works Campus.

What is Included with the 2025 Budget

- Hiring three additional patrol officers for the Chambersburg Police Department.
- Attempting to keep staffing for the Chambersburg Fire Department at 27 firefighters.
- Running, for certain, only one ambulance 24/7, with a second only when staffing permits.
- Following a retirement, converting the Assistant Public Works Director position to a civil engineer or an engineer-in-training.
- Filling the open Assistant Electric Utility Director position.
- Eliminating the open Administrative Assistant position in the Finance Department.
- Expanding the open Recreation Director position to take on more Borough-wide tasks.
- Additional personnel in the Gas Utility and in the Sanitation Utility.
- No changes to the Southgate Redevelopment Project, already in progress.
- Full-approval to proceed with the Public Works Campus project.
- All presented 2025 Capital Improvements Plan projects from the October 28th meeting.
- All requested 2025 Motor Vehicle purchases from the October 28th meeting.
- All requested 2025 Street and Alley Paving projects from the October 28th meeting.

What Is On the Horizon (Future)

Franklin County needs to address the assessment system very soon. Using their system, the average single-family house is valued at \$17,578.39. As a result one MIL generates about \$215,843 in cash after adjusting for collections. The State sets the General Levy at a maximum of 30-mil. This budget raises the Police Tax to 27-mil. If the average single-family home was assessed at Fair Market Value, the same tax yield (tax bill) that we assume would be generated by 2.7-mil as is generated by 27-mil now (assuming fair market value is closer to \$175k than \$17k).

Chambersburg needs to address local traffic issues. Hiring more police officers should help. The traffic signal project should help. It is identified as a major issue in our community.

We need to do a better job explaining why our utilities save companies lots of money. They should move into the Borough and hire lots more employees.

In 2025, we need to renegotiate the Fire Union contract without being able to raise the Fire Tax.

More parkland and more trails (greenways) are coming soon. Like planting a nice lawn, these amenities make our town look better, but also raise property values and encourage development.

We need to reinvest to prolong the life of the Chambersburg Aquatic Center.

We also need to invest in the Eugene C. Clarke Jr. Recreation Center; and look for grant opportunities.

We need to finish the Southgate Redevelopment Project and the new Public Works Campus project.

We need to start to think about what to do with the two firehouses.

Questions

Please see the associated one-page handout for a lot of additional points about the proposed 2025 Budget.

The budget document and handout will be posted online tomorrow, Tuesday, November 5. It is available to read in paper format at the Borough Secretary's Office (during Business Hours) and at the Franklin County Law Library (in the Heritage Center).

To see the budget, go to the Borough website, www.chambersburgpa.gov and click on Transparency. Scroll down to Proposed 2025 Budget.

Tonight, Council is asked to pass a motion to advertise the proposed budget for public inspection.

Council will hold a Public Hearing on Monday, November 18, at 7:00 p.m. If any additional hearing is needed, we have reserved the room for Monday, November 25.

It is the hope that Council will approve the budget on Monday, December 9, 2024.