



2024 BUDGET
AS APPROVED BY
TOWN COUNCIL

DECEMBER 11, 2023

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BOROUGH OF CHAMBERSBURG 2024 BUDGET

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11/6/2023



2024 Budget Message

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

2024 Budget Message

As Proposed for 2024

To: Town Council

Submitted herewith for your consideration is the Borough Manager’s recommended 2024 budget. As is required by local law, I have prepared this document in a form that can be adopted by Town Council. The proposed 2024 operating budget is balanced; revenues and cash balances cover all necessary expenses.

This is my fourteenth 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 2021, the latest year with records, several municipalities failed to report their fiscal status to the State. So, while the statistics are somewhat askew, in 2021, Chambersburg had the 12th largest budget of any municipality, and has the largest Borough budget statewide.

Largest Municipalities in Pennsylvania (2021)* County Total Revenue Total Expenditures Population

1	Philadelphia	City	Philadelphia	\$9,706,846,000	\$9,754,585,000	1,603,797
2	Pittsburgh	City	Allegheny	\$871,257,140	\$808,318,425	302,971
3	Erie	City	Erie	\$260,052,529	\$314,646,858	94,831
4	Lancaster	City	Lancaster	\$248,185,162	\$244,532,377	58,039
5	Allentown	City	Lehigh	\$212,258,192	\$207,032,349	125,845
6	Reading	City	Berks	\$205,412,672	\$173,375,527	95,112
7	Bethlehem	City	Northampton	\$160,335,431	\$154,055,198	56,009
8	Upper Darby	First Class Township	Delaware	\$116,748,001	\$113,722,848	85,681
9	Lower Merion	First Class Township	Montgomery	\$121,236,669	\$108,680,964	63,633
10	Wilkes Barre	City	Luzerne	\$98,237,420	\$97,128,164	44,328
11	Radnor	First Class Township	Delaware	\$96,801,218	\$95,446,091	33,228
12	Chambersburg	Borough	Franklin	\$100,330,511	\$95,333,782	21,903

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.

Other Municipalities in Pennsylvania (2021)*			<u>County</u>	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Population</u>
70	Carlisle	Borough	Cumberland	\$36,556,145	\$30,276,802	20,118
238	Waynesboro	Borough	Franklin	\$13,256,085	\$10,917,622	10,951
348	Shippensburg	Borough	Cumberland	\$8,130,524	\$7,115,671	4,315
406	Gettysburg	Borough	Adams	\$8,366,067	\$5,901,870	7,106

* - 120 Municipalities Failed to Report Data for 2021

Source: Pennsylvania Department of Community and Economic Development

For example, Chambersburg’s budget is 15.2 times larger than Gettysburg Borough, which ranks #406.

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 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 trash utility, a parking 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, Gas, Water, Sanitary Sewer, Storm Sewer, and Sanitation Departments) 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 can save as much as \$1,000 per year when compared to similar residential customers outside the Borough.

In summary, 2024 is going to be another very consequential year for the Borough of Chambersburg. We have a number of extremely important projects in-the-works. While the cost of operations will continue to rise, and outpace natural growth in revenue, because of inflation and supply chain interruptions, record-low-unemployment, and the increasing demand on fuel, energy, and limited equipment, this was a challenging budget.

There is no tax increase in any category contemplated for 2024.

We have once again managed to bridge a financial downturn in the economy. The impacts from the COVID aftermath and significant inflation have changed our operations. However, the continued growth and development of Chambersburg, the importance of the utilities to our Borough finances, and our macroeconomic impact on the Chambersburg area economy, have allowed us to move forward cautiously despite the impact of inflation and the national economy on all our lives. Therefore, the theme of this budget is “A bright economic future for Chambersburg.”

We have completed the massive Police Station Renovation Project. The Southgate Redevelopment Project has started to show progress with the approval of the Keystone Rural Health community medical facility at Southgate and a sizeable Federal grant to begin to restore neighborhood infrastructure. Finally, planning continues for a new Public Works campus off Wayne Avenue. Chambersburg utilities remain the most important asset in the community. Ensuring low rates and excellent infrastructure is our key objective.

While we have 2024 available to plan for future growth, we need to note with admiration as the Borough continues to redevelop, and new businesses and opportunities flock to our community. Whether it is additional development on Norland Avenue, off Wayne Avenue, South Main Street, or downtown, Chambersburg has a clear and convincing track record of hosting employers and business startups.

This marks yet another year that Town Council can hold the line on real estate taxes, just as they have for 12 of the last 17 budget years.

There will be fee increases proposed in this budget.

There has been considerable effort in 2023 to establish a fair and equitable retail electric rate increase for the first time in ten years. While our neighboring for-profit electric utilities have raised rates 40% to 60%, Town Council held the line as long as possible with the lowest or one of the lowest electric rates in the Commonwealth of Pennsylvania. Council has selected an overall 11.3% rate increase, which is very necessary, but will continue to avail Chambersburg homes and businesses of extremely low retail electric rates.

The water rate will rise, but remain one of the lowest in Franklin County. The Sanitation rate will rise, but remain very competitive to private trash haulers in our area. Finally, the ready-to-serve Ambulance Fee, a surcharge on all water service connections, will rise, as the Chambersburg Fire Department continues to struggle with the delivery of services in a very unfortunate regulatory environment.

Ultimately, a growing and challenging issue in our municipal finances is the need for Franklin County to undertake a county-wide reassessment of real estate. Being the last county in Pennsylvania to update the tax rolls, Franklin County has allowed the value of 1 mil to become severely distressed, making the real estate tax system less fair and endangering the ability to fund Police and Fire services in the future.

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 Recreation Bond Tax is specifically for paying off the 2016 Recreation Bond, and the Police Station Bond Tax is specifically for paying off the 2022 Police Station Bond(s), both of which 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 and the 2022 Police Station 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 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 less Borough residents are employed, but those who have jobs seem to be making more income. 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.

However, this budget is realistic, contains costs as much as possible, and does not have any tax increase, but increases in some fees. Chambersburg residents and business will continue to pay less for services and utilities than residents and businesses outside the Borough. Also, we are cognizant of the impact of our municipal budget upon the local economy more so than other towns. Every fee increase herein is absolutely necessary, and the Borough budget has a wide-impact on fees and charges by others (i.e., school taxes, hospital employment, County government, major employers such as TB Woods and Ventura Foods, etc.). Despite increases in utility rates, Chambersburg utilities remain some of the most affordable in Pennsylvania.

In addition, 2023 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.

Implementation of Comprehensive Plan Goals

Chambersburg has an opportunity to use the resources and positive impact of our low rates and excellent services to continue the growth of the local economy even in these lean times. It is impossible to know the future of the national economy, but we have seen steady demand for new housing and transportation improvements, for expanded redevelopment of blighted areas, and new recreation and civic amenities during this planning period. Therefore, the Borough of Chambersburg, unlike other urbanized areas throughout Pennsylvania, can capitalize on its assets and its position to build an improved community for our residents and businesses. We will continue to move the community forward regardless.

On Monday, September 12, 2022, Town Council adopted a new Comprehensive Plan for the Borough named Chambersburg Vision 2035. We anticipate implementation to begin in earnest in 2024.

VISION 2035: “Chambersburg is a thriving, cohesive community we are proud to call home. Our town has a high quality of life, a vibrant downtown, safe and healthy neighborhoods, excellent municipal services, many employment opportunities, and plentiful natural and cultural resources that extend throughout Franklin County. Our Borough works to collaborate with public and private partners to strengthen our quality of life as it continues to make both urban and social investments.”

In 2021, planning consultant Michael Baker International guided Borough representatives, a committee of 16 citizens appointed by Town Council, and the public through a 12-month process to prepare a new comprehensive plan, Chambersburg Vision 2035. A comprehensive plan, also known as a general plan, master plan, or land use plan, is a Council-approved strategic planning document designed to guide the future actions of our local municipality. The comprehensive plan also presents a vision for the future, with long-range goals and objectives for various activities that affect local government. Municipalities update their plans from time to time, with the Borough last adopting a comprehensive plan in 2008.

The goal of this strategic plan is to provide a vision for the future growth of the community.

Chambersburg has a continuing opportunity to impact the local economy by targeted municipal spending. In turn, to seed the local economy in both small and consequential ways. It is possible that in future years these decisions could lead to further organic growth of tax revenue. Such organic growth, defined as revenue growth because of economic growth inside the Borough limits, could continue to provide more revenue for Borough operations without the necessity of tax or fee increases. Only time will tell.

Finally, Chambersburg continues to experience a boom in local development, which has ebbed in similar communities as a result of higher interest rates. We like to think this is because Council has made Chambersburg fertile ground for entrepreneurs and business developers. We see expansive need for retail, medical, and residential development. Council has already approved more market residential units than any time in the past decade. This will clearly lead to population growth, density, and other urban issues. The ongoing development of a Comprehensive Plan is imperative to preparing for this expansive growth.

There is considerable work to accomplish beginning in 2024 and this budget is prepared to tackle those challenges.



Newly opened Creekside Apartments off Hollywell Avenue



GOALS



REINVESTMENT

Through public-private partnerships, the Borough of Chambersburg will support reinvestment in underutilized properties and public streetscapes to support the Borough's vibrancy.



HOUSING

The Borough will work collaboratively with property owners to encourage and incentivize reinvestment in its residential housing stock, adopt land use policies to allow for new housing to meet population growth, and support opportunities for homeownership.

SENSE OF PLACE



The Borough will position itself as a destination for residents and visitors.

BOROUGH SERVICES



The Borough will continue to invest in providing high quality municipal services.

TRANSPORTATION



Chambersburg will improve bicycle and pedestrian connections, invest in roadway improvements to improve safety and traffic flow, and explore restoring public transportation in the Borough.

Borough of Chambersburg 2035 Comprehensive Plan Goals

To support the implementation of the comprehensive plan goals, this plan provided a complete list of implementation strategies and corresponding action items. These strategies outline a tactical approach for advancing Chambersburg's 2035 vision by specifying tangible action steps that can be taken to ensure progress over the next 10 years. In addition to implementation strategies, this plan also identifies key partners that the Borough may collaborate with to support implementation, as well as timeframe, estimated cost, and potential funding opportunities.

Action items include:

- Through public-private partnerships, the Borough of Chambersburg will support reinvestment in underutilized properties and public streetscapes to support the Borough's vibrancy.
- The Borough will work collaboratively with property owners to encourage and incentivize reinvestment in its residential housing stock, adopt land use policies to allow for new housing to meet population growth, and support opportunities for homeownership.
- The Borough will position itself as a destination for residents and visitors.
- The Borough will continue to invest in providing high quality municipal services.
- The Borough will coordinate with local stakeholders and prioritize investment for expanding transportation options to Chambersburg residents and ensure that infrastructure is safe and efficient.



Plans for a new Wawa convenience store were approved in 2023



Plans to convert the Sharpe School to apartments were approved in 2023

Including 2024, this will be the 13th of the last 17 budget years where, the Borough of Chambersburg had not raised local Borough taxes.

This budget includes no tax increase; the same tax rates for the Police Tax, Fire Tax, Recreation Bond Tax and Police Station Bond Tax.

This budget includes fee increases.

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

Taxes

This is the thirteenth budget in the last 17 years with 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, and 2023.

In recent history, in most years Chambersburg has not raised the real estate tax rate. Other entities often raise taxes on our taxpayers, such as Franklin County or the Chambersburg Area School District, and that sometimes leads to confusion. When the Borough raises the real estate tax rate, it is only to fund police and fire services. In 2018 a tax was instituted to begin paying off the 2016 Recreation Bond. In 2022, a tax was instituted to begin paying off the 2022 Police Station Bond.

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

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 is different. **Beginning in 2024, there will be a proposed increase 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 rise from a flat \$9.50 per month per water service connection to 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.

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.

<u>Police Station Bond Tax</u>		<u>Recreation Bond Tax</u>	
2022	1.0 mil	2022	3.0 mil
2023	2.0 mil	2023	2.5 mil
2024	2.0 mil	2024	2.5 mil

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.



The Police Station Bond Tax will continue until the debt for this project is paid off. The total rate is not anticipated to change for the duration of the payoff period.



Fully restored Market House cupola and clock tower



Newly completed addition to the Police Station and Sally Port driveway



Addition to the Police Station under construction



The Temporary Police Station on Orchard Drive was permanently closed in 2023

The debt issued by the Borough paid for the Police Station Renovation Project and the Temporary Police Station Project both.

The Borough has used debt to invest in infrastructure, which is considered good debt, not to balance the budget. “Good debt is investment debt that creates value,” says Eric Gelb, CEO of Gateway Financial Advisors and author of “Getting Started in Asset Allocation.” The latest example is the sale of the 2022 Police Station Bond(s), which financed the construction of a new Police Station for our town. A dedicated real estate tax liquidates the bond, not to run the Police Department, but to pay for the construction loan and the costs associated with the Temporary Police Station.

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. For example, it is a similar difference to opening a mortgage to buy a house or fix the roof, in contrast to using a credit card to pay the telephone bill. Debt should only be used to add asset value. The Police Station Bond Tax, the new tax that started in 2022, is not to pay for any Police Department operations. It will pay off, until September 1, 2046, the debt to build the new Chambersburg Police Station at City Hall and the Temporary Police Station expenses.

These projects will serve the community for generations and this is how it is done in business and industry; a recommended practice, which grows the value of corporations. With adoption of last year’s budget, Council has now done this twice. First, with the 2016 Recreation Bond beginning in 2018, and then in 2022 with the 2022 Police Station Bond(s). Staff is committed to not using debt unless it provides asset value to the Borough.

This budget includes the initial planning for another large-scale construction project in the future. Over many years, the Borough has acquired space along Wayne Avenue to someday consolidate and relocate the public works, sanitation, sewer, water, and fleet operations of the Borough of Chambersburg. That site sits dormant (except for storage) awaiting a plan and approval from Town Council. In 2022, a small office building adjacent to this site, on S. Fourth Street, was renovated to be the field office of the Water & Sewer Department street crew. However, a plan exists for the main functions of this public works campus. In this 2024 Budget, there exists money to complete blueprints and to bid out construction of this important new project. The goal is to have a final bid for Council to consider in 2024, for construction likely in 2025.

Public Works Campus on Wayne Ave



In Chambersburg, our residents pay no dedicated Recreation Tax, no dedicated Highway Tax, and no taxes to support any of the Borough's operations, utilities, or utility support departments other than police and fire. Our taxes are very limited, yet misinformation is abundant on this topic.

Until 2014, the Borough used exclusively 100% of the real estate taxes collected to support the Chambersburg Police Department. In 2014, Town Council added a small share to support the Chambersburg Fire Department. In 2018, the Borough Manager recommended, and Town Council approved, an increase in the Fire Tax for use by the Fire Department and its emergency medical service as well as an increase in the Police Tax. The 2018 increase in the Fire Tax (½ mil) was reversed out in 2020, in order to shift Ambulance funding from this tax to a broad-based fee on utility invoices. In the 2020 Budget, the Borough Manager recommended repeal of the Ambulance Tax portion of the Fire Tax and Council agreed.

Within the Borough, all the real estate taxes collected are for the Police Department and the support of the Chambersburg Fire Department; none of this revenue is used to support any other department or operation. As of 2023, we will still only use real estate taxes to support police, fire, and to pay off the 2016 Recreation Bond and 2022 Police Station Bond(s). No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire. No other department, operation, or employee; not parks or street maintenance or administration are paid using real estate taxes.

In addition to the other types of taxes currently set at the maximum allowed by State Law, we use the other taxes of the Borough (such as Earned Income Tax and Deed Transfer Tax) to pay for the Highway Department operations, Land Use & Community Development, and the Recreation Department operations. The Sanitation Department is a separate utility (not unlike the Electric, Gas, Water, or Sewer Departments) and they keep the streets clean, free of leaves, and well swept. Highway construction projects are done with Highway Aid grant money, which is a grant from the State created by the sale of Liquid Fuels, and maybe if there is excess balances from prior year revenue. Our Highway Aid grant only pays for construction on 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. Street repair is extremely expensive and Highway Aid is very small.

American Rescue Plan Act (ARPA)

In 2021, the Borough received the first of two large COVID impact grants. The first grant, the CARES Act, was used to pay for leave time for sick employees, extra personal protective equipment, and modifications to buildings to address the COVID pandemic. In late 2021, the Borough received the American Rescue Plan Act (ARPA) federal funding, which was to be used to help the local economy recover from the COVID pandemic. Council adopted a plan for that use.

Chambersburg Town Council met on Monday, October 11, 2021, and approved a list of projects to utilize the Borough's share of the American Rescue Plan Act (ARPA), Coronavirus State and Local Fiscal Recovery Funds (SLFRF). According to Deputy Borough Manager Phil Wolgemuth, the Borough of Chambersburg received an allocation of \$7,763,037, with all of that money now received by the Borough from the U.S. Treasury Department. The Borough needed to undertake a public process where Council could approve the project list. The approval followed advertisement, a public hearing, and public input to determine whether the draft list of projects became the final list. On October 11, 2021, Town Council approved the final list of projects.

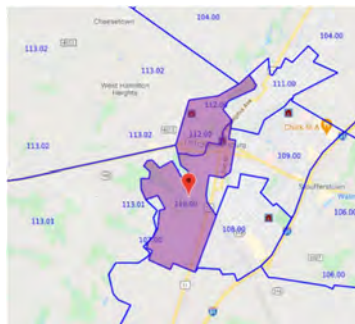
Working together with the Council Finance Committee, staff had developed a proposed project list, which both met the strict rules established for use of the grant funds as well as a series of ten criteria established by Town Council for the use of the money (listed below).

The grant funds will be expended by 2024 and each quarter the Borough must report on the project list and progress made towards expending the funds.

In the last fiscal recovery, the key term was 'Shovel Ready'. In this fiscal recovery, the Federal government is seeking 'Transformational Projects', which are intended to provide support to the Borough in responding to the impact of the COVID-19 pandemic, Town Council's efforts to address its economic fallout, and to lay the foundation for a strong and equitable recovery.

The Final Rule from the U.S. Department of the Treasury lays out a general, two-part eligibility test for uses of the funds. A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID-19 public health emergency. The use of the money must address this economic harm.

Town Council was responsible for allocating funds to transformational projects in Qualified Census Tracts, revenue replacement projects, water, sanitary sewer, or storm sewer infrastructure projects and/or to support households or small businesses. Qualified Census Tracts are those in which at least 50% of the households have an income less than 60% of the Area Median Gross Income, as determined by the U.S. Department of Housing and Urban Development. Chambersburg has two Qualified Census Tracts.



While some communities remain stymied by the Federal guidelines, Chambersburg Council moved forward with a very simple list of internal parameters to make these project decisions. Funds could not be used for certain items including principal or interest payments on existing debt, replenishing or creating reserve funds, paying settlements or judgments, or extraordinary payments to pension obligations.

American Rescue Plan Act (ARPA), Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Project Criteria Established by Council's Finance Committee, which met and reviewed project proposals that qualify for the following initiatives:

- Meets current adopted local or regional plans.
- Meets current adopted capital improvement plan objectives.
- Meets current or proposed economic development plans or objectives.
- Is in concert and complements objectives of Borough mission and organization.
- Can be incorporated into existing projects without creating additional administration or need for employees or overhead expenses.

- Can be accomplished in the one-to-four-year time frame.
- Is complementary of objectives in other State and Federal grant programs.
- Utilizes partnerships that already exist without the need for additional sub-recipient agreements, requests for proposals, or intergovernmental agreements.
- Does not expand Borough Services beyond areas already contemplated (i.e., social services).
- Can be arranged by the Finance Department and the Land Use and Community Development Department staff.

Staff reviewed existing plans, projects and programs that meet one of ten categories for Coronavirus State and Local Fiscal Recovery funding:

1. Administration of grant programs/audit.
2. Revenue replacement for Borough operating accounts (which meets Federal formula).
3. Storm water infrastructure (which meets Penn Vest guidelines for funding).
4. Drinking water infrastructure (which meets Penn Vest guidelines for funding).
5. Sanitary sewer infrastructure (which meets Penn Vest guidelines for funding).
6. Economic help targeting families because of the COVID-19 pandemic.
7. Economic help targeting businesses because of the COVID-19 pandemic.
8. Purchase of personal protective equipment (PPE) because of COVID-19.
9. Transformational projects to help historically underprivileged Qualified Census Tracts (QCT).
10. Broadband telecommunications projects that target Qualified Census Tracts (QCT) through third-party for-profit telecommunications companies.

At the recommendation of the Town Council Finance Committee, Town Council authorized the projects below to be the approved projects for American Rescue Plan Act Funds.

Audit and Administration	\$47,280
Use of Revenue Replacement to Fund Reimbursement Retail Food License Expenses	\$50,000
Use of Revenue Replacement to Fund Reimbursement Residential Rental Inspection Expenses	\$70,000
Supplemental Funds for Project H.E.A.T.	\$144,000
Use of Revenue Replacement for Chambersburg Aquatic Center	\$380,000
Sewer and Water Capital Improvements (Acquire 1332 S. Fourth St.)	\$234,900
Sewer and Water Capital Improvements (Acquire 1335 S. Fourth St.)	\$685,000
Chesapeake Bay Pollutant Reduction Plan Projects	\$2,000,000
Southgate Shopping Center Acquisition (Redevelopment Initiative)	\$4,151,857
<i>TOTAL</i>	\$7,763,037

By the end of 2023, all of the ARPA federal funding will be expended. The landlord and food service license rebates are mostly expended, with a large number of checks being directly sent to these small businesses by the end of 2022. The Southgate Shopping Center is now fully owned by the Chambersburg Area Municipal Authority (CAMA), and its redevelopment plans are ongoing. The Borough owns the Cold Storage building at 1335 S. Fourth Street and demolition is completed. Finally, the aforementioned renovation of 1332-1334 S. Fourth Street into field offices for the Sewer and Water Department which is completed.

Mostly, the ARPA federally funded projects have all been successfully undertaken.

In hindsight, the ARPA program was a tremendous success as it targeted federal money to transformational and supportive projects that would otherwise have not happened. Perhaps none more so than the redevelopment of the Southgate Shopping Center.

Labor Unions

Over the last two years, Town Council has reached 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. However, as of this date, the actual labor contract remains unpublished despite the work of our attorneys to create the contract document. Other details of employment were amended.

Similarly, 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.

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 3.25% cost of living increase for employees represented by the International Association of Fire Fighters (IAFF) Local #1813;
- A contractually required 3.5% 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);
- A presumed cost of living increase for non-bargaining clerical, technical, and supervisory employees of 2.5%.

In addition, the Borough is undertaking a wide-ranging *classification and compensation study* being performed by the consultants at GovHR. At the Town Council Legal Update in March of 2023, staff reviewed the Borough's current bargaining (AFSCME positions) 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 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 approximately 20 years ago. Council approved the study in June 2023.

It is our hope that by 2024, 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 2024.

Chambersburg has the lowest composite utility rates in the Commonwealth of Pennsylvania, and that is not going to change in 2024. Throughout 2023, 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 2024, there will be a handful of 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, 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.

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 2024 merely to keep pace with the rising cost of operations.

The Chambersburg Electric Department 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.

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. So far in 2023, our neighboring investor-owned utility, West Penn Power, has received State Public Utility Commission (PUC) permission to raise their retail rates 16%. Secondly, West Penn Power had received permission for a second 16% rate increase in 2022 (for a total increase of 32% in the last year).

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 earlier this year and recommended an immediate overall 11.3% rate increase for all electric customers. That is the overall increase, however certain customers will pay more (and others less) because the consultants are distributing that proposed rate increase fairly and equitably across the different electric rate classes.

While we are proud to have one of the lowest residential retail electric rates in Pennsylvania, even with this major rate adjustment, we will continue to be able to offer that honor to our electric customers.

We anticipate the new electric rates will be in place for January 2024 invoices for December 2023 electric use.



The 15MW Chambersburg Solar Center, on W. Commerce Street, in Hamilton Township, was completed in 2022 in partnership with Safari Energy, and sold to Aspen Power in 2023, provides affordable and reliable clean energy

Chambersburg Gas provides the lowest residential natural gas rates in Pennsylvania and that will continue in 2024. 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 pays for the operation of the Borough gas system, and has not risen for 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 Department 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.

There is no proposal to increase the Borough's distribution cost for natural gas. However, as wholesale natural gas prices spike, this will impact customers' pass-through Gas Supply rate.

Furthermore, the Gas Department 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.

While the wholesale cost of natural gas is likely to rise in 2024, the cost of operations of the department will not necessitate any distribution cost increase. Furthermore, our neighboring investor-owned natural gas utilities have already significantly increased their retail gas rates; further improving our standing as the lowest cost natural gas provider in the Commonwealth.

Chambersburg has the lowest water rates in our area, and that is not going to change in 2024. Throughout 2023, 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

Department 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 2024, the Water Department needs a rate increase to keep pace with expenses. This will be the sixth increase in seven years, and the series of small increases will likely continue for several years as water infrastructure improvements are made.

The Water Department envisions a 3¢ per unit increase for 2024, which would result in an increase for the average single-family house of \$2.10 per month in their water bill. The Chambersburg Water Department 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.

The Chambersburg Storm Sewer Utility has completed a four-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.

In 2022, 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 will pay their fair share based upon their relationship to the impervious area of a single-family residential home. Continuing in 2023, the rate will be expressed in single-family home “equivalent residential units” or ERU and not change from 2024.

There is no planned rate increase for the Storm Sewer Utility. However, the discounts given to commercial, industrial, and institutional customers to ease the transition to the new ERU based system will be phased out at the end of 2023. No more automatic discounts for these customers unless they earn the discount through better stormwater management practices.

In January 2022, the Storm Sewer Utility saw the ERU value being set at \$5 per single-family home equivalent. Therefore, the average single family home saw no change in their Storm Water Pollution Control Fee as the flat fee was already \$5 per month. The results for commercial, industrial, and institutional customers became 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 was from \$5 per month to \$25 per month (\$5 x 1 sanitary sewer connection to \$5 x 5 ERU).

A discount is based on whether you have tried to mitigate your stormwater management on your property using best management practices (BMP). In 2024, the discount can be earned by contacting the Borough.

If you own a commercial, industrial, or institutional property in the Borough, you should call for more information on your ERU value now. Learn how to lock that discount in place, because in 2024 it starts only being offered to commercial, industrial, or institutional property owners who have actually installed BMP or similar measures on their property (or otherwise met qualification criteria). Finally, a residential customer discount program continues in 2024. Look for more information.

Chambersburg has the lowest sanitation rates in our area, and that is not going to change in 2024. Throughout 2023, 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 Department 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 2024, the Sanitation Department needs a rate increase to keep pace with expenses. This will be the second increase in three 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 Chambersburg.

The Sanitation Department envisions a residential increase of \$3.00 per month (\$25 to \$28) and this budget is proposing a commercial rate increase of \$1.70 per cubic yard (\$13.30 to \$15). The Chambersburg Sanitation Department 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 Department, 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

In 2020, Town Council introduced an Ambulance Fee on all water customer invoices. That practice will continue in 2024. On December 16, 2019, the Borough of Chambersburg adopted an Ambulance Fee by Local Law. Ambulance service is a service that the Borough maintains as ready-to-serve for the residents and visitors of the Borough. If there is a call for service at any home, business, church, park, or government building in the Borough, the Borough's ambulance service will be dispatched. A fee may be charged in exchange for the Borough Fire Department's ambulance service under State law. We provide

basic lifesaving ambulance services for our community. There is a significant cost to having ambulances staffed around the clock and ready-to-serve the Borough.

This Ambulance Fee helps defray the costs of the ambulance service being ready-to-serve. It is not a tax, as under State law taxes can only be assessed on the value of real estate. 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. This is a fee in exchange for being ready to provide a service. When our residents and visitors call for an ambulance, they expect one to respond. Even with this fee, the Borough spends more on ambulance service than all the revenue it collects from this fee, the other fees charged to ambulance patients, and the annual ambulance club, which is an optional charitable donation program.

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 \$1.8 million (2022) in normal service fees that patients with third party insurance would have paid. This is in addition to almost \$300,000 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.

The Ambulance Fee is a ready-to-serve surcharge appearing as a flat per invoice fee along with every water service invoice. The Borough is permitted to charge a fee in exchange for a service. We charge fees for Recreation Department programs in the General Fund. We charge fees for the Code Office's Residential Rental Inspection Program in the General Fund. We charge fees for using the Borough's ambulance service in the General Fund. Since the ambulance service writes off over \$1.9 million per year in these fees anticipated for 2023, due to Federal law, we believe it is legally sustainable to charge every water utility customer a flat fee in support of the ambulance service, which is in the General Fund.

Can we not raise utility rates and fees and pay for all police officers and firefighters in the General Fund? Unfortunately, no. The Borough cannot wholesale move funds from utilities, which are kept in separate accounts, to the General Fund to pay for fire, police, or parks. Further, we cannot charge a fee for *regular* Police Department or Fire Department operations in the General Fund. Finally, to raise a utility fee (i.e. water fees) not to pay for a utility service (i.e. water consumption) would be unfair to utility customers. Staff has determined that we should charge a fee for every service in the General Fund that we could reasonably ask for a fee. The ambulance service, in the General Fund, can have an additional surcharge to support it. This fee began in January 2020, modified in February 2020, and updated with in 2023, and now with the 2024 budget.

This budget contemplates an increase in the Ambulance Fee from \$9.50 per month per water service customer to \$11.00 per month per water service customer. All of the additional revenue from this increase in the fee will be given to support the BLS (basic life-saving) ambulance services provided by the Chambersburg Fire Department.

Residential Utility Rates 2024

Utility	2018	2019	2020	2021	2022	2023	2024	Last Changed	
Electric	\$100.90 per month for avg. home	\$100.90 per month for avg. home	\$98.90 per month for avg. home	\$98.90 per month for avg. home	\$100.90 per month for avg. home	\$102.90 per month for avg. home	\$116.50 per month for avg. home	11.3% Increase in Overall Rates (more for some customers)	Proposed 2024
Water	\$15.10 per month for avg. home	\$15.80 per month for avg. home	\$16.50 per month for avg. home	\$16.50 per month for avg. home	\$17.85 per month for avg. home	\$21.35 per month for avg. home	\$23.45 per month for avg. home	3¢ per unit increase	Proposed 2024
Sewer	\$29.50 per month for avg. home	\$29.50 per month for avg. home	\$29.50 per month for avg. home	\$29.50 per month for avg. home	\$29.50 per month for avg. home	\$29.50 per month for avg. home	\$29.50 per month for avg. home	No change	2012
Gas	\$631 per year for avg. home	\$631 per year for avg. home	\$631 per year for avg. home	\$631 per year for avg. home	\$631 per year for avg. home	\$631 per year for avg. home	\$631 per year for avg. home	Pass-through natural gas cost increase	2013
Sanitation	\$18.75 per month for home	\$18.75 per month for home	\$20.81 per month for home	\$20.81 per month for home	\$20.81 per month for home	\$25.00 per month for home	\$28.00 per month for home	\$3 per month increase (residential) \$1.70 per cubic yard (commercial)	Proposed 2024
Storm Sewer	\$4	\$4	\$4	\$5	\$5 PER ERU	\$5 PER ERU	\$5 PER ERU**	No change	2022

**All water service customers will pay a \$11.00 per month ready-to-serve Ambulance Fee, which is an increase in this fee of \$1.50 per month per water service customer.*

***Automatic 30% discount for commercial, industrial, and institutional customers ends unless earned through stormwater management*

Chambersburg will still have the lowest composite residential utility monthly bill in Pennsylvania.

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

Other Tax Details

Types of Taxes Allowed for Boroughs under State Law:

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

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



In 2023, Town Council approved a revised agreement with Downtown Chambersburg, Inc. to allow additional Hometown Hero banners to be placed throughout additional Borough streets

What of the Police Tax in 2024?

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 who joined the Borough in mid-2016; 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 provided by the Chambersburg Police Department to 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. In January 2023, this budget recommends no change in the Police Tax, which is 25 mil. Overall, since December 2006, the Police Tax rate has risen from 17 mil to 25 mil. When averaged out over the seventeen years, that is a growth rate of a little over 2.4% per year. **In 2024, it is the Borough Manager’s recommendation that the Borough keep the Police Tax rate at 25 mil.**

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



In 2023, it is estimated that the Chambersburg Police Department will cost \$440,185 more to operate than the revenues collected. This includes shifting police pension subsidies from utility departments to help the Police Department as well as the estimated yield of 25 mil of Police Tax.

The Chambersburg Police Department did an excellent job of controlling costs in their proposed 2024 budget. As a result, operational costs actually dropped by over \$400,000 allowing the proposed 2024 budget to be balanced. Much of this is as a result of smart equipment purchases.

As a result of those changes, no tax increase is needed.

Police Department Budget	2023	2024
Estimated cost of operations	\$6,650,710	\$6,243,476
Reimbursement from CASD for School Crossing Guards (estimated)	-\$54,000	-\$26,700
Estimated Yield from Fines and Fees	-\$144,000	-\$132,500
State Grant for Police Pension Costs	-\$744,500	-\$714,084
Subtotal	\$5,708,210	\$5,370,192
Tax Rate	25 mil	25 mil
Estimated yield of Police Tax (including tax liens & donations)*	\$5,268,025	\$5,435,380
<i>Estimated Expenses over Revenue</i>	(\$440,185)	+\$65,188

* - The value of a mil changes year-to-year even if the rate stays the same

However, a storm is clearly brewing in the future. At 25 mil, the Police Tax is almost at the State mandated maximum rate. It is merely a matter of time before inflation brings this rate to the maximum permitted rate of 30 mil. That will happen quicker if new personnel are needed to keep our community safe. This is not a sustainable situation. Many additional expenses are on the horizon.

Furthermore, please understand that the value of 1 mil is different in every County in Pennsylvania and in every municipality. Articulating the cap in the form of a mil makes the Borough dependent upon Franklin County to keep the tax rolls up to date. In Franklin County, unlike Cumberland or Adams, the County has not conducted the required updated of the tax rolls since 1962. As a result, the value of 1 mil has dropped significantly. A county-wide reassessment would reestablish the value of 1 mil and help funding for the Police Department going into the next decade. We hope the County Commissioners address this problem soon before Chambersburg hits the tax ceiling caused by their delay of reassessment.

In general, if the Police Department runs a deficit as it is anticipated to do so in 2023, it is commixed 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.

Therefore, in 2023, we are anticipating a deficit for the Police Department of \$440,185; although we will see how the year ends up. In 2024, for only the second time since 2020, given controls on spending and a slight increase in tax yield, will the Police Tax 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). As is pointed out in this budget, it will be impossible to avoid future Police Tax rate increases. A deficit is not sustainable as it draws resources from other General Fund operations.

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 2024?

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 Local #1813 a labor pact (the infamous “Kasher Decision”). Town Council was forced to add a Fire Tax. That tax was set at 2.5 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 negotiating new collective bargaining agreements.

In 2022, the Borough and the International Association of Fire Fighters Local #1813 reached a negotiated labor deal thereby avoiding arbitration. We were able to avoid the cost of arbitration (lawyers, expert witnesses, and the Borough paying 100% of the arbitration panel expenses) by accepting a compromise. The 2022 deal, executed in the form of a Memorandum of Understanding, established a proposed labor contract to fix the wages and benefits between the Borough and our professional firefighters for the years 2022 through 2025.

Back in 2018, the Borough added a small ($\frac{1}{2}$ mil) Ambulance Tax to supplement the existing Fire Tax; the maximum permitted by State Law ($\frac{1}{2}$ mil). 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 $\frac{1}{2}$ mil under State Law. In 2020, Town Council repealed the $\frac{1}{2}$ mil Ambulance Tax in its entirety and adopted the Ambulance Fee surcharge on water invoices in its place.

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 2024 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 2.5 mil (the 2024 equivalent of about \$544,260) in Fire Tax, but it must be used for apparatus/truck expenses and not for firefighters. Further, the Borough is prohibited from levying more than ½ mil (the 2024 equivalent of about \$107,975) 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.

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 disappear. This seems to be a logical assumption.

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 2024. 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 right-off for Medicaid/Medicare patients served by the Fire Department's ambulance service, are causing strain on department finances.

In 2024, it is estimated that the Fire Department and EMS will cost \$1,737,042 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.

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 \$24.30 per month instead of the recommended \$11 per month as is proposed for 2024. The proposed Ambulance Fee is less than the allowance for uncollectable ambulance receipts as a result of Medicaid/Medicare federal rules.

Fire Department Budget	2023	2024
Estimated Cost of Operations	\$5,670,265	\$6,135,720
Local Services Tax Yield (set at State Maximum)	-\$815,000	-\$758,000
Fire Code Inspections	-\$65,000	-\$83,000
Ambulance User Fees	-\$2,765,900	-\$2,855,330
State Grant for Fire Pension Costs (grant shifted from utilities)	-\$586,200	-\$594,373
Subtotal	\$1,438,165	\$1,845,017
Tax Rate	3.0 mil	3.0 mil
Estimated yield of Fire Tax (excluding tax liens & donations)*	\$633,021	\$652,235
Less required transfer to the Motor Equipment Fund (State Law)	-\$562,735	-\$544,260
Net Fire Tax Revenue for Operations	\$70,286	\$107,975
<i>Net Fire Department Operating Deficit</i>	(\$1,367,879)	(\$1,737,042)

* - The value of 3.0 mil changes year-to-year even if the rate stays the same

In addition to the Ambulance Fee, if the Fire Department runs a deficit, it is commixed 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 finding part time firefighters, 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.

This 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. This year, for the fourth time in five 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 the Fire Department to fix the failing system may reach a boiling point.

In 2024, 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 new 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 2024, 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.



Company One – Chambersburg Ambulances



Long History in Borough – May 15, 1925 First EMS Unit

Year	Generated Revenue	Contractual Allowable (Uncollectable due to regulations)	Call Volume	Average Revenue per Response (Gen. Rev/Call Volume)
2019	\$1,131,801.48 (\$94,316/month avg.)	\$1,697,183.33	4,351	\$260
2020	\$1,038,266.96 (\$86,522/month avg.)	\$1,544,570.52	4,405	\$235
2021	\$1,109,164.38 (\$92,430/month avg.)	\$1,754,606.57	4,587	\$241
2022	\$1,203,242.76 (\$100,270/mo. avg.)	\$1,849,634.74	4,638	\$259
2023 (7/31/22)	\$765,049.14 (\$109,292/mo. avg.)	\$1,074,907.76 through July	2,542 through July	\$300

*2022 Ambulance Fee Revenue - \$974,949 at \$7.50/month per water service customer
 2023 Ambulance Fee Revenue - \$718,958 (7/31/23) at \$9.50/month per water service customer*

Proposal to raise Ambulance Fee to \$11 per month per water service connection in 2024.



Based on the apparatus replacement plan, a new EMS ambulance and a new fire engine was ordered last year. The ambulance has an expected delivery of Summer of 2024 and the engine has an expected delivery of Fall of 2025. Seen here: Ambulance 1-9 (2013 Dodge Type 1)

How much does 1 mil of real estate tax yield in 2024?

Total assessed value of taxable real estate, inside the Borough, for 2024 is estimated to be \$220,569,873; up from last year. Therefore, the cash value of 1 mil would equal \$220,569. However, when factoring in our average collection rate for any given year, we should expect that same mil to yield \$205,129. 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 \$220,569 in cash.** As explained, if you assume the standard percentage of taxpayers will fail to pay their taxes, 1 mil would equal \$205,129 in cash. If you assume some old outstanding tax liens from previous years may pay their debts in 2024, 1 mil might equal \$220,569 in cash. The value of a mil is therefore not precise.

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Estimated</u>	<u>2024</u> <u>Estimated</u>
Police Tax Yield	\$5,067,454	\$5,060,555	\$5,214,526	\$5,435,380
Mil	24	24	25	25
Fire Tax Yield	\$633,383	\$632,189	\$626,593	\$652,235
Mil	3	3	3	3
Ambulance Tax	-	-	-	-
Mil	-	-	-	-
Recreation Bond Tax	\$630,955	\$629,033	\$524,310	\$542,015
Mil	3	3	2.5	2.5
Police Station Bond Tax	-	\$200,032	\$408,472	\$433,310
Mil	-	1	2	2
Value of 1 Mil*	\$211,060	\$210,381	\$208,428	\$217,321
<i>TOTAL MIL RATE</i>				
Single Family House Ass. Value	\$15,467.10	\$16,305.69	\$18,330	\$18,492.50
Police Tax	\$412.45	\$414.96	\$434	\$438
Fire Tax	\$51.56	\$51.87	\$52	\$52
Ambulance Tax	-	-	-	-
Recreation Bond Tax	\$51.56	\$51.87	\$43	\$44
Police Station Bond Tax	-	\$7.29	\$35	\$35
TOTAL	\$515.57	\$525.99	\$564	\$569
	For 30 mil	For 31 mil	For 32.5 mil	For 32.5 mil

*- The value of 1 mil changes year to year based on several factors include total assessed value of real estate

The Average Single-Family Home in the Borough has a 2024 assessed value of \$18,492.50.

It will see a total increase of about \$5 per year, or 42¢ per month, in real estate taxes because of the increased value of assessed property, which also increases the assessed value of the Average Single-Family Home, despite no change in the tax rate. Your payment of taxes for your property, rather than the average home, is based on Franklin County’s determination of your home’s assessed value.

Despite the fact that the average home changes every year, the assessed value of *YOUR* home likely did not change as the County has not undertaken a reassessment of real estate since 1962. We are the last County in the State to do this required recalculation. The average changes year-to-year due to new construction, improvements to properties, and assessment appeals.

The value of the average single-family home changes year-to-year. We believe the average will change from \$18,330 in the current year to \$18,492.50 in 2024, impacting the yield in taxes.

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 \$569 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 \$564 per year (before discount) to \$569 per year (before discount), with no change in tax rate.

Go to <https://gis.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 2015 for \$174,900.

However, it has an assessed value of \$18,500.

The house next door is the same age and size, but has an assessed value of \$16,830. There is no logical explanation.

Regardless, with an assessed value of \$18,500 this is the average home in the Borough.

The annual Borough tax bill for this home would be \$601.25 for 2024 (before discount). This is a real home and that is their actual tax bill.

Budget Project Highlights 2024

1. New Web-Based Customer Portal For Utility Billing and Customer Service

Originally contemplated in 2018 with the contract with Harris Software, this project is a second attempt at installing a system to permit our customers to interact with the Borough through a web-based portal. In this attempt, a different strategy has been employed. Instead of installing all new Enterprise Resource Planning (ERP) software throughout the organization, the existing backend of the current software system will be retained and a new front door will be added to allow interactivity.

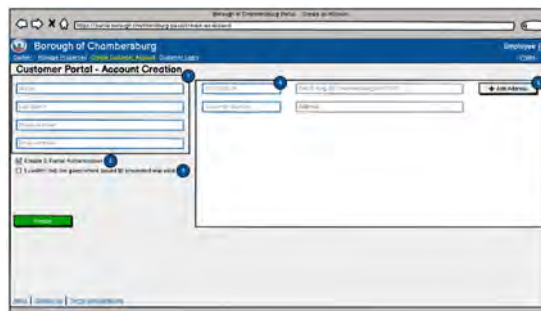
It has long been the goal of the Borough to provide utility customers with a web interface portal that is easy-to-setup, user-friendly, and safe, authenticate, and could match to Borough accounts, tenants, property owners, etc. Additionally, it could allow the use of all types of payment methods (credit, debit, EFT, etc.) at the Front Counter and remotely online with ease and comfort for customers. If transactions done at the Front Counter could also be posted in real-time to the utility billing system, that would make the system seamless between at-home and in-person transactions. Also, a portal would permit statement billing online so customers can view an up-to-date reflection of their account status.

In 2022, a planning committee, comprised of the IT Supervisor, IT programming staff, members of Town Council, 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 such a portal.

The project is ongoing with the goal of having the design completed by the end of 2023. The customer portal project, including design and implementation, is in the 2024 budget as a capital improvement project request.

The Borough has contracted with Link, a long-time Borough consultant, to build this new front-end on the existing mainframe computer system. Fresche Solutions, our programmers, and the planning committee are finishing the construction of this new interface. It is our hope it will be ready for use in 2024.

Staff believes this project has a high likelihood of success because it is merely an interface and retains the existing, complex, and convoluted back end. This back end software was custom-written for the Borough by a previous consultant in the 1990s using an IBM System 7 language, a mainframe language, which is strong and versatile, but very unfriendly to Borough employees and customers.



The new customer portal will be so powerful that even Front Counter Tellers in Borough Hall will be able to use much of the same functionality as customers sitting on their home computers.

Finally, the Borough will be transitioning to a new credit card processing vendor from our existing vendor, Official Payments. The new vendor, Paymentus, will provide significantly more opportunities for all payment types as well as being fully integrated into the new utility web portal, under development, and available hopefully in 2024.

The planning committee recommended, and Council approved, this transition. As we enter into a contract with Paymentus for the processing of all electronic payment methods through the customer payment portal and in person at Borough Hall, due to the number of payment options that can be made available to customers as well as the fee structure, in which no fees or charges are assessed to, or absorbed by, the Borough or its departments.

Paymentus accepts almost every imaginable payment source including all credit cards, Google Pay, Apple Pay, and Venmo.

The total cost for Fresche Solutions to complete development of the new interface is \$426,000. Staff believes that if successful, this interface may be the single largest improvement in customer service in Borough history.

2. Progress at the Southgate Shopping Center

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, 2024. The Keystone Rural health Center development project was approved to proceed in 2023.

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

In May 2023, Scott's Hauling & Excavating, Inc. was hired by Keystone Health to demolish the building addressed as 133 West Catherine Street, which was formerly occupied by Gold's Gym. Keystone submitted plans to the Borough to redevelop the lot with a building and off-street parking lot to be occupied by community healthcare facility.



The site of the future Keystone Rural Health Center community healthcare facility at Southgate

Now that demolition is finished at the Keystone Rural Health Center site, Scott's Hauling & Excavating, Inc. next demolished the section of the adjacent vacant shopping center building between China Wok and John Wesley AME Zion Church. Once the building was demolished, the wall next to China Wok was reinforced and insulated. The area where the demolished building was located will be improved with gravel to be used as a laydown area during construction of the Keystone Rural Health Center community healthcare facility next door.

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 2023, with construction of the new system expected to occur in 2024 and 2025.

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

Water Street Linear Park Project

Also associated with the improvement to the Southgate neighborhood is the creation of a new linear park along the Water Street right-of-way.



New Water Street Near Senior Housing Gazebo



Current Water Street Near Senior Housing Gazebo



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 \$365,893 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 \$365,893 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 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

Loudon Street Flood Mitigation Project

In 2022, Chambersburg Borough approached Maranatha Ministries, operator of the Cold Weather Shelter at 195 Loudon Street in the Southgate neighborhood, to ascertain their willingness to relocate the shelter operation. The building that houses the shelter unfortunately is in the floodway and subject to regular and repeated flooding events. As such it is not the ideal site for a shelter.



View of 1972 flood event at Loudon Street bridge (red mark on shelter building)

If funded by the Federal Emergency Management Agency, the storm sewer utility will organize this Loudon Street Flood Mitigation Project for the Borough to acquire the property at 195 Loudon Street, relocate its current use, demolish the structure and to establish permanent use of the site as passive recreation land.

Keystone Health Plan Approved

Borough Plan RE-1596, a Final Land Development Plan for Keystone Rural Health Center to construct a three-story medical office building at Southgate Shopping Center (133 West Catherine Street) was approved by Council on Monday, October 23, 2023. The plan proposes development of Parcel A, the site of the former Gold's Gym building, as subdivided through Borough Plan RE-1571, with a three-story medical office building, with a canopy covered entrance facing West Catherine Street. An off-street parking lot with 151 spaces will be accessed by driveway entrances onto West Catherine Street and the Southgate Shopping Center access aisle. There will be an ambulance entrance at rear of building. Pole and

building mounted LED lights will be installed to illuminate the site. Land to accommodate a variable-width right-of-way for the future extension of Cedar Avenue, from West Catherine Street to West Washington Street, will be dedicated to the Borough.



Meeting Place Plaza concept plan for the I-Hop Parking Lot, with the new Bioretention Pond across street

3. Planning for a Public Works Campus for the Future and a Land Acquisition Debt Issuance

In a transformational project for the neighborhood, the Chambersburg Sanitation 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. 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.



Cold Storage building prior to demolition



Site of former Cold Storage building after demolition

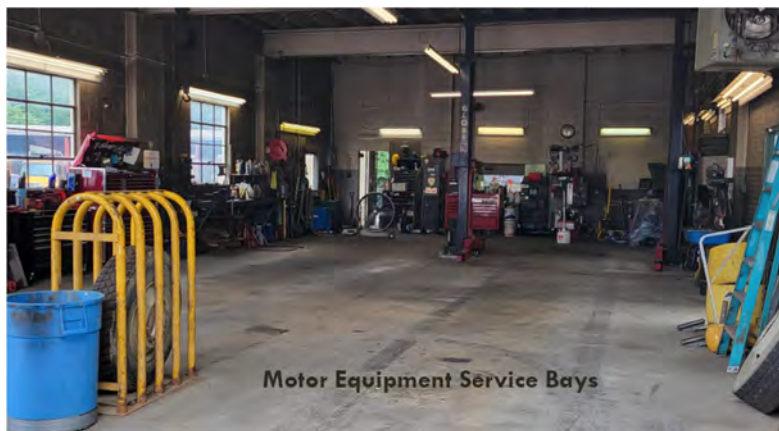
The Cold Storage site at 1335 S. Fourth Street was purchased by the Borough on August 23, 2021 as part of the future redevelopment of the Wagner property, the planned site of a future public works campus. The planned purpose is for a Water/Sewer maintenance equipment building and materials storage. The 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 departments' 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 Department, across the street from the Cold Storage site.

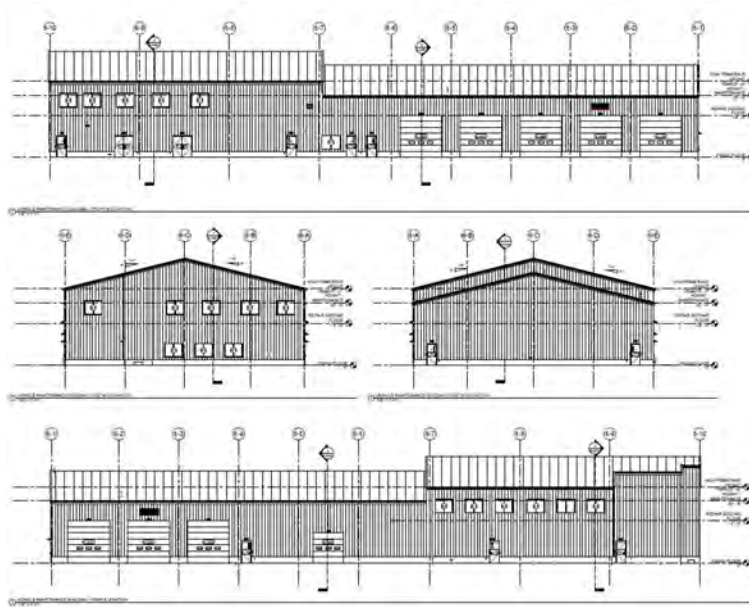


Existing public works facility on Loudon Street dates from the beginning of the last century



Existing public works facility on Loudon Street has inadequate vehicle storage, maintenance bays, and is in the floodplain – would be unusable in an emergency





New proposed vehicle maintenance facility off Wayne Avenue

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. The Engineering Department could move here too.

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.

In addition to the 2021 purchase of the old Cold Storage Building, the Borough purchased an adjacent home at 342 Wayne Avenue, which has been demolished. Those two tax parcels have been added to the Wagner site. Finally, the Borough remains interested in other possible nearby parcels.

The Borough engaged SGS Architects/Engineers of Carlisle, Pennsylvania, has completed a facility review and according to their principal, Dennis Sowers, the existing warehouse will be less expensive to replace rather than renovate. A number of scenarios are being 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 building purchase and design stage have had no impact on taxes. The site will provide a much-needed new home for the Sanitation Department and Public Works, and provides a site, which over time, might be expanded to add other adjacent tax parcels. It is also very exciting that at the end of this project, a new park near the Conococheague Creek will encourage access to the creek near the Southgate Shopping Center, where the Public Works garage is now located on Loudon Street.

The decommissioning of the Loudon Street facility and construction of the new Conococheague Creek Park would then occur in 2026 or 2027. The new Borough recycling transfer station nor 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 Department items.

Finally, staff and the Building Committee have been in contact with adjacent property owners. We have explained the goals of the project and invited them to consider whether the sale of their property to enhance the project site might make sense. The 2024 Budget includes resources for continuing site development as well as to explore the purchase of adjacent parcels.

This budget includes a plan to borrow up to \$3 million for more land purchases and a facility design.

Town Council is now being asked to commit to a final design process, a bidding of the project to develop fixed costs by the end of 2024, and a final funding plan with the 2025 budget.



The former Wagner Supply Depot is owned by the borough as is the house on the right, now demolished, and the cold storage building to the rear, also demolished



Conceptual plan as of October 2023

4. Storm Sewer System Capital Project Bond Issue

In a transformational project, the Borough of Chambersburg will make significant and long-term capital improvements to a variety of sites impacted by flooding, or water quality issues, and previously identified in the Borough’s approved Chesapeake Bay Tributary Strategy Plan. As many as five to seven different storm water projects including, but not limited to, flooding on S. Fourth Street, the storm water channel adjacent to the Falling Spring Presbyterian Church, Pioneer Court in Downtown Chambersburg, Stevens Elementary School site, and Wolf Avenue/Rail Trail outfalls, may be improved by these funds. Further, a significant capital improvement will be made by fixing and rerouting the storm sewer system at Southgate and the flood mitigation at the Maranatha Cold Weather Shelter on Loudon Street. Avoiding increasing fees for pollution control and storm sewer management, the use of bond funding will improve this key infrastructure of the Borough without necessary fee hikes for Borough property owners. Finally, the Borough is required to make such improvements over the next few years and designating this funding will help bring these important projects to reality and meet the Borough’s compliance with the terms of the Pennsylvania Department of Environmental Protection permits for the storm sewer system (MS4).

Chesapeake Bay pollutant Reduction Plan

Best management practices projects were approved through the plan, which are intended to reduce the amount of nitrogen, phosphorus, and sediment that are conveyed into the Falling Spring Creek and Kanekachi Creek, which ultimately flow to the Chesapeake Bay via the Potomac River. 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 will expire at midnight on March 15, 2025.



Site	BMP ID	BMP Type	Drainage Area (acres)	Length (ft)	Pollutant Load Reduction TSS (lbs/yr)
Rhodes Drive	BMP-1A	Bioswale	2.39	n/a	2,766
	BMP-1B	Pervious Pavement	0.31	n/a	81
Fifth Ave Extension	BMP-2	Subsurface Infiltration	6	600	3,879
Elder Street / W Commerce Street	BMP-3A	Subsurface Infiltration	9.2	n/a	5,047
	BMP-3B	Streambank Restoration	n/a	1,400	62,832
	BMP-3C	Subsurface Infiltration	9.18	n/a	5,036
	BMP-3D	Bioretention	4.35	n/a	3,580
Stevens Elementary	BMP-4A	Streambank Restoration	n/a	500	22,440
	BMP-4B	Riparian Buffer	12.38	n/a	6,670
Wilson College	BMP-5	Bioretention	103.5	n/a	100,368
Mill Creek Acres Park	BMP-6	Bioretention	100	n/a	96,974
Nitterhouse Park	BMP-7	Bioretention	7.2	n/a	5,925
	BMP-8A	Bioretention Pocket	5.08	100	4,926
	BMP-8B	Bioretention Pocket	4.59	100	4,451
	BMP-8C	Bioretention Pocket	4.02	100	3,898
	BMP-8D	Bioretention Pocket	6.22	100	6,032
Wolf Ave Rail Trail	BMP-8E	Bioretention Pocket	5.28	100	5,120
	BMP-9	Streambank Restoration	n/a	250	11,220
Fourth Street	BMP-10	Subsurface Infiltration	29.3	n/a	16,074
South Fourth Street	BMP-11	Subsurface Infiltration	2.52	100	1,383
Ludwig Ave Parking Lot	BMP-12A	Stream Restoration	n/a	675	30,294
	BMP-12B	Riparian Buffer	7.06	675	3,804
Sheffler Drive	BMP-13	Riparian Buffer	31.6	n/a	14,447
Total					417,247

Chambersburg has dozens of miles of storm sewer pipes, channels, inlets, catch basins, ponds, etc., and they require inspection and maintenance as a part of the State permit, but also the important necessity to

manage and respect storm water and its impact on the community environment. Some communities have delayed the implementation of storm sewer system management. This was never an option in Chambersburg's large urbanized environment.

In 2024 or 2025, the Borough Engineering Department along with the Storm Sewer Utility will fly the community to create new aerial maps for use by all the utilities. These maps are so precise that using today's technology, the Storm Sewer Utility can use them to measure impervious area on non-residential parcels and civil engineers can use them to design projects for bidding. The Borough has sufficient available funding in this budget to include this new survey.

Further, the Storm Sewer Utility will begin contracting for the survey of the underground system using a contractor who televises pipes. A cleaning and televising of storm sewers will allow the Borough to ensure that the storm sewer system is functioning properly and to identify deficiencies in the sewer pipes that need to be repaired. This will be done with robotic cameras, vacuum excavation equipment, and high-pressure water cleaning equipment. Then, maps of the areas affected by sewer cleaning and televising will be available to develop future maintenance projects.

Finally, if funded by the Federal Emergency Management Agency, the Loudon Street Flood Mitigation Project would permit the Borough to acquire the property at 195 Loudon Street, relocate its current use, demolish the structure and to establish permanent use of the site as passive recreation land. This important grant project may be approved in 2024.

5. Various Multi-Modal Transportation Projects Around Chambersburg Borough

Chambersburg is in the midst of a decades-long transportation project development phase, which has carried along a series of important vehicle, pedestrian, and bicycle concepts (Multi-Modal (MTF)) projects that are in various stages of conceptual design. When bundled together these MTF projects would be transformational for the Borough.

They include:

- Moving U.S. 11 from Garfield Street to Derbyshire Street
- Broad Street Greenway and Trail Head Project
- Kennedy Street Extended Project
- Third Avenue Greenway Project
- McKinley Street Pedestrian & Bike Upgrade Project
- North Rail Trail Extension, in Cooperation with Wilson College & Armstrong Family
- South Rail Trail Extension with new Pedestrian Crossing S. Main St., and new Ped connection to S. Fourth St.

Proposal to Relocate US11 Northbound from Garfield Street to Derbyshire Street

In 2014, Chambersburg Borough staff, working with Highway Design Specialist 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.

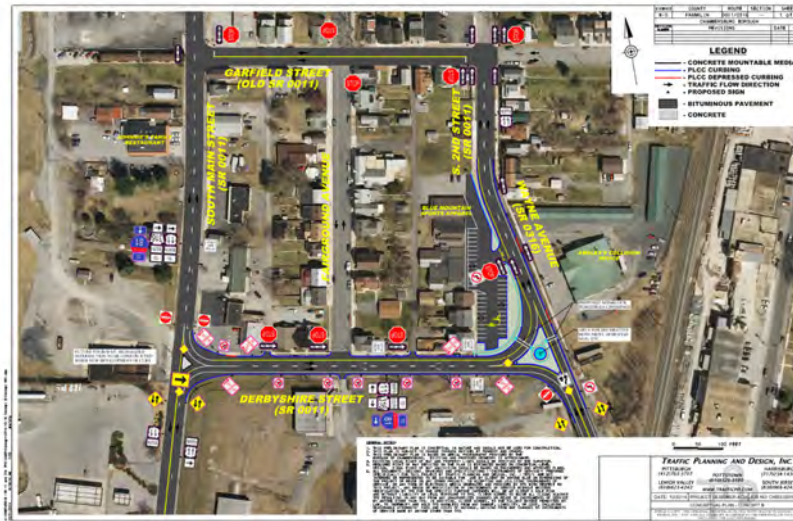
In 1957, in an effort to mitigate against the growing volume of traffic passing through Downtown Chambersburg, the Commonwealth of Pennsylvania approved a plan to allow most major routes throughout the core to become one-way streets. This act, separated northbound and southbound U.S. 11 onto two different 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 past through for U.S. 11 now:

- Garfield Street is mostly a residential street
- 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 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 onto the northern terminus of Pennsylvania State Route 316.

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 Fairground 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 Main Street (U.S.11) although there is a truck maintenance gate on Derbyshire for the facility.



Relocate U.S. 11 from Garfield Street to Derbyshire Street

Broad Street Greenway and Kennedy Street Extended



Since 2017, Town Council has sought to connect Grant Street to Broad Street with the completion of Kennedy Street across land owned by Knouse Foods and at 580 Broad Street. In 2024, it is staff's hope that this concept plan can move forward before this one transportation improvement opportunity gets lost to development.

Furthermore, the Borough has been planning several new Rail Trail extensions including along the abandoned Cumberland Valley Railroad right-of-way now owned by Norfolk and Southern Railroad. This bicycle and pedestrian improvement, a greenway, would run parallel to Broad Street and connect the new Kennedy Street Extended to Norland Avenue via this unused right-of-way. Both projects are interconnected as the greenway needs a southern terminus at 580 Broad Street.

McKinley Street East-West Complete Streets Plan

This critical connection would include on-road or off-road improvements, or a combination of both to provide a bicycle friendly link between the Middle School Campus/Memorial Park, the High School Campus, Mike Waters Park, and the existing Rail Trail. Improvements could include removal of existing on-street parking, bicycle lane, sidewalk improvements, cross walks, intersection improvement, pavement markings, and signage.

Third Street Greenway Plan

The 3rd Street Greenway trail begins 900 ft. north of Lincoln Highway and terminates at Grant Street. The trail would run approximately 1/4 mile in length. The proposed trail will utilize a 10-12 ft. shared-use path with 5ft. Buffers on each side of the trail.

Rail Trail Northern Extension

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 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.

Rail Trail Southern Extension

The extension would extend the southern terminus of the existing Rail Trail to Fifth Ward neighborhoods and commercial area (Wayne Avenue). The connection would include multi-purpose 10-12 ft. shared use path improvements extending the existing Rail Trail to Wayne Avenue. Improvements could also include some on-road improvements, crossings, and signage.



The Abandoned CSX Railroad Right-of-Way on S. Main Street

Ideas for McKinley Street



Chambersburg Area Middle School South Midblock Treatment Options

McKinley Street Complete Streets Plan from 2023

Water Street Linear Park (MTF)

The Southgate Redevelopment project seeks to transform the dilapidated 33-acre Southgate center into a vibrant and safe mixed-use commercial and residential area, and community healthcare center. The Chambersburg Area Municipal Authority (CAMA) acquired the property with the Borough of Chambersburg (Borough) funds in order to facilitate the redevelopment. The Borough is requesting PennDOT's support to solve four problems it has related to pedestrian and bicycle transportation in the economically disadvantaged Southgate neighborhood. The first problem is that two blocks of the existing Chambersburg Rail Trail between Catherine and Washington streets must be removed in order to relocate a box culvert from under Southgate's parking lot to under Water and Washington streets. Relocation of the box culvert is imperative to prepare the land for future development.

To solve these problems, the Borough is requesting Pennsylvania Department of Transportation (PennDOT) Transportation Alternatives Set-Aside (TASA) funds to facilitate the redevelopment of two street blocks into a pedestrian- and bicycle-only multi-modal greenway (Project). As a result, the area will be permanently closed to motorized vehicular traffic. Additionally, the redevelopment of two blocks of Water Street to a pervious asphalt trail 140 and green space will substantially increase the amount of pervious surface. This will mitigate the flood risk and allow water to be filtered through the ground naturally before entering the local Conococheague Creek, instead of contributing to non-point solution water runoff. The Borough already engaged an engineer to complete conceptual designs that demonstrate the efficacy of the Project related to existing traffic patterns and property boundaries and uses. If awarded, the existing Rail Trail will be expanded and enhanced and the neighborhood will have safe and accessible pedestrian and bicycle traveling options to current and future community assets and commercial, venues.



Third Street Greenway Plan

6. Expand Fire Safety Inspections into the Townships

In 2024, we should continue to advocate for a proposal that Hamilton, Guilford, and Greene Townships adopt the International Fire Code and contract with the Borough Fire Department as a third-party Code Agency for Commercial Fire Code Inspection services. This would be just like when the townships adopted the Uniform Construction Code in 2004 and contracted with the Pennsylvania Municipal Code Alliance (PMCA) to provide third-party Code Agency services for those codes.

Yet, to date, no volunteer fire companies nor PMCA are providing commercial fire code inspection in any of the townships. The volunteer fire companies generally are unequipped to do inspections. Although PMCA can do these inspections, we have discussed letting our Fire Department, where every firefighter is a certified code inspector, do these inspections on a systematic basis. I believe that PMCA would support this plan.

Beginning in 2015, the Borough updated our local Fire Law, written by the Assistant Solicitor, and adopted the new International Fire Code. In the Borough, businesses must be inspected (some annually & some tri-annually) for code violations. We believe that this is a big **fire prevention program** in that it actually prevents fires, saves lives, and property. In the Borough, the Fire Department charges businesses for this important inspection program (revenue goes to support only inspections and prevent fires). In many cases, the businesses' property insurance may be reduced because of these inspections.

It is our hope and desire that the townships will contract with the Borough to expand our successful fire code inspection program to township businesses at no cost to their taxpayers. As with inside the Borough, the townships' businesses would pay for the program. The businesses and the community would be safer.

We are hard pressed to believe that the townships would not support the adoption of a systematic Fire Code inspection program with the goal of preventing fires, saving lives, and property. In addition, part of the inspection fee would be shared with the local volunteer fire company responsible for protecting each business. That provides a further incentive to establish this program.

It would take six to eight months to negotiate a program – only the townships can adopt the program and set the fees. The portion of revenue collected, which would be shared with the townships, can be decided during discussions. This important new Fire Department program would begin with a meeting with stakeholders to explore how this program may function.

This is not about Chambersburg or the Chambersburg Fire Department. This is about saving lives and property in the townships. Chambersburg has this program regardless. We see the value. We have seen the number of fires reduced as a direct result of the program. In an era where the volunteer fire companies are struggling, there is no reason one can imagine that the townships would not invite the Borough to bring this program into their municipalities. There is no one else available to provide the program. This is not competition. This is a smart move for each of the townships.

If this program happens, the Borough would expand the Fire Department by one employee to manage the process.

The 2024 Budget includes a commitment to this goal. Finally, Mayor Hock can carry the torch to reach out to the townships, and to help promulgate the lifesaving program in 2024.



Keystone Health President/CEO Joanne Cochran is the winner of the Citizen of the Year Award



*Accepting on her behalf was Mr. Dave Grant, Keystone Rural Health Center Chief Operating Office
Seen with William “Donald” Waters, Mike Rideout, and Julie Redding, Recreation Director*

In 2023, the Chambersburg/Mike Waters Citizen of the Year Award committee has selected Ms. Joanne Cochran as our honoree. In 1986, Joanne Cochran, Keystone’s President and CEO, co-founded the healthcare program to provide health care to the migrant agricultural workers in Franklin County. At that time Keystone was comprised of three volunteers providing part-time seasonal health care to migrant agricultural workers in Franklin County and saw 500 patients during its first season. Today, Keystone Rural Health Center has more than 540 employees and sees over 59,000 patients annually.

Keystone Health is the only federally-qualified Community Health Center serving Franklin County. Her support to the community has extended far beyond Keystone’s interest. This Visionary willingly assists the Borough of Chambersburg, FCADC, the Commonwealth of PA, BOPiC and much much more. These voluntary efforts are the reason for her selection as Citizen of the Year for 2023.

Conclusion

Chambersburg Borough is an amazing municipal organization. We are blessed 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, state-wide, and national stage. I talk often of our uniqueness among municipalities.

As Council leadership knows, last year’s budget numbers, based upon funding everything, was not good. Only through careful prioritization, and reasonable cuts, did we end up with the budget being presented herein.

In the proposed 2024 Budget, I have recommended no tax increase, in exchange I would respectfully request that Council use the year to plan for significant tax challenges in the future for both the Chambersburg Police Department and the Chambersburg Fire Department.

The utility rate increases are necessary, but Chambersburg will continue to have lower rates than all our neighboring municipal and commercial utility systems. This includes an increase in the Electric Rate, a supply rate increase for Natural Gas, an increase in the Water Rate, and an increase in the Sanitation Rate. All these increases are significantly less than if our residents and businesses lived in the townships. Finally, I am recommending a necessary increase in the Ambulance Fee to keep pace with the cost of providing this important life-saving service.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> Proposed
Police Tax Mil	21	23	23	24	24	24	24	24	25	25
Fire Tax Mil	2.5	2.5	2.5	3	3	3	3	3	3	3
Ambulance Tax Mil	-	-	-	0.5	0.5	0	0	0	0	0
Recreation Bond Tax Mil	-	-	-	3	3	3	3	3	2.5	2.5
Police Station Bond Tax Mil	-	-	-	-	-	-	-	1	2	2
Total Real Estate Tax Mil	23.5	25.5	25.5	30.5	30.5	30	30	31	32.5	32.5

In June 2023, Moody’s Investor Services reaffirmed Chambersburg’s General Obligation credit rating as **Aa3**, which is quite good. They stated 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 2022 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, 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. I suggest we use 2024 to plan for the future, especially buildings and underground utilities.

No one likes a tax increase. However, I recommend that Council consider initiatives to permit future tax increases, when they become needed. To continue the Borough's investment in public safety, Franklin County must undertake reassessment, the updated 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. They are important core functions of our municipality. Further, 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 they 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 2024 Budget is balanced and there is no tax increase and several utility rate changes.

We must recognize the changing demographics of our community. If our citizens are our customers, and I do not necessarily agree that government is like business, then we must meet our customers where they live and recognize who they are. 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 internet portal is such an important project.

Further, we need 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 for some or all of the adjoining townships.

In 2024, the Borough will have an ALL-FUNDS BUDGET of \$134,254,757. In 2023, the ALL-FUNDS BUDGET was \$134,698,549. This represents a 0.3% decrease, with no major changes to accounting or operational practices. This net decrease is a realistic gauge of year-over-year fluctuations including the end of the American Rescue Plan Act temporary spending.

In 2024, the Borough's OPERATING BUDGET will be \$124,198,372. In 2023, the Borough's OPERATING BUDGET was \$114,940,320. This represents an 8.1% 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, Water Capital Reserve, Sanitation, Sanitation Capital Reserve, General, Storm Sewer, Storm Sewer Capital Reserve, Special Revenue, and Administrative Services 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 2024, the Borough's GENERAL FUND BUDGET will be \$19,790,495. In 2023, the Borough's GENERAL FUND BUDGET was \$19,517,700. This represents a 1.4% increase, and is a realistic gauge of actual growth in the Borough's spending plan, given the employment of the Police and Emergency Services Departments, as well as the provision of all major governmental services.



The Memorial Square Fountain returned to service in 2023 following a catastrophic single-car accident

Use of Fund Balance 2024

	2024 Revenue	2024 Expenditures		Withdrawal/Deposit from Fund Balance
General Fund Total	\$19,790,495			Balanced with an increase to the Borough's Ambulance Fee
General		\$2,977,175		
Highway		\$1,488,190		
Fire/Ambulance		\$6,135,720		
Police		\$6,243,476		
Recreation		\$1,473,220		
Land Use/Community Dev		\$1,003,315		
Community Functions		\$469,399		
General Fund	\$19,790,495	-		Balanced
Electric	\$35,213,550	\$35,213,550	-	Balanced with an overall 11.3% rate increase
Gas	\$11,335,910	\$11,335,910	-	Balanced
Water	\$5,175,125	\$5,175,125	-	Balanced with a 3¢ per unit rate increase
Sewer	\$7,543,200	\$7,543,200	-	Balanced
Sanitation	\$4,859,348	\$4,859,348	-	Balanced with a \$3.00 per month rate increase
Parking Traffic	\$1,585,300	\$1,585,300	-	Balanced
Storm Sewer	\$1,515,660	\$1,515,660	-	Balanced
Swimming Pool	\$1,367,675	\$1,367,675	-	Balanced
Motor Equipment	\$5,024,936	\$4,300,436	\$724,500	Making a deposit into fund balance, for future equipment
Engineering	\$633,800	\$633,800	-	Balanced
Stores/Warehouse/Call Center	\$1,995,015	\$1,995,015	-	Balanced
Admin Services Dept.	\$9,890,944			Balanced
Utility Addition Operations		\$584,655		
Personnel & Payroll		\$983,055		
Info Technology		\$1,721,577		
Finance/Customer Service		\$2,766,085		
Clerical Pool		\$1,470,647		
General Admin & Supplies		\$1,328,925		
Admin Cap Projects		\$1,036,000		
Admin Services Dept.		\$9,890,944	-	Balanced
<u>Utility Capital Funds</u>				
General Capital Reserve	\$1,420,100	\$2,623,470	\$(1,203,370)	Making a \$1.203 million withdrawal from accumulated fund balance.
Storm Sewer Capital	\$7,051,750	\$4,321,605	\$2,730,145	Making a 2.7 million deposit into the Storm Sewer Capital Fund.
Electric Capital	\$1,978,000	\$1,890,000	\$88,000	Making a \$88,000 deposit into the Electric Capital Fund.
Gas Capital	\$2,866,345	\$2,790,000	\$76,345	Making a \$76,345 deposit into the Gas Capital Fund.
Water Capital	\$1,647,010	\$1,680,000	\$(32,990)	Making a \$32,990 withdrawal from the Water Capital Fund.
Sewer Capital	\$999,765	\$2,460,000	\$(1,460,235)	Making a \$1.46 million withdrawal from accumulated fund balance.
Sanitation Capital	\$3,237,057	\$3,000,000	\$237,057	Making a \$237,057 deposit into the Sanitation Capital Fund.
Parking Capital	\$761,715	\$847,000	\$(85,285)	Making a \$85,285 withdrawal from accumulated fund balance.
<u>Miscellaneous Funds</u>				
Self-Insurance Trust	\$1,169,285	\$1,540,785	\$(371,500)	Making a \$371,500 withdrawal from previous deposits to offset claims.
Workers Comp Trust	\$472,450	\$530,050	\$(57,600)	Making a \$57,600 withdrawal from previous deposits to offset claims.
Special Revenue Trust	\$2,851,339	\$2,847,339	\$4,000	Making a \$4,000 deposit as grant payments will exceed grant spending.
Police Station Tax Fund Holding	\$438,810	\$438,810	-	Balanced
Recreation Tax Fund Holding	\$566,015	\$566,015	-	Balanced
Fire Tax/Ambulance Tax Holding	\$663,735	\$663,735	-	Balanced
Liquid Fuels State Grant Holding	\$615,100	\$615,100	-	Balanced
Sister City	\$1,500	\$1,500	-	Balanced
Project H.E.A.T.	\$25,750	\$42,250	\$(16,500)	Making a \$16,500 withdrawal from prior deposits to the fund.

Anticipated debt for projects is \$5,733,531 as there are three possible debt issuances in 2024;

All governmental funds are balanced, and capital funds are making a drawdown on reserves or bond proceeds.

Use of Taxes to Fund 2024

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Police Tax rate, currently at 25 mil.

Police Tax Rate (in mil)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
17	20	20	20	20	20	20	20	21	21	23	23	24	24	24	24	24	25	25

In doing so, this means that since 2006, the Police Tax will have increased 8 mil in 17 years. An understandable rate of growth for such an important tax and such an important service.

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Fire Tax rate, currently at 3 mil.

Fire Tax Rate

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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
Ambulance	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.5	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

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 2024, it is the Borough Manager’s recommendation that the Borough not change the Recreation Bond Tax rate, currently at 2.5 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
-	-	-	-	-	-	-	-	-	-	-	-	3	3	3	3	3	2.5	2.5

In 2024, the Police Station Bond Tax will continue for its third 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
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	2

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.

In Chambersburg, in 2024, the average single-family home has a Franklin County assessed value of \$18,492.50; 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 2023 was \$268,500, up an impressive 20% from the previous year. There were 201 homes sold year-to-date, almost three times the previous year.

Average Single Family House Inside The Borough	2023	2024
Police Tax (to the General Fund)	\$434.31	\$437.30
Fire Tax (to the Motor Equipment Fund)	\$52.12	\$52.48
Recreation Bond Tax (to the Swimming Pool Fund & General Fund)	\$43.43	\$43.73
Police Station Bond Tax	\$34.74	\$34.98
Total (per year)	\$564.61	\$568.49

No change in tax rate – average home value changes year-to-year

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 \$2,930 per year in Police Tax versus \$437.30 paid by the average single-family home. Further, that home has a Fair Market Value of \$813,300 (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 \$568.49 per year in Borough taxes, and half pay less.



Single Family House

\$568.49 per year¹



Schools

No tax



Non-profits

No tax



Government

No tax



Commercial/Industrial

More

No government buildings, schools, charities, churches, or township property owners pay any Police, Fire, Police Station Bond Tax, or Recreation 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 ½ 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 ½ 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 Department and the Gas Department 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.

¹ Not a precise measure as the value changes every year due to the assessed value of real estate – use for planning only

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/Finance Director, Melinda Thompson/Administrative Services Director, Kris Baker/Human Resources Supervisor, Phil Wolgemuth/Deputy Borough Manager, Jamia Wright/Borough Secretary, Cindy Harr/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 Bill Everley, Finance Chair John Huber, and Finance Vice-Chair Tom Newcomer.

I propose that Town Council authorize advertisement of this Proposed Budget when they meet on November 6, 2023. In addition, I suggest that Town Council receive public comments on the Proposed Budget on November 13, 2023.

Finally, I would propose that Council adopt the proposed budget on December 11, 2023. 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

11/6/2023



Mission, Policies, and Organization

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Mission, Policies, and Organization

As Proposed for 2024

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 205 full-time 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 department. 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 Sanitary Sewer 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.

Chambersburg has the largest Borough budget because of our utilities. The Borough has a 2021 population (U.S. Census Bureau: State and County QuickFacts) of 22,354 residents, up from 17,020 in 1990; a 31% increase in twenty-one years. There are many other transient populations in Chambersburg. 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. We know that residential development inside the Borough is increasing at a huge pace with hundreds of new units scheduled in 2024. 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 2023. Half the elected seats on Town Council will be chosen. In spring 2023, Councilman Larry Hensley unexpectedly passed away. He was replaced by Stacy Short, but that seat was added to the November 2023 ballot as a result. In January 2024, 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.

Those seats currently up for election are the ones held by Alice Elia, Sharon Bigler, Kathy Leedy, Bill Everly, John Huber, and Stacy Short.

Staff is proudly apolitical. We serve the majority of Council and welcome new faces, new participants, and new ideas.

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 also serves as a dignitary representing the community. In January 2022, Mayor Hock began his first term as Mayor, which will end in December 2025.

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.

In addition, a local law authorizing the collection of real estate taxes should be approved. Finally, Council should authorize the proper establishment of fees and charges.

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.

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.

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

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

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

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 2024, this budget recommends an increase in this fee to \$11.00 per month per water service customer.



BOROUGH OF CHAMBERSBURG

Our Mission

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.

**BOROUGH OF CHAMBERSBURG
FINANCIAL POLICY STATEMENT**

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.

BOROUGH OF CHAMBERSBURG FINANCIAL GOALS

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.

BOROUGH OF CHAMBERSBURG OPERATING POSITION POLICY

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.

BOROUGH OF CHAMBERSBURG REVENUE POLICY

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.

BOROUGH OF CHAMBERSBURG EXPENDITURE POLICY

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.

BOROUGH OF CHAMBERSBURG DEBT POLICY

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.

BOROUGH OF CHAMBERSBURG CASH POLICY

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.

BOROUGH OF CHAMBERSBURG LIQUID INVESTMENTS POLICY

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.

BOROUGH OF CHAMBERSBURG
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.
3. Increasing transfers (not requiring repayment) from other Borough funds.

**BOROUGH OF CHAMBERSBURG
SELF INSURANCE CASH BALANCE POLICY**

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.

**BOROUGH OF CHAMBERSBURG
POST-ISSUANCE DEBT COMPLIANCE POLICY**

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; and
 - 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.

The Coordinator (or designate) shall create a file for each series.

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; and
- 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:
 - 15% within 6 months
 - 60% within 12 months
 - 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:
 - 10% within 6 months
 - 45% within 12 months
 - 75% within 18 months
 - 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; and
 - 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 proceeds 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); and
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; and
 - 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;
3. Provide proof of insurance coverage, as necessary;
4. Monitor compliance with rate covenants or other financial covenants;
5. Monitor compliance with restrictions on transfers of property, including liens and encumbrances;
6. Ensure compliance with restrictions on types of investments, in addition to any limitations imposed by applicable tax code restrictions; and
7. Ensure compliance with restrictions on derivative and swap contracts.

BOROUGH OF CHAMBERSBURG COLLECTIONS POLICIES & PROCEDURES

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 (over One Thousand Dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than twelve thousand dollars (\$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 one hundred and fifty dollars (\$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 (over One Thousand Dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than twelve thousand dollars (\$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 one hundred and fifty dollars (\$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 One Thousand Dollars (\$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 twelve thousand dollars (\$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 one hundred and fifty dollars (\$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 One Thousand Dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas if the outstanding amount is greater than twelve thousand dollars (\$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 one hundred and fifty dollars (\$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 One Thousand Dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than three thousand dollars (\$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 one hundred and fifty dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than three thousand dollars (\$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 one hundred and fifty dollars (\$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 one hundred and fifty dollars (\$150.00), or with the 39th Judicial District Court of Common Pleas as a *scire facias* action if the outstanding amount is greater than three thousand dollar (\$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 one hundred and fifty dollars (\$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 one hundred and fifty dollars (\$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.

**BOROUGH OF CHAMBERSBURG
WATERFALL PAYMENT POLICY**

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. Sewer and Water
- 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.

BOROUGH OF CHAMBERSBURG CONFLICT OF INTEREST POLICY

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 office or employment or any confidential information received through his holding public office or employment for the private pecuniary benefit of himself, a member of his immediate family or a business with which he or a member of his 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 immediate family or a business with which he or a member of his immediate family is associated.
- F. **De minimis economic impact** shall mean an economic consequence, which has an insignificant effect of less than one thousand dollars (\$1,000).
- 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, and employees 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 five hundred dollars (\$500) or more, nor in which the person or spouse or child 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.

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 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

⁵ 8 Pa.C.S.A. § 1402(b).

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.

**BOROUGH OF CHAMBERSBURG
PROCUREMENT GUIDELINES FOR FORMAL CONTRACTS
UTILIZING FEDERAL FUNDING**

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 two thousand dollars (\$2,000), 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

⁶ 2 C.F.R. § 200.318(b).

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

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

⁷ 2 C.F.R. § 200.318(c).

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).

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 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

¹⁵ 2 C.F.R. § 200.318(k).

¹⁶ 2 C.F.R. § 200.318(j).

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).

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

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

²⁰ 2 C.F.R. § 200.319(b).

²¹ 2 C.F.R. § 200.319(c).

²² 2 C.F.R. § 200.319(d).

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

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.

²⁵ 2 C.F.R. § 200.321(b)(1-6).

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.

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).

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.

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.

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 Five Thousand (\$5,000.00) dollars 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.

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 two hundred fifty thousand (\$250,000) dollars, 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 ten thousand (\$10,000) dollars 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 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 two thousand dollars (\$2,000) 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

³³ 2 C.F.R. § 200.326.

- 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 one hundred thousand dollars (\$100,000) 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 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).
 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 one hundred thousand dollars (\$100,000) 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 Ten Thousand (\$10,000.00) dollars or the value of the quantity acquired during the preceding fiscal year exceeded Ten Thousand (\$10,000.00) dollars; 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.
11. 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.

BOROUGH OF CHAMBERSBURG ENERGY RISK MANAGEMENT POLICY

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 Department ("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.

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 corporation for goods and services received.

Accounts Receivable (A/R) - Amounts owing from private persons, firms or corporation 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 his 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 Department 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, as of October 2, 2023, is \$215,190,120.

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 ten thousand dollars (\$10,000), 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.

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.

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 operate on the Borough 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 ES 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 - 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. This pay 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.

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.

2024 Functions and Departments (Sorted by Department)

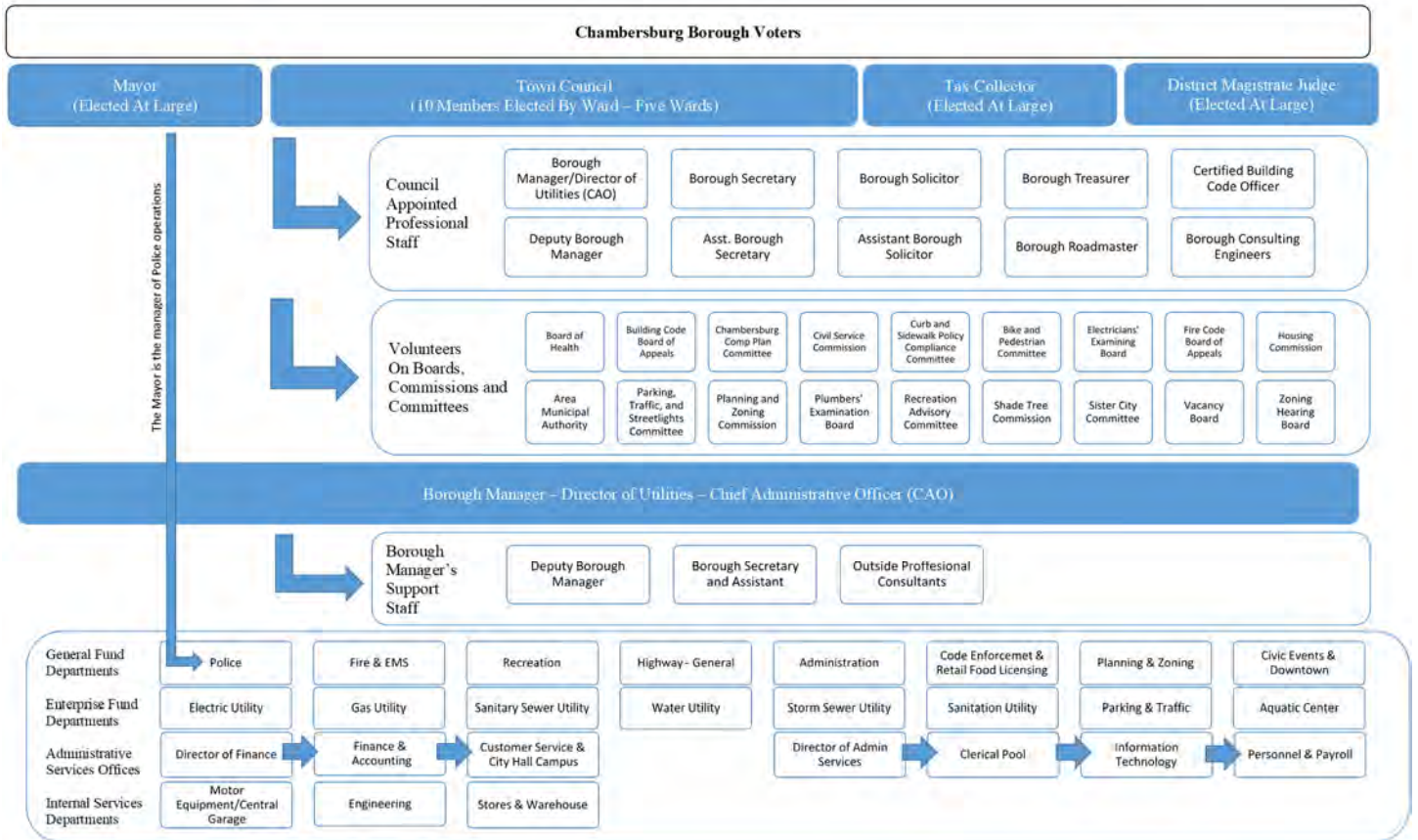
Department	Cost Center	Supervisor
ADMIN SERVICES	CITY HALL CAMPUS OPERATIONS	BOROUGH MANAGER
ADMIN SERVICES	GENERAL & ADMINISTRATIVE	BOROUGH MANAGER
ADMIN SERVICES	HUMAN RESOURCES	DIRECTOR OF ADMIN. SERVICES
ADMIN SERVICES	IT	DIRECTOR OF ADMIN. SERVICES
ADMIN SERVICES	CLERICAL POOL	DIRECTOR OF ADMIN. SERVICES
ADMIN SERVICES	UTILITY BUILDING & CUSTOMER SERVICE	FINANCE DIRECTOR
ADMIN SERVICES	FINANCE AND ACCOUNTING	FINANCE DIRECTOR
ADMIN SERVICES	BUILDINGS, EQUIPMENT, LAND	FINANCE DIRECTOR
AQUATIC CENTER	FACILITY OPERATING EXPENSES	RECREATION DIRECTOR
AQUATIC CENTER	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	RECREATION DIRECTOR
AQUATIC CENTER	BUILDINGS, EQUIPMENT, LAND	RECREATION DIRECTOR
CITIZEN'S REWARD	OPERATING EXPENSES	POLICE CHIEF
ELECTRIC	DIESEL PRODUCTION OPERATION	DIRECTOR OF ELECTRIC UTILITY
ELECTRIC	DIESEL PRODUCTION MAINTENANCE	DIR. OF ELECTRIC UTILITY
ELECTRIC	PURCHASE POWER OPERATION AND MAINTENANCE	DIR. OF ELECTRIC UTILITY
ELECTRIC	TRANSMISSION SYSTEM OPERATION AND MAINTENANCE	DIR. OF ELECTRIC UTILITY
ELECTRIC	DISTRIBUTION SYSTEM OPERATION	DIR. OF ELECTRIC UTILITY
ELECTRIC	DISTRIBUTION SYSTEM MAINTENANCE	DIR. OF ELECTRIC UTILITY
ELECTRIC	CUSTOMER ACCOUNTING AND COLLECTING	DIR. OF ELECTRIC UTILITY
ELECTRIC	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DIR. OF ELECTRIC UTILITY
ELECTRIC CAPITAL	BUILDINGS, EQUIPMENT, LAND MISCELLANEOUS	DIR. OF ELECTRIC UTILITY
ENGINEERING	FIELD EXPENSES	PUBLIC WORKS DIRECTOR
ENGINEERING	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	PUBLIC WORKS DIRECTOR
ENGINEERING	BUILDINGS, EQUIPMENT, LAND	PUBLIC WORKS DIRECTOR
FIRE	FIRE	FIRE CHIEF
FIRE	AMBULANCE	FIRE CHIEF
FIRE	FIRE CODE	FIRE CHIEF
FIRE TAX	OPERATING EXPENSES	FIRE CHIEF
GAS	PURCHASE GAS OPERATION AND MAINTENANCE	DIR. OF GAS UTILITY
GAS	TRANSMISSION OPERATION	DIR. OF GAS UTILITY
GAS	TRANSMISSION MAINTENANCE	DIR. OF GAS UTILITY
GAS	DISTRIBUTION OPERATION	DIR. OF GAS UTILITY
GAS	DISTRIBUTION MAINTENANCE	DIR. OF GAS UTILITY
GAS	CUSTOMER ACCOUNTING AND COLLECTING	DIR. OF GAS UTILITY
GAS	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DIR. OF GAS UTILITY
GAS CAPITAL	BUILDINGS, EQUIPMENT, LAND	DIR. OF GAS UTILITY
GENERAL BOROUGH	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	BOROUGH MANAGER
GENERAL BOROUGH	CIVIC SPECIAL EVENTS	BOROUGH MANAGER
GENERAL BOROUGH	DOWNTOWN, TREES, FOUNTAINS, WALKWAYS	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND GENERAL & ADMIN	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND HIGHWAY DEPARTMENT	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND FIRE DEPARTMENT	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND POLICE DEPARTMENT	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND RECREATION DEPT	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND ZONING DEPT	BOROUGH MANAGER

GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND PLANNING DEPT	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND PROPERTY MAINTENANCE	BOROUGH MANAGER
GENERAL CAPITAL	BUILDINGS, EQUIPMENT, LAND MISCELLANEOUS	BOROUGH MANAGER
HIGHWAY	OPERATING EXPENSES	PUBLIC WORKS DIRECTOR
LUCOMDEV	PLANNING	DEPUTY BOROUGH MANAGER
LUCOMDEV	ZONING	DEPUTY BOROUGH MANAGER
LUCOMDEV	PROPERTY MAINTENANCE CODE ENFORCEMENT	DEPUTY BOROUGH MANAGER
LUCOMDEV	RETAIL FOOD LICENSING AND INSPECTION	DEPUTY BOROUGH MANAGER
MOTOR EQUIPMENT	GARAGE OPERATION	PUBLIC WORKS DIRECTOR
MOTOR EQUIPMENT	MOTOR VEHICLE UPKEEP	PUBLIC WORKS DIRECTOR
MOTOR EQUIPMENT	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	PUBLIC WORKS DIRECTOR
MOTOR EQUIPMENT	BUILDINGS, EQUIPMENT, LAND MISCELLANEOUS	PUBLIC WORKS DIRECTOR
PARKING CAPITAL	BUILDINGS, EQUIPMENT, LAND	BOROUGH MANAGER
PARKING TRAFFIC	METERED PARKING OPERATION & MAINTENANCE	BOROUGH MANAGER
PARKING TRAFFIC	PARKING & TRAFFIC	BOROUGH MANAGER
PARKING TRAFFIC	STREET LIGHTING	BOROUGH MANAGER
PARKING TRAFFIC	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	BOROUGH MANAGER
POLICE	OPERATING EXPENSES	POLICE CHIEF
PROJECT HEAT	OPERATING EXPENSES	FINANCE DIRECTOR
RECREATION	RECREATION	RECREATION DIRECTOR
RECREATION TAX	OPERATING EXPENSES	FINANCE DIRECTOR
SANITATION	DISPOSAL SYSTEM	PUBLIC WORKS DIRECTOR
SANITATION	COLLECTION SYSTEM	PUBLIC WORKS DIRECTOR
SANITATION	RECYCLING PROGRAM	PUBLIC WORKS DIRECTOR
SANITATION	STREET AND ALLEY CLEANING	PUBLIC WORKS DIRECTOR
SANITATION	MOWING, WEED CONTROL & VECTOR CONTROL	PUBLIC WORKS DIRECTOR
SANITATION	CUSTOMER ACCOUNTING AND COLLECTING	PUBLIC WORKS DIRECTOR
SANITATION	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	PUBLIC WORKS DIRECTOR
SANITATION CAPITAL	BUILDINGS, EQUIPMENT, LAND	PUBLIC WORKS DIRECTOR
SELF INSURANCE	HEALTH & SAFETY PROGRAM	DIRECTOR OF ADMIN. SERVICES
SELF INSURANCE	HEALTH INSURANCE	DIRECTOR OF ADMIN. SERVICES
SELF INSURANCE	GENERAL LIABILITY CLAIM PAYMENTS	FINANCE DIRECTOR
SELF INSURANCE	GENERAL LIABILITY - LEGAL FEES	FINANCE DIRECTOR
SELF INSURANCE	GENERAL LIABILITY - SPECIAL SERVICES	FINANCE DIRECTOR
SELF INSURANCE	UNEMPLOYMENT	FINANCE DIRECTOR
SELF INSURANCE	LIFE INSURANCE	FINANCE DIRECTOR
SELF INSURANCE	FLOOD INSURANCE	FINANCE DIRECTOR
SELF INSURANCE	AUTO INSURANCE	FINANCE DIRECTOR
SELF INSURANCE	ERRORS AND OMISSIONS INSURANCE	FINANCE DIRECTOR
SEWER	TREATMENT PLANT	DIR. OF WATER/WASTEWATER
SEWER	COLLECTION SYSTEM	DIR. OF WATER/WASTEWATER
SEWER	CUSTOMER ACCOUNTING AND COLLECTING	DIR. OF WATER/WASTEWATER
SEWER	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DIR. OF WATER/WASTEWATER
SEWER CAPITAL	BUILDINGS, EQUIPMENT, LAND	DIR. OF WATER/WASTEWATER
SISTER CITY	OPERATING EXPENSES	BOROUGH MANAGER
SPECIAL REVENUE	OPERATING EXPENSES	FINANCE DIRECTOR
STORES	WAREHOUSE EXPENSES	DIR. OF GAS UTILITY
STORES	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DIR. OF GAS UTILITY
STORES	BUILDINGS, EQUIPMENT, LAND	DIR. OF GAS UTILITY
STORM SEWER CAPITAL	BUILDINGS, EQUIPMENT, LAND	DEPUTY BOROUGH MANAGER
STORM SEWER FUND	OPERATING EXPENSES	DEPUTY BOROUGH MANAGER

STORM SEWER FUND	COLLECTION SYSTEM	DEPUTY BOROUGH MANAGER
STORM SEWER FUND	MAINTENANCE	DEPUTY BOROUGH MANAGER
STORM SEWER FUND	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DEPUTY BOROUGH MANAGER
TRUSTS & UTILITY DEP	OPERATING EXPENSES	FINANCE DIRECTOR
WATER	SUPPLY SYSTEM	DIR. OF WATER/WASTEWATER
WATER	TRANSMISSION SYSTEM	DIR. OF WATER/WASTEWATER
WATER	DISTRIBUTION SYSTEM	DIR. OF WATER/WASTEWATER
WATER	TREATMENT SYSTEM	DIR. OF WATER/WASTEWATER
WATER	CUSTOMER ACCOUNTING AND COLLECTING	DIR. OF WATER/WASTEWATER
WATER	ADMIN, GENERAL, NON-OPERATING & INTERFUND PAYMENTS	DIR. OF WATER/WASTEWATER
WATER CAPITAL	BUILDINGS, EQUIPMENT, LAND	DIR. OF WATER/WASTEWATER
WORKERS COMP	CLAIMS AND ADMINISTRATION	FINANCE DIRECTOR

In 2024, oversight of the Engineering Department will be transferred from the Deputy Borough Manager to the Director of Public Works.

Organizational 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.

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 year 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 is 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 of this year, 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 2024 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.

Chambersburg is a Mandated Reporter Organization

Mandated reporters of child abuse are people who are required by law to report suspected child abuse. They are the responsible parties who make over 75% of the calls to ChildLine, the state's 24-hour hotline to report child abuse. They are often the only link between a child and safety from abuse. It is vitally important that mandated reporters understand how to recognize child abuse and how to make reports that are timely, complete and accurate. The Borough is committed to our participation in this program.

Mandated reporters generally are people who come into contact with children and/or a supervisor as a part of their employment, practice of their profession and, sometimes, as volunteers in child-serving programs. The Child Protective Services Law (CPSL) was amended in 2014, including significant changes to the list of people who are mandated to report suspected child abuse.

Effective December 31, 2014, those people are considered mandated reporters under Pennsylvania Law include an emergency medical services provider certified by the Department of Health such as an EMT, a peace officer or law enforcement official including the Attorney General, a district attorney, a PA state police officer and a municipal police officer, and an independent contractor who provides a program, activity or service to an agency, institution, organization or other entity, including a school or regularly established religious organization, that is responsible for the care, supervision, guidance or control of children (but does not include administrative or support personnel who do not have direct contact with children), and/or an individual paid or unpaid who, on the basis of the individual's role as an integral part of a regularly scheduled program, activity or service, is a person responsible for the child's welfare or has direct contact with children.

As such, a number of employees of the Borough of Chambersburg are deemed as mandated reporters.

11/6/2023



General Fund Budget

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

General Fund Budget

As Proposed for 2024

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.

Commixed 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

The Borough of Chambersburg

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.

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.

<u>General Fund Function</u>	<u>Earmarked Revenue</u>
Administration	<i>No earmarked revenue</i>
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	<i>No earmarked revenue</i>
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 (Rose To 25 Mil In 2023)
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.

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 and Gas utilities pay taxes (similar to private companies) into the General Fund. The Water Department paid through 2013, but we ceased that practice. These payments are Payments in Lieu of Gross Receipts Taxes or PILOTs. There was a concern that a State Law might prohibit water utilities from making payments for general government operations. In 2017, there was a law introduced in the General Assembly to end this practice in principle (although it talked of transfers and not PILOTs) from Borough electric departments. That change would be catastrophic for the Borough of Chambersburg’s General Fund finances. Therefore, we have actively fought to oppose any discussion of such laws. We need to protect the right of Town Council to manage the finances of the Borough.

The Borough is very careful to keep our utilities and our General Fund separate. Those functions that are multi-department functions (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 very unusual practice among municipalities and 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, in the past, 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 2.5 mil of the 3.0 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. It seems the State opposes a fair Fire Tax when it was created in 1965 as an option, when few towns had paid professional firefighters.

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.

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 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. 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. No real estate tax will pay for any operations of the Borough of Chambersburg other than police and fire services.

This 2024 Budget reflects the continuing commitment by Town Council to pay off the debt associated with the recreation infrastructure of our community. Beginning in 2018, Council established the Recreation Bond Tax, but not to help pay for the Recreation Department. The Recreation Bond Tax *does not support the operations of the Recreation Department*. It exists only to make the debt payments annually for the 2016 Recreation Bond (which has since been refinanced) and does not assist the General Fund financially. It is not a Recreation Tax to help Recreation Department operations. That would be permitted under State law, but has never been levied. There is no Recreation Tax and the Recreation Bond Tax does not support the Recreation Department in the General Fund (or the Aquatic Center in the Swimming Pool Fund).

In 2022, Council established the Police Station Bond Tax. This tax is to pay off the bonds associated with the renovation of the Police Station on S. Second Street and the expenses associated with the Temporary Police Station that was on Orchard Drive. The Police Station Bond Tax *does not support the operations of the Police Department*. It exists only to pay off these bonds. It does not assist the General Fund financially. This tax therefore does not benefit the General Fund.

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 police, and fire.

Therefore, these 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.

The 2024 Budget recommends no change in the Fire Tax, as no change is permitted, and no change to the Police Tax. Both taxes will have the same tax rate as in 2023:

Type of Real Estate Taxes	2024	Destination
Police Tax - Real estate tax levy (25 mil for Police operations)	\$5,435,380	General Fund
	+	
Fire Tax – Real estate tax levy (3 mil for Fire Department)	\$660,235	
Required deduction of 2.5 mil to transfer for Fire apparatus per State Law	-549,355	To the Motor Equipment Fund
<i>Net Fire Tax for General Fund Operations</i>	\$110,880	General Fund
<i>Real Estate Tax for the General Fund (Net of Required Share with Motor Equipment)</i>	\$5,546,260	
<u>The Below Real Estate Taxes Are Not Shared with General Fund</u>		
Recreation Bond Tax – Real estate tax levy (2.5 mil for 2016 Rec Bond)	\$542,015	To the Recreation Bond Fund
Police Station Bond Tax – Real estate tax levy (2 mil for 2022 Police Sta. Bond)	\$433,310	To the Police Sta. Bond Fund

Only the Police Tax and about 0.5 mil (\$110,880) of the Fire Tax end up in the General Fund and can be used for operations. Much of the real estate taxes paid, including much of the Fire Tax, do not go to the General Fund. In other words, the Fire Tax helps with apparatus expenses, but is capped and cannot be raised, and the vast majority cannot pay for the Fire Department operations, due to State Law.

Used for operations, only the Police Tax (\$5.4 million) and ½ mil of the Fire Tax (\$110,880) accrue to the General Fund. Further, the Fire Tax is at a State imposed cap of 3 mil with a State mandated 2.5 mil transfer to Motor Equipment. The State believes our multimillion-dollar Fire Department should have its tax revenue capped at \$110,880. This 1965 law hurts recreation, streets, and economic development.

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, Sanitary Sewer, Storm Sewer, and Sanitation Departments) 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.

This budget includes no changes in any real estate tax category. While it includes no increase in the Police Tax, it is merely a matter of time until that tax reaches its State mandated maximum levy of 30 mil. It maintains the Fire Tax, unchanged for a fifth straight year because it is already at its State mandated maximum tax rate. It maintains the Recreation Bond Tax operations, which does not support the Recreation Department. It maintains the Police Station Bond Tax, which does not support the Police Department operations. Finally, it continues the policy to shift emergency medical funding from the now-repealed Ambulance Tax to the newly established Ambulance Fee, begun in 2020.

With approval of this budget, Town Council can proudly explain to their constituents that in 12 of the last 17 budget years, the Borough of Chambersburg did not raise local Borough taxes. Moreover, taxes are for police, fire, EMS, and to pay off the Recreation Bond and the Police Station Bonds.

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 office manager, secretary, or receptionist.

It includes all the firefighters, and the two Fire Chiefs, but not the Fire Department office manager or secretary.

In the Recreation Department, the four maintenance employees and their supervisor work in the General Fund. The Recreation Director (except when working on Aquatic Center issues), works in the General Fund. The Assistant Recreation Director, approved with the 2023 Budget, when working on Recreation Department programming, works in the General Fund, but not when the employee works at the Aquatic Center. None of the seasonal Aquatic Center employees work in the General Fund. The Aquatic Center Maintenance Manager is also split because they may work on Recreation maintenance in the off season. The part-time sports league staff is charged to the General Fund.

In Land Use and 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. 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 Engineering, and in the Storm Sewer Utility.

In the Highway Department, all the maintenance crew employees work in the General Fund. The mechanics in the garage work for the Motor Equipment 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 and the Sanitation Fund, but a little in the General Fund. The Public Works Director splits their time. There is no pay through the General Fund for any of the clerical employees.

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.

There is no request for additional police officers in this budget, but they are needed. We need to fix the tax situation first. There is one additional firefighter included in this budget because we agreed with the union to slowly increase the number of paid firefighters. 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.

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. 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.

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. However, emergency medical services are different. **Beginning in 2024, there will also be proposed an increase to the monthly Ambulance Fee, which will rise from a flat \$9.50 per month per water service connection to a flat \$11.00 per month per water service connection per residential or commercial unit.** 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 \$1.9 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.

The business model for the General Fund is poor. It is a governmental fund and 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.



Frequently Asked Questions:

1. Why does the Borough of Chambersburg keep raising taxes?

This is the twelfth budget in the last 17 years with 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, and 2023. 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.

2. Why do I pay so much in taxes?

In 2024, the Borough will only collect a small portion of 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.

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, 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 2024, we will still only use real estate taxes to support Police and Fire; and, the debt services associated with the pool and park 2016 Recreation Bond and the 2022 Police Station Bonds. 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, no real estate taxes are used. This was true in the 2023 Budget as well.

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. Also, the 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. Finally, the Deed Transfer Tax, which is a ½ of 1% tax on sold or transferred property inside the Borough. Together, along with fees and fines, these categories make up the only revenues.

Fortunately, the Electric Department and the Gas Department 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.

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. This budget represents the last year for COVID-related grants.

As usual, in 2023, 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.

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 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

To that end, in the proposed 2024 Budget, we have requested that the townships take the first step and consider allowing the Chambersburg Emergency Service 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. 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.

15. 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.

16. 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 Department is a separate utility (not unlike the Electric, Gas, Water, or Wastewater Departments) 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 construction 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 responsibilities.

17. 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 departments 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.

The Borough only has the Highway Aid grant money account to fix our streets and, when following government bid rules, repaving costs a lot of money. Of course, 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 do not have the resources to pave alleys nor do those back streets have the traffic flow to justify the expense. We do use grants whenever possible. 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 2024 Budget, the Borough will spend almost \$1.2 million in street paving and patching.

18. Why won't you pave my street?

We pave streets in the Borough every year. Again, in 2024 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 2024, for the

first time, the Sanitation Department will contribute \$100,000 towards alley patching associated with wear and tear from trash trucks. This is enough to patch one or two alleys per year.

19. 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 five (5) 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.

20. 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.

Continuing in 2024, the Borough's Aquatic Center will have three separate rates for Borough residents, County residents, and non-Borough residents. In addition, your taxes are not going 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 cover the program costs, not real estate taxes. The Recreation Bond Tax pays only for the mortgage on the facility itself.

21. 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.

22. 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 most 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.

23. With limitations on the Police Tax and the Fire Tax, how can you afford projects like a new Police Station, buying property on Wayne Avenue for a new public works facility, or buying new cars?

Your taxes do not pay for things like the upkeep or expansion of most property owned by the Borough. Your taxes go only to support the Police Department and Fire Department operations such as employee wages and benefits. It is important to know that projects like our planned public works facility off Wayne Avenue so far utilize no funding from real estate taxes, at all. For any project that involves our utility departments (Electric, Gas, Water, Sanitary Sewer, Storm Sewer, and Sanitation Departments) or our utility support departments (engineering, motor equipment, administrative services, which includes information technology, finance and personnel), the utility customers are paying most of the cost. Yet we have very low utility rates. Now there are two exceptions. The bond paid when Council decided to build the new Aquatic Center and do a variety of other playground and parks improvements and the bond paid when Council decided to renovate the Police Station on S. Second Street. Those two projects are paid for with a dedicated real estate tax but those dedicated real estate taxes are used just to pay off those two projects.

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 plans years and decades ahead to avoid impact on taxes. Most everything that the Borough undertakes, short of police and fire operations, has no impact on taxes.

24. 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 Department and the Gas Department 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 Sewer Department to make similar payments. We could ask the Water Department to pay taxes but we have not done so in many years.

25. 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.

26. 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 Departments) or our utility support departments (engineering, motor equipment, administrative services, which includes information technology, finance, and personnel); so, their sale would not help the General Fund, or pay for police or fire expenses.

27. 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.

28. 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, Sanitary Sewer, Storm Sewer and Sanitation Departments); 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.

29. 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, Sanitary Sewer, Storm Sewer, and Sanitation Departments) 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.

The Value of the Electric & Gas PILOT Payments	2024	Property Tax Equivalent
Electric Department Payment in Lieu of Gross Receipts Tax	\$1,870,000	8.48 mils
Gas Department Payment in Lieu of Gross Receipts Tax	\$900,000	4.1 mils
Subtotal	\$2,770,000	12.56 mils*
Percent of General Fund Budget Supported by PILOT Payments (2024)	14%	
How much more would the avg. single family house pay without PILOT	\$219.70	More per year in taxes
<i>*-State law limits tax levy to 5 more additional mils so this is impossible</i>		

Conclusion

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; one regional effort); 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, which are:

- *Police Tax to the General Fund*
- *Fire Tax shared with the Motor Equipment Fund and*

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 Department & Gas Department

Ambulance Fee on each utility 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

No General Fund Tax Increase in 2024

- This budget includes no increase as a result of Police Department operations.
- This budget includes no increase due as a result of Fire Department operations, and one is not permitted.
- This budget includes no change related to the Recreation Bond Tax.
- This budget includes no change related to the Police Station Bond Tax.
- This budget includes no tax increase at all.

With approval of this budget, Town Council can proudly explain to our constituents that in 12 of the last 17 budget years, the Borough of Chambersburg did not raise local Borough taxes.

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

The Broken Real Estate Tax System

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.

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	\$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

As is clearly demonstrated, the expression of real estate caps in the format 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 \$167,043 could only be used for Fire Department apparatus, 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.

Real Estate Taxes and the Police Department and the Fire Department

Unfortunately, in 2023 it is estimated that the Chambersburg Police Department will cost \$440,185 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 25 mil of Police Tax. To make the Police Tax cover this gap would have required an additional 2 mil increase, which we are not recommending.

Police Department Budget	2023	2024
Estimated cost of operations	\$6,650,710	\$6,243,476**
Reimbursement from CASD for School Crossing Guards (estimated)	-\$54,000	-\$26,700
Estimated Yield from Fines and Fees	-\$144,000	-\$132,500
State Grant for Police Pension Costs	-\$744,500	-\$714,084
Subtotal	\$5,708,210	\$5,370,192
Tax Rate	25 mil	25 mil
Estimated yield of Police Tax (including tax liens & donations) *	\$5,268,025	\$5,435,380
<i>Estimated Expenses over Revenue</i>	(\$440,185)	+\$65,188

* - The value of a mil changes year-to-year even if the rate stays the same

** - The cost of vehicle rental dropped in 2024 compared to 2023, assisting in lowering budget

This issue is only temporarily corrected in our estimated 2024 Police Department operating budget. The net budget is estimated to be lower in 2024 than in 2023. This is mostly due to a drop in vehicle rental expenses based on there being a slightly newer fleet with a longer depreciation schedule than in 2023. This is not a permanent fix. Furthermore, it shows the Police Tax just about equal to Police Department operating costs, after the shifting police pension subsidies from the utility departments.

This is also accomplished without adding any new police officers. That too is not sustainable.

Council should use the temporary reprieve of 2024, 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.

If the Police Department runs a deficit, it is commixed 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.

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Police Tax rate, currently at 25 mil.

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

In doing so, this means that since 2006, the Police Tax will have increased 8 mil in 17 years. An understandable rate of growth for such an important tax and such an important service.

In contrast, the Chambersburg Fire Department is *in financial crisis right now*. In 2024, it is estimated that the Chambersburg Fire Department and EMS will cost \$1,737,042 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 ½ mil of Fire Tax permitted to be used for operations. There is no way permitted to raise the Fire Tax (approx. 7.5 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 Department Budget	2023	2024
Estimated Cost of Operations	\$5,670,265	\$6,135,720
Local Services Tax Yield (set at State Maximum)	-\$815,000	-\$758,000
Fire Code Inspections	-\$65,000	-\$83,000
Ambulance User Fees	-\$2,765,900	-\$2,855,330
State Grant for Fire Pension Costs (grant shifted from utilities)	-\$586,200	-\$594,373
Subtotal	\$1,438,165	\$1,845,017
Tax Rate	3.0 mil	3.0 mil
Estimated yield of Fire Tax (excluding tax liens & donations) *	\$633,021	\$652,235
Less required transfer to the Motor Equipment Fund (State Law)	-\$562,735	-\$544,260
Net Fire Tax Revenue for Operations	\$70,286	\$107,975
<i>Net Fire Department Operating Deficit</i>	(\$1,367,879)	(\$1,737,042)

* - The value of 3.0 mil changes year-to-year even if the rate stays the same

In addition to the Ambulance Fee, if the Fire Department runs a deficit, it is commixed 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 2024, 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.

Fire Tax Rate

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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
Ambulance	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.5	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

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 3.0 mil of which 2.5 mil must be used for apparatus; leaving only 0.5 mil for Fire Department operations. Due to the antiquated tax system in Franklin County, that 0.5 mil is anticipated to generate \$107,975 in 2024. 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.

The Borough of Chambersburg

In Chambersburg, in 2024, the average single-family home has a Franklin County assessed value of \$18,492.50; 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 2023 was \$268,500; up an impressive 20% from the previous year. There were 201 homes sold year-to-date, almost three times the previous year.

Average Single-Family House Inside The Borough	2023	2024
Police Tax (to the General Fund)	\$434.31	\$437.30
Fire Tax (to the Motor Equipment Fund)	\$52.12	\$52.48
Recreation Bond Tax (to the Swimming Pool Fund & General Fund)	\$43.43	\$43.73
Police Station Bond Tax	\$34.74	\$34.98
Total (per year)	\$564.61	\$568.49

No change in tax rate – average home value changes year-to-year

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 \$2,930 per year in Police Tax versus \$437.30 paid by the average single-family home. Further, that home has a Fair Market Value of \$813,300 (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 \$568.49 per year in Borough taxes, and half pay less.



Single Family House

\$568.49 per year¹



Schools

No tax



Non-profits

No tax



Government

No tax



Commercial/Industrial

More

No government buildings, schools, charities, churches, or township property owners pay any Police, Fire, Police Station Bond Tax, or Recreation 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 ½ 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 ½ 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 Department and the Gas Department 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.

General Fund Taxes

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> Proposed
Police Tax Mil (State Cap of 30 mil)	21	23	23	24	24	24	24	24	25	25
Fire Tax Mil (at State Cap)	2.5	2.5	2.5	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
Ambulance Tax Mil				0.5	0.5					
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
Fire Tax for the Motor Equipment Fund	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recreation Bond Tax for Recreation Bond				3	3	3	3	3	2.5	2.5
Police Station Bond Tax for Police Station Bond								1	2	2
<i>Total Real Estate Tax for All Purposes</i>	23.5	25.5	25.5	30.5	30.5	30	30	31	32.5	32.5
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		

Note – the Recreation Bond Tax and the Police Station Bond Tax do not support the General Fund

Without the Ambulance fee, as adjusted, the General Fund would be out of balance by over \$1,436,832.

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

The Borough of Chambersburg

Key General Fund Revenues (Excerpt):

2024 General Fund Revenues (Excerpt)
\$ YIELD

	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 PROPOSED BUDGET
POLICE TAX (25 mil in 2023)	\$5,010,323	\$5,035,978	\$5,067,454	\$5,060,555	\$5,284,700	\$5,435,380
AMBULANCE TAX (0.5 mil ended in 2019 except late payers)	\$101,912	\$5,490	-	-	-	-
FIRE TAX (0.5 mil) Yield	\$106,007	\$111,821	\$106,208	\$102,299	\$115,260	\$111,475
LOCAL SERVICES TAX ON WORKERS	\$864,308	\$816,309	\$787,302	\$785,273	\$815,000	\$758,000
DEED TRANSFER TAX ON REAL ESTATE SALES	\$582,654	\$600,003	\$795,061	\$869,660	\$875,000	\$625,000
WAGE & EARNED INCOME TAX ON RESIDENTS	\$2,261,188	\$2,303,983	\$2,426,441	\$2,745,152	\$2,660,000	\$2,800,000
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
PAYMENTS IN LIEU GROSS RECEIPTS TAX - GAS	\$570,000	\$570,000	\$650,000	\$650,000	\$750,000	\$900,000
AMBULANCE SERVICE FEE	-	\$778,980	\$971,785	\$974,749	\$1,226,700	\$1,436,830
POLICE FINES & FEES	\$179,234	\$143,345	\$129,978	\$132,141	\$144,000	\$132,500
AMBULANCE FEES & CHARGES	\$1,230,814	\$1,147,111	\$1,217,343	\$1,314,329	\$1,499,200	\$1,378,500
MOTOR EQUIPMENT FUND REBATE (THE 2.5 mil OF FIRE TAX SENT TO THE OTHER FUND)	\$559,350	\$573,355	\$585,320	\$575,815	\$612,735	\$594,260

2024 General Fund Revenues (Excerpt)
% CHANGE

	2019 to 2020 Actual	2020 to 2021 Actual	2021 to 2022 Actual	2022 to 2023 Budget	2023 to 2024 Budget
POLICE TAX (25 mil in 2023)	0.51%	0.63%	-0.14%	4.43%	2.85%
FIRE TAX (0.5 mil) Yield	5.48%	-5.02%	-3.68%	12.67%	-3.28%
LOCAL SERVICES TAX ON WORKERS	-5.55%	-3.55%	-0.26%	3.79%	-6.99%
DEED TRANSFER TAX ON REAL ESTATE SALES	2.98%	32.51%	9.38%	0.61%	-28.57%
WAGE & EARNED INCOME TAX ON RESIDENTS	1.89%	5.32%	13.13%	-3.10%	5.26%
PAYMENTS IN LIEU GROSS RECEIPTS TAX - ELECTRIC	0.00%	0.00%	0.00%	8.89%	27.21%
PAYMENTS IN LIEU GROSS RECEIPTS TAX - GAS	0.00%	14.04%	0.00%	15.38%	20.00%
AMBULANCE SERVICE FEE	N/A	24.75%	0.31%	25.85%	17.13%
POLICE FINES & FEES	-20.02%	-9.33%	1.66%	8.97%	-7.99%
AMBULANCE FEES & CHARGES	-6.80%	6.12%	7.97%	14.07%	-8.05%

- Police Tax yield changes year-to-year regardless of change in mil rate
- Ambulance Tax repealed in 2020
- Majority of Fire Tax (2.5 mil of 3.0 rate) must go to the Motor Equipment Fund
- Slow and inconsistent growth of LST (worker) taxes
- Deed Transfer Tax is challenging to predict, based upon real estate market
- Growth of Earned Income Tax significantly slowed post-Pandemic
- Slow growth of PILOTS from Electric Department and Gas Department
- Ambulance Fee key part of General Fund funding
- Ambulance user fees struggle despite heavy call volume
- General Fund needs alternative revenue sources

2024 General Fund Revenues – Proposed

	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 PROPOSED BUDGET
POLICE TAX (rose to 25 mil in 2023)	\$5,067,454	\$5,060,556	\$5,284,700	\$5,435,380
FIRE (0.5 mil) TAX (AMBULANCE TAX ELIMINATED IN 2020)	\$106,208	\$102,299	\$115,260	\$111,475
LOCAL SERVICES TAX ON WORKERS	\$787,302	\$785,273	\$815,000	\$758,000
DEED TRANSFER TAX ON REAL ESTATE SALES	\$795,061	\$869,660	\$875,000	\$625,000
WAGE & EARNED INCOME TAX ON RESIDENTS	\$2,426,441	\$2,745,152	\$2,660,000	\$2,800,000
FEDERAL RECEIPTS	\$704,922	-	-	-
STATE PENSION GRANT	\$1,282,542	\$1,301,112	\$1,456,500	\$1,459,050
OTHER INTER-GOVERNMENTAL GRANTS	\$20,259	\$40,276	\$105,800	\$40,000
INVOICED WORK	\$107,979	\$78,689	\$115,000	\$115,000
MISC STATE SALES TAX	-	-	-	-
TAXABLE RECREATION CHARGES	-	-	-	-
INTEREST INCOME	\$27,559	\$30,703	\$26,800	\$30,000
STREET EXCAVATION PERMITS	\$44,684	\$19,478	\$45,000	\$30,000
CURB & SIDEWALK PERMITS	\$14,026	\$390	\$5,000	\$5,000
SNOW/ICE REMOVAL FINES	\$5,406	\$5,288	\$5,000	\$5,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX - ELECTRIC	\$1,350,000	\$1,350,000	\$1,470,000	\$1,870,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX - GAS	\$650,000	\$650,000	\$750,000	\$900,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX -WATER	-	-	-	-
UNREALIZED GAINS	\$91,057	\$298,362	\$100,000	\$300,000
POLICE FINES & FEES	\$129,352	\$130,744	\$140,000	\$130,000
FALSE POLICE & FIRE CALLS	\$9,425	\$15,050	\$13,000	\$13,000
OTHER POLICE DEPARTMENT FEES	\$626	\$1,397	\$4,000	\$2,500
PROPERTY MAINTENANCE CODE VIOLATION FINES & FEES	\$48,383	\$37,335	\$53,000	\$41,000
RECREATION DEPARTMENT RECEIPTS	\$139,527	\$192,257	\$145,000	\$195,000
RECREATION VENDING, CONCESSION & CONSIGNMENT	\$7,855	\$15,928	\$15,000	\$12,000
PROPERTY MAINTENANCE INSPECTION FEES	\$131,290	\$127,280	\$127,200	\$129,700
LAND USE AND DEVELOPMENT PERMIT FEES	\$4,374	\$945	\$4,000	\$2,500
FIRE CODE PERMITS & FEES	\$63,390	\$79,225	\$65,000	\$83,000
ZONING PERMITS & FEES	\$5,000	\$3,000	\$5,000	\$3,000
CONTRIBUTIONS FOR AMBULANCE SERVICE	\$1,020,487	\$1,019,574	\$1,266,700	\$1,476,830
AMBULANCE SERVICE CHARGES	\$1,116,323	\$1,209,749	\$1,395,700	\$1,275,000
AMBULANCE CLUB MEMBERSHIP FEES	\$101,020	\$104,580	\$103,500	\$103,500
SCHOOL CROSSING GUARD GRANT	\$27,307	\$28,872	\$54,000	\$26,700
COMCAST TELEVISION FRANCHISE FEE	\$343,379	\$334,199	\$340,000	\$330,000
REFUNDS PRIOR YEAR PAYMENTS	\$47,557	\$61,243	\$50,000	\$70,000
REAL ESTATE PROPERTY RENTALS	\$19,378	\$284,821	\$460,000	\$400,000
CONTRIBUTIONS FROM PRIVATE SOURCES	\$1,620	\$602	\$2,000	\$2,000
MISCELLANEOUS	\$24,078	\$1,321,025	\$441,805	\$25,000
SALE OF SCRAP	\$2,672	\$2,128	\$1,000	\$1,600
TRANSFERS FROM OTHER FUNDS	-	\$6,193,663	\$300,000	\$300,000
TRANSFERS FROM HIGHWAY AID (LIQUID FUELS GRANT)	-	-	-	-
TRANSFERS FROM ENGINEERING DEPARTMENT	\$200,000	\$138,550	\$90,000	\$90,000
MOTOR EQUIPMENT FUND REBATE (2.5 mil OF FIRE TAX)	\$585,320	\$575,815	\$612,735	\$594,260
TOTAL ESTIMATED GENERAL FUND REVENUE	\$17,509,263	\$25,215,218	\$19,517,700	\$19,790,495
Percent Change			-22.6%	+1.4%

Due to the increase in the Ambulance Fee, the total revenue of the General Fund is anticipated to rise 1.4% in 2024 in order to balance necessary expenditures.

General Fund Revenue 2024

Police Tax Revenue (70002, 70003, 70008, 70011)	2024	\$ 5,435,380.00	25 mil
Budget Estimate 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
2018		\$ 4,920,551.30	24 mil
Deed Transfer Tax Revenue (70009)	2024	\$ 625,000.00	
Budget Estimate 2023		\$ 875,000.00	
2022		\$ 869,659.72	
2021		\$ 795,060.82	
2020		\$ 600,002.61	
2019		\$ 582,654.24	
2018		\$ 515,553.51	
Earned Income Tax Revenue (70010)	2024	\$ 2,800,000.00	
Budget Estimate 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	
2018		\$ 2,129,484.74	
LST (or EMST) Tax Revenue (70005)	2024	\$ 758,000.00	
Budget Estimate 2023		\$ 815,000.00	
2022		\$ 785,273.07	
2021		\$ 787,301.74	
2020		\$ 816,309.27	
2019		\$ 864,308.24	
2018		\$ 861,909.72	
Police Fines Revenue (70031, 70034)	2024	\$ 132,500.00	
Budget Estimate 2023		\$ 144,000.00	
2022		\$ 132,140.74	
2021		\$ 129,978.20	
2020		\$ 143,344.80	
2019		\$ 179,234.07	
2018		\$ 157,300.32	
Ambulance Billing Revenue (70046, 70047)	2024	\$ 1,378,500.00	
Budget Estimate 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	
2018		\$ 1,139,645.89	

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 Head: Chief Ron Camacho

	2022 Actual	2023 Budget	2024 Budget
<u>Police Operations</u>	\$5,899,297	\$6,650,710	\$6,143,476
<u>Earmarked Revenue</u>			
Police Tax	\$5,060,555	\$5,284,700	\$5,435,380
Police Fines & Other	\$131,141	\$144,000	\$132,500
CASD Crossing Guards	\$28,872	\$54,000	\$26,700
Share of Pension Grant	\$680,435	\$744,500	\$714,084
<u>Excess (Deficit)</u>	\$1,706	(\$423,510) Deficit	\$165,188*

	2022 Actual	2023 Budget	2024 Budget
<u>Police Operations</u>			
<u>Non-Personnel Costs</u>	\$1,374,336	\$1,769,920	\$1,279,546
<u>Personnel Costs</u>	\$4,254,962	\$4,880,790	\$4,863,930

*- While the table above displays no deficit for 2024, there is really no excess either. The additional money shown, \$165,188 is commixed with all the other General Fund department revenue and expenses. As the Police Department is not separate, the overage is clearly absorbed by, for example, Highway and Administration, which has no earmarked funding sources whatsoever. So this is merely an excerpt of the larger General Fund budget, which overall is balanced with no deficit and no excess.

Of the \$6,143,476 cost to operate the Police Department, \$4,863,930 (79.17%) are wages and benefits.

In 2024, it is assumed that the General Fund will need to use **no miscellaneous revenue** to cover Police Department expenses. The entire deficit is anticipated to be made up by the Pension cost shift and the CASD grant. If this turns out to be wrong, it will take resources from other departments.

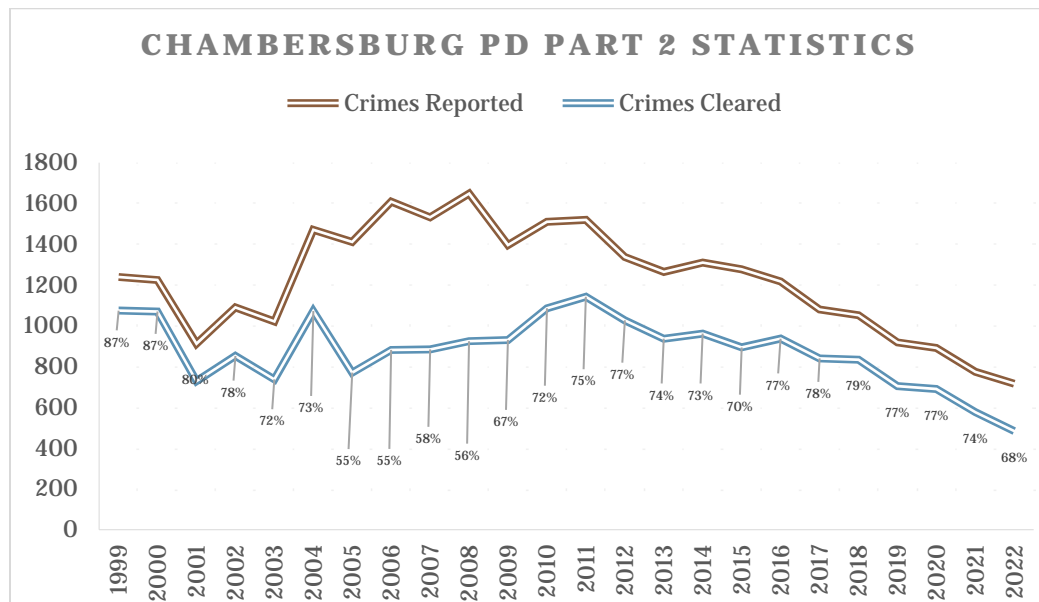
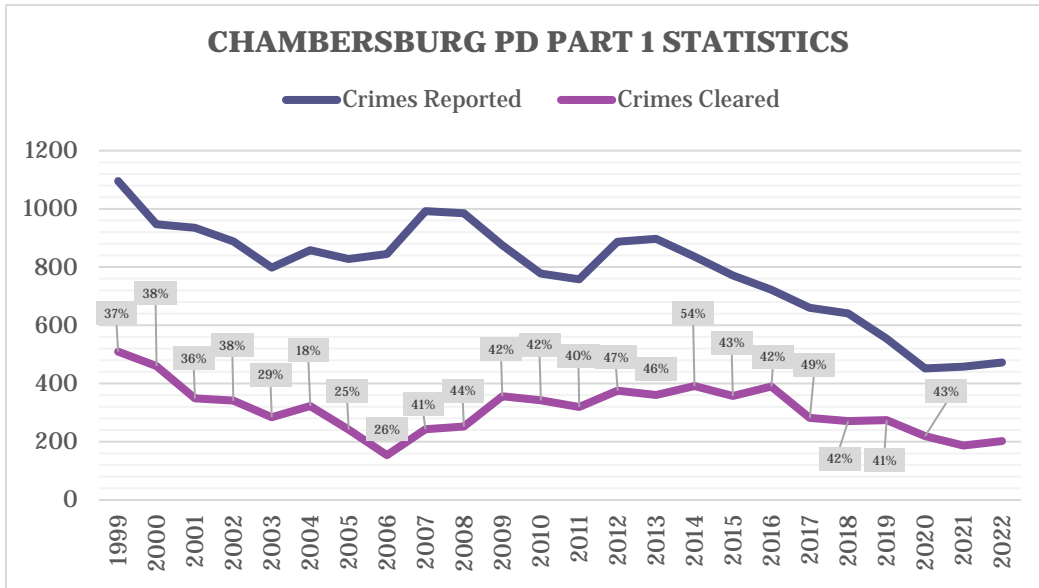
The 2024 Budget recommends no change in the Police Tax.

The Borough of Chambersburg

Chief Camacho anticipates 2024 will be another year of continued growth for the Department and our community. The agency has accomplished our 2023 goals and has plans for further achievement in 2024. In 2023, the Police Department became fully staffed, with one officer in the police academy. The Department was recognized in multiple international magazines for the progressive policing tactics utilized. This includes becoming accredited through the Pennsylvania Law Enforcement Accreditation program and implementing an officer wellness program and participating in the IACP One Mind Campaign Pledge. The Department has trained and certified 100% of our officers in Mental Health First Aid and Crisis Intervention Training.

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 ten years. The Borough saw a 3% increase in Part 1 Crimes and an 8% decrease in Part 2 crimes from 2021-2022.

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	49.0%	918	704	77%
2020	452	219	48.0%	891	690	77%
2021	458	187	41.0%	774	576	74%
2022	472	202	43.0%	716	484	68%


Significant items for 2024:

The Chambersburg Police Department (CPD) has returned to the newly renovated police station on Second Street. CPD is grateful for the significant investment that Town Council has made into the future of the Department. Additionally, the Department began a new professional wellness program incorporating new coaching and mentoring initiatives for the officers. Fifteen officers were part of a pilot program for professional coaching through Performance Protocol. Due to the effectiveness observed with this pilot program, the Department will continue providing this service to other officers within the agency. Another goal of 2024 is to implement Guardian Tracking Early Intervention software as part of professional wellness. This program will provide an early warning system for officers' wellness and increase the efficiency in many other agency functions.

New Traffic Enforcement Strategy

In response to the Council's commitment to keeping department staffing levels authorized at thirty-five (35) uniformed officers, Chief Camacho created a part-time traffic unit before 2021. In 2022, Chief Camacho took traffic control in a new direction and implemented a department-wide traffic enforcement strategy. This strategy utilizes the resources of the entire patrol division to respond more directly to citizens' ongoing traffic complaints and hold offenders accountable while reducing the risk of accidents and injuries to the public. This strategy has been very effective, and it's the goal to expand this initiative. The goal is to develop a full-time traffic unit; additional personnel and patrol vehicles will be needed to make this occur. By implementing a full-time traffic unit, the agency will be better prepared to focus on accident reduction and problem traffic areas while allowing patrol officers more time to investigate crime effectively. Additionally, Chief Camacho will focus on the public's perception of speed and educate the public about perception vs. reality.

Data Driven Approach to Traffic Safety (DDATS)

<p>Number of Details – 891 (through August) Number of Citations – 193 (Through August) Hours Committed to Enforcement – over 400 (Through August) January to August 2023 statistics</p>	
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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

The department has become one of 11% of all Pennsylvania police agencies to achieve accreditation through the Pennsylvania Law Enforcement Accreditation Commission (PLEAC) early in July 2023. Accreditation has validated 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.





Chief Camacho and Inspector Dominick Receiving the Accreditation

Critical Components Essential To The Mission And Goals

The Chambersburg Police Department supports the “**6 Pillars of 21st Century Policing**”. The six pillars were developed due to a 2014 Presidential Task Force on 21st Century Policing. The pillars are:

- 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

Community support: The department also remains humbled by the continued support of the community it serves.

Throughout the year, over 60 donations were made to the department for K9 support, meals and snacks for the officers, and departmental supplies.

Thank you for a great year and we look forward to what we can do together in the future! In 2023 the department will take on our biggest event to date with National Night Out as the Housing Authority passes the reins, and we are excited to start the new year off with the Hoops for Harmony Tournament at CASHS.

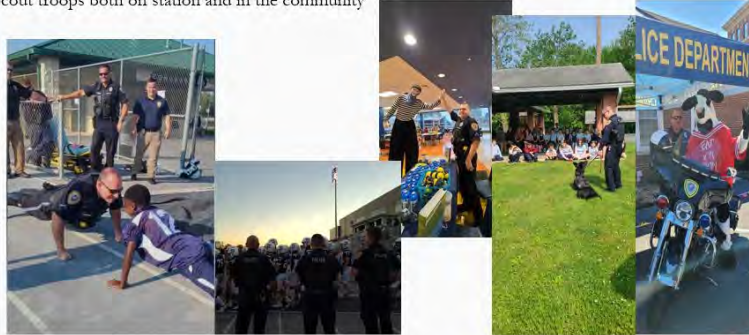
Community Policing

Community policing has become the central philosophy of the Chambersburg Police Department. In 2023, officers from the department improved their efforts aimed at community partnerships and attended approximately 90 events. The Department's Mental Health Co-Responder and Community Liaison, Jennifer Ewing, spearheaded the agency's first National Night Out. This event was an enormous success and began a solid platform to build upon in 2024.

Community Engagement in 2023

These are only a few! And many more to come!!

- The Department sponsored its very FIRST National Night Out, followed up with a Splash Night swim party at the Municipal Pool.
- Multiple visits and instructional talks with Scout troops both on station and in the community
- Scoop A Palooza Ice Cream Event
- Keystone Carving Event
- Hoops for Harmony
- Impaired driver class with community
- Multiple motorcycle charity rides
- Numerous K9 demos
- Audrey's 8th Birthday
- Make a Wish Convoy
- Family Safety Fair, Cruizin' for K9's
- Head Start Fish Derby and Car Seat Event
- Multiple running events
- Cruise in Car Show at Corpus Christi
- Kidz Zone Therapy- Respite Night
- Multiple foreign consultant events
- United Way Learn and Play event



These events are manpower intensive and involve all members of the agency, even those on duty.

We are not done yet!!!



Chief's Advisory Committee Activities 2023

- Impaired Driving and Education Class
- Traffic stop class (In Spanish and English)



Body-Worn Camera Program

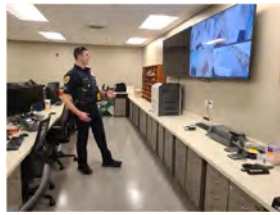
Training

The Chambersburg Police Department upholds the philosophy that all officers are leaders in the community. Training gives officers the necessary tools to properly and to effectively police our Borough. 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 2022, 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, in many instances, in front of the national trends. This is the third straight year the department has been awarded for its policy management initiatives.

Cutting Edge Officer Training in 2024... Remains a Priority Moving Forward

- | | | |
|---|---|-------------------------------------|
| Use of Force | Weapons Armorer Training | Search and Seizure |
| Defensive Control Tactics | Peer Support and Mentoring | Critical Incident Management |
| Understanding Bias | Mental Health and Wellness Training | Virtual Reality Simulator Training |
| Legal Updates | Computer Crimes | Northwestern University: SPSC |
| Statement Analysis | Suicide Prevention | Interview and Interrogation |
| Drug Interdiction | FARO | Basic Investigations |
| Human Resource Management for Supervisors | High Impact Supervision | Advanced Homicide Investigation |
| Internal Affairs | Police Executive Development Training (POLEX) | Force Science Institute |
| Crime Scene Photography | Threat Assessment and Threat Management | Sexual Assault Investigation |
| Crime Scene Investigation | Riot Control and Crowd Management | Child Sexual Assault Investigations |
| Crash Scene and Accident | Active Shooter | FBINAA |
| DUI Enforcement | ALICE Training | FBIMALEEDS |
| | | FBINAA Leadership Certification |





Corporal Iversen in the new Police Station with technology

Staffing

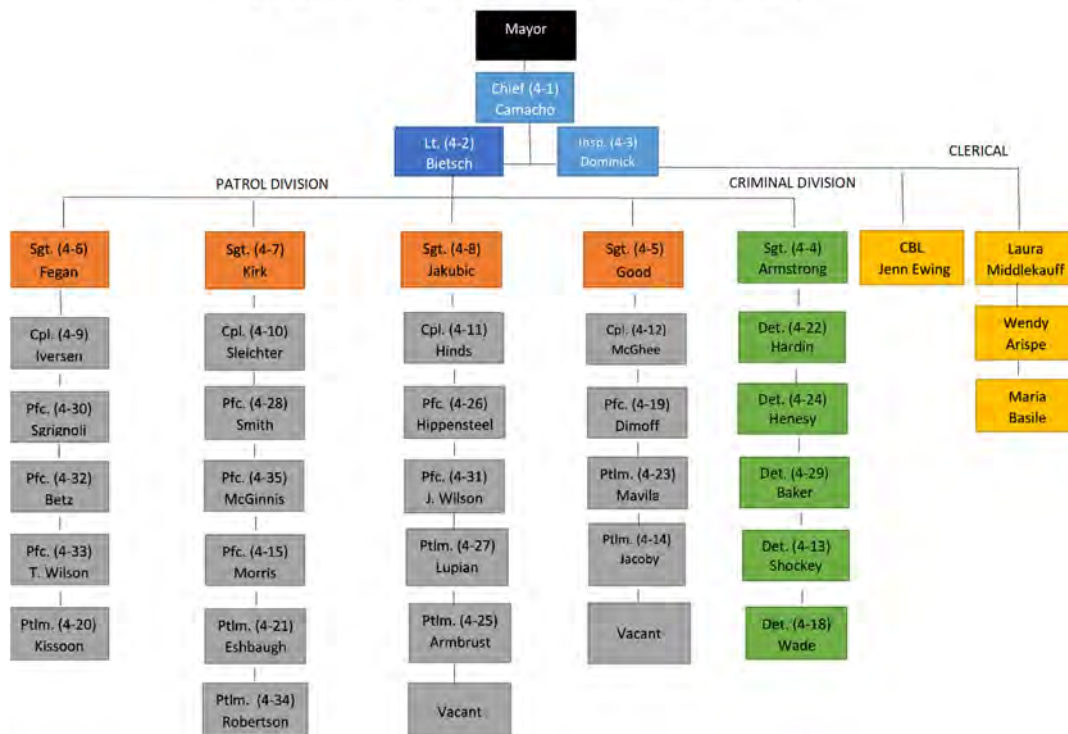
- Chambersburg Police Department handled approximately 1400 calls for service per month.
- 16,000 calls for service in 2022, and as of August 31, 2023, CPD responded to 11,743 calls for service.
- An average of 48 calls for service a day with shift staffing between 4-6 officers on duty per shift.
- The 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 current complement of the Chambersburg Police Department is now 34 sworn officers including the Lieutenant and the Inspector, 1 civilian mental health co-responder, and the Chief, resulting in a total compliment of 36 Police personnel. There are also 3 civilian clerical employees from the Clerical Pool within the Administrative Services Department.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Proposed
Chief	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Inspector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
Lieut.	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1
Clerical	3	3	3	3	3	2	2	2	2	2	2	2	2	2	2	2	2	3
CSO/ Co-Responder	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1
Officers	33	33	33	33	33	31	33	32	34	32	32	32	32	32	32	32	32	32

The 2024 budget will include sufficient revenue allocation for the current complement and an assumed cost of living increase. A grant to offset some of the cost of the co-responder is anticipated in 2024.

The Chambersburg Police Department - Organizational Flow Chart



In 2023, CPD purchased and took possession of our new Community Policing and Recruitment vehicle. This vehicle was purchased using generous donations by members of the community. No taxpayer funds were used. This could not have been possible without the hard work and dedication of the newly formed Chambersburg Police Foundation.



IACP One Mind Campaign Pledge

The Chambersburg Police Department was recognized by the International Association of Chiefs of Police for achieving and completing the One Mind Campaign Pledge. The department has trained and certified 100% of our officers in Mental Health First Aid and/or Crisis Intervention Training (CIT). CPD is committed to the safety and well-being of all the members of our community. We continue to build partnerships and implement promising practices to enhance police interactions with persons affected by mental illness.



Officer Formal Education is a Continuing Priority

- 70% of the Department holds a Bachelor's Degree (30% is Nationwide Avg.)
- 20% 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 (CFD) professional staff will continue to provide excellent service to the community while focusing on the Department’s mission. The Department is an all-hazard incident management department, which delivers fire prevention activities as well as suppression, rescue, hazmat and emergency medical services to protect the lives and property of the citizens that live, work, or visit the Borough of Chambersburg. Each call handled one at a time, whether non-emergency or emergency event, with the highest level of expertise and assistance given to those who require it.

Department Head: Chief Dustin L. Ulrich

	2022 Actual	2023 Budget	2024 Budget
Fire Dept. Operations	\$5,328,768	\$5,670,265	\$6,135,720
<u>Earmarked Revenue</u>			
Net Fire Tax*	\$102,299	\$115,260	\$107,975
Local Services Tax	\$785,273	\$815,000	\$758,000
Fire Code Inspections	\$79,225	\$65,000	\$83,000
Ambulance User Fees	\$1,359,234	\$1,539,200	\$1,418,500
Share of Pension Grant	\$491,078	\$586,200	\$594,373
<i>Subtotal</i>	<i>\$2,511,659</i>	<i>\$2,549,605</i>	<i>\$3,173,872</i>
Ambulance Fee	\$974,669**	\$1,226,700***	\$1,436,830****
Excess (Deficit)	(\$1,842,440) Deficit	(\$1,893,960) Deficit	(\$1,737,042) Deficit

* - Net Fire Tax after 2.5 mil of 3.0 mil tax transferred to the Motor Equipment Fund for apparatus

** - Ready-to-serve Ambulance Fee at \$7.50 per month for water service customers in 2021 and 2022

*** - Ready-to-serve Ambulance Fee at \$9.50 per month for water service customers in 2023

**** - Ready-to-serve Ambulance Fee recommended in this budget to rise to \$11 per month

ES Dept. Operations	2021 Actual	2022 Budget	2023 Budget
<u>Non-Personnel Costs</u>	\$1,376,192	\$1,309,025	\$1,333,135
<u>Personnel Costs</u>	\$3,952,575	\$4,361,240	\$4,862,585

Of the \$6,135,720 cost to operate the Fire Department, \$4,862,585 (78%) are wages and benefits.

In 2023, it is estimated that the Chambersburg Fire Department will cost \$1,737,042 more to operate than the revenues collected. This includes the higher Ambulance Fee and use of \$594,373 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 2024) to \$24 per month (not recommended).

The 2024 Budget recommends no change in the Fire Tax because none is permitted.

	2021 Actual	2022 Actual	2023 Budget
Fire Code Permits & Fees	\$60,000	\$65,000	\$65,000
Contributions For Ambulance Service	\$40,000	\$40,000	\$40,000
Ambulance Fee on Water Service Invoices	\$910,000	\$960,000	\$1,226,700
Ambulance Patient Service Receipts	\$1,302,100	\$1,100,000	\$1,395,700
Ambulance Club Membership Fees	\$110,000	\$105,000	\$103,500
<i>Total Revenue from Fire Department Operations</i>	\$2,422,100	\$2,270,000	\$2,830,900

Emergency Medical Services

Currently, the Fire Department is a regional provider of Basic Life Support (BLS) ambulance service inside the Borough and in parts of the surrounding townships. Billing for ambulance services brings significant income back into the Department.

Over the past ten years, the Fire Department has seen an increase in emergency responses at a consistent rise of four percent 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.

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 over 4,300 emergency medical responses providing basic life support services to those in need in the Borough and surrounding townships.

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, almost \$1.8 million in legitimate fees.

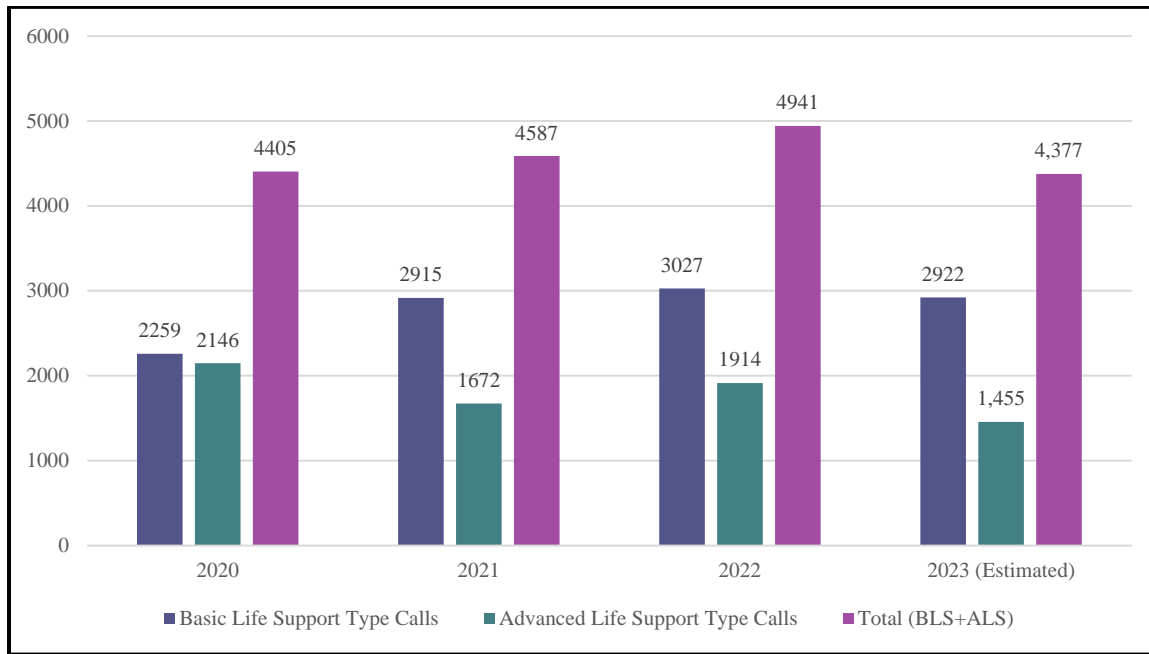
Throughout each year, the Fire Department leadership closely monitors the ever-changing fiscal challenges that are imposed by the limitations for available reimbursement as well as the increasing operational costs, and re-evaluates the impacts that this could cause on budgets and adjust accordingly for the future. In budget year 2020, the implementation of the Ambulance Fee was adopted. Since the implementation, this fee has assisted bridging the deficit to keep the ambulance in service around the clock.

The Borough of Chambersburg

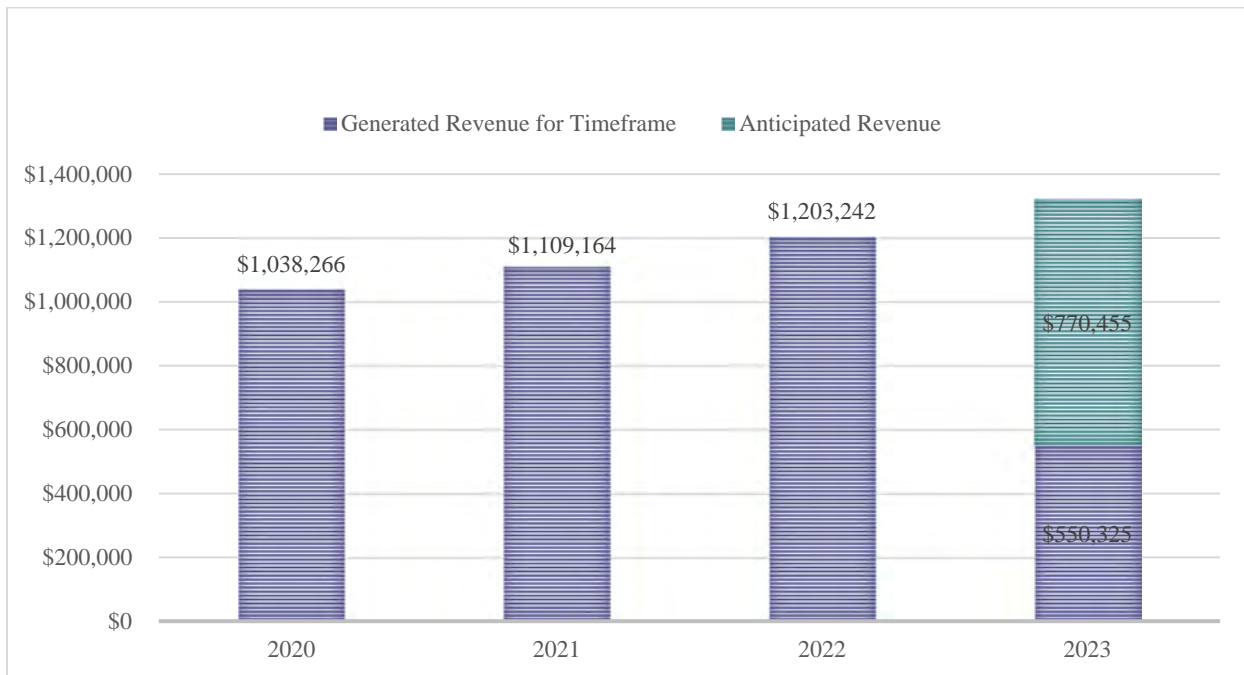
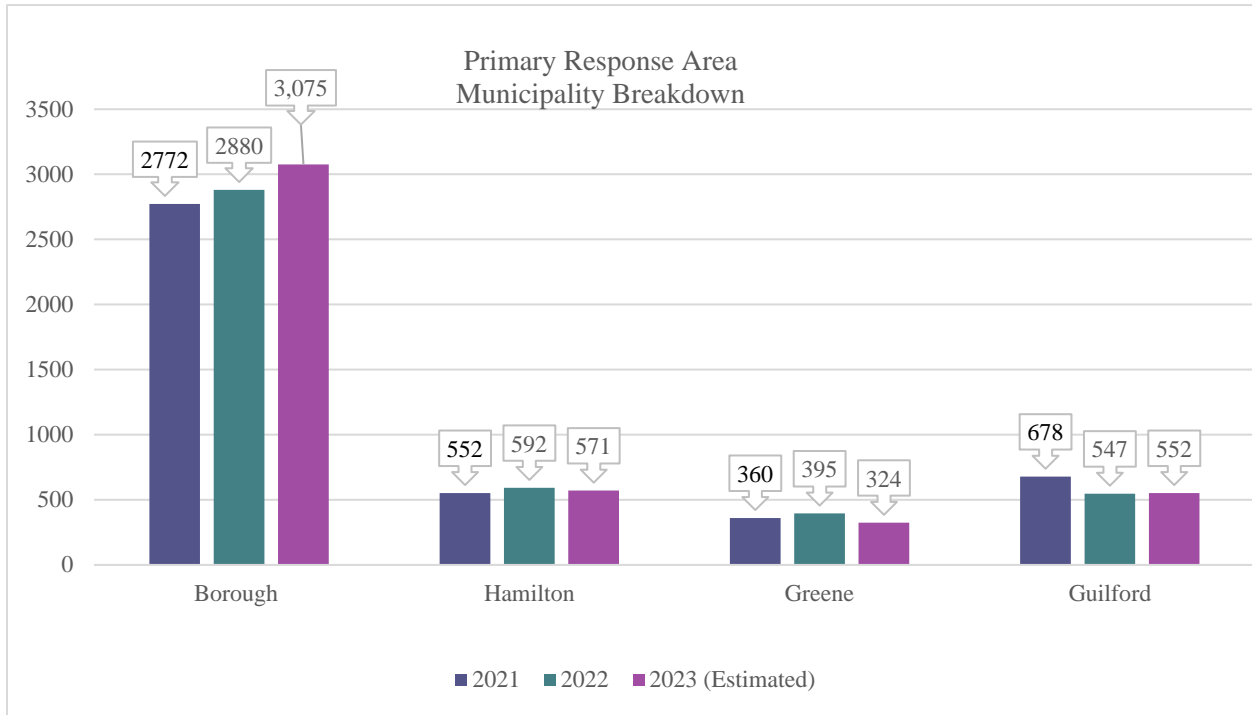
For many agencies in the State, and even in Franklin County, there is a substantial crisis to keep operational services viable due to staffing retention and financial limitations. It is imperative that the Chambersburg Fire Department stay on course and continue to provide these necessary, basic lifesaving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

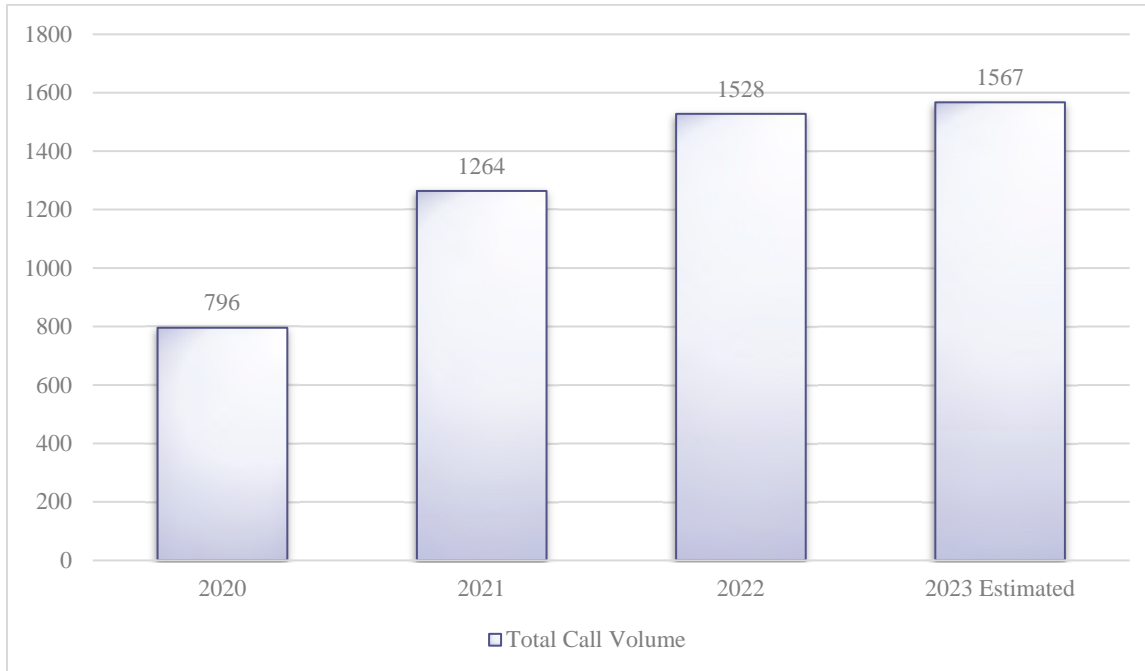
Year	Generated Revenue	Contractual Allowable (Uncollectable due to regulations)	Call Volume	Average Revenue per Response (Gen. Rev / Call Volume)
2020	\$1,038,266.96	\$1,544,570.52	4405	\$235.00
2021	\$1,109,164.38	\$1,754,606.57	4587	\$241.00
2022	\$1,203,242.76	\$1,849,634.74	4638	\$259.00
2023 **(Up to 07/31/23)	\$765,049.14	\$1,074,907.76	2542	\$300.00



Total - CFD Handled EMS Incidents



EMS Billing Revenue



Mutual-aid Handled (Missed) EMS Incidents

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

As in previous years, the Chambersburg Fire Department (CFD) continued to progress fire services and set standards within the county for emergency response operations and professional development of the extensively cross-trained fire and EMS staff.

Coinciding with the increasing EMS call volume trends, the emergency responses to medical, fire, and rescue incidents for fire apparatus increased in 2023. With modern day household furnishings and construction materials, a fire can rapidly develop and could double in size every thirty-seconds. The fire department has always looked at ways to improve the response time to incidents and continues to monitor new trends for fire dispatching to decrease this. Over the past four years, CFD has implemented new computer dispatching software that enables all firefighters within the department to receive alerts on their phone and computer systems as soon as someone calls 911 and explains their emergency. This proactive approach to assist with a quicker response has allowed the department to cut-down on responding times by over sixty-seconds.

In 2023, all CFD full-time firefighters and officers continued on the extensive firefighter and rescue training plan that was established in 2022. A notable item for the department was receiving 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. CFD is committed to the community's safety and ensuring that personnel are properly trained for any task that may arise and will continue this mission into 2024.



Captain/Training Officer Timothy Ebersole



Motor Vehicle Accident College Avenue



Grandview Avenue Fire

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 eight 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. In 2023, 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

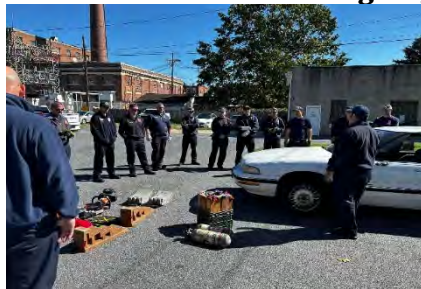
One of the first steps to making a community safer is a thorough analysis on risks that are currently present, or could be in the future. Each year, the Chambersburg Fire Department carefully calculates and re-evaluates these risks and implements a current plan of action to limit or mitigate the concerns. 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. In 2020, a successful Borough program has been the cooperative initiative between the Fire Department and the Borough Gas Department. 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 occupied residences within the Borough of Chambersburg. Since the implementation of these programs, the department has installed over 500 carbon monoxide detectors and over 800 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.



Stop the Bleed training

Non-emergency Staff Activities



Firefighter training



Car seat installations



Community training



Fire prevention events

Office of the State Fire Commissioner - State Grants

- The Office of the State Fire Commissioner (OSFC) granted \$15,000 to the CFD fire for the purchase of new firefighting turnout gear.
- The OSFC granted \$10,000 to CFD EMS for the purchase of rescue equipment.
- The OSFC granted \$11,861.25 to the Cumberland Valley Fire Co. No. 5 for Headquarters Fire Station maintenance.
- The OSFC granted \$12,106.88 to the Junior Hose & Truck Co. No. 2 for training room upgrades.
- The OSFC granted \$11,861.25 to Goodwill Fire Co. No. 3 for McKinley Street Fire Station maintenance.

2024 Challenges

- Increasing call volume for both EMS and Fire apparatus.
- 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 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 personnel.

2024 Capital Budget Request

- Replacement of fire administration F150 vehicle with an SUV

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. History confirms that one of the biggest pieces of the puzzle in a Community Risk Reduction (CRR) program is a community with a well-established fire prevention program. This is statistically proven each year when calculations show the property value loss drastically outweighed by the property value saved. It is common for this value to be reversed in communities of similar demographics and no fire prevention or safety inspection programs.

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.



The 2021 Pierce Fire Engine was placed in service in January responding out of the McKinley Street Fire Station

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

*We anticipate 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 no vacancies in the department.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Chief	2	2	2	2	2	2	1	1	2	2	2	2	2	2	2	2	2	2	2
Clerical	1	1	1	1	1	1	1	2	2	2	2	1	1	1	1	1	1	2	2
Firefighters	18	21	22	21	21	21	21	21	21	21	21	21	24	25	25	25	27	25	27*

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.

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



When seconds matter, crews on the scene, water on the fire



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.

Department Head: Julie Redding

	2022 Actual	2023 Budget	2024 Budget
Recreation Operations	\$1,288,919	\$1,372,260	\$1,473,220
Earmarked Revenue			
Recreation Tax	-	-	-
Recreation Fees	\$208,185	\$160,000	\$207,000
Excess (Deficit)	(\$1,080,734) Deficit	(\$1,212,260) Deficit	(\$1,266,220) Deficit *

*** - In 2024, it is estimated that the Chambersburg Recreation Department will cost \$1,266,220 more to operate than the revenues collected.** This is typical of most years.

These figures above do not include the Aquatic Center, which is a separate independent Enterprise Fund of the Borough.

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.

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.

Recreation Department Staff

- | | |
|---|---|
| Julie Redding, Recreation Director | |
| Tanya Sisk, Department Secretary | |
| Samantha Hewitt, Recreation Supervisor | |
| Kendahl Shearer, Program Coordinator | |
| Zachery Rotz, Recreation Program and Office Assistant | |
| Rodney Clark, Recreation Center and Park Maintenance Supervisor | |
| Nicholas Shaffer, Aquatic Center and Borough Hall Maintenance Manager | |
| Full-Time Maintenance Personnel | Part-Time & Seasonal Personnel |
| Dustin Humelsine | 4-6 part-time, seasonal maintenance workers |
| (replaced Jeff Umberger upon his retirement in July 2023) | 5-7 part-time Park/ Program Security Guards |
| Chris Stewart | and Building Attendant |
| Tim West | Numerous part time program personnel |

What the Rec Department does

- Maintains sixteen parks within the Borough, eight of which provide playgrounds, totaling approximately 100 acres of public parkland.
- Provides over 175 programs and leagues, annually, for pre-school ages through senior citizens.
- Operates with a full-time staff of ten, and a part-time/seasonal staff of over 100 people.
- Operates and maintains the Chambersburg Aquatic Center, which brought over 78,000 visitors in 2023.

Operating Challenges

The greatest challenge the Department continues to face is hiring sufficient numbers of employees who are willing to work at the rates the Department is able to pay. At times, staff is strained to work harder and the workload is increased to compensate for limited personnel. Additionally, ongoing supply chain issues and the rising cost of supplies has delayed projects and increased operational expenses. Obtaining volunteer coaches and qualified officials remains a challenging aspect of most sport league seasons.

The 2023 Budget included restructuring current personnel positions with a goal of better organization and increased effectiveness in management of the important functions within the Department (as detailed under the Recreation Department Staff descriptions). These changes occurred at the outset of 2023, and have proven to be more effective, thus far.

There are no significant changes to positions or additional personnel requests in 2024.

General Recreation Financial Review of 2023

<u>General Recreation Areas</u>	<u>Operating & Maintenance (O&M) Expenses</u>	
Recreation Center -----	2023 Budget	As of 8/31
	\$128,000	\$107,000
Memorial Park -----	2023 Budget	As of 8/31
	\$148,000	\$108,000
Other Park Areas Including the Rail Trail ----	2023 Budget	As of 8/31
	\$198,000	\$103,000
Total Expenses for O&M -----	2023 Budget:	As of 8/31
	\$474,000	\$318,000

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.

General Recreation Receipts as of August 31, 2023: **\$138,000** which is \$10,000 more than this same time in 2022. Program participation continues to increase and has well surpassed pre COVID-19 statistics on most levels.

It is typical and anticipated that recreation operations in most communities do not break-even, unlike utilities. Again, communities must commit to funding recreation for non-fiscal reasons, such as promoting economic development, community health, safety, and an improved quality of life.

Each year the Recreation 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 Recreation Department will break even at the expense of other departments and operations. State law permits The Borough of Chambersburg to raise a

separate Recreation Real Estate Tax to close this gap. To close this gap would necessitate a new tax of 6.6 mil. There is no Recreation Tax and State law sets no cap on a potential Recreation Tax levy.



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

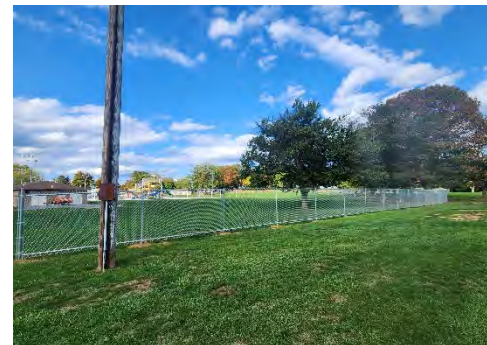
The Borough of Chambersburg

Capital Projects: A Year in Review

The Department has completed all 2023 approved Capital Projects using General Capital Reserve Funds:

	<u>GCR Amount</u>
Replaced two sets of exterior doors at the Rec Center	<u>\$14,810</u>
Replaced Fencing at Henninger Field along Vine Street and at Memorial Park. The Vine Street fence concludes the fence replacement project at Henninger Field Park	\$17,855
Installed Wall Padding in Gym 2 to enhance protective safety measures	\$11,136
Installed new gutters on the South side of the Rec Center	\$18,138
Repaired large cracks, repaved and striped the basketball court at Memorial Park	\$11,000
Purchased a large shed to replace a small, deteriorated storage shed at the Memorial Park Garage	\$15,494
Replaced four water fountains, three at Memorial Park and one at Mike Waters Park. Removed two unused fountains at Memorial Park and replaced with recessed hose bib attachments	\$29,530
Total	\$117,963

Sampling of some before and after project pictures completed in 2023 using General Capital Reserve Funds



Before and After Fence replacement pictures at Henninger Field along Vine St. and Memorial Park



*(Before and After) Door Replacement Project at the Rec Center
Southwest ADA door; Northwest-most exterior door*



(Before and After) Shed replacement at Memorial Park



The Mill Creek Acres Park Project, which began in 2020 utilizing CDBG funding and “Fee in Lieu” of land donations from developers, is MOSTLY complete! The only areas that are still being monitored and addressed are the landscape/buffering plantings and the grass. This will continue to be monitored until the fall of 2024.

The Department intends to submit another CDBG Application in 2024 for the purpose of installing a restroom facility at this location, as the park will become much increasingly busier due to the expansive development on the southwest side of the Borough.



Replaced exit Staircase off Gym 1 side entrance. Intended to sandblast and powder coat it, but they were too corroded and ultimately needed to be replaced. These are aluminum, powder coated, with open treads that should not rust.



(Before) Repainted the soffit and fascia boards of the Pavilion and restrooms at Memorial Park (After)

Miscellaneous Newly Added Value Experiences in Parks and Recreation in 2023

Added more Pickleball lines to tennis courts: Now offer 8 pickleball courts in the Borough.



Converted the underutilized softball field at Memorial Park to a multi-purpose field, which will prove to be very useful during the spring and fall soccer seasons. Should be ready for use in the fall of 2024.



Started a one-year pilot program, which has afforded park patrons the opportunity to bring their leashed dogs into Mill Creek Acres Park, Reservoir Park and Henninger Field Park. Will propose to pilot more “Dog Friendly” Parks in 2024.

The Borough of Chambersburg

Capital Projects Planned for 2024

Within the next 12 months, 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
Memorial Park/Aquatic Center Fence Upgrades	\$18,000
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*

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

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.

<u>Associated Expenses for 4th of July Celebration:</u>	<u>2022</u>	<u>2023</u>
Fireworks Balance	\$7980	\$8379
Mercersburg Community Band	\$750	\$750
Howlers	\$600	\$0 – Paid by VFW Post 1599
Local Codes Permit	\$500	\$505
Light Rental from Directional Traffic	\$100	\$0
Directional Traffic Personnel	\$900	\$1650
Special Event Monitors	\$941	\$1271
Police Personnel	\$391	\$512
Sani pots/Sanitation Dept. Charges	\$1925	\$1790
Inflatables	\$2270	\$3011
Prizes for Games	\$0	\$152
Donation to Marion Volunteer Fire Company for Fire Police	\$40	\$0 – none available
Donation to Franklin Fire Department for Fire Police	\$200	\$0 – none available
Donation to St. Thomas Fire Police	\$80	\$0 – non available
<u>Fireworks Deposit for next year's 4th of July Celebration</u>	<u>\$8379</u>	<u>\$8500 approx.</u>
Total Expense	\$25,056	\$26,520

<u>Revenues Generated to Offset 2023 4th of July Expenses:</u>		
Inflatables	\$2365	\$2200
Food Trucks and Beer Tent	\$2180	\$2681
Games	\$0	\$233
Sponsorship Sales	\$0	\$8350
Total	\$4,545	\$13,464

The Department intends to sell more sponsorships in 2024 to offset the cost of the Independence Day Celebration, and to also continue increasing the variety of activities offered prior to the Fireworks display.



Brew Tents



Carnival-type Games



Mobile food truck vendors



Crowd awaiting fireworks



Fourth of July Participants



Bouncy-House Fun for Younger Kids







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 Head: Phil Wolgemuth, Deputy Borough Manager

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
<u>Operations</u>	\$815,767	\$930,830	\$1,003,315

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.

The Codes Office's goals and challenges for 2023 included:

- Welcomed Irene Sosa, Quality of Life Local Code Enforcement Officer;
- Conducted inspections associated with Tattoo and Body Piercing Establishments Code and hotel ice machines;
- Hosted ServSafe course at Borough Hall for restaurant managers and food handlers, to include first-ever course entirely in Spanish;
- Worked with Solicitor to prepare for Town Council review and approval amendments to the Brush, Grass and Weeds Code, Noise Code, Property Maintenance Code, Snow and Ice Removal Code and Trailer Coaches Code and to approve new Fireworks Code and Nuisances Code;
- Worked with Human Resources Department to better promote the Special Event Monitor job;
- Work with Fire Department, Police Department and Highway Department to establish better barricade system for special events.

The Codes Office goals for 2024 include:

- Work with Solicitor to determine whether Brush, Grass and Weeds Code provisions prohibiting plants to throw off any unpleasant or noxious odor, or to conceal any filthy deposit, are enforceable;
- Monitor new Nuisances Code and amendments to the Property Maintenance Code related to motor vehicles to determine whether any adjustments should be made in 2025;
- For the Residential Rental Unit Inspection Program, monitor transition from PMCA to SAFEbuilt, LLC, update program cost of service study and possibly adjust fees at end of 2024;
- Work with Solicitor to implement PA Department of Agriculture system for issuing citations for PA Retail Food Facility Safety Act and PA Food Safety Act violations;
- Offer ServSafe course in Chinese and research cost-effective way to replace paper test documents with electronic methods;
- For Special Event Permits, monitor Special Event Monitor availability and financial impact on special events that need to hire vendors to provide assistance to determine whether any adjustments should be made in 2025;
- Work with Human Resources Department to determine whether lead Special Event Monitor position should be created and whether volunteer program for Special Event Monitors can be established;
- 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 translation 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 2024; however, that amount will not cover the entire cost of program administration, resulting in the need for some General Fund revenue support.

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 2023, the first-ever course in Spanish was conducted. These training sessions were well attended and will continue in 2024, to include the first-ever course offered in Chinese.



Working with kitchen staff in restaurants to address sanitation, the bacon was tossed



Conducting ServSafe Classes at City Hall for restaurant employees in English & Spanish

Chambersburg prides itself on its large civic events and the Borough takes a teamwork approach to facilitating their success. In 2023, 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.

What is ServSafe?

ServSafe is an educational program that was developed by the National Restaurant Association (NRA). Its 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





North Square Farmers Market

Development in Chambersburg Proceeds Unabated

In 2023, new residential rental units continue to be in demand in the Borough, with construction barely keeping pace with occupancy with all the development. In addition, permits were issued to convert the former Mary B. Sharpe Elementary School on Broad Street into 12 apartments and for Habitat for Humanity to construct a duplex dwelling at 424/428 West Queen Street. In 2024, more owner-occupied units are expected at the Maple Run residential development, as 9 new single-family and 18 duplex dwellings in that development were approved by Town Council in 2023.

- Creekside Apartments for 156 dwelling units (132 in the Borough and 24 in Guilford Township) on Hollywell Avenue.
- Molly Pitcher Landing for 48 dwelling units on Orchard Drive.
- Quinn Station at Nicholson Square Village for 104 dwelling units on Bassett Drive, Clinton Avenue and Sienna Drive.
- Progress Village, Phase 4, for 26 dwelling units on Delano Drive.
- Progress Village, Phases 5 and 6, for 81 dwelling units on Cheree Drive and Kelby Drive.

Non-residential development was also strong, as evidenced by the following land development plans approved in 2023.

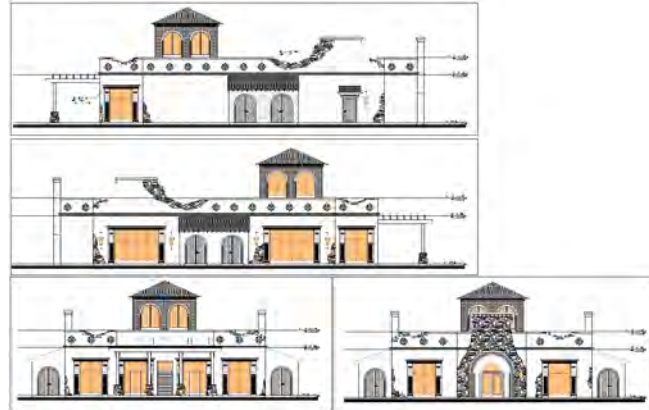
- Borough Plan RE-1579, Final Land Development Plan for 1445 Sheffler Drive to construct truck and trailer storage lot;
- Borough Plan RE-1580, Final Subdivision and Land Development Plan for Habitat for Humanity to construct a duplex dwelling at 424/428 West Queen Street;
- Borough Plan RE-1582, Final Land Development Plan for Franklin County Courthouse Annex Addition;
- Borough Plan RE-1585, Final Subdivision and Land Development Plan for Maple Run;
- Borough Plan RE-1586, Final Land Development Plan for Wawa Convenience Store at 1071 Wayne Avenue;
- Borough Plan RE-1588, Final Subdivision and Land Development Plan for Rodney B. Smith Plumbing to construct a building on Oyler Drive;
- Borough Plan RE-1590, Final Land Development Plan for Industrial Warehouse Servicing to construct a building addition at 1031 South Main Street;

- Borough Plan RE-1592, Final Subdivision and Land Development Plan for Superior Contract, LLC on Walker Road;
- Borough Plan RE-1593, Final Land Development Plan for Chick-fil-A at 970 Norland Avenue.

The Borough has also fielded many calls for redevelopment of individual commercial lots including in the Chambers Five Industrial Park, the Progress Industrial Park, on S. Main Street., and throughout the Borough indicating that in-fill development was very active.



Creekside Apartments, Hollywell Ave.



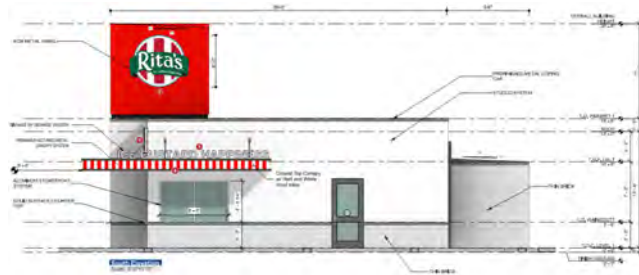
New Montezuma Restaurant, Walker Road



Rural King, Wayne Avenue



New stores near BJ's Wholesale Club, Gateway Avenue



A new two-story Rita's Italian Ice & Professional Offices Coming to Wayne Avenue



Molly Pitcher Landing, Orchard Drive

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 2023, PMCA was purchased by SAFEbuilt, LLC, which will require monitoring of the transition by staff in 2024 along with an update program cost of service study and possibly program fee adjustments at end of 2024 or in 2025.

RENTAL PROPERTY CODE (4,801 rental units billed in 2023)

Year	Systematic Inspections	Follow-up Inspections	Total Rental Unit Inspections
2021	853	801	1,654
2022	796	510	1,306
9/30/2023	645	518	1,163

PROPERTY MAINTENANCE CODE

Year	Rental Unit Violation Notices	Non-Rental Unit Violation Notices	Vehicles Unlicensed Uninspected	Vehicles Inoperable
2021	91	42	5	4
2022	87	48	3	2
9/30/2023	121	64	8	4

Planning and Zoning Office accomplishments for 2023 include:

- Processed Ordinances to amend Subdivision and Land Development Code and Zoning Code for Landscaped Areas in Parking Lots, Non-operable Motor Vehicles and Deeds of Consolidation and Development Agreements associated with Subdivision and Land Development Plans;
- Processed Ordinance to amend the Zoning Map for 1100 Sheller Avenue (Formerly Moose Lodge), Melvin Leshner Partnership Property and Maple Run;
- Processed Ordinance to vacate Goshen Court between Lincoln Way East and East Washington Street;
- Processed Ordinance to amend the Official Map of the Borough of Chambersburg to add Wallington Boulevard;
- Processed Ordinance to reapportion existing five Borough Wards based on population as determined by Census 2020.

Planning and Zoning Office goals for 2024 include:

- Continue planning and implementation for Southgate Shopping Center redevelopment project;
- Work with Town Council and the Planning and Zoning Commission to consider implementation of land use, housing and transportation recommendations contained in Chambersburg Vision 2035 Comprehensive Plan;
- Seek funding to initiate Pedestrian and Bicycle Improvements Plan projects, to include McKinley St. East-West Connection, Third Street Greenway, Rail Trail Gravel Road Extension, Greene Township Trail Connection and Rail Trail to Stevens Elementary;
- Ask Town Council to consider elimination of the Pedestrian and Bicycle Improvements Plan Advisory Committee;
- Research software solution for code enforcement, permits and licensing.

SUBDIVISION & LAND DEVELOPMENT

Year	Plans	Land Use Permits
2021	17	563
2022	9	511
9/30/2023	14	397

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 2023 include:

- Worked with Town Council and Chambersburg Area Municipal Authority (CAMA) to implement Southgate Shopping Center redevelopment project, including distribution of Request for Proposals and demolition of Building No. 1;
- With assistance from Urban Design Ventures and the Finance Department, administered contracts for 2020, 2021, 2022 and 2023 CDBG, to include CDBG-CV for the Meeting Place Greenway Project;
- Administered CDBG funding allocated to the Center Street/Pleasant Street Improvements Project, Millcreek Acres Park Basketball Court and Pavilion Project, BOPiC Job Training for Youth Program; Boys and Girls Club of Chambersburg Positive Action Community Violence Prevention Program and TrueNorth Wellness project to replace HVAC units at 272 South Main Street;
- Worked with Lumines Community Development to administer the Housing Rehabilitation Program, funded with \$250,000 grant from state HOME Investment Partnership Program;
- Worked with Town Council and Downtown Chambersburg, Inc. to secure \$879,865 grant from Pennsylvania Commonwealth Financing Authority for the Spring Street Amphitheater Project;
- Worked with Town Council and Lumines Community Development to seek \$1,507,287 grant from state HOME Investment Partnership Program for the South Main Commons Project.

Community and Economic Development Office goals for 2024 include:

- Continue day-to-day management of Southgate Shopping Center and implementation of redevelopment project;
- Work with Urban Design Ventures to administer CDBG contracts and prepare Consolidated Plan for FY 2025 to 2029 for submission to HUD;
- Expend CDBG-CV totaling \$365,893 to complete the Meeting Place Greenway Project;
- Complete Pleasant Street Improvements Project and investigate other Borough street and Recreation Department projects to fund with CDBG;
- Host public information session on the Fair Housing Act of 1968;
- Work with Town Council, Franklin County and Chambersburg Area School District to extend Local Economic Revitalization Tax Assistance (LERTA) Program, which expired on April 9, 2022;
- Work with PennDOT and Borough representatives to plan for PennDOT project to replace King Street bridges over Falling Spring Creek, estimated for completion in 2026;
- Consider whether residential rental unit rehabilitation program should be established and seek grant from state HOME Investment Partnership Program;
- Continue to work with Downtown Chambersburg, Inc. and Veterans of Foreign Wars Post 1599 to administer the Hometown Hero Banner Program;
- Continue downtown maintenance oversight including street trees, tree pits and the waterwheel;
- Continue to work with small business operators to navigate Land Use Permit Application and PMCA permit application processes;
- Continue to provide technical assistance to potential non-profit partners for CDBG or HOME funding.

Southgate Shopping Center Redevelopment Project



Before the neighborhood was fully constructed, before the shopping center



Master Plan Revised with Water Street Linear Park



Proposed Water Street Linear Park



Proposed Keystone Health Community Medical Center

Tenant payments ~\$404,050 in annual revenues. Rents plus annual percentage of sales and reconciliation payments, are anticipated to cover operational expenses. Based on this, no local tax money is anticipated to support the project.

Project is managed day-to-day by the Community Development staff.

Through 6/30/23 Operational Revenues \$490,720
Through 6/30/23 Operation Expenses \$294,097

Net Revenue: +\$196,623

3/10/2023: 120 West Liberty Street sold to Keystone Health for net proceeds of \$294,097

Sale proceeds directed back towards capital/non-operating expenses, via Council action on 3/13/2023.

Building #1 demolition expenses = \$101,670

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 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.



- Watering the flower baskets throughout the Central Core;
- Pruning/Removal/Planting/Watering of trees, bushes, hedges around Memorial Square, along Main Street and in all walkways and parking lots in the Downtown;
- Minor sidewalk repairs;
- Maintenance of Chambers Fort Park, including the Water Wheel;
- Snow removal and salting at downtown intersections and the pedestrian walkways from King to Washington;
- Maintenance of all tree pits around Memorial Square, along Main Street and in all walkways and Borough owned parking lots in the Downtown.

- Installed porous pave in 10 tree pits along Main Street
- Repaired tree pits and brick pavers that were becoming pedestrian hazardous
- 2 trees were removed in the Downtown
- 40 trees were pruned along Main Street, around Memorial Square, in pedestrian walkways and around parking lots
- 2 trees were planted in the Downtown
- Due to heat stress and drought conditions we have watered young trees throughout the summer and into the fall.
- Mill Alley Storm Water project will start in the fall.
- Liberty Tree will be planted in Chambers Fort Park on Oct 17th



Future Budget Items:

- Researching the cost of a new watering cart for Downtown flower baskets/planters. (golf cart, pump, tank, accessories, shed to store it;
- Researching the cost and logistics of installing larger flower baskets on Downtown light poles. This would enhance the program significantly but also come with a greater cost;
- Large concrete sidewalk repair (Rosedale Parking Lot/N. Main St) Est. \$10,000) in conjunction with Electric Dept project;
- Improve the bank of the Water Wheel (Semi permanent and permanent solution).



Chambersburg's Founding Father's Statue in Chambers Fort Park also received a well-deserved makeover



Community Clean-up Days continued in 2023 with Many Organizations Volunteering Their Time

Coordinated with Service Organizations (Rotary, United Way & Community United); and Community Service Workers to pick up litter throughout the Borough but mainly the Rail Trail, Southgate Shopping Center, Norland Ave. vacant lots and along Interstate 81). The Borough can provide bags, gloves and vests for groups that request them.

Hometown Heroes Banners

In 2023 the VFW Post 1599 expanded the HHB program.



This was due to the success of the program. They were expecting many more banner applications and they received another 133 applications this year. The original scope of the area was LWE, LWW, Main & Second Streets. Currently and there are 139 banners installed along these streets. Staff & the VFW organizers came to Borough Council and asked for additional streets to be approved so they could expand the program. Council approved. The banners were hung on 4th St, 5th Ave, Grant St and Philadelphia Ave. In the Spring of 2024, the banners that have been up for 2 years will be taken down and new banners will be hung in their place. The VFW are taking application this fall for 2024.



The fountain returned to Memorial Square in 2023





New benches installed in 2023 in partnership with Downtown Chambersburg, Inc.

Downtown Chambersburg, Inc. (DCI)

For 2024, we ask for the same amount (\$30,000) in 2023 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.
- Exploration of 2023 Façade and Development Revolving Loan Programs from DCED and local partners
- Administration of revolving loan programs & other grant programs.



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 2023, 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 2024, 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.



The FOUNDRY is a community for creatives that



The new tree pits at the Franklin County Judicial Center on Memorial Square



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 Departments 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.

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
<u>Operations</u>	\$1,631,017	\$1,499,430	\$1,488,190

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 Department, 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



Digging a test pit in Laurich Meadows to test pavement conditions



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 2022-23 winter season was an extremely mild winter and did not require extensive snow removal efforts. Of the \$100,000 that was budgeted for snow and ice removal from streets and alleys, only \$28,228 has been expended to date.



Setting up of Christmas Tree on Square



Reinstallation of the Memorial Square Fountain



Digging a pit for the new guiderail along Fifth Avenue



Installing a new storm sewer drain in the Cedar Avenue Right of Way

Major items for 2024

In 2024, 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 is being delayed.

In 2023, the Borough completed the conceptual design for a new Public Works Complex on Wayne Avenue. This project will allow the Borough to move the current Public Works/Sanitation/Motor Equipment site away from its location on Loudon Street, to a new facility on Wayne Avenue (the former Wagner Supply Depot). SGS Architects/Engineers of Carlisle, Pennsylvania, will continue this design effort with drafting the construction documents in 2024, although full occupancy of the new facility is not anticipated until 2026. The department budget includes support for this design effort.

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 present a next steps plan to Council for consideration. Council has chosen to begin funding this plan of action in 2024.
- 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 2024 (if the 2024 Budget permits).



Borough Employees Fixing Street After Curb Replacement



Borough Leaf Truck Picking up Leaves

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 2024 budget to \$235,464. Money is also set aside for patching alleys at \$100,000; this 2024 budget includes an additional \$100,000 to work on Borough alleys as a contribution from the Sanitation Department.

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 summer Of 2023 and they have supported a rate increase to Sanitation to increase the budget amount thereby allowing alleys to be completely repaved.

Town Council funding options for consideration include, but are not limited to:

- Special assessment - the Borough Code allows street improvement projects that benefit adjacent property owners by assessing maintenance costs directly to those adjacent property owners, as measured by linear foot of frontage.
- Vacation - adopt a policy upon which Council can choose those alleys for improvement that do not provide “general community benefit” through traffic circulation. Those alleys can be either abandoned/returned to the adjacent property owners (although in many cases must remain open for sanitation vehicles) or can be downgraded to gravel, under State Law.
- Grants – seek state or federal grant funding for general alley maintenance, stormwater conveyance, and/or pedestrian and bicycle improvements.
- Storm Sewer Pollution Control Fee – allocate a portion of the revenue collected from the Storm Sewer Pollution Control Fee to maintain alleys that serve as stormwater conveyances. As a funding source of this nature would compete with funds used for Storm Sewer Utility Operations, system maintenance and capital improvements the current fee of \$5 per ERU would need to be increased.
- Utility Department Usage Fee – allocate a portion of the fees collected by the Utility Departments (Sanitation, Gas, Electric, and/or Water & Sewer) to be dedicated to an alley capital improvements program.
- Create new “alley” tax – The Borough could establish an alley fund supported by a new tax with a maximum rate of 5-mil.



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 Engineering Department from City Hall, and find a home for the Water and Wastewater street crew.

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 Sewer departments 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.



Old Cold Storage Building before Demolition



Former Cold Storage site after demolition

The Borough of Chambersburg

Over time, this campus will be renovated to replace eventually 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, has a number of problems including a cracked foundation, vehicle maintenance bays that are too small for today's modern trucks, poor equipment and materials storage, no room to grow, and is along the Conococheague Creek in the floodplain.



Old Wagner Supply Building – Now Only Used for Storage

Fountains

On December 7, 2021, the head conservator from A.R.T. Research in Lancaster, Mike Cunningham & Ben Blaney Lead Technician, visited the site to survey the damage caused by a car accident that occurred on December 2, 2021. The entire fountain was found in a severe negative condition due to the impact. We believe the fountain in its current condition to have structural issues. To leave it up in its current state was a liability. The basin parapet of the fountain was displaced. Two sculpted “Boy with Dolphin” and their base elements of the fountain were severely damaged in the crash, as well as the internal structure at the base and support 10' OD pipe.



It was determined that the fountain needed to be dismantled and brought to A.R.T. Research facility for any structural repairs, including where damage has occurred on any of the sculptural elements and welding any cracks. Also, repair of the concrete fountain parapet wall, which was damaged from car impact that moved the wall. Inspection of all damage to structure from accident plus repair damaged sections of angle iron internal structure. Mold and bronze cast sculptural elements damaged beyond repair from accident. Inspection of plumbing internals and repair of plumbing system. Finally, reinstallation.

The repairs were completed at a total cost of \$127,121. The Borough's insurance carrier paid for the restoration; and, is seeking restitution from the driver who caused the damage. The Memorial Square Fountain was reinstalled in May 2023.



Newly Installed Memorial Square Fountain 2023

In addition, the ongoing restoration of the Glen Street Fountain continues.

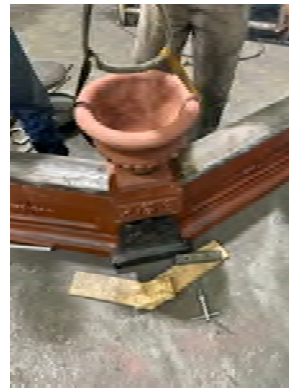
It has been determined that the fountain needs more than just the repairs being conducted by Robinson Iron Works in Alabama. In addition, the concrete tub and surrounding sidewalk will need to be completely replaced. The fountain and the tub had not been restored since their installation in 1909.



Original Glen Street Fountain and Pergola (gravel streets)



*Pre-construction
Glen Street Fountain Rust Damage*



Glen Street Fountain Restoration Progress

The final stage of restoration for this fountain began in the October 2023.



Glen Street Fountain Restoration Progress



Glen Street Fountain Restoration Progress



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 Head: Jeffrey Stonehill, Borough Manager/Director of Utilities

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
<u>General Operations</u>	\$4,288,080*	\$2,477,820	\$2,977,175
<i>Includes insurance, tax collection, printing, dues, legal costs, training, back office, and advertisement of ordinances</i>			
<u>Civic & Downtown Operations</u>	\$5,092,956*	\$499,580	\$469,399
<i>Includes emergency management, Shade Tree Commission, and civic events</i>			
<u>Transfer to Capital Reserve, etc.</u>	\$157,725	\$416,805	-
<i>Includes transfers for street projects (if available) and other capital projects such as the Temp. Police Station</i>			

*There was a significant increase in the cost of General operations in 2022 due to the American Rescue Plan Act federal funding which partially passed through these accounts.

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 complete the fountain projects. 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 \$700,000 in 2022; 2023 remains unclear.

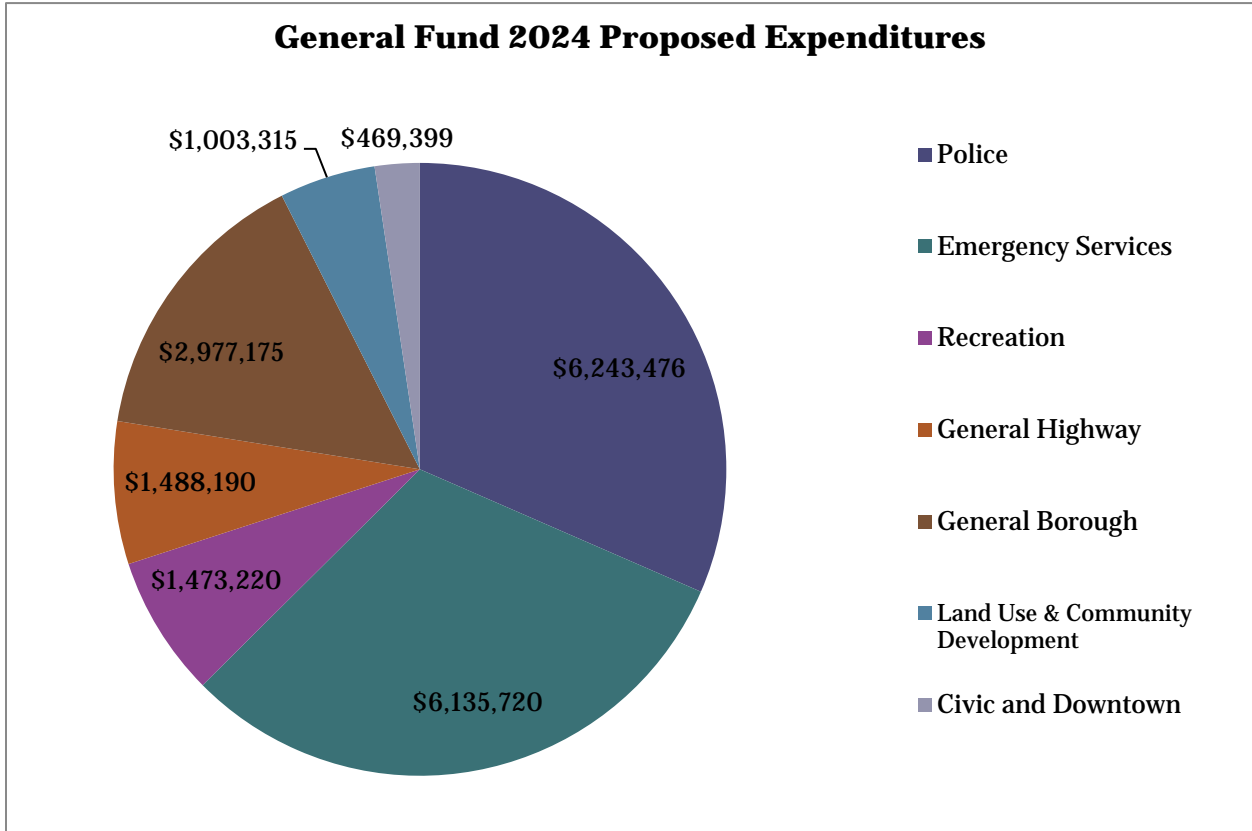
This Cost Center includes compensation for elected officials (including the Tax Collector) as well as money for insurance, safety expenses, printing, advertisement and the costs associated with the Wage Tax Bureau. This Cost Center includes money for the Solicitor's general activities (rather than utility 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 2024:

- Elected officials' compensation remains fixed with no increase (per State law).
- Borough Solicitor compensation will rise 2.5% in 2024. 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).
- Support of the Ice Fest Ice Slide installation will continue at a cost not to exceed \$12,000.
- 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 2024 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.



We look forward to the next Downtown IceFest in 2024



	2024 Budget	
Police	\$ 6,243,476	31.5%
Fire & EMS	\$ 6,135,720	31.0%
General Borough Operations	\$ 2,977,175	15.0%
Recreation	\$ 1,473,220	7.4%
General Highway	\$ 1,488,190	7.5%
Land Use & Community Development	\$ 1,003,315	5.1%
Civic and Downtown	\$ 469,399	2.4%
Total Expenditures	\$ 19,790,495	
Total Revenue	\$ 19,790,495	

When combined, Police, Fire, and EMS make up 62.5% of the General Fund operations. The General Fund is always balanced.

11/6/2023



Electric Utility Budget

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Electric Utility Budget

As Proposed for 2024

The Electric Utility serves over 11,600 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.

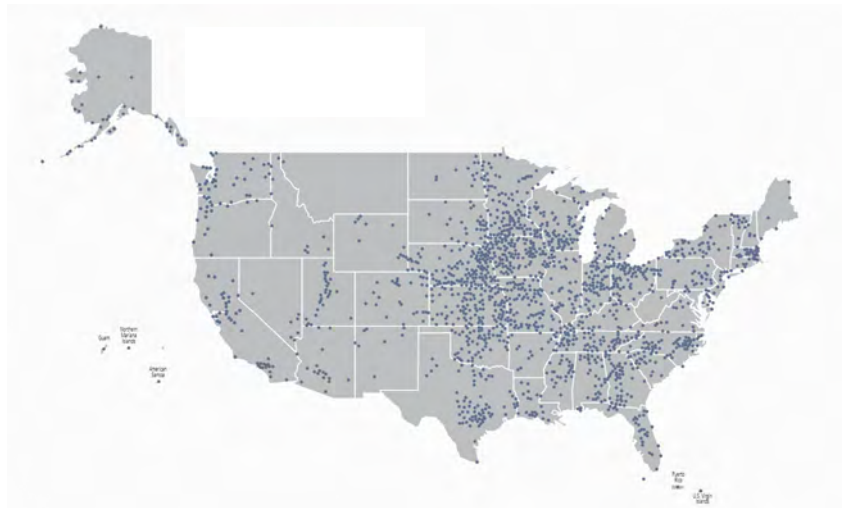


Credit: Mike Marotte, III.

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.

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, and 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. 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.

PUBLIC POWER SUPPORTS LOCAL ECONOMIES

A study of 188 public power utilities found that they...

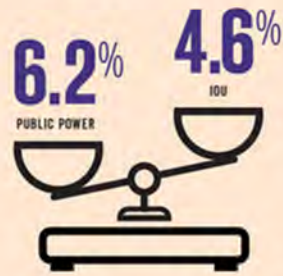
Gave a median of
5.6%
of electric operating revenues
back to their communities



Which is
27%
more than investor-owned
utilities pay in taxes
to the communities
they serve



Among utilities with \$100 million or more in revenue,
public power utilities gave a median of 6.2% of revenues,
compared to 4.6% paid by IOUs.



  171 public power utilities
cumulatively contributed more than
\$1 billion 
to state and local government in 2016.

These funds directly support the community, and include:


payments in lieu of taxes;


free or reduced costs for lighting streets,
parks, and other public facilities; and


using employees or other utility resources
for electrical repairs, tree trimming,
or temporary lighting displays.

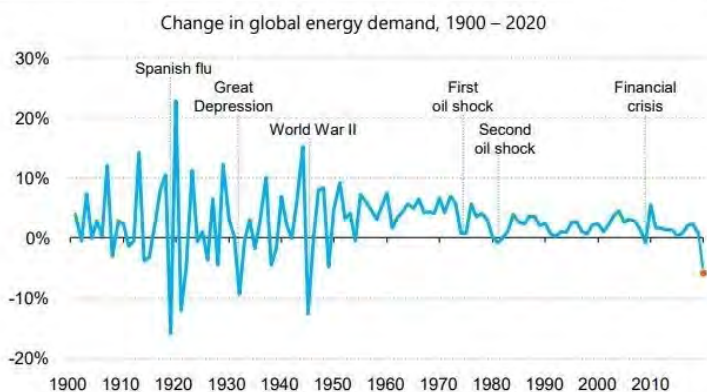
#PublicPower

Source: Public Power Pays Back, American Public Power Association, March 2018.

Demand on Load 2020-2023

The COVID-19 health crisis had a temporary impact on load consumption for the Borough system in 2020. However, 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.

IEA 2020. All rights reserved.

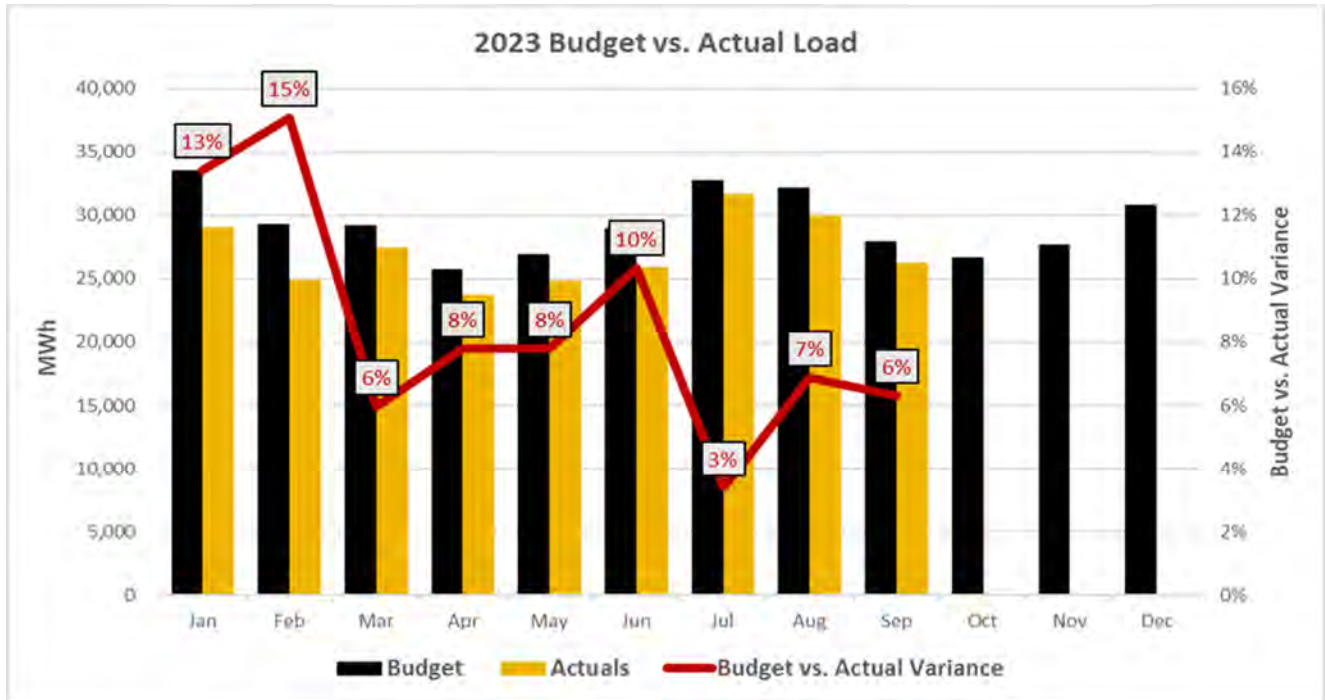


Added to the Pandemic-related electricity consumption reductions from budget in 2020, there were some weather-related effects. The months of January, February, and March had significantly fewer heating degree-days than the prior year (a measure of how much heating energy might be needed for heating), 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. Then 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 trend 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 which 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 even with new residential and commercial metered customer growth.

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 so far that has not been the case with actual load coming in about 10% lower than projections for the year. It is now projected that 2023 will be 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.



Through September 2023, the overall Electric Utility operating cash, cumulative revenues minus expenses, is showing a positive position of \$501,525, due mainly to a couple of large Solar SREC payments that helped ease effects increasing market prices and volatility. Energy prices had increased dramatically while capacity prices have fallen off significantly over the past wholesale power delivery year. There is a shift afoot in 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 come back down. 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 2023 into 2024. Furthermore, the production of our behind-the-meter assets remains our biggest strength in hedging the uncertainty of energy 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 decreased by not purchasing as much expensive energy on the margin (“Portfolio of Energy Products”). Another cost-saving phenomenon, the “portfolio” benefits kick-in 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.

Looking forward to the 2024 budget-year, the local economy remains uncertain. There is always a level of uncertainty and risk over time of unforeseen changes in the power industry. Chambersburg is not immune to market variability or the impacts of national and state legislative initiatives. The department 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.

Finally, with respect to load, the success of the utility and for the protection of the residents and businesses in Chambersburg, they should remain involved and perhaps engage further in management of this asset.

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.



Park of the Valiant Fountain and new 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.

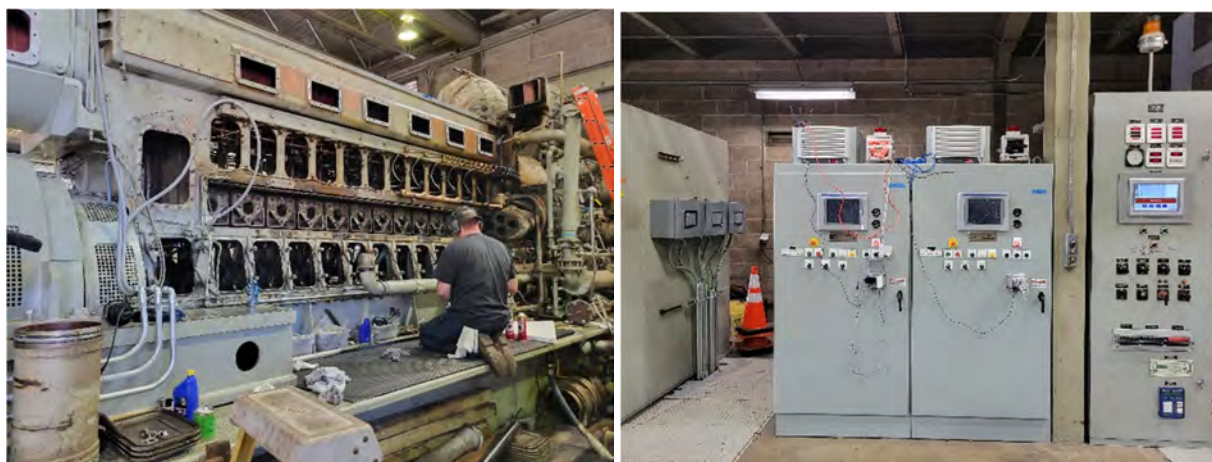
In 1975, the decision was made to cease the Borough's steam-driven generation operations because of the age of the equipment and the new environmental requirements for burning coal. Most of the electricity was then purchased at wholesale rates from West Penn Power's predecessor, Potomac Edison. The transmission 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 is effectively BTM as of June 1, 2023.

In 2023, 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.

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 million.



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 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 refurbishments and pulling it 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 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 recommend 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



Chambersburg Solar Center –2021 Flip the Switch Event

Standing amid more than 50,000 solar panels, representatives from the Borough of Chambersburg, Safari Energy, LLC and Sun Tribe Development were joined by Pennsylvania State Representative Rob Kauffman, 89th District, and other elected officials to “flip the switch” and inaugurate a 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.

“We have worked with some amazing partners to achieve this much-desired outcome. I’m honored to represent a community that is making a commitment to our planet and our future,” said Alice Elia, Member of Town Council.

The Borough of Chambersburg is the largest of 35 municipal electric systems in Pennsylvania and is the only municipal electric system in the commonwealth to own and operate multiple electric generating plants.

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 yards 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.

To accommodate the planned and Bond generation additions to 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.

In May and July of 2020, respectively, Council executed a Solar Project Power Purchase Agreement with Sun Tribe Development, LLC and an Interconnection and Construction Agreement with Sun Tribe's subsidiary project LLC, Chambersburg Solar Center, LLC, to develop 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 solar facility owner was unable to produce the full-outputs expected on the agreed upon timeline and was therefore subject to significant liquidated damages payments to the Borough. Town Council acknowledged and ratified that the Commercial Operation Date was October 21, 2022 when the facility was eventually producing power for the Borough as it has been for the past year. This generation project has also changed hands a couple times; first to Safari Energy and now owned by Aspen Power Services.



Upgraded Commerce Street Substation Transformers



Chambersburg Community Solar Interconnection Substation



Interconnection Substation Sign

Additional Projects

There were many electric system substation, transmission, distribution, relay & protection upgrades and reconfigurations required per the purchase power agreement (PPA) to accommodate the new “behind the meter”, solar, renewable energy injections into the system.



Substation Hardware, Transmission & Distribution, Relay & Control Reconfigurations and Upgrades



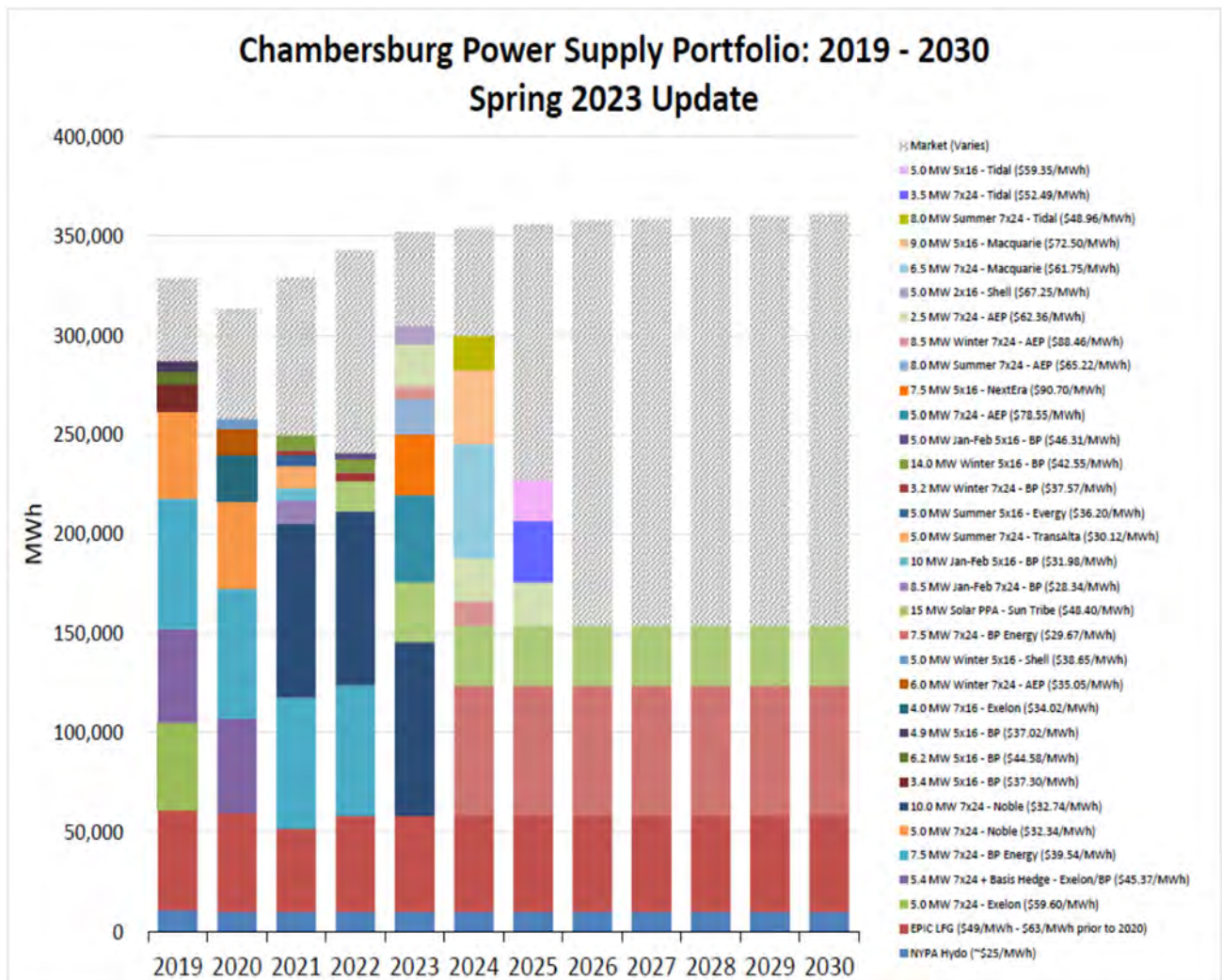
Investment in Infrastructure because of the 2019 Bond Issue

The Bond projects required a depth of teamwork like never before, involving all sections within the Electric Utility including Power Supply, Substation, Line Workers, Electricians and Traffic Signal personnel.

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 negotiate 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-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.

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 10 years.

CALENDAR YEAR 2023 MARKET-BASED ENERGY PRODUCTS

TERM	SUPPLIER	CONTRACT EXECUTION	SIZE MW	TYPE	DELIVERY LOCATION	PRICE \$/MWH
2021-2023	MERCURIA	FALL 2015	10.0	7x24	WESTERN HUB	\$32.74
2023	AEP	SPRING 2022	5.0	7x24	APS ZONE	\$78.55
2023	NEXTERA	SPRING 2022	7.5	5x16	APS ZONE	\$90.70
JUN-AUG 2023	AEP	FALL 2022	8.0	7x24	WESTERN HUB	\$65.22
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
2023	SHELL	FALL 2022	5.0	2x16	APS ZONE	\$67.25

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 has 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 does 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 have 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. A 2022 survey indicated that Chambersburg had the lowest retail electric 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.

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 and 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 nearly 7 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.

Depending upon the "behind-the-meter" versus "in-front-of-meter" balance in our generation plants, it makes sense for Chambersburg to repurpose the existing or new future generation assets as "for the Borough customers' consumption of power generated," in the 2023-2024 delivery year versus the present status of the units as a "PJM designated network resource."

In 2021, Town Council authorized staff to make this switch for the Falling Spring Generation Station as soon as practical.

PJM must 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, 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

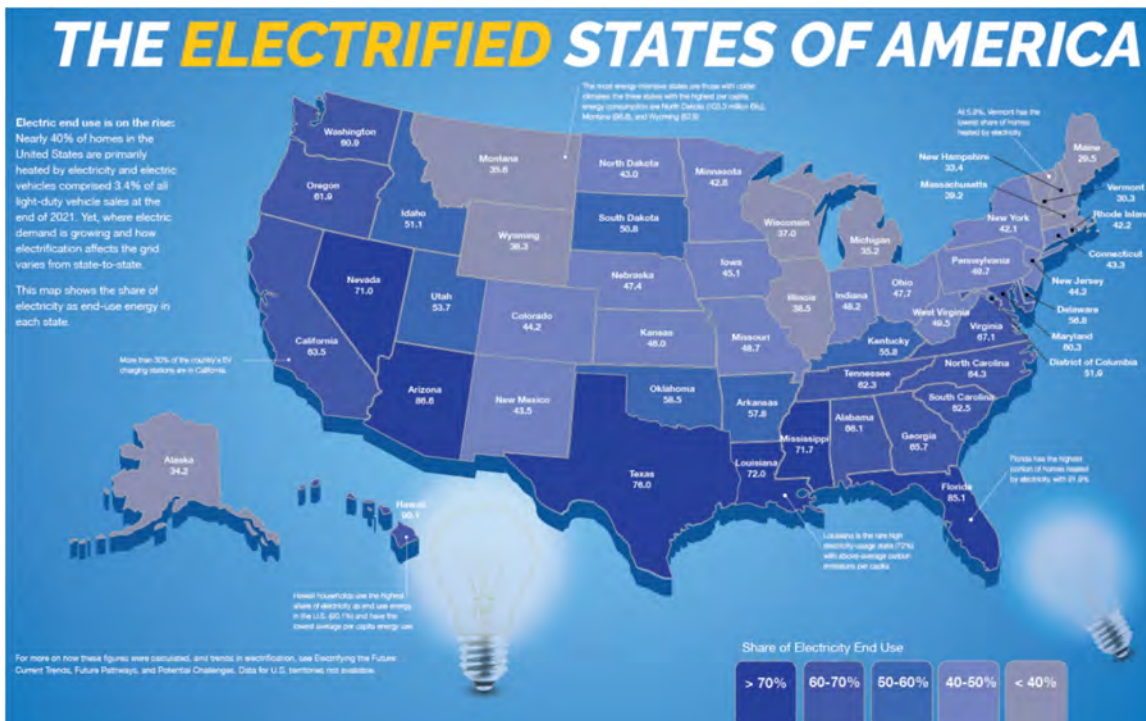
According to the American Public Power Association (APPA), “Many changes in the energy system — the generation mix, digitization, active customers and changing customer preferences, and policy and market reform — are happening with or without efficient electrification. Companies — both traditional utilities 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 electric vehicles comprised 8% of all light-duty vehicle sales at the end of 2022. Yet, where electric demand is growing and how electrification affects the grid varies from state to state.

Electric Utility Future

Former Superintendent Richard Hamsher retired in early 2009 after 40+ years of Service. Ron Pezon and Jeff Heverley have 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 will soon be seeking to fill this void.



Jeff Heverley and Ron Pezon



*Clyde Castle, Chuck Piper, Jeff Heverley, Jerry Howe, Jennifer Sprenkle, and Jamie Reed
Electric Utility Administration*

The Future of the Pennsylvania Municipal Electric Association & Chambersburg Leadership

In September 2023, officials from approximately 26 of our 35 municipalities that make up Pennsylvania Municipal Electric Association (PMEA) (including Jeffrey Stonehill, Jeff Heverley, Jason Cohen, and Jen Sprenkle) gathered at the 2023 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 was re-elected 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.

In November 2023, Chambersburg Borough Manager Jeffrey Stonehill will stand for re-election 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 represents well the mission of public power and our organization.

The 2024 PMEA conference will once again be held in Bedford, Pennsylvania.

At his year's annual conference, Bob Thompson, former manager of Ephrata Borough, was the recipient of this year's James J. Havrilla Public Power Service Award. In addition to his role as Manager, Thompson served on the PMEA and AMP Board of Directors. He believed in the power of advocacy for public power communities as he routinely participated in APPA events and lobbied in DC with Pennsylvania's Congressional delegation during APPA's annual Legislative Rally.

Over his years of service, Thompson was a fierce advocate for public power and the unique role it plays in these communities. At the conference, he urged attendees to get involved at the state and federal levels and to attend the conference, APPA, and other events. He also encouraged the AMP member boroughs to participate in AMP and to press for an additional PA seat on the AMP board. Thompson encouraged attendees to persevere in protecting and promoting public power in their communities and with policymakers.

Named after James J. Havrilla, the award is presented to an individual who, throughout their career, has consistently demonstrated a commitment to public power. James Havrilla was a professional engineer who engaged with many, if not all, of PMEA's member municipalities over the course of his career. His 25-year affiliation with PMEA first began in 1993 when he was employed by Quad 3, the association's appointed engineers.

From the first in-person Finance Workshop to highly informative and engaging sessions as well as an opportunity to talk with more than 20 companies exhibiting and attending, this year's conference had something for everyone.



The PMEA 2021-2022 Board of Directors

One of the highlights of the conference was a roundtable discussion with Marc Gerkin, former CEO of American Municipal Power and current CEO of Hometown Connections (<https://www.hometownconnections.com/news/former-amp-executive-marc-gerken-appointed-interim-hci-president-ceo/>), Jolene Thompson, current CEO of American Municipal Power (<https://www.amppartners.org/about/leadership/jolene-thompson>) and Paul Zummo, Director of Research for the American Public Power Association.

The 2023 Budget includes sufficient funds to see Chambersburg's financial contribution to PMEA to be about \$40,000/year.

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.

Department Director:
 Jeff Heverley, PE, - Electric Utility Director

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$34,594,783	\$32,940,520	\$35,213,550
Expenses	\$34,483,980	\$32,940,520	\$35,213,550
Excess (Deficit)	\$110,803 Surplus	- Balanced -	- Balanced -

The surplus in 2022 was used for additional capital investment in Electric Utility infrastructure.

Significant increase in Electric Rates for first time in over ten years

This budget marks a significant change for the Electric Utility. For the first time in over ten years, the department did a comprehensive study of electric rates. 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 million to \$2 million in mission-critical infrastructure, was mostly, if not completely, depleted.

Chambersburg 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 36% to 45% 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 1% to 3% rate increases scheduled for 2024, 2025, and 2026.

Furthermore, this rate increase is overall 11.3% but will impact different types of electric customers in a variety of different ways. Some customers will see larger increases (above 11.3%) and others lower as the Borough's consultants fairly distribute the rate increase by rate class based on economic impact to the Borough Electric Utility finances.

This 2024 budget includes estimates of the new revenue generated by the already-approved retail electric rate increases in late 2023.

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 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 Power Supply Adjustment (PSA) starting with January 2023 billing.

In 2023, other utilities have been hit just as hard as they were in 2022. For example, according to the Pittsburgh Post-Gazette going into last 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. That means their rates are up 26% in 2022, with more coming in late 2023.

While others have already raised rates 16% and 11% in 2022, the Borough merely reversed the temporary 2% rate reduction from 2020. However, this 2024 budget reflects the unambiguous need for further electric rate adjustments at once. Some utilities have raised rates over 40% in the last year alone.

Chambersburg has not done a rate adjustment in over a decade and the Electric Utility’s rates are far below any other utility in Pennsylvania and not sustainable given the cost of operations.

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 will be in effect (at least 11.3%), although results will vary based on several factors including energy use, weather, and home attributes.** It is likely some residential customer will see 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.

Residential Electric Bill for a customer using 1,000 kWh/month

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)
----- Proposed Base Rate Ordinance Updated (2023) -----		
2024*	\$116.50	Increase of approx. 13.2%

* - The proposed budget is assuming a variety of rate increases for different classes of customers

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 presented to Town Council, and further discussion on rates has occurred.

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.

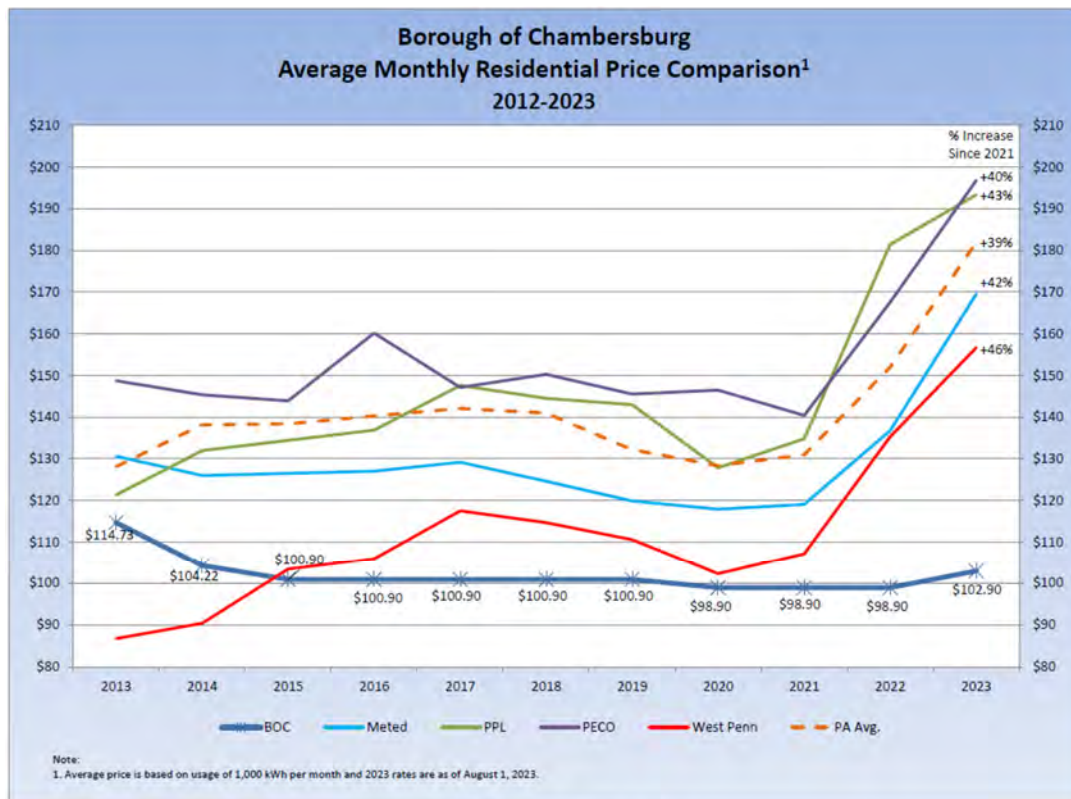
The Borough Manager has worked to lower electric invoices for residents and businesses and can be thanked for using imaginative policy recommendations to save customers millions of dollars.

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, 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 2024.

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 60% below our neighboring investor-owned utility, West Penn Power, and Chambersburg is estimated at about 75% 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 40-46% in the past 2 years.

We are asking residential customers to plan for a 13.2% increase in 2024.



SUM SMART UTILITY MANAGEMENT, LLC
 Custom • Strategic • Regulatory Consulting

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 will be 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.

Finances – Policy

- Maintain the proposed estimated \$36 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 2024 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, 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.
- 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 2024 per the succession plan.
- Recommend regular vehicle purchases per the Fleet Management Plan.
- 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.

2024 Preparations/Goals

The approach that we will apply in 2024:

- 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.

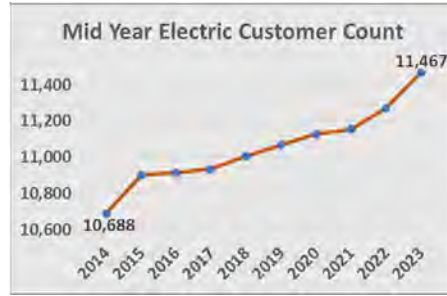
Chambersburg has a three-pronged approach:

- 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 from many 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 it's 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.

Major Accomplishments

With all of the challenges of day-to-day operations, Chambersburg Electric logged much success in 2023:

Meters set or changed	144
Services Replaced	346
New/Temp Services	180
Street Light Re-lamp	275
Non Pay After Hour Turn On	109
Transformers Install/Replaced	21
Poles Installed	41
UG Cable Installed (ft.)	11,980
OH Cable installed (ft.)	38,594
Cable/Communication Messenger (ft.)	2,875



Lighting and H2O Heating accts removed

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 34 other municipal power systems in Pennsylvania.

System Average Interruption Duration Index (SAIDI)

Borough Average 2022 SAIDI	7.2 Minutes
	(appeared 92.3% better than “Small EDC”)
	(appeared 96.8% better than WPP)
Small EDC (PUC), 3 yr Avg SAIDI (Citizens, Pike UGI, Wellsboro)	94 Minutes
	(appeared 49.5% better than “Large”)
Large Investor-Owned Utilities 3 yr avg SAIDI (Duquesne, PECO, PPL, Met Ed, Penelec, Penn Power)	186 Minutes
West Penn Power (3 Year Avg)	226 Minutes or an average 3.8 hours per customer per year

- WPP appeared 21.5% worse than “Large IOU” Average.
- SAIDI = System Average Interruption Duration Index (On average, how many minutes per year is every customer on the system out of power.
- Sources: (PA PUC 2021 Reliability, the 2022 data/report was not available as of this writing) https://www.puc.pa.gov/media/2053/2021-electric-reliability-report_final.pdf
APPA BOC 2022 Annual Benchmarking Report, “eReliability Tracker”.

System Average Interruption Duration Remains Very Good

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 7.2 minutes in 2022. 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 226 minutes or 3 hours and 46 minutes per year over the past three years (PAPUC-Annual Electric Service Reliability Report, 2021).

2024 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 are 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 have 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.

Chambersburg
25%
Renewable Energy

Energy Efficiency

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.
- A large Community Solar Project 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 “hedged” against most future uncertainties by remaining open to many projects and many technologies, by not removing anything from the mix until it is determined to be un-economic. 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

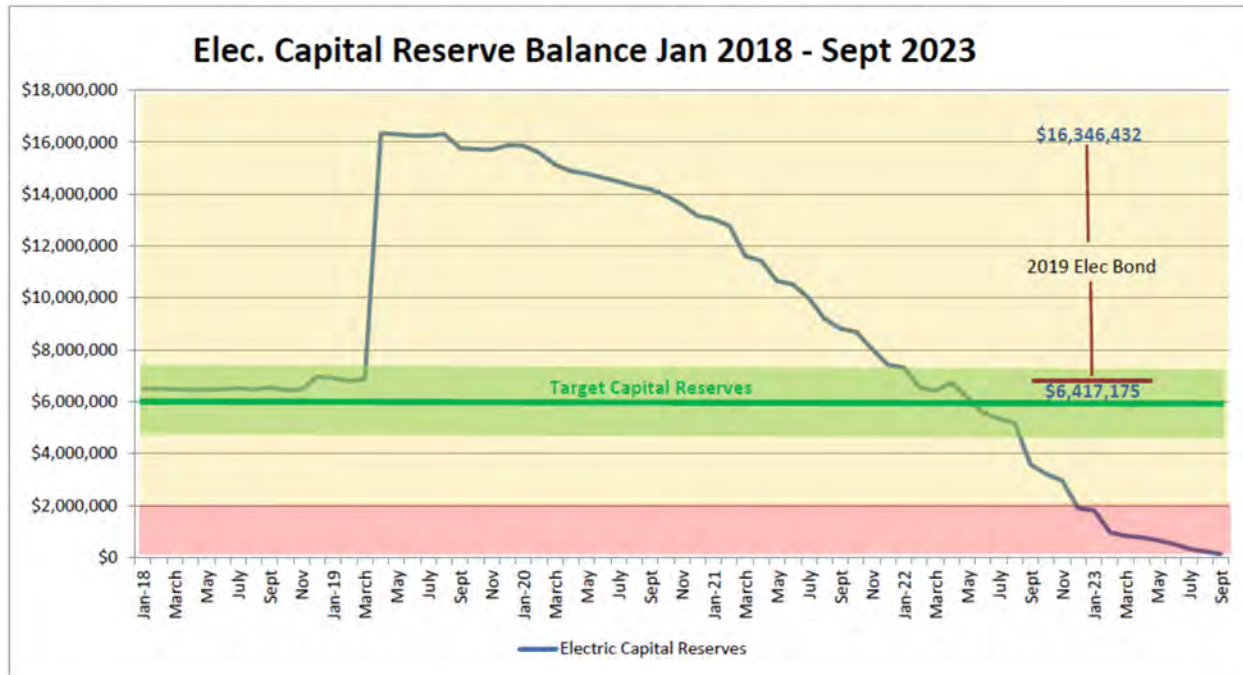
“Tools” often referenced in the Electric Utility are generally referring to the sum of Borough-owned generation asset revenue values, net benefits of the previously purchased portfolio products, other Borough-participating variable capacity, and energy market revenue/cost/hedge influences.

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 will be 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.

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 will certainly reduce the expected amount of expenditures needed over the next several years. This is 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 reduces the balance through 2023 and entering 2024 fully depleted a sit has not been replenished in many years.



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. It was expected that with a zero transfer “in” for future and ongoing capital projects, the capital reserve balance for 2023 should be sufficient but depleted slowly during 2023 while covering only minimal needed capital project work.

The following table is proposed for the overall 2024 Electric Capital Investment Plan:

Funding Source	Project	2023 Est. Cost
Debt	Major Overhaul of TB Woods Substation*	\$440,000
Capital Reserve	Orchard Park T&D Relay Replacements	\$285,000
Capital Reserve	Transmission/Distribution System Upgrades, Extensions, New OH/UG Customers, Capacitors	\$230,000
Capital Reserve	Convert Park Sub Distribution From 4 to 12 kV	\$160,000
Capital Reserve	Transmission/Distribution Substation Equipment & Engineering	\$80,000
Capital Reserve	New Distribution Operations Center Forklift	\$60,000
Capital Reserve	Build Out Feeder 273 Toward Downtown	\$52,000
Capital Reserve	Engine/Generator Major Maintenance Items/Parts	\$45,000
Capital Reserve	Additional Conditioned Parts Storage Bldg. at OPGS	\$25,000
Capital Reserve	Replacement SCADA Data Server	\$13,000
TOTAL		\$1,390,000

* - It is the intention of the Electric Utility 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 13 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 271 of the nation’s approximately 2,000 public power utilities to earn 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 95 public power utilities in the Nation of just over 2,000 to meet the new even higher operational efficiency standards. Wisconsin has the highest number of utilities achieving the standard at 23 out of 95, or about 24% 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 2023:

- 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 set for 2023.

Succession Planning

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 people for forthcoming demand for specific skills sets, including leadership positions, substations, system operators, mechanics, and line workers of every trade level.

Of course, for planning purposes, we are beginning with a snapshot in time looking out 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 the 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 needs to begin 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

5 of 29	= 17.2%	Eligible for Medicare age 65 in next 5 years, 63 in 3 years
+3 of 29	= 27.6%	Eligible for full Borough retirement age 63 in next 5 years
+3 of 29	= 34.5%	Eligible for early retirement age 60 in next 5 years
+3 of 29	= 44.8%	Eligible for full Borough retirement age 63 in next 10 years
16 of 29	= 55.2%	Beyond 10 years until Normal Borough Age 63 Retirement

2 Open Positions

In conclusion, 45% of the department personnel may leave for retirement by 2033. The decrease of normal Borough retirement age from 65 to 63 has further increased this effort.

Personnel changes in 2023

Two key management level employees retired in 2023. Both were filled, but the Assistant Director position has subsequently remained open. It is planned to be filled as 2023 comes to an end. 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. 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.

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 (OPGS)

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.

1	TB Woods HV Melting, Foundry/Fabrication	14	BWise Manufacturing
2	WellSpan Chambersburg Hospital	15	Borough of Chambersburg Electric Facilities
3	Ventura Foods	16	Franklin County Facilities
4	Curaleaf	17	Giant Food Stores – Norland
5	CASD Facilities	18	Keystone Health Facilities
6	Americold (Chambersburg Cold Storage)	19	Giant Food Stores - Wayne
7	WellSpan Health Other Facilities/Offices	20	BJ’s Wholesale Club
8	Borough of Chambersburg Regional WWTP	21	Target
9	Knouse Foods	22	Weis Markets
10	Wilson College	23	Century Link Facilities
11	Menno Haven Facilities	24	Ozburn-Hessey Logistics
12	Edge Rubber	25	YMCA
13	Catch-up Logistics	26	Rural King

Name Change

Throughout this budget document one will notice that we interchangeably use the name Electric Department and Electric Utility. After more than 100 years of operation, it was felt that Electric Utility was a more appropriate designation, but you will note it takes time to change the name throughout this document and the organization.

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 2023 Chambersburg PILOT Tax Return form.

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Budget</u>
PILOT	\$1,350,000	\$1,350,000	\$1,350,000	\$1,470,000	\$1,870,000

**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	240,000	240,000
20015	Revenues - Merchandise & Jobbing	50,000	
	Revenues - Nonutility Operations		
	Nonoperating Rental Income		
20019/20024/20028	Interest & Dividend Income	125,750	
20016/20017	Miscellaneous Nonoperating Income	554,400	
	Gain/Loss on Disposition of Property		
20011	Residential/Commercial/Industrial Sales	33,000,000	33,000,000
	Public Street & Highway Lighting		0
	Other Sales to Public Authorities		0
	Sales to Railroads & Railways		0
20012	Sales for Resale		0
	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	45,000	45,000
	Interdepartmental Rents		
20013	Other Electric Revenues	66,900	
	Revenues from Transmission of Electricity of Others		0
	Regional Transmission Service Revenues		0
20014/20025/20026	Miscellaneous Revenues	145,000	145,000
20027	All Other Sources	1,000	1,000
	Totals of each column	\$35,213,550	\$34,416,500
	Tax at the rate of 59 mills Gross Receipts Tax		\$2,030,574
	Town Council Adopted Multiplier		92.0922%
	Payment in Lieu of Gross Receipts Tax		\$1,870,000

11/6/2023



Natural Gas Utility Budget

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Natural Gas Utility Budget

As Proposed for 2024

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.

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.

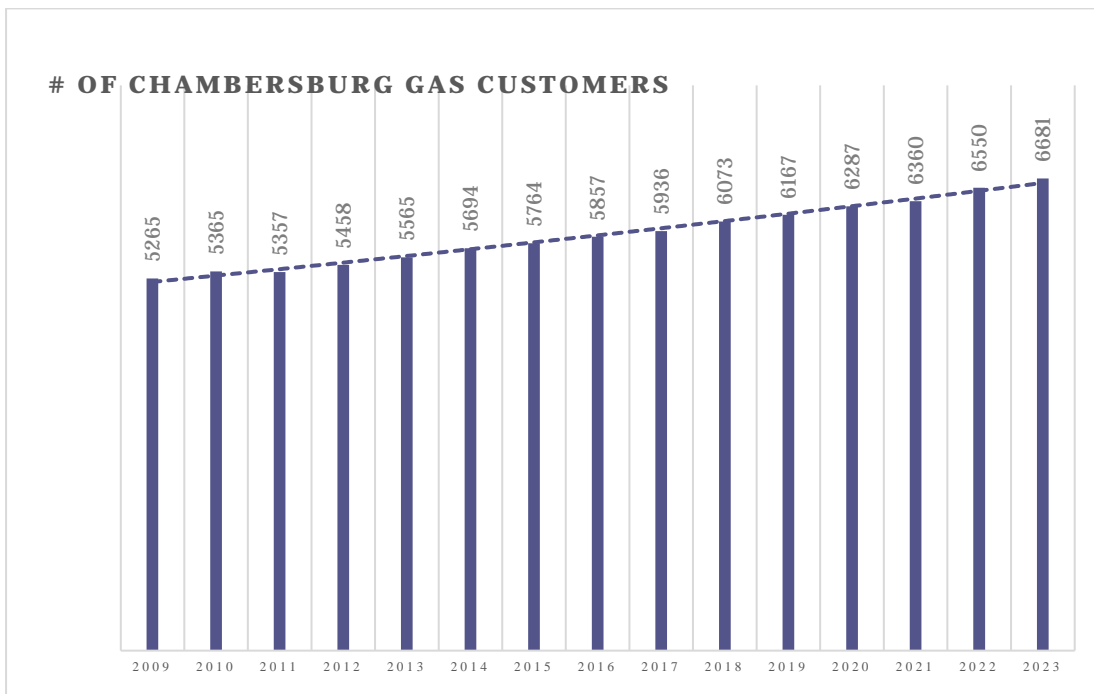
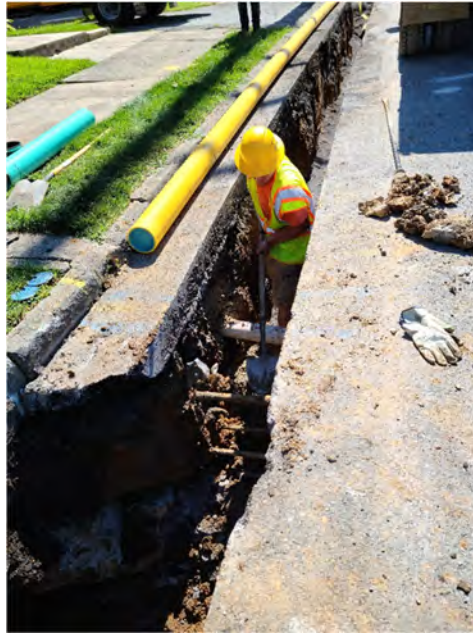


Additionally, Chambersburg delivers the lowest cost gas in Pennsylvania. In 2022, the Borough delivered 1,590,805 Dekatherms (DTH) of gas to our customers. This was a 22% increase from 2021, primarily due to an increased customer base and increased power plant usage.



In 2023, the Natural Gas Utility has continued to work aggressively to replace old pipe, including over half of a mile of cast iron gas mains and steel services on South Fourth Street. Additionally, the department 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 sales also provides 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-two years ago, the Borough had just under 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 6,780.

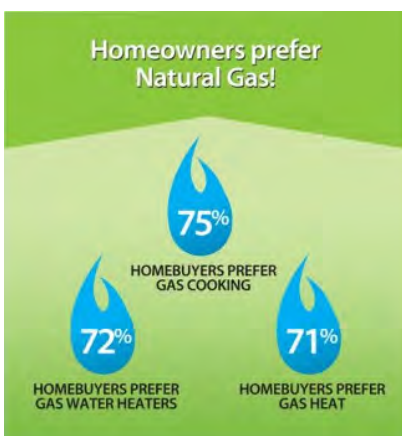
Due to the increase in total gas utility customers, as well as recent increased power plant use, Borough gas sales keep hitting new records. 2022 gas sales were almost 1.6 million Dekatherms. This is especially remarkable since temperatures were near normal over this time. Adjusting for weather, our high gas sales are even more amazing. Before this past year, our previous 12 month record high was 1.3 million Dekatherms in 2005, which was a year with much higher heating needs.

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



Before the Service Center, the Site was a Manufactured Gas Plant

Environmental Remediation

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 Department 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 monitor regularly 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 should 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.



Gas Safety

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 **2023 APGA Safety Award**. This is the tenth 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)), homes with gas stoves are 2.6 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.

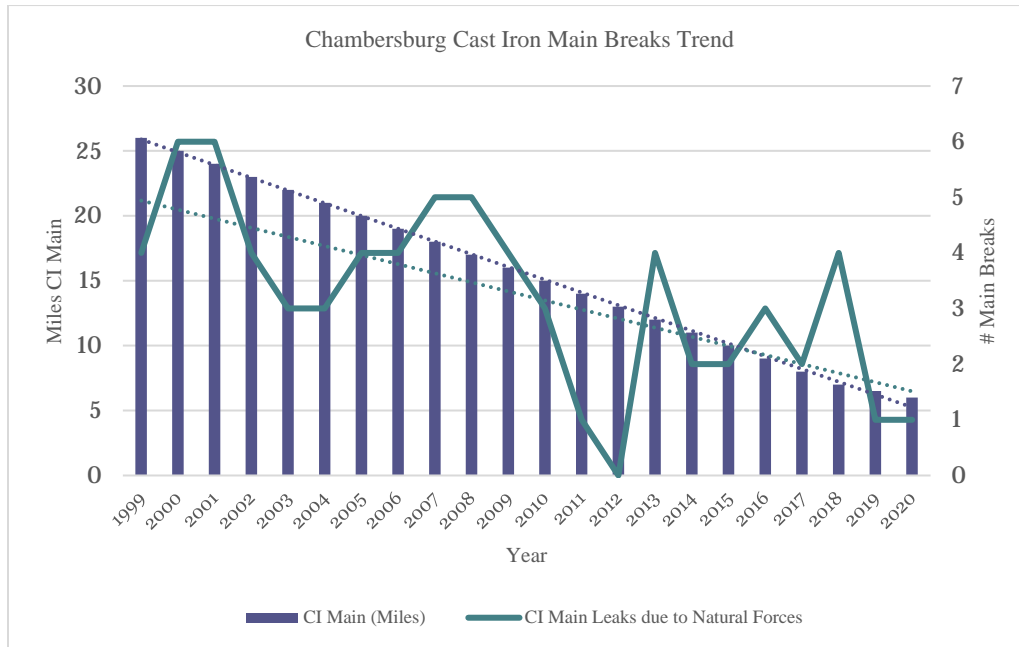
The Federal government regulates natural gas system safety. We continue to implement safety and operational changes including substantial replacement of older underground cast iron and steel piping with plastic. This replacement has led to a significant reduction trend in gas leaks. In addition, regular 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 \$600,000 per year on old pipe replacement – recommend increase to \$1.2 million in 2023, 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



Call 8-1-1 before You Dig

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.



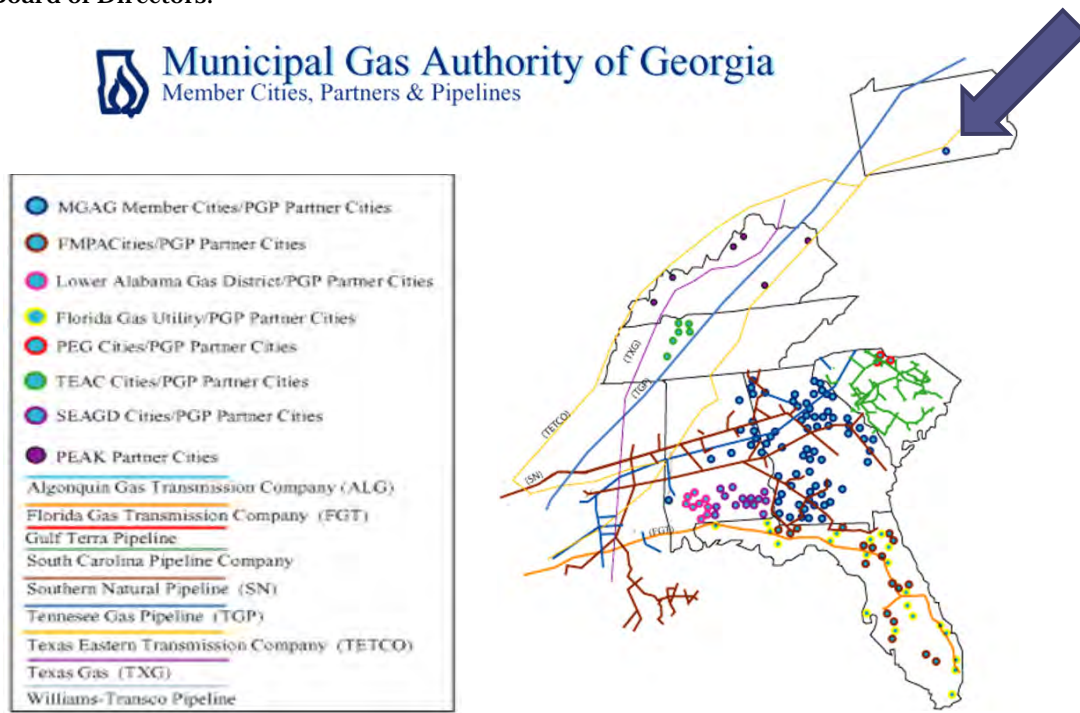
APGA Leadership Meeting with FERC Chairman Richard Glick

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.

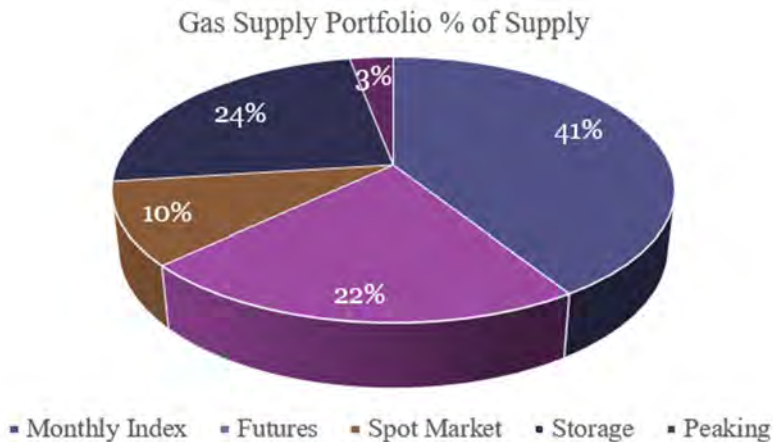
The Gas Authority meets the Borough’s full natural gas supply requirements, and provides scheduling services for gas delivery. They provide assistance in system rate design, marketing assistance, and regulatory assistance.

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.

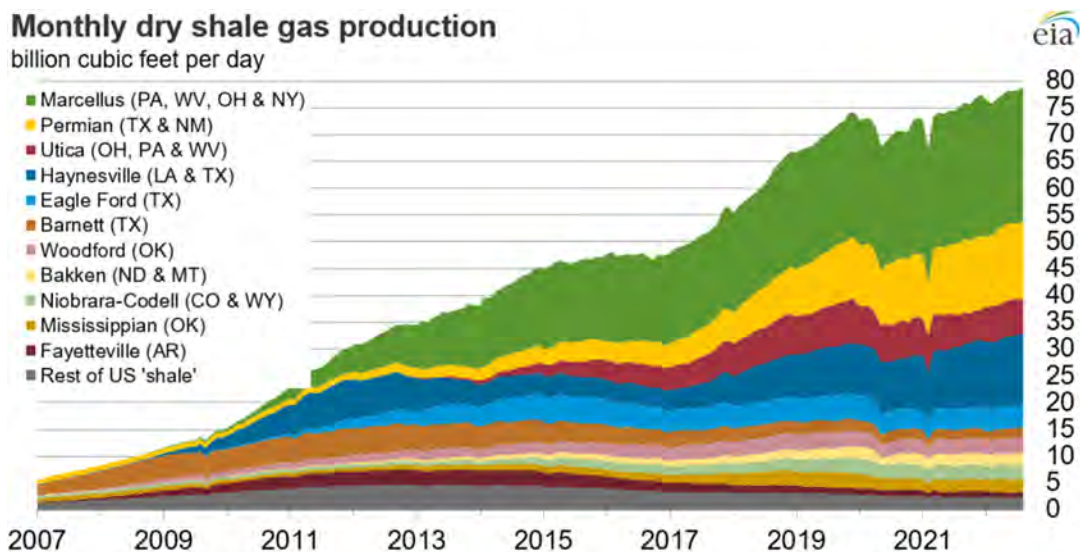


Through our membership in the Gas Authority, all Chambersburg gas is purchased. By means of the Texas Eastern pipeline, all Chambersburg gas is delivered. The “take-point” is on Guilford Springs Road, south of the Borough. The Authority’s pool of member purchases provides significant savings and there 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.



Every month, the Borough works with MGAG 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.

Price of Wholesale Natural Gas

U.S. wholesale natural gas prices rose dramatically in 2022, but returned to more reasonable levels in 2023. Monthly wholesale prices in 2021 averaged about \$3.00 per Dekatherm. Prices began rising in late 2021, and then even more so in 2022. Several months in 2022 saw monthly settlements over \$9.00. There were a number of reasons for the price increases. These include Federal policies discouraging gas production and transportation, increased exports of gas from the U.S. (especially to Europe due to the war in Ukraine), and increased gas demand nationally for electric generation.

Borough customers saw increased gas prices last Winter due to the rise in wholesale prices. More than most other customers in the U.S., we protect our customers’ prices. Due to our portfolio approach to

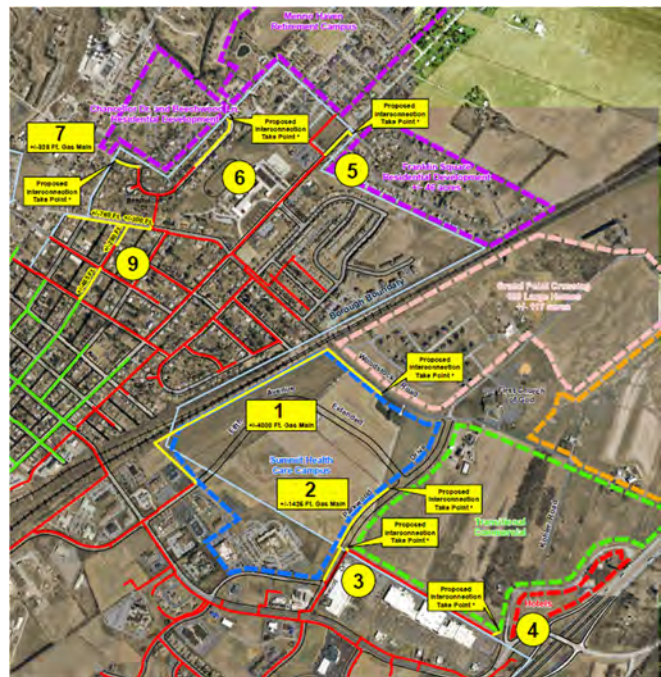
purchasing, we are able to reduce the volatility our customers face. Our hedging of gas on the Futures Market saved Borough customers \$1 Million in 2022. Nonetheless, national price trends do have an impact locally. Thankfully, Borough residents are protected more than other communities served by private gas systems.

Gas Transportation Arrangement with UGI Gas Utilities

The Borough is excited to transport natural gas to UGI Gas. 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.

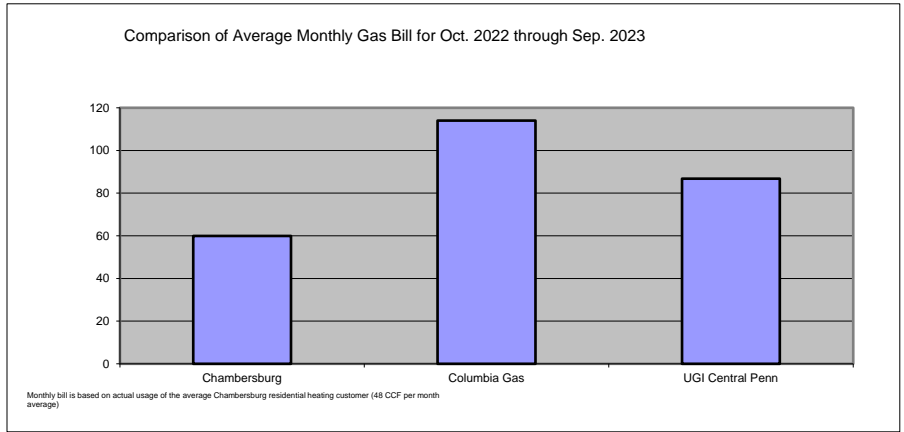
In discussions between Menno Haven and UGI Gas, the two decided to approach the Borough and request a transportation arrangement. The concept was, UGI Gas would buy its own gas supply and have it transported to the Borough’s natural gas interconnection on the Texas Eastern pipeline. Chambersburg would 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. 2022 through Sep. 2023



Cooking with natural gas is impossible to replace, especially for commercial kitchens



Gas fireplaces are a beautiful addition to any home



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.

CLEANER ENERGY IS HERE
ACCESS to natural gas provides AFFORDABLE, LOWER CARBON, FLEXIBLE energy.

- INNOVATION IN ACCESS**
High-tech solutions have made natural gas exploration more **efficient and effective** than ever.
- INCREASED USE**
In 2017, natural gas generated nearly **31%** of all U.S. electricity - the most of any energy source.
- GRID FLEXIBILITY**
Natural gas can **support renewables** when the electricity they generate falls short of demand.

Source: EIA, U.S. Energy Information Administration, "Natural Gas: A Clean, Affordable, and Flexible Energy Source," 2018. U.S. Energy Information Administration, "Electricity Generation in the United States: 2017," 2018. U.S. Energy Information Administration, "Electricity Generation in the United States: 2017," 2018. U.S. Energy Information Administration, "Electricity Generation in the United States: 2017," 2018.



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.

Department Head: John Leary, Natural Gas Utility Director

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$12,864,801	\$14,075,650	\$11,335,910
Expenses	\$12,637,335	\$14,075,650	\$11,335,910
Excess (Deficit)	\$227,466 Surplus*	- Balanced -	- Balanced –

* - A \$282,021 transfer for future capital projects was made after this surplus was realized.

The gain in 2022 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

2024 Rates

The 2024 Natural Gas Utility budget contains no increase in the retail rate for natural gas delivery and support of the department operations. Despite the current rise in wholesale gas prices, Chambersburg is proud of our 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 40% lower than prices charged by local private gas companies. An average Chambersburg residential bill was \$777 for the past twelve months vs. \$1,286 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).

That means that the average residential retail customers saved over \$500 compared to those outside the Borough.

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 -\$0.49). 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.

Month	Avg Units (CCF)	C-burg Base Rate	C-burg PGA	C-burg Cust Charge		C-burg Total Bill
Oct-22	43	1.1264	0.01872	\$8.70		\$58
Nov-22	102	1.1264	-0.03165	\$8.70		\$120
Dec-22	135	1.1264	-0.00283	\$8.70		\$160
Jan-23	114	1.1264	-0.06093	\$8.70		\$130
Feb-23	95	1.1264	-0.12860	\$8.70		\$103
Mar-23	74	1.1264	-0.14221	\$8.70		\$82
Apr-23	33	1.1264	-0.34997	\$8.70		\$34
May-23	17	1.1264	-0.42391	\$8.70		\$21
Jun-23	12	1.1264	-0.44592	\$8.70		\$17
Jul-23	12	1.1264	-0.48854	\$8.70		\$16
Aug-23	12	1.1264	-0.48854	\$8.70		\$16
Sep-23	15	1.1264	-0.48854	\$8.70		\$18

This budget contains no increase in the retail rate for natural gas. 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.

Seeking to Sell More Gas

The Natural Gas Utility is actively searching for additional ways to market clean and affordable natural gas. One way to expand sales has been through the low-cost loan program for residential customers as designed by our municipal consortium, the Municipal Gas Authority of Georgia. As a major non-Georgia member, Chambersburg has taken full advantage of this program to convert oil-based appliances to clean, safe, and affordable natural gas.

We are proud to have a similar program to provide low-cost loans to commercial customers, such as commercial kitchens, which need natural gas. This program is tailored specifically to small businesses, providing an affordable way to allow them to convert to more efficient and cleaner natural gas. Businesses are expected to see energy cost savings immediately, which will pay for the loan and provide additional cost savings. We believe supporting small businesses in Chambersburg helps create jobs and provides a strong backbone to the community.

The year 2024 appears to be a very good year for increasing the number of customers inside the Borough system.

Major items for 2024

- Staff is recommending no gas retail-rate change.
- The proposed budget includes \$2,790,000 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 reserves approximately \$2,000,000 for future capital improvements to the distribution system.
- The proposed budget includes the same number of employees.

2024 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 2022	Total Units	Total Sales
Customer	(CCF)	(\$)
Orchard Park Gen Station	2,986,530	\$ 2,938,029
Chambersburg Hospital	1,085,459	\$ 1,020,618
Knouse Foods Co-Op Inc	1,042,977	\$ 804,610
T B Woods Incorporated	701,762	\$ 481,040
Ventura Foods	674,432	\$ 560,745
BWise Manufacturing	413,968	\$ 380,036
Wilson College	355,830	\$ 287,427
Chambersburg Area Senior High	252,189	\$ 215,524
Falling Spring Power Plant	226,640	\$ 225,459
AES Compassion Care	194,610	\$ 186,055
Heritage Industrial Portfolio	110,562	\$ 95,027

MYTH Direct use of natural gas in homes and businesses is less efficient than all-electric homes and businesses.

FACT The production and delivery of natural gas into homes and buildings is three times more efficient than grid-delivered electricity.²



70% PREFER GAS APPLIANCES

MYTH Consumers want to limit their ability to choose natural gas appliances.

FACT Nearly 70% of new homeowners prefer gas for home and water heating as well as cooking compared to those who preferred electricity for the same use by only an average of 25%.³

MYTH The direct use of natural gas in homes is bad for the environment.

FACT Natural gas appliances are energy efficient and lead to decreased greenhouse gas emissions.⁴



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.

Name Change

Throughout this budget document one will notice that we interchangeably use the name Gas Department and Natural Gas Utility. After more than 80 years of operation, it was felt that Natural Gas Utility was a more appropriate designation, but you will note it takes time to change the name throughout this document and the organization.

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 2023 Chambersburg PILOT Tax Return form.

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Budget</u>
PILOT	\$570,000	\$650,000	\$650,000	\$750,000	\$900,000

**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	150,000	150,000
30015	Revenues - Merchandise & Jobbing	6,000	
	Revenues - Nonutility Operations		
	Nonoperating Rental Income		
30019/30024	Interest & Dividend Income	34,400	
30014/30016/30017/30027	Miscellaneous Nonoperating Income	1,642,910	
	Gain/Loss on Disposition of Property		
30011/30026	Residential/Commercial/Industrial Sales	9,442,000	9,442,000
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	32,000	32,000
	Sales of Water and Water Power		0
	Rent from Gas Property		0
	Interdepartmental Rents		
30013	Other Gas Revenues	28,100	
	Revenues from Transmission of Electricity of Others		0
	Regional Distribution Service Revenues		0
30025	Miscellaneous Revenues	500	500
	All Other Sources		0
Totals of each column		\$11,335,910	\$9,624,500
Tax at the rate of 59 mills Gross Receipts Tax			\$567,846
Town Council Adopted Multiplier			158.4939%
Payment in Lieu of Gross Receipts Tax			\$900,000

11/6/2023



Water Utility Budget

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

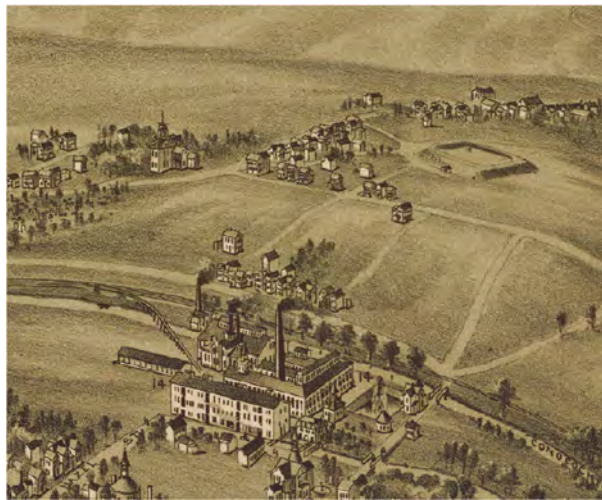
Water Utility Budget

As Proposed for 2024

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 the populace. 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

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 Birkenbine 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 2023, 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 – Fall 2023



Long Pine CXT Restroom – Fall 2023



Long Pine Run Dam Control Tower and Access Road



Long Pine Spillway – July 2018

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.



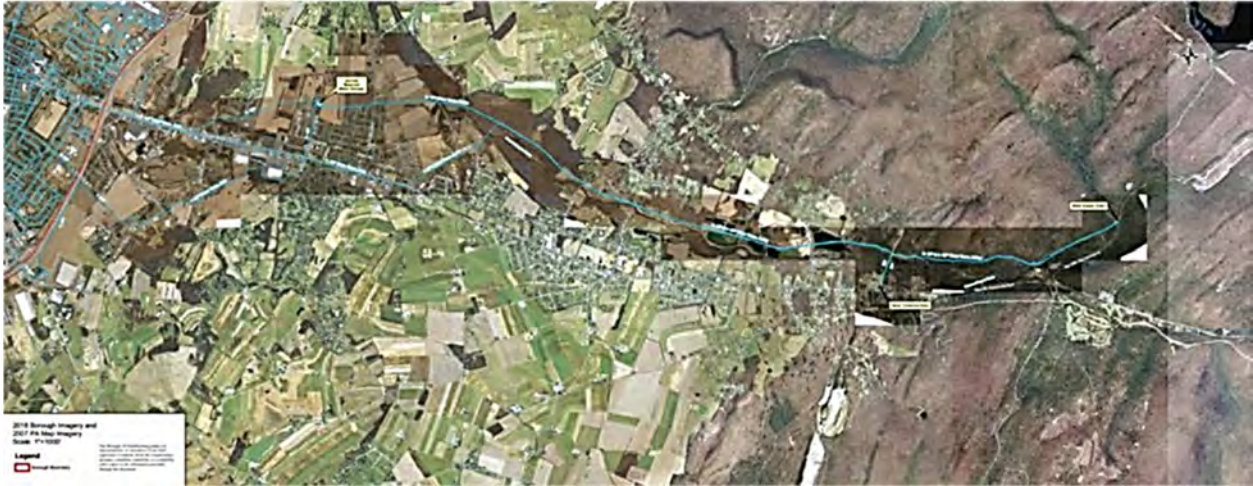
New Source Water Protection Sign - 2023

Water Utility Statistics (2022, last full year)

- Water supply, treatment, transmission, and distribution
- Treated 1.304 billion gallons of water in 2022
- Operation and maintenance of the water production and distribution facilities
- 16 water main breaks repaired in 2022 (National average – 33 breaks)
- 36 total water distribution repairs in 2022
- 21% unaccounted water lost in the system in 2022
- 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 11 fire hydrants in 2022
- 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 project in 2022
- Replaced 281 water meters in 2022



*Julio D. Lecuona Water Treatment Plant
Greene Township
6.0 Million Gallons per Day Capacity*



Water Transmission System from Caledonia

Current On-going Capital Projects



Chambers Street Water Main Extension

- A. 2023 Street Repair Projects: \$124,000 per year dedicated to fixing water infrastructure before streets are paved.
- B. Chambers Street/Reservoir Hill water main extension: \$1,900,000;
 - 2,000 linear feet extension of 16" water main under the Conococheague Creek to Reservoir Hill;
 - Provides redundancy in the water distribution system;
 - Current 10" water main is more than 110 years old;
 - Improves system pressure when filling Birkinbine Tank;
 - Awarded April 11, 2022 to DOLI Construction;
 - Construction completion: August 15, 2023.



Chambers Street/Reservoir Hill Water Main Extension Project Valve Installation

C. Lead Gooseneck Replacement Project: \$3,300,000

- The project includes the excavation and removal/replacement of up to 1,410 lead goosenecks from the service lines of Borough of Chambersburg water customers;
- October 2021 through 2022 yearend - 920 services were completed;
- 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: Fall 2021 through 2023;
- Estimated cost: \$3.3 million;
- 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.



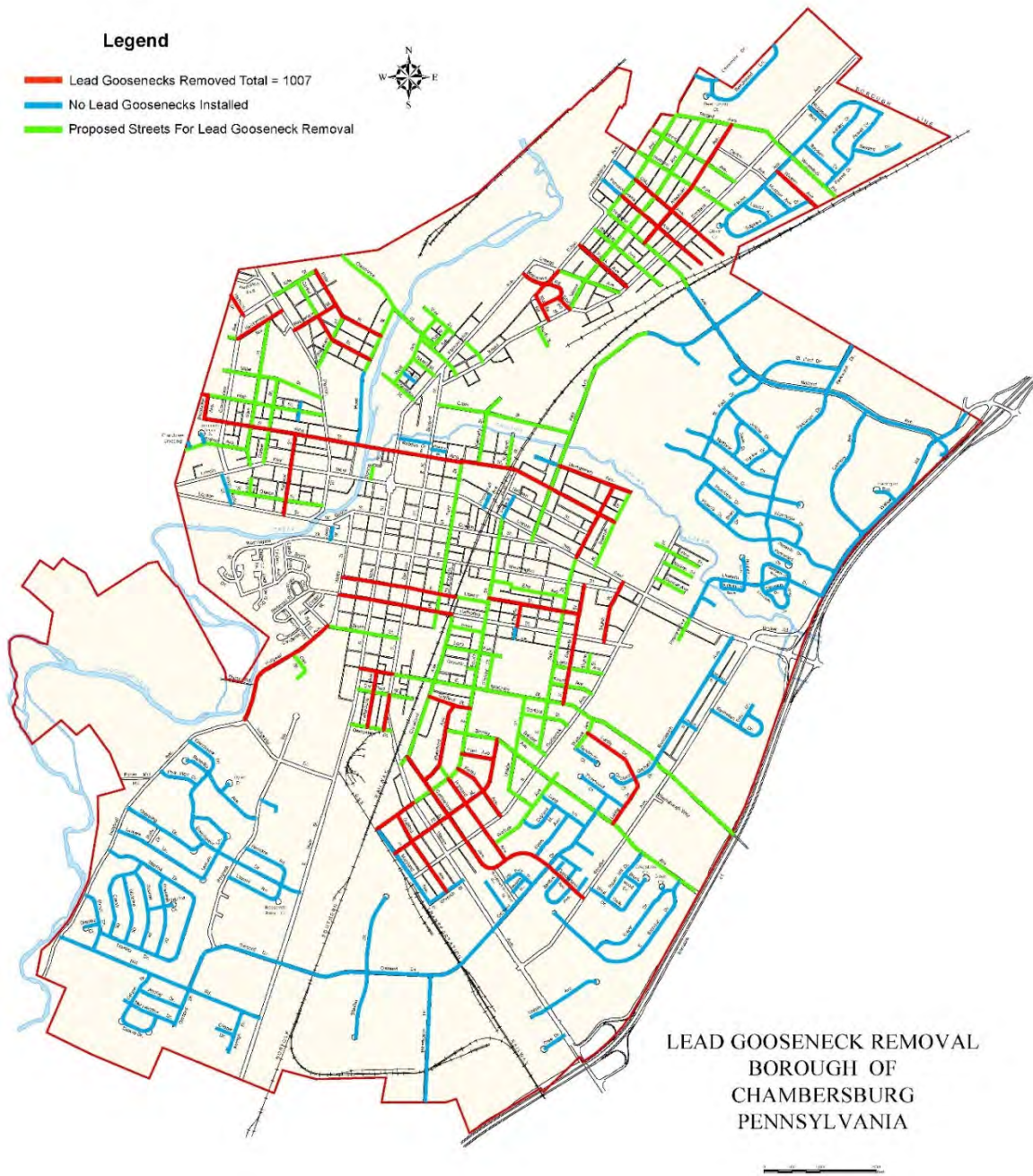
Water Service Excavation with Vac Truck



Water Service Before Gooseneck Removal



Water Service After Gooseneck Removal



Project Scope Shown in Green

D. Alternative Sources of Raw Water: \$200,000

- 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;
- Status: Evaluating property considerations; no further movement in 2023.



Potential Well Sites Near the Water Treatment Plant

Water Meter Radio-Read

In 2023, the Water Utility paused to reevaluate the use of Radio-Read water meters due to technical issues and unavailability of equipment from Sensus. Currently, there are roughly 750 units installed. Most of the Radio-Read units are located east of I-81 and in the Norland Avenue area. In 2024, the Water Utility will continue to evaluate product availability as well as remote read technologies from other manufacturers.



Commonly Used Radio Read Water Meters

Water Distribution System

- 95 miles of pipe length
- 738 fire hydrants
- 2248 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 – 8,256
 - Commercial – 1,022
 - Industrial – 17
 - Municipal – 1
- Total – 9,296

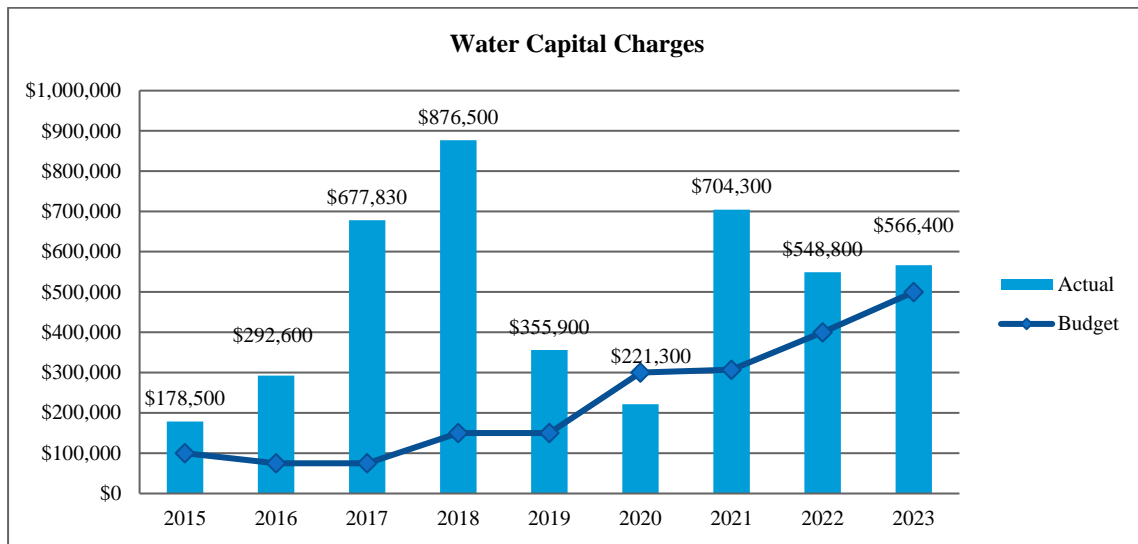


Birkinbine Tank Last Re-Painted in October 2015



WTP Clearwell 2 – 2.5 MG

New Water Connections



Act 57 Tapping Fee Study

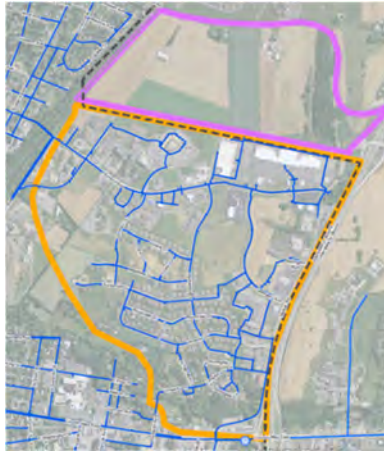
In 2021, the Water and Wastewater utilities completed a professional study to update the current tapping fees (capital charges). A tapping fee is a charge reflecting capital cost to property owners who desire or are required to connect to the Borough’s water and/or sanitary systems. The basic concept 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.

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 2024 Capital Projects

- 2023 Street Repair Projects: \$132,000 per year dedicated to fixing water infrastructure before streets are paved
- Lead Gooseneck Removal: \$3,300,000 (2024 costs: \$1,000,000)
 - The project includes the excavation and removal/replacement of up to 1,410 lead goosenecks from the service lines of Borough of Chambersburg water customers.
 - Work began in 2021 with completion in 2024
- Intake Screening Improvements: \$400,000 (2024 costs: \$30,0000)
 - Replacement of the raw water screen at the intake facility
 - Design work to continue into 2024 with 2025 construction
- Commercial/Industrial Water Meter Replacements: \$400,000 (2024 costs: \$300,0000)
 - Replacement of approximately 300 water meters (¾" and larger)
 - Replacements to take place in 2021 - 2024
- Water Treatment Plant Sludge Upgrades: \$200,000
 - Allows for the direct discharge of clarifier sludge to the sanitary sewer
- Tools, Equipment, Chemical Feed Equipment: \$50,000
 - Tools and equipment necessary for operational improvements
- Grand Point Water District Service: \$1,200,000 (2024 costs: \$100,000)
 - 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 will seek grant funding to support the project. An H2O Grant submission was made December 21, 2022



Grand Point Water District

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



Conococheague Weir Condition



Long Pine Run Weir



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.

Department Head: Lance Anderson, PE

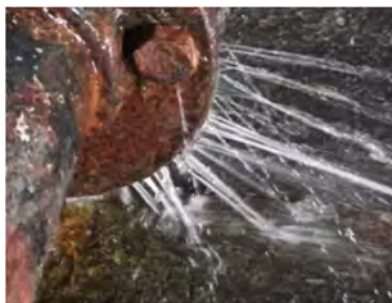
	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$5,755,146	\$5,490,550	\$5,175,125
Expenses	\$4,689,827	\$5,490,550	\$5,175,125
Excess (Deficit)	(\$54,259) Deficit*	- Balanced -	- Balanced -

* - A 2022 deficit was funded by over collection of almost twice as much in 2021. The purpose of which is to maintain a healthy fund balance in the Water Fund.

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 and 2023.

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” is to be increased from \$.22 to \$.25. The rate increase is 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 2024 budget recommends a small water rate increase (.03¢ per unit) to keep pace with rising expenses. Regardless, Chambersburg has the lowest retail rates in the region even after this adjustment.

What does a 3-cent increase in the Water Rate mean?

- The average residential household uses 170 gallons of water per day
This usage equates to 70 “units” per month (1 “unit” = 74.8 gallons)
- 2023 usage charge: \$.22/unit
- 2023 average monthly billing: \$21.35
- 2024 usage charge: \$.25/unit
- 2024 average monthly billing: \$23.45



Municipality	Rate	Monthly Billing
Borough of Chambersburg (Current)	\$ 0.22	\$ 21.35
Borough of Chambersburg (Future)	\$ 0.25	\$ 23.45
Borough of Chambersburg (Outside)	\$ 0.10	\$ 11.96
Guilford Water Authority		\$ 31.20
Bear Valley Water Authority		\$ 84.62
Shippensburg		\$ 32.86
Carlisle		\$ 41.65
Gettysburg		\$ 33.17
Washington Township		\$ 42.11
Waynesboro		\$ 35.31
Greencastle		\$ 61.77

Borough officials hope to correct the limited number of outside Borough water customers in 2024

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 2024. This shift will result in a similar rate increase for these customers.

In 2023, the Water Utility has reserves of over \$4,300,000 in capital funds for future capital projects. In addition, the Water Utility also has reserves of \$2,300,000 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 2024 budget includes \$1,200,000 in support of this initiative.



Proposed Grand Point Water Main Loop

Finally, we maintain an excellent relationship with the Bear Valley Joint Municipal Authority, our largest water customer.



The Interconnection Pump Station at Sollenberger Road between the Chambersburg Water System and the Bear Valley Joint Intermunicipal Authority

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 2022, because of the new coagulant use, there have been no shutdowns due to Iced Tea raw water.

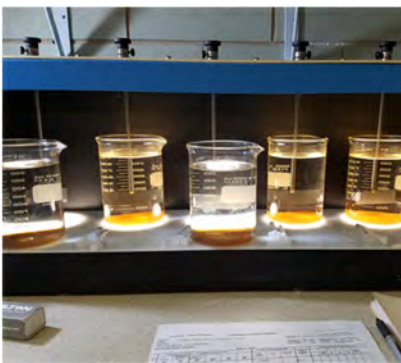


“Iced Tea” Raw Water – Conococheague Creek

The Water Utility continues to evaluate its staffing needs. In 2019, the Borough's Water/Wastewater Engineer, GHD, completed a staffing analysis of Water/Wastewater operations. The analysis recommended additional Water Treatment Plant employees based on the plant's operational needs, maintenance needs, and regulatory 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, which include the following:

- Lead and Copper sampling increased from 30 samples every 3 years to 30 samples per year (300% increase).
- Routine regulatory sampling increased from 20 samples per month, prior to 2017, to the current level of 30 samples per month in 2022.
- Unregulated Contaminant Monitoring Rule (UCMR) 5 sampling requirements will begin in 2024 with UCMR 4 sampling now completed.
- Bacteria analysis estimated to increase to 1,600 samples in 2022 with increased reporting requirements for Public Water Supplies. Typically, the WTP Lab analyzed 1,100 samples 8 years ago.
- Sampling plans (DRR, RTCR, LCR, Method 334, and Filter Bed Evaluation) require periodic updates with submissions made to DEP.

In 2024, no additional Water Treatment Plant personnel are proposed.



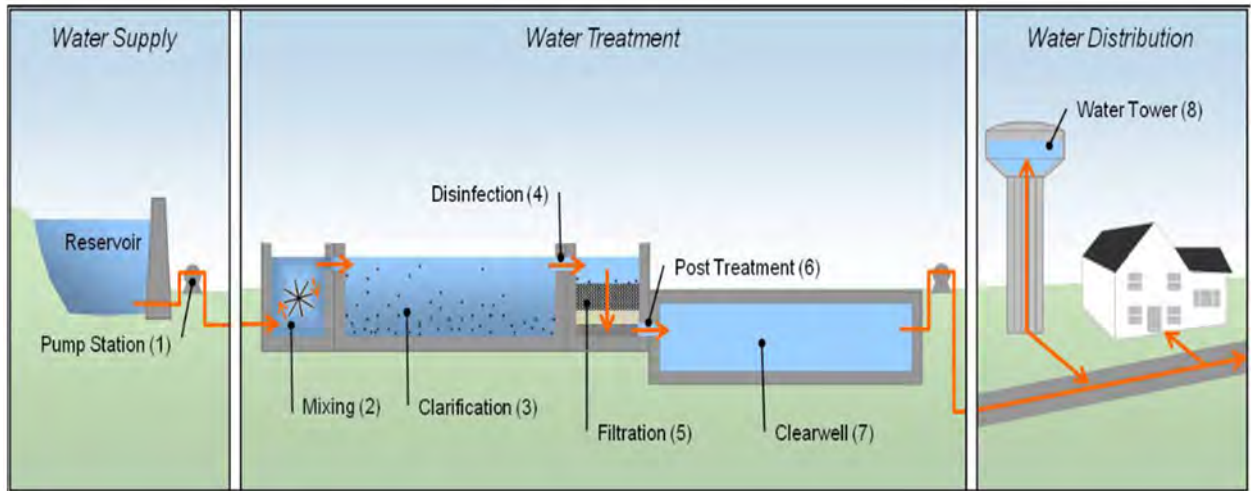
Laboratory Testing of Raw Water

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 2023 with the completion of a 2,000 linear feet extension of 16" water main from Chambers Street to Reservoir Hill.

Major items for 2024:

The proposed budget includes \$1,680,000 in capital improvements to the Water Utility infrastructure; including:

- Commercial/industrial water meter replacements
- Lead gooseneck replacements
- WTP upgrades – sludge processing
- Intake screening improvements
- Grand Point water service
- Tools, equipment, chemical feed equipment



Largest Customers (in dollars sold)

	Customer	Units Used	Net Amount	Daily Avg. (Gallons)
1	Bear Valley Authority (Intermunicipal)	3,967,169	\$1,136,565.45	812,998
2	Ventura Foods LLC	628,104	\$98,745.92	128,718
3	Chambersburg Hospital	408,743	\$80,245.23	83,764
4	Knouse Foods Co-op Inc.	375,714	\$57,302.78	76,996
5	Menno Haven Penn Hall	129,200	\$37,705.33	26,477
6	Martin's Famous Pastry (Guilford)	270,392	\$23,357.31	55,412
7	HTI Recycling	119,445	\$20,648.06	24,478
8	Americold Logistics LLC	55,965	\$18,802.25	11,469
9	Crider's Water Service	42,596	\$16,612.44	8,729
10	Tommy's Express Car Wash	106,800	\$16,655.92	21,887
11	Barclay Village	61,940	\$15,266.54	12,693
12	Manor Care	81,806	\$13,623.86	16,765

Name Change

Throughout this budget document one will notice that we interchangeably use the name Water Department and Water Utility. After more than 152 years of operation, it was felt that Water Utility was a more appropriate designation, but you will note it takes time to change the name throughout this document and the organization.

Payment In Lieu Of Gross Receipts Taxes (PILOT)

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 department's operations.



Nitterhouse Tank

11/6/2023



Wastewater Utility Budget

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Wastewater Utility Budget

As Proposed for 2024

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.

The Current Sanitary Sewer 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

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



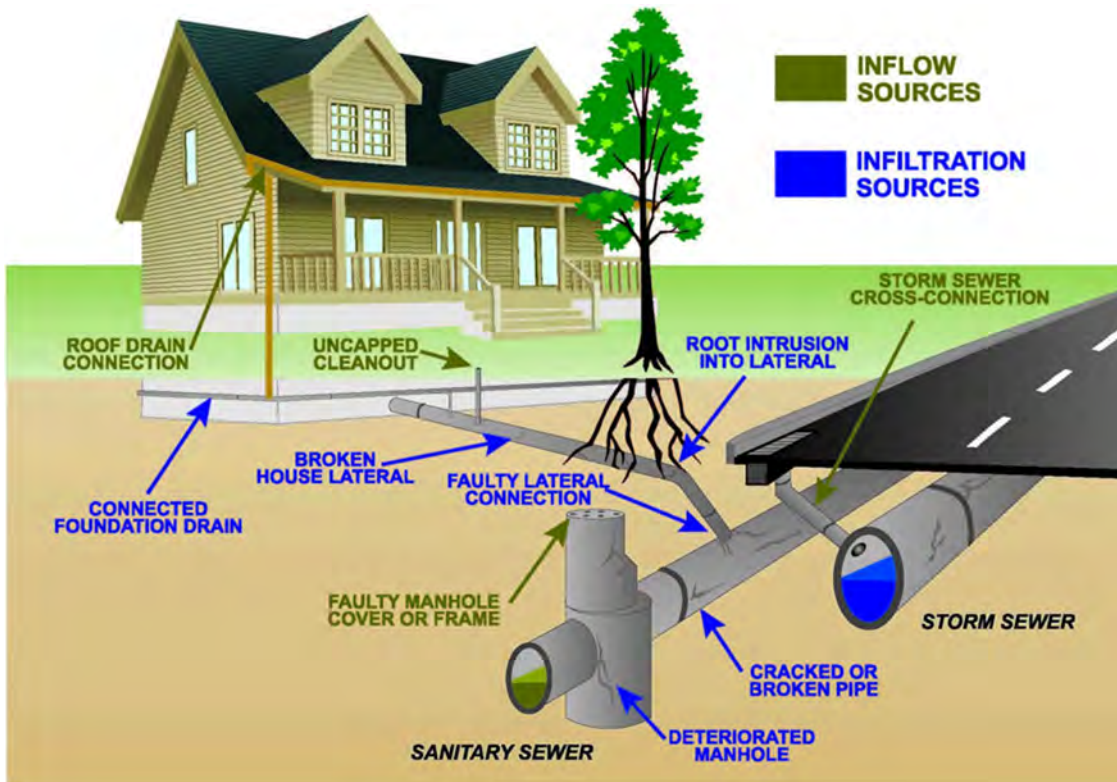
Biosolids Treatment Facilities



Disinfection Facilities



Final Outfall to Conococheague Creek



The Wastewater Utility works to keep Inflow and Infiltration out of the sewer system. For example, in 2022 there was 1,412 linear feet of terra cotta sewer main replaced with modern PVC sewer main by Wastewater Utility personnel.



Raw Water Influent vs. Final Effluent

Wastewater Utility Services

- Regional wastewater conveyance and treatment
 - Treated 2,103,000,000 gallons of wastewater in 2022
 - Average daily wastewater treatment plant flow: 5.763 mgd
 - Decrease from 2021 of 11.9%.
- Sewer customers
 - Residential 8,130
 - Commercial 975
 - Industrial 19
 - Municipal 3
- Operation and maintenance of the collection and treatment facilities
 - Replaced 1,412 feet of sewer main in 2022
 - 174 wastewater maintenance repairs in 2022
 - 3,516 feet of mains televised in 2022
 - 2,681 feet of contractor installed sewer main extensions were completed in 2022
- Operation of the sewer treatment plant laboratory
 - Perform regulatory and control testing for the WWTP.
- Sewer 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.

Capital Investments

- 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 2024
- Laurich Meadows Pump Station: \$2,000,000
- Includes the complete relocation and replacement of the pump station
- 2024 design project
- WWTP Thickener Roof Removal: \$110,000
- Removal of a deteriorating roof from a tank structure
- Currently on-hold pending operational changes
- Street Repair Projects 2023: Approximately \$336,000 per year dedicated to fixing infrastructure before streets are paved
- Estimated cost: \$2,000,000.

East Conococheague Pump Station Project

- Estimated cost: \$2,000,000

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.

Repair obstacles:

- Located in the stream bank or wetlands
- Adjacent to the cemetery behind Falling Spring Presbyterian Church
- The pipe was cast in place on an existing stone wall

The pump station will transfer flow across the Conococheague Creek to the West Conococheague interceptor.

Anticipated construction years: 2024-2025.



Chambers Street

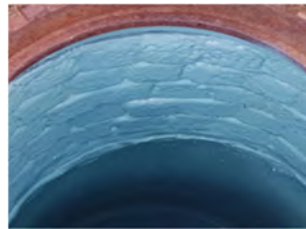
If possible, following construction, it would be the goal of the Wastewater Utility to maintain creek access at the end of Chambers Street.

Recommended 2024 Capital Projects

- Street Repair Projects 2024: \$438,000 per year dedicated to fixing sewer infrastructure before streets are paved.
- WWTP solids processing improvements: \$400,000 (2024 costs: \$200,000)
 - Improve processing to reduce sludge production and make all sludge available for land application.
- East Conococheague pump station: \$2,000,000 (2024 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: 2024-2025.
- Laurich Meadows pump station: \$2,000,000 (2024 costs: \$1,000,000)
 - Relocation and construction of a pump station that supports sewer service for Laurich Meadows
 - Anticipated construction years: 2024-2025.
- WWTP thickener roof removal: \$110,000 (2025 construction)
 - Removal of a deteriorating roof from a tank structure.
- WWTP equipment evaluation and upgrade: \$9,000,000 (2024 costs: \$100,000)
 - Evaluation of aging WWTP equipment for future replacement and/or upgrade
 - Equipment included UV disinfection, belt press, old headworks, grit removal, and SCADA.
- Grand Point sewer service: \$50,000
 - The project supports future development and sewer service in Greene Township.
- Sewer equipment and tools: \$50,000.
- Manhole rehabilitation/sewer lining: \$60,000.
 - Rehabilitation of existing sewer infrastructure when replacement is not feasible.



Sewer Main Installation



Manhole After Rehabilitation



Aging Equipment – UV Disinfection



Aging Equipment – Belt Press



Aging Equipment – Grit Removal



Aging Equipment – Old Headworks



Laurich Meadows Pump Station



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 investigate using 1335 S. Fourth Street and the future Public Works site as part of potential storm sewer improvements in the area in order to eliminate flooding on Moon Court. Additionally, 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



Office Building Occupied at 1332 S. Fourth Street

In addition to the 2021 purchase of the old Cold Storage Building, the Borough purchased an adjacent home at 342 Wayne Avenue, which has been demolished. Those two tax parcels have been added to the Wagner site. Finally, the Borough remains interested in other possible nearby parcels. The Borough engaged SGS Architects/Engineers of Carlisle, Pennsylvania, has completed a facility review and a number of scenarios are being evaluated in order to accommodate the eventual uses as proposed by the Borough.

The Wastewater Utility operates a Waste Water 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

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.

Department Head: Lance Anderson, PE

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$7,517,685	\$7,187,920	\$7,543,200
Expenses	\$7,363,795	\$7,187,920	\$7,543,200
Excess (Deficit)	\$153,890 Surplus	- Balanced -	- Balanced -

In 2022, a surplus was realized which was transferred to Capital Reserve to help pay for future projects.

As of now, the Wastewater Utility needs no additional rate increase. In 2024, we will continue aggressive investment in capital projects to improve the system with no rate increase.

The cause of the last increase of 16% in December 2012 (eleven years ago), 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.

While we have enjoyed no rate increase in 11 years, as investment continues to be necessary; a future rate increase may also someday become necessary.

In 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 2022, hauling costs were approximately \$155,000. The additional WWTP operation resulted in one additional Water/Wastewater shared employee added in 2023.



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, the 2024 budget includes the recommendation to fund three new Maintenance Person positions to increase the field crew from five to eight individuals. The additional personnel will 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.

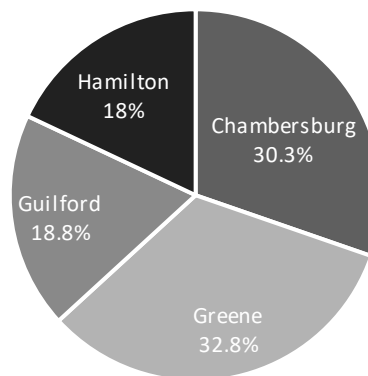
The 2024 Budget reflects these changes. While it remains possible, additional capital investments and further staffing changes may someday trigger a rate increase, there is no need now.

Intermunicipal Cooperation

Regional wastewater treatment
2010 Intermunicipal Agreement (IMA)

Wastewater Conveyance
2015 Intermunicipal Agreement (IMA)

Grand Point Sanitary Sewer Service
Continue to work with Greene Township
New point of connection ~250 EDUs



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 based on annual average flow 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:

Interceptor	Contributing Municipalities
East Conococheague	Chambersburg, Guilford
West Conococheague	Chambersburg, Greene, Guilford, Hamilton
Falling Spring	Chambersburg, Guilford
South End	Chambersburg, Guilford

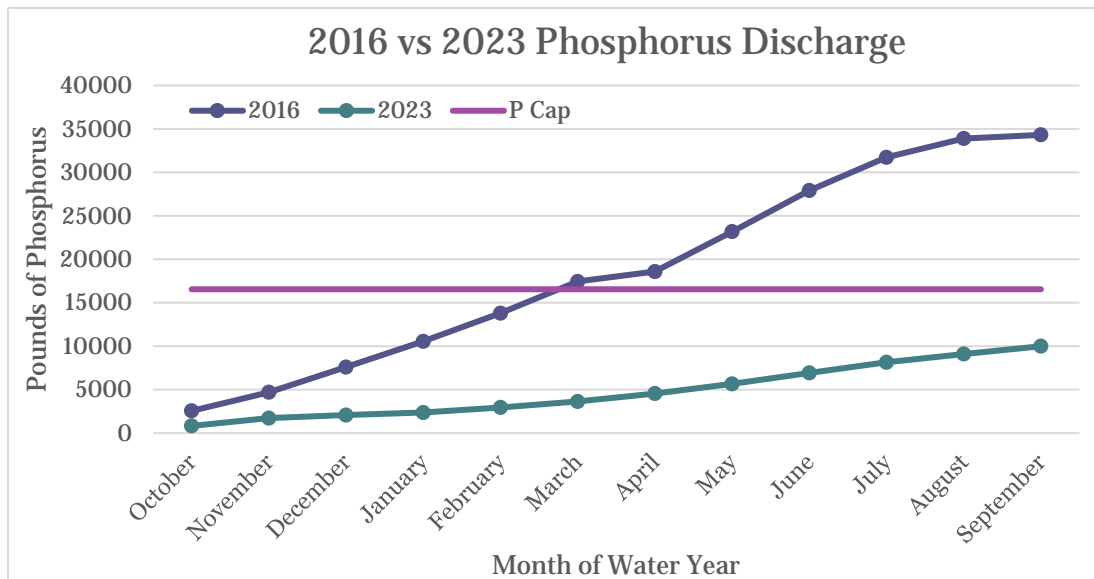
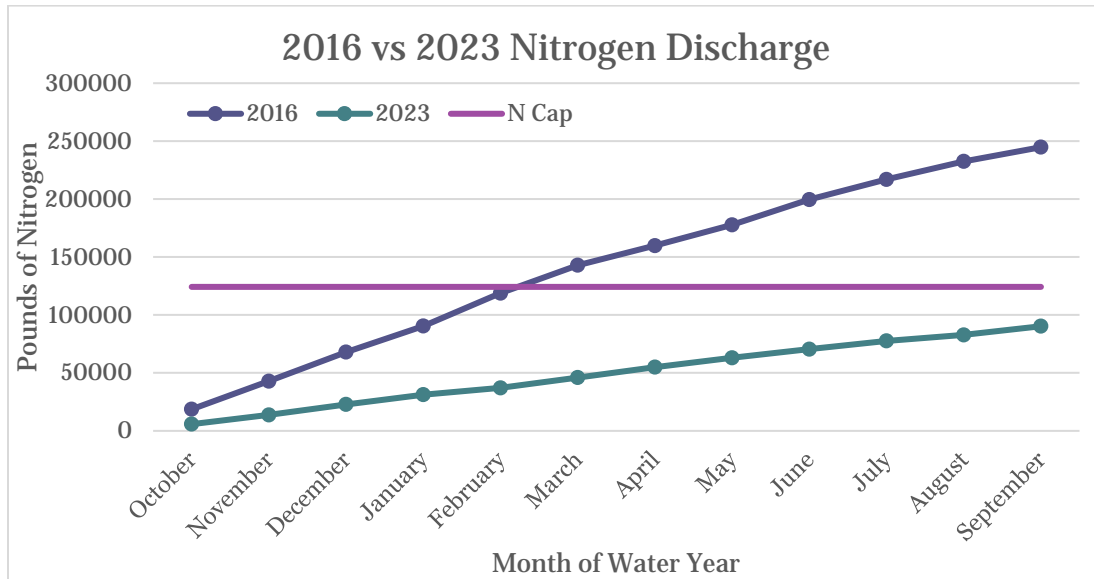
Capacity in each of the interceptors is distributed based on peak instantaneous flow and all associated costs are shared subject to the provisions of a separate 2015 Intermunicipal Agreement.

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 Authority was executed defining this cooperative effort. The 2024 budget includes \$50,000 in support of this initiative.



Cooperative Sewer Service Area – Greene Township

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.

Sewer Rental Rate

Staff is proposing no rate increase; the last rate increase was in December 2012; the average residential sewer bill is \$29.50 per month. The existing rates are sufficient to provide for the operation and maintenance of the system and capital investment for projects already underway or conceived.

It is likely that future capital improvements or staffing changes may require future rate increases.

The 2024 Budget does not include any rate increase.

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



Name Change

Throughout this budget document one will notice that we interchangeably use the name Sewer Department and Wastewater Utility. After more than 110 years of operation, it was felt that Wastewater Utility was a more appropriate designation, but you will note it takes time to change the name throughout this document and the organization.

11/6/2023

Other Enterprise Department Budgets

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager

The Borough of Chambersburg

Other Enterprise Department Budgets

As Proposed for 2024

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. Under enterprise fund accounting, accounting separates the revenues collected and expenditures related to services into separate accounts. Each account has its own financial statements, rather than commixed 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, sanitary sewer, 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.

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 reported using full accrual accounting standards similar to private sector businesses. Revenues are recognized when earned, expenses are recognized when incurred, and assets are depreciated. An enterprise fund provides Council and taxpayers with information to:

- Measure performance
- Analyze the impact of financial decisions
- Determine the cost of providing a service
- Identify any subsidy from the general fund in providing a service.

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, Chambersburg maintains a Sanitation Fund, a Storm Sewer Utility Fund, and a Parking, Traffic, and Street Lights Fund; all operated as separate enterprises of the Borough.

Beginning in 2017, Chambersburg added another business-like fund to our list: the Aquatic Center. This is common for municipal recreation facilities, like swimming pools or golf courses. However, operating in an independent fund, the Aquatic Center struggles were manageable. Further, Council earmarked the American Rescue Plan Act funding to restore the fund balance of the pool for future maintenance.

Sanitation Department



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.

Department Head: Charles Nipe
 Operations Supervisor: Arnold Barbour
 Assistant Operations Supervisor: Robert Howard

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$4,284,825	\$4,467,264	\$4,859,348
Expenses	\$4,527,256	\$4,467,264	\$4,859,348
Excess (Deficit)	(\$242,431) Deficit*	- Balanced -	- Balanced -

In 2022, the Sanitation Department 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 Department envisions a **residential increase of \$3.00 per month (\$25 to \$28) and this budget is proposing a commercial rate increase of \$1.70 per cubic yard (\$13.30 to \$15)**. The Chambersburg Sanitation Department 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.

Chambersburg Sanitation Residential Rate (2024): \$28/month including recycling, semi-annual bulky-item and annual E-waste drop-off events
Other Trash Systems:
Waste Management (2023):
\$43.33/month - Includes recycling, but no bulky
Waste Connections (2023):
\$40.83/month - Includes recycling, but no bulky
Apple Valley (2023):
\$36.67/month - Includes recycling, but no bulky
Worthy's Refuse (2023):
\$31.00/month -no bulky or recycling

The rates charged by the Sanitation Department remain significantly below private sector competition for trash disposal in the region, even after the 2024-rate increase.

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 Department 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 2024, the Department will be evaluating our street sweeping program to determine if our current system capacity meets the growing demands of the Borough.

The Sanitation Department 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 Department 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.



*Borough Sanitation Employees
Luis Perez and Jayson Cordero at Work*

Major Activities of the Sanitation Department

- 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



Street Sweeping, Gateway Ave

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.

Bulky Waste



Bulky Item Collection at the Borough Farm, September 2023

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 a \$66.50 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.

The following are bulky items:

Air Conditioners
Bathtubs
Beds
Bicycles-Tricycles
Bookcases
Box Springs
Carpet
Chairs
Commodores

Freezers
Furnaces
Furniture
Heaters
High Chairs
Ladders
Lamps
Landscape Logs
Lawn chairs

Rugs
Screens
Sheds (metal)
Sinks
Speakers
Spouting
Stands (wire, wood, plastic)
Stoves
Stools

Couches
Cribs
Desks
Dishwashers
Drapery Rods
Dry Paint Cans
Dressers
Drums
Dryers

Lawn Mowers/Sweepers
Lighting fixtures
Mattresses
Mirrors
Mops and Brooms
Ottomans
Picnic Tables
Picnic Umbrellas
Refrigerators

Strollers
Tables
Toys (large plastic)
Trash Cans
Vacuum Cleaners
Washers
Water Heaters
Wheelbarrows
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



Illegally Dumped Items

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 three 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) 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 (the mortgage) for the site in 2021 with 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 contractor: H & H General Excavating d/b/a Country Boy Mulch & Soil Products



Leaf Vacuum Truck

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 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 the property was completed mid-2023.

Over time, the Borough will renovate the site to eventually replace the existing Borough public works facility located on Loudon Street at the corner of South Franklin Street. 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.

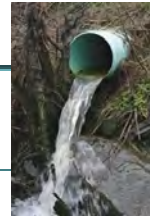
SGS Architects/Engineers was engaged in 2021 and a building committee is developing a concept plan to update the site. The next phase, Design Development, began in early 2023; however, construction would not begin until 2025, with full occupancy estimated in 2026.

This project will be a joint project between Motor Equipment, Highway, Sanitation, Engineering, and Water/Wastewater departments.



It appears that for organization of this new public works campus, much of the finances for the project will pass through the Sanitation Department.

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 2023 will mark the eighth 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 Supervisor, Andrew Stottlemyer
 Storm Sewer Utility, Robert Nolan

	<u>2022 Actual*</u>	<u>2023 Budget**</u>	<u>2024 Budget***</u>
Revenue	\$1,135,583	\$1,170,870	\$1,515,660
Expenses	\$1,078,712	\$1,170,870	\$1,515,660
Excess (Deficit)	\$57,411 Surplus	- Balanced -	- Balanced -

* - Finally, 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, will continue to receive that credit.

While there is no recommended increase in the Equivalent Residential Unit (ERU) rate, lifting of the across-the-board non-single-family-residential property discount results in more income for the Storm Sewer Utility. This income is needed for the ambitious series of programs and initiatives in this budget.

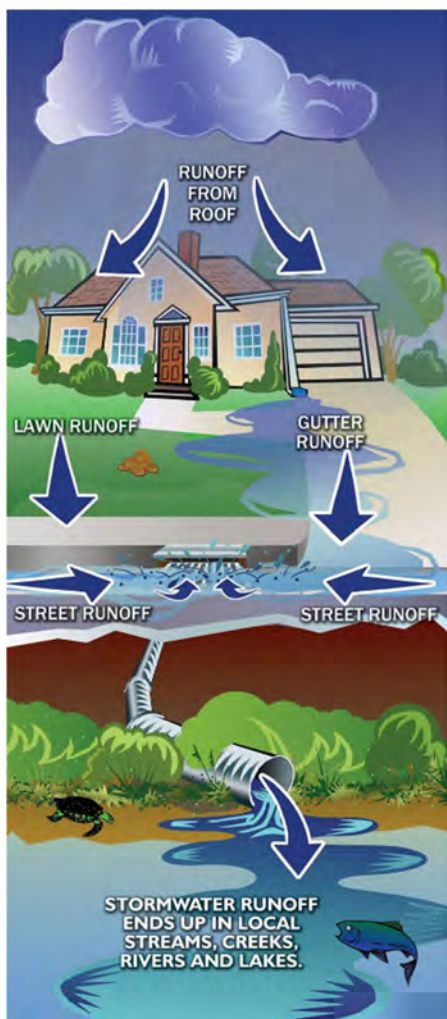
MS4 Permit

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 will expire 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.

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 resident equivalent units or ERU. This new calculation methodology is commonplace and recommended by the United States Department of Environmental Protection.

For 2023, 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 extended to all non-single-family residential customers a 30% Structural BMP Credit for a period of one year, from January 1 through December 31, 2023. Council also approved a Storm Sewer Management Program Credit Policy Manual that explains how property owners can comply with the Structural BMP Credit requirements to retain the 30% credit beyond December 31, 2023. Noncompliance as of December 31, 2023 would eliminate the 30% credit with the first full utility billing cycle in January 2024.



For 2024, staff recommends continuing the \$5 per month ERU fee 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. However, staff recommends eliminating the 30% Structural BMP Credit for all non-single-family residential customers, which was provided in 2022 and 2023. To date, 30 of 745 customers have been approved for permanent 15% or 30% Structural BMP Credit, which accounts for 799.5 credits, reducing non-single-family residential ERUs from 11,370 to 10,570.5.

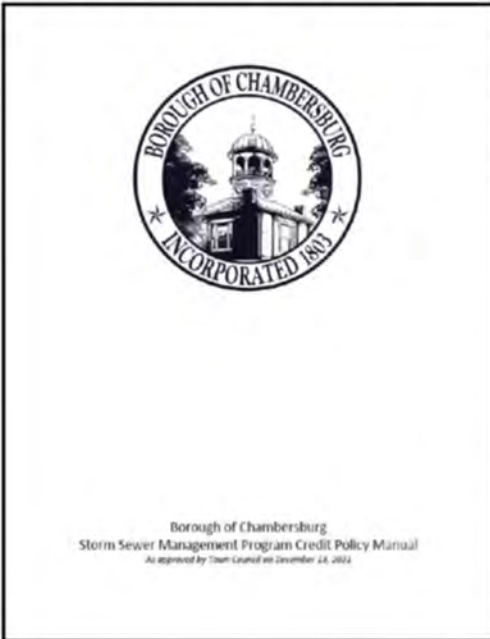
Storm Sewer Pollution Control Fee and Credit Program

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 7,172 single-family residential and 744 non-single-family residential customers paying for 21,848.5 ERUs encompassing 63,797,620 square feet of impervious area. Of the 21,848.5 ERUs, 7,172 are for single-family residential customers and 14,676.5 are for non-single-family residential customers. One ERU equals 2,920 square feet.

LAND USE	CUSTOMERS	SQUARE FEET	PERCENTAGE TOTAL
Single-family	7,172	20,942,240	33%
Non-single-family	744	42,855,380	67%
Total	7,916	63,797,620	

Storm Sewer Pollution Control Fee and Credit Program



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	Educational program to be offered in Council Chambers on Tuesday, November 15, 2022 at 7:00 p.m. Single-family residential customers that attend will receive reimbursement for one per ERU fee (\$5).
STRUCTURAL BMP CREDIT	<p>All non-single-family residential customers received a 30% Structural BMP Credit for a period of one year, from January 1 through December 31, 2022.</p> <ul style="list-style-type: none"> • 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. • 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. • 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>140 of 744 non-single-family customers have structural BMPs with 22 customers approved in 2022 for 30% credit and 7 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

STORM SEWER POLLUTION CONTROL FEE CUSTOMERS WITH APPROVED BMPS						
	Customer	Address	ERU	ERU w/ Credit	Percentage	Annual Revenue
1	Chambersburg Area School District	N. Franklin St./S. Sixth St./Stanley Ave.	550.5	385	30%	\$23,100
2	Wilson College	Philadelphia Ave.	360	252	30%	\$15,120
3	Ventura Foods	Orchard Dr.	360	252	30%	\$15,120
4	Keystone Sheets	Nitterhouse Dr.	219.5	186.5	15%	\$11,190
5	Borough of Chambersburg Recreation Department	Various Locations	168	130.5	30%	\$7,830
6	Borough of Chambersburg WWTP	Hollywell Ave.	186	130	30%	\$7,800
7	Keystone Rural Health Center	Chambers Hill Dr./Fifth Ave.	148.5	104.5	30%	\$6,270
8	Keystone Ford	Walker Rd.	114.5	80	30%	\$4,800
9	Chambersburg Square	Norland Ave.	104	72.5	30%	\$4,350
10	Franklin County	N. Main St./N. Second St.	95	67	30%	\$4,020
11	Franklin Logistics	Sheffler Dr.	78.5	66.5	15%	\$3,990
12	Jennings Chevrolet Buick GMC	Norland Ave.	83	58	30%	\$3,480
13	Cluggy's Amusement Center	Bedington Blvd.	63.5	54	15%	\$3,240
14	All Boxed Up	S. Main St.	72	50.5	30%	\$3,030
15	Patriot Federal Credit Union	Wayne Ave.	65	45.5	30%	\$2,730

Storm Sewer Pollution Control Fee and Credit Program

STORM SEWER POLLUTION CONTROL FEE CUSTOMERS WITH APPROVED BMPS						
	Customer	Address	ERU	ERU w/ Credit	Percentage	Annual Revenue
16	Gateway Shopping Center	Gateway Ave.	48	33.5	30%	\$2,010
17	First United Methodist Church	S. Second St.	41.5	29	30%	\$1,740
18	The Orchards	Orchard Dr.	41.5	35.5	15%	\$2,130
19	Chambersburg Bible Church	Orchard Dr.	31.5	27	15%	\$1,620
20	Abe's Auto Service	S. Main St.	39	27.5	30%	\$1,650
21	Orchard Park Commons	Orchard Dr.	39	27.5	30%	\$1,650
22	The Butcher Shoppe	Stouffer Ave.	38.5	27	30%	\$1,620
23	Tolbert Masonry	Hollywell Ave.	28	24	15%	\$1,440
24	Sheetz	Norland Ave.	25	17.5	30%	\$1,050
25	Mission Hill Church	Pleasant St.	21.5	15	30%	\$900
26	Parkview Corner	E. South St.	15	10.5	30%	\$630
27	Pavilion Shoppes	Walker Rd.	13	9	30%	\$540
28	Simple Choice Cremation Services	Orchard Dr.	11	9.5	15%	\$570
29	Bruster's Real Ice Cream	Gateway Ave.	7	5	30%	\$300
30	Royer's Flowers & Gifts	St. Paul Dr.	5	3.5	30%	\$210

Storm Sewer Pollution Control Fee and Credit Program

Town Council set the 2023 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. All non-single-family residential customers receive a 30% Structural BMP Credit for a period of one year, from January 1 through December 31, 2023. Noncompliance as of December 31, 2023 will automatically eliminate the 30% credit with the first full utility billing cycle in January 2024 for those customers who do not qualify.

2023 STORM SEWER POLLUTION CONTROL FEE				
Fee Amount	Credit	Single-family	Non-single-family	Total Annual Revenue
\$5 per month	30%	\$430,920*	\$676,440	\$1,107,360

* Single-family residential customers that attend educational program on December 12, 2023 will receive reimbursement for one per ERU fee (\$5).

CUSTOMERS	IMPERVIOUS AREA	IMPERVIOUS AREA PERCENTAGE	REVENUE PERCENTAGE
Single-family	20,971,440 sf	39%	47%
Non-single-family	33,200,400 sf	61%	53%

Storm Sewer Pollution Control Fee and Credit Program

For 2024, staff recommends continuing \$5 per month ERU fee 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. Staff recommends eliminating the 30% Structural BMP Credit for all non-single-family residential customers, which was provided in 2022 and 2023. To date, 30 of 745 customers have been approved for permanent 15% or 30% Structural BMP Credit, which accounts for 799.5 credits, reducing non-single-family residential ERUs from 11,370 to 10,570.5.

2024 STORM SEWER POLLUTION CONTROL FEE			
Customers	Fee Amount	ERUs	Total Annual Revenue
Single-family	\$5 per month	7,182	\$430,920
Non-single-family with credit	\$5 per month	2,105	\$126,300
Non-single-family without credit	\$5 per month	14,284	\$857,040
Total		23,571	\$1,414,260

CUSTOMERS	IMPERVIOUS AREA	IMPERVIOUS AREA PERCENTAGE	REVENUE PERCENTAGE
Single-family	20,971,440 sf	39%	30%
Non-single-family	33,200,400 sf	61%	70%

2024 Revenue and Expenditure Recommendations

- Staff recommends eliminating the 30% Structural BMP Credit for all non-single-family residential customers, which was provided in 2022 and 2023;
- Staff also recommends seeking \$5M bond to fund Capital Improvements Projects for 2024/2025/2026, with annual debt service to be paid with revenue from Storm Sewer Pollution Control Fee. The bond itself does not necessitate a rate increase now but may if more construction projects are needed in the future;
- No personnel or vehicle changes recommended for 2024. Vehicle fleet includes 2020 Ford F Series Truck;

Storm Sewer Pollution Control Fee \$5 per ERU	\$1,414,260
Hamilton Township and St. Thomas Township	\$5,000
Other revenue	\$5,000
Total	\$1,424,260
Revenue	\$1,424,260
Operations	\$500,000
Maintenance/Capital Improvements/Bond Payments	\$924,260
Capital Reserve Balance September 30, 2023	\$1,938,150



Falling Spring Streambank Restoration Project

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 12, 2023

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 12, 2023 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 for 2023:

- Welcomed Penny Morrison, Utility Secretary;
- Successfully completed Pennsylvania Department of Environmental Protection monitoring for MS4 Permit;
- Hired David H. Martin Excavating to complete the South Main Street Stormwater BMP Implementation Project for total cost of \$284,452.50, which was partially funded with Watershed Restoration and Protection Program grant;
- Hired Fayetteville Contractors to complete the Center Street Improvements Project, Phase 2 for total cost of \$421,735.73, which is funded with CDBG and Storm Sewer Capital Reserve;
- Hired Flyway Excavating to complete the Falling Spring Streambank Restoration Project, Phase 2 for total cost of \$19,500, which is funded with Watershed Restoration and Protection Program grant;
- Hired FlockWorks to provide guided goat grazing to clear overgrown land along the banks of the Conococheague Creek adjacent to the Rail Trail for a total cost of \$5,651.58;
- Secured grant funding through the PA Fish and Boat Commission Boating Facility Grant program in the amount of \$58,500 for the Conococheague Creek Adaptive Canoe and Kayak Launch at the Chambersburg Rail Trail;
- Secured grant totaling \$220,000 from the Chesapeake Bay Trust Green Streets, Green Jobs, Green Towns program to complete the Chambersburg Rail Trail Stormwater Management Project, BMP project proposed through Chesapeake Bay Pollutant Plan;
- Hired Biohabitats to develop a conceptual plan for the Falling Spring Presbyterian Church Floodplain Restoration Project and to add the project to the Chesapeake Bay Pollutant Reduction Plan;
- Issued 8 Stormwater Management Code violation notices;
- Through September 30, 2023, spent \$53,098.29 on various storm sewer system maintenance projects and estimate spending \$20,000 more through December 31, 2023.



Falling Spring Streambank Restoration Project



Outfall Pipe To Conococheague Creek



FlockWorks Guided Goat Grazing



Rhodes Drive Stormwater Management Facility BMP Maintained by Storm Sewer Utility



Liberty Street Storm Sewer System Improvements



Vine Street Box Top Replacement



South Main Street Stormwater BMP Implementation Project



Center Street Storm Sewer System Improvements

Storm Sewer Utility Goals for 2024:

- No Storm Sewer Pollution Control Fee, personnel, or vehicle changes recommended for 2024. Vehicle fleet includes 2020 Ford F Series Truck;
- Implement Phase 1 of pipe camera inspection and cleaning project, which is estimated to cost \$1,500,000 over several phases/years;
- Expend \$220,000 Chesapeake Bay Trust Green Streets, Green Jobs, Green Towns Program grant, plus \$86,574 from Capital Reserve, to complete Chambersburg Rail Trail Stormwater Management Project, BMP project proposed through Chesapeake Bay Pollutant Plan;
- Expend \$58,500 Pennsylvania Fish and Boat Commission grant, plus \$46,500 from Capital Reserve, to complete Conococheague Creek Adaptive Canoe and Kayak Launch at the Chambersburg Rail Trail;
- Work with Dennis E. Black Engineering, Inc. to prepare plans and bid specifications for the South Fourth/Fifth Street Storm Sewer System Improvements Project, to be funded with Capital Reserve, plus bond;
- Work with Dennis E. Black Engineering, Inc. to prepare plans and bid specifications for the Southgate Shopping Center Storm Sewer System Improvements Project, to be funded with \$2.6M United States Army Corps of Engineers grant, plus bond;
- Work with Community and Economic Development Office and Engineering Office to complete the Meeting Place Greenway Project, to be funded with \$365,893 CDBG-CV;
- Complete the Pleasant Street Storm Sewer Improvements Project, which will hopefully be funded with a Franklin County Conservation District Dirt, Gravel and Low Volume Road grant, plus Capital Reserve;
- Prepare and advertise bid specifications to hire contractor to complete storm sewer system improvements in conjunction with 2024 street improvements, to be funded with Capital Reserve;
- If funded by the Federal Emergency Management Agency, participate in the Loudon Street Flood Mitigation Project for the Borough to acquire the property at 195 Loudon Street, relocate its current use, demolish the structure and to establish permanent use of the site as passive recreation land;
- Prepare RFP to hire engineering consultant for Stormwater Management Plan and capital improvement project design, cost estimate and management services, which was last completed in 2017;
- Prepare RFP to hire consultant for aerial photography and impervious coverage analysis, which was last completed in 2018;
- Work with the Solicitor and consulting engineer to prepare application to renew MS4 Permit and update the Stormwater Management Code;
- Establish a program to better inform property owners of maintenance requirements for BMPs on their property;
- Establish better capital improvements planning program by using data from pipe camera inspection;
- Bring back the goats! Hire FlockWorks to provide guided goat grazing to clear overgrown land along the banks of the Conococheague Creek and other areas requiring maintenance;
- Ask Town Council to consider elimination of the Storm Sewer Utility Rate Structure and Credit Program Advisory Committee and to determine what, if any, Storm Sewer Utility items should be addressed by the Intermunicipal Water, Wastewater and Stormwater Liaison Committee.

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;
- Develop and implement their training program for Township employees to ensure prevention of pollutants from municipal operations to the MS4.

\$2,179.02 invoiced for services provided through September 30, 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

\$602.98 received for services provided in 2018

Intermunicipal cooperation is the hallmark and the overall object of the Borough's Storm Sewer Utility.



Hamilton Heights Elementary Fifth Grade Presentation (May 2023)

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 expires on March 15, 2025.

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)



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 stay at \$5 per ERU in 2023)

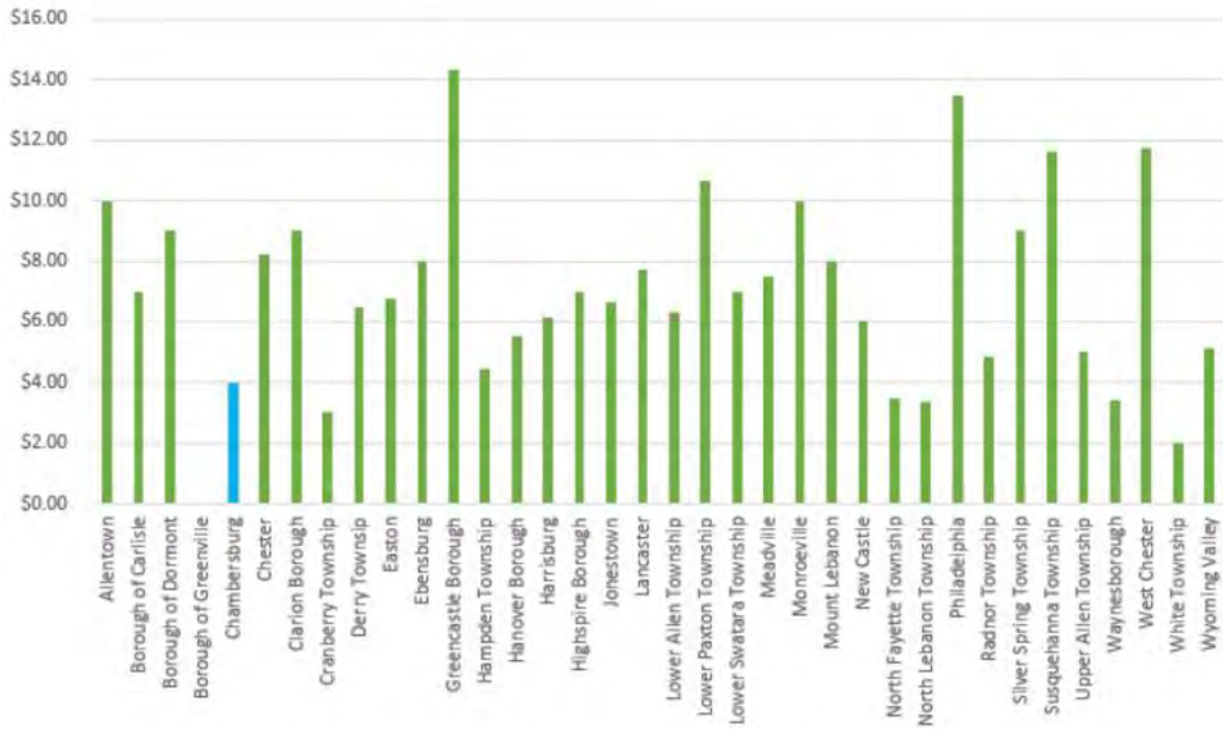
Borough of Carlisle: \$7 per month

Borough of Highspire: \$7 per month

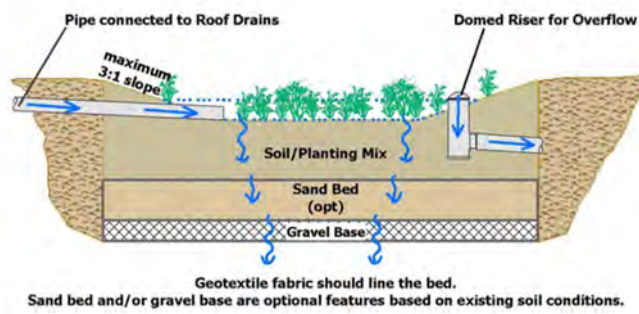
Borough of Clarion: \$9 per month

Borough of Dormont: \$9 per month

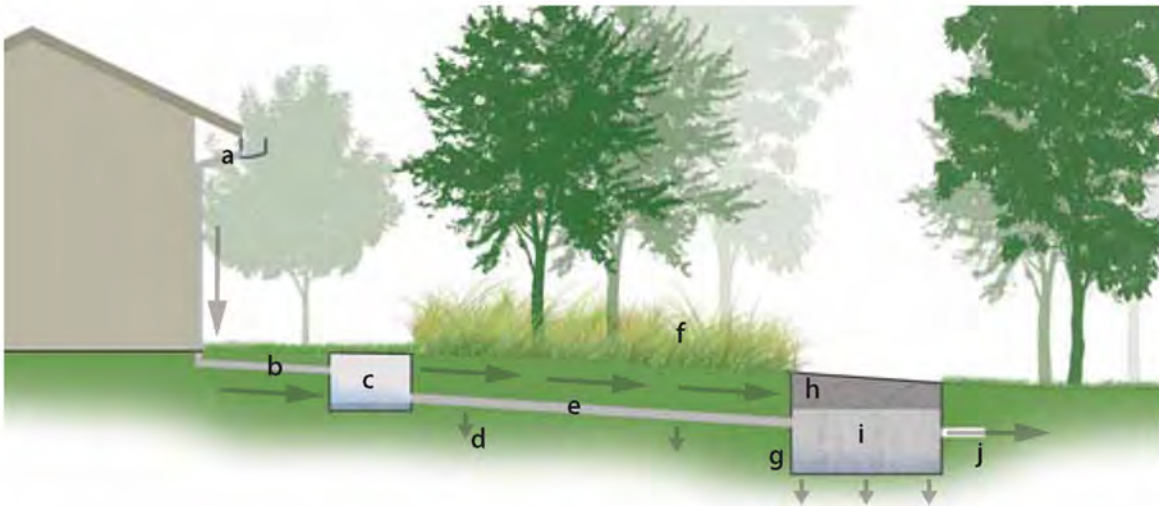
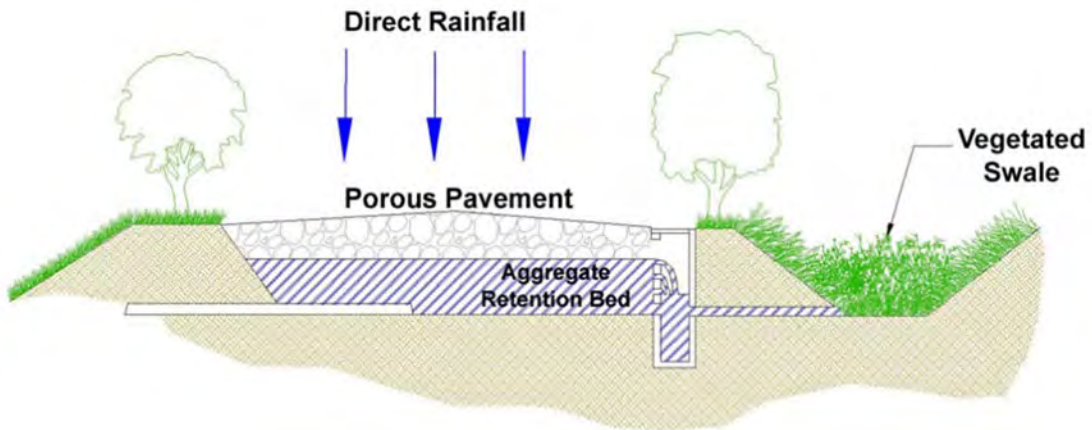
Borough of Greencastle: \$14.33 per month



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.



- 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

Various Best Management Practices (BMPs)



Parking, Traffic and Street Lights

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.

Department Head: Jeffrey Stonehill, Borough Manager/Director of Utilities

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$1,240,081	\$1,553,010	\$1,585,300
Expenses	\$1,433,354	\$1,553,010	\$1,585,300
Excess (Deficit)	(\$193,273) Deficit*	- Balanced -	- Balanced -

Transfers from the Electric Utility for illuminated traffic control devices and street light expenses heavily subsidize the Parking Fund.

*- The entire deficit in 2022 was a result of the Borough-wide traffic signal upgrade project that were not covered by the use of the Congestion Mitigation and Air Quality (CMAQ) grant and Federal funding coming into the fund in 2021, but out of the fund in 2022.

The Parking, Traffic, and Street Lights Department 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 the payroll of employees by the hour working on projects. The fund owns the streetlights, traffic signals, parking meters, and electronic traffic control devices. It is managed directly by the Borough Manager and the Parking, Traffic, and Street Lights Committee provides advice and guidance.

In 2023, the Borough added the public free parking lots at the Southgate Shopping Center to the inventory of parking resources. There is no revenue associated with these lots.

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¢.

That being said, staff and the PTSL Committee are always open to making improvements to the system.

Downtown Parking 2021-2023

<u>ACCOUNT NO</u>	<u>DESCRIPTION</u>	<u>2022 ADOPT BUDGET</u>	<u>2022 ACTUAL TOTAL</u>	<u>2023 ADOPT BUDGET</u>	<u>2024 PROPOSED BUDGET</u>
84010	RESIDENTIAL PARKING PERMITS	\$ 1,100	\$ 1,000	\$ 1,000	\$ 1,000
84011	PARKING METER RECEIPTS	\$ 45,000	\$ 59,716	\$ 57,000	\$ 62,000
84012	PARKING PERMIT RECEIPTS	\$ 47,000	\$ 39,037	\$ 58,820	\$ 40,000
84013	PARKING METER FINES	\$ 23,000	\$ 12,832	\$ 30,390	\$ 30,000
84030 & 84071	INTERFUND TRANSFERS*	\$ 888,421	\$ 888,421	\$ 1,100,000	\$ 1,100,000
<u>EXPENDITURES - METERED PARKING OPERATION & MAINTENANCE</u>					
		\$ 175,010	\$ 127,574	\$ 152,730	\$ 165,020
<u>EXPENDITURES - PARKING & TRAFFIC</u>					
		\$ 718,735	\$ 731,675	\$ 657,400	\$ 681,300
<u>EXPENDITURES - GENERAL & ADMINISTRATIVE</u>					
		\$ 286,616	\$ 277,339	\$ 455,145	\$ 300,420
<u>EXPENDITURES – TRANSFER TO PARKING CAPITAL FUND FOR PROJECTS</u>					
		-	-	-	\$ 158,715
<u>EXPENDITURES - INTERFUND TRANSFERS (Workers Comp & Self Insurance)</u>					
		\$ 1,455	\$ 11,455	\$ 11,035	\$ 815
	<u>Total Expenses</u>	\$ 1,181,816	\$ 1,148,043	\$ 1,266,310	\$ 1,585,300
	<u>Total Revenues</u>	\$ 1,390,721	\$ 923,663	\$ 1,104,531	\$ 1,585,300
	<u>Difference</u>	\$ 208,905	\$ (224,380)	\$ (161,779)	-
While the fund had a deficit scheduled for 2022 & 2023, this was due to a large federal grant being spent down over several years.					

Parking meter revenue and parking permit revenue are never sufficient to cover expenses.

- For example, in 2023, the budget includes subsidies of \$1,100,000 to support \$1,585,300 in operations.

State and federal grants support the Parking Fund as well as subsidies from the Electric Utility.

Success of Parking Meter Revenue:

- Due to relocation of County offices, underutilized parking meters, such as on N. Second Street, are now being used more extensively.
- In general, the purpose of downtown parking meters is in opposition to some merchants who remain parked at one meter all day rather than force the rotation of cars, the typical point of having parking meters.
- Now that the courthouse is completed, and the County has two new employee parking lots (Hood Street and the corner of Lincoln Way and S. Second Street) perhaps future discussions about on-street County customer parking will happen in 2023.
- Parking meter enforcement and parking permit sales and management moved to the Borough Secretary from the Customer Service front counter.
- New extra-part-time enforcement staff was hired and trained and routine parking enforcement returned in 2023 for the first time since the pandemic.
- The Southgate parking lot was added to the inventory of downtown parking resources.
- Parking meter equipment has become dangerously scarce to obtain.

On-street parking meter rules:

- Meters can be adjusted as needed without update to local law.
- Parking meters on Third Street between Queen Street and old Public Opinion building may become more popular if the Central School Project is completed.
- Certain meters to be timed for 3-hour periods rather than everything timed for 1-hour periods.

- Emphasized the ban on feeding the parking meters:
 - When time expires, the user must relocate their vehicle;
 - Was done to discourage downtown workers from hogging spaces;
 - Limited success due to challenge to enforce and general disregard of certain businesses to rule.

Off-street parking lot rules:

- Rules for Borough parking lots clarified and enforcement still sporadic.
- Parking permits in Borough parking lots were in effect ONLY Mon-Fri 8am-5pm; except at Rosedale Lot, where permit holders could pay for a 24/7 parking permit.
- Unlike on-street parking meters, it is OK to feed the meter in parking lot parking meters:
 - One can redeposit additional coins for additional time.
- Borough Manager can close lots for special events or maintenance.
- Parking fines and ticket process re-defined to match on street parking enforcement protocol.

Parking 2024

Part-time Police Traffic Unit Continues in 2024:

- Chambersburg Police Department outlined the goals of this part time unit.
- Enforcement remains the number one request by complainants.
- Signs, rules, traffic patterns, etc., are irrelevant without enforcement.
- CPD doing more vehicle and truck enforcement in 2024.
- Should we add more Police?

New Downtown Parking Permit Subcommittee Formed 2023-2024:

The Director of Finance provided the PTSL Committee with a PowerPoint presentation that showed maps of each parking lot that exists in the Borough currently, and each map showed how many metered parking stalls and reserved parking stalls there are in each of the lots. He also provided the Committee with a copy of the 2023 Budget for Parking, Traffic and Street Lights for them to review.

Chair Newcomer said that the Committee needed to appoint a subcommittee and evaluate all the parking lots within the Borough. He asked who would like to get together and discuss this. Members Shaul, Hernandez, and Maun, along with Chair Newcomer and Vice Chair Huber, agreed to meet to discuss the parking lots.



Rosedale Parking Lot at Chambers Fort Park and the Founder's Statue

Multi-Modal Projects for Future

The Borough, at some point, will apply for funding for this large, multiple sites, bicycle/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.

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:
\$50,000 - \$70,000

Construction Cost:
\$300,000 - \$400,000

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.



Rail Trail Extensions

D – 3RD STREET GREENWAY



Location: 3rd Street north of Lincoln Highway to Grant Street

Engineering Cost:
\$40,000 - \$60,000

Implementation Partners: Borough, Pedestrian and Bicycle Improvements Plan Advisory Committee, Recreation Advisory Committee and Chambersburg Municipal Area Authority.

Construction Cost:
\$250,000 - \$300,000

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 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.



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 location 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.



Third Street Greenway and McKinley Street Improvements

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 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.
- This leaves only the two single family homes on S. Second Street as an impediment to consolidation of the site into one lot.
- Who might be interested in redevelopment of the site (i.e., FCADC or CADC)?
- Site entirely owned by County & new owners of the Shook Home.

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

The House GOP's silence on police radar bill isn't just deafening, it's deadly | Mark O'Keefe – October 2021

The silence is deafening.

Last March, the state House Transportation Committee approved a measure allowing local police to use radar guns by a 25-0 vote. Pennsylvania is the only state in the country with such a prohibition.

Without radar guns, local police have to resort to speed traps, which are more timely and costly.

The bill has been debated in Harrisburg numerous times over the years. The state Senate approved the bill in 2017 by a 46-3 vote and in 2019 by a 46-3 tally. Approval was expected in the state Senate this year, but the bill has never made it there.

The measure hasn't come up for a vote before the state House of Representatives, and one doesn't seem likely, at least for this year.

Last spring, Jason Gottesman, a spokesman for House Majority Leader Kerry Benninghoff, R-Centre, told the Pennsylvania Capital-Star that "conversations about the bill are continuing in the caucus, and the bill is still being vetted."

"This is a major change in the law and we just want to be sure all concerns are addressed," he added. "We want to do our due diligence."

Gottesman said there was no timetable for a decision, noting it could be "brought up anytime."

State Rep. Greg Rothman, R-Cumberland, the bill's prime sponsor, told the Pennsylvania Capital-Star last spring that he's optimistic the Legislature will eventually pass the bill.

"I think the more people know about the bill the more likely it is that they'll support it," said Rothman, noting he's been working on the measure for the past five or six years.

"I think there's more awareness, especially in the suburbs, about what a problem speeding has become," said Rothman. "We're trying to act before a child is hit by a speeding car."

However, neither Gottesman nor Rothman returned calls made by the Pennsylvania Capital-Star to their offices last week asking if there were any updates about the bill.

The issue also never came up in a joint press conference last month organized by Benninghoff and Pennsylvania House Speaker Bryan Cutler, R-Lancaster, where majority Republicans laid out their legislative agenda for the rest of the year.

They talked about addressing issues relative to the Tropical Storm Ida disaster emergency declaration, regulatory reform stemming from pandemic-related waivers and suspensions, outstanding legislative issues dealing with the opioid epidemic, and asserting local control in public health decisions, according to the Associated Press.

Not a word was said about the radar bill.

Making prospects bleak for its passage is that the Senate and House are only in session for 12 days until the end of 2021. The bill could be voted on anytime in 2022, but that seems improbable as things stand now.

Rural Republican lawmakers have opposed the bill, claiming that local municipalities would use the radar guns to fatten their budgets.

However, the legislation addressed those concerns, limiting municipalities to receiving only \$12.50 from speeding tickets.

It had been supported mainly by big-city Democrats, who contended the guns are a common-sense measure that could make local highways safer for both motorists and residents.

It also has gained the support of groups such as the Pennsylvania Chiefs of Police Association, the Pennsylvania State Association of Boroughs, the Pennsylvania State Association of Township Supervisors, and the Pennsylvania State Mayors' Association.

The Pennsylvania State Troopers Association, the union representing the Pennsylvania State Police members, added its support for the first time.

The backing came after lawmakers amended the bill to allow state police troopers to use radar devices from moving patrol cars.

However, one person who remained optimistic about the bill and was willing to talk about it was state Rep. Mike Carroll, of Luzerne County, the ranking Democrat on the House Transportation Committee.

"I've always been a supporter of allowing local police to use radar, and I still think it will be passed at some point," said Carroll.

He noted that while most of those opposed to the bill are Republicans, some urban Democratic lawmakers have concerns that local police could target Black drivers with their radar guns.

But Carroll said he thinks that lawmakers will support the bill as they become more educated about it. He noted that's probably the main reason why it sailed through the House Transportation Committee.

"Most of the transportation committee members are educated about the issues facing them, and that's probably why they supported the radar bill," Carroll said.

Now, he said, it's a matter of convincing other lawmakers to back the measure. He's optimistic that the General Assembly will pass the bill at some point, noting that legislation can become stalled but then move due to events that shine a light on a problem.

"Things don't have to happen just in Harrisburg. Sometimes things can be triggered by events in Aliquippa or Erie," he added.

However, it's sad to think that it would take a tragedy for the Legislature to pass this bill.

In the end, while the bill isn't as crucial as some of the other issues facing the Legislature, it's still important and could save lives.

Who knows why Republicans aren't acting on the bill, but the fact they don't even bring the measure up for a vote despite its widespread bipartisan support is an indictment of GOP leadership. It's a shame that GOP lawmakers are derailing highway safety for whatever reason.

The silence by GOP leaders is not only deafening. It's deadly.

Currently, only state police in Pennsylvania are allowed to use radar.

Commentary by Mike O'Keefe of Mechanicsburg, Pa., the former editorial page editor of the Uniontown Herald-Standard.

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 am to 5 pm. At that rate, that one machine will take 45 years to break even (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 per hour for parking with a 1 hour minimum, plus the \$1 per swipe fee to the credit card processing company (or **the 25¢ per hour rate would need to rise to \$5 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

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, to install communication equipment, and to 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.

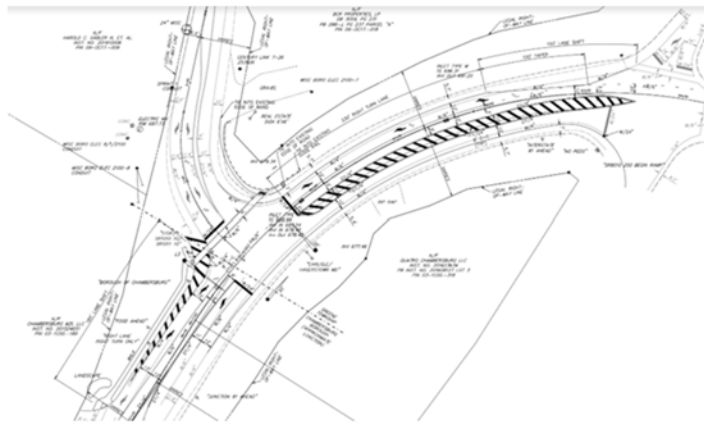
- The first phase of the 100% Federally funded Chambersburg area Traffic Signal Upgrade Project was completed in mid-2022. The overall scope of that project was to update detection, controllers, and communications of 68 signals in the Borough and surrounding townships. Many cabinets were upgraded where 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 has worked through the various PennDOT approvals and agreement has been again entered with Traffic Planning & Design, Inc. (TPD) to commence engineering on the next phase. Throughout the rest of 2023 and into 2024, TPD will work through design phases with staff and PennDOT to bid for needed construction implementation service by the end of 2024.



Each traffic signal is equipped with radar detection and a digital 360° camera with a fiber optic uplink to the Borough's traffic management system

Greene Township Signal Project

- On June 27, 2022, Town 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 build-out 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.
- As of now, the traffic signal permit application is on hold as PennDOT studies the information.
- If the signal is not installed, the plan to extend Fifth Avenue to Kohler Road would need to be reevaluated by the township.



In 2024, the Borough anticipates that Greene Township will add a new signal at the Kohler & Walker intersection just outside the Borough and interconnect to the Borough's system

Hamilton Township Roundabout Project

- PennDOT studying the feasibility of installing a roundabout at Loudon Street., 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 study making Loudon Street one-way from Sollenberger Road to S. Franklin Street in the Borough.
- Borough asked about widening Loudon Street bridge to protect westbound traffic from being stranded at Southgate.
- Borough asked if study can be expanded to include West Chambersburg Boulevard concept (Industrial Drive to Lincoln Way connection) AND widening Black Avenue from Queen St. to Lincoln Way concept.

2023 Projects:

Fund		Cost
Parking & Traffic	Traffic Signal Improvements Project (PennDOT CMAQ) (Multi-Year Project)	\$600,000
Parking & Traffic	Intersection Camera Project	\$120,000
Parking & Traffic	Traffic Safety, Public Safety, Codes Portable Camera Trailer with Telescoping Boom	\$100,000
Parking & Traffic	Radar Speed Indicator Signs	\$12,000
Parking & Traffic	Borough Wide Fiber Project (Split with Admin Services IT)	\$15,000

Future Projects:

Fund		
Parking & Traffic	McKinley Street Corridor Plan	\$600,000
Parking & Traffic	Third Street Greenway	\$500,000
Parking & Traffic	North Rail Trail Extension	\$1,000,000
Parking & Traffic	South Rail Trail Extension	\$2,250,000
Parking & Traffic	Broad Street Greenway	\$1,500,000
Parking & Traffic	Water Street Linear Park (Transportation Improvements)	\$1,000,000
Parking & Traffic	Building Out Cedar Street	\$1,250,000
Parking & Traffic	Building Out Kennedy Street Extended	\$1,250,000
Parking & Traffic	Moving US11 From Garfield St to Derbyshire Street (Planning, Engineering, Land Acquisition, Construction)	\$8,000,000
Parking & Traffic	New Traffic Signal: Orchard Drive at Mill Road	\$500,000
Parking & Traffic	New Traffic Signal: Lincoln Way at Limekiln Road	\$500,000
Parking & Traffic	Implementation of Loudon-Franklin-South Gate Traffic Improvements Plan (Official Map Project)	\$500,000
Parking & Traffic	Study of Possible By-pass Through Borough Farm (West Chambersburg Traffic Study)	\$500,000
Recreation	Water Street Linear Park (Recreation Improvements)	\$300,000
Recreation	Marking Alleys with Bicycle Routes	\$10,000
Recreation	Pedestrian Exercise Circuit Through Wellspan Campus North of Norland	\$10,000
General Capital Reserve	Portable Telescoping Camera	\$100,000

TRAFFIC SIGNAL UPGRADE GRANT PROJECT



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

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.



Street Light Updates

- Electric Utility staff continues to upgrade and add new streetlights throughout town.
- Numerous residential street lights have been installed for the many developments under construction.
- Work continues to convert older lights to LED primarily through maintenance and new installations.
- Upon recommendation of the PTSL committee, additional lights had been added to four intersections along Norland Ave to improve lighting of those large, busy intersections.





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.

Department Head: Julie Redding, Recreation Director

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$1,583,913	\$1,315,910	\$1,367,675
Expenses	\$1,204,261	\$1,315,910	\$1,367,675
Excess (Deficit)	\$379,652 Surplus*	- Balanced -**	- Balanced -

* - Approximately \$400,000 was placed in reserve (fund balance) in 2022 for future maintenance and repairs at the facility.

** - Includes an additional \$102,000 proposed to be placed in reserve (fund balance) in 2023 for future maintenance and repairs at the facility.

It is the intention that by the end of 2024, the fund balance of the Swimming Pool Fund will be at \$880,000 cash for future maintenance and repairs at the facility.

A Few Years in Review

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.

Concluding the sixth season brought the realization that routine maintenance now includes monitoring additional areas for refreshment or replacement on an ongoing basis. Small items needing repair bring large price tags, so preventative maintenance will be key to maintaining the integrity and longevity of the facility. However, required improvement doesn’t always mean immediate replacement is necessary. It may mean creative refurbishment will be required to extend the useful life of a feature or facility amenity (and stretch the budget) for a period of time.

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.

Below are some of the areas or items that needed to be repaired or replaced before, during, and after the 2023 season:

- Spot welding braced areas on the yellow slide that showed signs of stress cracks – during the season
- Hiring a professional slide refurbishment company to repair peeling paint on the frog slide – post season
- Professionally patching a large crack in the dumping bucket – post season
- Professionally repairing tiles that popped and cracked in the entrance to the Tot Pool – pre season
- Purchased a new Pretzel Warmer for the Concession Stand – during the season
- Purchased a new ADA chair assembly, as small area on the seat had cracked – pre season

Total Expense for these repairs/purchases: \$14,258

Financial Review - Operating Revenue vs Operating Expense	2022	2023 (as of 8/31)
Revenue Generated from Admission Fees (memberships and daily admissions)	\$547,729	\$569,497
Revenue Generated from Programs	\$38,270	\$40,047
Revenue Generated from Rentals / Parties	\$41,269	\$47,047
Revenue Generated from Point-of-Sale Purchases (Goggles, Swim Diapers, Sunscreen, Lifejacket Rentals and Chairs)	\$9,512	\$13,465
Concession Income	\$154,456	\$152,704
<i>Operating Revenue</i>	<i>\$791,236</i>	<i>\$822,760</i>
Miscellaneous Revenue (Donations and Bond Interest Earned, and Other Misc.)	\$11,360	\$31,008
	\$802,596	\$853,768
Total Operating / Admin Expenses	(\$606,046)	(\$687,023)
<i>Total Net Operating Revenue</i>	<i>\$196,550</i>	<i>\$166,745</i>

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.

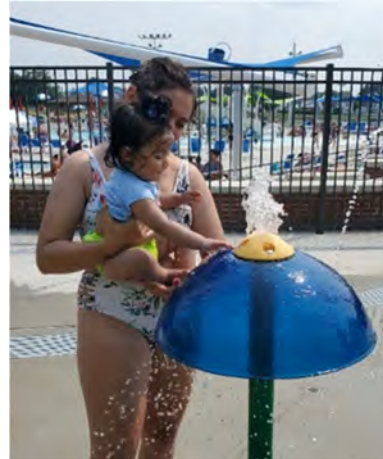
In the spring of 2023, after receiving repeated requests by a few adult members, to reinstate the adult swim period, which has evolved into an operational challenge, Town Council suggested investigating the cost to construct a small, adult-only area for those age 18 and older. After meeting with design professionals to explore this type of installation, Town Council decided not to proceed with an adults-only additional body of water feature.

Additional consideration should also be given for planning to install a new water feature 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





Fun in the Sun!

Snapshot Review of the Season	2022	2023
Number of Possible Days Available	94	92
Number of Days Open	91	90
Number of Days Over 500	60	70
Number of Days Over 1000	23	17
Number of Days under 200	9	8
Number of Daily Borough Patrons Served	10,719	12,638
Number of Daily Franklin County/Ship Patrons Served	9,992	10,055
Number of Daily "Outside Discount Areas"	14,767	12,616
Number of Daily Uncategorized Attendees (Daily free, summer camp & party participants)	10,093	18,270
Total Member Attendance	24,603	25,138
Total People Served in all admission Categories	70,174	78,717
Number of Memberships Issued (422 eligible for free membership in 2021 due to COVID special)	930	941
Percentage of Borough Memberships Issued	45.47%	44%
Percentage of CASD Township Memberships Issued	32.08%	36%
Percentage of Outside CASD Memberships Issued	22.45%	20%
Number of "Basic" Parties	20	13
Number of Parties with Upgrades (Pavilion or Picnic Pad)	109	131
Number of Rentals without Parties (Pavilion or Picnic Pad)	44	47
Number of Full Facility Rentals (after-hours)	26	29
Number of Discount Daily Pass Books Sold	74	34

The start of the 2023 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 was 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.

2023 Facility Improvements

- Added one more picnic pad area for rental purposes. However, it did not include a grill or electric, and it quickly became evident that the grill is what drives rentals of those spaces. Staff will install a grill at this location in 2024.

Recommended Facility Improvements for 2024 Utilizing the Operating Budget

- Continue to maintain the facility at its current, aesthetic standard; closely monitor wear and tear to address essential maintenance repairs with either refurbishment to extend an item's useful life, or replacement if the concern is beyond repair or would compromise a patron's safety.
- Recommend purchasing one small set of lockers to be placed outside the locker rooms, making them accessible to anyone who cannot enter the locker rooms to store their belongings. Some patrons accompany individuals into the facility who cannot follow them into the locker rooms, but cannot be left alone (i.e., older individuals with special needs). Consideration for outdoor lockers has been requested to serve this purpose. However, it has been difficult to find a unit that can be placed outdoors, is cost effective, and can withstand all weather elements. Staff will continue to investigate options.
- In 2022 staff recommended a 2023 purchase of a self-serve, mini-golf ball dispenser to deter the number of balls lost and/or hit over the fence at the mini golf course (because young patrons either take or hit the golf balls over the fence, requiring staff to purchase balls more frequently than necessary). However, upon further investigation and discussion, it was determined that this was not a good long-term solution to mitigate the problem. Staff will continue to discuss and investigate other options besides charging to play.

2023 Operating Challenges

- Scheduling employees to provide sufficient coverage in all job categories on a daily basis.
- The rising cost of chemicals and other supplies necessary to operate the facility requires continued rate increases to offset expenses.
- Managing pervasive aggressive and/or indignant patron behaviors.

Recommended Changes to Improve Operations in 2024

- Continue to evaluate pay rates in comparison to other employers who hire seasonal employees 15 years and older and adjust where necessary to remain competitive with other similar agencies.
- Continue to review incentives that appeal to lifeguards and other employees, encouraging consistency and longevity (working from the beginning to the end of the season, not just a portion of the three months).
- Continue to provide more programming and rental opportunities that generate revenue.
- Continue to advertise and promote visitation from outlying areas.
- Dismissed constructing an "adult only" pool to serve the desires of those individuals wanting a quieter/less active body of water.
- Obtain a cost estimate to install another water feature that does not require lifeguard supervision.



The new sundry retail operation (C.A.C. Shack)

Recommended Aquatic Center Daily Admission Price Increases for 2024: Changes in RED:

Category	2023 Full Rate No Discount	2023 Franklin Cnty Shippensburg	2023 Borough Discount	2024 Full Rate No Discount	2024 Franklin Cnty Shippensburg	2024 Borough Discount
Over 42" Sat/Sun	\$17	\$12	\$8	\$18	\$13	\$9
Over 42" M-F	\$15	\$12	\$8	\$16	\$13	\$9
Age 1+ / Under 42" Sat/Sun	\$11	\$8	\$5	\$12	\$9	\$6
Age 1+ / Under 42" M-F	\$10	\$8	\$5	\$10	\$8	\$6
Senior Citizen (60+) Sat/Sun	\$11	\$8	\$5	\$11	\$8	\$6
Senior Citizen (60+) M-F	\$10	\$8	\$5	\$10	\$8	\$6
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	\$10	\$8	\$5
Twilight Age 1+ / Under 42" M-F (After 5 PM)	\$10	\$8	\$5	\$10	\$8	\$5
Chaperone Sat/Sun	\$10	\$7	\$5	\$11	\$8	\$6
Chaperone M-F	\$8	\$7	\$5	\$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.

Recommended Changes for Special Event, Other Prices, and Benefits: Changes in RED.

Category	2023 Rates	2024 Proposed	2023 Borough Rates	2024 Borough Proposed
Special Days/Events				
-Teen / Adult Nights	\$6	\$6	\$4	\$4
Discount Pass Booklets				
-Book of 10 passes	\$140	\$145		

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. **Recommend to remain unchanged.**

Financial Aid: Financial assistance provided to families that are income eligible for SNAP benefits. **Recommend to remain unchanged.**

Daily Entrance Includes the following: Super Swimmer Card: with every 10 punches, earn one free Daily Rate admission. **Recommend to 15 punches per card.**

Recommended Membership Price Increases for 2024

Category	2023 Rates	2024 Proposed	2023 Borough Rates	2024 Borough Proposed
Family Memberships				
Family Membership Regular Season	\$395	\$415	\$255	\$269
-20% Family discount by January 31 st	\$316	\$332	\$204	\$215.20
-15% Family discount by March 31 st	\$335.75	\$352.75	\$216.75	\$228.65
-10% Family discount by May 25 th	\$355.50	\$373.50	\$229.50	\$242.10
Adult Membership				
Adult Membership Regular Season	\$199	\$209	\$145	\$155
-20% Adult discount by January 31 st	\$159.20	\$167.20	\$116	\$124
-15% Adult discount by March 31 st	\$169.15	\$177.65	\$123.25	\$131.75
-10% Adult discount by May 25 th	\$179.10	\$188.10	\$130.50	\$139.50
Youth Memberships				
Youth Membership Regular Season	\$175	\$185	\$125	\$135
-20% Youth discount by January 31 st	\$140	\$148	\$100	\$108
-15% Youth discount by March 31 st	\$148.75	\$157.25	\$106.25	\$114.75
-10% Youth discount by May 25 th	\$157.50	\$166.50	\$112.50	\$121.50
Sr. Citizen Membership				
Sr. Citizen Membership Regular Season	\$165	\$175	\$115	\$125
-20% Sr. Citizen discount by January 31 st	\$132	\$140	\$92	\$100
-15% Sr. Citizen discount by March 31 st	\$140.25	\$148.75	\$97.75	\$106.25
-10% Sr. Citizen discount by May 25 th	\$148.50	\$157.50	\$103.50	\$112.50
Membership Additions				
-Grandparent/Nanny	\$95	Recommend discontinuing	\$75	Recommend discontinuing

We are recommending the discontinuing of the non-swim grandparent/nanny rate. It is used less often than ever, is impossible to enforce, and non-swimming is less common as even guardians often wade into shallow water with youngsters.

Recommended Changes to Member Benefit Options for 2024

Staff recommends the following definitions and benefits IN BLACK remain unchanged. Red indicates a proposed change

Definition of a Family Membership: a family membership includes up to a maximum of five (5) family members, regardless of age, residing at the same address. It is limited to four (4) adults, age 18 and older. Each additional child over the age of one (1): \$20/person

Military Benefit: Active Military Personnel and family showing proper ID receive 10% off the standard membership and borough discounted membership rates. Does not apply to other discount options.

Financial Aid: Franklin County Residents, who are income eligible, may be eligible to receive Financial Assistance. Call or email the Recreation Office to request an application.

Pre-Season, Membership Payment Plan Option:

- You may purchase any type of membership prior to the first official day of the 2024 pool season and pay in up to two (2) installments. The first payment made must be equal to or greater than 50% of the cost of the membership being purchased.
- The membership is not valid and will not be issued until the balance of the cost is paid in full; and must be paid no later than July 4. If the final payment is not received by July 4, a refund of the first payment will be issued.
- Upon request, the first installment may be refunded as the pass will not have been issued; however, all refunds will be assessed a 10% processing fee deducted before return. The refund will be paid by check and mailed by the Borough to the address given at the time the first payment was made.
- On or after the first official day of the pool season, only full payments will be accepted.

Membership Benefits Include:

- Early Admittance: Saturday and Sunday 11:30 AM - 1PM; M-F, 12-1 PM; may bring a guest during early admission with a Membership Issued Guest Pass. Additional Guest Pass Books providing a member more opportunities to bring a guest during early admission; book of 5 passes is \$45;
- 10% discount at the Concession Stand for food items (NOT C.A.C. SHACK ITEMS) when showing a membership card;
- Water Walking: 50% off Resident / Non-Resident Rates of Admission;
- Members may pay \$45 for unlimited Water Walking; \$30 for Borough Res. Unlimited Water Walking
- 10% discount on Parties, Pavilion, Picnic Pad and Event Room Rentals;
- 10% discount on Swimming Lessons;
- Free Guest Passes with purchase of a Membership: **Two** (previously 5)/ Individual Membership; **Five** (previously 10) / Family Membership.



Recommended Party and Rental Rate Increases for 2024

Category	2023 Rates	2024 Proposed	2023 Boro Rates	2024 Proposed Boro
Daytime Parties				
Pool Party during operational hours	\$145	\$149	\$125	\$129
<ul style="list-style-type: none"> - All parties include ONE free pass good for another visit to the pool that must be used during current season. - 3 hours includes up to 30 people, children under age of 1 not included in this count. - Each additional person, \$3 / person. Max of 50 people permitted. Daily rate required for anyone over max attendance. - Discounts at concessions (food options provided with reservation form) - Parties may be scheduled beginning at 1 PM and be held in 3-hour increments. All parties must end by 7:45 PM. - Picnic tables near mini golf (not under pavilion). - One umbrella per table. Each table seats 8. 				
Pool Party with Pavilion Rental (whole)	\$209	\$215	\$199	\$205
- 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	\$175	\$179	\$165	\$169
Pool Party with Picnic Pad Rental – Seats 15 people	\$165	\$169	\$139	\$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: 1-4 PM or 4:30-7:30 PM 				
Pool Party with Event Room – Capacity 30	\$185	\$189	\$169	\$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: 1-4 PM or 4:45-7:45 PM 				
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
- Seats approx. 12-15; Grill; Electricity				
Event Room Rental Only – Capacity 30. Tables and Chairs provided				
-During operational pool hours	\$29/hr.	\$29	\$25/hr.	\$25
-Before / After pool hrs. (year-round avail.)	\$45/hr.	Recommend Removal – never used	\$39/hr.	Recommend Removal – never used
These rates apply to businesses as well.				
Pool Rental after hours – Full Facility	\$475	\$499	\$465	\$475
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: 1-4 PM - Includes unlimited games of mini-golf, sand volleyball, basketball, and picnic tables under the pavilion. 				
Summer Camps Group Rates: The Aquatic Center will not accept more than 175 total campers in any one calendar day. Groups may schedule time between the hours of 1-3:30 PM. (M-TH only)				
Category		Rates		
Summer Camps that charge their participants		\$7/person (camp participants) \$7.50		
Summer Camps that do not charge their participants		\$4/person (camp participants) \$4.50		
- No charge for group chaperones/counselors for camps that do not charge their participants				



11/6/2023



Internal Service Funds

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Internal Service Funds

As Proposed for 2024

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 two-parts.
 - The first part is responsible for the complete financial management, utility meter reading (which includes parking meter maintenance and enforcement), customer service, and the operation and maintenance of the City Hall campus.
 - 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.
- 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.
- 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, and the Engineering Department. The balances of these funds are covered in statistical format only.



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>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$1,521,744	\$1,730,445	\$1,995,015
Expenses	\$1,823,609	\$1,730,445	\$1,995,015
Excess (Deficit)	(\$301,865) Deficit*	- Balanced -	- Balanced -

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.

* - In 2022, the Borough saw specific deficit of \$301,865. This one-time depletion of warehouse reserves was to purchase new inventory for the utilities, which were consumed in 2023.

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 seen a number of challenges in 2023. This includes:

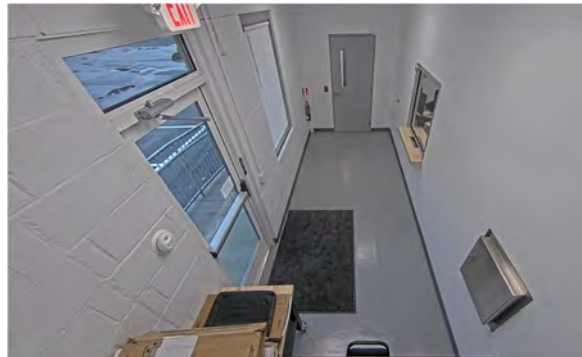
- Completed Renovation of the building to improve security and handicap accessibility;
- Poor ventilation – completed HVAC upgrade during renovation;
- Preparing underground contamination final containment for an old Manufactured Gas Plant (MGP) that sat on the site before it was the Borough Service Center; and
- New Department Supervisor and a new Warehouse Person to prepare for pending retirement.

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.

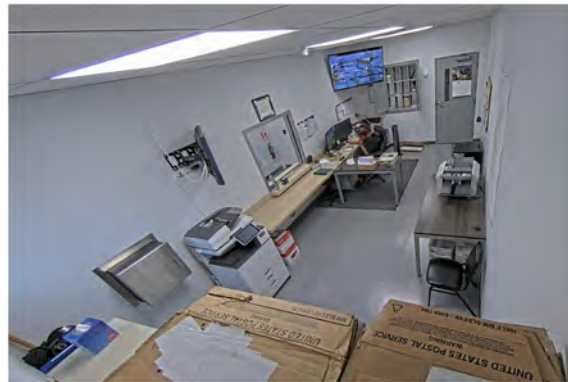
The warehouse is responsible for:

- 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;
- 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.



New secure customer service lobby at Service Center



Newly remodeled call center/dispatch at Service Center

2024 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 2024, we expect to purchase approximately \$945,000 of material, much of it consisting of small dollar purchases.
- Financially sound per item markup expected to remain constant for 2024 (No rate increase for the past 20+ years).
- Oversee and assist in site cleanup efforts from former MGP operations.
- Complete repaving of parking lot.
- Have building re-painted.
- We have a goal of identifying and adding new ways to benefit the Borough.



Gas meters in the warehouse



Electric Operations building, opened in 2022, next to Service Center, remodeled in 2023

Manufactured Gas Plant Site Remediation



Service Center under Construction, with MGP Tank Top Left

The Borough is advancing 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

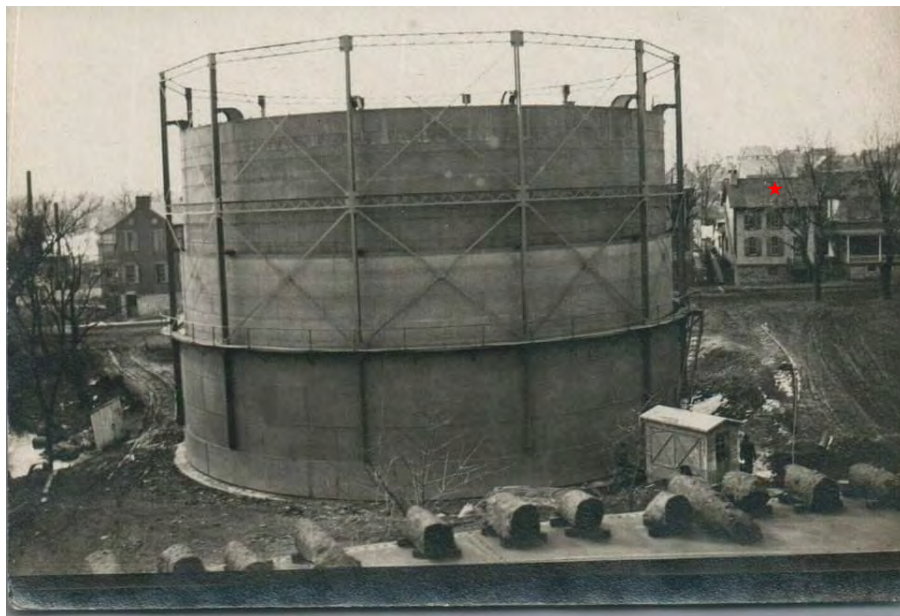
The Borough of Chambersburg

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 is working 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. We intend to use the remainder of the ISR grant to pay for the bulk of the cost to complete this containment.



Pre-existing structures on site in what-would-be today's parking area



Same house in each photo

Today's parking area

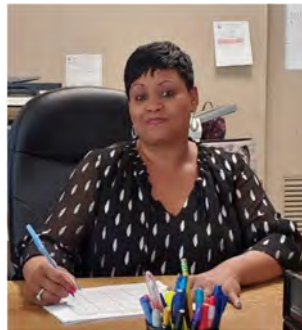


Sandra Smith, Customer Service Dispatcher

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.
- Daily stuff utility bills in envelopes.



Bernadette Culbertson, Customer Service Dispatcher

Our team of customer service personnel manage requests from internal and external customers

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. 2023 has seen substantial amounts of Warehouse inventory for the Electric Utility use moved into the new building.



Electric Utility's Transformers and Cable Stored Securely at Warehouse



Occupied in 2022

Administrative Services Department



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
- To manage the data, technology, and information systems of the Borough in a cost-effective manner.

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
<u>Revenue</u>	\$7,631,530	\$10,004,851	\$9,890,944
<u>Expenditures</u>			
Utility Addition Ops	\$580,679	\$582,995	\$584,655
Personnel/Payroll	\$742,220	\$712,213	\$983,055
Information Tech	\$1,388,096	\$1,702,335	\$1,721,577
Finance/Accounting	\$894,186	\$1,050,458	\$1,129,120
Customer Service	\$1,564,289	\$1,798,455	\$1,636,965
Clerical Pool	\$1,169,036	\$1,459,720	\$1,470,647
General Administration	\$759,361	\$796,010	\$835,165
Misc./Township EMS	\$118,045	\$108,000	\$107,750
Capital & Equipment	\$473,692	\$1,794,665	\$1,422,010
<i>Total</i>	<i>\$7,689,604</i>	<i>\$10,004,851</i>	<i>\$9,890,944</i>
Excess (Deficit)	(\$58,074) Deficit	- Balanced -	- Balanced -

The deficit noted above in 2022, 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
- City Hall & Customer Service: The custodians, meter readers, and front counter operations
- Finance & Accounting: Accounting and financial management for all departments
- 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: Finance Director

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 Jason H. Cohen, MPA. Jason serves at the pleasure of the Borough Manager and was appointed as Treasurer by Town Council in 2013.

Furthermore, the Borough Manager appointed a Director of Administrative Services 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, Assistant Human Resources Supervisor, was promoted to take her place. 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 McKenzie, who is the Administrative Services Supervisor, assists the Finance Director. IN 2023, Council ratified the appointment of Benjamin Hayhurst as Assistant Finance Director. Larry Truett is the Building, Grounds, & Maintenance Supervisor.

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

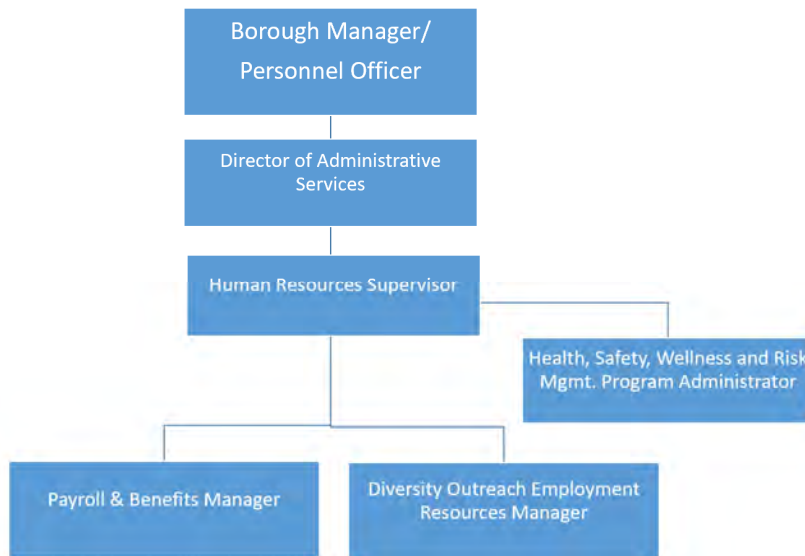


The original front counter in what-is-today, the Admin. Office Suite

Human Resources Office and Personnel/Payroll Services

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, and safety. The five full-time member staff are under the direct supervision of Melinda Thompson, Director of Administrative Services, with the assistance of Kristine Baker, Human Resources Supervisor; and serve as an integral part of the internal services functions of the Chambersburg Borough.

The HR office is responsible for processing payroll for over 450 full-time, part-time, and seasonal employees. Additionally, the HR office staff administer, process, and pay benefits, such as 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, and health reimbursement accounts for employees, their dependents, as well as retirees. They also arrange for and facilitate professional development opportunities, travel, and training for all employees and Borough elected officials. Finally, staff serve as a bridge for resources between management and employees, providing support in all areas of a Borough employee's employment experience and at every level of the organization.



Recruitment and Retention

HR staff are responsible for the oversight of recruitment of 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 works 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 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 the new and transfer employees.

At the time of this publication, in 2023, staff recruited for 54 positions, not including the Aquatic Center Seasonal positions. Of these 54 positions were key positions including an Assistant Director of Finance, Help Desk Technician, three Lineworkers, a Public Works Supervisor, and to note, promoted the first female management employee in the Electric Utility. Currently, staff are working on the recruitment of an Assistant Director of Electric Utility. Staff have processed: 17 new full-time employees, 9 new part-time employees, 60 new seasonal employees and 70 returning seasonal employees; 23 internal transfers or promotions; 29 separations; added 9 new positions to address staffing needs for succession planning; and maintained minority representation at 9.2% of our total workforce, a slight increase from 2022, aligning with the national workforce average of employees of African-American and Latino-American identification. 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.

Staff continued to utilize vendors, such as Shield Screening and ClearCompany, to enhance the Borough's recruitment, background screening, and onboarding processes. Town Council recently approved a contract renewal for ClearCompany which will provide these services for the next 36 months. 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. Our goal of having 100% of applicants apply online was met this year, including internal, external, and seasonal applicants. Human Resources' staff's goal in 2024 is to continue to refine these processes and promote a team-oriented approach to the hiring of Borough employees.

In 2022, Human Resources staff coordinated a Borough partnership with IDEMIA to bring FBI Fingerprinting services onsite at the Borough's Recreation Center with Town Council approval last September. 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-by and within walking distance of our local and regional community employers. The service went live at the end of October of last year, is staffed by Borough employees, and is open to the public. To date, the IndentoGo fingerprint location processed 7,392 customers (1,295 in the fall of 2022 and 6,097 in 2023 as of the date of this publication).

In 2023, 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. Staff worked with staff from the PA Department of Transportation to understand the new requirements. In doing so, it became clear that the best and most efficient option for the Borough was to bring the training program in-house, rather than train employees using a third-party vendor. The Borough is fortunate to have staff in-house who provide the classroom and behind-the-wheel training as part of the new regulations. The Borough entered into a partnership with DH Martin for consultation services as Borough staff built the in-house curriculum. The Borough's program and curriculum were approved by the state, and the in-house training of staff to obtain their CDL began in the early spring of this year. 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 employees who may otherwise not be able to afford the training on their own. Furthermore, it is a great addition to an already established training and development program at the Borough.

In addition to enhancing 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 2023, our Diversity Outreach and Employment Resource (D.O.E.R.) Manager, Sophia Suarez, participated in mock interviews at the high school, Chambersburg Career Magnet School (CMS), and the CareerTech; was involved in back-to-school community programs; and attended Shippensburg University's and Penn State University's in-person job fairs. Additionally, through Sophia's efforts, the Borough formed a partnership with Handshake to be a part of virtual college career fairs throughout the year. We look forward to expanding this program initiatives in 2024, 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.



Participants enjoy lunch at The Culinary Arts Program's 'Chefs Table' café.

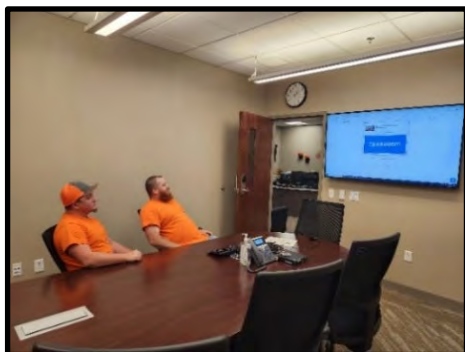
Forty-four employers participated in interviewing approximately 100 students that day.

Compensation

The Human Resource Office is responsible for the management of the Borough's compensation tables, including bargaining and non-bargaining tables. The Payroll and Benefits Manager, Kathy Jo Bard, manages a \$22 million annual payroll budget by processing 26 payrolls each year. Additionally, Kathy Jo tracks all employees' paid leave, coordinates the annual performance evaluation and annual step increase program, processes 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.

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. 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. 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. 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.



Gas Technicians Devon Todd and Brandon Helman prepare to participate in their virtual employee interview with GovHR.

Benefits Management

The Benefits and Payroll Manager is 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. Additionally, Kathy Jo submits all employee benefit deductions to respective vendors. Department staff 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.

Last year, the Borough switched Employee Assistant Program (EAP) providers to 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 7.8% which is above the national average utilization of 4-6%. 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.

For health insurance, the Borough is a member of the Pennsylvania Municipal Health Insurance Cooperative (PMHIC) managed for the Borough by Benecon. Recognizing the effectiveness of group purchasing, Benecon pioneered self-funded consortiums and cooperatives. Benecon currently has 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 \$426,000 in surplus claim funds.

In September 2023, staff was notified by Significa Benefit Services that they were no longer going to be administering 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.

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 diversity and inclusion in the workplace will result in the Borough retaining key talent and a more productive and efficient workforce. In addition, the office staff assists management of all levels to navigate the difficult and oftentimes complex employee issues concerning performance, behavior, and policy development, application, and adherence. Office staff also facilitates and administers 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.

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 opportunities for special recognition when employees go above and beyond in the performance of their job duties.



Staff placed donuts in the Employee Lounge as a way to say 'thank you' for all they do. Right picture: May is Mental Health Awareness Month. Information was provided to employees by the Borough's Wellness Committee.

New in 2023 was the Employee Canteen Pilot Program, a six-month trial program designed to provide drinks and snacks to Borough employees while at work, to also increase efficiency and productivity of

employee's time where we can. The idea was to have these snacks available to be consumed at work, saving on the time it may take an employee to otherwise leave the worksite to purchase food and preventing a break in continuity of and concentration on their important Borough work. At the conclusion of the pilot program, 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 will assess the program for improved efficiency and recommend to the Borough Manager the program's continuance, in some form, at some time in 2024.



Pictures of snack options in the Employee Lounge at the Utility Building Extension.

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.

Labor Management

Office staff participate in labor management activities such as collective bargaining, implementation of bargaining agreements, labor management meetings, and facilitate 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). In 2023, the Town Council Personnel Liaison and Borough staff completed contract negotiations with AFSCME, whose contract was settled in January.

Outside of formal contract negotiations, Borough management and union management teams have been willing to discuss matters as they relate to impacted staff, including and 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 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. To date, approximately 488 hours was spent on

classroom and virtual workplace safety training, alone, which offered more than 20 relevant course topics. Another 40 hours is scheduled for the remainder of this calendar year.

This year, the Borough acknowledged that occasionally select non-bargaining employees are required to provide training to another staff member, 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 stability, consistency, 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.

Last year, our Health, Safety, Wellness and Risk Programs Administrator, Paul Flohr, developed an HR training "Mini Series" to include a variety of training topics, with a designated training topic offered for one hour each month. The program has been well-received and continued in 2023. The purpose of the "Mini Series" training was to educate and support department 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. Each training session was delivered by an HR staff member.

By the time of this publication, HR staff, along with the Borough's Solicitor, presented mandatory Anti-Discrimination/Harassment training to all Borough staff. The training explores concepts, provides education, and conveys expectations for proper workplace conduct, along with providing the tools and resources necessary to conduct themselves appropriately and professionally. This specific training is provided every other year as an in-person classroom training. On the 'off' years, the training is provided through our virtual training platform.

Finally, HR staff continue to identify the need for policy revisions and enhancements, and will commit the time and resources to further addressing this need in 2024. 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. Additionally, staff oversee the management of the Borough's self-administered workers compensation and loss prevention programs, ensuring the proper and timely compliance with personnel policies and departmental standard operating procedures pertaining to employee safety.

In 2023, 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, and a continued focus on proper PPE.

Over the past year, Paul Flohr 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.

Staff continued efforts this year on making the workplace safe by planning, facilitating, and executing mitigating measures to prevent contagions in the workplace. This process continues to prevent Borough employees from potential work-related exposure and limits our economic losses as a result. Additionally, with Wellness funding, the annual voluntary Flu vaccination clinic is once again being made available to staff.

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.

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 45 days from open to close.



Correcting Basement Fire Violations with the Codes Department



Aquatic Center slide repairs

Compliance

The Human Resource office is responsible for compliance with federal, state, and local laws that govern aspects 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. Finally, 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. For example, in collaboration with the Borough Manager and Borough Solicitor, staff completed several policy revisions in the Employee Handbook(s) and offered, and continues to offer, trainings to mitigate the Borough's liability exposure.

Challenges Going Into 2024:

- **Staffing:** Aging workforce and skills gaps;
- Continue to address through succession planning, co-op programs, internships, and other recruitment and community engagement efforts;
- **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;
- Continue to skills gaps in positions where enhanced skills are needed (including with software)
- **Wages and Benefits:** Being able to compete in a highly competitive market of technical skills; highlighting current benefits and resources available;
- 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;
- 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).

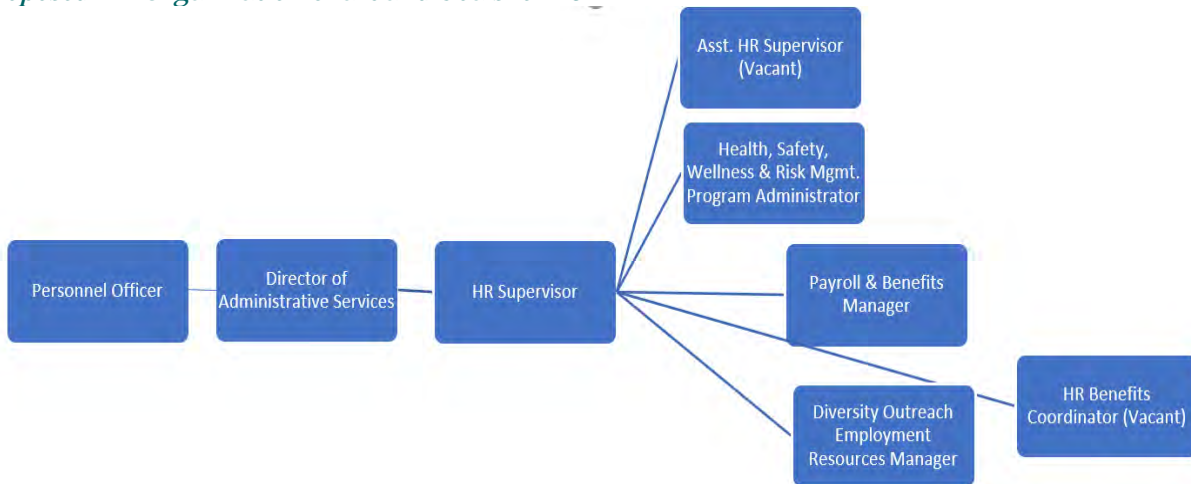
Staffing Changes

The Borough's employee base has grown, and continues to grow, exponentially, up 28% from 2015. This has required more administrative duties of the Human Resources' staff and revealed a current need for a new position in order to be as effective as possible in an office that is all-things-employee related. Although this narrative captures the high-level duties that we do on a daily basis, there is so much more that could be included, but for the sake of space and time. Included in the 2024 budget is a request for two new positions: one of which is a Benefits Coordinator, who will be exclusively responsible for the entering, tracking, and invoicing of Borough benefits provided to employees; whether by the Borough or a third-party vendor. This position will also lead the charge on Employee Orientation, Annual Open Enrollment, retirement counseling, and will be the go-to individual for employees with any benefit-related questions and concerns.

Also in the budget is a request for what we are referring to as a 'shadow position', an Assistant Human Resources Supervisor, as part of the department's succession planning. In May of 2024, the current Human Resources Supervisor, Kristine Baker, will celebrate 40 years of employment with the Borough of Chambersburg. That is quite a feat! Because of Kristine's vast institutional knowledge of the Borough, she has assumed many functions and roles over time; juggling many duties that we cannot reasonably expect from her replacement who may not have as many years, if any, with the Borough organization. Also, due to the nature of the HR Supervisor position, which oversees a lot of responsibilities that are time-sensitive, happening only at certain times of the calendar year (i.e., federal and state wage and hour compliance reports and submissions, payroll taxes, assisting the Finance department with auditing and reporting, to name a few), staff believed it imperative to hire someone to train alongside Kristine, ensuring ample training prior to her retirement. At the point Kristine chooses to retire, the Assistant Human Resources Supervisor will assume the Supervisor position, a promotion, having been trained to do so. Upon that time, staff does not anticipate requesting the Assistant Human Resources Supervisor position be backfilled or replaced.

With this succession plan in mind, the end-goal of the Human Resources staff complement will be a net positive of one position, even though we are requesting two positions for this budget year.

Proposed HR Organization Chart and Goals for 2024



HR Goals for 2024:

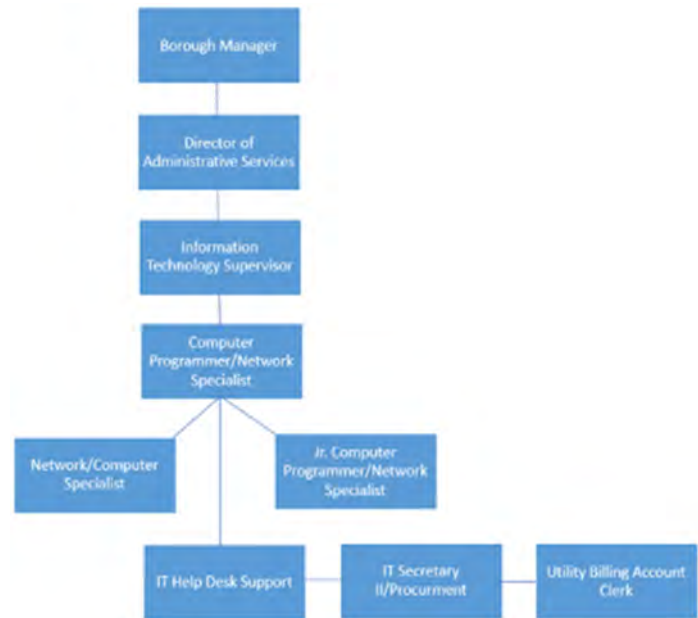
- Streamline processes with the help of current technology systems;
- Continue to improve transparency and education about employee benefits and HR policies and procedures;
- Research and compare best practices in compensation and benefits to be competitive in industry markets;
- Continue to develop 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.);
- Develop formal Diversity and Inclusion Program;
- Continue to address staffing needs through succession planning;
- Continual policy review to enhance practices and procedures based on employment trends and best practices;
- Address HR’s departmental organization, strategically planning for the future of HR.

As this year nears conclusion, the office staff look forward to reflecting on the challenges, accomplishments, and goals met in 2023. More importantly, staff anticipates a new year of goals, initiatives, and objectives that will only continue making the Borough a great place to work and live.

Information Technology Office

Under the direction of the Director of Administrative Services, and supervision of Peter Kolva, Information Technology (IT) Supervisor, with six (6) full time IT staff members, this office is responsible for computer helpdesk, programming, hardware and software installation, network maintenance, backup, infrastructure maintenance, network and email security, and special projects/report programming and publishing for all the departments of the Borough.

In addition, this office has two (2) full time data processing employees who take the utility meter reading data and transpose it digitally into the utility billing system. The office has an assigned full-time clerical pool employee who manages the procurement for the department, including cell phone purchasing and set-up, software licensing, tablet and telephone account management, and customer service. This is a part of the organizational initiative to improve our workflow and document management processes through technology.



The IT infrastructure complement includes:

- 20 Servers
- 274 Desktops/Laptops/Tablets
- 74 Borough-issued Smart Phones in Mobile Device Management (MDM)
- Server Disk Used 19.0 TB out of an available 51.0 TB Total (so there's room to grow!)
- Average 56.0 support tickets/week
- 198 IP Video Cameras
- 15 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

New this year was the IT Help Desk position. The addition of this position, currently 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. With a little internal retraining of end-users at the Borough, the position was fully-functioning and well received in March of

this year. As of the date of this publication, the Help Desk has received almost 3,000 tickets this year! Once the tickets are submitted by the end-users, the IT 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.



Pictured left: Pete Kolva, IT Supervisor and Brent Myers, IT Help Desk Technician. Pictured right: IT staff celebrate the 'go live' date for the IT Help Desk system

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 Programmer, and Jordan Estes) very busy. Collectively, the IT team, although part of an internal service, supports all internal technology and also technology that will be used by Borough customers, such as the Customer Service Portal currently in design. In spite of the thousands of support tickets IT receives per year, projects and enhancements are ongoing, even as the date of this publication, and will be as technology is a demanding industry of change. This year, IT staff have performed major projects and accomplishments listed below.

2023 Major Projects and Accomplishments

Migrated cameras on the NVR's to Axis Camera Station, saving money on licensing costs with the change	Implemented an Employee Portal for HR to input new user requests, change existing user information, and remove users upon separation.
Completed Digital persona Multi-Factor Authentication for PC's.	Moved and set-up computer operations for the Police Department from their temporary location at Orchard Drive into their renovated/new extension at the City Hall Campus. Equipment involved in the move were 29 PC's, 2 Servers, WatchGuard AP, 21 cameras, and 4 copier/printer machines.
Completed Gmail 2-Step Verification for signing onto the Borough's Gmail accounts.	Upgraded the phone server.
Completed the replacement of all the Borough's copy/printer machines.	Converted all but two fax numbers to InterFAX, improving efficiency from paper to digital resources.
Wired and terminated the entire Water Sewer building on 4 th Street.	Terminated all the connections for the Service Center renovation project.
Completed the implementation of Body Worn Cameras (BWC's) and also upgraded the in-car video systems.	Completed a Penetration Test on the Borough's network and systems.
Continued to work with Fresche programmers on the design of the Front Counter web-based customer portal.	

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. The programmers continue to work on projects that include, but are not limited to, Body Worn Camera Auditing Database, HR Employee Database, Work Order Process Flow, Purchase Order Approval Process Flow, PA OneCall Database, Engineering Sidewalk Notice Database, Gas Scans, Enhanced Data Export functions to Excel, and the ongoing Customer Portal Project.

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.

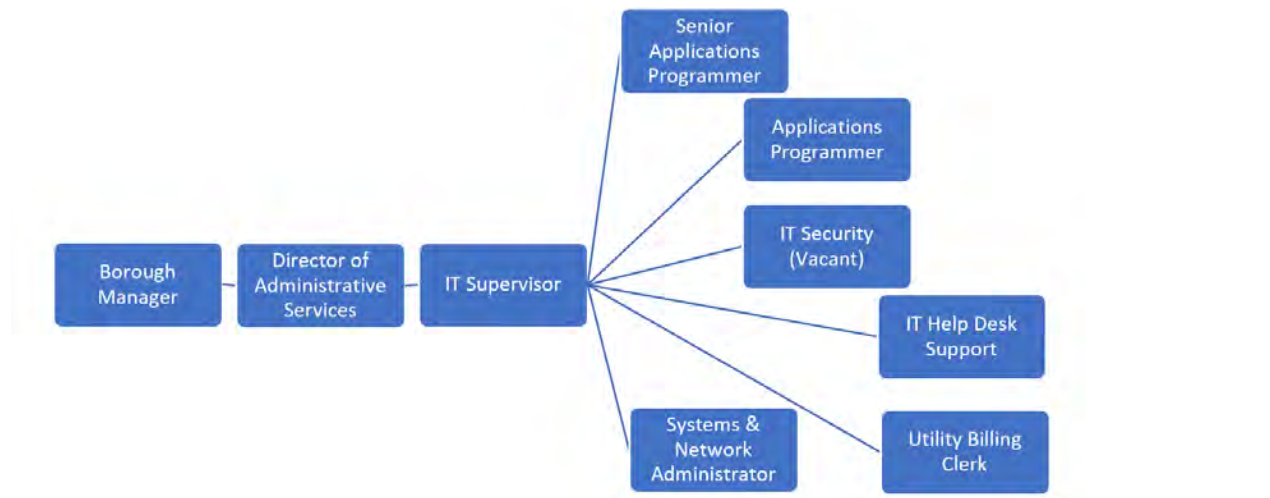
Cybersecurity

It is imperative that IT staff be proactive and up-to-date on cybersecurity resources and challenges. In 2023, staff fully implemented two-multi-factor authentication for personal computers (PC's) and 2-step verification on all Borough Gmail accounts. Additionally, staff are in the process of finishing the installation of MaaS360 on all Borough-issued phones and personal phones used for Borough business. 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.

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.

Included in this budget is a request for an IT Security position. The position was approved and included in the 2023 budget, but department management delayed the recruitment of this position as to focus on the new IT Help Desk Technician position, also added in 2023. The focus on the IT Help Desk Technician position this year allowed staff to streamline and organize internal processes, including training the Borough's employee-base on the new Help Desk process, before bringing on another new position, the IT Security position. Staff is requesting the Town Council to yet again fund the IT Security position with the 2024 budget, as IT is now ready to recruit, hire, and onboard a new employee who will exclusively focus on what will be an established IT department function under the direction of the IT Supervisor.

Proposed IT Organization Chart and Goals for 2024



IT Goals for 2024:

- Redundant Fiber Project
- Comcast for Intake Dam
- Core Switch Upgrade
- Wagner Building (New Public Works Building)
- Southgate Cameras
- Virtual Network Upgrade
- Ongoing Camera and Server Upgrades
- Ongoing personal computer (PC) replacement/upgrades
- Fire Department Website Redesign
- Loan Management software/solution to replace QuickCal

Front Counter Customer Portal Project 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.) at the Front Counter and remotely online with ease and comfort for customers; transactions done at the Front Counter 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.

As of the date of this publication, the planning committee, comprised of the IT Supervisor, IT programming staff, members of Town Council, the Borough Manager, members of the Customer Service Department, the Director of Finance, and the Director of Administrative Services, have worked tirelessly with Fresche consultants and programmers to design and test the portal. The project is ongoing with the goal of having some utilization in the very near future.

Fiber Optic Project Update

Working together with the Parking Fund, the IT Office developed a series of fiber optic network upgrades and expansions as part of a capital project in 2024.

Capital Improvement Project Requests

Project	Cost
Borough Wide Fiber Project	\$300,000
Network Switches	\$250,000
Power9 System	\$60,000
Firewalls	\$20,000
New cameras borough wide	\$100,000
UPS Upgrades	\$30,000
<i>Total</i>	\$760,000



The IT staff is involved with the installation and interconnection of traffic signal and camera to the Borough-wide fiber optic network as depicted in this image of Courthouse Plaza.

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.

New to the Clerical Pool this year is a full-time Secretary II position which specifically supports the Public Works departments, allowing the Secretary II, assigned to LUCOMDEV, the ability to exclusively focus on LUCOMDEV initiatives.

Jamia Wright and Cindy Harr, 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 provide the following:

- Prepare Council meeting agendas as well as support materials on a web smart app called BoardDocs.
- Take, transcribe, and record minutes for meetings.
- Maintain the Borough's records system.
- Prepare correspondence regarding Council actions to staff, agencies and residents.
- Post and arrange for publication of notices of public meetings in accordance with legal requirements.
- Administer and score Civil Service testing for fire and police and maintain the eligibility lists.
- Retrieve information as requested by Council, staff, and citizens daily.
- Manage the Borough's Right to Know (RTK) process.
- Codify Borough ordinances.
- Assist the Borough Manager with the preparation and administration of the annual budget.
- Manage the volunteer recruitment for boards, commissions, and committees.
- Manage Borough parking, including parking meters.
- Coordinate the printing and distribution of the Annual Report.
- Receive and respond to requests for information and documents from Borough employees and the public.
- Maintain a list of names and addresses of all elected and appointed officials and sends appropriate agendas and other material to the same.
- Distribute financial interest statements in accordance with laws and maintain files for completed statements.
- Process Solicitor and Assistant Solicitor monthly billing.
- In charge of supply ordering for City Hall and Utility Addition.
- Process quarterly township ambulance billings.
- Process various invoices for payment.
- Coordinate Special Events for Council in collaboration with the Land Use Development Department.

- Meet the public, giving information requiring thorough knowledge of departmental policies and procedures, and serve as a representative of the Borough Manager, as delegated, in contacts with other employees, officials and the general public.
- Schedules appointments for superior and facilities for the public.
- Prepares and types various reports.
- Sort, code and file correspondence, budgets, requisitions, civil service employment applications, and other documents numerically, alphabetically or according to other predetermined classification.
- Interview office visitors and screens for referral to a higher level or to other offices.
- Enters and retrieves data on the computer.
- Schedule appointments for superior and facilities for the public.
- Prepare and type various reports.
- Sort, code and file correspondence, budgets, requisitions, civil service employment applications, and other documents numerically, alphabetically or according to other predetermined classification.
- Interview office visitors and screens for referral to a higher level or to other offices.
- Enter and retrieve data in computer.

Borough Clerical Pool Full Time and Regular Part Time Staff Include:

Borough Secretary:	Jamia Wright (Borough Manager's Office)
Assistant Borough Secretary:	Cindy Harr (Borough Manager's Office)
Officer Manager:	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), Hannah Kauffman (LUCOMDEV), Tanya Sisk* (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 Margherita Esposito (Front Counter) and Maria Basile (Police Department)

*We are pleased to share that in November, Tanya Sisk will be succeeding Cindy Harr in the Borough Manager's office where she will perform the job duties of Assistant Borough Secretary upon Cindy's retirement. We thank Cindy Harr for her 18 years of dedicated service to the Borough of Chambersburg!

Finance and Accounting

2023 was a year of moderate personnel changes for the Finance and Accounting, Customer Service and City Hall Maintenance, and Human Resources & Payroll Services Offices:

- Promotion of a Regular Part-Time Reception Clerk to a Front Counter Teller I
- Filling of the Regular Part-time Reception Clerk (& Extra Part-time Front Counter Teller 1) due to a promotion
- Filling of a Customer Service Representative position as a result of an employee transferring (back) from HR
- Filling of the Finance Secretary position due to a transfer (back) to HR
- Hiring of a Front Counter Teller I
- Hiring of a Regular Part-Time Front Counter Teller I
- Hiring of an Assistant Director of Finance.

In 2023, Director of Finance, Jason H. Cohen, and the Borough's accounting office are proud to have once again received the Government Finance Officers Award for the publication of the 2022 Annual Comprehensive Financial Report (ACFR).

In 2023, the Finance Department facilitated a Request for Proposals (RFP) process intended to identify and select the Borough's partners for both banking and investment advisory services. This process was undertaken in a manner that would allow for separate appointments for each, should Borough Council have determined that to be in the best interest of the Borough. Ultimately, Borough Council appointed F&M Trust of Chambersburg to both roles, for an initial agreement period of seven (7) years, with excellent rates for interest on deposits, banking fees, and management fees. Subsequently, Finance is now working with F&M Trust Investment Advisors toward the goal of maximizing the Borough's return on investments. Currently, the Borough has \$50.6 million under management and is realizing an average yield of 0.921% with an average maturity of only 2.46 years, an estimated annual income of \$517,811 (as of 9/30/2023). For those who do not know, State Law significantly limits the type of permitted investment devices, thereby limiting the risk, and limiting the 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. Customer Service has realized year-to-date collections (as of 8/31/2023) of 66% (\$72,407) of delinquent merchandise and jobbing debt identified as collectible beginning January 1, 2023. The total year-to-date collections (as of 8/31/2023) of delinquent merchandise and jobbing debts equal \$142,373. This figure is 9% greater than last year (\$130,194), due largely to a large public works collection and uncharacteristic delays in payments from vendors.

Additionally, in response to the decrease in efficiency of the United States Postal Service, the Finance Department undertook active promotion of the Borough's PETE (Payments Easily Transferred Electronically) program, and increase mostly customer enrollment by another 6%, with participants representing approximately 24% of total utility accounts.

Finance and Accounting goals for 2024 include:

- Using technology to increase the efficiency and effectiveness of services provided; Particularly PoS, Accounting, and Utility Billing functions
- Improve citizen access to the Borough's services via a "customer portal" for payments, applications, account review, etc.

- Improve availability of all data to other departments and ensure that departments are tutored on how to access
- Improve inter-departmental communication and efficiency through real-time reporting data
- Reducing overhead costs as a result of increased use of technology to make more efficient use of existing resources
- Improving customer service while maintaining efficiency
- 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 and City Hall Maintenance

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, the Buildings, Grounds, & Maintenance Supervisor, the Live-In Residence Downtown Custodian & Maintenance Worker, and the building Custodians. 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. 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. 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.



Downtown Custodian Jeff Ziegler Cleaning Street Lights

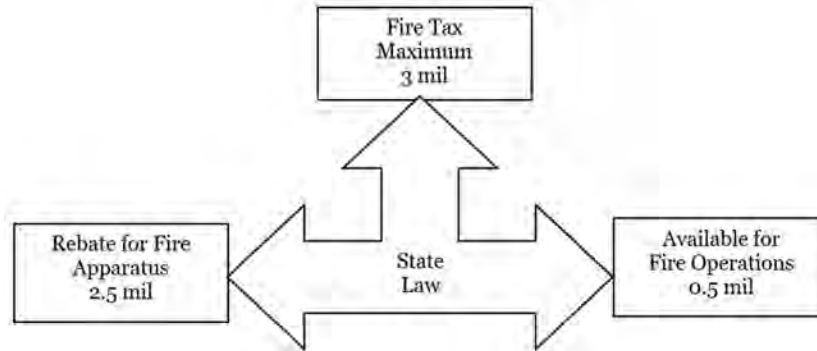
Fire Tax Fund

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.

2024 Fire Tax Yield	\$615,390	3 mil
2024 Fire Tax Revenue	\$655,735	includes prior year delinquency, liens, interest, and PILOTs
2024 Fire Tax Transfer	\$111,475	to the General Fund for ES Department Salaries
2024 Fire Tax Transfer	\$544,260	to the Motor Equipment Fund for ES Department Equipment
2024 General Fund Rebate	\$544,260	to benefit the ES Department budget in the General Fund
2024 Budget	\$655,735	



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 0.5 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 will be raised to \$11.00 with approval of this budget.

2024 Ambulance Fee	\$1,436,830
2024 Budget	\$1,436,830

In addition, the Ambulance Tax will remain at 0 mil.

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.

The Borough of Chambersburg

2024 Recreation Tax Yield	\$512,825	2.5 mil
2024 Recreation Tax Revenue	\$548,015	includes prior year delinquency, interest and liens
2024 Recreation Bond Payment	\$67,580	to pay down the Recreation Department's portion of the 2016 General Obligation Bond
2024 Recreation Tax Transfer	\$447,475	to the Swimming Pool Fund, to pay down the Fund's portion of the 2016 General Obligation Bond
2024 Recreation Expenses & Fund Balance	\$32,960	expenses and addition to fund balance
2024 Budget	\$566,015	

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.

2024 Police Station Bond Tax Yield	\$410,260	2 mil
2024 Police Station Bond Tax Revenues	\$435,810	includes prior year delinquency, interest and liens
2024 Police Station Bond Payment	\$415,050	to pay down the Borough's portion of the 2022 General Obligation Bond
2024 Police Station Expenses & Fund Balance	\$20,760	expenses and addition to fund balance
2024 Budget	\$438,810	

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 2024 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	27.43%
General Fund	23.92%
Sanitary Sewer	10.71%
Water	10.37%
Gas	9.05%
Motor Equipment	8.35%
Sanitation	3.20%
Storm Sewer (MS4)	2.10%
Parking Traffic & Street Lights	1.99%
Stores/Warehouse	1.29%
Aquatic Center	1.16%
Engineering	0.42%
TOTAL	100.0%

Based on actual 2022 (the last full year) expenditures by department



Clock Tower being restored in 2022



Clock Tower finish in 2023

The Borough of Chambersburg



1921



1941



1961



2005



2014



2017



2020



In 2023, after the renovation and addition added to the Police Station

Motor Equipment Department



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

Operations Supervisor: Arnold Barbour

Assistant Operations Supervisor: Robert Howard

Finance Department Accounting Technician for Motor Vehicles: Stephanie Glover

Mechanics: Jason Snyder, Dirk Lautenslager, Cole Stull, and Devin Adams

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$4,297,729	\$5,147,996	\$5,024,936
Expenses	\$5,329,019	\$4,589,136	\$4,300,436
Excess (Deficit)	(\$1,031,290) Deficit	\$558,860 Surplus	\$724,500 Surplus

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.

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Equipment Purchases	\$ 742,180	\$323,665	\$1,824,725	\$1,499,970	\$1,013,181*

* - Council is being asked to approve \$1,720,000 on Page 35, as the number was revised after publishing.

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.

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.

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

The Borough of Chambersburg

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.



*Cole Stull and Dirk Lautenslager
Borough Mechanics at Work*

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:

$$X = ((\$20,000-\$10,000) / 50) + \$100$$

$$X = (\$10,000/50) + \$100$$

$$X = \$200 + \$100$$

$$X = \$300$$

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: $X = ((R-E)/N) + O) + OH\%$, 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.



CASE Front End Loader

The Borough of Chambersburg

In 2024, the following vehicle purchases are requested:

Department	New Purchase	Replacing Vehicle	Cost
Electric	2024 Freightliner Digger/Derrick	1998 Freightliner Digger/Derrick (No. 820)	\$370,000
Electric	2024 Ford F250 SD Ext Cab 4WD Pickup Truck	2012 Ford F250 SD Reg Cab 4WD Pickup Truck (No. 228)	\$50,000
Electric	2024 Ford, Chevy, Ram Work Van	2012 Chevy Express Van (No. 257)	\$50,000
Electric	2024 JCB Compact Wheel Loader	2009 JCB Compact Wheel Loader (No. 1010)	\$100,000
Electric	New 2024 Ford Explorer SUV	<i>Additional Vehicle to the Fleet</i>	\$37,000
Fire Department	2024 Ford Expedition or Chevy Tahoe SUV	2019 Ford F150 4WD Crew Cab Pickup Truck (No. 7305)	\$70,000
Fire Department	F450 Ambulance	2013 Dodge 4500 Type I (No. 19)	\$386,000
Engineering	2023 Ford Escape or Similar Vehicle	2008 Ford Escape SUV (No. 1886)	\$37,000
Highway	2020 Ford F250 Utility Body Truck	2006 Ford F250 Utility Body Truck (No. 625)	\$50,000
Highway	2024 John Deere or Equivalent Tractor/Mower	2000 John Deere Tractor w/Flail Mower (No. 1021)	\$70,000
Parking/Traffic	2024 Ford Escape SUV	2020 Ford F250 Utility Body Truck.	\$40,000
		<i>This truck will be transferred to Highway dept. (No. 8401)</i>	
Police	2024 Ford Explorer (Detective)	2010 Ford Escape Hybrid SUV (No. 98)	\$60,000
Police	2024 Ford Explorer SUV (K9)	2016 Ford Explorer SUV (No. 7402)	\$55,000
Police	2024 Ford Explorer SUV (Chief)	<i>Additional Vehicle to the Fleet</i>	\$55,000
Sanitation	2024 Elgin Pelican Sweeper	2011 Elgin Pelican Sweeper (No. 174)	\$250,000
Water/Sewer	2023 Ford Transit Connect Van	2002 GMC Compact 4WD Ext Cab Pickup Truck (No. 408)	\$40,000
TOTAL			\$1,720,000

In 2025, the following vehicle purchases are requested:

Department	New Purchase	Replacing Vehicle	Cost
Codes	Ford Escape	Ford Escape (No. 84)	\$40,000
Engineering	Mid-Size SUV	2015 Ford Explorer (No. 550)	\$45,000
Engineering	Small 4WD Pickup	2007 Chevy Express Van (No. 7)	\$40,000
Fire Department	Pierce Enforcer Pumper	2005 Pierce Enforcer Pumper (No. 578)	\$900,000
Gas	Small 4WD Pickup	2009 Chevy Colorado 4WD (No. 955)	\$40,000
Gas	Single Axle Dump Truck	2008 F550 (No. 871)	\$130,000
Highway	Tractor with Mower	1990 John Deere Tractor with Mower (No. 1907)	\$45,000
Police	Ford Explorer Interceptor	2016 Ford Explorer Interceptor (No. 7402)	\$58,000
Police	Ford Explorer Interceptor	2016 Ford Explorer Interceptor (No. 7403)	\$58,000
Recreation	3/4 Ton 4WD Ext. Cab Pickup with Snowplow	2013 F250 4WD Pickup with Snowplow (No. 7502)	\$40,000
Sanitation	Rear Load Recycling/Refuse Truck	<i>Additional Vehicle to the Fleet</i>	
Sanitation	Rear Load Refuse Truck	2003 Western Star Rear Load Refuse Truck (No. 367)	\$260,000
Water/Sewer	Mack Tandem Axle Dump Truck	2001 Mack Tandem Axle Dump Truck (No. 111)	\$237,000
Water/Sewer	Backhoe	2014 CAT Backhoe (No. 479)	\$130,000
TOTAL			\$2,283,000

In 2026, the following vehicle purchases are requested:

Department	New Purchase	Replacing Vehicle	Cost
Admin. Services	2026 Ford Escape	2016 Ford Escape (No. 2016)	\$40,000
Admin. Services	2026 Ford Escape	2016 Ford Escape (No. 2017)	\$40,000
Fire Department	2026 Ford Explorer	2016 Ford Explorer (No. 7302)	\$50,000
Fire Department	2026 Ford F150 Supercab	2021 Ford F150 Supercab (no. 7308)	\$70,000
Police	2026 Ford Explorer	2020 Ford Explorer (No. 7407)	\$60,000
Police	2026 Ford Explorer	2020 Ford Explorer (No. 7408)	\$60,000
Recreation	John Deere 4x4 Gator	2015 John Deer 4x4 Gator (No. 505)	\$20,000
Recreation	John Deere 4x4 Gator	2015 John Deer 4x4 Gator (No. 554)	\$22,000
Sanitation	Bobcat Skid Steer	1999 Case 1845C Unloader (No. 976)	\$90,000
Water/Sewer	Freightliner Vac Truck	2018 Freightliner Vac Truck	\$450,000
TOTAL			\$902,000

These purchase prices are estimates and final prices depend on cooperative vehicle contracts.



Electric Utility Bucket Truck

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 – Director of Public Works
Supervisor: Brian Fogal

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Revenue	\$562,067	\$616,725	\$633,800
Expenses	\$657,617	\$616,725	\$633,800
Excess (Deficit)	\$(95,550) Deficit	- 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.

In 2022, the Engineering Department transferred surplus revenue totaling \$100,000 budgeted for transfer to the General Fund to cover the same expenditures, final work on the Comprehensive Plan. In the end, the deficit appeared slightly less as some of the expenses were accumulated in 2021.

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.



Engineering Department accomplishments for 2023 include:

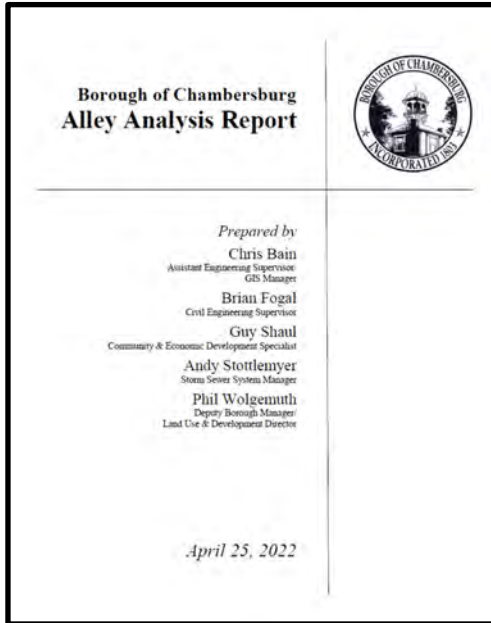
- Worked with Storm Sewer Utility to prepare Alley Analysis Report – which was presented to Town Council on July 31, 2023;
- Prepared plans/bid specifications, conducted curb/sidewalk inspections and administered construction contracts for 2023 projects, including Full Depth Reclamation and/or Mill and Overlay of Cosell Drive from Martina Drive to Martina Drive, Wellslee Drive from Martina Drive to Martina Drive, Elrock Drive from Mill Road to Hollywell Avenue, Overlea Court to Elrock Drive, Martina Drive from Hollywell Avenue to Elrock Drive, Suelinn Drive from Cosell Drive to Martina Drive, Roseann Drive from Martina Drive to Martina Drive, Debrina Court to Suelinn Drive, West Vine Street from Riddle Alley to terminus, Wolf Avenue from West Vine Street to West Commerce Street, and 5th Avenue from South of Entrance to AMVets, North 994 feet., Center Street Improvements Project and Permanent Restoration of Surface Openings on Borough Streets and State Routes;
- Utilizing the On Call Concrete contract, completed the sidewalk ramp replacements at the Aquatic Center and the Chambersburg Area Middle School – South.

Engineering Department goals for 2024 include:

- Work with Town Council and Director of Public Works to advance initiatives outlined in the Alley Analysis Report;
- Prepare plans/bid specifications and conduct curb/sidewalk inspections for streets to be reconstructed during 2024;
- Increase the use of technology for, and streamline the Borough's portion of, the PA One Call system;
- Develop a succession plan for the Engineering Supervisor and Assistant Engineering Supervisor/GIS Manager.



Storm Water Inlet at the Water Wheel, Chambers Fort Park



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;
- 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.



Center Street – Curb and Sidewalk Replacement



Paving Operation – Vine Street

Engineering Permits		
<u>Year</u>	<u>Curb & Sidewalk</u>	<u>Excavation</u>
2020	46	115
2021	39	76
2022	18	14
8/31/2023	21	9

Utility Locator Calls	
<u>Year</u>	<u>Calls</u>
2020	3,915
2021	4,095
2022	3,080
8/31/2023	3,786

Street Improvements 2024-2028

The Engineering Department, with assistance from engineering consultant Geo-Technology Associates, 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 Fourth Street, Eisenhower Drive, Lincoln Road, West Queen Street, Edgelea Drive, part of Hollywell Avenue, Monticello Court, Hudson Avenue, and Horst Avenue; as well as Permanent Restoration of Surface Openings on Borough Streets and State Routes.



The Engineering Department also helped to prepare the street improvement project lists for 2024-2028. These lists include no paving of alleys, although money is set aside annually for alley maintenance through a contract for Manual Bituminous Patching on Borough Streets. 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. This increase will provide an additional \$100,000 of annual funding to begin alley renovations.

2024 PROJECTS

Funding Source	Project	Est. Cost	Contribution From Grant Funding
Utilities & Capital Reserve	Fourth St. (E. Queen St. to Wayne Ave.)	\$267,600	\$67,000
Liquid Fuels/Capital Reserve	Eisenhower Dr. (S. Main St. to Progress Rd.)	\$255,872	\$135,872
Liquid Fuels/Capital Reserve	Lincoln Rd. (Eisenhower Dr. to Progress Rd.)	\$242,376	\$122,376
Liquid Fuels/Capital Reserve	W. Queen St. (Franklin St. to Monticello Ct.)	\$86,400	\$76,400
Liquid Fuels/Capital Reserve	Edgelea Dr. (Weaver Ave. to Clinton Ave.)	\$81,600	\$71,600
Liquid Fuels/Capital Reserve	Clinton Ave. (Edgelea Dr. to Woodstock Rd.)	\$62,040	\$52,040
Liquid Fuels/Capital Reserve	Roosevelt Arms Ct.	\$44,942	\$33,942
Liquid Fuels/Capital Reserve	Weaver Ave. (Clinton Ave. to Railroad Highline)	\$40,440	\$30,440
Utilities & Capital Reserve	Hollywell Ave. (Industrial Dr. to Dump Rd.)	\$27,480	\$10,000
Liquid Fuels/Capital Reserve	Mentzer Ave. (Clinton Ave. to Edgelea Dr.)	\$26,520	\$16,520
Liquid Fuels/Capital Reserve	Monticello Ct. (Lincoln Way West to Loudon St.)	\$21,120	\$11,120
Liquid Fuels/Capital Reserve	Candlestick Ct.	\$15,960	\$960
Liquid Fuels/Capital Reserve	Conner St. (West Queen St. to Lincoln Way West)	\$11,400	\$400
Liquid Fuels/Capital Reserve	Hudson Ave. (Edgar Ave. to Philadelphia Ave.)	\$11,040	\$1,000
Liquid Fuels/Capital Reserve	Horst Ave. (Edgar Ave. to Cambridge Ct.)	\$9,480	\$1,000
TOTAL		\$1,204,270	\$631,670



2025 PROJECTS

Funding Source	Project	Est. Cost	Contribution From Grant Funding
Liquid Fuels/Capital Reserve	Coldbrook Ave. (Wayne Ave. to Lincoln Way)	\$1,000,000	\$850,000
CDBG Grant	Pleasant St. (Elder St. to Franklin St.)	\$589,535	\$589,535
Liquid Fuels/Capital Reserve	Water St. (W. Queen St. to Hollywell Ave.)	\$231,705	\$196,949
Liquid Fuels/Capital Reserve	Orchard Ct. (Cumberland Ave. to Rosewood Ct.)	\$226,221	\$192,288
Liquid Fuels/Capital Reserve	Cedar Ave. (W. Catherine St. to Southgate Lot Only)	\$175,000	\$175,000
Liquid Fuels/Capital Reserve	Nelson St. (N. Fourth St. to Fifth Ave.)	\$104,236	\$88,601
Liquid Fuels/Capital Reserve	Martin Ave (Garber St to North Franklin St.)	\$99,942	\$84,951
Liquid Fuels/Capital Reserve	Garfield St. (S. Sixth St. to Coldbrook Ave.)	\$75,516	\$64,189
Liquid Fuels/Capital Reserve	Prince St. (Lincoln Way East to Nelson St.)	\$67,277	\$57,185
Liquid Fuels/Capital Reserve	Orchard Dr. (Leidig Dr. to McKinley St.)	\$64,256	\$54,618
<i>TOTAL</i>		\$2,633,688	\$2,353,316

2026 PROJECTS

Funding Source	Project	Est. Cost	Contribution From Grant Funding
Capital Reserve	Final Paving Cedar Ave.	\$500,000	-
Liquid Fuels/Capital Reserve	E. Catherine St. (S. Fourth St. to Lincoln Cemetery)	\$1,000,000	\$850,000
Liquid Fuels/Capital Reserve	E. Washington St. (S. Fourth St. to Eighth St.)	\$1,000,000	\$850,000
TOTAL		\$2,500,000	\$1,700,000

Future PROJECTS

Funding Source	Project	Est. Cost	Contribution From Grant Funding
Liquid Fuels/Capital Reserve	Stouffer Ave. (Wayne Ave. to McKinley St.)	\$1,035,286	\$879,993
Liquid Fuels/Capital Reserve	W. Queen St. (S. Franklin St. to Monticello Ct.)	\$313,929	\$266,840
Liquid Fuels/Capital Reserve	Grant St. (N. Second St. to Fifth Ave.)	\$264,032	\$224,427
Liquid Fuels/Capital Reserve	S. Franklin St. (Lincoln Way West to Loudon St.)	\$163,594	\$139,055
Liquid Fuels/Capital Reserve	Grandview Ave. (King St. to North Franklin St.)	\$147,480	\$125,358
Liquid Fuels/Capital Reserve	Rosewood Ct. (Orchard Dr. to Leidig Dr.)	\$139,039	\$118,183
Liquid Fuels/Capital Reserve	Leidig Dr. (Stanley Ave. to Orchard Dr.)	\$131,566	\$111,831
Liquid Fuels/Capital Reserve	Middle St. (Stanley Ave. to Wallace Ave.)	\$131,566	\$111,831
Liquid Fuels/Capital Reserve	Dewberry Ct. (Wallace Ave. to Terminus)	\$102,667	\$87,267
Liquid Fuels/Capital Reserve	Wallace Ave. (E. McKinley St. to Dewberry Ct.)	\$95,080	\$80,818
Liquid Fuels/Capital Reserve	Wolf Ave. (Chambers St. to Commerce St.)	\$31,080	\$26,418
Liquid Fuels/Capital Reserve	Chambers St. (Philadelphia Ave. to Wolf Ave.)	\$15,960	\$13,566
TOTAL		\$2,571,279	\$2,185,587

These lists include no paving of alleys, although money is set aside annually for alley maintenance through a contract for Manual Bituminous Patching on Borough Streets. In 2021, the Engineering Department prepared an inventory and analysis of alleys in the Borough to determine appropriate ways to better finance maintenance, which was presented to Town Council in 2023.

Beginning in 2024, the budget calls for an increase in alley patching of:

\$100,000 from the General Capital Reserve; and

\$100,000 from the Sanitation Department (for alleys used by Sanitation vehicles for collection).

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, it is anticipated that the Borough will go back out with a Request for Proposals to renew our relationship with a storm water consulting engineering firm.



In 2024, 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.



11/6/2023

Charts and Tables

As Proposed for 2024 by Jeffrey Stonehill, Borough Manager

The Borough of Chambersburg

Charts and Tables

As Proposed for 2024

Income Statement 2024

Total Revenues, Deposits, Transfers by Fund

<u>Utility Operating Fund Revenue</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Budget</u>
Electric Operating	\$30,156,766	\$34,594,782	\$32,940,520	\$35,213,550
Gas Operating	\$8,662,348	\$12,864,801	\$14,075,650	\$11,335,910
Wastewater Operating	\$7,198,464	\$7,517,686	\$7,187,920	\$7,543,200
Water Operating	\$5,038,841	\$5,755,146	\$5,490,550	\$5,175,125
Sanitation Operating	\$3,609,440	\$4,284,824	\$4,467,264	\$4,859,348
Storm Sewer	\$524,579	\$1,135,582	\$1,170,870	\$1,515,660
Swimming Pool (Aquatic Center)	\$1,225,556	\$1,583,912	\$1,315,910	\$1,367,675
<u>Governmental Taxes, Fines & Fees</u>				
General Fund	\$17,509,263	\$25,215,218	\$19,517,700	\$19,790,495
<u>Internal Services Fees</u>				
Administrative Services	\$6,803,890	\$7,631,531	\$10,004,851	\$9,890,944
Motor Equipment	\$3,721,194	\$4,297,728	\$5,147,996	\$5,024,936
Parking Traffic Street Lights	\$1,642,866	\$1,240,841	\$1,553,010	\$1,585,300
Stores/Warehouse	\$1,415,946	\$1,521,743	\$1,730,445	\$1,995,015
Engineering	\$529,148	\$562,067	\$616,725	\$633,800
<u>Special Revenue Receiving</u>				
Special Revenue Receiving Acct	\$4,038,275	\$4,328,563	\$1,330,304	\$2,851,339
Fire Tax Receiving Account	\$642,765	\$647,924	\$694,995	\$663,735
Recreation Bond Tax Receiving Account	\$639,873	\$650,204	\$557,410	\$566,015
Police Station Bond Tax Receiving Account	-	\$203,487	\$421,235	\$438,810
Highway Aid Receiving Account	\$575,190	\$646,379	\$609,770	\$615,100
<u>Deposits to Self-Insurance</u>				
Workers Comp Holding Account	\$539,480	\$597,883	\$716,460	\$472,450
Self-Insurance Holding Account	\$1,538,043	\$1,014,278	\$1,205,975	\$1,169,285
<u>Deposits for Capital Projects</u>				
Sewer Capital Reserve	\$1,184,612	\$1,252,528	\$1,504,490	\$999,765
Gas Capital Reserve	\$887,675	\$60,561	\$1,604,000	\$2,866,345
Sanitation Capital Reserve	\$454,944	\$2,103	\$862,589	\$3,237,057
Electric Capital Reserve	\$102,934	\$581,470	\$20,000	\$1,978,000
General Capital Reserve	\$3,374,297	\$8,395,881	\$3,989,520	\$1,420,100
Parking Capital Reserve	\$2,233,841	\$999,445	\$701,100	\$761,715
Water Capital Reserve	\$768,787	\$736,031	\$3,316,000	\$1,647,010
Storm Sewer Capital Reserve	\$96,657	\$2,100,082	\$848,630	\$7,051,750

SIZE OF BUDGET COMPARRISON 2023-2024

ALL FUNDS BUDGET

In 2024, the Borough will have an ALL-FUNDS BUDGET of \$134,254,757.

In 2023, the ALL-FUNDS BUDGET was \$134,698,549.

This represents a 0.3% decrease.

No major changes to accounting or operational practices. This net decrease is a realistic gauge of year-over-year fluctuations.

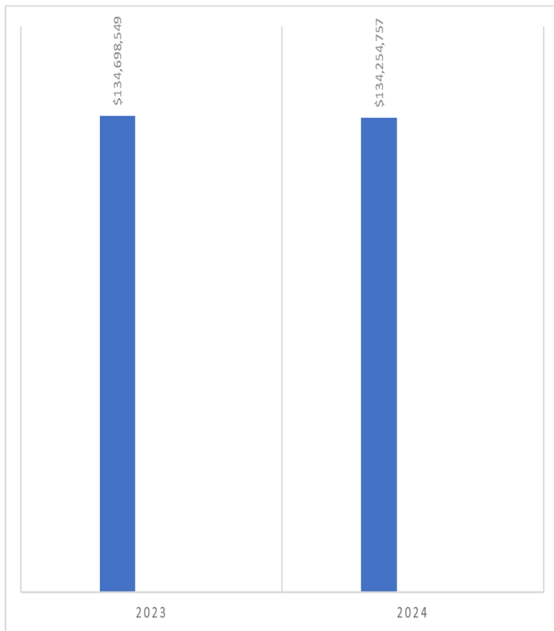
OPERATING BUDGET

In 2024, the Borough's OPERATING BUDGET will be \$124,198,372.

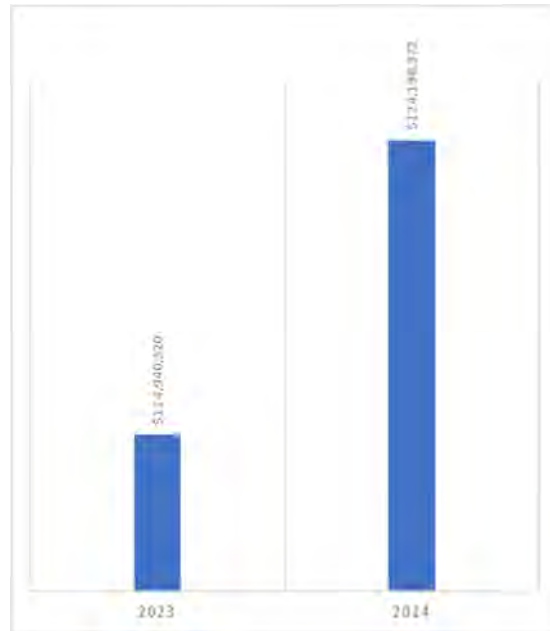
In 2023, the Borough's OPERATING BUDGET was \$114,940,320.

This represents an 8.1% increase.

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, Water Capital Reserve, Sanitation, Sanitation Capital Reserve, General, Storm Sewer, Storm Sewer Capital Reserve, Special Revenue, and Administrative Services Funds; as a result of utility rate increases, projected increases in sales, as well as the anticipated revenue resulting from grants and debt issuance.



All Funds Budget



Operating Funds

2024 REVENUES & EXPENDITURES BY FUND

2024 Revenues Proposed Budget		2024 Expenditures Proposed Budget	
Gen Operating Fund:		Gen Operating Fund:	
Gen Borough Operating Income	\$18,694,760	Gen Borough Operating Expenses	\$2,977,175
Interfund Transfers to Gen Borough	\$1,095,735	Interfund Transfers from Gen Borough	\$0
		Highway	\$1,488,190
		Emergency Services	\$6,135,720
		Police	\$6,243,476
		Recreation	\$1,473,220
		Planning	\$237,315
		Zoning	\$40,995
		Property Maintenance Code	\$725,005
		Miscellaneous	\$469,399
		Special Interfund Transfers	\$0
Total Gen Operating Fund Revenues	\$19,790,495	Total Gen Operating Fund Expenditures	\$19,790,495
Gen Capital Reserve Fund:		Gen Capital Reserve Fund:	
	\$1,420,100		\$2,623,470
Other Gen Fund:		Other Gen Fund:	
Special Revenue Fund	\$2,851,339	Special Revenue Fund	\$2,847,339
Fire & Ambulance Tax Fund	\$663,735	Fire & Ambulance Tax Fund	\$663,735
Recreation Bond Tax Fund	\$566,015	Recreation Bond Tax Fund	\$566,015
Police Station Bond Tax Fund	\$438,810	Police Station Bond Tax Fund	\$438,810
Liquid Fuels Tax	\$615,100	Liquid Fuels Tax	\$615,100
Surplus Operating Fund	\$200	Surplus Operating Fund	\$200
Total	\$5,135,199	Total	\$5,131,199
Total Trust and Agency Funds:	\$2,241,800	Total Trust and Agency Funds:	\$2,234,190
Enterprise Operating Funds:		Enterprise Operating Funds:	
Electric Department	\$35,213,550	Electric Department	\$35,213,550
Gas Department	\$11,335,910	Gas Department	\$11,335,910
Water Department	\$5,175,125	Water Department	\$5,175,125
Wastewater Department	\$7,543,200	Wastewater Department	\$7,543,200
Sanitation Department	\$4,859,348	Sanitation Department	\$4,859,348
Parking, Traffic & St. Lighting	\$1,585,300	Parking, Traffic & St. Lighting	\$1,585,300
Storm Sewer	\$1,515,660	Storm Sewer	\$1,515,660
Swimming Pool (Aquatic Center)	\$1,367,675	Swimming Pool (Aquatic Center)	\$1,367,675
Total	\$68,595,768	Total	\$68,595,768
Enterprise Capital Reserve Funds:		Enterprise Capital Reserve Funds:	
Electric Capital Reserve	\$1,978,000	Electric Capital Reserve	\$1,890,000
Gas Capital Reserve	\$2,866,345	Gas Capital Reserve	\$2,790,000
Water Capital Reserve	\$1,647,010	Water Capital Reserve	\$1,680,000
Sewer Capital Reserve	\$999,765	Sewer Capital Reserve	\$2,460,000
Sanitation Capital Reserve	\$3,237,057	Sanitation Capital Reserve	\$3,000,000
Parking Capital Reserve	\$761,715	Parking Capital Reserve	\$847,000
Storm Sewer Capital Reserve	\$7,051,750	Storm Sewer Capital Reserve	\$4,321,605
Total	\$18,541,642	Total	\$16,988,605
Internal Service Funds:		Internal Service Funds:	
Stores	\$1,995,015	Stores	\$1,995,015
Motor Equipment	\$5,024,936	Motor Equipment	\$4,300,436
Engineering	\$633,800	Engineering	\$633,800
Workers Compensation Fund	\$472,450	Workers Compensation Fund	\$530,050
Administrative Services	\$9,890,944	Administrative Services	\$9,890,944
Self-Insurance Fund	\$1,169,285	Self-Insurance Fund	\$1,540,785
Total	\$19,186,430	Total	\$18,891,030
Total 2024 Budget Revenues	\$134,911,434	Total 2024 Budget Expenditures	\$134,254,757
		Difference between Rev & Exp	\$656,677
		Use of Bond Funds on Hand	\$9,536,605
		Net Diminution of Cash Reserves	\$10,193,282

Notes related to previous table:

1. General Fund Capital Reserve Fund: \$1,203,370 from Fund Balance
2. Water Department Capital Reserve Enterprise Fund: \$32,990 from Fund Balance
3. Sewer Department Capital Reserve Enterprise Fund: \$1,460,235 from Fund Balance
4. Parking Department Capital Reserve Enterprise Fund: \$85,285 from Fund Balance
5. Self-Insurance Trust Fund: \$371,500 from Fund Balance
6. Workers Compensation Trust Fund: \$57,600 from Fund Balance
7. Project H.E.A.T. Fund: \$16,500 from Fund Balance
8. Total Capital Investment: \$19,612,075
9. Difference between Rev. and Exp. before Bond Sinking funds applied: \$656,677
10. Difference between Rev. and Exp. after Bond Sinking funds applied: \$10,193,282
11. \$3,227,480 of \$134,254,757 budget or 2.4% of budget funded by cash reserves

Use of Fund Balance 2024

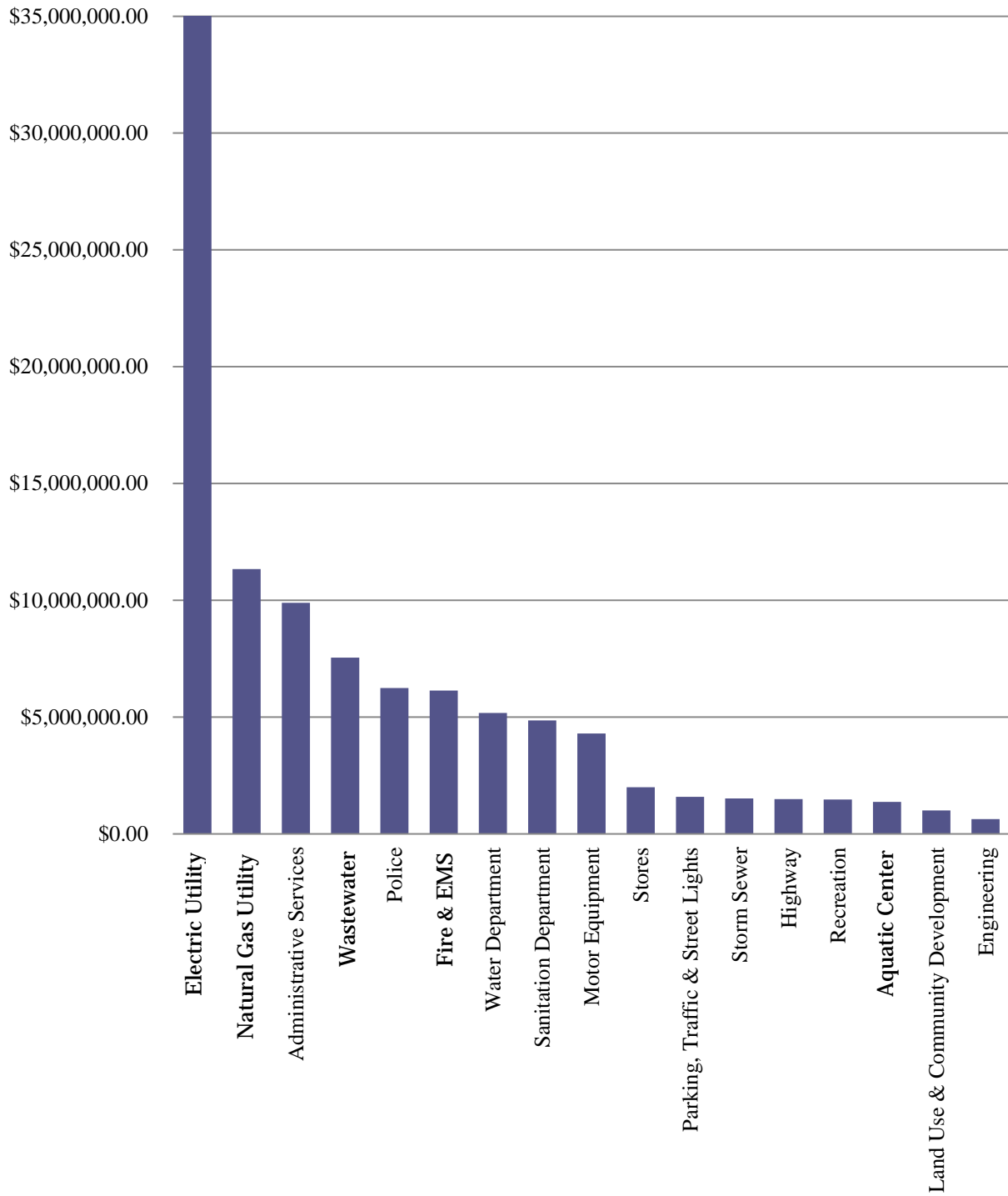
	2024 Revenue	2024 Expenditures		Withdrawal/Deposit from Fund Balance
General Fund Total	\$19,790,495			Balanced with an increase to the Ready-to-Serve Ambulance Fee
General		\$2,977,175		
Highway		\$1,488,190		
Fire/Ambulance		\$6,135,720		
Police		\$6,243,476		
Recreation		\$1,473,220		
Land Use/Community Dev		\$1,003,315		
Community Functions		\$469,399		
General Fund	\$19,790,495	-		Balanced
Electric	\$35,213,550	\$35,213,550	-	Balanced with a 11.3% rate increase
Gas	\$11,335,910	\$11,335,910	-	Balanced
Water	\$5,175,125	\$5,175,125	-	Balanced with a 3¢ per unit rate increase
Sewer	\$7,543,200	\$7,543,200	-	Balanced
Sanitation	\$4,859,348	\$4,859,348	-	Balanced with a \$3 per month rate increase
Parking Traffic	\$1,585,300	\$1,585,300	-	Balanced
Storm Sewer	\$1,515,660	\$1,515,660	-	Balanced
Swimming Pool	\$1,367,675	\$1,367,675	-	Balanced
Motor Equipment	\$5,024,936	\$4,300,436	\$724,500	Making a deposit into fund balance, for future equipment
Engineering	\$633,800	\$633,800	-	Balanced
Stores/Warehouse/Call Center	\$1,995,015	\$1,995,015	-	Balanced
Admin Services Dept.	\$9,890,944			Balanced
Utility Addition Operations		\$584,655		
Human Resources		\$983,055		
Information Technology		\$1,721,577		
Finance/Accounting/Cust Service		\$2,766,085		
Clerical Pool		\$1,470,647		
Admin Fund Administration		\$1,328,925		
Admin Fund Capital Projects		\$1,036,000		
Admin Services Dept.	\$9,890,944	-		Balanced
General Capital Reserve	\$1,420,100	\$2,623,470	\$(1,203,370)	Making a \$1,203,370 withdrawal from the General Capital Reserve for future capital projects.
Storm Sewer Capital	\$7,051,750	\$4,321,605	\$2,730,145	Making a \$2,730,145 deposit into the capital reserve for future capital projects.
Electric Capital	\$1,978,000	\$1,890,000	\$88,000	Making a \$88,000 deposit into the capital reserve for future capital projects.
Gas Capital	\$2,866,345	\$2,790,000	\$76,345	Making a \$76,345 deposit into the capital reserve for future capital projects.
Water Capital	\$1,647,010	\$1,680,000	\$(32,990)	Making a \$32,990 withdrawal from the capital reserve for future capital projects.
Sewer Capital	\$999,765	\$2,460,000	\$(1,460,235)	Making a \$1,460,235 withdrawal from the capital reserve for future capital projects.
Sanitation Capital	\$3,237,057	\$3,000,000	\$237,057	Making a \$237,057 deposit into the capital reserve for future capital projects.
Parking Capital	\$761,715	\$847,000	\$(85,285)	Making a \$85,285 withdrawal from the capital reserve for future capital projects.

Use of Fund Balance 2024 Continued

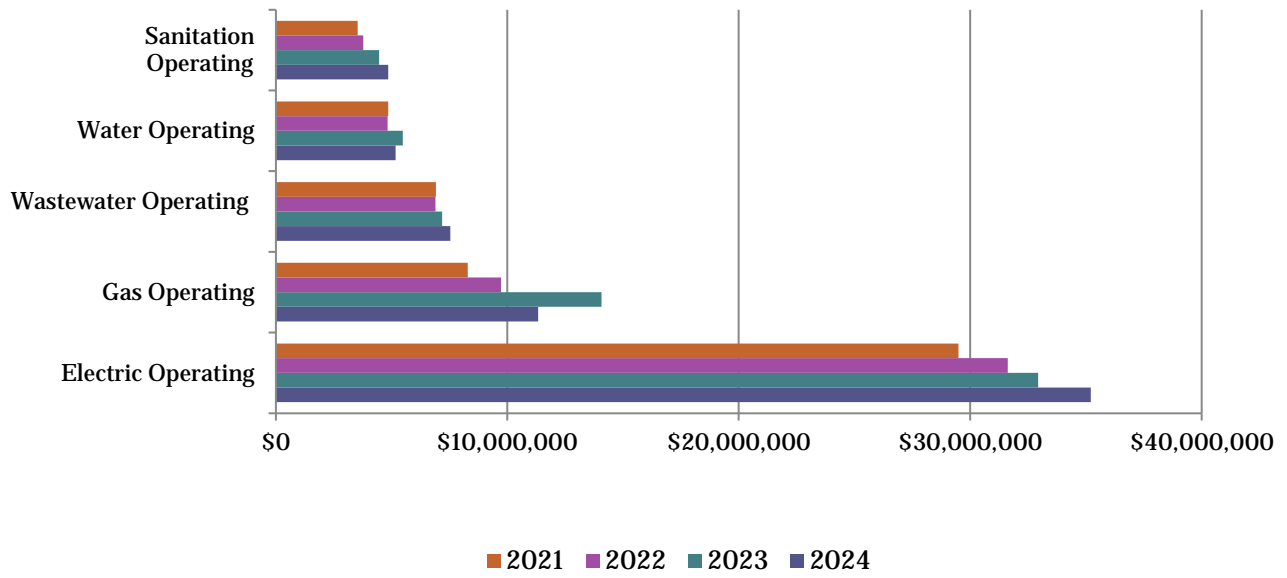
	2024 Revenue	2024 Expenditures	Withdrawal/Deposit from Fund Balance	
Self-Insurance Trust	\$1,169,285	\$1,540,785	\$(371,500)	Making a \$371,500 withdrawal for claims
Workers Comp Trust	\$472,450	\$530,050	\$(57,600)	Making a \$57,600 withdrawal for claims
Special Revenue Trust	\$2,851,339	\$2,847,339	\$4,000	Making a \$4,000 deposit as anticipated grant payments will exceed grant spending.
Police Station Bond Tax Fund Holding	\$438,810	\$438,810	-	Balanced
Recreation Bond Tax Fund Holding	\$566,015	\$566,015	-	Balanced
Fire Tax/Ambulance Tax Holding	\$663,735	\$663,735	-	Balanced
Liquid Fuels State Grant Holding	\$615,100	\$615,100	-	Balanced
Sister City	\$1,500	\$1,500	-	Balanced
Project H.E.A.T.	\$25,750	\$42,250	\$(16,500)	Making a \$16,500 withdrawal for claims
	\$134,254,757	\$131,027,277		\$3,227,480 of \$134,254,757 budget or 2.4% of budget funded by cash reserves
<i>Anticipated use of debt to fund projects</i>		\$5,733,531		

All governmental funds are balanced and capital funds are making a drawdown on reserves & bond proceeds.

Relative Size of Borough Departments



Utility Fund Operations Relative Size 2021 - 2024 Budget

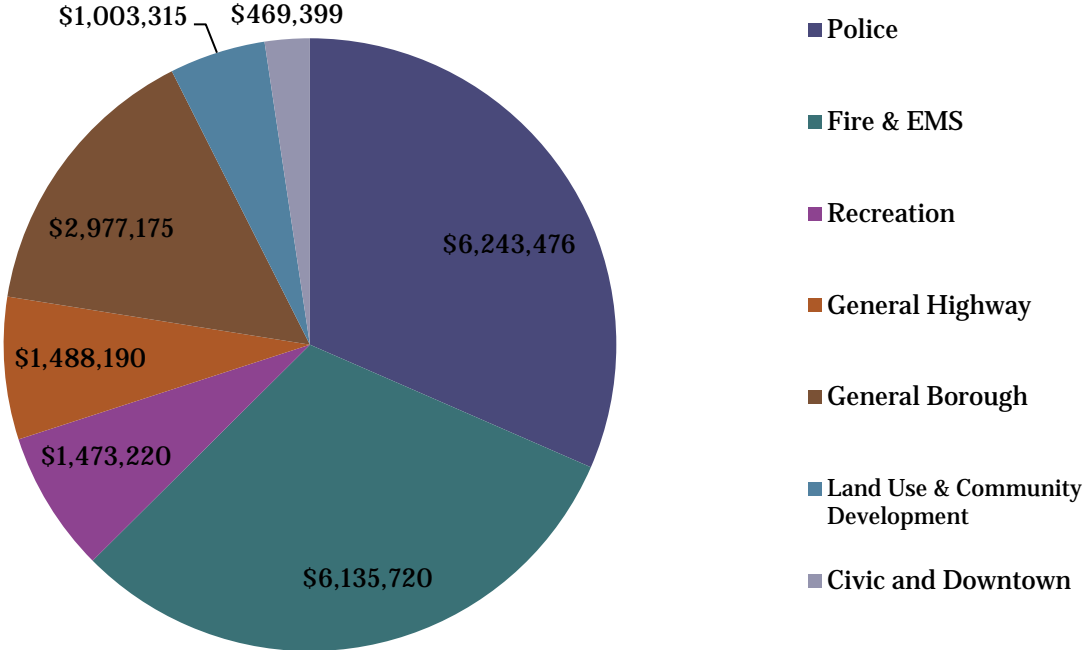


In 2024, the Borough anticipates growth in utility sales in Electric, Wastewater, and Sanitation.

General Fund Revenue

<u>Police Tax Revenue</u> (70002, 70003, 70008, 70011)	2024	\$ 5,435,380.00	25 mil
	Budget Estimate 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
	2018	\$ 4,920,551.30	24 mil
<u>Deed Transfer Tax Revenue</u> (70009)	2024	\$ 625,000.00	
	Budget Estimate 2023	\$ 875,000.00	
	2022	\$ 869,659.72	
	2021	\$ 795,060.82	
	2020	\$ 600,002.61	
	2019	\$ 582,654.24	
	2018	\$ 515,553.51	
<u>Earned Income Tax Revenue</u> (70010)	2024	\$ 2,800,000.00	
	Budget Estimate 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	
	2018	\$ 2,129,484.74	
<u>LST (or EMST) Tax Revenue</u> (70005)	2024	\$ 758,000.00	
	Budget Estimate 2023	\$ 815,000.00	
	2022	\$ 785,273.07	
	2021	\$ 787,301.74	
	2020	\$ 816,309.27	
	2019	\$ 864,308.24	
	2018	\$ 861,909.72	
<u>Police Fines Revenue</u> (70031, 70034)	2024	\$ 132,500.00	
	Budget Estimate 2023	\$ 144,000.00	
	2022	\$ 132,140.74	
	2021	\$ 129,978.20	
	2020	\$ 143,344.80	
	2019	\$ 179,234.07	
	2018	\$ 157,300.32	
<u>Ambulance Billing Revenue</u> (70046, 70047)	2024	\$ 1,378,500.00	
	Budget Estimate 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	
	2018	\$ 1,139,645.89	

General Fund 2024 Proposed Expenditures



2024 Budget

Police	\$	6,243,476	31.5%
Fire & EMS	\$	6,135,720	31.0%
General Borough	\$	2,977,175	15.0%
Recreation	\$	1,473,220	7.4%
General Highway	\$	1,488,190	7.5%
Land Use & Community Development	\$	1,003,315	5.1%
Civic and Downtown	\$	469,399	2.4%
Total Expenditures	\$	19,790,495	
Total Revenue	\$	19,790,495	

GENERAL FUND BUDGET

In 2024, the Borough's GENERAL FUND BUDGET will be \$19,790,495.

In 2023, the Borough's GENERAL FUND BUDGET was \$19,517,700.

This represents a 1.4% increase.

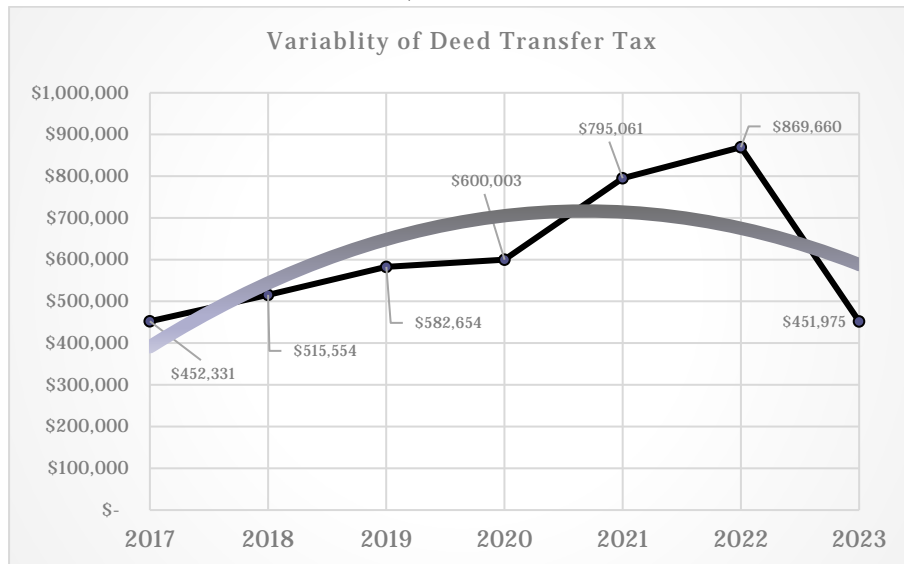
It is a realistic gauge of actual growth in the Borough's spending plan, given the employment of the Police and Fire Departments, as well as the provision of all major governmental services.

The 2024 General Fund Budget is balanced.

Finally, many Police, Fire, and EMS related expenses (back office, IT, clerical, capital investment, insurance, vehicles, etc.) are not in the General Fund cost centers. As with all our operations, it is very challenging to look in one place in such a complex budget and ascertain the spending on that operation. Citizens are welcome to ask, and staff would be pleased to show, where a project or initiative funding sits inside the complex budget. We recommend citizens refer to the narrative for a summary.

Police Tax	Total Per Year	
2023 EST.	5,214,526	Growth rate
2022	5,060,555	Since 2018
2021	5,067,454	5.9%
2020	5,035,978	
2019	5,010,323	
2018	4,920,552	

Deed Transfer Tax	Total Per Year	
2023 EST.	451,795	Growth rate
2022	869,660	Since 2018
2021	795,061	-12.4%
2020	600,003	
2019	582,654	
2018	515,554	

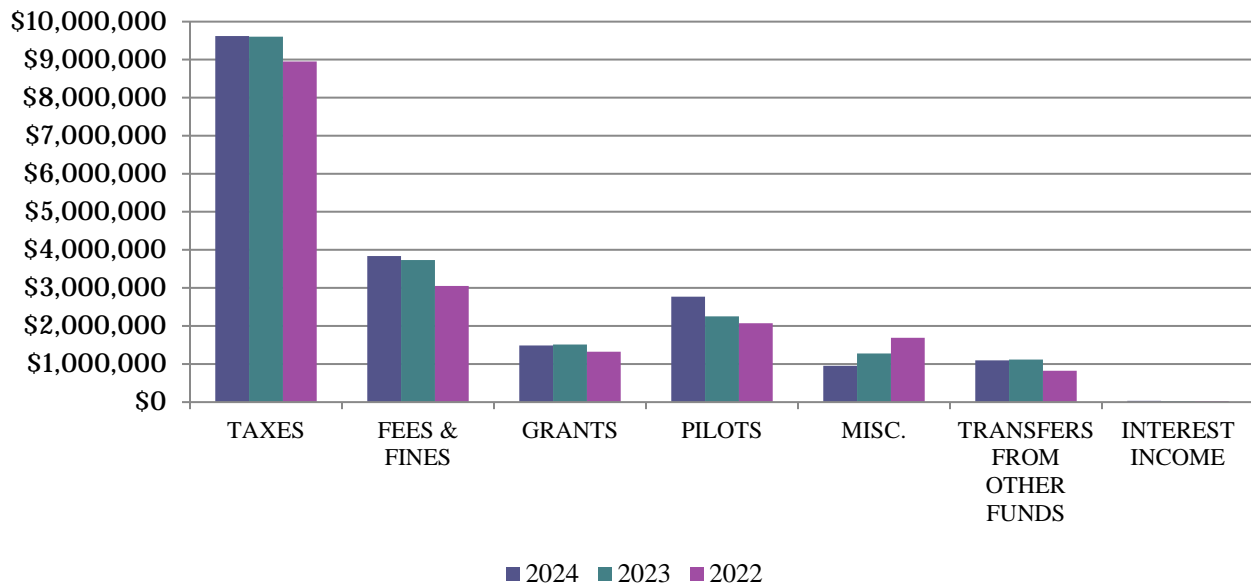


Earned Income Tax	Total Per Year	
2023 EST.	2,905,509	Growth rate
2022	2,745,152	Since 2018
2021	2,426,441	36.4%
2020	2,303,983	
2019	2,261,188	
2018	2,129,485	

Local Services Tax	Total Per Year	
2023 EST.	774,810	Growth rate
2022	785,273	Since 2018
2021	787,302	-10.1%
2020	816,309	
2019	864,308	
2018	861,910	

Meanwhile, Police wages have grown 25% since 2018 and Fire wages have grown 41% since 2018.

General Fund Revenue By Type 2022 Actual to 2024 Budget



2024 General Fund Revenues (Excerpt)

	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 PROPOSED BUDGET
POLICE TAX (Increased to 25 mil in 2023)	\$5,010,323	\$5,035,978	\$5,067,454	\$5,060,555	\$5,284,700	\$5,435,380
AMBULANCE TAX (Lowered to 0 mil in 2020)	\$101,912	\$5,490	-	-	-	-
FIRE TAX (0.5 MIL)	\$106,007	\$111,821	\$106,208	\$102,299	\$115,260	\$111,475
LOCAL SERVICES TAX ON WORKERS	\$864,308	\$816,309	\$787,302	\$785,273	\$815,000	\$758,000
DEED TRANSFER TAX ON REAL ESTATE SALES	\$582,654	\$600,003	\$795,061	\$869,660	\$875,000	\$625,000
WAGE & EARNED INCOME TAX ON RESIDENTS	\$2,261,188	\$2,303,983	\$2,426,441	\$2,745,152	\$2,660,000	\$2,800,000
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
PAYMENTS IN LIEU GROSS RECEIPTS TAX - GAS	\$570,000	\$570,000	\$650,000	\$650,000	\$750,000	\$900,000
AMBULANCE SERVICE FEE	-	\$778,980	\$971,785	\$974,749	\$1,226,700	\$1,436,830
POLICE FINES & FEES	\$179,234	\$143,345	\$129,978	\$132,141	\$144,000	\$132,500
AMBULANCE FEES & CHARGES	\$1,230,814	\$1,147,111	\$1,217,343	\$1,314,329	\$1,499,200	\$1,378,500
MOTOR EQUIPMENT FUND REBATE (INCLUDES 2.5 MIL OF FIRE TAX)	\$559,350	\$573,355	\$585,320	\$575,815	\$612,735	\$594,260

<i>2024 Operating Budget</i>	Revenues	Less Interfund Transfers	2024 Operating Budget
Stores	\$1,995,015	\$937,000	\$1,058,015
Electric	\$35,213,550	\$0	\$35,213,550
Gas	\$11,335,910	\$0	\$11,335,910
Water	\$5,175,125	\$0	\$5,175,125
Wastewater	\$7,543,200	\$0	\$7,543,200
Sanitation	\$4,859,348	\$0	\$4,859,348
General Fund	\$19,790,495	\$1,095,735	\$18,694,760
Motor Equipment	\$5,024,936	\$544,260	\$4,480,676
Engineering	\$633,800	\$0	\$633,800
Parking, Traffic, & Street Light	\$1,585,300	\$1,100,000	\$485,300
Storm Sewer	\$1,515,660	\$0	\$1,515,660
Swimming Pool (Aquatic Center)	\$1,367,675	\$447,475	\$920,200
Workers Compensation	\$472,450	\$432,755	\$39,695
Administrative Services	\$9,890,944	\$0	\$9,890,944
Self-Insurance	\$1,169,285	\$98,045	\$1,071,240
Special Revenue	\$2,851,339	\$9,500	\$2,841,839
Trust Funds & Utility Deposits	\$24,000	\$0	\$24,000
Citizens' Reward	\$550	\$0	\$550
Recreation Bond Tax	\$566,015	\$0	\$566,015
Fire Tax	\$663,735	\$0	\$663,735
Police Station Tax	\$438,810	\$0	\$438,810
Liquid Fuels	\$615,100	\$0	\$615,100
Sister City	\$1,500	\$0	\$1,500
Project Heat	\$25,750	\$20,000	\$5,750
Surplus Operating	\$200	\$0	\$200
Subtotal			\$108,074,922
Electric Capital	\$1,978,000	\$1,500,000	\$478,000
Gas Capital	\$2,866,345	\$751,845	\$2,114,500
Water Capital	\$1,647,010	\$72,010	\$1,575,000
Wastewater Capital	\$999,765	\$324,765	\$675,000
Sanitation Capital	\$3,237,057	\$235,857	\$3,001,200
General Capital	\$1,420,100	\$795,100	\$625,000
Parking, Traffic, & Street Light Capital	\$761,715	\$158,715	\$603,000
Storm Sewer Capital	\$7,051,750	\$0	\$7,051,750
Subtotal			\$16,123,450
Total			\$124,198,372

The Value of 1 mil of Real Estate Tax

Average Single-Family House Inside The Borough	2023		2024	
Police Tax (to the General Fund)	\$434.31	\$1.19	\$437.30	\$1.20
Fire Tax (to the Motor Equipment Fund)	\$52.12	\$0.14	\$52.48	\$0.14
Recreation Bond Tax (to the Swimming Pool Fund & General Fund)	\$43.43	\$0.12	\$43.73	\$0.12
Police Station Bond Tax	\$34.74	\$0.10	\$34.98	\$0.10
Total (per year)	\$564.61	\$1.55	\$568.49	\$1.56

The total Borough real estate tax burden for the average single-family house in the Borough is \$568.49 per year before discount.

The value or yield of 1 mil is not a precise measure as the value changes every year due to the assessed value of real estate – use for planning only.

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Estimated</u>	<u>2024</u> <u>Estimated</u>
Police Tax Yield	\$5,067,454	\$5,060,555	\$5,214,526	\$5,435,380
Mil	24	24	25	25
Fire Tax Yield	\$633,383	\$632,212	\$626,593	\$652,235
Mil	3	3	3	3
Ambulance Tax	-	-	-	-
Mil	-	-	-	-
Recreation Bond Tax	\$630,955	\$629,033	\$524,310	\$542,015
Mil	3	3	2.5	2.5
Police Station Bond Tax	-	-	\$408,472	\$433,310
Mil	-	-	2	2
Value of 1 Mil ⁱ	\$211,060	\$210,727	\$208,428	\$217,321
<i>TOTAL MIL RATE</i>	<i>30</i>	<i>31</i>	<i>32.5</i>	<i>32.5</i>

Est. Single Family House Tax

Police Tax	\$412.45	\$414.96	\$434	\$438
Fire Tax	\$51.56	\$51.87	\$52	\$52
Ambulance Tax	-	-	-	-
Recreation Bond Tax	\$51.56	\$51.87	\$43	\$44
Police Station Bond Tax	-	\$17.29	\$35	\$35
<i>TOTAL</i>	<i>\$515.57</i>	<i>\$536</i>	<i>\$564</i>	<i>\$569</i>

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

The Average Single-Family Home in the Borough has a 2024 assessed value of \$18,492.50. It will see a total increase of about \$5 per year, or 42¢ per month, in real estate taxes because of the increased value of assessed property, which also increases the assessed value of the Average Single-Family Home, despite no change in the tax rate. Your payment of taxes for your property, rather than the average home, is based on Franklin County's determination of your home's assessed value.

Despite the fact that the average home changes every year, the assessed value of *YOUR* home likely did not change as the County has not undertaken a reassessment of real estate since 1962. We are the last County in the State to do this required recalculation. The average changes year-to-year due to new construction, improvements to properties, and assessment appeals.

The value of the average single-family home changes year-to-year. We are accepting that the average will change from \$18,330 in the 2023 to \$18,492.50 in 2024, impacting the yield in taxes.

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 \$569 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 \$564 per year (before discount) to \$569 per year (before discount), with no change in tax rate.

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

Use of Taxes to Fund 2024

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Police Tax rate, currently at 25 mil.

Police Tax Rate (in mil)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
17	20	20	20	20	20	20	20	21	21	23	23	24	24	24	24	24	25	25

In doing so, this means that since 2006, the Police Tax will have increased 8 mil in 17 years. An understandable rate of growth for such an important tax and such an important service.

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Fire Tax rate, currently at 3 mil.

Fire Tax Rate

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
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
Ambulance	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.5	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

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

In 2024, it is the Borough Manager’s recommendation that the Borough not change the Recreation Bond Tax rate, currently at 2.5 mil.

Recreation Bond Tax Rate (in mil)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
-	-	-	-	-	-	-	-	-	-	-	-	3	3	3	3	3	2.5	2.5

In 2024, the Police Station Bond Tax will continue for its third year. It is proposed to remain at 2 mil.

Police Station Bond Tax Rate (in mil)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	2

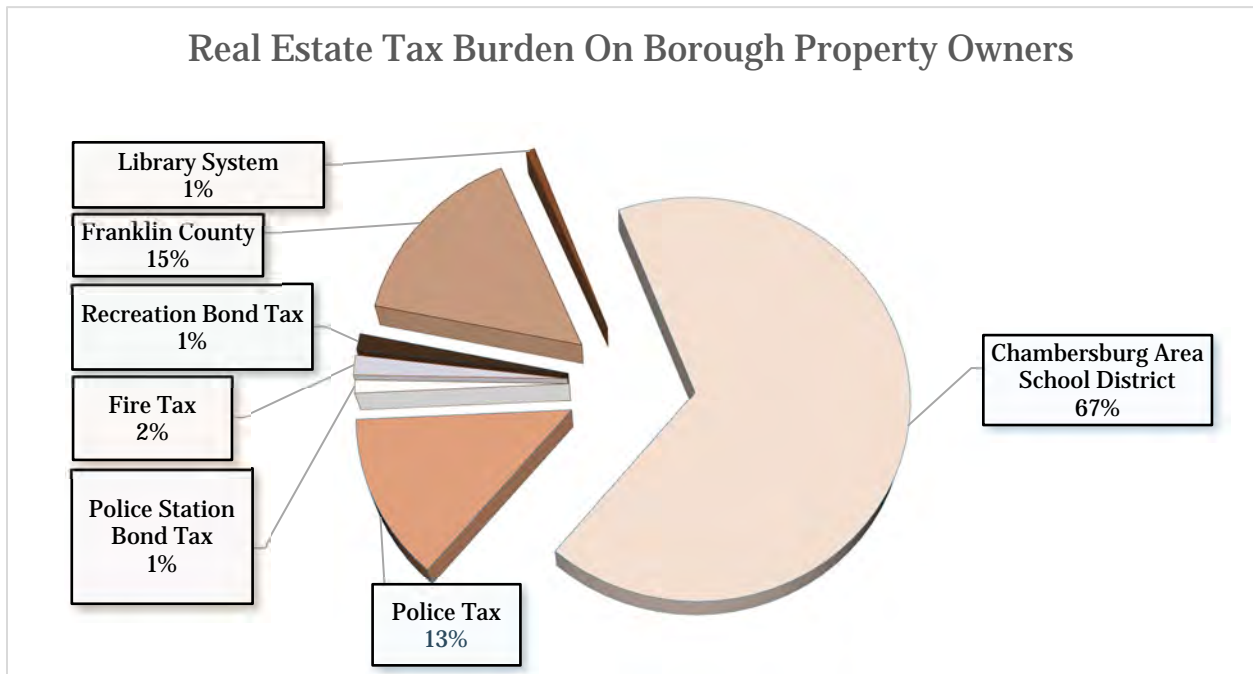
Every year, due to slight changes in the value of the real estate in the Borough, the mil rate equals different dollar payment amounts, even if the mil rate is unchanged.

According to Redfin.com, the average fair market value of all single-family homes sold in the Borough in 2023 was \$268,500, up an impressive 20% from the previous year. There were 201 homes sold year-to-date, almost three times the previous year.

Total Tax Burden on Typical Home 2024

2024

Franklin County	29.10 mil	\$509.02	15.29%
Library	1.30 mil	\$22.74	0.68%
Chambersburg Area School District	127.3972 mil	\$2,228.45	66.95%
Police Tax	25 mil	\$437.30	13.14%
Fire Tax	3.0 mil	\$52.48	1.58%
Recreation Bond Tax	2.5 mil	\$43.73	1.31%
Police Station Bond Tax	2.0 mil	\$34.98	1.05%
Total	190.2972 mil	\$3,328.70	100%



Only 17¢ of every \$1 paid in real estate taxes will go to the Borough of Chambersburg. The balance, 83¢, will go to support the school district, the County, and the library system. In fact, 67¢ of every dollar goes to the Chambersburg Area School District.

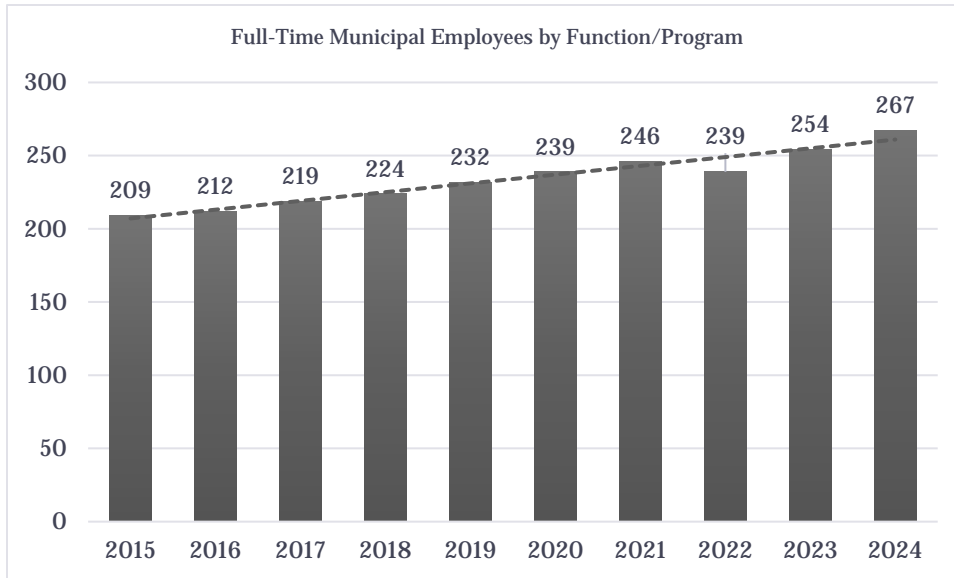
Other taxing entities send their own annual tax invoices.

Personnel

Schedule 20 – 2024										
Borough of Chambersburg, PA										
Full-Time Municipal Employees by Function/Program										
Last Ten Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
General Government										
Administration	2	2	3	3	3	3	2	2	2	2
Clerical	17	16	15	15	15	13	13	13	14	12
Code Enforcement	5	5	4	4	4	2	2	1	1	1
Community Development	1	1	1	1	1	1	1	1	1	1
Engineering	8	5	5	5	5	5	5	5	5	4
Finance /Parking	26	27	24	27	25	24	23	23	22	21
Information Technology	9	8	7	7	6	6	5	5	5	5
Human Resources	7	5	5	5	4	4	4	4	3	3
Planning/Zoning	0	0	0	0	0	0	1	1	1	1
Public Information	0	0	0	0	0	0	0	0	0	0
Public Works										
Administration	6	5	4	4	4	4	3	3	3	3
Central Garage (Motor Equip.)	4	4	4	4	4	4	4	4	4	3
Labor/Maintenance (Highways)	5	5	5	6	6	6	6	6	6	7
Sanitation	14	14	15	14	14	13	11	10	10	12
Recreation										
Administration	2	1	2	2	2	2	2	2	2	3
Labor/Maintenance	6	7	6	6	6	6	6	3	3	3
Public Safety										
Fire Administration	2	2	2	2	2	2	2	2	2	2
Fire Personnel	27	28	26	25	25	25	25	24	21	21
Police Administration	2	1	1	1	1	1	1	1	1	2
Police Personnel	34	35	34	34	34	34	35	35	35	34
Utilities										
Administration	7	8	6	6	6	6	6	6	6	7
Electric Distribution	12	12	10	12	12	12	9	9	9	9
Electric Plant Generation	13	13	12	12	12	12	12	12	12	11
Electric System Maintenance	0	0	0	1	1	1	1	1	1	1
Gas Distribution	10	8	8	8	8	8	8	8	8	8
Stores/Warehouse/Call Center	9	6	6	6	6	6	6	6	6	6
Water Distribution	2	3	2	2	2	2	2	2	2	3
Water Treatment Plant	8	8	9	9	9	8	8	7	7	6
Sewer Collection/Conveyance	10	7	6	7	7	7	6	7	6	5
Sewer Treatment Plant	14	13	12	14	12	12	12	13	11	11
Traffic Signal/Street Lights	3	3	3	3	2	2	2	2	2	1
Storm Sewer Department	2	2	2	1	1	1	1	1	1	1
Totals	267	254	239	246	239	232	224	219	212	209

Borough of Chambersburg Human Resources Office

All positions included herein are therefore approved contemporaneous with the budget.



FTE Growth Rate

27.7%

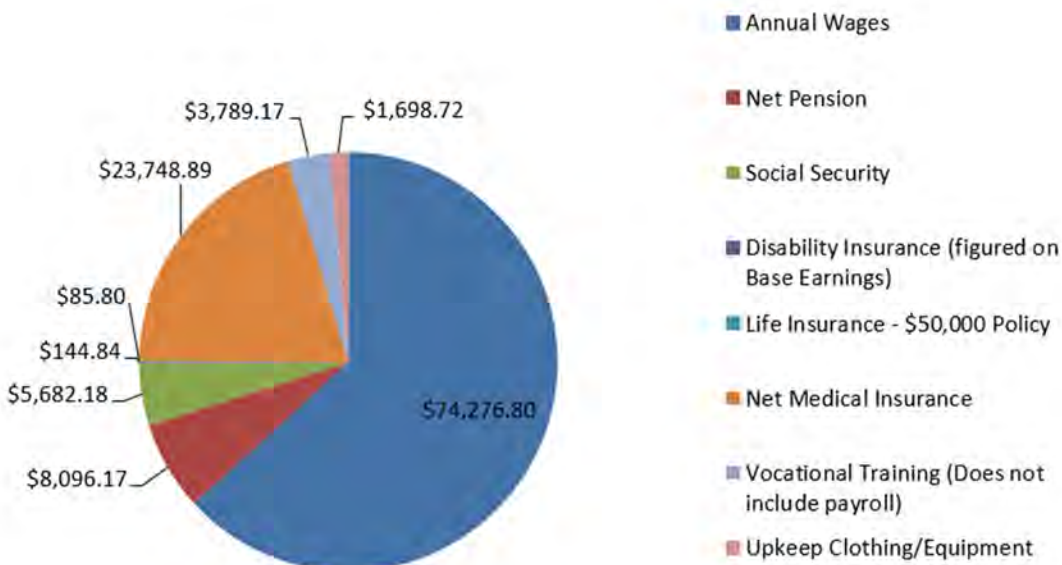
2024 - Full Time Equivalent Positions

Police Personnel	34	12.7%
Fire Personnel	27	10.1%
Finance/Customer Service/Parking	26	9.7%
Clerical	17	6.4%
Sanitation	14	5.2%
Sewer Treatment Plant	14	5.2%
Electric Plant Generation	13	4.9%
Electric Distribution	12	4.5%
Gas Distribution	10	3.7%
Sewer Collection/Conveyance	10	3.7%
Stores/Warehouse/Call Center	9	3.4%
Water Treatment Plant	8	3.0%
Engineering	8	3.0%
Information Technology	7	2.6%
Utility Administration	7	2.6%
Human Resources	7	2.6%
Recreation Maintenance	6	2.2%
Public Works Administration	6	2.2%
Code Enforcement	5	1.9%
Labor/Maintenance (Highways)	5	1.9%
Central Garage (Motor Equip.)	4	1.5%
Traffic Signal/Street Lights	3	1.1%
Recreation Administration	3	1.1%
Water Distribution	2	0.7%
Fire Administration	2	0.7%
Storm Water Department	2	0.7%
Community Development	2	0.7%
Borough Manager & Deputy	2	0.7%
Police Administration	<u>2</u>	<u>0.7%</u>
Totals	267	100%

AVERAGE POLICE OFFICER (CPOA)

Estimate

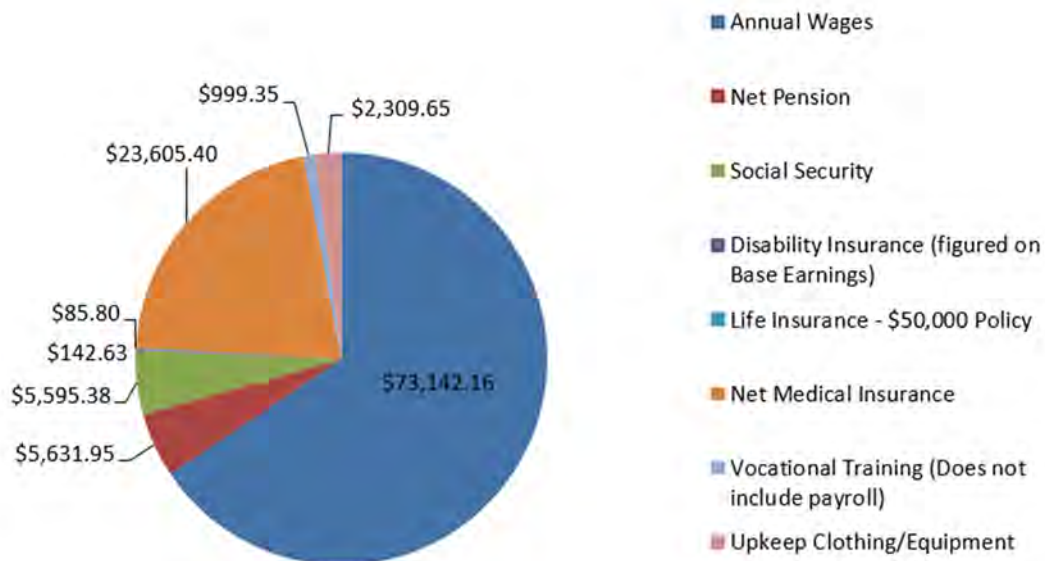
Pay Rate	\$35.71	
Annual Wages	2080 hrs.	\$74,276.80
Benefits		
Pension (from Actuarial Valuation)	15.40%	\$11,438.63
Employee Pension Contribution	4.50%	(\$3,342.46)
Net Pension		\$8,096.17
Social Security	7.65%	\$5,682.18
Disability Insurance (figured on Base Earnings)	0.00195	\$ 144.84
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months =	\$85.80
	\$85.80	
Medical Insurance		\$25,799.30
Dental Insurance		\$384.48
Medical Insurance Contribution		\$(2,434.89)
Net Medical Insurance		\$23,748.89
Vocational Training (Does not include payroll)		\$3,789.17
Upkeep Clothing/Equipment		\$1,698.72
Total Benefits		\$43,245.77
Total Earnings and Benefits		\$117,522.57



AVERAGE FIREFIGHTER/EMT (IAFF)

Estimate

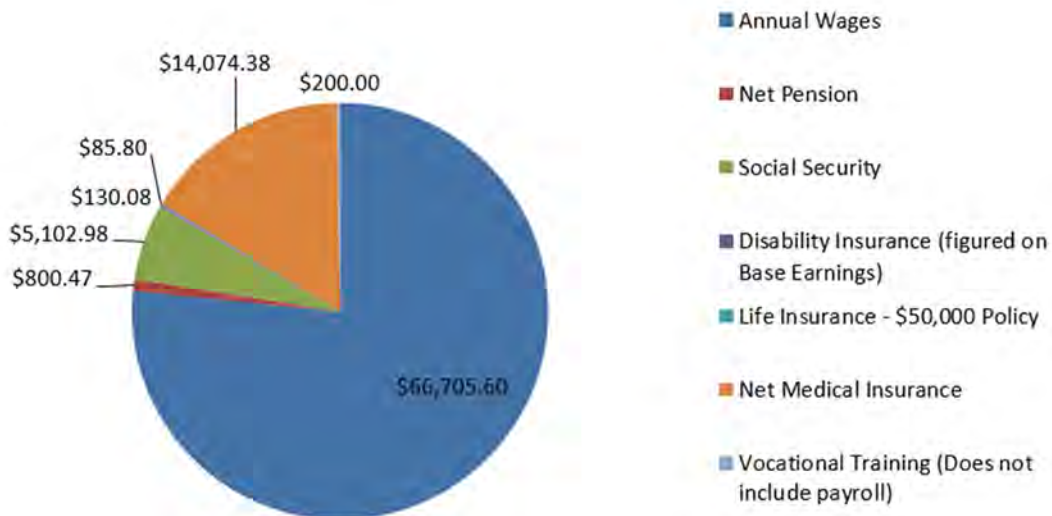
Pay Rate	\$33.49	
Annual Wages	2184 hrs.	\$73,142.16
Benefits		
Pension (from Actuarial Valuation)	12.70%	\$9,289.05
Employee Pension Contribution	5.00%	\$(3,657.11)
Net Pension		\$5,631.95
Social Security	7.65%	\$5,595.38
Disability Insurance (figured on Base Earnings)	0.00195	\$142.63
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months = \$85.80	\$85.80
Medical Insurance		\$25,625.40
Dental Insurance		\$393.00
Medical Insurance Contribution		\$(2,413.00)
Net Medical Insurance		\$23,605.40
Vocational Training (Does not include payroll)		\$999.35
Upkeep Clothing/Equipment		\$2,309.65
Total Benefits		\$38,370.15
Total Earnings and Benefits		\$111,512.31



AVERAGE CLERICAL/TECHNICAL EMPLOYEE

Estimate

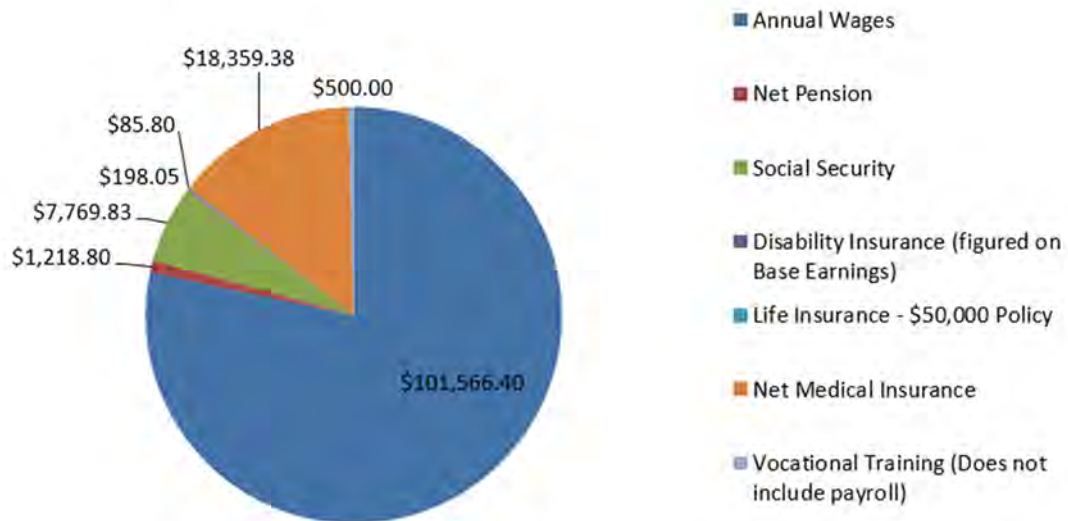
Pay Rate	\$ 32.07	
Annual Wages	2080 hrs.	\$66,705.60
Benefits		
Pension (from Actuarial Valuation)	7.20%	\$4,802.80
Employee Pension Contribution	6.00%	\$(4,002.34)
Net Pension		\$800.47
Social Security	7.65%	\$5,102.98
Disability Insurance (figured on Base Earnings)	0.00195	\$130.08
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months =	\$85.80
Medical Insurance		\$15,485.40
Dental Insurance		
Medical Insurance Contribution		\$(1,411.02)
Net Medical Insurance		\$14,074.38
Vocational Training (Does not include payroll)		\$200.00
Upkeep Clothing/Equipment		
Total Benefits		\$20,393.70
Total Earnings and Benefits		\$87,099.30



AVERAGE SUPERVISORY/ADMINISTRATIVE EMPLOYEE

Estimate

Pay Rate	\$48.83	
Annual Wages	2080 hrs.	\$101,566.40
Benefits		
Pension (from Actuarial Valuation)	7.20%	\$7,312.78
Employee Pension Contribution	6.00%	\$(6,093.98)
Net Pension		\$1,218.80
Social Security	7.65%	\$7,769.83
Disability Insurance (figured on Base Earnings)	0.00195	\$198.05
Life Insurance - \$50,000 Policy	.000143*50,000 = \$7.15 * 12 Months =	\$85.80
Medical Insurance		\$19,841.76
Dental Insurance		\$354.00
Medical Insurance Contribution		\$(1,836.38)
Net Medical Insurance		\$18,359.38
Vocational Training (Does not include payroll)		\$500.00
Upkeep Clothing/Equipment		
Total Benefits		\$28,131.86
Total Earnings and Benefits		\$129,698.26



FY 2024 new positions and authorization for positions approved mid-year FY 2023

Service Center (No impact on taxes)

- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes a second Warehouse Person position. As the department prepares for the impending retirement of a tenured employee in the Warehouse Person position, this position will train alongside the current employee as part of succession planning. This will allow several months of overlap between the positions for an adequate training period for the new employee. It is the department's intent to retain this position beyond the training period and moving forward. The Warehouse Person position is responsible for receiving and disbursing material from the Warehouse to the Utilities; loading and stocking items; utilizing the forklift; and backing up the Dispatch area. The Warehouse Department is an Internal Service Fund, so the position is paid for by the utilization of the Borough utility departments, therefore continuing to fund this position will not cause any increase to taxes or utility rates.
- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes a full-time Dispatcher C position to fill a vacancy in the Dispatcher schedule while a current Dispatcher employee is on inactive status through retirement in April 2024. The Dispatch area is manned 24/7/365 by law due to its requirement to handle natural gas, electric, and other utility emergencies. As such, this position will allow full staffing during this period of time. The Dispatcher on inactive status will leave Borough employment in April 2024, after which their position will not be refilled, bringing the department back to normal staffing levels of four Full-time Dispatchers. The position is supported by the Service Center budget, an Internal Service Fund.

Natural Gas Utility (No impact on taxes)

- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes a full-time Gas Technician Apprentice position with no impact on gas rates. The position was added to accommodate the increased work load of the Gas Utility field crew due to assignments planned with the PHMSA grant awarded to Town Council in April of 2023.
- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes a full-time Utility Projects Manager position in the Gas Department. This position assists with the paperwork and reports necessary in following Federal guidelines for proper spending of the PHMSA grant awarded to Town Council in April of 2023. The position will have no impact on gas rates. Furthermore, in the future, this position may provide similar back-office administration to other grant spending projects.
- The 2024 Budget includes a recommendation to fund an Assistant Gas Supervisor position. Due to the Borough's receipt of a \$5.2 million USDOT grant for the replacement of pipe, the Gas Department has taken on significant additional workload for 2024 and beyond without additional expenses. The Gas Supervisor position has already been significantly burdened with additional workload over the past several years (numerous new services, additional Federal regulations, etc.). The additional workload coming on line from the grant-funded project will add additional pressure for support for the Gas Supervisor and field crews. Additionally, the addition of an Assistant Gas Supervisor position will aid the Department in succession planning.

Water and Wastewater Department (No impact on taxes)

- The 2024 Budget includes a recommendation to fund three (3) new Maintenance Person positions to increase the field crew from five (5) to eight (8) Maintenance Person positions

on the Water and Wastewater Maintenance crew. The additional personnel will allow the department to keep pace with increasing workload and demands by having two field crews. The primary responsibilities of the Maintenance Person positions are to provide general maintenance, repair, replacement, installation, and investigative services for the Borough of Chambersburg's water distribution system and sewer collection system, including the water transmission system and sewage conveyance system. The addition of these positions will not cause an increase to taxes or utility rates at this time.

Police Department (Supported by miscellaneous General Fund revenue)

- Authorization to continue to fund mid-year FY 2023 position previously approved by Council; this 2024 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 granted-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 2023, the Town Council approved a renewal agreement for this program, including funding, which over time may in part increase a need for a future tax increase.
- The 2024 Budget includes a recommendation to fund one additional probationary firefighter position bringing the firefighter staffing complement to 27 full-time paid firefighters. The addition of this position is an attempt to upstaff the department in the event of staff retirements, leave of absences, and separations, and to continue to address the increased demand on ambulance services. The goal is to place a candidate into the HACC fire academy with a hope of potential graduation. Many probationary firefighters fail in the first year of service. Therefore, up-staffing the probationary firefighter pool is recommended. Furthermore, some senior members of the Fire Department are approaching retirements.

Engineering (Supported by utility departments with no impact on taxes)

- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes an Engineering Technician position. As the department prepares for the impending retirement of the employee in the Geographic Information System Technician position, this Engineering Technician position will train alongside, as part of succession planning. The Engineering Technician position is similar to the Geographic Information System (GIS) Technician except for the GIS duties. This will allow several months of overlap between the positions for an adequate training period for the new employee. It is the department's intent to retain the GIS Technician position but at a higher classification, as the industry now requires college-level education and experience. The addition of the Engineering Technician position allows for most functions to continue during the gap in time when the GIS Technician employee retires, the position is reclassified, and a new employee is onboarded. The Engineering Department is an Internal Service Fund, so the position is invoiced to the Borough utility departments as well as escrow accounts established for new Subdivisions and Land Development plans.
- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes two (2) Facilities Locator positions as a proactive replacement for an upcoming retirement. The Facilities Locator position is responsible for locating above and underground utilities for each Borough utility as well as requests received through the Pennsylvania One Call System. In June of 2023, Staff recommend removing Facilities Locator duties from the Quality-of-Life Code Enforcement Officer position (who served as a Facilities

Locator back-up and assistance when needed) and hiring two full-time employees as Facilities Locators. This recommendation was made based on the ever-increasing demand and complexity to locate utilities and respond to requests received through the Pennsylvania one Call System, as well as a safety component. Facilities Locator positions are funded by the utility departments but remain under the supervision of the Engineering Department.

Public Works Department (Supported by miscellaneous General Fund revenue)

- This 2024 Budget includes a recommendation to fund a full-time Operations Manager in the Public Works Department. This position would specifically provide general and administrative services to the department primarily for the Motor Equipment division operations. The workload of the Sanitation management team has reached a level that routine overtime is required to complete routine and critical work items. The goal of this additional position is to reduce the workload on the management, to a more manageable level. The position requirements will include the appropriate experience in vehicle ordering, repair scheduling and tracking with vendors, assistance with managing the Motor Equipment rate model, and assisting other departments within Public Works as needed. The position will be supported by the Motor Equipment fund, which is an Internal Services Fund, and is ultimately funded by utility department fees as well as some general funds.

Administrative Services Department (Supported by all departments with little impact on taxes)

- The 2024 Budget includes a recommendation to continue to fund a new Administrative Assistant position in the Finance Department, approved with the 2023 Budget. This position would handle the required daily or weekly functions that are in several cases required to be completed before any further business can take place; acting as a generalist in that they could fill in for AR, AP, CTR, PAC, ES Billing, and a Front Counter Teller 1, in the event of short or even long-term absences. While the Finance Department continues to improve and automate functions, this position would allow assurance in the ability to continue with day-to-day operations as a tenable backup plan. This position will be in addition to the current complement, i.e. maintain Secretary II for clerical responsibilities.
- The 2024 Budget includes a recommendation to continue to fund an IT Security Specialist position in the Information Technology Department, approved with the 2023 Budget. The position's primary responsibility will be to work with the IT Supervisor to ensure security and compliance for the Borough's information technology infrastructure, including network and email. The addition of this position is part of the management's plan to enhance and support the complex operations of the Borough's information technology department.
- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes the second Assistant Borough Secretary position. As the department prepares for the impending retirement of a tenured employee in the Assistant Borough Secretary position, this second position will train alongside the current employee as part of succession planning. This will allow several months of overlap between the positions for an adequate training period for the new employee; given this position is assigned to the Borough Manager's Office, time to train with the current staff member is very important, if not imperative. The primary responsibility of the position involves the preparation of meeting agendas, taking of and accurately transcribing minutes, and the responsibility for custody, maintenance, and indexing of official Borough records. The processing of contracts and agreements. The scanning and archiving of official documents while providing support and assistance to the appointed Borough Secretary. The position is supported by Administrative Services, an Internal Service Fund.

- Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes full-time Secretary II position assigned to the Public Works Department. The primary responsibility of the position is assisting the Director of Public Works and department management with assuring a smooth and efficient operation of the Department in accordance with departmental rules and regulations, applicable Federal and State guidelines. The position is supported by Administrative Services, an Internal Service Fund.
 - Authorization to continue to fund mid-year FY 2023 position previously approved by Council, this 2024 Budget includes a Regular Part-time Front Counter Teller I position. This position is considered part of the department's succession plan where it works a regular schedule, providing benefit to the department as a relief and complement to full-time staff with respect to coverage of the operations. In the event a full-time employee separates with the Borough, this position would be trained and acclimated to step into the full-time role, a way to proactively save on the time it takes to recruit a replacement for the full-time role. The position is supported by Administrative Services, an Internal Service Fund.
 - This 2024 Budget includes a recommendation to fund a full-time Benefits Coordinator position in the Human Resources Department. Human Resources is preparing for the impending retirement of a long-tenured employee who holds the position of HR Supervisor. In consultation with the Supervisor, there is a need to re-organize some function areas of the office which will require adding this para-professional position. The primary responsibility of the position will be to assist the Supervisor with processing monthly benefit invoices and payment, managing paid leave processes, data entry, benefit reporting, annual benefits open enrollment, pension auditing and reporting, and providing back up for workers compensation claims. Having this position, including the reorganization of duties and responsibilities, will allow for the HR Supervisor position to devote more time to administrative task and oversight. The position will be supported by Administrative Services, an Internal Service Fund.
 - This 2024 budget includes a recommendation to fund a full-time Assistant HR Supervisor position. Human Resources is preparing for the impending retirement of a long-tenured employee who holds the HR Supervisor position. Among many other things, the HR Supervisor is responsible for compliance-related duties, including reporting, that occur quarterly and annually. It will be imperative for this position to have an adequate period of training to learn these duties and others, all while assisting with managing the office as part of the training period. This position is considered temporary, therefore upon the HR Supervisor's retirement, the Assistant HR Supervisor may be elevated to the Supervisor position and staff will not backfill the Assistant Supervisor position. The position will be supported by Administrative Services, an Internal Service Fund.
-