



Borough of Chambersburg

A full service municipality in Franklin County celebrating over 65 years of consumer owned natural gas service over 120 years of community electric and a regional wastewater, water, storm sewer and municipal solid waste utility

FOR IMMEDIATE RELEASE

Chambersburg Manager Releases Proposed 2019 Budget

Chambersburg, Pennsylvania – At a Special Meeting of Town Council on Monday, November 5, 2018, Chambersburg Borough Manager, Jeffrey Stonehill, released his proposed 2019 Budget. After the presentation, Council approved its advertisement for public review.

Pursuant to local law, the Borough Manager must produce a balanced budget in a form that can be considered by Town Council each year. Council then reviews the document, receives public comments, and adopts the final budget by the end of the year. The fiscal year for all Boroughs in Pennsylvania is the same as the calendar year. State Law requires each Borough adopt a balanced budget by December 31 for the following fiscal year.

According to Jeffrey Stonehill, “A budget is a 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.” He went on to explain, “Chambersburg Borough has the most complex budget in Pennsylvania. Unlike every other town, including big cities, Chambersburg has over a dozen separate funds (accounts) because all the utilities are kept segregated from the other operations of the Borough. Chambersburg’s fiscal size is the 13th largest in the State of Pennsylvania, the third highest revenue over expenditures, and the largest Borough; all because of the utilities. The largest municipal budget in Pennsylvania is the City of Philadelphia, then Pittsburgh, with Chambersburg being number 13. In comparison, Carlisle is 79th, Gettysburg is 260th, Waynesboro is 274th, and Greencastle is the 712th largest budget in the State.”

For the tenth time in the last thirteen years, the Borough Manager’s proposed budget includes no tax increase and no change in tax rates. According to Finance Director Jason Cohen, “the average single family home in Chambersburg Borough will pay \$534 per year total for Borough real estate taxes. Township property owners pay no Borough property taxes. Commercial & industrial properties have highest assessed values. Non-profits, schools, colleges, churches, charities, and other government buildings are exempt from paying real estate taxes pursuant to State Law.”

Stonehill added that people often say “Well, the average single family home pays \$534 per year, but I pay much much more.” He remarked “the truth is most people do not pay more for their Borough taxes; half pay less. Folks often confuse our taxes with Franklin County, library, or Chambersburg Area School District taxes; and while we might wish those were lower too, the Town Council has no say on county, library, or school taxes.”

Chambersburg utility rates remain some of the lowest in Franklin County and in Pennsylvania. In the 2019 budget, there are no proposed rate changes for natural gas, sanitary sewer, storm sewer, sanitation, parking, or electric. It was stated that “holding rates steady saves each customer hundreds of dollars per year. Unfortunately, only Borough residents & businesses, with Borough utilities, enjoy this outstanding benefit.”

Stonehill said, “We have proposed no electric rate increase in 2019; there’s been no rate change since 2014, when rates were lowered for the third time in two years. The average electric customer saves about as much on their electric bill, being a Borough customer, as they pay in Borough property taxes; with an average annual savings of \$480 per year per household for being a Borough electric customer.” He added, “We proposed no gas rate increase either in 2019 and there’s been no rate change since 2013. Chambersburg has the lowest residential gas rate in the State of Pennsylvania. The lowest gas rate means our safe, reliable, clean, and domestic natural gas supply is helping families and businesses save money and improve the quality of life in the Borough. The average residential gas heat customer in Chambersburg, who pays on average \$631 per year, saves approximately \$552 per year on their gas bill, when compared to the average Pennsylvania gas provider for the supply. So an electric and gas customer inside the Borough system may save as much as \$1,000 per year per household for having Borough utilities.”

He pointed out that these low rates save businesses money as well, helping the local economy and job growth in the Borough.

The proposed budget includes a 1¢ increase in the Borough water rate as the only utility rate change planned for 2019. The proposed budget does not include any resources allocated towards the recent discussion about the need to renovate the Borough police station.

The Borough Manager’s proposed 2019 Budget, and a summary, can be reviewed on the internet by going to the Borough website (www.chambersburgpa.gov) and clicking on the Transparency link.

Chambersburg is a unique community. Chambersburg supplies more services than any other municipality in the Commonwealth of Pennsylvania. In addition to typical town functions, Chambersburg is Pennsylvania’s only municipality supplying electric and gas. Chambersburg is 1 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 generation stations. Chambersburg is 1 of 2 municipalities in PA to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is 1 of 2,000 communities to have its own electric system and 1 of 800 communities to have a natural gas system but 1 of only about 50 to operate both. Chambersburg manages a regional water system, a regional sanitary sewer system (not through an independent Authority), and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater.

Chambersburg currently has 20,508 residents (2013). www.chambersburgpa.gov

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Chambersburg is expected to accept public comments on the proposed 2019 Budget on Monday, November 19, at 7:00 p.m. in Council Chambers.

If you have any questions, please contact Jeffrey Stonehill by email at jstonehill@chambersburgpa.gov

Chambersburg is one of 35 Boroughs in Pennsylvania to own and operate an 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 own and operate a gas utility. The other is Philadelphia, which does not operate an electric utility. Chambersburg is one of around 2,000 communities to own an electric system and one of 800 communities to own a gas system; but one of only about 50 in the U.S. to own both. 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 control directly. Chambersburg operates a trash utility, a parking utility, and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater.

In 2019, the Borough will have an ALL FUNDS BUDGET of \$123,111,370. In 2018, the ALL FUNDS BUDGET was \$125,274,598. This represents a 1.7% decrease, but the budgets were likely skewed last year and, the year prior, by recent large construction projects, which caused temporary inflation of the budget.

In 2019, the Borough's GENERAL FUND BUDGET will be \$15,157,375. In 2018, the Borough's GENERAL FUND BUDGET was \$14,950,500. This represents a 1.4% increase, and is likely a realistic gauge of actual growth in the Borough's spending plan, given the employment of the Police and Emergency Services Department.

DETAILS CAN BE INCLUDED AS TABLES:

<i>Borough Real Estate Taxes</i>	2010	2011	2013	2014	2015	2016	2017	2018	2019 <i>Proposed</i>
<i>Police Tax</i>	20	20	20	21	21	23	23	24	24 mils
<i>Fire/EMS Tax</i>	0	0	0	2.5	2.5	2.5	2.5	3.5	3.5 mils
<i>Recreation Bond Tax</i>	0	0	0	0	0	0	0	3	3 mils
<i>Total Tax</i>	20	20	20	23.5	23.5	25.5	25.5	30.5	30.5 mils

<i>Borough Real Estate Taxes</i>	Average single family home in Borough assessed value = \$17,495	<i>Total</i>
<i>Police Tax</i>	24 mil (17495/1000) x 24	\$419.88
<i>Fire/EMS Tax</i>	3.5 mil (17495/1000) x 24	\$61.24
<i>Recreation Bond Tax</i>	3 mil (17495/1000) x 3	\$52.49
<i>Total Tax</i>	30.5 mil	\$534 per year

<i>Utility</i>	2018 Cost	2019 Cost	<i>Last Changed</i>
<i>Electric</i>	\$100.90 per month	\$100.90 per moth	2014 (lowered)
<i>Water</i>	\$15.75 per month	\$16.50 per month	2019
<i>Sewer</i>	\$29.50 per month	\$29.50 per month	2012
<i>Gas</i>	\$631 per year	\$631 per year	2013
<i>Sanitation</i>	\$18.75 per month	\$18.75 per month	2016
<i>Storm Sewer</i>	\$4 per month	\$4 per month	2017

In 2018, only 18¢ of every \$1 paid in real estate taxes will go to the Borough of Chambersburg. The balance, 82¢ will go to support the school district, the county, and the library. In fact 64¢ of every dollar goes to the Chambersburg Area School District. The county, library, and school district taxes are set by different elected officials.