

11/7/2016



Mission, Policies, and Organization

As Proposed for 2017 by Jeffrey Stonehill, Borough Manager



The Borough of Chambersburg

Mission, Policies, and Organization

As Proposed for 2017

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 200 full and part time employees to serve the community. Most Borough operations are conducted through offices located at 100 South Second Street, Chambersburg's historic City Hall. The staff is dedicated 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 (over 59 miles of streets) Chambersburg Borough operates a storm water collection system, planning & zoning office, and property maintenance code enforcement office including systematic rental inspections. Chambersburg operates our own Police force, a combination paid and a volunteer Fire Department, a Basic Life Support EMS service, a recreation department with acres of parkland, and a municipal parking, traffic department. Chambersburg owns all their own street lights and traffic signals, a community and economic development effort including a Main Street downtown revitalization effort and a separate Elm Street neighborhood preservation program. Chambersburg has more municipal utilities than any other town in Pennsylvania. 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 generation stations. Chambersburg is one of two municipalities in Pennsylvania to own and operate a natural gas utility. Further, the other is Philadelphia, which does not operate an electric utility. Chambersburg is one of 2,000 communities to own an electric system and one of 800 communities to own a gas system but one of only about 50 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 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.

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 system was owned and operated by the General Fund, not as a utility, and supported by available tax resources. In 2015, following renewal of our Pennsylvania Department of Environmental Protection MS4 permit in 2014, the Borough carved the system out of the General Fund and establish a fee-based utility department in a separate Enterprise Fund; not dissimilar 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.

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 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 a 2015 population (U.S. Census Bureau: State and County QuickFacts) of 20,691 residents up from 17,842 in 2005; a 16% increase in ten years.

Chambersburg operates under the Council-Manager form of government. The Chief Administrative Officer of the organization is the Borough Manager, appointed by and serving at the pleasure of a majority of the Town Council. The Council, currently ten members, is elected by Wards for four year terms. The

Council elects one of their own to serve as Council President, Council Vice-President, and Chairman and Vice-Chairman of the Finance/Personnel Committee. 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.

In 2015, the Borough held municipal elections where half the elected seats on Town Council were chosen. In January 2016, Town Council held its bi-annual reorganization meeting and Councilman Allen Coffman was reelected as Council President and Councilman Heath Talhelm as Vice President. There is no municipal election in 2016, and therefore no reorganization meeting in 2017. The next election, November 2017, will see the seats held by Councilmen Cate, Coffman, Cowles, Scott and Talhelm up for election; as well as Mayor Brown.

The Mayor is independently elected. 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.

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. Boroughs may be divided into no more than 13 wards; each ward must contain a minimum of 300 registered voters. Where a borough is divided into wards, one or two members may be elected 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 whose populations 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.

Finally, Chambersburg could adopt a Home Rule; a customized form of our Borough government. The basic concept of home rule is relatively simple. The basic authority to act in municipal affairs would be transferred from the Pennsylvania Borough Code, as set forth by the General Assembly, to a local charter, adopted and amended by the voters. This basic point as has been explained by PA Local Government Commission 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." Home Rule is done by a citizen commission and approved 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.

In the meantime, Chambersburg operates under the Pennsylvania Borough Code.

Budget Calendar 2017

- 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 budget less than \$50,000 then just post a copy of the budget in secretary's office, but no newspaper advertisement required.
- Fifth Action-** Advertise proposed tax ordinance and special purpose taxes if applicable.
- Sixth Action -** Revision and completion of budget.
- Seventh Action -** Adopt budget and tax ordinance (can be done at same meeting) no later than Dec. 31.

Source: Pennsylvania State Association of Boroughs

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 to be 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: (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

Under the Borough Code (cited below as B.C.), and Act 511 boroughs have authority to levy a number of taxes. The types of levies and the statutory authority and rate limits are given below:

TYPE OF TAX	STATUTORY RATE LIMIT
1. Real Property Tax	30 mills
a. General Purposes (B.C. Section 1302) Additional millage with court approval (Note: A borough may levy a higher millage on the assessed value of land than on the assessed value of improvements; however, revenues collected under a split rate tax may not exceed the revenues which would have been generated by 30 mills on the total assessed value of all taxable properties.)	
b. Interest and principal on any indebtedness incurred pursuant to the Local Government Debt Act or any other act governing indebtedness. [B.C. Section 1302(a)(1)]	Sufficient for purpose
c. Pensions and retirement [B.C. Section 1302(a)(2)]	0.5 mill
d. Shade Trees [B.C. Section 1302(a)(3)]	0.1 mill
e. Lighting [B.C. Section 1302(a)(4)]	8 mills
f. Gas, water and electric light after referendum [B.C. Section 1302(a)(5)]	8 mills
g. Purchase of fire equipment, fire apparatus, fire training, fire training school after referendum [B.C. Section 1302(a)(6)]	3 mills; may be exceeded upon approval by voters in referendum
h. Building fire house, lock-up or municipal building after referendum [B.C. Section 1302(a)(7)]	2 mills
i. Library [B.C. Section 1302(a)(8)]	no limit
j. Support of ambulance and rescue squads [B.C. Section 1302(a)(9)]; [B.C. Section 1302(e)] by referendum	0.5 mills or 2 mills by referendum
k. Special levy for debt by permission of court of common pleas (B.C. Section 1303)	No limit
l. Street improvements (B.C. Section 1304)	5 mills
m. Recreation (B.C. Section 1302 (a) (10))	no limit

Source: Pennsylvania State Association of Boroughs

TYPE OF TAX

STATUTORY RATE LIMIT

n. Community College (1963 P.L. 1132 No. 484)

5 mills

TYPE OF TAX

2. Occupation Tax

a. Borough Code [B.C. Section 1302(b)]

30 mills

b. Act 511

no limit if levied as mills on
assessment value, \$10 flat rate*
\$10*

3. Per Capita Tax

a. Act 511

\$10*

4. Occupational Privilege Tax

a. Act 511

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). Persons earning less than \$12,000 annually may be exempted.

\$10*

Or

Local Services Tax

\$52**

a. Act 511

This tax may be levied instead of the Occupational Privilege Tax on any wage earned within the borough by both residents and non-residents. (See Act 511 for priority of collection of this tax). Persons earning less than \$12,000 annually may be exempted if the borough charges \$10. It is mandatory, if you collect between \$10 and \$52.

5. Earned Income Tax

1%*

a. Act 511

This tax is 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.

Source: Pennsylvania State Association of Boroughs

TYPE OF TAX

STATUTORY RATE LIMITS

6. Mercantile License Tax

a. Act 511

1 mill wholesale and 1.5 mills retail on gross receipts.

7. Business Privilege Tax

a. Act 511

no limit

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.

8. Real Property Transfer Tax

a. Act 511

1%*

9. Amusements (Admissions) Tax

a. Act 511

4% on golf courses.

Boroughs may not tax admissions to movie theaters. The tax is levied on admissions to places of amusement, entertainment, recreation, athletic events, etc. When overlapping taxing jurisdictions (school districts) levy this tax, the combined rate may not exceed 10%.

10. Mechanical Devices Tax

a. Act 511

no limit

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.

ACT 511 OVERALL LIMITS

According to section 20 of the Local Tax Enabling Act Boroughs may collect from Act 511 taxes a total amount equal to the product obtained by multiplying the latest total market value of real estate by 12 mills. Thus, a borough with a market value of \$10,000,000 could legally collect \$120,000 in Act 511 taxes. Act 511 taxes are subject to sharing with the school district. An exemption to this as far as boroughs are concerned is an occupation tax using a millage or percentage as a basis, as opposed to a flat-rate occupation tax.

Exemptions

Act 511 permits exemption from all or part of the liability for the occupational privilege and per capita taxes of persons earning less than \$12,000 annually from all sources.

1. Commonwealth Court has ruled that the Local Tax Reform Act (Act 145 of 1988) language prohibits a new tax levy on a gross receipts basis or an increase in rates levied prior to November 30, 1988.

* These taxes subject to sharing with the school district.

** This is a dedicated tax. At least 25% of tax revenues shall be used for public safety. The other 75% must be used for road construction/maintenance or to reduce the amount of property tax.

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.

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 the unreserved, undesignated fund balance of the General Fund at a level of at least equal to five percent (5%) of the total General Fund budget.
- 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.

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 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 will not exceed 5% of the total assessed value of taxable property; or \$500 per capita.
- 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. The Town Council may, on a quarterly basis, 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 Borough 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 Borough Council
2. Committed - may be assigned by Borough Council
3. Assigned - may be assigned by Borough 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 Borough 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
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. This policy may be amended from time to time by the Borough of Chambersburg.

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 Post-Issuance Compliance Coordinator (the "Coordinator") will be appointed by the Council of the Issuer (the "Council") at a regularly scheduled and duly held meeting. 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.
- Certain of these responsibilities 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.

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 uses 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 6 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
 - c. 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
9. 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, that 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*

Use of bond-financed property when completed and placed in service will be reviewed by the Coordinator, or the designated Team Member.

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 rebate of arbitrage will be supervised by the Coordinator, or the designated Team Member.

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. Refundings

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 the 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 refundings 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;
4. Provide proof of insurance coverage, as necessary;
5. Monitor compliance with rate covenants or other financial covenants;
6. Monitor compliance with restrictions on transfers of property, including liens and encumbrances;
7. Ensure compliance with restrictions on types of investments, in addition to any limitations imposed by applicable tax code restrictions; and
8. Ensure compliance with restrictions on derivative and swap contracts.

BOROUGH OF CHAMBERSBURG COLLECTIONS POLICIES & PROCEDURES

This policy has been established by the Borough of Chambersburg 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 effectively pursue 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 \$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 \$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 \$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 \$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.

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.

Administrative - Pertaining to management of functions and activities, as opposed to legislative and judicial decision making.

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.

Budget Amendment - An alteration, addition or deletion which 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.

Appropriation - The sum of money authorized by a Town Council to be spent for an expenditure by cost center.

Assessment - The value placed on an item of real or personal 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 31, 2016, is \$200,967,140.

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.

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. All departments other than Police are directly supervised by the Borough Manager. The Manager is appointed and serves at the pleasure of a majority of Town Council. His compensation is set by the adopted Chambersburg Pay Plan 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.

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, 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 such a plan.

Certification - A formal, written declaration by the authorized officer that certain facts are true or valid.

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 statement indicating the relationship of the municipality and its proposed development to the adjacent municipalities and areas. The Chambersburg Comprehensive Plan was adopted: November 17, 2008.

Conditional Use Permit - A use which is not appropriate to a particular zone district as a whole, but may be suitable in certain localities within the district only when specific conditions and factors prescribed for such cases within the zoning ordinance are present. Conditional uses are allowed or denied by the Borough.

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.

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.

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.

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.

Electricians – In Chambersburg, electricians are required to obtain licenses to operate on the Borough electric distribution system.

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.

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.

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 ever used for general government purposes; all debt is for utility purposes.

Governing Body - The Town Council.

Grants - The Borough anticipates receiving monies from the Department of Environmental Protection 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.

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.

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.

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 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 waste water and a storm sewer system for rain, snow melt, 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 an 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 general public financed by specific user charges (electric fund, water fund, sanitation fund, sewer fund). 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.

2017 Functions and Departments (Sorted by Department)

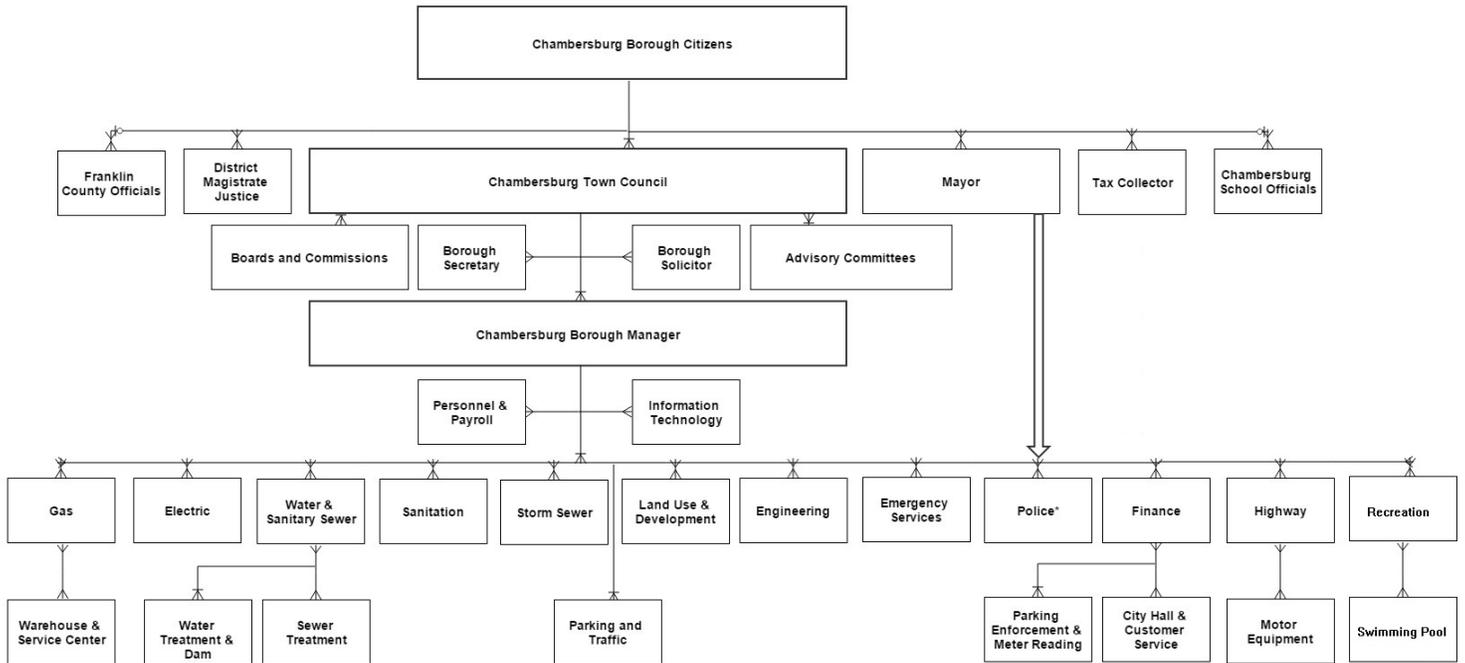
Department	Cost Center	Department Head
ADMIN SERVICES	UTILITY ADDITION OPERATIONS	Finance Director
ADMIN SERVICES	PERSONNEL PAYROLL	Borough Manager
ADMIN SERVICES	INFO TECHNOLOGY	Borough Manager
ADMIN SERVICES	CUSTOMER SERVICE/FINANCE	Finance Director
ADMIN SERVICES	CLERICAL POOL	Borough Manager
ADMIN SERVICES	GENERAL ADMIN & SUPPLIES	Finance Director
ADMIN SERVICES	ADMIN CAP PROJECTS	Finance Director
ELECTRIC	DIESEL PRODUCTION OPERATION	Electric Superintendent
ELECTRIC	DIESEL PRODUCTION MAINTENANCE	Electric Superintendent
ELECTRIC	PURCHASE POWER OPERATION & MAINTENANCE	Electric Superintendent
ELECTRIC	TRANSMISSION SYSTEM OPERATION MAINTENANCE	Electric Superintendent
ELECTRIC	DISTRIBUTION SYSTEM OPERATION	Electric Superintendent
ELECTRIC	DISTRIBUTION SYSTEM MAINTENANCE	Electric Superintendent
ELECTRIC	CUSTOMER ACCOUNTING & COLLECTING	Electric Superintendent
ELECTRIC	GENERAL & ADMINISTRATIVE	Electric Superintendent
ELECTRIC	CAPITAL OUTLAY - PURCHASE POWER FACILITIES	Electric Superintendent
ELECTRIC	CAPITAL OUTLAY - DIESEL PLANT	Electric Superintendent
ELECTRIC	CAPITAL OUTLAY - TRANSMISSION SYSTEM	Electric Superintendent
ELECTRIC	CAPITAL OUTLAY - DISTRIBUTION SYSTEM	Electric Superintendent
ELECTRIC	CAPITAL OUTLAY - GENERAL EQUIPMENT	Electric Superintendent
ENGINEERING	FIELD EXPENSES	Assistant to the Borough Manager
ENGINEERING	GENERAL & ADMINISTRATIVE	Assistant to the Borough Manager
ENGINEERING	CAPITAL OUTLAY - ENGINEERING EQUIPMENT	Assistant to the Borough Manager
GAS	PURCHASE GAS OPERATION & MAINTENANCE	Gas Superintendent
GAS	TRANSMISSION OPERATION	Gas Superintendent
GAS	TRANSMISSION MAINTENANCE	Gas Superintendent
GAS	DISTRIBUTION OPERATION	Gas Superintendent
GAS	DISTRIBUTION MAINTENANCE	Gas Superintendent
GAS	CUSTOMER ACCOUNTING & COLLECTING	Gas Superintendent
GAS	GENERAL & ADMINISTRATIVE	Gas Superintendent
GAS	CAPITAL OUTLAY - TRANSMISSION SYSTEM	Gas Superintendent
GAS	CAPITAL OUTLAY - DISTRIBUTION SYSTEM	Gas Superintendent
GAS	CAPITAL OUTLAY - CNG STATION	Gas Superintendent
GAS	CAPITAL OUTLAY - GENERAL EQUIPMENT	Gas Superintendent

Department	Cost Center	Department Head
GENERAL	GENERAL GOVERNMENTAL & COUNCIL	Borough Manager
GENERAL	HIGHWAY	Assistant Borough Manager
GENERAL	FIRE & EMS	ES Chief
GENERAL	POLICE	Police Chief
GENERAL	RECREATION	Recreation Superintendent
GENERAL	LAND USE & COMMUNITY DEVELOPMENT	Assistant to the Borough Manager
GENERAL	CIVIC & COMMUNITY AFFAIRS	Borough Manager
SWIMMING POOL	OPERATING EXPENSES	Recreation Superintendent
SWIMMING POOL	GENERAL & ADMINISTRATIVE	Recreation Superintendent
SWIMMING POOL	CAPITAL CONSTRUCTION	Recreation Superintendent
LIQUID FUELS	STATE GRANT PROGRAM	Borough Manager
MOTOR EQUIP	GARAGE OPERATION	Assistant Borough Manager
MOTOR EQUIP	MOTOR VEHICLE UPKEEP	Assistant Borough Manager
MOTOR EQUIP	GENERAL & ADMINISTRATIVE	Assistant Borough Manager
MOTOR EQUIP	CAPITAL OUTLAY - GARAGE EQUIPMENT	Assistant Borough Manager
PARKING TRAFFIC	METERED PARKING OPERATION & MAINTENANCE	Borough Manager
PARKING TRAFFIC	PARKING & TRAFFIC	Borough Manager
PARKING TRAFFIC	STREET LIGHTING	Borough Manager
PARKING TRAFFIC	GENERAL & ADMINISTRATIVE	Borough Manager
PARKING TRAFFIC	CAPITAL OUTLAY - GENERAL	Borough Manager
PROJECT HEAT	OPERATING EXPENSES	Borough Secretary
KASHER FIRE TAX	REAL ESTATE TAX FOR FIRE EQUIPMENT	Finance Director
RECREATION TAX	REAL ESTATE TAX FOR THE RECREATION BOND	Finance Director
SANITARY SEWER	TREATMENT PLANT	Sewer & Water Superintendent
SANITARY SEWER	COLLECTION SYSTEM	Sewer & Water Superintendent
SANITARY SEWER	CUSTOMER ACCOUNTING & COLLECTING	Sewer & Water Superintendent
SANITARY SEWER	GENERAL & ADMINISTRATIVE	Sewer & Water Superintendent
SANITARY SEWER	CAPITAL OUTLAY - TREATMENT PLANT	Sewer & Water Superintendent
SANITARY SEWER	CAPITAL OUTLAY - COLLECTION SYSTEM	Sewer & Water Superintendent
SANITARY SEWER	CAPITAL OUTLAY - GENERAL EQUIPMENT	Sewer & Water Superintendent
SANITATION	DISPOSAL SYSTEM	Assistant Borough Manager
SANITATION	COLLECTION SYSTEM	Assistant Borough Manager
SANITATION	RECYCLING PROGRAM	Assistant Borough Manager
SANITATION	GREEN YARD WASTE RECYCLING CENTER	Assistant Borough Manager
SANITATION	STREET SWEEPING & ALLEY CLEANING	Assistant Borough Manager
SANITATION	MOWING, WEED CONTROL & VECTOR CONTROL	Assistant Borough Manager
SANITATION	CUSTOMER ACCOUNTING & COLLECTING	Assistant Borough Manager
SANITATION	GENERAL & ADMINISTRATIVE	Assistant Borough Manager
SANITATION	CAPITAL OUTLAY - GENERAL	Assistant Borough Manager
SANITATION	CAPITAL OUTLAY - GREEN WASTE RECYCLING CNR	Assistant Borough Manager

Department	Cost Center	Department Head
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 & OMISSIONS INSURANCE	Finance Director
SELF INSURANCE	HEALTH INSURANCE	Borough Manager
SISTER CITY	OPERATING EXPENSES	Mayor
STORES	WAREHOUSE EXPENSES	Gas Superintendent
STORES	GENERAL & ADMINISTRATIVE EXPENSES	Gas Superintendent
STORES	CAPITAL OUTLAY - WAREHOUSE EQUIPMENT	Gas Superintendent
STORM SEWER	OPERATING EXPENSES	Assistant to the Borough Manager
STORM SEWER	COLLECTION SYSTEM	Assistant to the Borough Manager
STORM SEWER	GENERAL & ADMINISTRATIVE	Assistant to the Borough Manager
STORM SEWER	CAPITAL OUTLAY - STORM SEWER SYSTEM	Assistant to the Borough Manager
SWIMMING POOL	OPERATING EXPENSES	Recreation Superintendent
SWIMMING POOL	ADMINISTRATION	Recreation Superintendent
SWIMMING POOL	CAPITAL AND CONSTRUCTION	Recreation Superintendent
WATER	SUPPLY SYSTEM	Sewer & Water Superintendent
WATER	TRANSMISSION SYSTEM	Sewer & Water Superintendent
WATER	DISTRIBUTION SYSTEM	Sewer & Water Superintendent
WATER	TREATMENT SYSTEM	Sewer & Water Superintendent
WATER	CUSTOMER ACCOUNTING & COLLECTING	Sewer & Water Superintendent
WATER	GENERAL & ADMINISTRATIVE	Sewer & Water Superintendent
WATER	CAPITAL OUTLAY - SUPPLY SYSTEM	Sewer & Water Superintendent
WATER	CAPITAL OUTLAY - TRANSMISSION SYSTEM	Sewer & Water Superintendent
WATER	CAPITAL OUTLAY - DISTRIBUTION SYSTEM	Sewer & Water Superintendent
WATER	CAPITAL OUTLAY - TREATMENT SYSTEM	Sewer & Water Superintendent
WATER	CAPITAL OUTLAY - GENERAL EQUIPMENT	Sewer & Water Superintendent
WORKERS COMP	CLAIMS & ADMINISTRATION	Borough Manager

In 2017, the Borough created an independent Swimming Pool Fund as an Enterprise of the Borough.

Organizational Chart



*** Per the Borough Code, the Chambersburg Police Department is supervised by the Mayor for day-to-day operation 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 it was signed into law by the Governor 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.