

11/7/2016



# General Fund Budget

*As Proposed for 2017 by Jeffrey Stonehill, Borough Manager*



The Borough of Chambersburg

# General Fund Budget

*As Proposed for 2017*

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The General Fund is not the largest account of the Borough, it does not employ the most employees, it does not handle the largest amount of revenue, nor is it as complex to manage as the other funds of the Borough. However, the General Fund is the main “GOVERNMENTAL” fund and the home of the most basic municipal operations of the Borough. It therefore gets the most scrutiny.

In many towns, the General Fund is the only fund. In most boroughs in Pennsylvania, the General Fund would house almost all municipal employees and operations. That is not true in Chambersburg. However, the General Fund does house our most basic municipal operations.

The General Fund is comprised of six (6) departments:

**General Government** – The General Government Department is the civil and administrative activities of the Town Council, the Borough Manager and the Boards, Commissions and Committees; but not those activities or expenses attributed to the utilities or the internal services of the Borough.

**Police Department** – The law enforcement division of the Borough, under the Supervision of the Police Chief, and the Administration of the Mayor.

**Emergency Services** – The Emergency Services Department combines the Fire Department, the Fire Code Department and the Ambulance Department. It is under the Supervision of the Emergency Services Chief, and the Administration of the Borough Manager.

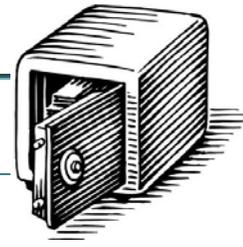
**Recreation Department** – Management and supervision of community resources such as the parks, playgrounds, Cumberland Valley Rail Trail, and the Eugene C. Clarke Jr. Community Center. Beginning in 2017, the Memorial Park Pool has been removed from the General Fund. It will henceforth operate in its own business-like fund. However, the new Pool Fund as the entire Recreation Department are under the Supervision of the Recreation Superintendent, and the Administration of the Borough Manager.

**Land Use & Community Development** – The Land Use & Community Development Department combines Planning, Zoning, Property Maintenance and Code Enforcement. It is under the Supervision of the Assistant to the Borough Manager/Land Use & Development Director, and the Administration of the Borough Manager.

**Highway Department** – The maintenance and street crew, which handle street maintenance, storm response, and other street related functions. It is under the Supervision of the Assistant Borough Manager/Public Works Director, and the Administration of the Borough Manager.

Unlike the utilities or the internal service funds, the General Fund receives all of its revenue from either taxes, as established by State law, or transfers from other funds.

The General Fund must be balanced, cannot run a deficit, and the Borough will not use debt to balance its budget per adopted financial policies.



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*Revenues*

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**Some General Fund Revenue is “earmarked” for specific General Fund departments;** other revenue is just thrown into the safe for all General Fund departments.

**No taxes are used to supplement utility operations.** In fact, just the opposite, our Electric and Gas utilities pay taxes (similar to private companies) to the General Fund. The Water Department paid through 2013, but in anticipation of a possible change in State law that would prohibit water utilities from making payments for general government operations, we ceased this practice. These payments are called Payments in Lieu of Gross Receipts Taxes or PILOTs.

**The Borough is very careful to keep our utilities and our General Fund separate.** Those functions that are multi-department functions (such as the Finance Department or the Motor Equipment Fund) are also kept out of the General Fund because they are shared departments; known as internal services. Therefore, the only functions that remain in the General Fund are the functions that are required to be there by rule.

There are a number of different types of taxes collected by the Borough for use in the General Fund. However, most of these taxes are set by State law, cannot be adjusted year-to-year, and therefore not subject to any annual review. State law only allows the Borough one tax that it can adjust year-to-year: the real estate tax.

Real estate or property taxes are regressive, non-elastic, and are generally an unfair way to raise revenue as they are based on a property’s inherent value rather than the resources of the property owner. In Chambersburg we have historically used property taxes for one purpose only: to fund the Chambersburg Police Department.

Beginning in 2014, Town Council decided to **begin the levy of a separate fire tax.** This decision was unavoidable given the Town Council’s failure to convince an arbitrator to reduce benefits, increase employee contributions to benefits, or prevent annual wage increases awarded these employees. Beginning last year, the budget now includes **both a police tax and a fire tax.**

To be clear, the real estate tax is split: first, a general levy, which is used exclusively for the Police Department; and second, a fire levy, which will be used exclusively to provide fire and EMS equipment and vehicles for the Emergency Services Department. Police and Fire will be the only use of real estate taxes in the budget. **No real estate taxes are used for any other function but police and fire.**

This will all change in 2018. In 2016, Council decided that the Borough will establish a first-ever Recreation Tax beginning not in this budget, but the next. No matter what, 2018 will see this new tax increase. However, that tax will not go into the General Fund. It will be earmarked to retire the debt associated with the 2016 Recreation Bond, which was sold earlier this year.

Further, as the fire tax is used only for equipment and vehicles for the Emergency Services Department, it also has no direct impact on the General Fund. Proceeds from the fire tax are given to the Motor Equipment Fund; the motor pool of the Borough, which is a separate fund. However, in the Motor Equipment Fund, all those proceeds will be used for the motorized equipment fleet; fire apparatus and ambulances. This will, in turn, help by allowing a rebate on its contribution to support fire apparatus and ambulances; an indirect benefit for the General Fund. The rebate, by local law, is the Richard Kasher Fire Tax; named after the arbitrator from our last appeal, which actually expires in January 2017.

Please find enclosed some **frequently asked questions** about taxes:

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

The Borough of Chambersburg did not raise taxes between 2007 and 2013; and only twice in the last decade; 2014 and 2016. Perhaps your taxes were raised by others such as Franklin County or the Chambersburg Area School District. In 2014 and 2016, the Borough did raise taxes but only to fund police and fire services. In 2015 and in 2017, the Borough, once again, did not raise taxes. **This 2017 Budget contains no tax increase for the ninth time in the last 11 years.**

2. Why do I pay so much in taxes?

In 2017, the Borough will only collect a small portion of the taxes you pay. Most of your taxes do not go to the Borough. In fact, most of your taxes go to support other government agencies despite the fact that most of your services are supplied by the Borough.

3. The Borough has so many employees, so many trucks, is that where my tax money goes?

Almost all the employees of the Borough and most of the equipment of the Borough is owned and operated by our utility departments (Electric, Gas, Water, Sewer and Sanitation Departments) and our utility support departments (engineering, motor equipment, and administrative services). Your taxes do not support any utility operations, personnel or equipment. Further, as the budget document reveals, the Borough's utility rates are very reasonable.

4. Why if I live in the township, do I pay taxes to the Borough?

Unless you own property inside the Borough, or have a job inside the Borough, you pay the Borough no taxes. Further, if you just have a job in the Borough you pay only \$1 per week to the Borough and nothing else. In fact, almost no township residents contribute any tax money to the Borough. For example, the Sales Tax collected at stores inside the Borough all goes to support others, not the Borough. Finally, the Borough has no relationship with Chambersburg Area School District taxes or Franklin County taxes.

5. Why does the Chambersburg Area School District have such high taxes?

The budget and tax rates for the Chambersburg Area School District are set by the independently elected School Board and not the Borough. The Borough has no say in these issues.

6. Why does Franklin County have such high taxes?

The budget and tax rates for Franklin County are set by the independently elected County Commissioners and not the Borough. The Borough has no say in these issues.

7. Where do my taxes go?

**All real estate taxes prior to 2014 were used exclusively to support the Police Department.** No real estate taxes were used for any other purpose. Beginning in 2014, a portion of real estate taxes was also used to support equipment and vehicles for the Emergency Services Department. No portion of real estate taxes will be used for any other purpose other than the Police Department or to support equipment and vehicles for the Emergency Services Department. Not to pay for streets, or parks, or utilities, or any other employees of the Borough; such as the Borough Manager or anything else. This is true in the 2017 Budget as well.

The other state mandated taxes are set by law and are not changed year-to-year. They include the Local Services Tax, which is a \$1 per week tax on workers inside the Borough; the Earned Income and Wage

Tax, which is a set tax on wages earned by those who live inside the Borough; and the Deed Transfer Tax, which is a set tax when property inside the Borough is sold or transferred.

Together, along with fees and fines, these categories make up the only revenues of the Borough.

Also, the Electric Department and the Gas Department make a Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth. As such, they are tax exempt. So instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway, and recreation) activities.

Finally, the other revenue received by the General Fund is grants. In most years, the Borough receives very little grant money. As usual, in 2017, the Borough was lucky to receive some Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels) plus some balances scraped together at the end of 2016 will result in a limited number of Borough-owned street paving projects. There is no dedicated source of money to do street paving in Chambersburg.

8. Doesn't the Borough get a lot of money for all the new businesses near Norland Avenue?

The Borough utilities sell a considerable amount of utility services in this new neighborhood increasing the size of the Borough's independent utility accounts. However, these developments generate very little additional taxes to support the Borough. Most of the revenue they create is in the form of Sales Tax and in Pennsylvania, local municipalities receive no Sales Tax share. Further, the sale of alcohol generally provides almost zero income to the host municipality. These developments have been very good for our community and create lower unemployment, but they do not generate income proportional to the responsibilities they create for police, fire and traffic.

9. Doesn't every property owner contribute real estate taxes for police and fire?

No, many types of properties are exempt under State law from paying real estate taxes. Those exempted properties include schools, colleges, churches, charities, and other government agencies. So, while these property owners add to the economic vitality of our community, they do not necessarily contribute any money to support police or fire services. However, some of these agencies (Chambersburg Hospital is a good example) make a voluntary contribution in support of the Borough's public safety services regardless of their tax exempt status. We encourage all tax exempt property owners to donate to the police and fire services every year through a letter writing campaign each spring.

10. Why can't you bill people directly for police and fire instead of using real estate taxes?

State law prohibits the levy of taxes as a fee on persons (called per capita taxes). Instead, the law allows us only to use property as the sole means to determine how much tax to collect. So, if you rent your property, your landlord will pay the real estate tax and it will be reflected in the rent you pay. There is no other system allowed. The Ambulance Club is not a tax or fee; rather, it is more like a donation. You provide us a gift and in exchange, we accept assignment from your health insurance company if you need to use the Borough ambulance service.

11. If the police and fire are paid for by Borough non-exempt real estate owners, why do they respond to police and fire calls in the townships?

State law requires that emergency services respond to all dispatches for health and safety. The Borough's emergency services will always support our township neighbors regardless of money issues. We also enjoy the support of the various volunteer fire companies from the townships and the Pennsylvania State Police. Mutual aid is a very important principle in public safety.

12. How can the Borough afford police officers and fire fighters when the money to pay for them can only come from such a small group of taxpayers?

We agree that the system is broken. We can envision nothing but painful tax increases in the future to pay for growing police and fire expenses. Something must change in the next few years.

13. Why don't the townships have local real estate taxes?

The local townships do not have police departments. They rely on the Pennsylvania State Police. They do not have township employee fire departments. They rely on the generosity of volunteer firefighters. All of the Borough's local real estate taxes go for these functions. And while we might wish to not have paid police and fire departments, unfortunately we cannot go back.

14. Can the Borough get rid of our Police Department or our ES Department?

No, it is not practical or legal at this point. While an arbitrator's ruling against firefighter layoffs until at least 2017 has been partially overturned, the truth is we would be loathe relying exclusively on the shrinking ranks of volunteers alone. Further, we are skeptical that the Pennsylvania State Police or the dwindling firefighters in the townships will be sufficient to protect the townships alone; not to mention our Borough in decades to come. The best new system would be a united system of Borough paid firefighters, Borough police officers, and regional township volunteers all working in one organization; one regional effort. We support the growth of our police and fire departments and providing *our* services expanded into the townships; one Chambersburg "area" force.

To that end, in the proposed 2017 Budget, we have requested that the townships take the first step and consider allowing the Chambersburg Emergency Service Department to do **fire safety code inspections at commercial businesses in the townships**. This new service would have been a precursor of our future cooperation. So far, there's been no public support for first important step.

15. What is the Franklin Fire Company? Are they a township fire company?

No, the Franklin Fire Company is Station 4 of the Borough of Chambersburg. It is our best staffed and best equipped volunteer fire company. By agreement, we have encouraged the Franklin Fire Company to provide fire services both inside the Borough and in the townships. All the Borough contributes to their operation is some fuel and lots of good will.

16. If the Borough has a police tax and a fire tax, what pays for streets?

We use the other taxes of the Borough (such as Earned Income Tax and Deed Transfer Tax) to pay for the Highway Department and the Recreation Department. The Sanitation Department is a separate utility (not unlike the Electric, Gas, Water, or Sewer Departments) and they keep the streets clean, free of leaves, and well swept. The new swimming pool will also be run like a utility and we hope it covers its own operating expenses. Highway construction projects are done with Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels). Our grant only pays for street construction made to Borough owned streets. Keeping up with all highway maintenance on Borough streets without a dedicated funding source is very challenging. Finally, the Land Use & Community Development programs are generally supported with fees.

The truth is we have very little revenue, very few opportunities to increase revenue and a lot of responsibilities.

17. Why are Borough streets in such bad shape?

First, it is important to recognize that the Borough does not own or maintain many of the streets inside the Borough. The Pennsylvania Department of Transportation maintains most of the major streets such as Main Street, Memorial Square, Lincoln Highway, Second Street, Loudon Street, Wayne Avenue, Scotland Avenue, Philadelphia Avenue, and many others. The Borough owns most of the side streets and many of the alleys. The Borough utilities start fixing pipes in all streets about two years before a street is paved. With so many old streets, there are a lot of pipes being fixed at any one time. The Borough only has the Highway Aid grant money account to fix our streets and repaving costs a lot of money when government bid rules are followed. Of course, the Borough does not pay to fix State owned streets, County owned bridges, private streets, or township roads. Finally, the Borough has let some streets degrade as we have neither the resources to pave them nor do those streets have the traffic flow to justify the expense. We do use grants whenever possible. It is a never ending battle to keep up with street maintenance with no dedicated funding source.

Every year we try to spend between \$1 and \$2 million on paving side streets. Believe it or not, that is not much money and does not take care of many of our over 59 miles of public streets.

18. Why won't you pave my street?

Most of the streets that have been paved recently in the Borough are either State owned streets or paid for by grants or developers as they build adjacent projects. The Borough has no dedicated funding source beyond the Highway Aid grant money (a grant from the State created by the sale of Liquid Fuels) to pave your Borough owned street. One suggestion is that the Borough invoice adjacent property owners to pay for their share of street paving; at least for alley work. That is already done for curbs and sidewalks. The biggest complaint against that idea is that most folks feel their taxes should pay for street paving. However, as this budget details, **taxes paid now do not cover any of the cost of paving streets or alleys.**

19. Why does it take so many employees to work on street projects?

For many reasons, including safety and the handling of large construction equipment, the Borough utility and highway workers are usually seen in large numbers. However, the Borough highway department only has seven (7) full time employees so you are probably seeing contractors who won competitive low bids for projects rather than employees. We do not pay them by the employee, we pay contractors by the project, and therefore they are incentivized to do as much work as fast as possible to squeeze out a project; that usually means they bring many employees.

20. Why do township residents pay more for using the Memorial Park Pool or other Recreation Department programs?

Up until 2009, the Chambersburg Area School District contributed to the cost of operating the Borough Recreation Department. The school tax money comes from both Borough and township residents. In 2009, an agreement was reached where the district stopped supporting the program in exchange for a grant, which ended in 2014. Therefore, township residents, who are residents of the Chambersburg Area School District, are no longer contributing to support the Borough Recreation Department operation. As such, and only being fair, township residents are asked to pay a little more than Borough residents. We are prohibited from denying anyone access to our recreation programs. However, there is no prohibition on having a two-tier fee system. If the townships' boards wanted to contribute directly, their residents could enjoy the lower tier rates.

21. Why do fees go up every year?

Just about the cost of everything goes up every year. However, all fees are adopted by Town Council in a public meeting and the Borough is prohibited from making a profit on any fee. The fee must be related to the cost of the service being provided. Covering actual costs are the best we can do under the law.

22. Why do Borough employees get such good wages and benefits; can't they be cut?

No, most Borough employees are represented by collective bargaining units and those units have negotiated labor agreements with Town Council or (in the case of the uniform employees of the police and fire service) had those labor agreements imposed on the Borough. The Town Council cannot unilaterally change the terms and conditions of employment. Nor can Town Council necessarily layoff employees. Certainly we think we have great employees, and in most cases they are compensated in proportion to what municipal workers across the Commonwealth are paid. Regardless, there is no reason to blame the employees themselves, who are generally good workers and our friends and neighbors.

23. If you need to raise the Police Tax and have a Fire Tax, how can you afford projects like a new addition on City Hall or buying houses for parking lots?

Your taxes do not pay for things like the upkeep or expansion of property. Your taxes go only to support the Police Department and to provide fire and EMS equipment and vehicles for the Emergency Services Department. Projects like our upcoming Utility Departments' Addition of City Hall are not being paid with real estate taxes at all. For any project that involves our utility departments (Electric, Gas, Water, Sewer and Sanitation Departments) or our utility support departments (Engineering, Motor Equipment, and Administrative Services), the utility rate payers are paying most of the cost. Yet we have very low utility rates. Almost all the projects of the Borough and most of the buildings are owned and operated by our utility departments and our utility support departments.

24. Why can you not just take utility money and pay for police officers and firefighters?

The Borough cannot wholesale move funds from utilities, which are kept in separate accounts, to the General Fund to pay for fire, police or parks. Nor would this be fair to utility customers. Also, the Electric Department and the Gas Department already make a Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth. However, as such, they are tax exempt, so instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway, and recreation) activities. State law does not allow the Sewer Department to make similar payments. We could ask the Water Department to pay taxes but we have not done so in years.

25. Are there assets the Borough can sell, such as parks, to avoid tax increases?

No, in general most of our assets are prohibited from being sold. For example, our parkland is usually deed restricted to remain as public parks. Further, most of the assets are owned and operated by our utility departments (Electric, Gas, Water, Sewer and Sanitation Departments) and our utility support departments (Engineering, Motor Equipment, and Administrative Services), so their sale would not help the General Fund, or pay for police or fire expenses.

26. Can we raise a different tax such as a sales tax or a hotel tax?

No, in general the Commonwealth of Pennsylvania does not allow us the right to raise any other type of taxes. In 2014, the Town Council requested that the General Assembly allow Franklin County to raise the county hotel tax and share proceeds with Chambersburg. That proposal was not approved by the State. Also, sales tax, liquor taxes, business taxes, and other local taxes are not an option under State law. For example, in 2015, the State proposed an increase in the hotel taxes across the State; for tourism, with a prohibition on using them by any local town for anything else such as police expenses, as Chambersburg had suggested.

27. Can we buy fewer trucks, do less construction, or lower the number of employees?

No, in general all of our vehicles are owned by the Motor Equipment Fund and rented to the utilities, not the General Fund. The only vehicles rented by the General Fund are police vehicles, fire vehicles and recreation equipment. Your taxes do not pay for vehicles for the utilities. Your taxes go only to support the Police Department equipment and vehicles and to provide fire and EMS equipment and vehicles for the Emergency Services Department. Almost all the construction projects of the Borough, other than street paving projects (and some of those too) are completed by our utility departments (Electric, Gas, Water, and Sewer) or our utility support departments (Administrative Services). So really when it comes down to the budget gap, it is a police, fire, recreation or street paving issue.

28. What is the long term answer, other than taxes, to pay for these functions?

There is currently no answer in Chambersburg or any other municipality that has police or paid fire services. Every municipality in Pennsylvania with police or paid fire services is in the same or much worse situation. If Chambersburg did not have our utilities (Electric, Gas, Water, Sewer and Sanitation Departments) and the shared services they provide to underwrite the cost of operations (Engineering, Motor Equipment, and Administrative Services), Chambersburg would be destitute.

Just remember, we are blessed to have strong, well operating, local utilities, which are paying Payment in Lieu of Gross Receipts Taxes (PILOTs) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth instead.

*Conclusion*

The only conceivable solution is either:

- A wider tax base (i.e. a united system of Borough paid firefighters, Borough police officers, and regional township volunteers all working in one organization; one regional effort); or
- A change to State law to allow an optional sales tax, liquor tax, or business tax.

**There are no gimmicks, easy answers, or tricks** to help the General Fund. To make matters worse, almost every single category of revenue in the General Fund is at a fixed rate, as set by State Law, and cannot be raised or adjusted by Town Council. The major revenues of the Borough's General Fund are:

**Real estate taxes**

*Police Tax to the General Fund*

*Fire Tax as a rebate from Motor Equipment Fund*

**Deed Transfer Tax**

*Set at maximum since 1987*

**Earned Income Tax**

*Set at maximum since 1965*

**Payments in Lieu of Gross Receipts Tax** from the Electric Department & Gas Department

**Police Fines & Fees**

**EMS Fees & Charges**

**Recreation Fees & Charges**

**Land Use & Development Fees & Charges**

**Comcast Cable TV Franchise Fee**

**Pennsylvania State Aid for Pension Costs**

*No increase recommended in the Police Tax or Fire Tax*

It is my opinion that in 2017 the Borough Police Department budget really needs another \$100,000 in Police Tax for the Police Tax to safely pay the full cost of the Police Department. That would be an additional 1/2 mil of new Police Tax above the current 23 mil rate. I have concluded that the 2 mil added in 2016 was just not enough to pay for Police Department costs going forward. We knew that last year. That fact has not changed just because 2016 worked out well.

At some point the Police Tax should pay 100% of the cost of operating the Police Department and undesignated revenue, which could be used for other worthwhile programs, should not be used to balance the Police Department budget. It is always better to have a little extra money in the Police Budget, than plan on a deficit and hope for assistance. Although in 2016, assistance did come through, thanks to lower personnel wages and benefit expenses.

**This budget does NOT contain another new 1/2 mil Police Tax increase. However, if Council waits until next year, it is likely that we cannot avoid this increase any longer.** The recommended 2017 Budget contains no Police Tax increase and keeps the tax rate at 23 mil.

Please keep in mind that we are operating the Police Department with very little margin for error. Unforeseen costs such as a major detective caseload, a major public safety event, additional unforeseen overtime, additional training, or adding more employees in advance of other future retirements, can easily throw the Police Department budget into a more unstable place.

While the revenue from the ambulance service and the Fire Code safety inspections is not enough to pay for the cost of operating the Emergency Services Department, this and the Fire Tax combined are counted as a very respectable effort to close the gap in costs. The balance of the Emergency Services Department operating expenses is likewise closed by undesignated revenue above and beyond the Fire Tax. Every dollar of undesignated revenue used to close the gap between the Fire Tax or EMS revenues and the Emergency Services Department is one less dollar that can be used for parks or recreation, highways or streets, or other functions such as economic development or new initiatives in community development.

The largest challenge for the Chambersburg Emergency Services Department is the unknown cost of labor. The current labor agreement with the International Association of Fire Fighters Local #1813 (the infamous Kasher Arbitration Award) is due to expire in January 2017. Contract negotiations have been ongoing for seven months with no agreement. If there is no labor pact by January 2017, the old award will be honored until a new agreement is arrived upon. It is also possible, if the parties cannot agree, just as in 2012-2013, a new neutral third party Arbitrator (Mr. Kasher has since retired) may impose a binding settlement upon the parties. The cost of a new agreement or a new arbitration award is unknown at this time. This budget assumes a 1.95% cost of living increase for Emergency Services Department employees. This is the same increase that will be given to employees represented by both of the other labor unions as well as non-bargaining employees of the Borough.

In conclusion, we have focused more on growing these revenue sources for the Fire Department rather than growing the Fire Tax. Whether that strategy is successful, remains to be seen.

**The recommended 2017 Budget contains no Fire Tax increase and keeps the tax rate at 2.5 mil.**

This 2017 Budget contains no tax increase for the ninth time in the last 11 years.

<b>Police Tax Rate</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Mil</b>	17	20	20	20	20	20	20	20	21	21	23	23

The average single family house inside the Borough has an assessed value of \$16,896.89; for illustration purposes, the average home owned by a member of Town Council has an assessed value of \$20,970 or slightly over the Borough average.

In 2016, with a 23 mil Police Tax and a 2.5 mil Fire Tax, the average single family home paid \$388.63 in Police Tax and \$42.24 in Fire Tax; for a total annual tax bill of \$430.87 or \$1.18 per day.

The 2017 budget maintains a 23 mil Police Tax, and a 2.5 mil Fire Tax, whereby the average single family home will pay \$390.18 in Police Tax and \$42.41 in Fire Tax; for a total annual tax bill of \$432.59 (\$1.19 per day) or \$1.72 more real estate taxes (or effectively 0.4% more in total taxes).

100% of the Police Tax goes to support the public safety activities of the Chambersburg Police Department and not for any other department or function or employee or use.

**This budget has no increase in the Fire Tax;** which would remain at 2.5 mil for 2017 for the fourth year of its existence.

<b>Fire Tax Rate</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Mil</b>	0	0	0	0	0	0	0	0	2.5	2.5	2.5	2.5

<b>Average Single Family House Inside The Borough</b>	<b>2016</b>	<b>2017</b>
<b>Police Tax (to the General Fund)</b>	\$388.63	\$390.18
<b>Fire Tax (to the Motor Equipment Fund)</b>	\$42.24	\$42.41
<b>Total (per year)</b>	\$430.87	\$432.59

<b>Average Single Family House Inside The Borough</b>	<b>2016</b>	<b>Per Day</b>	<b>2017</b>	<b>Per Day</b>
<b>Police Tax (to the General Fund)</b>	\$388.63	\$1.06	\$390.18	\$1.07
<b>Fire Tax (to the Motor Equipment Fund)</b>	\$42.24	\$0.12	\$42.41	\$0.12
<b>Total (per year)</b>	\$430.87	\$1.18	\$432.59	\$1.19



**Single Family House**  
\$432.59 per year\*



**Schools**  
No tax



**Non-profits**  
No tax



**Government**  
No tax



**Commercial/Industrial**  
More

No government buildings, schools, charities or township property owners pay any Police or Fire Tax on their property – commercial property owners may pay more. Also, for many folks, 100% of this cost is deductible on your Federal Income Taxes, returned to you in your tax refund every year.

The other state mandated taxes are set by law and are not changed year-to-year. They include the Local Services Tax, which is a \$1 per week tax on workers inside the Borough; the Earned Income and Wage Tax, which is a set tax on wages earned by those who live inside the Borough; and the Deed Transfer Tax, which is a set tax when property inside the Borough is sold or transferred. Together, along with fees and fines, these categories make up the only revenues of the Borough.

Also, the Electric Department and the Gas Department make a Payment in Lieu of Gross Receipts Taxes (PILOTS) to the General Fund. If these two departments were private corporations, they would pay taxes to the Commonwealth; as such they are tax exempt. So instead, they pay their taxes to support your General Fund (police, fire, ambulance, highway, and recreation) activities.

**The Borough’s finances are sound but require action for the future.**

<b>Revenue Source</b>	<b>Rate</b>	
Police Tax	23 mil	No change
Fire Tax	2.5 mil	No change
Deed Transfer Tax	½ of 1%	No change allowed
Earned Income Tax	½ of 1%	No change allowed
Local Services Tax	\$52 per year per worker	No change allowed
Mercantile/Privilege Tax	0	No change allowed

*2017 General Fund Revenues  
(Excerpt)*

	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2017 PROPOSED BUDGET
POLICE TAX (rose to 23 mil in 2016)	\$3,780,102	\$3,986,144	\$4,233,887	\$4,137,872	\$4,509,500	\$4,632,500
LOCAL SERVICES TAX ON WORKERS	\$748,586	\$732,086	\$789,710	\$803,153	\$875,000	\$832,500
DEED TRANSFER TAX ON REAL ESTATE SALES	\$305,466	\$248,950	\$283,627	\$607,440	\$450,000	\$550,000
WAGE & EARNED INCOME TAX ON RESIDENTS	\$1,715,736	\$1,789,579	\$1,836,344	\$1,930,546	\$2,000,000	\$2,100,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX ELECTRIC	\$950,000	\$1,010,580	\$1,060,580	\$1,100,000	\$1,100,000	\$1,250,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX GAS	\$400,000	\$400,000	\$400,000	\$410,000	\$415,000	\$514,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX WATER	\$72,000	\$72,000	-	-	-	-
POLICE FINES & FEES	\$136,238	\$176,262	\$173,245	\$174,840	\$154,500	\$173,500
AMBULANCE FEES & CHARGES	\$966,135	\$1,041,177	\$1,166,040	\$1,142,512	\$1,248,000	\$1,291,000
SAFER GRANT	-	\$862,652	\$622,143	-	-	-
MOTOR EQUIPMENT FUND REBATE (INCLUDES FIRE TAX)	-	-	\$530,000	\$530,000	\$520,000	\$537,400

Unfortunately, the 2017 Budget calls for significant increases in the Payments in Lieu of Gross Receipts Taxes from both the Electric Department and the Gas Department. This is not a preferred funding method.

*2017 General Fund Revenues – Proposed*

	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2017 PROPOSED BUDGET
POLICE TAX (rose to 23 mil in 2016)	\$4,233,887	\$4,137,871	\$4,509,500	\$4,632,500
LOCAL SERVICES TAX ON WORKERS	\$789,710	\$803,153	\$875,000	\$832,500
DEED TRANSFER TAX ON REAL ESTATE SALES	\$283,627	\$607,440	\$450,000	\$550,000
WAGE & EARNED INCOME TAX ON RESIDENTS	\$1,836,344	\$1,930,546	\$2,000,000	\$2,100,000
STATE PENSION GRANT	\$779,639	\$890,783	\$888,500	\$897,125
OTHER INTER-GOVERNMENTAL GRANTS	\$141,449	\$19,685	\$10,000	\$10,000
INVOICED WORK	\$88,747	\$106,332	\$70,000	\$105,000
MISC STATE SALES TAX	\$1,549	\$2,058	\$1,600	-
TAXABLE RECREATION CHARGES	\$25,805	\$34,422	\$28,000	-
INTEREST INCOME	\$4,871	\$21,872	\$25,000	\$12,900
STREET EXCAVATION PERMITS	\$10,594	\$14,463	\$12,000	\$16,000
CURB & SIDEWALK PERMITS	\$5,752	\$4,974	\$3,500	\$3,000
SNOW/ICE REMOVAL FINES	\$18,510	\$10,990	\$10,000	\$7,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX - ELECTRIC	\$1,060,580	\$1,100,000	\$1,100,000	\$1,250,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX - GAS	\$400,000	\$410,000	\$415,000	\$514,000
PAYMENTS IN LIEU GROSS RECEIPTS TAX - WATER	-	-	-	-
POLICE FINES & FEES	\$166,371	\$162,624	\$150,000	\$165,000
FALSE POLICE & FIRE CALLS	\$9,875	\$7,150	\$9,000	\$8,000
OTHER POLICE DEPARTMENT FEES	\$6,874	\$12,216	\$4,500	\$8,500
PROPERTY MAINTENANCE CODE VIOLATION FINES & FEES	\$7,400	\$3,474	\$5,200	\$5,200
RECREATION DEPARTMENT RECEIPTS	\$314,457	\$308,338	\$377,250	\$246,000
RECREATION VENDING, CONCESSION & CONSIGNMENT	\$14,968	\$22,628	\$16,000	\$19,000
PROPERTY MAINTENANCE INSPECTION FEES	\$126,365	\$119,730	\$130,750	\$124,600
LAND USE AND DEVELOPMENT PERMIT FEES	\$1,784	\$2,695	\$2,000	\$2,200
FIRE CODE PERMITS & FEES	\$48,020	\$45,890	\$50,000	\$50,000
ZONING PERMITS & FEES	\$5,000	\$3,260	\$3,500	\$4,000
CONTRIBUTIONS FOR AMBULANCE SERVICE	\$50,429	\$43,960	\$50,000	\$48,000
AMBULANCE SERVICE CHARGES	\$1,042,720	\$1,013,592	\$1,123,000	\$1,165,000
AMBULANCE CLUB MEMBERSHIP FEES	\$123,320	\$128,920	\$125,000	\$126,000
SCHOOL CROSSING GUARD GRANT	\$42,563	\$56,880	\$53,000	\$55,000
COMCAST TELEVISION FRANCHISE FEE	\$286,638	\$305,683	\$300,000	\$300,000
REFUNDS PRIOR YEAR PAYMENTS	\$10,949	\$12,263	\$13,000	\$20,000
REAL ESTATE PROPERTY RENTALS	\$18,556	\$18,688	\$18,000	\$18,000
CONTRIBUTIONS FROM PRIVATE SOURCES	\$1,600	\$6,828	\$2,000	\$2,000
MISCELLANEOUS	\$15,344	\$35,111	\$15,000	\$20,000
SALE OF SCRAP	-	\$480	\$280	\$300
TRANSFERS FROM OTHER FUNDS	\$4,140	\$4,140	-	-
TRANSFERS FROM HIGHWAY AID (LIQUID FUELS GRANT)	\$225,000	\$225,000	-	-
TRANSFERS FROM ENGINEERING DEPARTMENT	\$25,000	\$25,000	\$100,525	\$106,000
SAFER GRANT	\$622,143	\$622,143	-	-
MOTOR EQUIPMENT FUND REBATE (FIRE TAX)	\$530,000	\$530,000	\$520,000	\$537,400
2017 TOTAL ESTIMATED GENERAL FUND REVENUE	\$13,362,628	\$13,362,628	13,465,825	13,960,225
Percent Change			0.7%	3.6%

This budget includes additional revenue sources that are substituting for needed tax increases

We are anticipating revenue growth of 3.6% in the General Fund.

<u>Police Tax Revenue</u> (70002, 70003, 70008, 70011)	2017	\$ 4,632,500.00	23 mil
	Budget Estimate 2016	\$ 4,509,500.00	23 mil
	2015	\$ 4,085,000.00	21 mil
	2014	\$ 4,233,886.98	21 mil
	2013	\$ 3,986,144.13	20 mil
	2012	\$ 3,780,101.93	20 mil
	2011	\$ 3,731,680.91	20 mil
	<u>Deed Transfer Tax Revenue</u> (70009)	2017	\$ 550,000.00
Budget Estimate 2016		\$ 450,000.00	
2015		\$ 230,000.00	
2014		\$ 283,627.43	
2013		\$ 248,949.95	
2012		\$ 305,466.46	
2011		\$ 251,816.17	
<u>Earned Income Tax Revenue</u> (70010)		2017	\$ 2,100,000.00
	Budget Estimate 2016	\$ 2,000,000.00	
	2015	\$ 1,750,000.00	
	2014	\$ 1,836,343.95	
	2013	\$ 1,789,578.50	
	2012	\$ 1,715,736.15	
	2011	\$ 1,578,209.64	
	<u>LST (or EMST) Tax Revenue</u> (70005)	2017	\$ 832,500.00
Budget Estimate 2016		\$ 875,000.00	
2015		\$ 725,000.00	
2014		\$ 789,709.81	
2013		\$ 732,085.80	
2012		\$ 748,585.79	
2011		\$ 691,808.66	
<u>Police Fines Revenue</u> (70031, 70034)		2017	\$ 173,500.00
	Budget Estimate 2016	\$ 154,500.00	
	2015	\$ 154,000.00	
	2014	\$ 173,245.33	
	2013	\$ 176,261.66	
	2012	\$ 136,237.66	
	2011	\$ 118,412.99	
	<u>Ambulance Billing Revenue</u> (70046, 70047)	2017	\$ 1,291,000.00
Budget Estimate 2016		\$ 1,248,000.00	
2015		\$ 1,175,000.00	
2014		\$ 1,166,039.85	
2013		\$ 1,041,177.13	
2012		\$ 966,135.39	
2011		\$ 935,822.00	



*Police Department*

The Chambersburg Police Department will work hand in hand with members of the community in order to improve and enhance the richness of our quality of life consistent with the following principles: Respect for human rights, reduction of crime and disorder, employee, personal and professional well-being, community safety, high standards for excellence and continuous improvement.

Department Head: Chief Ron Camacho

	2015 Actual	2016 Budget	2017 Budget
<u>Police Operations</u>	\$4,467,128	\$5,168,725	\$5,162,275
<u>Earmarked Revenue</u>			
Police Tax	\$4,137,872	\$4,509,500	\$4,632,500
Police Fines & Other	\$ 174,840	\$ 154,500	\$ 173,500
<i>Subtotal</i>	<i>\$4,312,712</i>	<i>\$4,664,000</i>	<i>\$4,806,000</i>
Excess (Deficit)	(\$154,416) Deficit	(\$504,725) Deficit	(\$356,275) Deficit

<u>Police Operations</u>	2015 Actual	2016 Budget	2017 Budget
<u>Non Personnel Costs</u>	\$835,805	\$951,300	\$1,100,850
<u>Personnel Costs</u>	\$3,631,323	\$4,217,425	\$4,061,425

Despite 2016 turning out very well so far (although there are sixty days left), it still appears that 2017 will provide another challenging year with an operating deficit in the Police Department. It is anticipated that the gap between the Police Tax and the cost of operating the Police Department in 2017 will be \$529,775. That number will be reduced, as usual, by some amount of Police Fines as well as State pension aid, but likely a gap will persist. Although revenues generated by General Fund departments are not assigned directly to those departments, even if we credit the revenues generated by Police Department activities against their expenses, it is anticipated that the gap between the Police Tax and the cost of operating the Police Department in 2017 will still be \$356,275.

Each year, Town Council has been aggressive at hiring extra police officers in advance of future retirements. These actions have to be taken carefully without available funding to pay for extra police officers. Therefore, this budget includes payroll sufficient for three (3) new police officers to replace (3) retiring police officers, a new lieutenant position, and the elimination of a corporal position.

In addition, this budget includes agreed upon cost of living increases of 1.95% for all employees.

*Staffing*

Below is the Police Complement Activity from January 2014 to the Present for your information:

January 2014 to Present

Retirements

New Hire

Robert Peterson – retired 2/2014

Thomas Smith – hired 6/24/2013

Walter Bietsch – retired 6/2014

John Sgrignoli – hired 6/24/2013

Dianne Kelso – retired 10/2014

Cole Baker – hired 6/24/2013

Brian MacDonald – retired 2/2015

Jaime Jackson – hired 6/23/2014

Scott Mummert – retired 4/2015

Laban Betz – hired 6/23/2014

Daren Helsel – retired 7/2016

Travis Wilson – hired 6/24/2014

Douglas Strickland – retired 7/2016

Patrick Hinds – hired in advance on 12/10/14

James Iversen – hired in advance on 7/2/2015

Eric McGinnis – hired in advance on 7/2/2015

The current complement of the Police Department is 32 Officers (Chief makes 33).

The following Police Officers have submitted their retirement intent:

Craig Leisher – retiring 2/1/2017

John Clawson – retiring 7/1/2017

William Frisby – retiring 8/1/2017

The following Police Officers are eligible for retirement:

Matthew Cody – eligible 08/01/2015

This is the actual complement and not what we budgeted in 2016. In the budget, staff recommends placing sufficient resources in wage and benefit line items to assume worst case scenarios. For example, we program sufficient funds to pay retiring officers for a full year just in case they change their mind. Also, we program full wages and benefits for Officers on military leave just in case they unexpectedly return from active duty.

In the 2017 Budget, the Chief is proposing that the roster lose a Corporal but gain a Lieutenant. The budgetary impact of hiring additional personnel in advance of future retirements, as well as mandated wage and benefit cost increases pursuant to the labor agreement with the CPOA, and the Lieutenant position creation all have budgetary impacts.

For budgetary purposes, a full Lieutenant's cost is not relevant. In the Chief's proposal, he's suggesting the elimination of a Corporal slot and the creation of a Lieutenant's slot. A Lieutenant's salary with benefits is \$127,588.66. A Corporal Salary with benefits is \$114,229.75. The difference is \$127,588.66 - \$114,229.75 is \$13,358.91.

The 2016 manpower budget (not actual but what we put aside in the budget) is for 36 employees:

- 24 Police Officers
- 5 Corporals
- 5 Sergeants
- 1 Non-uniformed community resource officer
- 1 Chief

However, the current complement is only 34 employees:

- 23 Police Officers
- 4 Corporals
- 5 Sergeants
- 1 Non-uniformed community resource officer
- 1 Chief

The request from the Police Chief is for 36 employees in 2017:

- 24 Police Officers
- 4 Corporals
- 5 Sergeants
- 1 Lieutenant
- 1 Non-uniformed community resource officer
- 1 Chief

In conclusion, the 2017 Budget satisfies the Police Chief's request to alter the staffing of the Police Department without adding additional personnel costs to the budget.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Budget	2017 Budget
<b>Chief</b>	1	1	1	1	1	1	1	1	1	1	1	1
<b>Clerical</b>	3	3	3	3	3	3	2	2	2	2	2	2
<b>Admin</b>	0	0	0	0	0	0	0	0	0	1	0	1
<b>Officers</b>	30	33	33	33	33	33	31	33	32	34	32	34

Therefore, for all of 2017, the budget includes sufficient revenue allocation for 34 officers, 1 community resource officer, and 1 police chief. The two clerical employees, as with all clerical employees, are not paid for by the department to which they are assigned. They are paid by the Clerical Pool in the Administrative Services Department.

*Major items for 2017:*

Many projects started in late 2016 will be finished in 2017. The “E-Citation” printers and scanners have been purchased, minus one unit, and installed in the patrol units. Bringing these units online will start late in November and continue into January 2017. Sgt. Rosenberry is in charge of the E-Citation program.

Another project that will start in the coming months and end in 2017 is an Active Shooter Mitigation course for Borough Employees. This course will include threat recognition techniques and Active Shooter Protocol. The Police Chief has shared this knowledge with various schools and businesses in and around the Borough, and will continue to do so when asked. The Chief will develop and execute an active shooter exercise, within the Borough buildings, to test the security and retention of the information and techniques taught in the course. A tentative date for this exercise will be summer of 2017. Chief Camacho is taking lead on this project.

As stated in the budget presentation to Town Council, space is at a premium in the Police Department. In 2017, the Police Department will start inventorying their excess equipment with the intent to donate, destroy, or sell. Those items that can be sold will be, with those funds going back into the General Fund. Much of this equipment is located in the police annex. This project will include the reorganization of the equipment, with the intent to make it a neater and more functional work and storage space. Sgt. Clawson will coordinate and examine the proper use of space in the Annex Building.

The Police Chief would like to buy a new Computerized Voice Stress Analyzer (CVSA) to replace the out of date unit currently in use. The CVSA is used extensively by the Detective Division during criminal investigations and when conducting background of police applicants to verify that a subject is telling the truth. It should be noted, the detectives trained on the CVSA can also be used on any government employee during an administrative investigation, when requested. This has not happened yet, but is an option and tool for the Borough to use. CVSA usage falls under the Detective Division, which is currently under the command of Sgt. Cody.

Many of the phone calls and complaints with which the Police Chief manages on a daily basis are related to traffic. Half of those complaints are specific to the tractor trailers that drive through the Borough. The Police Chief is planning on sending two officers to the Motor Carrier Safety Assistance Program (MCSAP) course. These officers will be trained and certified to conduct spot inspections on the many trucks that travel in and around the Borough. This program does two things: 1) Ensures that the tractor trailers and truck driving in the Borough are safe and comply with State and Federal regulations 2) Once implemented, Chambersburg will develop a reputation for strict enforcement of State and Federal motor safety regulations. Violations of said regulations are punishable by large fines. The citizens of Chambersburg should see measurable results; less accidents and safer roads. Cpl. Matt Bietsch will coordinate the deployment of the MCSAP officers.

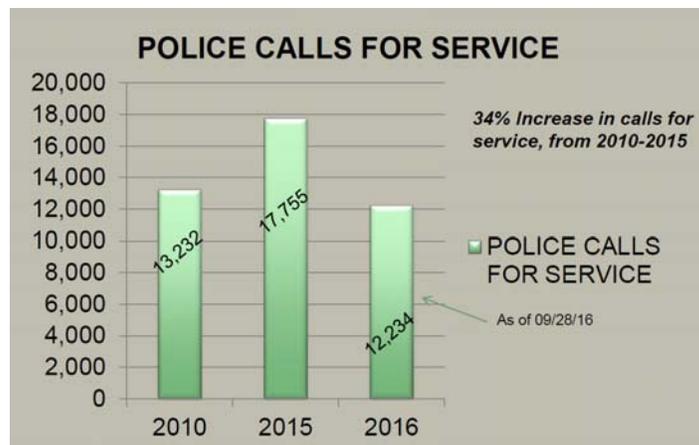
In late 2016, the Chambersburg Crime Scene Tech Unit was started. These patrol officers have had some in-house training, and will attend a certification course in November. This program will improve the customer service given to the citizens of the Borough. The Crime Scene Technicians will be able to quickly and efficiently process crime scenes: Burglaries, Thefts, Criminal Mischief, Robberies, Aggravated Assaults, Heroin Overdoses, and Homicides. Their quick response takes a burden off the Detectives and will allow for evidence to be collected in a timely manner, preserving its value. The people of Chambersburg will enjoy a high quality of service when our officers respond to process their crime scenes. The more scenes the technicians process, the more of a chance that evidence will be collected that will lead to the solving of crimes committed in the Borough. The police department will not fully be able to evaluate the unit’s success until 2017. Sgt. John Greenawalt is in charge of the Crime Scene Tech Program.

The Chambersburg Police Department started coordinating police training in 2016. Training is funneled through one coordinator, ensuring that all officers have a bare minimum of classes. Well trained officers reduce the police department's liability, improves morale by making sure the officers have the necessary training to properly handle the calls he responds to, and gives the citizens of Chambersburg a higher quality of service; one given by a confident and well informed officer. The Police Chief will continue to evaluate the level of the department's training and look to identify gaps, or areas that need improvement/refreshing. Sgt. Morrissette is the departments training coordinator.

Community policing efforts have been a positive mark for the police department. It is the Chief's intention to continue to grow in this area and support any request for our officers' involvement. The feedback from the community has been good; it is their goal to make it great in 2017. That can be accomplished by engaging with the community more and getting information out to the public with regards to the excellent police work done by the officers within the department. The Police Chief plans to host a Chambersburg Citizens Police Academy in 2017. Community policing coordination is done jointly by Chief Camacho and Cpl. Bietsch.



The Police Department built a new locker room at the Police Annex in 2016



The Police Department is busier than it has ever been before



*Emergency Services Department*

The Chambersburg Emergency Services Department is an all-hazard incident management department, which delivers fire prevention / suppression and emergency medical service to protect the lives and property of the citizens that live, work or visit the Borough of Chambersburg.

Department Head: Chief Howard “Butch” Leonhard, Jr.

	2015 Actual	2016 Budget	2017 Budget
<u>ES Dept. Operations</u>	\$3,497,982	\$3,667,875	\$3,889,875
<u>Earmarked Revenue</u>			
Fire Tax Transfer	\$ 480,000	\$ 470,000	\$ 487,400
Local Services Tax	\$ 803,153	\$ 875,000	\$ 832,500
Fire Code Inspections	\$ 45,890	\$ 50,000	\$ 50,000
Ambulance Fees	\$1,142,512	\$1,248,000	\$1,291,000
<i>Subtotal</i>	<i>\$2,471,555</i>	<i>\$2,643,000</i>	<i>\$2,660,900</i>
Excess (Deficit)	(\$1,026,427) Deficit	(\$1,024,875) Deficit	(\$1,228,975) Deficit

Deficit covered by other miscellaneous revenues of the General Fund

	2015 Actual	2016 Budget	2017 Budget
<u>ES Dept. Operations</u>			
<u>Non Personnel Costs</u>	\$1,089,197	\$1,070,475	\$1,139,675
<u>Personnel Costs</u>	\$2,408,785	\$2,597,400	\$2,750,200

**There is a structural deficit in the Chambersburg Emergency Services Department.** Other non-Emergency Services Department revenues are carrying the cost of the department.

While the revenue from the ambulance service and the Fire Code safety inspections is not enough to pay for the cost of operating the Emergency Services Department, this and the Fire Tax combined are counted as a very respectable effort to close the gap in costs. The balance of the Emergency Services Department operating expenses is likewise closed by undesignated revenue, above and beyond the Fire Tax. Every dollar of undesignated revenue used to close the gap between these revenues and the Emergency Services Department is one less dollar that can be used for parks or recreation, highways or streets, or other functions such as economic development or new initiatives in community development.

In 2017, with a 2.5 mil Fire Tax, the average single family home will pay 12¢ per day for fire protection.

**This budget has no increase in the Fire Tax;** which would remain at 2.5 mil for 2016.

100% of the Fire Tax goes to support the apparatus of the Chambersburg Emergency Services Department and not for any other department or function or employee or use.

Average Single Family House Inside The Borough	2016		2017	
Police Tax (to the General Fund)	\$388.63	\$1.06	\$390.18	\$1.07
Fire Tax (to the Motor Equipment Fund)	\$42.24	\$0.12	\$42.41	\$0.12
Total (per year)	\$430.87	\$1.18	\$432.59	\$1.19

**The Fire Tax is deposited into the Motor Equipment Fund.** Upon receipt, a rebate is created and sent back to the General Fund to reimburse the Emergency Services Department for their equipment rental fees paid. In this manner, the Emergency Services Department is still paying its fair payments for their equipment, but that payment is balanced by the Fire Tax in the form of a rebate.

*Work With Townships to Provide Commercial Fire Code Inspection Services*

The surrounding townships all utilize volunteer fire companies. Some of them are quite professional in behavior although unpaid. A few companies have paid drivers or paid ambulance personnel. That being said, they are struggling for volunteers or revenues to support their volunteer operations. There is no single unified strategy for regional fire services. We cannot even agree on a regional model for dispatch.

In 2016, we should explore my proposal that Hamilton, Guilford, and Greene Townships adopt the International Fire Code and contract with the Borough ES Department as a third party Code Agency for Commercial Fire Code Inspection Services. This would be just like when the townships adopted the Uniform Construction Code in 2004 and contracted with Commonwealth Code Inspection Services (CCIS) to provide third party Code Agency services for those codes. In 2015, the Pennsylvania Municipal Code Alliance (PMCA) replaced CCIS.

Yet still, to date, no agencies in any of the townships are providing commercial fire code inspection. The Volunteer Fire Companies generally are unequipped to do inspections. Although PMCA can do these inspections, we have discussed letting our fire department, where every firefighter is a certified code inspector, do these inspections on a systematic basis. I believe that PMCA would support this plan.

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

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

It would take 6 to 8 months to negotiate a program – only the townships can adopt the program and set the fees. The portion of revenue collected, which would be shared with the townships, can be decided during discussions. This important new ES Department program will begin with a meeting with stakeholders and exploring how this program may function.

*The Second Ambulance is Very Busy and It Could Become Busier*

The second ambulance, stationed at the McKinley Street Firehouse, provides service to the south end of the Borough on average 12 days a month since January 2016. When in service, it increases firefighting staff for Engine 1-4. Also, through scheduling on-duty relief personnel to drive this ambulance, the ES Department has created a consistent monthly overtime costs; measured 2014 to 2016. At this point, one Medicare basic life saving (BLS) emergency transport covers all the daily overtime.

In 2017, the Borough will continue to explore ways to overcome new Medicare insurance rules, which are significantly cutting down revenues for calls to nursing homes. We want the nursing homes to appreciate this problem and work with us to develop a fair compensation system; perhaps one that won't be recognized by Medicare, but might levy a fair fee system to the patients in these facilities.

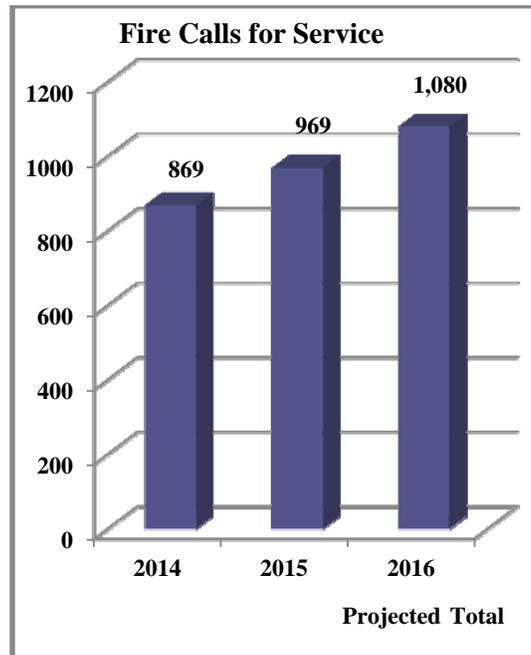
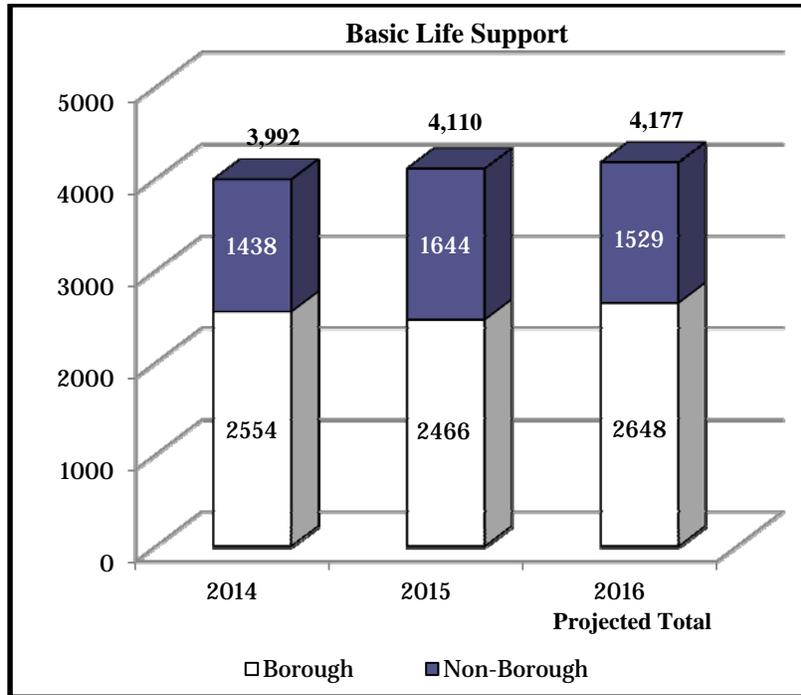
There are now seven nursing homes in and around the Borough, which tend to be "super users." Our BLS unit responds regardless of dispatch or complaint type. In October 2015, new ICD-10 codes were implemented. Now, calls must meet standards of medical necessity in 1 of the 4 secondary code categories: patient is bed-confined before and after ambulance trip, patient has a need for continuous supervision, patient has a need for physical restraint, or patient has dependence on enabling machines or devices. The patient's Medicare is billed only if transport is justified by one of these medical necessities. That being said, the Borough must respond and often transport even if Medicare will no longer pay the invoice. Most nursing home patients do not utilize health insurance as secondary payer and the Borough's Finance Department is increasingly writing off balances as bad debt.

Finally, we continue to work with our partner, Holy Spirit EMS. Holy Spirit has found it tough to continue to provide advanced life support (ALS) ambulance service in and around the Borough of Chambersburg. The fees paid for ALS service can be worse when the ALS provider and the transport ambulance are not one in the same. We do not want to see Holy Spirit EMS pull out of Franklin County but, their main base of operations is in Camp Hill, Cumberland County, and if it does not make continued financial sense to be in Chambersburg, they might withdraw. If that happens, the Borough will need to have a plan to insure that our citizens continue to receive timely and professional ALS service.

EMS calls have risen 17% since 2012 and there is reason to believe this upward trend will continue. Without a full time 2nd BLS unit in service some decisions may have to be made regarding deferring some of the response area outside the Borough to Holy Spirit. This action would improve their revenue and solidify their position in the region. Since there is so much overlap on calls inside and outside the Borough the Emergency Services Chief feels this action would be a "wash" as far as revenue goes. For example, due to Holy Spirit's close proximity to Greene and Guilford Townships it would make sense to make them "first due" in those areas keeping the one CFD ambulance available for the overlap call in the Borough. It is an archaic system where we respond past a qualified service based on a box card system that does not run the closest unit.



McKinley Street Fire Station



*2017 Goals*

- Recruit and retain qualified volunteer personnel
- Strive for team concept with both career and volunteer personnel
- Conduct assessment of operations to improve service delivery
- Update Department Strategic Plan
- Preplan high hazard occupancies
- Increase hands-on operational training

*2017 Projects*

- Install emergency generators at HQ and McKinley Stations
- Install new alerting systems at HQ and McKinley Stations

*Staffing*

In 2017, there is no anticipated change to the number of fire personnel.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Budget	2017 Budget
<b>Chief</b>	2	2	2	2	2	2	2	2	1	2	2	2	2
<b>Clerical</b>	1	1	1	1	1	1	1	1	2	2	2	2	2
<b>Officers</b>	18	21	21	22	21	21	21	21	21	21	21	21	21

*Do we need a more global solution to fire protection?*

We have plenty of questions but not a lot of good answers. Further, it is not possible to ignore this problem any longer. The Chambersburg ES Department is the best trained, most well equipped, and most reliable public safety force in Franklin County. Yet, it is too expensive for the Borough to operate. Meanwhile, we have heard that our neighbors in the Townships are struggling to find qualified and committed volunteer firefighters, response times are slowing, and the future of an all-volunteer force in the Townships is questionable. Can we work together to find a more global solution to regional firefighting?

It is my proposal that the various parties involved in this issue including the Franklin County Fire Chiefs Association, the County Department of Emergency Services, the County Commissioners, Volunteer Fire Companies, the Township Supervisors, Town Council, our Fire Chief and the fire union, all gather and see what global solutions can be proposed to address public safety in Franklin County.

We cannot continue to ignore this issue, and our neighbors in the townships have a bigger problem than they may recognize. Only together can we work towards a solution.



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*Recreation Department*

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The Chambersburg Recreation Department provides quality recreation experiences for our community through well organized and diverse programs, as well as, a properly maintained park system.

Department Head: Guy Shaul

	2015 Actual	2016 Budget	2017 Budget
<u>Recreation Operations</u>	\$1,380,514	\$1,559,575	\$1,365,587
<u>Earmarked Revenue</u>			
Recreation Tax	\$ -	\$ -	\$ -
Recreation Fees	\$ 365,388	\$ 421,250	\$ 265,000
<i>Subtotal</i>	<i>\$ 365,388</i>	<i>\$ 421,250</i>	<i>\$ 265,000</i>
Excess (Deficit)	(\$1,015,126) Deficit	(\$1,138,325) Deficit	(\$1,100,587) Deficit

Deficit covered by other miscellaneous revenues of the General Fund

**There is a structural deficit in the Chambersburg Recreation Department.** Other non-Recreation revenues are carrying the cost of the department. Further, the deficit is growing every year.

The Recreation Department has done an excellent job of creating programs and growing their revenues every single year. That being said, there is no dedicated source of reoccurring tax revenues to be used for recreation in Chambersburg; other than undesignated revenues and recreation receipts.

Recreation programs rarely break even. Communities must commit to funding recreation for non-fiscal reasons such as economic development or community health and safety.

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**Staff**

Julie Redding, Assistant Superintendent

Jody Mayer, Office Manager

Samantha Stratton, Program/Office Assistant

**Full Time Maintenance Personnel**

Cortney Peyton

Jeff Umberger

Chris Stewart

**Part Time & Seasonal Personnel**

15 part time maintenance workers

12 part time security guards

100+ part time pool personnel

18 part time special event monitors

The Recreation Department took a big hit back in 2011 when Town Council eliminated one full time maintenance supervisor position. This is still causing issues for maintenance. To combat this effect, we added a number of seasonal employees to the Recreation Department. The seasonal employees are part time and they add additional administrative and oversight issues. It remains a challenge for the department to maintain the park system with a maintenance staff of three. Part time and seasonal employees come with more challenges including new workers, limited commitment, and constant training. An attempt is made to try to offset the maintenance work load with the use of outside contractors.

The programming at the Eugene C. Clark Jr. Community Center has really expanded. In 2015, there was a personnel change to accommodate the additional workload. Specifically, Town Council approved the expansion of the current part time clerical worker into also becoming a part time assistant programs director as well. That position is actually two positions in one person, and therefore, 1 full time employee. This was not a new employee, but rather an expansion of responsibilities of an existing part time program assistant's job. We added a part time clerical component to her job as well. I very much supported this decision and it became effective with the adoption of the 2015 budget. The employee is paid 1/2 as a part time clerical worker and 1/2 as a part time program assistant to afford her as a full time employee.

Samantha Stratton is our full time Recreation Program and Office Assistant. She assists with implementing all recreation programs, organization of league-related registration information, development of new program and other clerical duties as assigned including managing the recreation management software that runs the department. She works under the general supervision of the Recreation Superintendent. Examples of her work include assisting with the instruction of preschool, youth and adult programs, clinics and compiling individual and team registrations, checking for accuracy of registration documents in the recreation management software, coordinating, creating and distributing flyers/posters/brochures for upcoming programs and events; working to set up program spaces for classes. She also assists with office duties such as working the front desk window, scheduling facilities, answering telephones, filing, registering participants in programs, handling money, etc. Like everyone else in the department she works nontraditional schedule; including some evenings and weekends.



Facility income has seen a healthy increase in 2016:

### Facility Income

(Approx. totals for January-August)

2016		2015	
• Pool	\$121,000	• Pool	\$104,500
• Pool Concessions	\$43,250	• Pool Concessions	\$37,000
• Pavilions	\$3,250	• Pavilions	\$4,000
• Room/Gym rentals	\$19,500	• Room/Gym rentals	\$12,500
• Field/Lights	\$2,750	• Field/Lights	\$1,500
<b>Total</b>	<b>\$189,750</b>	<b>Total</b>	<b>\$159,500</b>

Facility Income up 9% from 2015  
(mainly due to higher Pool income & rentals)

Overall Dept. Income is up 9% as a whole compared to 2015

### Program Operating Income/Expenses

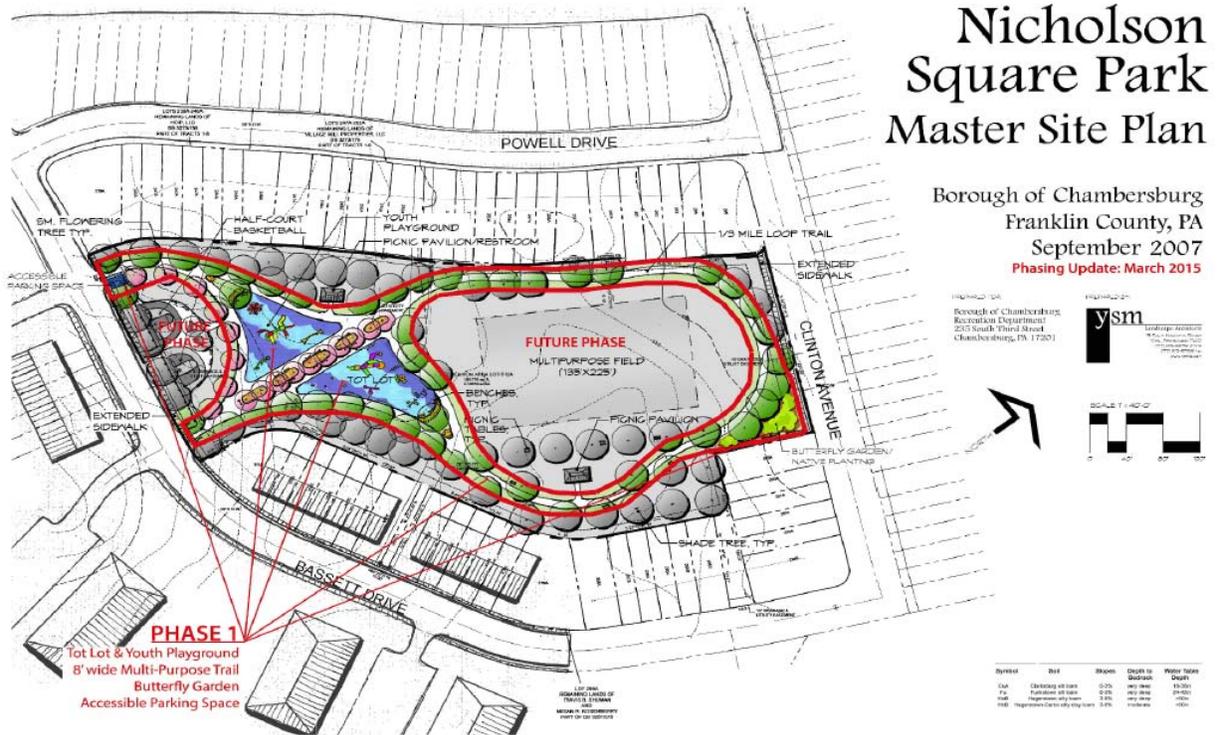
2016		2015	
Income/Expenses through August		Income/Expenses through August	
• Income	\$114,000 ↑ 2%	• Income	\$112,000
• Expenses	\$110,000 ↓ 1%	• Expenses	\$109,000
<b>Projected Income/Expenses for 2016</b>		<b>Projected Income/Expenses for 2015</b>	
• Income	\$130,000 ↑ 2%	• Income	\$121,000
• Expenses	\$136,500 ↓ 1%	• Expenses	\$135,500

In 2017, the Recreation Department is not proposing any new employees or new facilities.

*Nicholson Square Park Improvements Project*

In 2015, the Borough applied to both the PA Department of Conservation and Natural Resources and the PA Department of Environmental Protection for funds to undertake the Nicholson Square Park Improvements Project in 2016. The project will include: a new youth playground for ages 5 through 12, a new Tot Lot play area for ages 2 through 5, a 2,050 linear foot bituminous walking trail, benches, landscaping, and the installation of an ADA parking space. The total cost is estimated at \$466,242.

The Borough does not have sufficient funds to provide for this project. The Nicholson Square Homeowners Association has generously pledged a cash match of \$50,000 towards this project. There are some remaining funds available in the Borough's General Capital Reserve to assist with funding. In 2016 the Borough was awarded a DCNR grant of \$150,000 for this project. The Borough did not receive the DCED grant in 2016 but the Borough is reapplying for this grant and will have a decision mid- year of 2017. The goal is for development of this park to be started and completed in 2017, whether or not we receive the DCED grant. The development of this playground is vital for that area of the Borough.



### *Mike Waters Memorial Park Building Upgrade*

In 2016, the Recreation Department created a plan to redesign the restrooms and their entrances, re-locate the water fountain, install faux stone or brick face to the exterior of the building and install concrete ADA pathway around to and around the building. The estimated cost of these improvements is \$90,000. This project will be designed and completed in late fall of 2016 or early spring 2017.

### *Memorial Park Pool Project*

In 2015, Town Council authorized the Recreation Department to hire an aquatic engineering and design firm with sufficient knowledge and experience to assist our staff with evaluation of our existing municipal pool complex. The consultant team of MKSD Architects and Counsilman-Hunsaker Aquatics identified issues of technical, health, safety, and mechanical in nature, proposed conceptual solutions including a variety of choices and alternatives and worked with Town Council in preparing for a public debate on the cost-benefit of the various alternatives, which would extend the useful life of this important community asset for generations.

In addition to suffering from the seasonal impact of weather on the pool operation, the Memorial Park Pool has recently found it difficult to collect enough revenue to balance the cost of operation on an annual basis. In addition, no capital reserve has been established to rebuild or reconstruct the facility.

On January 25, 2016, MKSD and Counsilman-Hunsaker presented a new Aquatics Feasibility Study and 3 alternate action plans for the renovation or replacement of the Pool in 2017 or 2018. The Study presented project goals, a feasibility process, an audit of existing conditions and options for consideration. The consultants discussed both physical obsolescence (i.e. aging facility – codes and standards) as well as functional obsolescence (i.e. definition of aquatics – user expectations). The consultants gave Council three choices: repair the existing pool facility for \$2.89 million, renovate and improve the existing pool facility for \$6.3 million or replace the entire facility with a modern family aquatic facility for \$6.9 million. The consultants reviewed the three options and on February 22, 2016, Council selected a complete replacement of the entire pool facility.

On March 14, 2016, Town Council dismissed any talk of a pool bond referendum vote and instead decided to move ahead with borrowing enough money through a dedicated recreation bond issue to pay for the upgrade of the pool as well as a dozen other recreation related infrastructure projects. It was decided that the Borough would borrow \$9.75 million and that Council would levy a dedicated recreation tax, beginning in 2018, to retire that debt. It was understood that this would be the source of the \$6.9 million to \$7.25 million needed to build a new aquatic facility and get it operational.

On September 19, 2016, Town Council approved the recreation bond sale for \$9.75 million. It is estimated that beginning in 2018, a Borough-wide assessment of 3 mil of property tax will be needed to retire this debt. The proceeds of this sale are sitting in a dedicated account and the 2017 Budget includes the use of this money to build the new facility as well as the first of the other construction projects, the completion of the Nicholson Square Park Build Out (To Match Grant Applications) (\$266,242).



### Healthy Community

In 2016, we started working with the Healthy Franklin County on Nutritional Task Force. We have also started working with Summit Health Community Gardens program. We continue to partner with The North Square Farmers Market and their connection to the organic Fulton Farm at Wilson College as a base to expand healthy food choices education among the Borough's youth. It is our hope to underwrite the development of an outreach program to community youth and school kids to encourage their commitment to a healthy lifestyle.



### Citizen Conservation Corps Program

Beginning in 2014, as a part of the Pennsylvania Workforce Development Project, the Chambersburg Recreation Department has organized a Citizen Conservation Corps to work in Borough Recreation Department facilities. We have partnered with Manito's Alternative High School program. Those students who continue to be enrolled in school, working on their diploma, are eligible. They work under the guidance of skilled, adult crew leaders. They gain hands-on training in carpentry, masonry, landscaping and other trades, while being offered a variety of off-site educational opportunities, such as vocational-technical classes/training. Twelve students have worked with us over the past three years. Some are still with us and some have moved on to a full time jobs.

### Social Media

Beginning in 2015, the Borough authorized a test [www.twitter.com](http://www.twitter.com) id for the Recreation Department: @ChambersburgRec in addition to the unique website already in operation.



*Eugene C. Clarke Jr. Community Center*

In 2016 both gymnasium floors were worked on. The Gym 2 wooden floor was stripped and resurfaced. In Gym 1 we removed the layers of the old floors and installed a new cushioned latex surface. Both floors look great.



**Department Goals**

- Continue to offer quality child, youth and adult programs
- Continue to offer non-sports programs
- Collaborate with community organizations to expand our programming and find new instructors for our programs

**Operational Changes**

- Maintenance issues and demands on personnel
- Park Guards program success and expanding
- Expansion of security cameras
- Participate in the upgrade of Borough financial management software and integrate the Recreation program and facility software.

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*Land Use & Community Development Department*

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The Chambersburg Land Use & Community Development Department includes the planning, zoning, community and economic development functions in the Borough, as well as enforcement of the building, health, and property maintenance codes. The Land Use & Community Development Department helps to plan and design the Borough’s form and character, support community values, preserve the environment, promote the wise use of resources and protect public health and safety through code enforcement.

Department Head: Phil Wolgemuth, Assistant to the Borough Manager

	2015 Actual	2016 Budget	2017 Budget
<u>Operations</u>	\$484,276	\$519,925	\$630,120

The Chambersburg Land Use & Community Development Department includes the planning, zoning, community and economic development functions in the Borough ,as well as enforcement of the building, health, and property maintenance codes.

Providing staff support for the Health Board, the Planning and Zoning Commission, the Curb and Sidewalk Policy Compliance Committee, the Zoning Hearing Board, and many other commissions and committees, the staff of the Land Use & Community Development Department is very busy.

A department of multifaceted disciplines, Land Use & Community Development focuses on code issues, land use issues, grants programs, strategic planning, and economic development.

The department provides high quality service to Borough citizens and customers according to the following principles:

- Listen, to understand your needs;
- Give clear, accurate and prompt answers to your questions;
- Help resolve problems in an open, objective manner;
- Explain how you can achieve your goals under the Borough’s rules or the uniform code;
- Maintain high ethical standards;
- Work to improve our service in the most cost effective manner possible.

Community planning involves: citizens, neighborhood groups, businesses, stakeholder, land developers, and contractors along with Borough staff, and appointed and elected officials. The Town Council are elected officials. The Town Council appoints citizens to serve on the Board of Health, Building Code Board of Appeals, Curb & Sidewalk Policy Compliance Committee, Elm Street Advisory Council, Housing Commission, Parking, Traffic & Street Light Committee, Planning & Zoning Commission, and the Zoning Hearing Board. These groups help process various parts of the planning and community development process. The Land Use & Community Development Department staff works with everyone to insure that the process is well executed. The Assistant Borough Solicitor is appointed to work with this department as well.

There are three (3) main areas of concentration in this department: Codes, Planning & Zoning, and Economic and Community Development.

### *Codes*

The Codes Office is responsible for enforcing the Property Maintenance Code, Rental Property Code and Brush, Grass and Weeds Code as well as the PA Retail Food Facility Safety Act and Uniform Construction Code, which are enforced by Pennsylvania Municipal Code Alliance (PMCA), the Borough's state-certified third party code enforcement agency. PMCA personnel also enforce the Rental Property Code with administrative support from the Codes Office.

- The Codes Office's goals and challenges for 2017 include:
  - In 2017 and 2018 relocate staff during Borough Hall building addition project;
  - In 2017 work closely with Director of Finance to ensure forthcoming software implementation accommodates needs of code enforcement functions;
  - In 2018 seek Town Council approval to amend the Rental Property Code to provide for the issuance of an annual license and to adjust program fees accordingly;
  - In 2019 begin issuing annual licenses for the Residential Rental Unit Inspection Program;
  - Continue aggressive and innovative code enforcement strategies in conjunction with Town Council, the Borough Manager and Solicitors.



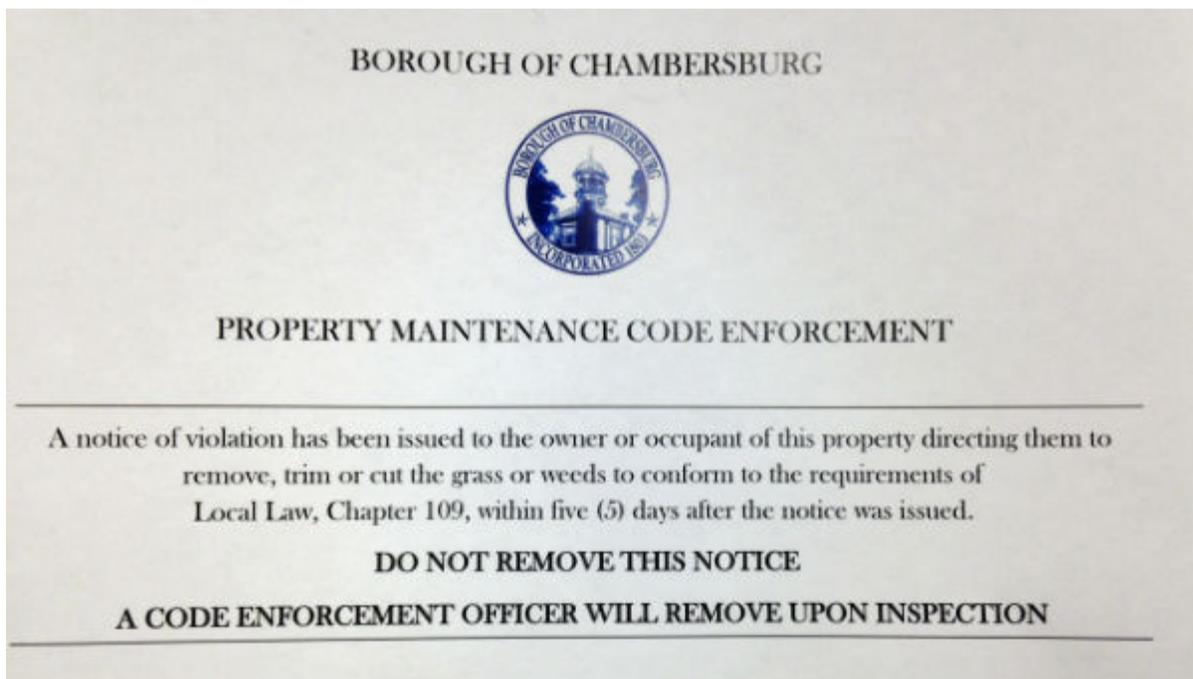
Condemned house at 135/137 E Garfield Street

*Tall Grass and Brush Enforcement*

In 2017, the Borough will continue this very successful inspection protocol using a part time enforcement officer.

## BRUSH, GRASS & WEEDS CODE

Year	Violation Notices
2014	922
2015	694
7/31/16	376



*Residential Rental Inspection Enforcement and the Effect on the Codes Budget*

- The Codes Office is responsible for enforcing the Property Maintenance Code and the Rental Property Code. PMCA personnel also enforce the Rental Property Code with administrative support from the Codes Office. However, when we have a significant challenge with a local landlord, it is the Codes Office that must set about to use the complex and time consuming legal system to bring the landlord into compliance.
- Town Council has repeatedly stated that landlords who are bad community citizens (in the form of specific, chronic, and repeated Code violations) need to be prosecuted.
- This budget contemplates additional administrative costs associated with that level of enforcement.

**PROPERTY MAINTENANCE CODE**

<b>Year</b>	<b>Rental Unit Violation Notices</b>	<b>Non-Rental Unit Violation Notices</b>	<b>Total Violation Notices</b>
2014	149	141	290
2015	127	97	224
7/31/16	117	60	177

**RENTAL PROPERTY CODE** (4,573 rental units billed in 2016)

<b>Year</b>	<b>Systematic Inspections</b>	<b>Follow-up Inspections</b>	<b>Total Rental Unit Inspections</b>
2014	938	507	1,445
2015	1,238	542	1,780
7/31/16	643	281	924

In 2017, the Codes Office will work closely with the Director of Finance to ensure forthcoming software implementation accommodates needs of code enforcement functions. In 2018 the Codes Office plans to seek from Town Council approval to amend the Rental Property Code to provide for the issuance of an annual license and to adjust program fees accordingly with 2019 being the anticipated year to begin issuing annual licenses for the Residential Rental Unit Inspection Program.

### *Planning and Zoning*

The Planning and Zoning Office coordinates review and approval of subdivision and land development plans to include fee collection, review and analysis, meeting facilitation, street addressing, document recordation, and public works security administration. The office also processes Land Use Permit Applications (LUPA) and Zoning Hearing Board (ZHB) appeals. Further, they provide technical assistance regarding the Comprehensive Plan and other planning-related issues.

The Planning and Zoning Office's goals and challenges for 2017 include:

- Prepare Request for Proposal to Provide Planning Consultant Services to update Comprehensive Plan;
- Secure Sustainable Pennsylvania Community Certification;
- Seek Town Council adoption of Pedestrian and Bicycle Improvements Plan and coordinate implementation strategies;
- Administer Multimodal Transportation Fund Grant, if awarded;
- Work with the Assistant Borough Solicitor to prepare local code amendment to establish a program for the reduction of feral cats through a Trap-Neuter-Return (TNR) program.

### *Community and Economic Development*

The Community and Economic Development Office is the administrator of Community Development Block Grants (CDBG), HOME Investment Partnership Program grants, Elm Street Program grants and the Borough's Housing Rehabilitation Program. The office also provides outreach and technical assistance for a variety of downtown and borough-wide economic development projects.

The Community and Economic Development Office's goals and challenges for 2017 include:

- In 2017 and 2018 relocate staff during Borough Hall building addition project;
- Coordinate marketing of ICMATV video that highlights Borough utility services;
- Coordinate purchase and installation of chessboard inlay tables, with stools, to be placed on Memorial Square;
- Administer CDBG funding allocated to the Elder Street Improvements Project, a project to install ADA curb ramps in the Second Ward and curb and sidewalk grant/loan program;
- To support the Housing Rehabilitation Program beyond the existing revolving loan fund and prepare application for CDBG or HOME as administered by HUD or DCED;
- Close-out all CDBG and HOME contracts with DCED;
- Work with BOPIC and PA Downtown Center to seek re-designation for the Elm Street Program;
- Prepare Request for Proposal to provide Planning Consultant Services to prepare Elm Street Neighborhood Plan update for re-designation.

*Downtown Development Assistance in Community and Economic Development*

In October 2014, our partner, the Franklin County Area Development Corporation, acquired the former Chambersburg Central Junior High School at 285 E. Queen St. The 104-year-old building, vacant more than four years, was purchased for \$250,000 and will serve as the basis of an estimated \$7 million project.

“The acquisition is the tip of the iceberg,” said L. Michael Ross, FCADC president. “We’re excited about the opportunity it affords. We have some conceptual plans that would split the building in two.”

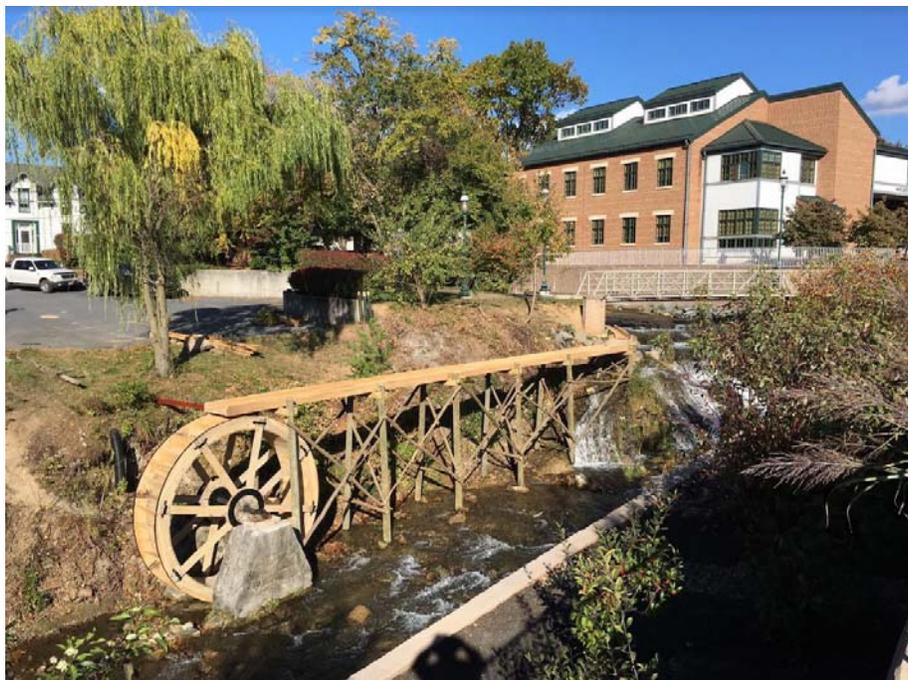
Half would be for market-rate apartments and the other half for a community use that has not been defined yet, according to Ross. The first phase of the redevelopment is expected to commence in the spring. “It’s going to require a significant investment,” Ross said. “Once it’s done, and it will get done in phases, we hope it will become an anchor for downtown. If we show some level of success, it may drive others to invest downtown.”

FCADC plans to work with McKissick Associates, Harrisburg, on a mixed use redevelopment. The company, owned by Vern McKissick, has affection for historic structures and is sensitive to historic neighborhoods. Its experience in the adaptive reuse of older buildings, including a Hazleton school once listed among Pennsylvania’s 10 most endangered buildings, have earned the company many awards.

It is our hope that this important project will move forward in 2017.

*Downtown Chambersburg, Inc.*

Total Expenses for 2015  
\$20,000 = Marketing the Downtown



The Water Wheel has returned to Chambers Fort Park Thanks to Volunteers



*Highway Department*

Perform a variety of activities from snow and ice removal to patching and overlaying streets and alleys, and cleaning and maintaining the municipal separate storm sewer system. Lending a hand to the Sanitation Department, Code Enforcement Department, or the Motor Equipment fund, Highway Department personnel are out fixing signs, cleaning storm drain inlets, or patching holes almost every day.

Department Head: David Finch, Assistant Borough Manager

	2015 Actual	2016 Budget	2017 Budget
<u>Operations</u>	\$1,141,290	\$1,080,075	\$1,274,795

The Highway Department has successfully trimmed its budget by better accounting for activities associated with Sanitation, Central Garage, Parking, and Storm Sewer maintenance under those cost centers rather than under Highway, which is the only one of these functions in the General Fund.

Much of the work of the crew is billed to other departments including those mentioned, and the Water and Sewer Departments, which utilize the same crew for many activities.

The Highway Department is lending a hand to the Sanitation Department, the Motor Equipment fund, or the Code Enforcement Department with mowing lawns, picking up debris, and gaining access to abandoned property. They also are called on to move furniture, set up the Borough Christmas tree, clean bird excrement off of sidewalks, chase bees out of parking lots, and remove signs from telephone poles. Recently, the Highway Department assisted with managing a hazardous fuel spill in the downtown, playing a crucial role in mitigating the flow of gasoline into the Conococheague. The Department performs a variety of activities from snow and ice removal to patching streets and alleys, and cleaning and maintaining the municipal separate storm sewer system. Highway Department personnel are out fixing traffic signs, cleaning storm drain inlets, or patching holes almost every day.

As has been noted in past years, these are not interruptions to the daily routine but are the definition of it.



*Major items for 2017:*

- The Department will continue to assist the Storm Sewer Utility in the remediation of storm water related problems throughout the Borough.
- Expansions in services include additional street line painting in the downtown to reduce the number of faded lines in our most heavily travelled area
- Better snow/ice treatment in alleys is planned for with the addition of a “Town Spreader”, a pickup truck mountable module that allows salt spreading in the more constricted alleys.
- Additional non-utility street patching and crack sealing to better preserve existing streets
- Remote monitoring of snow plow operations to increase efficiency.



Maintenance of the Memorial Square Fountain



Snow Plow Monitoring Software

In 2016, Snowstorm “Jonas” dominated the Highway Department budget. Snow removal is anticipated to return to normal for 2017, but one never knows.

## Snowstorm “Jonas”



- Called the Largest Snowstorm in Chambersburg History
- Town was Mostly Shut Down and Borough did not have internal resources for rapid recovery
- Decision was made to hire private contractors despite expense
- \$190,000 budgeted for street snow removal; \$409,000 spent
- This expenditure, although costly, allowed the citizens to quickly resume their lives

**In 2017, the Highway Department snow removal budget will be \$191,000.**

In addition, the Highway Department has increased their pothole patching budget from \$143,000 in 2016 to \$176,000 in 2017. This is the only money set aside to do any work on Borough alleys.



A major patch, such as this one on Black Avenue, cost the Borough \$17,964 to fix

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*General Government*

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General Government functions include a variety of activities from the organization and management of Town Council to various intergovernmental activities (Council of Governments, Franklin County Council of Governments, membership in the PA League of Municipalities and the Boroughs Association, etc.), which includes the insurances and consulting expenses of general government, and civic activities such as the maintenance of the downtown, community events, and the Shade Tree Commission.

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

	2015 Actual	2016 Budget	2017 Budget
<u>General Operations</u>	\$1,185,404	\$1,221,550	\$1,389,054
<u>Civic &amp; Downtown Operations</u>	\$1,317,000	\$248,380	\$248,519

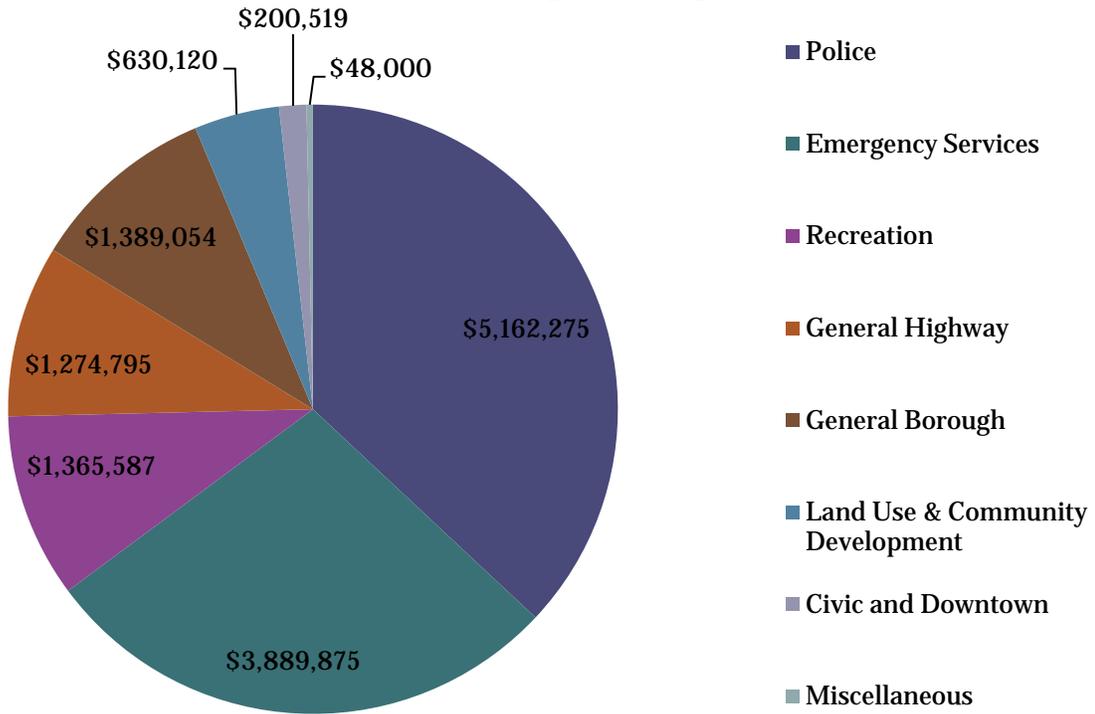
**The main change in the Civic & Downtown Operations is that this cost center is no longer transferring money back to the General Capital Reserve for street paving operations.** Instead, paving is being accomplished without impacting the finances of the General Fund at all.

In 2016, we decided to move the money from the General Fund to the General Capital Reserve at the end of the fiscal year, rather than the beginning. Further, we only move money if the General Fund has the resources.

**Major items for 2017:**

- Elected officials compensation remains fixed with no increase (per State law)
- Borough Solicitor compensation will not rise in 2017; the Solicitor has made that request
- This budget includes a significant increase for the Shade Tree Commission from \$30,100 to \$36,489 to support the three major works of the Commission (tree grants, downtown tree improvements, and tree pit material testing)
- Support of the Ice Fest Ice Slide installation will continue at a cost not to exceed \$5,000
- The Borough has ended its contract with Downtown Chambersburg, Inc., to perform the downtown maintenance program as we now have a fulltime downtown custodian.
- The Borough will continue to financially support Downtown Chambersburg Inc to administer the downtown partnership marketing program at a rate of \$20,000 per year for 2017; with the condition that the Partnership annually raise an amount of cash contributions at least equal to that sum from various charities, merchants, stakeholders, partners, or economic development agencies
- The Borough will continue to participate and support the efforts of the Downtown Business Council to have successful events that bring visitors and commerce to the downtown, with a lump sum cash grant of \$5,000 for that purpose, of which \$1,200 to be used for Christmas lights and decorations; not including the dozens of hours of staff time as in-kind support
- The Borough will continue our program of regular maintenance of the Memorial Square and Glen Street fountains

**General Fund 2017 Proposed Expenditures**



**2017 Budget**

<b>Police</b>	\$	5,162,275	37.0%
<b>Emergency Services</b>	\$	3,889,875	27.9%
<b>Recreation</b>	\$	1,365,587	9.8%
<b>General Highway</b>	\$	1,274,795	9.1%
<b>General Borough</b>	\$	1,389,054	10%
<b>Land Use &amp; Community Development</b>	\$	630,120	4.5%
<b>Civic and Downtown</b>	\$	200,519	1.4%
<b>Miscellaneous</b>	\$	48,000	0.3%
<b>Total Expenditures</b>	\$	13,960,225	
<b>Total Revenue</b>	\$	13,960,225	