



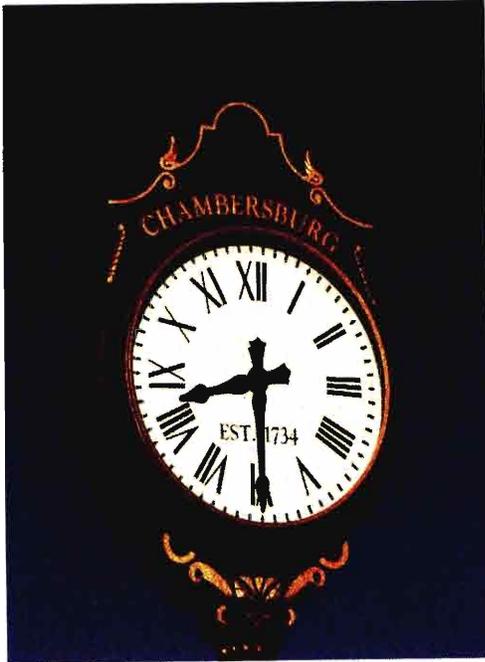
2005 BUDGET

AS RECOMMENDED BY THE MANAGER

October 18, 2004

William F. McLaughlin
President of Council

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I want to thank the Assistant Manager, the department heads and their staffs for their dedication and hard work throughout the year and their special efforts in the preparation of their budgets. I offer a special thanks to the Director of Finance (Cleveland Forrester), his executive secretary (Janine Shoap), the Borough Secretary (Tannie Mickey), the Assistant Borough Secretary (Jamia Wright) and the Engineering Technician (Brian Fogal) for their significant efforts in the preparation of the Borough's 2005 Budget.



Significant development will occur on the Gabler Tract over the next 5 years

BOROUGH OF CHAMBERSBURG MISSION STATEMENT

The Borough of Chambersburg is a municipal government in southcentral Pennsylvania committed to the well being of those people who live, work, play and travel in the community. We will strive to: 1) furnish such quality service as our citizens want and are willing to pay for; 2) manage our human, financial and physical resources in the most efficient and effective manner; 3) treat our employees, citizens and visitors with fairness, respect and equality; 4) protect persons, property and quality of life; 5) operate in accordance with the laws and constitutions of the Commonwealth of Pennsylvania and the United States of America; 6) make Chambersburg the model for Pennsylvania communities. (Adopted: April 22,1992)

**OFFICE OF THE MANAGER
BOROUGH OF CHAMBERSBURG
100 SOUTH SECOND STREET
CHAMBERSBURG PA 17201**

October 18, 2004

"Franklin County is positioned to experience significant growth in both the economy and population through the rest of the decade, according to Mike Ross, President of the Franklin County Area Development Corporation, an organization created to develop a cohesive economic development strategy for the county. The major force driving population growth, says Ross, is the migration of new residents from Harrisburg and Washington DC. The area is also seeing an influx of retirees attracted by the county's lower living costs, attractive surroundings, and the lack of a state tax on retirement income."

*2004/2005 Membership Directory and Community Profile Guide
Published by the Greater Chambersburg Chamber of Commerce.*

To the Mayor and Town Council of the Borough of Chambersburg:

I am pleased to submit for your review and consideration the 2005 Budget for the Borough of Chambersburg. In accordance with the Code of the Borough of Chambersburg, Chapter 50, the Borough Manager is responsible for preparing and submitting to Town Council a budget for the next fiscal year with an explanatory budget message. I think the budget document clearly sets forth the challenges which this governing body and our community face as well as an appropriate fiscal plan to meet those challenges.



New Chamber of Commerce Building and the Chambersburg Heritage Center

The year 2004 has been one of significant accomplishment. Developments in the community such as the opening of the new Chambersburg Chamber of Commerce Building/Chambersburg Heritage Center as well as major decisions by Town Council such as the sale of the Chambersburg Airport to the Susquehanna Area Regional Airport Authority (SARAA) will have a lasting impact on the community. Council continued to invest in the community's infrastructure by providing for the upgrade of the US 11 Corridor Pressure Sewer and the expenditure of almost \$450,000 to improve the streets, alleys and stormwater system of the Borough. Council continued to

provide for the prudent operation of its utilities by enacting a new electric rate ordinance which resulted in an approximate 12% reduction in cost to the Borough electric customers. Council also refinanced the 1999 General Obligation Bond Issue for the upgrade and expansion of the Wastewater Treatment Plant which resulted in a savings of approximately \$310,000 in the 2004 Sewer Operating Fund. That savings has contributed to avoiding a

sewer rate increase in 2005. Council continued to emphasize future community development by applying for grants for the Roland Avenue Improvement Project under the Safe Routes to School Program as well as the Elm Street Program to improve the residential areas in the vicinity of the downtown. Council also entered into three (3) significant engineering services contracts. Council approved a contract for Gannett Fleming to engineer the construction of both the street and utilities for Norland Avenue. Council also awarded contracts with Buchart Horn to upgrade the Falling Spring Interceptor as well as to bring a sanitary sewer system to the S. Main St./Mill Rd. area. These contracts will result in upgrading existing infrastructure and putting into place new infrastructure that will essentially provide for the build out of the Borough by the end of this decade. We expect the Norland Avenue project, the Falling Spring Interceptor upgrade and the construction of the remaining sanitary sewer system in the southern end of the Borough to be complete by the end of the 2005. We also expect to complete two (2) major

downtown projects, the Chambersburg Rail Trail and the Chambers Fort Park/Montgomery Alley projects, by the end of 2005. Additionally, we expect the private sector to continue the development of the commercial parks such as



Housing construction continues in the Enclave and Laurich Meadows developments

Chambers5 Business Park, Progress Park, Park Fifth Avenue and now the Gabler Tract. We also look forward to the private sector continuing the strong housing development in Laurich Meadows, Enclave, Nicholson Square and Maple Run.

The budget presentation will provide an explanation of each major appropriation and some revenue categories of the general fund as well as a brief summary of each of the enterprise funds and the internal service funds. There are a number of fiscal impacts that are spread throughout the 2005 budget. **First**, with regard to personnel allocations (see chart), the total number of authorized positions is scheduled to be 188 positions. This reflects a net increase of three (3) positions over the total number of positions authorized in the 2004 budget. The 2005 budget includes one (1) additional position in the Finance Department, one (1) additional position in the Water and Sewer Department and two (2) additional positions in the Electric Department. However, the Codes Department will reflect one (1) less position due to the contracting of the building code function with Commonwealth Code Inspection Services (CCIS). **Second**, the budget includes the following pay increases. The AFSCME Bargaining Unit employees as well as the Non-Bargaining employees will receive a 3% pay increase. The Police Officers and the Firefighters will receive a 3-1/2% pay increase. **Third**, we will see an 18% increase in our health insurance cost resulting in a premium in excess of \$1.8 million in 2005 (without any changes in benefits). The staff is continuing to explore a cooperative approach to health care financing with other municipalities. **Fourth**, for the eighth straight year we are budgeting for State Aid to cover much of the 2005 municipal financial obligation for the

Borough's pension funds. However, the Borough monies required for the pension funds in 2005 is over three times what was required in 2004. With the Borough's pension costs more than doubling, our financial obligation could have been much greater had we not received significantly more State Aid and not used asset smoothing as a means to reduce our pension investment losses over the last couple of years. **Fifth**, for the eighth straight year there are no universal transfers to the Self-Insurance (including unemployment compensation) and Workers' Compensation Funds. However, due to extraordinary losses in certain departments, there are targeted transfers to the Workers' Compensation Fund from the Stores, Electric, Highway, Recreation, Fire and Ambulance Departments in 2005.

While we would like to report otherwise, there will not be sufficient revenues in two (2) funds to offset the above as well as other fiscal impacts. Thus, the General Fund contains a 2 mill increase (17 to 19 mills) in the Real Estate Tax Rate for 2005 in order that the General Fund budget conforms to Council's policy of maintaining an unreserved, undesignated fund balance of not less than 5% of that year's total appropriation. Additionally, the residential and commercial rates in the Sanitation Fund will be increased for the first time since December, 1992. The residential rates will be increased from the current \$8.50 per month to \$11.50 per month while the various commercial rates will be increased by about 45%.

It should be noted that while the total budget is \$74,057,456, the 2005 net budget (net appropriations) is \$55,483,100 as compared to \$48,182,350 in 2004, 57,384,485 in 2003, \$40,306,975 in 2002, 36,710,975 in 2001, \$38,072,775 in 2000, \$40,681,845 in 1999 and \$45,019,371 in 1998.

Respectfully,

Eric W. Oyer

Eric W. Oyer,
Borough
Manager

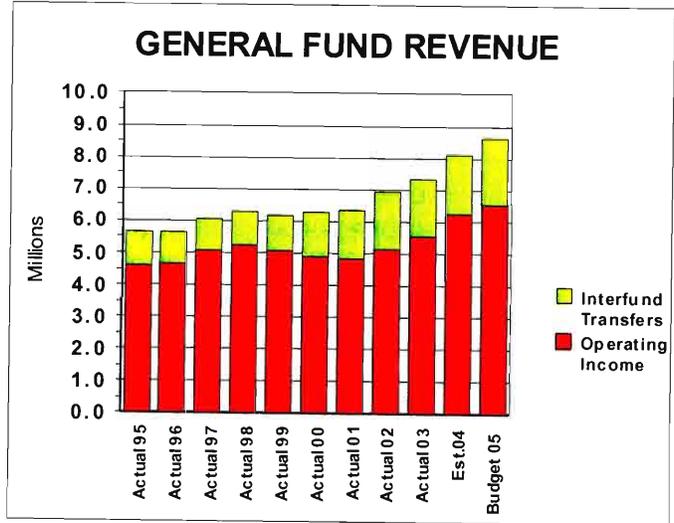


The Fountain on Memorial Square is the centerpiece of the community

GENERAL FUND

REVENUES

While many state and local governments are faced with declining revenues, we are experiencing some modest revenue increases in the areas such as real estate taxes, wage taxes, deed transfer taxes as well as interfund transfers. However, this growth cannot keep pace with the 10.8% in General Fund appropriations for 2005. This situation will require a 2-mill real estate tax increase for 2005. Even with a 2 mill tax increase (+\$303,000), it will take almost \$480,000 in cash to balance the budget. Thus, the projected cash balance at the end of 2005 is \$717,272 which is 7.9% of the 2005 General Fund appropriations. In light of the proposed 2-mill rate increase in real estate taxes, it is



appropriate to raise a cautionary note with regard to the General Fund operating income. In an effort to keep the tax increase as low as possible, we have budgeted the operating income very tightly. Thus, there is very little room for error when it comes to the General Fund revenues. This is especially disconcerting given the Menno Haven tax assessment and tax exemption appeals.

**Table
REAL ESTATE TAX MILLAGE HISTORY**

YEAR	BOROUGH	COUNTY*	SCHOOL	TOTAL
1990	30.5	14.0	83.0	127.5
1991	30.5	15.5	92.5	138.5
1992	30.5	15.5	97.5	143.5
1993	30.5	15.5	104.5	150.5
1994	30.5	17.0	113.0	160.5
1995	30.5	18.0	116.0	164.5
1996	30.5	18.0	116.0	164.5
1997	30.5	23.0	120.5	174.0
1998	30.5	23.0	123.5	177.0
1999	30.5	23.0	127.5	181.0
2000	30.5 (12.2)**	25.75 (10.3)**	129.5 (51.8)**	185.75 (74.3)**
2001	12.2	10.3	54.3	76.8
2002	12.2	14.75	56.79	83.74
2003	12.2	14.75	58.33	85.28
2004	17.00***	16.75	62.53	96.28
2005	19.00	-	-	-

*Includes library support of 0.6 mills

**Rates after change from 40% to 100% Pre-Determined Ratio (PDR)

***Borough represents 17.7% of the total millage in 2004

The preceding Table indicates that effective January 1, 2001 the Franklin County Board of Commissioners changed the Pre-Determined Ratio (PDR) from 40% to 100%. The PDR is the percentage of existing market value for tax purposes based on the most recent assessment. However, the assessed value of properties in the County still remains at 1961 values. The table also indicates that prior to last year the Borough had not changed its real estate tax rate for fourteen (14) years while inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U) had increased over 40% during that same period.



Expansion of the Chambersburg Hospital is important to community development

Even with the 2-mill real estate tax rate increase, the revenues increase minimally (as shown on the Table below) as compared to our growth in appropriations. Thus, the proposed legislation to amend the Act 511 taxes by increasing the Occupational Privilege Tax is significant. It appears that we will be facing real estate tax increases for the foreseeable future.

Table

REAL ESTATE TAX REVENUES 1990-2004

YEAR	TAXABLE ASSESSMENT	TOTAL REVENUE	REVENUE % GROWTH	% CPI-U	ALL CONSTRUCTION VALUE
1990	\$ 49,183,600	\$1,456,589	8.0	6.1	\$43,833,244
1991	51,621,500	1,493,141	2.5	3.1	10,588,060
1992	53,986,660	1,580,447	5.8	2.9	31,996,459
1993	54,841,270	1,607,951	1.9	2.7	19,404,709
1994	55,256,660	1,613,600	0.2	2.7	22,145,058
1995	55,766,400	1,626,116	0.8	2.5	13,564,465
1996	56,904,460	1,661,128	2.2	3.3	23,119,181
1997	57,514,670	1,667,494	0.4	1.7	20,333,317
1998	57,565,860	1,696,045	1.7	1.6	18,818,237
1999	58,351,860	1,705,895	0.6	2.7	25,073,925
2000	58,964,040	1,734,260	1.7	3.4	22,802,726
2001	152,687,000(1)	1,811,866	4.5	1.6	15,306,064
2002	154,920,000	1,810,580	- 0.1	2.4	18,889,459
2003	156,461,167	1,851,523	2.3	1.9	18,787,722
2004	156,803,930(2)	2,526,500	3.6(4)	2.0 (EST)	24,504,300(thru 9/04)(6)
2005	158,287,668(3)	2,880,000	1.4(5)		

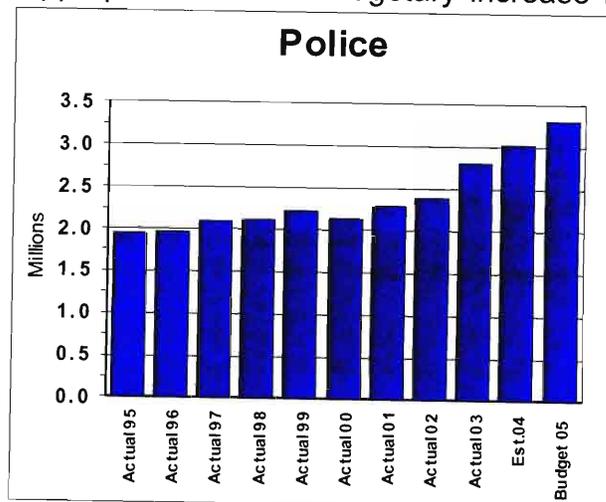
- (1) This reflects the taxable assessment based on 100% PDR. Through January, 2004 the taxable assessment is subject to further adjustment due to interim and supplemental taxes as well as the results of assessment appeals.
- (2) Borough Tax Duplicate (3-1-04).
- (3) School Tax Duplicate (7-1-04).
- (4) Revenue growth includes 4.8 mills tax rate increase.
- (5) Revenue growth includes proposed 2-mill tax rate increase.
- (6) The two largest construction projects in this number are both tax-exempt properties.

GENERAL FUND

APPROPRIATIONS

POLICE DEPARTMENT

The Police Department has the largest appropriation in the General Fund with a 2005 budget of \$3,316,325, an increase of 15% over the 2004 budget. The department's budget represents 36.5 % of the 2005 General Fund appropriations. The budgetary increase is reflected primarily in the following categories: payroll (\$1,928,225), pension (\$388,850) and health insurance (\$344,850). In fact, personnel (payroll and related) costs represent about 90% of the department's budget. Over the past seven years the department's capital budget has been supported primarily by the Local Law Enforcement Block Grants (LLEBG). With the Borough's match (approximately 10% of the local project monies), the department has had significant monies available for new programs, personnel and equipment. A summary of those available monies is as follows:



<u>LLEBG/Borough</u>	<u>Federal Grant</u>	<u>Local Match</u>	<u>Total</u>
97/98	\$83,470	\$9,265	\$92,735
98/99	85,375	9,486	94,861
99/00	83,085	9,232	92,317
00/01	77,421	8,602	86,023
01/02	83,457	9,273	92,730
02/03	44,444	4,938	49,382
03/04	34,011	3,779	37,790
04/05	<u>16,050</u>	<u>1,783</u>	<u>17,833</u>
Total	\$507,313	\$56,358	\$563,671

The above numbers clearly reflect the benefit of the Block Grant Program to the Police Department, the General Fund and the community. Since the 2002-03 grant year, the available monies have declined as a result of a reduction in grant monies and the County taking a share of those monies. With only a little less than \$18,000 being available for the 2005 Police Capital budget, the department is requesting \$24,000 to upgrade the police radios. The \$24,000 would upgrade approximately one-half of the forty (40) portable radio units which the department has in-service. The department will use \$9,233 in LLEBG monies in 2005 to help with the upgrade of the radios. In future years the department will be requesting monies to upgrade the remaining portable units (\$24,000 in 2006) as well as



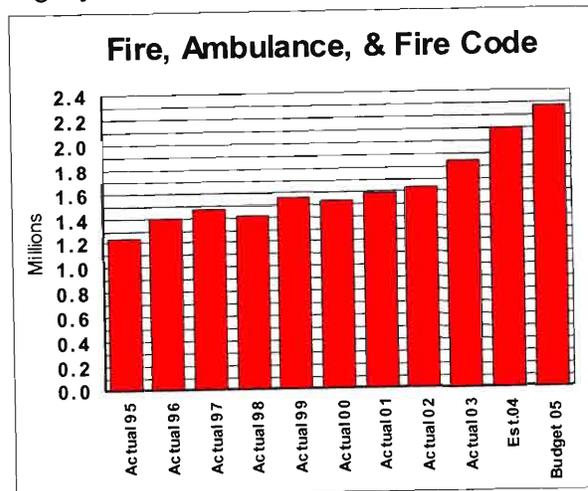
Bike Officer Craig Leshner returns from military duty

ten mobile units and two motorcycle radio units. In 2005 the department will continue its drug enforcement efforts. It will continue to assist the Franklin County Drug Task Force with its heroine initiative activities as well as again contribute \$5,525 towards three (3) county detectives for drug prosecution. The Department's Crime Impact Team will continue to focus on illegal drug activity in the Borough. Additionally, the department will continue its drug education efforts through the DARE (Drug Abuse Resistance Education) Program for the Chambersburg Area School District (CASD) at the Middle School level. The department has nine (9) specially trained officers to teach students alternative lifestyles to drug abuse. The CASD reimburses the Borough for the cost of this drug education program.

The Borough also works cooperatively with the CASD to provide a police presence at the Chambersburg Area Senior High School and J. Frank Faust Junior High School on a daily basis. In addition to the school district, the Borough also provides special police assistance to the Franklin County Housing Authority, the Chambersburg Mall and several other school districts in the area. Recently, Council acted to update its agreement with the Chambersburg Mall in a manner which would give the Borough more flexibility in terms of the number of officers deployed as well as the notice for termination. The approval of this agreement by the Mall owners is essential to continuing Chambersburg police presence at the Mall.

FIRE, AMBULANCE (EMS) AND FIRE CODE DEPARTMENTS

These combined departments under the direction of the Emergency Services Chief (ESC) have the second largest 2005 appropriation category in the General Fund. The combined 2005 budget for these three departments is \$2,280,800, an increase of 8.3% as compared to the 2004 budget. Much like the Police, the budgetary increase is driven by payroll, pensions and health insurance. The departments' budgets represents 25.1% of the General Fund appropriations. The personnel (payroll and related) costs for these departments represent about 67% of their budgets. With the hiring of a new ESC in the beginning of 2004, the departments had their first career Assistant Chief whose duties focused on improved emergency management preparation as well as a better



Fire Code Enforcement program. It is expected that the departments will conduct 600 Fire Code inspections by the end of 2004. While the departments place a greater emphasis on the fire inspection program in order to prevent fires, fire suppression remains at the forefront of the departments' concerns. In order to address the matter of aging apparatus, the departments received the first of two new state-of-the-art Pierce Pumpers in 2004 with

the second pumper to be delivered in early 2005. Additionally, given the declining number of volunteers and the increasing number of ambulance calls, the ESC has identified fire suppression staffing as a major issue for the departments. He indicated that the departments must change in terms of their efficiency and effectiveness. Council has directed the Manager and the ESC to bring back a plan for change in the departments. In the interim, the 2005 budget contains monies for three (3) Shift Captains which would result by the promotion of three (3) firefighters through the Civil Service process. The Shift



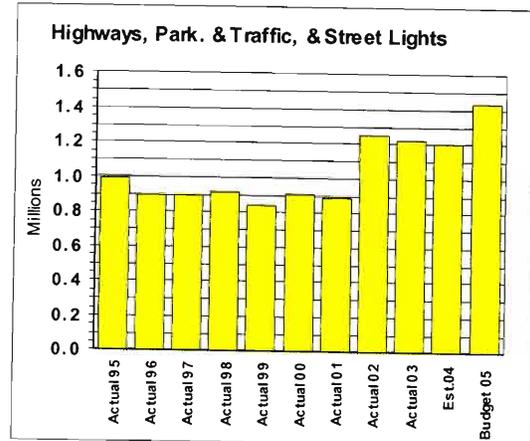
The first of two new Pierce Pumpers

Captains will bring more consistent day-to-day supervision especially in the absence of the ESC and the Assistant Chief. This will begin the process of redefining the departments' structure and raising the performance standards of both career and volunteer personnel. The departments will transfer \$15,000 to

the General Capital Reserve to begin to accrue monies for the overlay (possibly reconstruction) of the front and back aprons at the Headquarters Fire Station. The departments will also improve the lighting in the engine room and resurface the engine room floor at Headquarters Fire Station in 2005. The departments expect to have only reprogramming costs with regard to their radios when the County implements its new VHF simulcast radio system probably in June, 2006. The Fire and Ambulance Departments will make transfers to the Worker's Compensation Fund in the total amount of \$30,000 to support losses over the last couple of years. While much of the discussion has focused on the fire activities, the EMS function is important to the health and safety of the community as well as the fiscal health of the General Fund. The Ambulance Department is expected in 2005 to generate \$500,000 in revenue, representing approximately 7.7% of the General Fund operating income. With the Borough providing EMS on a regional basis, it demonstrates the value of intermunicipal cooperation. Moreover, the departments are currently updating the Advanced Life Support (ALS) Feasibility Analysis which was conducted in 2002 by J. R. Henry Consulting, Inc. of Pittsburgh, PA. This update will provide information for Council as the Borough, the surrounding municipalities and West Shore ALS begin contractual discussions for 2006.

HIGHWAY, TRAFFIC AND STREET LIGHTING DEPARTMENTS

These departments deal with the traveling public with a combined 2005 budget of \$1,436,100, an increase of 17.8% over the 2004 budget. These departments represent 15.8% of the 2005 General Fund budget. The increase in these departments is attributed primarily to the programmed increase in expenditures for the overlay of streets and alleys as part of the Borough's five-year public works capital program. The proceeds from the sale of the Chambersburg Municipal



Airport to SARAA has made it possible to program a 50% increase of capital expenditures in 2005 for the overlay of streets and alleys as compared to 2004. The following is a summary of the funding strategy for the public works improvement program:

<u>2002</u>	Liquid Fuels (State)	\$200,000	
	Self-Insurance	200,000	
	Airport Capital	30,000	\$ 430,000 - completed
<u>2003</u>	Liquid Fuels (State)	\$200,000	
	Self-Insurance	200,000	\$ 400,000 - completed
<u>2004</u>	Liquid Fuels (State)	\$200,000	
	General Capital Reserve	200,000	\$ 400,000 – completed
<u>2005</u>	Liquid Fuels (State)	\$200,000	
	Proceeds (Airport Sale)	400,000	\$ 600,000 - budgeted
<u>2006</u>	Liquid Fuels (State)	\$200,000	
	Proceeds (Airport Sale)	420,000	\$ 620,000
	Total		\$2,450,000

Since it is important to know what we have accomplished as well as what we plan to accomplish through our Public Works Improvement Program, the following provides that summary:

TABLE

PUBLIC WORKS PROJECTS

2002 ACCOMPLISHMENTS

A. **RECONSTRUCTION OF STREETS**

East Washington Street
(Second Street to Third Street)

B. **OVERLAY OF STREETS**

Progress Road

Eisenhower Drive

Broad Street

North Seventh Street

South Fourth Street
(Catherine Street to Washington Street)

South Sixth Street
(Lincoln Way to Catherine Street)

North Street
(Broad Street to the terminus)

C. **OVERLAY OF ALLEYS**

Delaware Court
(Pennsylvania Avenue to Norland Avenue)

Rutherford Court
(Fourth Street to Seventh Street)

Smith Alley
(Harrison Avenue to Second Street)

Riddle Court
(Vine Street to Commerce Street)

Cambridge Court
(Hudson to Ohio Avenues)

Morrow Place
(Alley north of College Avenue parallel to Edgar and Wilson Avenues)

Jaguar Court
(1st alley north of McKinley Street between Brumbaugh and Stouffer Avenues)

Meridan Court
(Alley parallel to Park and Ramsey Avenues between Scotland and Wilson Avenues)

Dupont Court
(Alley parallel to 6th and 7th Streets from Montgomery Alley to East King Street)

D. **BRIDGES**

Grant Street (replace deck)

E. **STORMWATER DRAINAGE**

Martin Avenue (at Hood Street)

PUBLIC WORKS PROJECTS

2003 ACCOMPLISHMENTS

A. **OVERLAY OF STREETS**

Coldbrook Avenue
(McKinley Street to Wayne Avenue)

Hood Street
(Lincoln Way to Commerce Street)

Orchard Drive
(Long Lane to Stanley Avenue)

Grandview Avenue
(Franklin Street to King Street)

Long Lane

- B. **OVERLAY OF ALLEYS**
 Taylor, Pine and Pierce Courts
 Taft & Filmore Courts
 Goshen Court
 Monroe Court
 Calvert Court
 Rosemont Court
 Ruthrauff Court
 Prescott Court
 Swan Court
 McKinley Court

- C. **STORMWATER DRAINAGE**
 Brandon Drive/Stanley Avenue upgrade
 High Street upgrade

- D. **RECONSTRUCTION**
 Orchard Drive Rail Crossing

In 2003 West Catherine Street from Main Street to Redwood Street was overlaid with Community Development Block Grant monies.

PUBLIC WORKS PROJECTS

2004 ACCOMPLISHMENTS

- A. **OVERLAY OF STREETS**
 Hollywell Avenue (also construct shoulder)
 (Industrial Drive to Borough line)
 King/Glen Streets
 (Area around fountain)
 Rustic Hill/Westgate/Brookwood Drives
 Summer Street
 (Stouffer to Brumbaugh Avenues – uniform width)
 Elder Street
 (Seaton Court to Proposed Rife Street – base only)



Newly constructed section of Hollywell Avenue

- B. **OVERLAY OF ALLEYS**
 Ludwig Avenue
 (Third to Washington Streets)

Burkhart Avenue including Sumac Court
(Franklin Street to Lincoln Way West)

Shireman Court
(Queen Street to Lincoln Way East)

Buckeye Court
(Liberty Street to Rutherford Court)

Coyote Court
(Buckeye Court to Elm Avenue)

Clippinger Alley
(Second Street to Harrison Avenue)

Central Avenue
(Lincoln Way East to Washington Street)

Ludwig Avenue
(Second Street to Central Avenue)

Stanley Court
(Liberty to Catherine Streets)

Bison Court
(Elder Street to Commerce Avenue)

Duke Alley
(Elder Street to Commerce Avenue)

Etna Court
(Duncan Avenue to King Street)

Pine Court
(Cleveland Avenue to Tyler Court)

Rutherford Court
(Eighth Street to Coldbrook Avenue)

Pomeroy Court
(Franklin to Federal Streets)

Cemetery Alley
(Franklin to Hood Streets)

Polk Court
(Ludwig Avenue to Queen Street)

Allison/Arthur/Alpine Courts
(entire lengths)

C. **STORMWATER DRAINAGE**
Ohio to Roland Avenues

In 2004 the Borough reconstructed the Wayne Avenue/Derbyshire Avenue intersection in a cooperative project with PennDOT.

PUBLIC WORKS PROJECTS – 2005

A.	<u>RECONSTRUCTION OF STREETS</u>	
	Roland Avenue (also widen)	\$250,000
	East Catherine Street (6 th to Coldbrook)	\$ 20,000
B.	<u>OVERLAY OF STREETS</u>	\$ 30,000
	Franklin Street (Lincoln Way to Loudon Street)	\$ 30,000
	South Street (Main Street to Hollywell Avenue)	\$ 30,000
	East Washington Street (6 th to 8 th)	\$ 30,000
	Grant Street (Kennedy Street to Fifth Avenue)	\$ 70,000
	King Street (Hood Street to Second Street)	\$ 20,000
	Fifth Avenue (Grant Street to Rotz Lumber)	\$ 70,000
	Kennedy Street	\$ 35,000
C.	<u>OVERLAY OF ALLEYS</u>	\$ 10,000
	Harrison Avenue (Queen Street to Waters Playground)	\$ 1,500
	Ludwig Avenue (Second Street to Third Street)	\$ 2,500
	Tyler Court (McKinley Street to Lortz Avenue)	\$ 31,000
	Other alleys	
	Total for 2005 projects	\$600,000

In the 2005 Community Development Block Grant monies will be used for the construction/overlay of Oak Street and the overlay of Burkhart and Conner Avenues. Additionally, the Borough will add a lane on Orchard Drive at Wayne Avenue in conjunction with the Shanri Holdings development.

PUBLIC WORKS PROJECTS – 2006

A.	<u>CONSTRUCTION OF STREETS</u>	\$100,000
	Hudson Avenue (Alexander Avenue to Edgar Avenue)	\$ 50,000
	Ohio Avenue (Edgar Avenue to Philadelphia Avenue)	

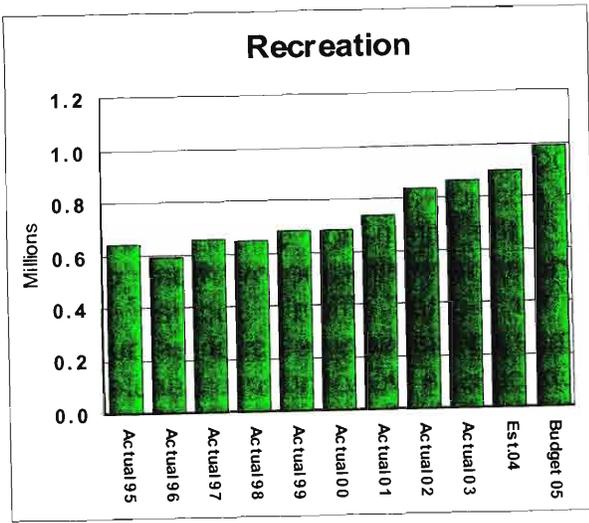
Horst Avenue (Wilson Avenue to Edgar Avenue)	\$ 50,000
B. <u>OVERLAY OF STREETS</u>	
Mill Road (Also construct shoulder and guard rail)	\$130,000
King Street (Hospital eastward to end)	\$ 40,000
Duncan Avenue	\$ 40,000
Wolf Avenue	\$ 40,000
Third Street (Lincoln Way to King Street)	\$ 40,000
Mt. Moriah Street	\$ 25,000
Edglea Drive	\$ 60,000
Elm Avenue	\$ 30,000
C. <u>OVERLAY OF ALLEYS</u>	\$ 15,000
Total for 2006 projects	\$620,000



New lighting poles and planters to be installed in the Downtown

It should be noted that the 2005 Traffic budget continues the \$30,000 transfer to the General Fund Capital Reserve (traffic section) for traffic signal construction and replacement. At this time we anticipate the replacement of the signals at Norland and Scotland Avenues in 2005. Additionally, we may be providing two (2) traffic signals as part of the new Norland Avenue project. We have been accruing monies from developers over the last few years in order to provide part of the signalization for the new Norland Avenue. Moreover, if state monies are available, we may begin preliminary work with regard to the signalization of Woodstock Road and Scotland Avenue as well as the signalization of Norland and Edgar Avenues. We also will proceed with the replacement of the mast lighting poles in the downtown which will be funded from the General Capital Reserve (Street Lighting) in 2005. This work will be supported by continuing the annual transfer of \$15,000 from the Street Lighting budget to the General Capital Reserve Fund.

RECREATION DEPARTMENT



The Recreation Department, the fourth largest General Fund appropriation category, has a 2005 budget of \$990,650, an increase of 8.5% over the 2004 budget. The department represents 10.9% of the 2005 General Fund budget. While the Recreation Department budget is impacted by increases in payroll, pension and health insurance costs, the department will also transfer \$25,000 to the Worker's Compensation fund to cover losses over the last few years. The personnel (payroll and related) costs represent 55% of this department's budget. Moreover, the department must invest in its two (2) primary facilities, the Recreation Center and the

Municipal Pool, as well as maintain its parks to be usable, safe and clean. As we know from the Wallover Architects Pool Study, the Borough's investment in the Municipal Pool is only beginning. Moreover, we can expect significant investment in new recreational facilities as the Recreation Department becomes responsible for an expanded Chambers Fort Park, the Chambersburg Rail-Trail (a linear park) and a series of new recreation areas (Gabler tract – 6 acres, Nicholson Square – 5 acres and Nitterhouse tract – 8.5 acres). The department is currently developing a comprehensive plan along with its consultants, Architerra, which will help to bring the department's facilities, needs and fiscal requirements into focus. The following is the department's budget for 2005:



8.5 acres of land for recreation on the Nitterhouse Tract

Table

2005 RECREATION CAPITAL

Tennis Courts at Memorial Park (partial funding)	\$10,000
Municipal Pool emergencies and replacement	\$20,000
Total	\$30,000

GENERAL ADMINISTRATIVE DEPARTMENT

The General Administrative Department has the fifth largest appropriation for the 2005 General Fund. This department represents 7.4% of the General Fund budget. The department's budget for 2005 is \$668,150, an increase of 10% over the 2004 budget. This increase is primarily attributable to the increased expenses of the Administrative Services (Finance) Department which represents just about 50% of this department's budget. However, the budget also has been impacted by pension and health insurance costs as well as some additional legal costs as a result of the elimination of the Building Code Department. The General Administrative Department contains the overhead of all the General Fund departments as well as salaries for elected officials and tax collection expenses. It is from this department that we finance special services such as our Annual Report to the community. This department continues a very modest transfer to the General Capital Reserve (General Administrative section) to be used for physical improvements to the second floor of Borough Hall as well as the replacement of office equipment.

PLANNING, ZONING AND CODES DEPARTMENTS



Administrator Phil Wolgemuth and Secretary Michelle Amsley review subdivision plans

The combined 2005 budget of the Planning, Zoning and Codes (Property Maintenance and Health) Departments is \$301,925, a decrease of 19.4% as compared to the 2004 budget. These departments represent 3.3% of the 2005 General Fund budget. The decline in the appropriations for these departments is the result of the elimination of the Building Code Department with the Borough contracting with CCIS to perform that function. The transition from in-house building code enforcement to contracted enforcement has gone well. The Borough's lead with regard to contracting building code enforcement laid the groundwork for the Franklin County COG's effort to coordinate

contracting code enforcement for municipalities throughout the county as a result of the new Uniform Construction Code. The coordinated effort with regard to contracted code services is

a great example of intermunicipal cooperation. Additionally, the property maintenance program to systematically inspect rental properties is now on track to complete the first round of inspections in 3-1/2 years. Moreover, the program is more self-supporting as the result of fee increases in 2004. The Health Department will emphasize its restaurant inspection program. Though not a part of the General Fund budget, the Planning/Zoning/CDBG Administrator is also responsible for the community development program. Housing will be the focus of this program over the next few years.

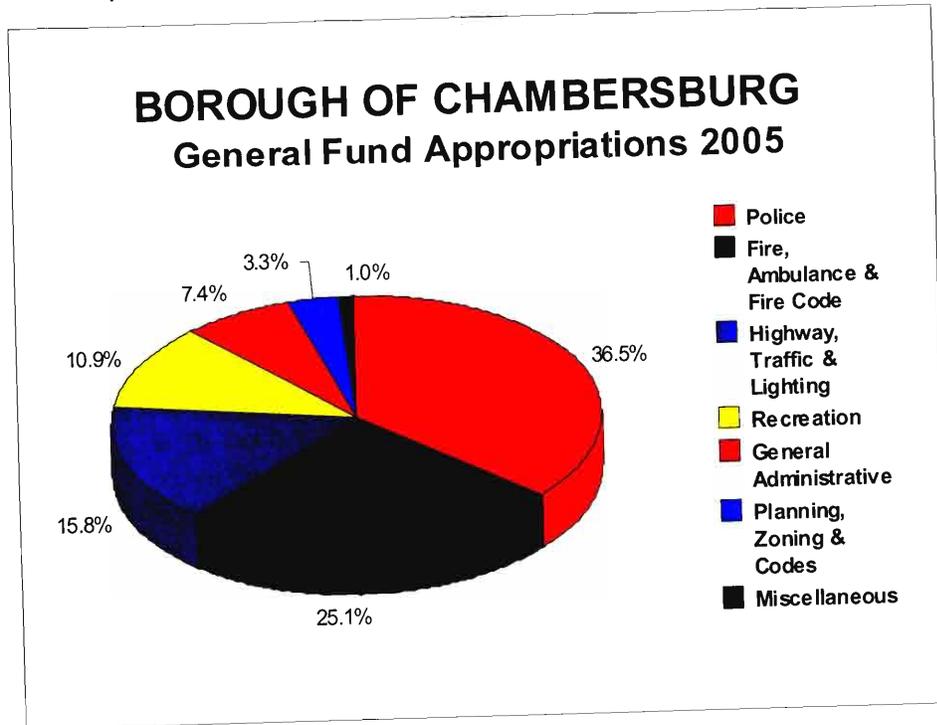
MISCELLANEOUS DEPARTMENTS

The combined budget for these departments in 2005 is \$91,150, a decrease of 4.6% as compared to the 2004 budget. These departments represent 1% of the 2005 General Fund budget. This decrease in 2005 is primarily attributable to the sale of the Chambersburg Municipal Airport to SARAA. That sale was a win-win situation for the community in that an airport facility will be maintained in Franklin County and the Borough will be able to use the proceeds of the sale to invest in Chambersburg's infrastructure (streets and alleys). The maintenance of landscaped areas (especially in the Downtown) represents over 50% of this budget. For the first time in a number of years the budget contains a modest increase (+3,000) to Downtown Chambersburg, Inc. with whom the Borough contracts to maintain the public areas in the downtown. The notable 2005 appropriations are as follows:



The Chambersburg Shade Tree Commission is assisting the Borough with the replacement of the trees on N. Main Street.

Civic Purposes	\$ 5,000
Shade Tree Commission	\$10,000
Emergency Management	\$10,000
Fair Housing	\$ 1,000
21 st Century Partnership	\$ 4,700
Maintenance of Landscaped Areas	\$48,000



ENTERPRISE FUNDS

The Borough has six Enterprise Funds (Electric, Gas, Water, Sewer, Sanitation and Parking). These funds are supported by revenues generated from charges to the users for services rendered. The funds are not supported by tax dollars or transfers from other funds. The established charges (rates) which determine the revenues for these funds can be adjusted at anytime throughout the year. Only the 2005 Sanitation budget is presented with a rate increase. However, the performance of all of the utility funds (both operating and capital) will be closely monitored throughout 2005 and rate increases may be necessary in order to maintain their fiscal viability.

In a September article entitled "Taking a New Look at Municipal Utility Credit Ratings", Ken Silverstein, Director, Energy Industry Analysis, spoke to our situation when he wrote as follows:

"Despite upheaval in the electric and gas industries, municipal utilities have been able to maintain their strong credit ratings. That reflects the inherent monopoly they have over their service areas as well as a willingness and legal flexibility to raise rates when financial conditions warrant. At the same time, their governing boards are focused on providing reliable service at a low cost.

Indeed, public utilities have shown that they are able to adapt to changing times by reducing their fixed costs, setting aside their surplus revenues for 'rainy days' and, through building their own generation, to avoid potentially costly spot markets. But not all such companies have escaped the negative consequences of runaway wholesale electric process. Meanwhile, financial exposure to counter-parties has left some public power companies exposed and necessitates that they continue to devise innovative risk management strategies. Still, all utility types will be challenged as uncertainty remains pervasive."

As has been noted before, the citizens of the Borough benefit greatly from the Borough owning and operating its own Electric, Gas, Water and Sewer systems. Both the individual customers of these systems as well as the community as a whole have benefited from these Borough utility operations. Generally, the result has been lower costs to our customers as well as contributions to the General Fund which have supplanted real estate taxes.

ELECTRIC

The mission of the Electric Department is as follows: "The Chambersburg Electric Department will provide to our customers viable energy products and services that are safe, reliable and competitively priced. The Electric Department will produce economic and other benefits for the Borough, its citizens, its employees and its customers while operating in a professional and courteous manner within a structure of local accountability and local control." The Chambersburg Electric Department is the largest municipal electric utility in Pennsylvania. Of the 35 municipal electrics in Pennsylvania, Chambersburg is the only one with generation capabilities. Knowing that generation capabilities enable the Borough to



Lead Operator Bob Clever at the Orchard Park Generating Station

better control the cost of energy to its customers as well as improve system reliability, Town Council added 23 megawatts of generation in 2003 which has become known as the Orchard Park Generating Station. As of January 1, 2004, both the Orchard Park and Falling Spring Generation plants became PJM network resources, meaning that the plants met all criteria to be dispatched by PJM and met the remainder of our capacity requirements. While 30 megawatts of generation has both improved system reliability and enabled us to reduce the cost of energy to our customers, the result has been a far more complicated electric operation as well as a significant debt obligation (in excess of \$1.5 million annually). When these factors are combined with the need for significant investment in infrastructure, it doesn't appear that the current rate structure will be able to generate the necessary cash reserves to sustain a viable fiscal operation. The Electric



Supt. Richard Hamsher, Asst. Supt. Steve Howell, Supv. Tom Wertz and Electric Distribution Crew

operating budget provides for two (2) additional positions in the electric distribution area in 2005. The one lineworker position is intended to temporarily replace a reservist who has been called to active duty for much of 2005. That replacement as well as a new groundworker position will allow for a smooth transition in the near future as lineworkers approach retirement. The Electric Department will contribute \$50,000 to the Worker's Compensation Fund in 2005 to cover continuing losses. The Department will also contribute \$775,000 to the General Fund. Of that amount \$725,000 will go for General Fund

operations and \$50,000 will support community development. The contribution of \$775,000 represents 4.5% of the 2005 projected revenue from the sale of electricity. Below is a table showing much of the Department's capital work for 2005.

Table

2005 Electric Capital*

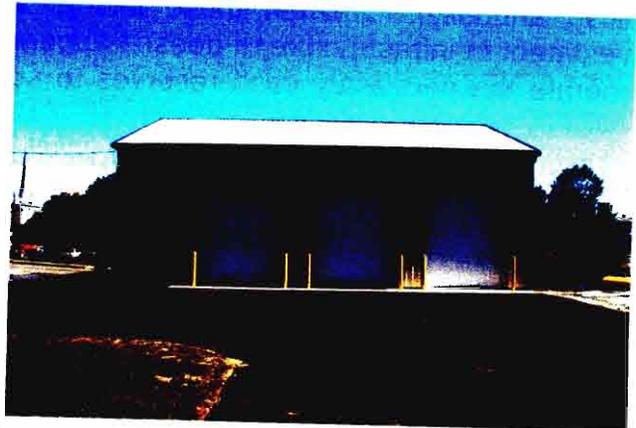
Install gate at the Falling Spring power plant	\$ 10,000
Purchase and install switches for underground development	\$ 95,000
Purchase and install distribution transformers	\$ 100,000
Install U.G. Cable for commercial and residential development	\$115,000
Construct alternate feed to Hospital from 12KV source	\$ 75,000
Construct Central Ave./Montgomery Alley underground facilities	\$ 75,000
Provide for enhancements to substations and SCADA system	\$ 20,000
Provide for improvements to distribution system (poles, service, etc.)	\$100,000
Reconductor feeder cable along I-81	\$ 55,000
Begin voltage conversion into Rustic Hill/Geyer Dr. area	\$ 75,000
Provide for improvements and enhancements to Generation Stations	\$ 80,000
Expansion of fiber optic system to Cree, Wood & Commerce	

Street substations	\$ 30,000
Relocate facilities on Roland Avenue	\$ 15,000
Install underground circuits to Gabler Tract – Norland Avenue	\$ 75,000
Total	\$920,000

*List does not include all capital work

GAS

The mission of the department is as follows: "The Chambersburg Gas Department will provide our customers with prompt, professional service; a reliable and safe system with reasonable and stable rates. We exist to generate benefits for the community we serve." To that end, the department continues to be successful by providing a safe natural gas utility, gas rates significantly lower than the local private gas systems, service that is second to none and contributions to the General Fund to offset Borough property taxes. Though the department has not had a rate increase since January, 1995, it has had to pass on the Borough's higher wholesale gas costs over the last few years. This year will not be an exception as the department projects that the gas costs to the Borough's residential heating customers will be up a little over 3% as compared to last winter. It appears that extremely high gas commodity costs as well as continued price volatility will continue in the gas industry for the foreseeable future. Currently, the Borough has a contract with the Municipal Gas Authority of Georgia (MGAG)



New garage for Gas Dept. equipment on W. Queen Street



Gas Technicians Scott Sellers and Terry Stine install new regulator station on Hood Street

for gas supply and capacity management services which goes through April, 2006. The Gas Department will continue to explore with MGAG the future relationship which will be most beneficial to the Borough gas customers in terms of supply and pricing stability. As it has in 2004, the department will make a considerable investment in terms of replacing gas mains and services to stay ahead of the public works projects. The department expects to replace approximately one mile of gas mains as a result of that effort. The Gas Department remains debt free and does not propose any rate changes for 2005. However, just like the

Electric Department, the department will need to closely monitor its cash position to make sure that it remains fiscally viable. The department will contribute \$310,000 to the General Fund operations in 2005. The \$310,000 General Fund contribution represents 3.7% of the expected revenues from the sale of gas in 2005. Highlights of the Department's planned 2005 capital program are shown on the table below:

Table
2005 Gas Capital*

Install gas main and services for Norland Avenue Extension	\$162,000**
Resurface remainder of Service Center parking lot	\$ 4,000
Install gas service for new Menno Haven facilities in Greene Twp	\$ 12,000
Install gas main and services for St. Paul Drive extension from Phoenix Drive to Norland Avenue	\$ 30,000
Replace gas main and services on W. King Street	\$ 50,000
Replace gas main and services on E. Catherine Street	\$ 48,000
Replace gas main and services on Franklin Street	\$ 40,000
Replace gas main and services on South Street	\$ 25,000
Replace gas main and services on Kennedy Street	\$ 12,000
Replace gas main on Harrison Avenue	\$ 20,000
Replace gas main on Light Alley	\$ 9,000
Total	\$412,000

*List does not include all capital work
** Financed by State grant

It should be noted that the Borough will provide gas service to Menno Haven for their new facility in Greene Township. The Chief Counsel for the PA Public Utility Commission has provided an opinion letter indicating that the Borough may serve Menno Haven Inc. (single customer) in Greene Township since the Borough has secured the consents of Columbia Gas of PA and PPL Gas Utilities/Penn Fuel Gas. Service outside the Borough under these conditions will not make the Borough a "natural gas supplier" under Section 2202 of the Competition Act.

WATER

The mission of the department is as follows: "The Chambersburg Water Department will provide its customers with the best quality of water possible at a reasonable price. The department does this by protecting the watershed, treating the water using the best available technology and delivering the water through a gravity-fed transmission and distribution system at adequate pressure and volume." Chambersburg is known for its excellent water quality and supply. The supply originates from an 18.5 square mile watershed in the Michaux State Forest and is stored in two reservoirs containing up to 2.2 billion gallons of water. However, as the



Supervisor Jim Kampstra with Water Treatment Plant Operators

result of a new 25-year water allocation permit which will permit Chambersburg to take up to a maximum of 6 MGD from this watershed, the Borough has committed to Pennsylvania DEP to breach the Birch Run Dam in 2005. The breaching of the Birch Run Dam is not problematic for the Borough water customers in that studies have indicated and recent

droughts have demonstrated that the Long Pine Run Reservoir and the yield from the feed streams can meet the current water needs of the Borough as well as those projected needs through 2030. The authorization for 6MGD from the water supply area is consistent with the Borough's treatment plant capacity. The treatment plant is a quality operation staffed with excellent operators including a supervisor with over 23 years of water treatment experience. Following the Borough's receipt of a new Water Allocation Permit, the department has begun discussions with Bear Valley Joint Municipal Authority regarding its request for additional water capacity from the Borough. The Borough also expects to be able to breach the Siloam Dam before the end of 2004. The breaching project is funded primarily through grant monies (\$50,000) and currently awaits DEP approval. In addition to the supply issues, the department will get a significant improvement in the transmission area through the U. S. 30 widening project. As part of that contract, PennDOT is installing a new transmission main from Brumbaugh Avenue in Chambersburg to St. Johns Drive in Guilford Township with the Borough only having the responsibility for a small portion of the cost. The transmission system will be further improved with the completion of the 2 million gallon storage tank in the Chambers Five Business Park. That project continues to be delayed as a result of the inability of the Borough, the contractor and the adjacent landowner to agree on the method of eliminating the radiowaves (and/or their impact) from the adjacent radio towers which have created an unsafe working condition for the contractor's employees. The Water Department continues to invest in the distribution system. With the phase out of the Construction Department, the Water Department expanded its "pipe maintenance crew" in 2004 to bring significant upgrades to the Water Distribution and Sewage Collection systems. With the present crew and the possibility of expanding that crew, the 2005 Water and Sewer operating budgets provide for the cost of a supervisor to maximize the effectiveness of that crew. While the department's debt service is only \$138,000 per year, that number will increase as the department completes the construction of the water storage tank as well as the cleaning and lining of the water transmission mains east of the Borough. The department will contribute \$50,000 to the General Fund in 2005. However, the department will not make any transfers to the Water Capital Reserve Fund. The department's 2005 capital program appears in the following table.



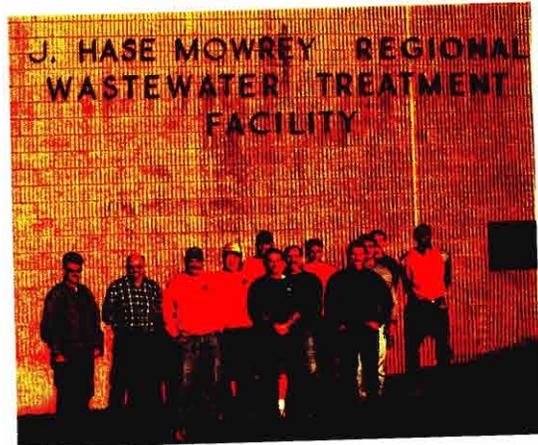
The Siloam Dam which will be breached in the near future

Table
2005 WATER CAPITAL*

Complete 24" Transmission Main Installation on US 30 (\$3,062,000 – project total)	\$ 153,100 (expected Boro share)
Design and Breach of Birch Run Dam	\$2,272,500
Complete the Two Million Gallon Water Tank	\$1,100,000
Paint clarifiers at Water Plant	\$ 40,000
*List does not include all capital work	Total \$3,565,600

SEWER

The mission of the department is as follows: "The Chambersburg Sewer Department will provide residences, businesses and industries with sanitary sewer service at the lowest possible costs. The wastewater shall be collected and treated to meet or exceed state permit requirements for the protection of the public health and the environment." The Borough owns and operates a state of the art wastewater treatment plant to provide service to not only the Borough of Chambersburg but also the Townships of Guilford, Greene and Hamilton. This regional treatment facility has been a symbol of intermunicipal cooperation for almost 40 years. The plant can treat up to 6.8 mgd average daily flow and up to 17 mgd peak flow. The plant's Biochemical



Supervisor Ron Kelly with Wastewater Treatment Plant Operators

Oxygen Demand (BOD) capacity of up to 21,000 pounds per day is now greatly underutilized, making Chambersburg an attractive location for food processing industries. Like the water treatment plant, the wastewater treatment plant is a quality operation. The plant performs well not only because it is state of the art but also because of the excellent operators led by a supervisor with almost 25 years experience. Today eight of the eleven plant operators hold a Class A License. The plant will be further upgraded in 2005 with the replacement of the secondary digester cover and the addition of a mixer for sludge. The department will act to reduce the cost for sludge disposal by moving away from landfill



The Pipe Maintenance Crew works on Grant Street

disposal to land application. The department also will continue its emphasis on upgrading the collection system in an effort to stay ahead of the public works projects as well as reduce the system's infiltration/inflow. The department's budget will include a portion of the costs for a supervisor for the pipe maintenance crew. Two of the department's major projects - the upgrade of the Falling Spring Interceptor and the extension of the south end collection system - will have a significant impact on the future of the community. These projects are essential to the development of the northeast and southwest quadrants of the Borough. While the Sewer Department budget has been hurt by the elimination of state monies (Act 339), the combination of refinancing the sewer debt in 2004 and eliminating transfers to the Sewer Capital Reserve in 2005 will enable the Sewer Operating Fund to go without a rate increase in 2005, the first time in several years. However, the department has a rather aggressive capital program in 2005 as set forth below.

Table

2005 Sewer Capital*

Design, Bid, and Construct Mill Road / S. Main Street sanitary sewer (\$1.3 million)	\$ 700,000 (Local Share)
Design, Bid, and Construct Falling Spring Interceptor (\$900,000)	\$ 180,000 (Boro Share)
Finish Wastewater Treatment Plant upgrade	\$ 412,000
Relocate Route 30 sewer line	\$ 100,000
Install mixer on Sludge Holding Tank & Soda ash feeder at the Wastewater Treatment Plant	\$ 30,000
Purchase open channel flow measurement device	\$ 7,500
Total	\$1,429,500

*List does not include all capital work

SANITATION

The mission of the Sanitation Department is to keep the Borough sanitary and clean. It does so in accordance with the Pennsylvania Solid Waste Act (97) and the Pennsylvania Recycling Act (101). The Sanitation Department (and the Parking Department) are different from the other enterprise funds in that they are not capital intensive. In carrying out its mission, the department not only collects municipal solid waste from residential properties weekly and recyclables on a monthly basis, it also supervises a contract to collect solid waste by containers from commercial and industrial establishments. The department collects solid waste from downtown public containers as well as provides for leaf collection and composting, bulky item collection and disposal and Christmas tree collection and chipping. The department collects and disposes of almost 13,000 tons of



refuse, 300 tons of bulky items and about 600 tons of recyclables annually. The department also performs the tasks of sweeping streets and alleys as well as doing weed control and hand mowing in the public right-of-way. It is the addition of these latter functions as well as

Borough's Recycling Facility on the Chambersburg Waste Paper property increases in disposal rates and the cost to collect container waste that is necessitating a sanitation rate increase, the first since December, 1992. The department is proposing to increase the residential rates from the current \$8.50 per month to \$11.50 per month. Moreover, the container rates (commercial) will be increased by 45%. The scheduled adjustments in the disposal contract with IESI, the proposed increased tipping fees by the State and escalating personnel costs may result in additional rate increases. It does not appear that we'll be able to go an extended period of time without sanitation rate increases as we have done in the recent past. The following is a history of residential sanitation rates:

1974 – \$3.70/mo.; 1976 - \$4.34/mo.; 1977 - \$3.80/mo.; 1985 - \$5.00/mo.; 1987 - \$5.50/mo.; 1988 - \$7.20/mo.; 1993 - \$8.50/mo.; 2005 - \$11.50/mo. Even though the residential rate increase is significant, Borough customers will still be paying less than those in surrounding municipalities.



PARKING

The Parking Department is responsible for the operation, maintenance and improvements of the metered parking facilities in the downtown area. At this time these facilities have almost 1,100 meters. Since the parking revenues continue to be relatively flat and expenditures continue to grow at a modest rate, in 2005 the department will transfer monies from Parking Capital Reserve to cover the overlay of the Municipal Lot, the continuation of our parking meter replacement program and some other operating expenses. These transfers will enable the Parking Department to avoid raising meter rates in 2005. The overlay of parking lots in 2004 (Dice Lot) and in 2005 (Municipal Lot) is being done in conjunction with the overlay of the adjacent and connecting alleys. These overlay projects are done in this manner to bring about improvements for the shopping public. It should be noted that in 2004 the Borough updated its agreements with the owners of the land for the M&T Bank Lot and the Dice Lot which will allow for continued public parking in those areas.

Sanitation Loaders Mark Holtry and Mike Keefer



Borough Hall and Municipal Parking Lot

INTERNAL SERVICE FUNDS

The Borough has six Internal Service Funds which are designed to provide specific services to the General and Enterprise Funds. These service funds are as follows: Stores, Motor Equipment, Engineering, Self Insurance, Workers' Compensation and Administrative Services. Since these Internal Service Funds exist solely for the purpose of providing service for other funds and derive their revenue from charges for services rendered, I will provide only a limited review of these funds.

ADMINISTRATIVE SERVICES



Newly painted windows on Borough Hall

Administrative Services is the largest of the Internal Service Funds in terms of both personnel and appropriations. Administrative Services is synonymous with the Finance Department. The Finance Department is responsible for the complete financial, utility meter reading and parking meter operations of the Borough as well as the operation and maintenance of Borough Hall. The proposed 2005 budget is \$2,086,200, an increase of 10.8% over the 2004 budget. That increase is driven primarily by payroll, pension and health insurance costs. However, the budget does contain an additional position. That position is a Computer Programmer position which is needed in anticipation of the retirement of the current data processing supervisor (who is the primary programmer). While the painting of the Borough Hall is a very visible improvement brought about by the Administrative Services Department in 2004, the department also had significant accomplishments in terms of the appointment of new pension and investment advisors (Conrad Siegel Investment Advisors), an "unqualified opinion" by the auditors on the Borough's 2003 financial records based on the new financial reporting model known as GASB Statement No. 34 and the refinancing of the outstanding debt for the improvements to the Wastewater Treatment Plant. The greatest challenge faced by the department in 2005 will be the preparation for retirements in some key positions. The department also is committed to producing a Comprehensive Annual Financial Report (CAFR) based on nationally recognized standards of excellence in financial reporting.

MOTOR EQUIPMENT

In terms of appropriations, the Motor Equipment Department is the second largest Internal Service Fund. The department currently manages a rolling stock of about 120 vehicles.



Equipment maintained by the Motor Equipment Department

The department purchases and maintains the motorized vehicles for all departments. In turn, the other departments pay the Motor Equipment Department rental rates which are designed to cover operation, maintenance and depreciation. The Motor Equipment Department's appropriations in 2005 are \$1,855,700. The vehicle upkeep and purchases of new equipment account for over 80% of this department's budget. The department's 2005 vehicle purchase/replacement schedule is reflected in the table which follows. The department will contribute \$50,000 to the General Fund in 2005.

Table

2005 MOTOR EQUIPMENT CAPITAL

<u>Electric Department</u>	\$130,000
Replace Vehicle #127 being a 1981 bucket truck with a new 2005 bucket truck.	
<u>Highway Department</u>	\$ 100,000
Replace Vehicle #4 being a 1989 Case front end wheel loader with a 2005 Case front end wheel loader.	
Replace Vehicle #925 being a 1989 GMC utility truck with a 1999 Dodge 4x4 utility truck w/plow from the Water/Sewer Dept. being Vehicle #942.	\$ 12,000
<u>Water and Sewer Department</u>	\$ 40,000
Replace Vehicle #492 being a 1999 4x4 Dodge utility truck w/plow with a new 2005 4x4 ext. cab utility truck w/plow.	
<u>Police Department</u>	\$ 50,000
Replace Vehicle #396 & Vehicle #397 being 2003 cruisers with two new 2005 cruisers.	
Replace Vehicle #189 and Vehicle #190 being 2001 K-9 cruisers with two 2003 cruisers being transferred to K-9 units.	_____
<u>Fire Department</u>	\$ 355,000
Replace Vehicle #978 (old 1-4) being a 1500 GPM pumper with a new 2005 1500 GPM Pierce pumper.	
<u>Ambulance</u>	\$ 120,000
Replace Vehicle #1-9 being a 1996 ambulance with a new 2005 ambulance.	
<u>Recreation Department</u>	\$ 20,000
Replace Vehicle #802 being a 1988 4x4 pickup truck w/plow with a new 2005 compact 4x4 ext. cab pickup.	
<u>Sanitation Department</u>	\$ 25,000
Replace Vehicle #165 being a 1991 4x4 pickup truck w/plow with a new 2005 4x4 pickup truck w/plow.	
Replace Vehicle #169 being a 1991 Int. Recycle truck with a new 2005 Int. Recycle truck.	\$ 100,000
Replace Vehicle #912 being a 1989 Elgin Street Sweeper with a new 2005 Elgin Street Sweeper.	\$ 110,000
Total	\$1,062,000

STORES



Supervisor Carol Kellogg in the Warehouse Office

The Stores Department (Warehouse) is responsible for the purchase, storage and disbursement of approximately \$1,000,000 worth of inventory. Approximately half of this inventory is turned over each year. While the 2005 Stores appropriations are \$625,300, over 75% of those operating expenses are the purchase of materials to replace the inventory which has been sold throughout the year to other departments. The Warehouse inventory is used to support the construction and maintenance functions of primarily the Borough utilities. The inventory kept at the Warehouse enables the Borough utility departments to respond rapidly to emergencies as well as anticipate project needs without waiting for essential items to be delivered. The efficient purchasing

procedures practiced by the Stores Department provide significant cost savings to the Borough. The Stores Department works closely with its user departments to manage inventory in the most cost effective manner.

ENGINEERING

The Engineering Department is responsible for furnishing civil engineering, surveying, drafting, utility location and GIS services to other departments. It maintains records and drawings of streets, utilities and properties owned by the Borough. The department designs and inspects the Borough's public works projects and provides inspection of curbs and sidewalks done by private contractors. The department will be very much involved in the development of the implementation strategies relative to the Borough's new policy with regard to sidewalks and curbs. The department continues to develop and maintain a Geographic Information System (GIS) for the Borough. Today the department is maintaining and building on 184 layers of GIS information. This information represents a total of 38 gigabytes on the GIS server. The department has scanned over 16,000 documents. More significantly, the GIS information is now being accessed in the field through the use of laptop computers. In addition to the Department Head, the Engineering Department operates with four employees and the 2005 appropriations for the department are \$171,800. Many of the department's charges are made directly to the user departments. The location of utilities as well as the building and maintenance of the GIS information will dominate the Department's workload. The Engineering Department will contribute \$25,000 to the General Fund in 2005.



Facilities Locator Ken Weaver works the US 30 Widening Project

SELF INSURANCE AND WORKERS' COMPENSATION



Assistant Manager Dave Finch and Assistant ESC Bill Dubbs conduct Safety Inspection

The Self Insurance and Workers' Compensation Funds exist for the purpose of funding risk which the Borough does not transfer to commercial insurance carriers or insurance pools. The Workers' Compensation Fund underwrites the risks to the Borough resulting from job-related injury or illness to its employees. A Specific Excess Workers' Compensation Policy with a million dollar limit and retention of \$350,000 limits the fund's exposure. The Borough's Workers' Compensation Self-Insurance Program is subject to State regulation and certified annually by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation. We project the cash

balance for the fund to be about \$590,000 by the end of 2005. That projected cash balance meets the requirement (\$522,646) of our trust fund agreement with the State. The trust fund agreement requires the Borough to maintain a trust fund to provide for a source of funds for the payment of benefits. In order to maintain that balance as well as cover departmental losses, the Stores, Electric, Highway, Fire, Ambulance and Recreation Departments will be making transfers to the Workers' Compensation Fund in 2005 totaling \$125,000. Though not regulated by the State, the Borough maintains another trust fund called the Self Insurance Fund which underwrites the risk to the Borough in the areas of general liability, errors and omissions and unemployment compensation. As the result of good experience which has contributed to the actuarial soundness of the Self Insurance Fund, we have been able to transfer \$250,000 per year since 2001 to support the General Fund operations. In 2005 we will again transfer \$250,000 from the Self Insurance Fund to the operating General Fund. However, due to our extremely low return on investment as well as the deteriorating cash position of the Self Insurance Fund, we will be forced to reevaluate the amount of the transfer from Self Insurance to the General Fund beginning in 2006. Both the Self Insurance and Workers' Compensation Funds are subject to independent actuarial review on an annual basis to ensure their viability. Moreover, the Borough Safety Committee is actively involved in reducing risks. The Committee conducts inspections of Borough facilities and operations as well as reviews all losses with the ultimate objective of eliminating workplace hazardous conditions, accidents and injuries.

CONCLUSION

The Chambersburg municipal operation is large, varied and complex. Of the 21 municipalities in Franklin County, Chambersburg is the largest, having about one-seventh of the County's total population. However, the Borough's revenues and expenditures represent about 60% of the total revenues and expenditures for the 21 Franklin County municipalities. Moreover, Chambersburg is the only community in Pennsylvania to own and operate four utilities. While the size of the operation makes the budgeting process a major challenge, the preparation of the 2005 budget was especially difficult due to our efforts to not increase the burden on our residents and customers through rate increases, especially the utilities. However, we are concerned that our preoccupation with no rate increases could be detrimental to our investment in the utility infrastructure in the future. We will closely monitor the performances of the utilities (especially Electric Department) as to their cash flows and capital reserve accounts.

However, the 2005 budget contains the following programs which will have a very positive impact on the community:

- Downtown Revitalization Projects
 - Chambersburg Rail Trail
 - Chambers Fort Park/Montgomery Alley Improvements
- Construction of Norland Avenue
- Continuing Investment in Public Safety
- Ambitious Street and Alley Improvement Program
- Replacement of Traffic Signals and Street Lights
- Improved Fire Code Inspection Program
- Systematic Inspection of Rental Properties
- Rehabilitation of Owner-Occupied Housing
- Numerous Electric Distribution System Improvements
- Major Gas Main Replacements and Extensions
- Major Water and Sewer System Improvements
- Parking Meter Replacement Program
- Parking Lot Improvements
- Motor Equipment Purchase/Replacement Program
- Geographic Information System

I encourage the Mayor and Town Council to review this 2005 Budget presentation carefully since it will serve as our financial, policy and operations guide to continue the Borough's tradition of sound fiscal management. Please keep in mind the following dates which you have set in order to meet our legal obligations with regard to the adoption of a budget:

Adoption of the preliminary budget and publication of the Notice of Public Inspection	November 8, 2004
Adoption of the Final Budget and enactment of the Tax Ordinance	December 13, 2004

2005 Estimated Revenues

Department/Fund	Interfund		Transfers		Total Cash 01-Jan-05	2005 Budget	2004 Budget
	Operating Funds	Receipts	Operating Funds	Reserve Funds			
General Operating Fund:							
Real Estate Taxes - Current Year		2,875,000				2,875,000	2,495,000
Real Estate Taxes - Prior Year		5,000				5,000	41,000
Special Purpose Tax - Current Year						0	0
Bond Tax - Prior Year						0	0
Special Purpose Tax - Prior Years						0	0
Tax Liens		55,000				55,000	51,000
Deed Transfer Tax		200,000				200,000	185,000
E. I. & N. P. Tax (Wage)		1,262,500				1,262,500	1,190,000
Grant in Lieu of Taxes		5,000				5,000	5,000
Federal Receipts						0	0
State Inter-Governmental Transfers		597,800				597,800	335,000
Merchandising & Jobbing		100,000				100,000	100,000
State Sales Tax		2,000				2,000	2,000
Occupational Privilege Tax		100,000				100,000	100,000
Interest Income		30,000				30,000	50,000
Police Fines And Costs		95,000				95,000	100,000
Police Escorts						0	0
False Police & Fire Calls		10,000				10,000	10,000
Other Police Department Receipts		10,000				10,000	10,000
Property Maintenance Code Violation Fines		1,000				1,000	2,000
Recreation Department Receipts		250,000				250,000	260,000
Recreation Vending, Concession & Consignment		65,000				65,000	60,000
Property Maintenance Fees		60,000				60,000	40,000
Planning-Subdivision Review Charges		6,000				6,000	3,000
Fire Code Permits		2,500				2,500	2,000
Zoning Permits		2,000				2,000	4,000
Building Permits						0	20,000
Health Dept. - Licenses & Permits		5,000				5,000	5,000
Contributions for Ambulance Service		35,000				35,000	25,000
Ambulance Service Receipts		375,000				375,000	340,000
Ambulance Club Membership Fees		90,000				90,000	90,000
Residential Parking Permits		500				500	100
Airport Rentals						0	0
School Crossing Guards		30,000				30,000	30,000
Cable T. V. Franchise		190,000				190,000	200,000
Refunds		20,000				20,000	20,000
Property Rentals		10,000				10,000	10,000
Contributions from Private Sources		2,000				2,000	1,000
Miscellaneous		5,000				5,000	5,000
Sale of Property						0	0
Total General Fund Receipts		6,496,300	0	0	0	6,496,300	5,791,100

BOROUGH OF CHAMBERSBURG

2005 Budget

2005 Estimated Revenues

Department/Fund	2005		Total Cash 01-Jan-05	2005 Budget	2004 Budget
	Receipts	Transfers			
	Operating Funds	Reserve Funds			
Transfers:					
From - Other Funds	250,000			250,000	250,000
From - Electric Department	725,000			725,000	700,000
From - Water Department	50,000			50,000	50,000
From - Gas Department	300,000			310,000	300,000
From - Liquid Fuels Fund	400,000			300,000	300,000
From - General Capital Reserve	25,000			400,000	200,000
From - Engineering Department				25,000	25,000
From - Construction Department				0	0
From - Motor Equipment	50,000			50,000	50,000

Total Transfers	0	2,110,000	0	2,110,000	1,875,000
Total Receipts and Transfers	6,496,300	2,110,000	0	8,606,300	7,666,100
Cash Balance - January 1			1,196,072	1,196,072	1,306,477
Total General Fund Receipts, Transfers and Cash Balances	6,496,300	2,110,000	0	9,802,372	8,972,577

2005 Estimated Revenues

Department/Fund	Interfund		Transfers		Total Cash 01-Jan-05	2005 Budget	2004 Budget
	Operating Funds	Reserve Funds	Operating Funds	Reserve Funds			
General Capital Reserve Fund							
Income:							
Federal Grants						0	0
State Grants						0	0
Contributions in Aid of Construction						0	0
Citizens' Contributions						0	1,000
Other Receipts						25,000	25,000
Interest Income						35,000	30,000
Total Income						60,000	56,000
Transfers							
General & Administrative						15,000	35,000
Highway Department						0	0
Fire						15,000	25,000
Police						24,000	0
Recreation						30,000	30,000
Planning						0	0
Zoning						0	0
Building						0	0
Housing						0	0
Health						0	0
Ambulance						0	0
Parking & Traffic						30,000	30,000
Street Lighting						15,000	15,000
Airport						0	0
Fire Code						0	3,000
Community Development						0	0
Others						50,000	50,000
Total Transfers						179,000	188,000
Total Income and Transfers						3,016,067	2,342,238
Cash Balance						0	2,586,238
Total General Capital Reserve Fund						3,016,067	2,586,238

2005 Budget Appropriations

Department/Fund	Operating Expenses	Capital Outlay	Interfund		Transfers		Total Estimated Expenditures	Cash Balance 31-Dec-05	2005 Budget	2004 Budget
			Debt Service	Reserve Other	a	b				
General Capital Reserve Fund:										
General & Administrative		50,000				50,000		50,000	60,000	
Highway Department		25,000			400,000	425,000		425,000	227,000	
Fire Department		35,000				35,000		35,000	30,000	
Police Department		24,000				24,000		24,000	0	
Recreation Department		10,000				10,000		10,000	30,000	
Planning Department		0				0		0	0	
Zoning Department		0				0		0	0	
Building Code		0				0		0	0	
Maintenance Code		0				0		0	0	
Health Department		0				0		0	0	
Ambulance		0				0		0	0	
Traffic		100,000				100,000		100,000	180,000	
Street Lighting		75,000				75,000		75,000	50,000	
Fire Code		0				0		0	0	
Airport		0				0		0	0	
Community Development		25,000				25,000		25,000	50,000	
=====										
Total Expenditures	0	344,000	0	400,000		744,000	0	744,000	627,000	
Cash Balance							2,511,067	2,511,067	1,959,238	
=====										
Total General Capital Reserve Fund Exp. & Cash Balance	0	344,000	0	400,000		744,000	2,511,067	3,255,067	2,586,238	
=====										

2005 Estimated Revenues

Department/Fund	Interfund		Transfers		Total Cash 01-Jan-05	2005 Budget	2004 Budget
	Operating Receipts	Operating Funds	Reserve Funds				
General Borough - Debt Service							
Debt Service Fund No. 9		0			0	0	0
Bond & Coupon Account		0			0	0	0
General Borough - Debt Service Totals		0	0	0	0	0	0
Other General Fund:							
Special Revenue Fund	6,743,800	7,800			15,935	6,767,535	6,727,585
Liquid Fuels Tax	299,000				234,485	532,784	531,484
Surplus Operating Fund	800				1,795	2,595	2,795
Other General Fund	7,043,600	7,800	0	0	252,215	7,302,914	7,261,864
Total All General Funds	13,599,900	2,296,800	0	0	4,464,354	20,360,353	18,820,679
Trust and Agency Funds:							
Trust Funds & Utility Deposits	207,000				508,032	715,032	628,182
Citizens' Reward Fund	600				8,177	8,777	9,477
Payroll Fund	9,140,000				4,628	9,144,628	8,256,128
Barg. & Admin. Emp. Pension Fund	550,876				0	550,876	91,737
Firemen's Pension Fund	102,524				0	102,524	35,053
Police Officers' Pension Fund	380,106				0	380,106	210,531
Sister City Fund	600				16,758	17,358	16,458
Project H.E.A.T.	5,025				1,392	6,417	6,407
Total Trust & Agency Funds	10,386,731	0	0	0	538,987	10,925,718	9,253,973
Total General, Trust & Agency Funds	23,986,631	2,296,800	0	0	5,003,341	31,286,071	28,074,652

2005 Budget Appropriations

Department/Fund	Operating Expenses	Capital Outlay	Interfund		Transfers		Total Estimated Expenditures	Cash Balance 31-Dec-05	2005 Budget	2004 Budget
			Debt Service	Reserve Other	a	b				
General Borough - Debt Service										
Debt Service Fund No. 9	0							0	0	0
Bond & Coupon Account								0	0	0
Total General Borough Debt Serv	0	0	0	0	0	0	0	0	0	0
Other General Fund:										
Special Revenue Fund	6,743,500	0	0	0	0	6,743,500	24,035	6,767,535	6,727,585	
Liquid Fuels Tax	0		0	300,000	b	300,000	232,784	532,784	531,484	
Surplus Operating Fund	800		0		b	800	1,795	2,595	2,795	
Total Other General Funds	6,744,300	0	0	300,000		7,044,300	258,614	7,302,914	7,261,864	
Totals - All General Funds	15,637,600	344,000	0	891,800		16,873,400	3,486,953	20,360,353	18,820,679	
Trust and Agency Funds:										
Trust Funds & Utility Deposits	175,200					175,200	539,832	715,032	628,182	
Citizens Reward Fund	800					800	7,977	8,777	9,477	
Payroll Fund	9,132,600					9,132,600	12,028	9,144,628	8,256,128	
Barg. & Admin. Emp. Pension Fd	550,876					550,876	0	550,876	91,737	
Firemen's Pension Fund	102,524					102,524	0	102,524	35,053	
Police Officers' Pension Fund	380,106					380,106	0	380,106	210,531	
Sister City Fund	350					350	17,008	17,358	16,458	
Project H.E.A.T.	5,000					5,000	1,417	6,417	6,407	
Total Trust & Agency Funds	10,347,456	0	0	0	0	10,347,456	578,262	10,925,718	9,253,973	
Total General, Trust & Agency Funds	25,985,056	344,000	0	891,800		27,220,856	4,065,215	31,286,071	28,074,652	

2005 Estimated Revenues

Department/Fund	Interfund		Transfers		Total Cash 01-Jan-05	2005 Budget	2004 Budget
	Operating Receipts	Operating Funds	Reserve Funds				
Enterprise Operating Funds							
Electric Department	17,717,850				2,004,955	19,722,805	18,153,880
Gas Department	8,656,350				181,693	8,838,043	8,169,393
Water Department	2,481,050				1,341,733	3,822,783	3,076,533
Sewer Department	3,073,000				871,310	3,944,310	3,256,480
Sanitation Department	1,967,200				358,048	2,325,248	2,013,038
Parking Department	137,150	37,500			11,957	186,607	196,407
Total Enterprise Operating Funds	34,032,600	37,500	0	0	4,769,696	38,839,796	34,865,731
Enterprise Capital Reserve Funds							
Electric Capital Reserve	176,000	600,000			408,978	1,184,978	2,738,928
Gas Capital Reserve	11,000	300,000			834,269	1,145,269	1,289,269
Water Capital Reserve	792,000	0			4,472,225	5,264,225	4,492,775
Sewer Capital Reserve	1,693,750	0			1,453,237	3,146,987	1,786,257
Sanitation Capital Reserve	27,000	0			351,097	378,097	359,997
Parking Capital Reserve	1,500	0			184,170	185,670	192,170
Total Enterprise Capital Reserve Funds	2,701,250	900,000	0	0	7,703,976	11,305,226	10,859,396
Enterprise Debt Service Funds							
Total Enterprise Debt Service Funds	0	0	0	0	0	0	0
Total - All Enterprise Funds	36,733,850	937,500	0	0	12,473,672	50,145,022	45,725,127

2005 Budget Appropriations

Department/Fund	Operating Expenses	Capital Outlay	Interfund		Transfers		Total Estimated Expenditures	Cash Balance 31-Dec-05	2005 Budget	2004 Budget
			Debt Service	Reserve	Other					
Enterprise Operating Funds										
Electric Department	16,594,000			600,000 a			18,019,000	1,703,805	19,722,805	18,153,880
				825,000 b						
Gas Department	8,037,150			300,000 a			8,647,150	190,893	8,838,043	8,169,393
				310,000 b						
Water Department	2,101,650			0 a			2,151,650	1,671,133	3,822,783	3,076,533
				50,000 b						0
Sewer Department	3,004,450			0 a			3,004,450	939,860	3,944,310	3,256,480
				0 b						0
Sanitation Department	1,915,900			0 a			1,915,900	409,348	2,325,248	2,013,038
				0 b						0
Parking Department	175,150			0 a			175,150	11,457	186,607	196,407
				0 b						0
Total Enterprise Operating Funds	31,828,300	0	0	2,085,000	0	33,913,300	4,926,496	38,839,796	34,865,731	
Enterprise Capital Reserve Funds										
Electric Capital Reserve		1,111,500					1,111,500	73,478	1,184,978	2,738,928
Gas Capital Reserve		363,000					363,000	782,269	1,145,269	1,289,269
Water Capital Reserve		3,532,500					3,532,500	1,731,725	5,264,225	4,492,775
Sewer Capital Reserve		2,634,000					2,634,000	512,987	3,146,987	1,786,257
Sanitation Capital Reserve		33,000					33,000	345,097	378,097	359,997
Parking Capital Reserve		0					37,500	148,170	185,670	192,170
Total Enterprise Capital Reserve Funds	0	7,674,000	0	37,500	0	7,711,500	3,593,726	11,305,226	10,859,396	
Enterprise Debt Service Funds										
Total Enterprise Debt Service Funds	0	0	0	0	0	0	0	0	0	0
Total - All Enterprise Funds	31,828,300	7,674,000	0	2,122,500	0	41,624,800	8,520,222	50,145,022	45,725,127	

2005 Estimated Revenues

Department/Fund	Receipts	Interfund		Total Cash 01-Jan-05	2005 Budget	2004 Budget
		Operating Funds	Reserve Funds			
Internal Service Funds:						
Stores	614,250			228,851	843,101	835,431
Motor Equipment Construction	1,067,150			2,875,525	3,942,675	4,408,875
Engineering	137,600			0	0	0
Workers Compensation Fund	7,350	125,000		145,081	282,681	259,221
Administrative Services	2,086,200			650,290	782,640	862,090
Self-Insurance Fund	35,650			0	2,086,200	1,883,450
				4,204,635	4,240,285	4,466,185

Total Internal Service Funds	3,948,200	125,000	0	8,104,382	12,177,582	12,715,252
Totals All Borough Funds	64,668,681	3,359,300	0	25,581,395	93,608,675	86,515,031

2005 Budget Appropriations

Department/Fund	Operating Expenses	Capital Outlay	Interfund		Transfers		Total Estimated Expenditures	Cash 31-Dec-05	2005 Budget	2004 Budget
			Debt Service	Other	Reserve	Other				
Internal Service Funds:										
Stores	632,250	0			10,000		642,250	200,851	843,101	835,431
Motor Equipment	696,200	1,109,500			50,000		1,855,700	2,086,975	3,942,675	4,408,875
Construction	0	0	0		0		0	0	0	0
Engineering	131,500	11,000			25,000		167,500	115,181	282,681	259,221
Workers Compensation Fund	195,850						195,850	586,790	782,640	862,090
Administrative Services	2,076,200				10,000		2,086,200	0	2,086,200	1,883,450
Self Insurance Fund	14,300				250,000		264,300	3,975,985	4,240,285	4,466,185

Total Internal Service Funds	3,746,300	1,120,500	0	0	345,000		5,211,800	6,965,782	12,177,582	12,715,252
Total - All Borough Funds	61,559,656	9,138,500	0	0	3,359,300		74,057,456	19,551,219	93,608,675	86,515,031

BOROUGH OF CHAMBERSBURG
PERSONNEL ALLOCATIONS (REGULAR POSITIONS)

CATEGORY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Administration	13	13	13	13	13	13	13	14	14	15	15	15	16	16
Secretarial	8.5	9	9	9	9	9	10	10	10	11	11	11	11	11
Finance	24	24	24	24	24	24	24	24	25	26	26	24	24	25*
Electric	15	15	15	15	15	16	16	16	16	16	16	16	17	19**
Gas	14	14	14	14	14	13	13	13	13	13	13	14	14	14
Water/Sewer	22	22	22	22	22	22	22	22	22	23	23	23	25	26***
Public Works	22	22	22	22	22	22	22	23	23	24	24	24	22	22
Fire/Ambulance	18	18	18	18	18	18	18	18	18	18	21	18	18	18
Police	25	25	25	29	29	29	29	29	29	29	29	30	30	30
Recreation	4	4.5	4.5	4.5	4.5	4.5	3.5	4	4	4	4	4	4	4
Codes	3	3	3	3	3	3	3	3	3	4	5	5	4	3****
Totals	168.5	169.5	169.5	173.5	173.5	173.5	173.5	176	177	183	187	184	185	188

NOTES: **In preparation for future retirement; a programmer position is being added to the Finance Department

***In preparation for future retirements; a groundworker position and a lineworker position are being added to the Electric Department

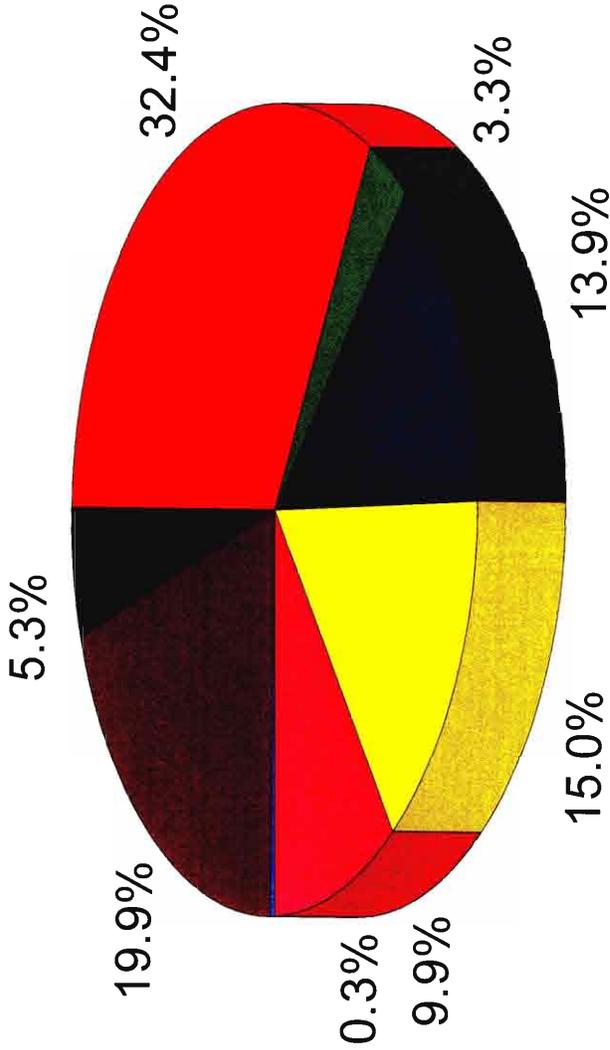
****Due to the expansion of the "pipe crew", a supervisory position is added in the Water/Sewer Department

*****As a result of contracting for building code enforcement, a code position is eliminated

10/18/2004

BOROUGH OF CHAMBERSBURG GENERAL FUND REVENUES 2005

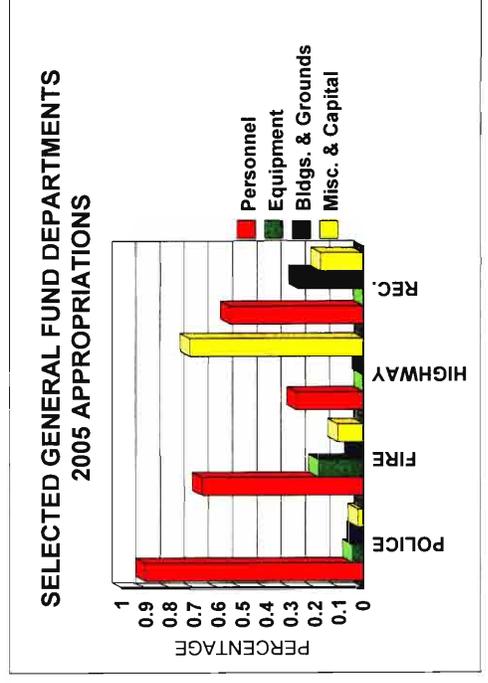
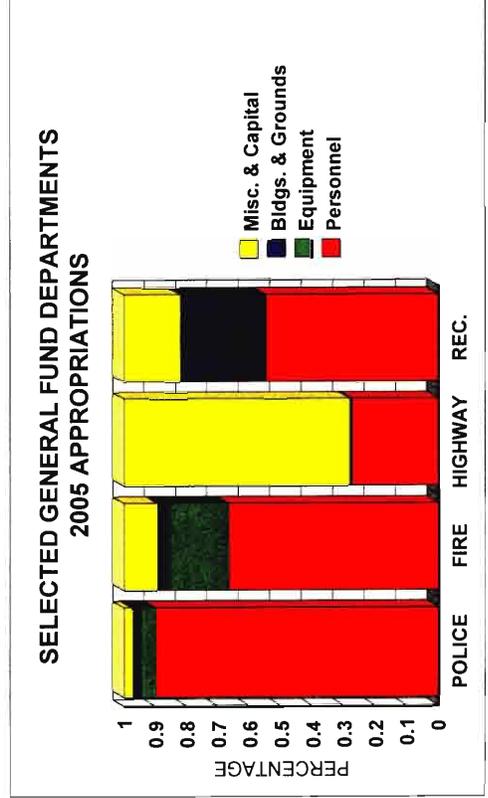
- Real Estate Taxes
- Other Taxes
- Wages & Net Profits Tax
- Licenses, Permits, Fees, & Others
- Federal & State
- Interest Income
- Transfers from Other Depts.
- Surplus Operating Funds



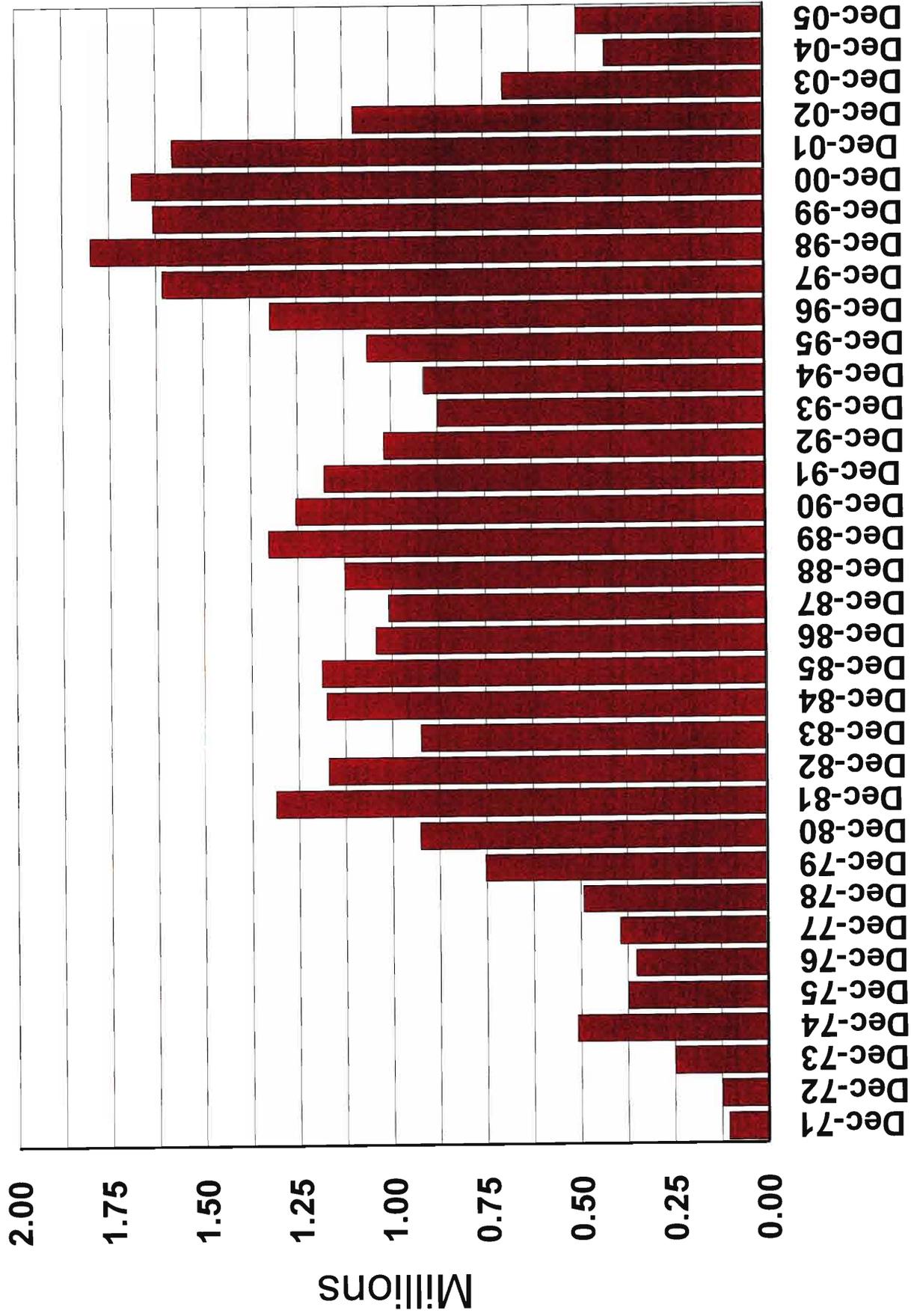
**SELECTED GENERAL FUND DEPARTMENTS
2005 APPROPRIATIONS**

	POLICE	FIRE AMBULANCE & FIRE CODE	HIGHWAY TRAFFIC & ST. LIGHTING	REC.	TOTALS
Personnel	89.9%	66.7%	27.6%	55.0%	67.9%
Equipment	4.7%	18.7%	0.1%	0.2%	7.3%
Bldgs. & Grounds	2.9%	3.9%	0.6%	26.9%	5.7%
Misc. & Capital	2.5%	10.7%	71.7%	17.9%	19.1%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%

	POLICE	FIRE AMBULANCE & FIRE CODE	HIGHWAY TRAFFIC & ST. LIGHTING	REC.	TOTALS
Personnel	2,981,975	1,520,750	396,950	545,250	5,444,925
Equipment	156,000	426,500	1,500	1,500	585,500
Bldgs. & Grounds	95,700	88,550	8,050	266,400	458,700
Misc. & Capital	82,650	245,000	1,029,600	177,500	1,534,750
TOTALS	3,316,325	2,280,800	1,436,100	990,650	8,023,875

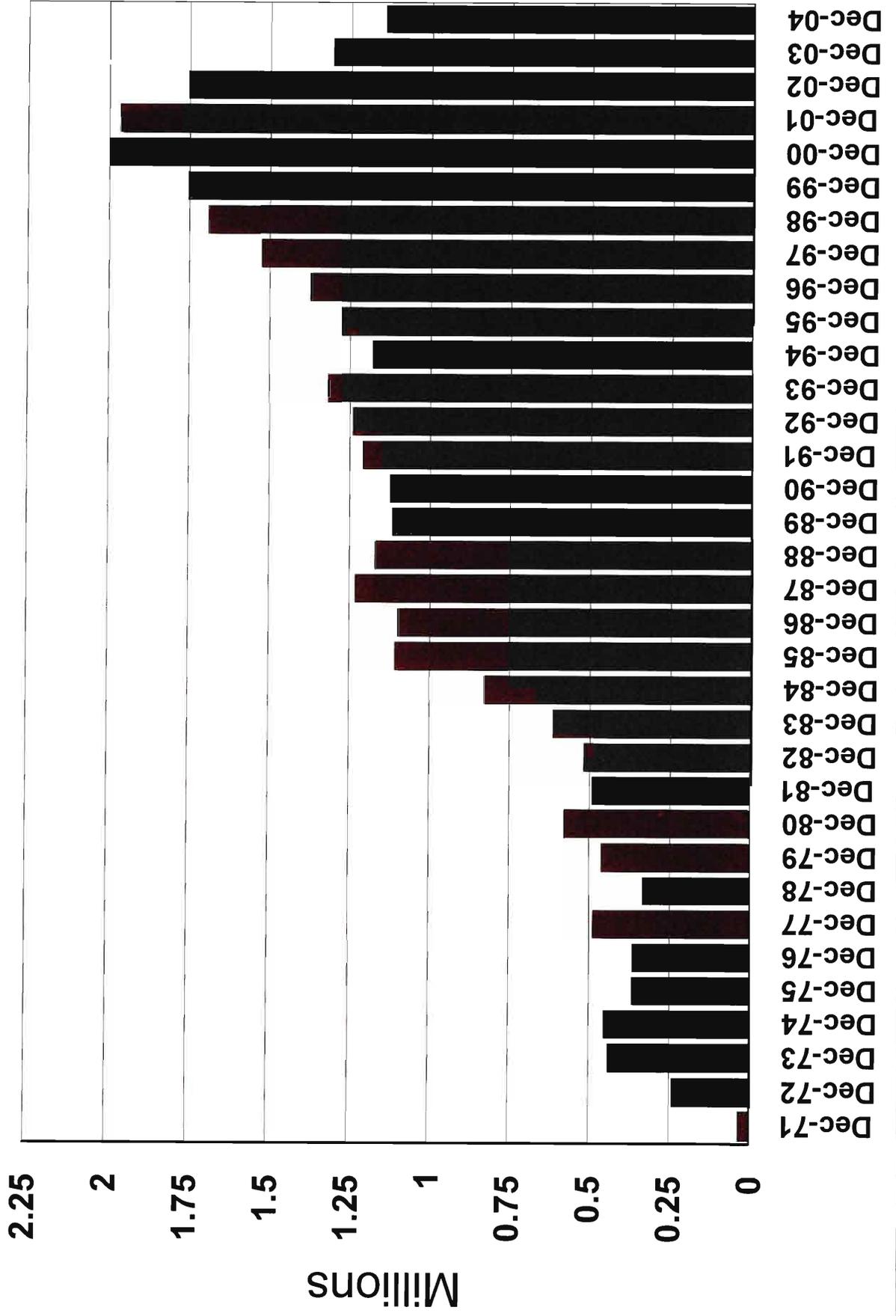


Annual Interest Earned - All Funds



BOROUGH OF CHAMBERSBURG

General Fund Cash Balances



BOROUGH OF CHAMBERSBURG COMPOSITE INTEREST RATES

