

Chambersburg Borough 2020 Budget

On Tuesday, November 12, 2019, the Borough Manager presented the proposed budget at a special public meeting.
 On Monday, November 18, 2019, Town Council will hold a public hearing on the proposed budget and receive comments.
 On Monday, December 16, 2019, Town Council will consider the budget and local tax ordinance for approval.
ALL FUNDS BUDGET: \$113,856,095, which represents a 7.5% overall decrease in budget size compared to 2019 (\$123,111,370)
GENERAL FUND BUDGET: \$16,079,970 (6% increase) (General Fund is the account with Police, Fire, Recreation, and Highway)

A budget is not an accounting, that is called the audit A budget is a strategic plan for the following year A budget is a spending plan for expenditures A budget is authorization for revenues and expenditures A budget must be balanced and approved by Dec-31 each year	Chambersburg has the most complex budget in Pennsylvania because of the utility departments. In 2017, Chambersburg had the 14 th largest budget in Pennsylvania (\$) and was the largest borough budget. Chambersburg's budget is nothing like any other Borough.
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Chambersburg is the only town in Pennsylvania to have an electric, gas, water, sewer, and storm sewer utility

No Tax Increase in 2020 – In fact, a small tax decrease with elimination of the Ambulance Tax; and shift to an Ambulance Fee (\$7 fee per month on each utility invoice of the Borough) to be more fair and more broad-based than a tax.

Tax Information

The 2016 Recreation Bond, which paid to build the Aquatic Center, playgrounds, and other park improvements, such as the Nicholson Square Park, and new tennis courts in 2019, required a dedicated tax and, will be collected for the third time in 2020.

Recreation Bond Tax 2020 – No change

Approved in 2016, earmarked to pay off the bond only, tax does not pay for any of the operations of the Recreation Department.

2015	2016	2017	2018	2019	2020
-	-	-	3	3	3

mil

Avg. Single-Family House in the Borough	Per Year	Per Month
Recreation Bond Tax	\$51.29	\$4.27

Commercial and industrial property owners may pay more tax
 Government, educational, nonprofit and township property owners pay none

The Borough's real estate tax pays only for Police and Fire services; no other department, operation or employee

Fire/Ambulance Tax 2020 – Slightly lower

The proposed budget eliminates the Ambulance Tax in 2020
 In 2020, the Fire Tax rate will continue to be 3 mil
 Therefore, the total Fire/Ambulance Tax will be 3 mil in 2020
 100% of this tax goes to support the Fire Department & apparatus

	2016	2017	2018	2019	2020
Fire	2.5	2.5	3	3	3
Ambulance	-	-	½	½	-

mil
mil

Avg. Single-Family House in the Borough	Per Year	Per Month
Fire Tax	\$51.29	\$4.27

Commercial and industrial property owners may pay more tax
 Government, educational, nonprofit and township property owners pay none

Police Tax 2020 – No change

There is no proposed change in the Police Tax
 In 2020, the rate will continue to be 24 mil for the third year
 100% of this tax goes to support the Police Department

	2015	2016	2017	2018	2019	2020
Police	21	23	23	24	24	24

mil

Avg. Single-Family House in the Borough	Per Year	Per Month
Police Tax	\$410.34	\$34.20

Commercial and industrial property owners may pay more tax
 Government, educational, nonprofit and township property owners pay none

The Borough receives no sales tax, liquor taxes, business taxes, or any other tax and they are not an option under State law. Township residents pay no taxes to the Borough other than the Local Services Tax if they work inside the Borough.

In 2020, the Borough will begin collecting a \$7 per month per utility invoice fee to support Borough Ambulance Services

A fee may be charged in exchange for this service under State Law. The Borough Fire Department provides basic lifesaving ambulance services. There is a significant cost to having an ambulance staffed around the clock and ready to serve the residents, employees, and visitors in the Borough. The ambulance fee helps defray the costs of the ambulance service being ready to serve. The Ambulance Tax was insufficient to pay for ambulance services in our Borough. For example, in 2018 the Borough had to "write-off" as uncollectible, due to Federal Law related to **Medicaid/Medicare**, bills worth \$1,759,628; and \$1,757,116 in 2017 in accounts receivable; for legitimate ambulance billing expenses. The Borough is required to provide ambulance services. Every ambulance company in Franklin County is suffering trying to stay in business. It is Town Council's responsibility to fund properly the ambulance service. We all need EMS at some point. Finally, a flat, per invoice fee, is very fair when compared to a tax, which can only be charged to the assessed value of property; and which approximately 40% of property owners are exempt from paying. Commercial and industrial owners, government, educational, and nonprofit customers will all pay the same \$7 per month per invoice. If you have more questions about the ambulance system crisis in Pennsylvania, call Dustin Ulrich, Fire Chief, at (717) 263-5872.

In 2020, the Town Council is being asked to adjust some of our historically low utility rates.

Utility Rates 2020

- No change to the natural gas rate since 2013 (Avg. Residential \$804 per year)
- No change to the sanitary sewer rate since 2012 (Avg. Residential \$29.50 per month)

Chambersburg has the lowest composite utility bill in Pennsylvania, and customers save money every month.

0.75¢ Water Rate Increase

- The Borough's water rate will go up by 1 cent per billing unit in 2020. The average single-family home in the Borough uses approximately 185 gallons of water per day:
- 2019 rate: 14¢ per unit – 2020 rate: 15¢ per unit
- Average family water bill
2019: \$16.50 per month – 2020: \$17.25 per month

Electric Rate to DROP Again for Fourth Time

- A 1.98% decrease to the electric rate. Fourth drop since 2014
- 2019: Avg. household electric bill: \$100.90 per month
- 2020: Avg. household electric bill: \$98.90 per month

See your electric bill drop around \$2 per month

First Trash Rate Increase in Three Years (2016)

- Sanitation rate stays lowest in region
- 2019: Residential \$18.75 per month
- 2020: Residential \$20.81 per month

All rates will increase; household rates by \$2.06 per month

Changes to Storm Water Pollution Control Fee

- Since 2015, the Borough has collected a Storm Water Pollution Control Fee to pay for maintenance/upgrades to storm sewers
- The Borough is required, like all urban communities, to invest money in maintenance and projects to clean the Chesapeake Bay
- A citizen committee recommended to Council to change the way the Pollution Control Fee is calculated beginning in July 2020
- From 2015 until July 2020, fee was flat (first \$3 then \$4) per sanitary sewer connection (has nothing to do with stormwater)
- Beginning in July 2020, fee will be calculated on quantity of impervious area (pavement and buildings) on each tax parcel
- Every tax parcel has been measured and mapped in anticipation of the switch
- Beginning in July 2020, each single-family house (owned or rented) will pay \$5 per month, called an ERU.
- Beginning in July 2020, each multifamily house (owned or rented)(duplex, townhouse, apartment building) will pay \$5 per unit
- Beginning in July 2020, every non-residential property (business, industrial, commercial, or institutional) will pay \$5 per equivalent single-family home actual impervious area. Called an ERU, each non-residential parcel will be measured against the average Chambersburg house, and then invoiced a multiple of ERUs based on actual impervious surfaces.
- A much more detailed flyer will be mailed to every property owner in Chambersburg to explain the new system before July 2020
- Call the Storm Sewer System Manager, Andy Stottlemeyer, at (717) 251-2434 to learn about your property's ERU value.

Only specific taxes at specific tax rates are permitted under State Law

Real estate taxes – there are various limits based upon type
Chambersburg has no recreation tax, no street tax, no utility tax
 Deed Transfer Tax – ½ of 1% (Set at maximum since 1987)
 Earned Income Tax – ½ of 1% (Set at maximum since 1965)

Local Services Tax – \$52 per worker in Borough per year
 (Set at maximum since 2007)
 Amusement Tax or Vending Machine Tax
 (Not Used in Chambersburg)

Summary of Real Estate Taxes in 2020 (the typical single-family home)

	2019	2020	2019	2020
Recreation Bond Tax	3 mil	3 mil	\$50.77	\$51.29
Fire/Ambulance Tax	3.5 mil	3 mil	\$59.26	\$51.29
Police Tax	24 mil	24 mil	\$406.14	\$410.34

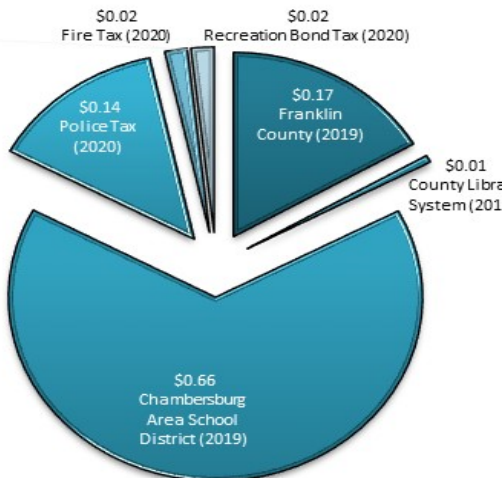
The average house changes every year, but your assessed value generally stays the same. The assessed value of your home is set by Franklin County and the Borough uses that value to determine your property tax bill.

These are the only taxes you pay to the Borough of Chambersburg.

The average single-family homeowner pays \$512.92 per year in Borough taxes; half of all homes pay less.

The Council has no say on school taxes, county taxes, or the library tax. Yet, low utility rates help everybody in Chambersburg. An electric and gas customer inside the Borough system may save as much as \$1,000 per year per household for having Borough utilities. Even with imposition of new Ambulance Fee, utility bill payments save more money per family than is paid in taxes.

The 2020 Budget includes capital projects, street paving, and a bond to finance Water System Improvements and a Public Works Building. The 2020 Budget contains only design expenses towards the future goal of renovating the Police Station in 2021-2022.



Only 16¢ of every \$1 paid in real estate taxes will go to the Borough of Chambersburg. The balance, 84¢ will go to support the school district, the county, and the library system.

In fact, 66¢ of every dollar goes to the Chambersburg Area School District. They send their own tax bill.