



Borough of Chambersburg

A full service municipality in Franklin County celebrating over 65 years of consumer owned natural gas service over 125 years of community electric and a regional wastewater, water, storm sewer, and municipal solid waste utility

FOR IMMEDIATE RELEASE

CHAMBERSBURG TO BRING RESTAURANT ENFORCEMENT IN-HOUSE

Chambersburg – On Monday, August 26, 2019, the Chambersburg Town Council selected a plan to bring restaurant, food service licensing, and health code enforcement in-house, to be managed by Borough employees, beginning in January 2020. At the meeting, there were four options presented by Borough Manager Jeffrey Stonehill and Land Use and Community Development Director Phil Wolgemuth to Council. A large group of citizens and restaurant owners weighed in on the discussions, which lasted over an hour, as Council deliberated on what to do with this system going forward.

According to Borough staff, there are almost 200 municipalities throughout Pennsylvania, which manage their own restaurant, food service licensing, and health code enforcement systems; including most major cities and two counties. Chambersburg has been unique in that since 2005, the system developed by the Borough, included management by a third-party private code enforcement agency. In June 2019, Council, in response to objections about the customer service experience at the third-party private code enforcement agency, decided to issue a Request for Proposals, to determine whether any other private company would like to provide these services on the Borough's behalf.

On Monday night, staff indicated that the existing contractor, the Pennsylvania Municipal Code Alliance (PMCA) of Chambersburg, was the only respondent to the Request for Proposals. However, Stonehill and Wolgemuth outlined several options for Council to consider. Stonehill said "the status quo is not an option going forward. The current contractor has put in a proposal, but their response would change the current system to one managed by Borough staff, where the contractor would, for a fee from the Borough, provide only inspection services, and not manage the permit and licensing system."

According to Wolgemuth, "in the current arrangement, PMCA manages the entire system, collects the fees directly from the local food service businesses, and the Borough sets the fee schedule, but is otherwise not involved in the management of the system, the collection of fees, or paying for the cost of the system. This will end in 2020 regardless of what option Council selects."

One option outlined by Stonehill and Wolgemuth was turning the entire system over to the Pennsylvania Department of Agriculture. Wolgemuth said this is the system in 90% of municipalities in Pennsylvania. Stonehill said that he was concerned that Borough residents and visitors would be disappointed with the level of enforcement provided by the State, given that for the last forty years the Borough has been dedicated to local enforcement. Council Member Sharon Bigler spoke emphatically for local control saying "I vote in favor of doing this ourselves, we manage many complex systems here in Chambersburg, and we can run a system that is fair and equitable for businesses and safe for consumers."

Council Member Michael Herbert agreed adding, "Chambersburg is the only town that runs a natural gas and electric utility; certainly we can manage this system as well."

Some citizens were concerned about the cost of managing the system, as Stonehill outlined the need to hire new personnel should Council bring the program back in-house, as it once was managed, from 1976 to 2005. Stonehill said there would be "synergy" as the personnel added to the Land Use and Community Development Department would also help with other functions, including the Borough's increasing responsibilities as host to dozens of street fairs and community events; and, administration of Chambersburg's growing Storm Sewer Utility, which has indicated the need for more personnel in 2020 regardless of the decision on the health code. "While the cost of operating this system would likely not be fully covered by permit fees," Stonehill added, "we do a lot of cross-training and shared costs in Chambersburg, and this would help mitigate the cost of the additional personnel added. When the Storm Sewer utility does their budget request in October, you would have heard about the need to hire more administrative personnel anyway."

There are currently 320 permittees in the system, including restaurants, school cafeterias, churches, food stores, special events, food trucks, and farmer's market booths. Wolgemuth estimated the system would cost approximately \$161,580 per year to manage in-house and generate income of about \$50,000. However, with the addition of other functions, such as inspection scheduling and permitting for the storm sewer utility, the Borough could spread the cost of the employees on other revenue sources, such as storm sewer fees.

After considerable discussion, Town Council voted to bring the system in-house beginning in January 2020. Stonehill added that staff will now set about to prepare a plan, hire employees, and present policies and a proposed fee schedule for Council to consider. Council Member Barb Beattie added that she would like to form something like an advisory committee to insure that local business owners could give their input on policies and fees. According to Stonehill, "there had been a number of public comments about the old system so we welcome their input." If you have any questions, please contact Phil Wolgemuth, Assistant to the Borough Manager, at 717-251-2436 or pwolgemuth@chambersburgpa.gov.

Chambersburg is a unique community. Chambersburg supplies more services than any other municipality in the Commonwealth of Pennsylvania. In addition to typical town functions, Chambersburg is Pennsylvania's only municipality supplying electric & gas. Chambersburg is 1 of 35 Boroughs to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate generation stations. Chambersburg is 1 of 2 municipalities in PA to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is 1 of 2,000 communities to have its own electric system and 1 of 800 communities to have a natural gas system but 1 of only about 50 to operate both. Chambersburg manages a regional water system, a regional sanitary sewer system (not through an independent Authority), and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater. Chambersburg currently has 20,360 residents (2012).

Facts about the Borough of Chambersburg restaurant, food service licensing, and health code enforcement system:

- Enforcement began on February 11, 1976, when Town Council passed Ordinance 76-37 requiring "stores, shops, stands and wagons from which articles of food are vended or sold...shall at all times be open to inspection of the Health Officer".
- On October 10, 2005, Town Council directed staff to take necessary steps to enter into a Health Code Enforcement Agreement with Commonwealth Code Inspection Service (CCIS) to provide third-party enforcement and inspection services.
- On June 8, 2015, Town Council entered into a Code Services Agreement with the Pennsylvania Municipal Code Alliance (PMCA) to provide third-party enforcement and inspection services for various codes, including Retail Food Facility Licenses.

| LICENSE TYPE | NO. |
|-------------------------|-----|
| Restaurant | 150 |
| Special Event | 81 |
| Institutional/Food Bank | 29 |
| Store | 28 |
| Mobile Unit/Food Truck | 21 |
| Farmer's Market Booth | 11 |
| TOTAL | 320 |

- **Enforcement as of now:** PMCA currently provides all components of Retail Food Facility Licensing, including application review, inspection, and license issuance; with fees approved by Town Council through the Master Fee Schedule. PMCA investigates complaints and revokes licenses when necessary. All fees are provided by the permittee to PMCA with no cost to Borough or Borough tax payers. The Borough staff provide no assistance other than the Code Services Agreement management and customer service coordination. On June 3, 2019, Town Council authorized the release of a Request for Proposals for third-party enforcement and inspection services for Retail Food Facility Licenses. PMCA was the only firm to provide proposal.
- **Selected option by Council:** The Borough will hire one full-time Health Officer responsible for all inspections and the existing Quality of Life Code Enforcement Officer will become a full-time employee, to be trained as a back-up inspector. Two Secretaries would join the Land Use & Community Development Department to provide administration components, including fee collection, application acceptance, and license issuance. One Secretary would also process Parade/Event Permits and Civic Special Event Permits; and, one Secretary would also provide administrative support to the Storm Sewer Utility, to be paid by the Storm Sewer Utility, and not the General Fund. One vehicle would be purchased for the inspector's use. The new staff to be located on the Borough Hall's second floor with the Storm Sewer Utility's staff to move to the Utility Departments Addition to Borough Hall. The estimated cost to the General Fund would be \$161,580 per year.
- **Next steps:** The Borough will officially inform PMCA of the transition coming in January 2020. Between now and January 2020, new employees, systems, policies, forms, and procedures will be put in place. A fee schedule, the costs paid by the permittees, needs to be adopted at a future Town Council meeting. All permittees need to be informed of the change. Permits beginning in January 2020 will be issued directly by the Borough. Inspections will begin in January 2020 based upon the systematic inspection of permit holders as well as in response to incidents, accidents, and complaints. PMCA will cooperate with the Borough in transitioning the program back to Borough employees. Finally, PMCA will remain the third-party code enforcement agency with respect to the building code, the uniform construction code, and as the contract inspector for the systematic rental inspection program.
- **Budget impacts:** It is unlikely that staff will have a full understanding of the impact on the Borough budget when the upcoming 2020 Budget is adopted by Council. More likely, the next year or two would allow staff more time to begin to understanding the cost of operating the program as well as the revenue derived from permit and inspection fees. Council will be given periodic reports as the program is transitioned.