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Borough of Chambersburg

A full service municipality in Franklin County celebrating over 65 years of consumer owned natural gas service over 120 years of community electric and a regional wastewater, water, storm sewer and municipal solid waste utility

Chambersburg Borough Manager Releases Proposed 2020 Budget

Chambersburg, Pennsylvania – On Tuesday, November 12, 2019, the Chambersburg Borough Manager, Jeffrey Stonehill, presented his proposed 2020 Budget to Town Council at a public meeting. After the presentation, Council approved its advertisement for public review. Pursuant to local law, the Borough Manager must produce a balanced budget in a form that can be considered by Town Council each year. Council then reviews the document, receives public comments, and adopts the final budget by the end of the year. The fiscal year for all Boroughs in Pennsylvania is the same as the calendar year. State Law requires each Borough adopt a balanced budget by December 31 for the following fiscal year.

According to Jeffrey Stonehill, “A budget is a plan - it is not an accounting of money, but rather a forecast of how much revenue the Borough anticipates it will collect, and how many expenses it plans on incurring. One might call it a spending plan.” He went on to explain:

- Chambersburg is the only town in Pennsylvania to have an electric, gas, water, sewer, and storm sewer utility
- Chambersburg is one of the only Boroughs in Pennsylvania to have professional paid police and fire
- Chambersburg has the most complex budget in Pennsylvania because of the utility departments
- In 2017, Chambersburg had the 14th largest budget in Pennsylvania (\$) and was the largest borough budget
- In comparison, Carlisle #47, Waynesboro #265, Gettysburg #286, and Shippensburg #303 in terms of budget size
- Chambersburg’s budget is nothing like any other Borough
- Chambersburg budget follows “Cost Based Accounting”, which results in dozens of separate funds and thousands of internal transactions to properly account for costs”

For the eleventh time in the last thirteen years, the Borough Manager’s proposed budget includes no tax increase. In fact, Chambersburg is proposing a small real estate tax decrease. According to Finance Director Jason Cohen, “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.”

According to Stonehill, the Borough levies three categories of real estate taxes: first, the Police Tax, which goes only to support the activities of the Chambersburg Police Department. Stonehill notes that this tax will be set at 24 mil for the third consecutive year and cost the average single-family house \$410.34 in 2020. The second tax is the Fire and Ambulance Tax, which goes only to support the activities of the Chambersburg Fire Department. Stonehill is requesting that this tax be dropped from 3.5 mil, which it was in 2019, to 3 mil in 2020. Stonehill notes that his proposed budget includes a new Ambulance Fee and the repeal of the Ambulance portion of the Fire Tax is therefore recommended. The Fire Tax will cost the average single-family house in Chambersburg \$51.29 in 2020. The third type of real estate tax is the Recreation Bond Tax. 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. Stonehill pointed out that “the Recreation Bond Tax does not pay to run the Recreation Department. It is earmarked to pay the debt service from the bond only. Therefore, this tax does not help run the Borough or Borough operations.” The Recreation Bond Tax will cost the average single-family house in Chambersburg \$51.29 in 2020.

According to Jason Cohen’s tally, the typical single-family house in Chambersburg will pay about \$513 in Borough taxes in 2020, with half the homeowners paying less, and commercial and industrial property owners may pay more. “Franklin County determines a property’s assessed value,” pointed out Deputy Borough Manager Phil Wolgemuth, “and that is how the Borough calculates your property tax bill.”

Chambersburg real estate taxes remain earmarked only for police and fire operations. No other department or employee is funded through real estate taxes.

Stonehill’s budget does include adjustments to Borough utility rates. For the fourth time in five years, Stonehill is proposing to drop the Borough electric rate. “Our residential Electric Department customers,” Stonehill noted, “would pay about \$2 less per month. We have one of the lowest residential electric rates in the Commonwealth.” Stonehill also noted that historically low Borough Sanitary Sewer rates and Natural Gas rates would remain unchanged.

“The average homeowner in Chambersburg with Borough electric and gas saves about \$1,000 per year compared to similar customers on other utility systems,” pointed out Council President Heath Talhelm.

- Chambersburg historically has extremely low utility rates
- This is the mission of providing the utility services to our residents and businesses
- Even with proposed 2020 adjustments, even with levy of a new Ambulance Fee, our utility bills are very low
- In 2019, Chambersburg had the lowest residential electric, gas heat, water, sewer and trash rates in Franklin County

- In 2020, Chambersburg will have a lower electric rate, saving the average homeowner about \$2 per month
- In 2020, Chambersburg will have a slightly higher residential trash rate, about \$2.06 more per month
- In 2020, Chambersburg is being asked to change the way the Storm Water Pollution Control Fee is calculated

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 & 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 & 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, apartments) 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

Finally, Stonehill is proposing a new Ambulance Fee in 2020 to replace the repealed Ambulance Tax. According to Cohen, “in 2020, the Borough would 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 tax was insufficient to cover the cost of operations. 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. According to Dustin Ulrich, Borough Fire Chief, “every ambulance company in Franklin County is suffering trying to stay in business.”

Stonehill pointed out “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.

Chambersburg Town Council will hold a public hearing on this budget on Monday, November 18. The full-proposed budget is available on the Borough’s website, www.chambersburgpa.gov, click on Transparency.

Town Council will hold a Special Meeting, only on the Curb & Sidewalk Master Plan, and not the budget, on Monday, December 9. Town Council is scheduled to adopt the Budget and the Tax Ordinance on Monday, December 16.

If you have any questions, email Jeffrey Stonehill, Borough Manager, at jstonehill@chambersburgpa.gov.

Utility	2018 Cost	2019 Cost	2020 Cost	2020 Change	Last Changed
Electric	\$100.90 per month	\$100.90 per month	\$98.90 per month	\$2.00 less	2014 (lowered)
Water	\$15.75 per month	\$16.50 per month	\$17.25 per month	\$0.75¢ more	2019
Sewer	\$29.50 per month	\$29.50 per month	\$29.50 per month	No change	2012
Gas	\$631 per year	\$631 per year	\$631 per year	No change	2013
Sanitation	\$18.75 per month	\$18.75 per month	\$20.81 per month	\$2.06¢ more	2016
Storm Sewer	\$4	\$4	\$5*	\$1 in July 2020	2017
*The Storm Sewer Fee will change in July 2020 to a Per ERU fee. This will result in \$1 more per month for single family residential customers, but maybe significant changes for commercial, industrial, and institutional customers.					

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 and 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 20,508 residents (2013). www.chambersburgpa.gov