



FOR IMMEDIATE RELEASE

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 RELEASED PROPOSED 2021 BUDGET

Chambersburg – On Monday, November 9, Chambersburg Town Council held the first of two public hearings on the proposed 2021 Budget. Each year, under local law, Borough Manager Jeffrey Stonehill drafts a financial plan for the following fiscal year. Under the Borough Code, each borough in Pennsylvania must adopt a balanced budget by December 31 of each calendar year. According to statistics from the Pennsylvania Department of Community and Economic Development, in 2018 (the last year with records), Chambersburg had the largest budget among Pennsylvania’s 958 boroughs.

According to Stonehill, “This budget reflects two competing realities recognized by Town Council. First, the COVID-19 health crisis has thrown asunder the regular plans, processes, and financial assuredness of our community. While we wait for things to settle back down, Town Council must continue to invest in infrastructure and emergency services. In order to make this continued financial commitment, the proposed budget recommends a significant reduction in cash reserves. However, cash reserves exist just for such a necessity; second, the proposed budget recommends reasonable use of reserves; and, finally, reserves can easily be replenished if 2021 or 2022 function as years that are more typical.”

The proposed 2021 budget includes no tax increase according to Stonehill. “We have been mindful to propose only minor and absolutely necessary fee changes.” With respect to taxes, the budget includes the same basic tax structure as all budgets in the recent past. It maintains the Police Tax, unchanged for a third straight year. It maintains the Fire Tax, unchanged for a third straight year. It maintains the Recreation Bond Tax, unchanged for its fourth year. Finally, it continues the Council-adopted policy proposed in the last budget, to shift emergency medical funding from the now-repealed Ambulance Tax to the newly established Ambulance Fee, begun in 2020. The average single-family homeowner in the Borough would pay \$520 per year in taxes.

Stonehill pointed out that “With approval of this budget, Town Council can proudly explain to our constituents that in 12 of the last 15 budget years, the Borough of Chambersburg has not raised local Borough taxes. I believe this is quite an accomplishment.”

In 2021, the Borough will have an ALL FUNDS BUDGET of \$110,720,580. In 2020, the ALL FUNDS BUDGET was \$113,856,095. This represents a 2.8% decrease, with no major changes to accounting or operational practices. This net decrease is primarily attributable to decreased expenses in the Enterprise Capital Reserve Funds.

In 2021, the Borough's OPERATING BUDGET will be \$88,720,692. In 2020, the Borough's OPERATING BUDGET was \$100,287,127. This represents an 11.5% decrease, with no major changes to accounting or operational practices. Approximately 97% of this decrease is attributable to decreased expenses in the Enterprise Capital Reserve Funds.

In 2021, the Borough's GENERAL FUND BUDGET will be \$16,376,676. In 2020, the Borough's GENERAL FUND BUDGET was \$16,079,970. This represents a 1.8% increase, and is likely a realistic gauge of actual growth in the Borough's spending plan, given the employment of the Police and Fire Department.

In the proposed 2021 Budget, in addition to no tax increase, there is a proposed increase in the ready-to-serve Ambulance Fee from \$7 per month to \$7.50 per month for water service customers. Stonehill pointed to additional costs attributed to fighting the pandemic along with continued under collection from Medicare/Medicaid customers.

Further, the budget includes a proposed adjustment in the Storm Water Pollution Control Fee from \$4 per month to \$5 per month for sanitary sewer service customers. Council has delayed the implementation of a new storm sewer Pollution Control Fee calculation methodology until 2022. Stonehill explained, “While we wait, projects to comply with Federal rules must continue and therefore, this slight increase is unavoidable. We are against a 2023 deadline to meet storm sewer improvements and we are struggling to meet this mandate.”

The budget proposed no other utility fee increases. The budget handout states that the average Borough Electric and Gas customer saves over \$1,000 per year by having Borough utilities when compared to other utility providers’ rates.

In 2021, there will be almost no changes to Borough utility rates. The Electric Department envisions no change to the retail electric rates in 2021. The Water Department, the Sanitary Sewer Department, and the Gas Department envision no change in rates in 2021. There is no planned Sanitation Department rate increase in 2021.

The next public hearing on the plan will be on Monday, November 23, at 7:00 p.m., at Chambersburg City Hall. The complete budget is on the Borough’s website at www.chambersburgpa.gov, click on Transparency.

If you have any questions about this information, contact Jeffrey Stonehill, Chambersburg Borough Manager at jstonehill@chambersburgpa.gov.

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About The Borough of Chambersburg

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).



Proposed 2021 Borough Budget Info

- On Tuesday, November 2, 2020, the Borough Manager presented the proposed budget at a special public meeting.
- On Monday, November 9 & November 23, Town Council holds public hearings on the proposed budget and will receive comments.
- On Monday, December 14, 2020, Town Council is scheduled to approve the budget and local tax ordinance.

ALL FUNDS BUDGET

\$97,290,280, which represents a 14.5% overall decrease in budget size compared to 2020 (\$113,856,095).

GENERAL FUND BUDGET

\$16,376,676 (1.8% increase)
(General Fund is the account with Police, Fire, Recreation, & Highway).

AVAILABLE TAXES

The Borough receives no sales tax, liquor taxes, business taxes, or any other local 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.

STATE-SET TAXES

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)

Chambersburg is the only town in Pennsylvania to have an electric, gas, water, sewer, and storm sewer utility



No tax increase in 2021. In 12 of the last 15 budget years, the Borough of Chambersburg has not raised local Borough taxes.

Real Estate Taxes – the Borough of Chambersburg collects three types of property taxes from landowners inside the Borough:

Police Tax 2021 – No change

There is no proposed change in the Police Tax; 100% of this tax goes to support the Police Department.

2015	2016	2017	2018	2019	2020	2021	mil
21	23	23	24	24	24	24	
Avg. Single-Family House in the Borough							Per Year
Police Tax							\$416.02

Fire/Ambulance Tax 2021 – No change

There is no proposed change in the Fire Tax; State Law requires a split of this tax with 2.5 mil for apparatus & 0.5 for firefighting.

	2015	2016	2017	2018	2019	2020	2021	mil
Fire	2.5	2.5	2.5	3	3	3	3	
EMS	0	0	0	0.5	0.5	0	0	mil
Avg. Single-Family House in the Borough								Per Year
Fire Tax								\$52

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, but to pay off specifically a bond to build various community assets.

2015	2016	2017	2018	2019	2020	2021	mil
0	0	0	3	3	3	3	
Avg. Single-Family House in the Borough							Per Year
Recreation Bond Tax							\$52

The average single family home in the Borough pays \$520 in real estate taxes to the Borough. Half pay less.



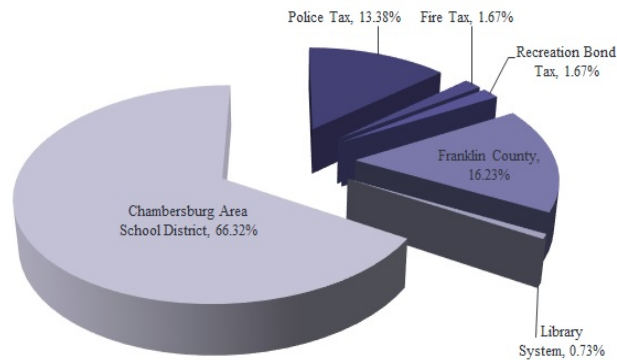
What is the average house changes every year. Generally, your assessed value stays the same. The assessed value of your home is set by Franklin County. Also, government, educational, nonprofit, and township property owners pay no real estate taxes to the Borough.



Call Franklin County to learn your property's "assessed value".



Property Tax Burden



Only 17¢ of every \$1 paid in real estate taxes will go to the Borough of Chambersburg. The balance, 83¢ 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.

	2020		
Franklin County	29.10 mil	\$504.43	16.23%
Library System	1.30 mil	\$22.53	0.73%
Chambersburg Area School District	118.9296 mil	\$2,061.56	66.32%
Police Tax (2021)	24 mil	\$416.02	13.38%
Fire Tax (2021)	3.0 mil	\$52.00	1.67%
Recreation Bond Tax (2021)	3.0 mil	\$52.00	1.67%
Total	179.3296 mil	\$3,108.54	100%

Utility Rates 2021

- No change to the natural gas rate since 2013 (Average Home Pays \$804 per year)
- No change to the electric rate since drop in 2020 (Average Home Pays \$98.90 per month)
- No change to the sanitary sewer rate since 2012 (Average Home Pays \$29.50 per month)
- No change to the water rate since 2020 (Average family bill based upon consumption pays: \$17.25 per month)
- No change to the sanitation rate since 2020 (Average Home Pays \$20.81 per month)

Ambulance Fee

In 2020, Town Council introduced an Ambulance Fee on all water customer invoices. That practice will continue in 2021.:

This Ambulance Fee helps defray the costs of the ambulance service being ready-to-serve. It is not a tax, as under State law taxes can only be assessed on the value of real estate. Approximately 40% of property owners are exempt from paying taxes. Further, it is not the Ambulance Club. The Ambulance Club is a voluntary donation program.

This budget contemplates a minor adjustment to the Ambulance Fee from \$7 in 2020 to \$7.50 in 2021.

Changes Coming Soon to the Storm Water Pollution Control Fee

Beginning in 2022, every non-residential property (business, industrial, commercial, or institution) will pay \$5 per equivalent single-family residence's actual impervious area. Called an ERU, each non-residential parcel will be measured against the "equivalent resident unit", and then invoiced a multiple of ERUs based on actual impervious surfaces. This plan requires the approval of the Town Council. More discussion before final fees are set and new calculation method. However, as an interim step, the current flat per sanitary sewer connection fee will rise from \$4 per month per sewer connection to \$5 per month per sewer connection beginning in January 2021. The new calculation methodology, ERUs based on actual impervious surfaces, to be delayed until 2022.

Call the Storm Sewer System Manager, Andy Stottlemyer, at (717) 251-2434 to learn about your property's ERU value

LOWEST UTILITY RATES

In summary, despite minor annual adjustments, the average Borough utility customer pays less for utilities than most everyone.

In fact, those residential customers with Borough gas and electric will save over \$1,000 per year in utility expenses, when compared to average gas and electric customers throughout the State of Pennsylvania.

The gas, water, sewer, electric and sanitation rates are much lower than municipal and private sector utilities.

Also, Electric & Gas departments make a Payment in Lieu of Taxes to support police & fire.

ESSENTIAL WORKERS

Town Council would like to take a moment to thank all Borough employees. In what was a difficult year for everyone, our employees, who are also our friends and neighbors, stepped up and kept the Borough, police, fire, EMS, and utilities operating during some challenging times.

In 2021, most employees have volunteered to give up annual cost of living increases to help balance the 2021 budget.